汇鸿（香港）有限公司

2022年度财务报表

审计报告书

中兴华会计师事务所(特殊普通合伙)

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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目　　录

一、审计报告

二、审计报告附送

1. 资产负债表

2. 利润表

3. 现金流量表

4. 所有者权益变动表

5. 财务报表附注

三、审计报告附件

1. 中兴华会计师事务所（特殊普通合伙）营业执照复印件

2. 中兴华会计师事务所（特殊普通合伙）执业证书复印件

3. 注册会计师执业证书复印件

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ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP
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审 计 报 告

中兴华审字（2023）第 021791 号

汇鸿（香港）有限公司全体股东：

一、审计意见

我们审计了汇鸿（香港）有限公司（以下简称“汇鸿香港”）财务报表，包括 2022 年 12 月 31 日的资产负债表，2022 年度的利润表、现金流量表、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，公允反映了汇鸿香港 2022 年 12 月 31 日的财务状况以及 2022 年度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，我们独立于汇鸿香港，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，管理层负责评估汇鸿香港的持续经营能力，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汇鸿香港、

此码用于证明该审计报告是否由具有执业许可的会计师事务所出具，
您可使用手机“扫一扫”或进入“注册会计师行业统一监管平台（http://acc.mof.gov.cn）”进行查验。
报告编码：京23BNQNCRD6

终止运营或别无其他现实的选择。

治理层负责监督汇鸿香港的财务报告过程。

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，就可能导致对汇鸿香港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汇鸿香港不能持续经营。

（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。

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·北京　　中国注册会计师：

2023 年 4 月 24 日

资产负债表

2022年12月31日

编制单位：汇鸿（香港）有限公司　　金额单位：人民币元

项　　目	注释	期末余额	上年年末余额
流动资产：			
货币资金	六、1	11,850,942.67	11,124,097.68
交易性金融资产			
衍生金融资产			
应收票据			
应收账款			
应收款项融资			
预付款项			
其他应收款	六、2	23,395.29	
存货			
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		**11,874,337.96**	**11,124,097.68**
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	六、3	5,202,148.14	5,042,353.59
固定资产	六、4	2,478,838.13	2,388,956.56
在建工程			
生产性生物资产			
油气资产			
使用权资产			
无形资产			
开发支出			
商誉			
长期待摊费用			
递延所得税资产	六、5	1,487.27	
其他非流动资产			
非流动资产合计		**7,682,473.54**	**7,431,310.15**
资产总计		**19,556,811.50**	**18,555,407.83**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：　　主管会计工作负责人：卞丹宇　　会计机构负责人：卞丹宇

资产负债表（续）

2022年12月31日

编制单位：汇鸿（香港）有限公司　　金额单位：人民币元

项　目	注释	期末余额	上年年末余额
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	六、6	403,237.05	932,599.41
预收款项			
合同负债			
应付职工薪酬	六、7		
应交税费			
其他应付款	六、8	311,547.46	404,017.45
持有待售负债			
一年内到期的非流动负债			
其他流动负债			
流动负债合计		**714,784.51**	**1,336,616.86**
非流动负债：			
长期借款			
应付债券			
其中：优先股			
永续债			
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			
递延所得税负债			
其他非流动负债			
非流动负债合计			
负债合计		**714,784.51**	**1,336,616.86**
所有者权益：			
实收资本	六、9	23,737,038.62	23,737,038.62
其他权益工具			
其中：优先股			
永续债			
资本公积			
减：库存股			
其他综合收益	六、10	1,955,856.03	369,747.80
专项储备			
盈余公积			
未分配利润	六、11	-6,850,867.66	-6,887,995.45
所有者权益合计		**18,842,026.99**	**17,218,790.97**
负债和所有者权益总计		**19,556,811.50**	**18,555,407.83**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：　　主管会计工作负责人：　　会计机构负责人：

利润表

2022年度

编制单位：汇鸿（香港）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	六、12	1,461,809.78	1,531,743.88
减：营业成本	六、12	304,681.64	284,259.88
税金及附加	六、13	48,977.14	41,754.60
销售费用			
管理费用	六、14	1,168,387.65	1,408,857.07
研发费用			
财务费用	六、15	-62,209.35	-80,488.37
其中：利息费用			
利息收入		96,928.23	42,118.92
加：其他收益	六、16	42,681.60	
投资收益（损失以“－”号填列）			
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（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）	六、17	-9,013.78	418,508.81
资产减值损失（损失以“－”号填列）			
资产处置收益（损失以“－”号填列）			
二、营业利润（亏损以“－”号填列）		35,640.52	295,869.51
加：营业外收入			
减：营业外支出			
三、利润总额（亏损总额以“-”号填列）		35,640.52	295,869.51
减：所得税费用	六、18	-1,487.27	70,052.80
四、净利润（净亏损以“-”号填列）		37,127.79	225,816.71
（一）持续经营净利润（净亏损以“-”号填列）		37,127.79	225,816.71
（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		1,586,108.23	-576,191.80
（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			
5.其他			
（二）将重分类进损益的其他综合收益	六、19	1,586,108.23	-576,191.80
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		1,586,108.23	-576,191.80
7.其他			
六、综合收益总额		1,623,236.02	-350,375.09

（后附财务报表附注是本财务报表的组成部分）

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

2022年度

编制单位：汇鸿（香港）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		1,461,809.78	1,531,743.88
收到的税费返还			
收到其他与经营活动有关的现金	六、20（1）	142,459.83	329,448.38
经营活动现金流入小计		**1,604,269.61**	**1,861,192.26**
购买商品、接受劳务支付的现金		529,362.36	3,543,200.20
支付给职工以及为职工支付的现金		878,974.20	951,136.40
支付的各项税费		48,977.14	41,754.60
支付其他与经营活动有关的现金	六、20（2）	321,252.62	1,555,783.16
经营活动现金流出小计		**1,778,566.32**	**6,091,874.36**
经营活动产生的现金流量净额		**-174,296.71**	**-4,230,682.10**
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			
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			
投资支付的现金			
支付其他与投资活动有关的现金			
投资活动现金流出小计			
投资活动产生的现金流量净额			
三、筹资活动产生的现金流量：			
吸收投资收到的现金			
取得借款收到的现金			
收到其他与筹资活动有关的现金			
筹资活动现金流入小计			
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			
支付其他与筹资活动有关的现金			
筹资活动现金流出小计			
筹资活动产生的现金流量净额			
四、汇率变动对现金及现金等价物的影响		901,141.70	-329,451.45
五、现金及现金等价物净增加额		726,844.99	-4,560,133.55
加：期初现金及现金等价物余额		11,124,097.68	15,684,231.23
六、期末现金及现金等价物余额		**11,850,942.67**	**11,124,097.68**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：　　主管会计工作负责人：卞何序　　会计机构负责人：卞何序

所有者权益变动表

2022年度

编制单位：汇鸿（香港）有限公司

金额单位：人民币元

项	本期金额										
	实收资本	其他权益工具			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
		优先股	永续债	其他							
一、上年年末余额	23,737,038.62						369,747.80			-6,887,995.45	17,218,790.97
加：会计政策变更											
前期差错更正											
其他											
二、本年年初余额	23,737,038.62						369,747.80			-6,887,995.45	17,218,790.97
三、本期增减变动金额（减少以“-”号填列）							1,586,108.23			37,127.79	1,623,236.02
（一）综合收益总额							1,586,108.23			37,127.79	1,623,236.02
（二）所有者投入和减少资本											
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											
（三）利润分配											
1、提取盈余公积											
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											
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	23,737,038.62						1,955,856.03			-6,850,867.66	18,842,026.99

（后附财务报表附注是本财务报表的组成部分）

法定代表人 [illegible]　　主管会计工作负责人：卞阿宇　　会计机构负责人：卞阿宇

所有者权益变动表（续）

2022年度

编制单位：汇鸿（香港）有限公司

金额单位：人民币元

项　　目	上期金额										
	实收资本	其他权益工具			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
		优先股	永续债	其他							
一、上年年末余额	23,737,038.62						945,939.60			-7,113,812.16	**17,569,166.06**
加：会计政策变更											
前期差错更正											
其他											
二、本年年初余额	23,737,038.62						945,939.60			-7,113,812.16	**17,569,166.06**
三、本期增减变动金额（减少以“-”号填列）							-576,191.80			225,816.71	**-350,375.09**
（一）综合收益总额							-576,191.80			225,816.71	**-350,375.09**
（二）所有者投入和减少资本											
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											
（三）利润分配											
1、提取盈余公积											
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（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											
1、本期提取											
2、本期使用											
（六）其他											
四、本年年末余额	23,737,038.62						369,747.80			-6,887,995.45	**17,218,790.97**

（后附财务报表附注是本财务报表的组成部分）

法定代表人　　主管会计工作负责人：　　会计机构负责人：

汇鸿（香港）有限公司
2022 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

汇鸿（香港）有限公司(以下简称"公司或本公司")是于 1998 年 6 月 22 日由江苏汇鸿国际集团有限公司在中国香港注册成立的有限公司。注册资本为港币 100 万元，全部由江苏汇鸿国际集团有限公司出资，商业登记证号码：21814270-000-06-164，注册地址：香港湾仔港湾道 23 号鹰君中心 1903 室。

2014 年 12 月 22 日，本公司进行了债转股，并在公司注册处登记，债转股金额为港币 28,715,708 元。增资后，本公司注册资本为港币 29,715,708 元，全部由江苏汇鸿国际集团有限公司出资。

2016 年本公司原出资人江苏汇鸿国际集团有限公司注销，变更为江苏汇鸿国际集团股份有限公司。

2、公司的业务性质和主要经营活动

本公司外贸行业，主要从事进出口原木、针织产品业务。主要客户为江苏汇鸿国际集团股份有限公司的子公司江苏汇鸿国际集团中锦控股有限公司。

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"），以及中国证券监督管理委员会《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）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。除某些金融工具和投资性房地产外，本财务报表均以历史成本为计量基础。持有待售的非流动资产，按公允价值减去预计费用后的金额，以及符合持有待售条件时的原账面价值，取两者孰低计价。资产如果发生减值，则按照相关规定计提相应的减值准备。

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 2022 年 12 月 31 日的财务状况及 2022 年度经营成果和现金流量等有关信息。此外，本公司的财务报表在所有重大方面符合中国证券监督管理委员会 2014 年修订的《公开发行证券的公司信息披露编报规则第 15

号一财务报告的一般规定》有关财务报表及其附注的披露要求。

四、重要会计政策和会计估计

1、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。

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

人民币为本公司经营所处的主要经济环境中的货币，本公司以人民币为记账本位币。本公司编制本财务报表时所采用的货币为人民币。

4、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。

5、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。

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；所有者权益类项目除"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，采用交易发生日的即期汇率折算。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所有者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，将资产负债表中所有者权益项目下列示的、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，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。

6、金融工具

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。

7、金融资产减值

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，本公司依据其信用风险自初始确认后是否已显著增加，而采用未来 12 月内或者整个存续期内预期信用损失金额为基础计量损失准备。

（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。

通常逾期超过 30 日，本公司即认为该金融工具的信用风险已显著增加，除非有确凿证据证明该金融工具的信用风险自初始确认后并未显著增加。

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

本公司对信用风险显著不同的金融资产单项评价信用风险，如：应收关联方款项；与对方存在争议或涉及诉讼、仲裁的应收款项；已有明显迹象表明债务人很可能无法履行还款义务的应收款项等。

除了单项评估信用风险的金融资产外，本公司基于共同风险特征将金融资产划分为不同的组别，本公司采用的共同信用风险特征包括：金融工具类型、信用风险评级、账龄组合、逾期账龄组合、合同结算周期、债务人所处行业等，在组合的基础上评估信用风险。

（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。

（6）各类金融资产信用损失的确定方法

①应收票据

本公司对于应收票据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。基于应收票据的信用风险特征，将其划分为不同组合：

项　目	确定组合的依据
银行承兑汇票	承兑人为信用风险较小的银行
商业承兑汇票	承兑人存在违约可能

②应收账款及合同资产

对于不含重大融资成分的应收款项和合同资产，本公司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。

对于包含重大融资成分的应收款项、合同资产，本公司选择始终按照相当于存续期内预期信用损失的金额计量损失准备。

除了单项评估信用风险的应收账款外，基于其信用风险特征，将其划分为不同组合：

项　目	确定组合的依据及计提方法
政府机关组合	本组合为政府机关单位的应收款项，不计提坏账
非政府机关组合	本组合为非政府机关单位的应收款项，公司参考历史经验，结合当前状况以及对未来经济状况的预测，编制应收账款逾期账龄与整个存续期预期信用损失率对照表，计算预期信用损失。

应收账款——非政府机关组合的账龄与整个存续期预期信用损失率对照表

账　龄	应收账款 预期信用损失率(%)
1年以内	2
1至2年	10
2至3年	30
3至4年	60
4至5年	80
5年以上	100

③其他应收款

本公司依据其他应收款信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。除了单项评估信用风险的其他应收款外，基于其信用风险特征，将其划分为不同组合：

项　目	确定组合的依据
账龄组合	本组合以应收款项的账龄作为信用风险特征。
应收资金集中管理款组合	本组合为成员单位在集团公司账户归集或拆借的应收款项。

④债权投资

债权投资主要核算以摊余成本计量的债券投资等。本公司依据其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。

⑤其他债权投资

其他债权投资主要核算以公允价值计量且其变动计入其他综合收益的债券投资等。本公司依据其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。

⑥长期应收款

本公司依据其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量长期应收款减值损失。具体基于其信用风险特征，划分的不同组合参照上述"②应收账款及合同资产"的相关内容描述。

8、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、6"金融工具"及附注四、7"金融资产减值"。

9、存货

（1）存货的分类

存货主要包括原材料、库存商品、发出商品等。

（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。领用和发出时按个别认定法计价。

（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）低值易耗品和包装物的摊销方法

低值易耗品于领用时按一次摊销法摊销；包装物于领用时按一次摊销法摊销。

10、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。

11、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：

类别	折旧方法	折旧年限（年）	残值率（%）	年折旧率（%）
房屋及建筑物	年限平均法	20-40	3	2.425-4.85
机器设备	年限平均法	4-10	3-10	9.00-22.50
运输设备	年限平均法	8	3	12.125

类别	折旧方法	折旧年限（年）	残值率（%）	年折旧率（%）
电子设备	年限平均法	4-10	3	9.70-24.25
船　　舶	年限平均法	10-20	3-5	4.75-9.70
其它设备	年限平均法	4-10	3	9.70-24.25

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、15"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。

12、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、15"长期资产减值"。

13、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。

14、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）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。

研究阶段的支出，于发生时计入当期损益。

开发阶段的支出同时满足下列条件的，确认为无形资产，不能满足下述条件的开发阶段的支出计入当期损益：

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。

无法区分研究阶段支出和开发阶段支出的，将发生的研发支出全部计入当期损益。

（3）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、15"长期资产减值"。

15、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。

16、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。

17、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、辞退福利以及其他长期职工福利。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及设定受益计划。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。但辞退福利预期在年度报告期结束后十二个月不能完全支付的，按照其他长期职工薪酬处理。

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）。

本公司向职工提供的其他长期职工福利，符合设定提存计划的，按照设定提存计划进行会计处理，除此之外按照设定受益计划进行会计处理。

18、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。

19、优先股、永续债等其他金融工具

（1）永续债和优先股等的区分

本公司发行的永续债和优先股等金融工具，同时符合以下条件的，作为权益工具：

①该金融工具不包括交付现金或其他金融资产给其他方，或在潜在不利条件下与其他方交换金融资产或金融负债的合同义务；

②如将来须用或可用企业自身权益工具结算该金融工具的，如该金融工具为非衍生工具，则不包括交付可变数量的自身权益工具进行结算的合同义务；如为衍生工具，则本公司只能通过以固定数量的自身权益工具交换固定金额的现金或其他金融资产结算该金融工具。

除按上述条件可归类为权益工具的金融工具以外，本公司发行的其他金融工具应归类为金融负债。

本公司发行的金融工具为复合金融工具的，按照负债成分的公允价值确认为一项负债，按实际收到的金额扣除负债成分的公允价值后的金额，确认为"其他权益工具"。发行复合金融工具发生的交易费用，在负债成分和权益成分之间按照各自占总发行价款的比例进行分摊。

（2）永续债和优先股等的会计处理方法

归类为金融负债的永续债和优先股等金融工具，其相关利息、股利（或股息）、利得或损失，以及赎回或再融资产生的利得或损失等，除符合资本化条件的借款费用（参见本附注四、17"借款费用"）以外，均计入当期损益。

归类为权益工具的永续债和优先股等金融工具，其发行（含再融资）、回购、出售或注销时，本公司作为权益的变动处理，相关交易费用亦从权益中扣减。本公司对权益工具持有方的分配作为利润分配处理。

本公司不确认权益工具的公允价值变动。

20、收入

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。

21、合同成本

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。

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。

22、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。

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冲减相关资产的账面价值。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或冲减相关成本费用；用于补偿已经发生的相关成本费用或损失的，直接计入当期损益或冲减相关成本费用。

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调整资产账面价值；属于其他情况的，直接计入当期损益。

23、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年度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。

24、租赁

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及建筑物。

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，（除新冠肺炎疫情直接引发的合同变更采用简化方法外，）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。

（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。

③租赁变更

经营租赁发生变更的，本公司自变更生效日起将其作为一项新租赁进行会计处理，与变更前租赁有关的预收或应收租赁收款额视为新租赁的收款额。

融资租赁发生变更且同时符合下列条件的，本公司将该变更作为一项单独租赁进行会计处理：

• 该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。

融资租赁的变更未作为一项单独租赁进行会计处理的，本公司分下列情形对变更后的租赁进行处理：

• 假如变更在租赁开始日生效，该租赁会被分类为经营租赁的，本公司自租赁变更生效日开始将其作为一项新租赁进行会计处理，并以租赁变更生效日前的租赁投资净额作为租赁资产的账面价值；

• 假如变更在租赁开始日生效，该租赁会被分类为融资租赁的，本公司按照《企业会计准则第 22 号——金融工具确认和计量》关于修改或重新议定合同的规定进行会计处理。

五、税项

1、主要税种及税率

税种	具体税率情况
差饷	按政府评价年租值的[5]%计缴。
地租	按政府评价年租值的[3]%计缴。
企业利得税	按企业应税利得的[16.5]%计缴

2、税收优惠及批文

无。

3、其他说明

无。

六、财务报表项目注释

以下注释项目除非特别指出，“期末”指 2022 年 12 月 31 日，“上年年末”指 2021 年 12 月 31 日，“本期”指 2022 年度，“上期”指 2021 年度。

1、货币资金

项　　目	期末余额	上年年末余额
库存现金	8,833.31	11,206.65
银行存款	11,802,273.97	11,068,549.14
其他货币资金	39,835.39	44,341.89
合　　计	11,850,942.67	11,124,097.68
其中：存放在境外的款项总额	11,850,942.67	11,124,097.68

2、其他应收款

项　　目	期末余额	上年年末余额
应收利息		
应收股利		
其他应收款	23,395.29	
合　　计	23,395.29	

（1）其他应收款

①按账龄披露

账　　龄	期末余额	上年年末余额
1 年以内	23,872.75	
1 至 2 年		
2 至 3 年		
3 至 4 年		
4 至 5 年		
5 年以上	8,536.32	
小　　计	32,409.07	
减：坏账准备	9,013.78	
合　　计	23,395.29	

注：账龄 5 年以上的其他应收款为本年度重分类的水电押金款。

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
往来款	23,872.75	
保证金和押金	8,536.32	

小　计	32,409.07	
减：坏账准备	9,013.78	
合　计	23,395.29	

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				
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				
——转回第二阶段				
——转回第一阶段				
本期计提	9,013.78			9,013.78
本期转回				
本期转销				
本期核销				
其他变动				
期末余额	9,013.78			9,013.78

④坏账准备的情况

类　别	年初余额	本期变动金额			期末余额
		计提	收回或转回	转销或核销	
单项计提					
账龄组合		9,013.78			9,013.78
合　计		9,013.78			9,013.78

⑤本期实际核销的其他应收款情况

无。

⑥按欠款方归集的期末余额前五名的其他应收款情况

单位名称	款项性质	期末余额	账龄	占其他应收款期末余额合计数的比例（%）	坏账准备期末余额
水电押金	保证金和押金	8,536.32	5 年以上	26.34	8,536.32

单位名称	款项性质	期末余额	账龄	占其他应收款期末余额合计数的比例（%）	坏账准备期末余额
江苏汇鸿国际集团中嘉发展有限公司	往来款	23,872.75	1 年以内	73.66	477.46
合　计	——	32,409.07	——	100.00	9,013.78

⑦涉及政府补助的应收款项

无。

⑧因金融资产转移而终止确认的其他应收款

无。

⑨转移其他应收款且继续涉入形成的资产、负债金额

无。

3、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、建筑物	合　计
一、账面原值		
1、年初余额	11,504,466.88	11,504,466.88
2、本期增加金额	1,059,733.50	1,059,733.50
（1）其他	1,059,733.50	1,059,733.50
3、本期减少金额		
4、期末余额	12,564,200.38	12,564,200.38
二、累计折旧和累计摊销		
1、年初余额	6,462,113.29	6,462,113.29
2、本期增加金额	899,938.95	899,938.95
（1）计提或摊销	304,681.64	304,681.64
（2）其他	595,257.31	595,257.31
3、本期减少金额		
4、期末余额	7,362,052.24	7,362,052.24
三、减值准备		
1、年初余额		
2、本期增加金额		
3、本期减少金额		
4、期末余额		
四、账面价值		

项　目	房屋、建筑物	合　计
1、期末账面价值	5,202,148.14	5,202,148.14
2、年初账面价值	5,042,353.59	5,042,353.59

4、固定资产

项　目	期末余额	上年年末余额
固定资产	2,478,838.13	2,388,956.56
固定资产清理		
合　计	2,478,838.13	2,388,956.56

（1）固定资产

①固定资产情况

项　目	房屋及建筑物	其他设备	合　计
一、账面原值			
1、年初余额	4,915,329.47	117,285.10	5,032,614.57
2、本期增加金额	452,775.37	10,803.71	463,579.08
（1）其他	452,775.37	10,803.71	463,579.08
3、本期减少金额			
4、期末余额	5,368,104.84	128,088.81	5,496,193.65
二、累计折旧			
1、年初余额	2,529,891.46	113,766.55	2,643,658.01
2、本期增加金额	362,893.80	10,803.71	373,697.51
（1）计提	130,177.07		130,177.07
（2）其他	232,716.73	10,803.71	243,520.44
3、本期减少金额			
4、期末余额	2,892,785.26	124,570.26	3,017,355.52
三、减值准备			
1、年初余额			
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	2,475,319.58	3,518.55	2,478,838.13
2、年初账面价值	2,385,438.01	3,518.55	2,388,956.56

②暂时闲置的固定资产情况

无。

③通过融资租赁租入的固定资产情况

无。

④通过经营租赁租出的固定资产

无。

⑤未办妥产权证书的固定资产情况

无。

5、递延所得税资产/递延所得税负债

（1）递延所得税资产明细

项　目	期末余额		上年年末余额	
	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异	递延所得税资产
资产减值准备	9,013.78	1,487.27		

（2）递延所得税负债明细

无。

（3）以抵销后净额列示的递延所得税资产或负债

无。

（4）未确认递延所得税资产明细

项　目	期末余额	上年年末余额
可抵扣亏损	3,854,014.44	3,900,198.80

（5）未确认递延所得税资产的可抵扣亏损将于以下年度到期

年　份	期末余额	上年年末余额	备注
2023 年度	1,452,805.52	1,498,989.88	
2024 年度	1,677,239.21	1,677,239.21	
2025 年度	604,822.43	604,822.43	
2026 年度	119,147.28	119,147.28	
合　计	3,854,014.44	3,900,198.80	

6、应付账款

（1）应付账款列示

项　目	期末余额	上年年末余额
应付账款	403,237.05	932,599.41
合　计	403,237.05	932,599.41

（2）账龄超过 1 年的重要应付账款

无。

7、应付职工薪酬

（1）应付职工薪酬列示

项　目	年初余额	本期增加	本期减少	期末余额
一、短期薪酬		878,974.20	878,974.20	
二、离职后福利-设定提存计划				
三、辞退福利				
四、一年内到期的其他福利				
合　计		878,974.20	878,974.20	

（2）短期薪酬列示

项目	年初余额	本期增加	本期减少	期末余额
1、工资、奖金、津贴和补贴		751,196.16	751,196.16	
2、职工福利费		63,755.64	63,755.64	
3、社会保险费				
其中：医疗保险费				
工伤保险费				
生育保险费				
其他				
4、住房公积金		64,022.40	64,022.40	
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		878,974.20	878,974.20	

（3）设定提存计划列示

无。

8、其他应付款

项　目	期末余额	上年年末余额
应付利息		
应付股利		
其他应付款	311,547.46	404,017.45
合　计	311,547.46	404,017.45

（1）其他应付款

①按款项性质列示

项　目	期末余额	上年年末余额
往来款	277,757.86	373,077.85

项　目	期末余额	上年年末余额
保证金	28,454.40	26,054.40
其他	5,335.20	4,885.20
合　计	311,547.46	404,017.45

②账龄超过 1 年的重要其他应付款

无

9、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
江苏汇鸿国际集团股份有限公司	23,737,038.62			23,737,038.62
合计	23,737,038.62			23,737,038.62

10、其他综合收益

项目	上年末余额	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							
其中：重新计量设定受益计划变动额							
权益法下不能转损益的其他综合收益							
其他权益工具投资公允价值变动							
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	369,747.80	1,586,108.23			1,586,108.23		1,955,856.03
其中：权益法下可转损益的其他综合收益							
其他债权投资公允价值变动							
金融资产重分类计入其他综合收益的金额							
其他债权投资信用减值准备							
现金流量套期储备							
外币财务报表折算差额	369,747.80	1,586,108.23			1,586,108.23		1,955,856.03
其他综合收益合计	369,747.80	1,586,108.23			1,586,108.23		1,955,856.03

11、未分配利润

项　目	本　期	上　期
调整前上年末未分配利润	-6,887,995.45	-7,113,812.16
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	-6,887,995.45	-7,113,812.16
加：本期归属于母公司股东的净利润	37,127.79	225,816.71
减：提取法定盈余公积		
提取任意盈余公积		
提取一般风险准备		
应付普通股股利		
转作股本的普通股股利		
期末未分配利润	-6,850,867.66	-6,887,995.45

12、营业收入和营业成本

（1）营业收入和营业成本情况

项　目	本期金额		上年金额	
	收入	成本	收入	成本
主营业务			75,474.59	
其他业务	1,461,809.78	304,681.64	1,456,269.29	284,259.88
合　计	1,461,809.78	304,681.64	1,531,743.88	284,259.88

13、税金及附加

项　目	本期金额	上年金额
土地使用税	11,249.27	10,967.31
房产税	34,544.53	30,787.29
印花税	3,183.34	
合　计	48,977.14	41,754.60

注：各项税金及附加的计缴标准详见附注五、税项。

14、管理费用

项　目	本期金额	上期金额
职工薪酬	878,974.20	951,136.40
折旧费	130,177.07	121,451.75
保险费	18,830.43	35,355.83
办公费	46,140.36	49,968.22
中介机构费用	20,095.92	23,436.20

项　目	本期金额	上期金额
招待费	3,825.16	8,730.05
差旅费		18,248.71
业务活动费	17,784.00	
水电物业管理费	45,535.05	188,563.76
邮寄费	1,011.80	1,596.15
修理费		6,523.14
通讯费	5,553.05	2,643.94
交通费	238.31	
其他	222.30	1,202.92
合　计	1,168,387.65	1,408,857.07

15、财务费用

项　目	本期金额	上期金额
利息支出		
减：利息收入	96,928.23	42,118.92
利息净支出	-96,928.23	-42,118.92
银行手续费	34,287.18	29,648.54
汇兑损益	431.70	-68,017.99
合　计	-62,209.35	-80,488.37

16、其他收益

项　目	本期金额	上期金额	计入本期非经常性损益的金额
政府补助	42,681.60		42,681.60
合　计	42,681.60		42,681.60

17、信用减值损失

项　目	本期金额	上期金额
应收账款坏账损失		414,804.53
其他应收款坏账损失	-9,013.78	3,704.28
合　计	-9,013.78	418,508.81

18、所得税费用

（1）所得税费用表

项　目	本期金额	上期金额
递延所得税费用	-1,487.27	70,052.80

项　目	本期金额	上期金额
本年度企业所得税费用		
合　计	-1,487.27	70,052.80

（2）会计利润与所得税费用调整过程

项　目	本期金额
利润总额	35,640.52
按法定/适用税率计算的所得税费用	5,880.69
子公司适用不同税率的影响	
调整以前期间所得税的影响	
非应税收入的影响	
不可抵扣的成本、费用和损失的影响	252.46
使用前期未确认递延所得税资产的可抵扣亏损的影响	-7,620.42
本年未确认递延所得税资产的可抵扣暂时性差异或可抵扣亏损的影响	
税率调整导致年初递延所得税资产/负债余额的变化	
所得税费用	-1,487.27

19、其他综合收益

详见附注六、10。

20、现金流量表项目

（1）收到其他与经营活动有关的现金

项　目	本期金额	上期金额
收到经营性往来款	2,850.00	287,329.46
政府补助收入	42,681.60	
存款利息收入	96,928.23	42,118.92
合　计	142,459.83	329,448.38

（2）支付其他与经营活动有关的现金

项　目	本期金额	上期金额
支付经营性往来款	127,729.06	1,189,865.70
费用性支出	159,236.38	365,917.46
手续费支出	34,287.18	
合　计	321,252.62	1,555,783.16

21、现金流量表补充资料

（1）现金流量表补充资料

补充资料	本期金额	上期金额

补充资料	本期金额	上期金额
1、将净利润调节为经营活动现金流量：		
净利润	37,127.79	225,816.71
加：资产减值准备		
信用减值损失	9,013.78	-418,508.81
固定资产折旧、油气资产折耗、生产性生物资产折旧	434,858.71	405,711.63
使用权资产摊销		
无形资产摊销		
长期待摊费用摊销		
处置固定资产、无形资产和其他长期资产的损失（收益以"一"号填列）		
固定资产报废损失（收益以"一"号填列）		
公允价值变动损失（收益以"一"号填列）		
财务费用（收益以"一"号填列）	431.70	-44,739.68
投资损失（收益以"一"号填列）		
递延所得税资产减少（增加以"一"号填列）	-1,487.27	70,052.80
递延所得税负债增加（减少以"一"号填列）		
存货的减少（增加以"一"号填列）		
经营性应收项目的减少（增加以"一"号填列）	-32,409.07	185,213.94
经营性应付项目的增加（减少以"一"号填列）	-621,832.35	-4,654,228.69
其他		
经营活动产生的现金流量净额	-174,296.71	-4,230,682.10
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	11,850,942.67	11,124,097.68
减：现金的年初余额	11,124,097.68	15,684,231.23
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	726,844.99	-4,560,133.55

（2）现金及现金等价物的构成

项　目	期末余额	年初余额
一、现金	11,850,942.67	11,124,097.68
其中：库存现金	8,833.31	11,206.65
可随时用于支付的银行存款	11,802,273.97	11,068,549.14
可随时用于支付的其他货币资金	39,835.39	44,341.89
可用于支付的存放中央银行款项		
存放同业款项		
拆放同业款项		
二、现金等价物		
其中：三个月内到期的债券投资		
三、期末现金及现金等价物余额	11,850,942.67	11,124,097.68
其中：母公司或集团内子公司使用受限制的现金和现金等价物		

22、所有权或使用权受限制的资产

无。

23、外币货币性项目

（1）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			
其中：美元	1,101,854.98	6.9349	7,641,254.10
港元	4,734,102.81	0.8892	4,209,564.22
其他应收款			
其中：港元	36,447.45	0.8892	32,409.07
应付账款			
其中：港元	453,482.96	0.8892	403,237.05
其他应付款			
其中：港元	350,368.26	0.8892	311,547.46

（2）境外经营实体说明

无。

24、政府补助

（1）政府补助基本情况

种　类	金　额	列报项目	计入当期损益的金额

种　类	金　额	列报项目	计入当期损益的金额
政府退税	42,681.60	其他收益	42,681.60

（2）政府补助退回情况

无。

25、其他

无。

七、公允价值的披露

1、以公允价值计量的资产和负债的期末公允价值

无。

八、关联方及关联交易

1、本公司的母公司情况

母公司名称	注册地	业务性质	注册资本	母公司对本公司的持股比例（%）	母公司对本公司的表决权比例（%）
江苏汇鸿国际集团股份有限公司	江苏南京	外贸	224,243.32 万元	100.00	100.00

注：本公司的最终控制方是江苏苏汇资产管理有限公司。

2、其他关联方情况

其他关联方名称	其他关联方与本公司关系
江苏汇鸿国际集团中锦控股有限公司	最终受同一控制人控制
江苏汇鸿国际集团中鼎控股股份有限公司	最终受同一控制人控制
江苏汇鸿国际集团中嘉发展有限公司	最终受同一控制人控制
江苏开元国际集团石化有限公司	最终受同一控制人控制
江苏省粮油食品进出口集团股份有限公司	最终受同一控制人控制
江苏汇鸿国际集团医药保健品进出口有限公司	最终受同一控制人控制
江苏汇鸿国际集团畜产进出口股份有限公司	最终受同一控制人控制
江苏汇鸿国际集团盛世进出口有限公司	最终受同一控制人控制
江苏汇鸿国际集团同泰贸易有限公司	最终受同一控制人控制
江苏汇鸿亚森国际贸易有限公司	最终受同一控制人控制
江苏汇鸿创业投资有限公司	最终受同一控制人控制
汇鸿（香港）有限公司	最终受同一控制人控制
江苏汇鸿国际集团资产管理有限公司	最终受同一控制人控制
江苏汇鸿国际集团中天控股有限公司	最终受同一控制人控制
江苏汇鸿冷链物流有限公司	最终受同一控制人控制

江苏汇鸿宝贝婴童用品有限公司	最终受同一控制人控制
江苏汇鸿国际集团会展股份有限公司	最终受同一控制人控制
无锡天鹏集团有限公司	最终受同一控制人控制
江苏汇鸿汇升投资管理有限公司	最终受同一控制人控制
开元股份(香港)有限公司	最终受同一控制人控制
江苏省纸联再生资源有限公司	最终受同一控制人控制
江苏汇鸿瑞盈时尚供应链运营有限公司	最终受同一控制人控制
江苏汇鸿东江环保有限公司	最终受同一控制人控制
江苏汇鸿国际展览装饰工程有限公司	最终受同一控制人控制
江苏汇鸿国际集团华源贸易有限公司	最终受同一控制人控制
南京金居物业管理有限公司	最终受同一控制人控制
青海汇鸿供应链有限公司	最终受同一控制人控制

3、关联方交易情况

（1）购销商品、提供和接受劳务的关联交易

无。

（2）关联租赁情况

①本公司作为出租方

承租方名称	租赁资产种类	本期确认的租赁费	上期确认的租赁费
开元股份（香港）有限公司	办公楼	1,067,040.00	995,520.00

（3）关联担保情况

①本公司作为担保方

被担保方	担保金额	担保起始日	担保到期日	担保是否已经履行完毕
开元股份（香港）有限公司	（HKD）50,000,000.00	2022-07-07	无固定到期期限，书面通知终止合同后 3 个月解除担保责任	否

（4）关联方资金拆借

无。

（5）其他关联交易

无。

4、关联方应收应付款项

（1）应收项目

项目名称	期末余额	上年年末余额
其他应收款：		
江苏汇鸿国际集团中嘉发展有限公司	23,872.75	
合　计	23,872.75	

（2）应付项目

项目名称	期末余额	上年年末余额
应付账款：		
江苏汇鸿国际集团中锦控股有限公司	403,237.05	932,599.41
其他应付款：		
江苏汇鸿国际集团中锦控股有限公司	259,973.86	
合　计	663,210.91	932,599.41

5、关联方承诺

无。

九、股份支付

无。

十、承诺及或有事项

1、重大承诺事项

无。

2、或有事项

无。

十一、资产负债表日后事项

1、重要的非调整事项

无。

2、利润分配情况

无。

3、销售退回

无。

4、资产负债表日后划分为持有待售情况

无。

5、其他重要的资产负债表日后非调整事项

无。

十二、其他重要事项

1、前期差错更正

无。

2、债务重组

无。

3、资产置换

无。

4、年金计划

无。

5、终止经营

无。

6、分部信息

无。

7、租赁

（1）本公司作为出租人

①与经营租赁有关的信息

A、计入本年损益的情况

项　目	计入本年损益	
	列报项目	金额
租赁收入	营业收入	1,269,777.60
合　计	——	1,269,777.60

十三、补充资料

1、本期非经常性损益明细表

项　目	金额	说明
非流动性资产处置损益		
越权审批，或无正式批准文件，或偶发的税收返还、减免		
计入当期损益的政府补助，但与企业正常经营业务密切相关，符合国家政策规定，按照一定标准定额或定量持续享受的政府补助除外	42,681.60	
计入当期损益的对非金融企业收取的资金占用费		
企业取得子公司、联营企业及合营企业的投资成本小于取得投资时应享有被投资单位可辨认净资产公允价值产生的收益		
非货币性资产交换损益		
委托他人投资或管理资产的损益		
因不可抗力因素，如遭受自然灾害而计提的各项资产减值准备		
债务重组损益		
企业重组费用，如安置职工的支出、整合费用等		

项　　目	金额	说明
交易价格显失公允的交易产生的超过公允价值部分的损益		
同一控制下企业合并产生的子公司年初至合并日的当期净损益		
与公司正常经营业务无关的或有事项产生的损益		
除同公司正常经营业务相关的有效套期保值业务外，持有交易性金融资产、衍生金融资产、交易性金融负债、衍生金融负债产生的公允价值变动损益，以及处置交易性金融资产、衍生金融资产、交易性金融负债、衍生金融负债和其他债权投资取得的投资收益		
单独进行减值测试的应收款项减值准备转回		
对外委托贷款取得的损益		
采用公允价值模式进行后续计量的投资性房地产公允价值变动产生的损益		
根据税收、会计等法律、法规的要求对当期损益进行一次性调整对当期损益的影响		
受托经营取得的托管费收入		
除上述各项之外的其他营业外收入和支出		
其他符合非经常性损益定义的损益项目		
小　　计	42,681.60	
所得税影响额		
少数股东权益影响额（税后）		
合　　计	42,681.60	

汇鸿（香港）有限公司

2023年4月24日

统一社会信用代码

91110102082881146K

营业执照

(副 本)(5-1)

扫描市场主体身份码了解更多登记、备案、许可、监管信息，体验更多应用服务。

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。（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，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。）

出　资　额　6541万元

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

中兴华会计师事务所（特殊普通合伙）
报告审讫章（1）

登记机关

北京市丰台区市场监督管理局

2022 年 11 月 29 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

仅作为报告附件使用

会计师事务所

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

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》。

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

中兴华会计师事务所（特殊普通合伙）备案文件

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	bm56000001/2023-00002630	分　　类	审计与评估机构监管对象
发布机构		发文日期	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		主 题 词	

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）

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[illegible]区浐灞大道一号外事大厦六层	029-83620990
80	新联谊会计师事务所（特殊普通合伙）	山东省济南市槐荫区[illegible]经十路7000号舜泰广场3号楼舜山河西路济南报业大厦B座11层	0531-80995542
81	信永中和会计师事务所（特殊普通合伙）	北京市东城区朝阳门北大街8号富华大厦A座8层	010-62922216
82	亚太（集团）会计师事务所（特殊普通合伙）	北京市丰台区丽泽路16号院3号楼20层2001	0371-65336668
83	永拓会计师事务所（特殊普通合伙）	北京市朝阳区关东店北街一号（国安大厦13层）	010-65950411
84	尤尼泰振青会计师事务所（特殊普通合伙）	山东省青岛市市北区上清路20号	0532-85921367
85	浙江科信会计师事务所（特殊普通合伙）	浙江省[illegible]州区江东北路317号和丰创意广场和庭楼10楼	0574-87369394
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号北城天地商务中心9幢十一层	0571-56832576
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303室	0579-63303963-8636
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8号华联时代大厦A幢601室	0571-88879063
90	中京国瑞（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	027-87318882
91	中勤万信会计师事务所（特殊普通合伙）	北京市西城区西直门外大街112号10层	010-68360123
92	中瑞诚会计师事务所（特殊普通合伙）	北京市西城区阜成门外大街31号5层512A	010-62267688
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188号信达广场52层	022-58238268-8239
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	010-51716767
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	027-86781250
96	中天运会计师事务所（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	010-88396676
97	中喜会计师事务所（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
98	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
99	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
100	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

姓　名 Full name 杨宇
性　别 Sex 男
出生日期 Date of birth 1973-10-09
工作单位 Working unit 江苏苏亚金诚会计师事务所有限公司
身份证号码 Identity card No. 320111731008883

证书编号: No. of Certificate 320000200022
批准注册协会: Institute of CPAs 江苏省注册会计师协会
发证日期 Date of Issuance 二〇〇 年 月 日

中华人民共和国财政部 会计师事务所（特殊普通合伙）
110102017368?

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.

2011 年 11 月 1 日

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
JICPA
转出协会盖章 Stamp of the transferring Institute of CPAs
2015 年 5 月 19 日

同意调入
Agree the holder to be transferred to

事务所 CPAs
JICPA
转入协会盖章 Stamp of the transferred-in Institute of CPAs
2015 年 5 月 19 日

姓　　名 Full name　朱昊男

性　　别 Sex　男

出生日期 Date of birth　1995-09-14

工作单位 Working unit　中兴华会计师事务所（特殊普通合伙）江苏分所

身份证件号码 Identity card No.　320924199509148071

中兴华会计师事务所（特殊普通合伙）江苏分所 110102017368

证书编号：No. of Certificate　110001670503

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　2021 年/y 12 月/m 30 日/d

4

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.

年/y　月/m　日/d

5

开元股份（香港）有限公司

2022年度合并及母公司财务报表

审计报告书

中兴华会计师事务所(特殊普通合伙)

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

地址：北京市丰台区丽泽路20号丽泽SOHO B座20层　　邮编：100073

电话：(010) 51423818　　传真：(010) 51423816

目　　录

一、审计报告

二、审计报告附送

1. 合并资产负债表

2. 合并利润表

3. 合并现金流量表

4. 合并所有者权益变动表

5. 母公司资产负债表

6. 母公司利润表

7. 母公司现金流量表

8. 母公司所有者权益变动表

9. 财务报表附注

三、审计报告附件

1. 中兴华会计师事务所（特殊普通合伙）营业执照复印件

2. 中兴华会计师事务所（特殊普通合伙）执业证书复印件

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
电话（tel）：010-51423818 传真（fax）：010-51423816

审 计 报 告

中兴华审字（2023）第 021789 号

开元股份（香港）有限公司全体股东：

一、审计意见

我们审计了开元股份（香港）有限公司（以下简称“开元香港公司”）财务报表，包括 2022 年 12 月 31 日的合并及母公司资产负债表，2022 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，公允反映了开元香港公司 2022 年 12 月 31 日合并及母公司的财务状况以及 2022 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，我们独立于开元香港公司，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，管理层负责评估开元香港公司的持续经营能力，披露与持

此码用于证明该审计报告是否由具有执业许可的会计师事务所出具，
您可使用手机“扫一扫”或进入“注册会计师行业统一监管平台（http://acc.mof.gov.cn）”进行查验。
报告编码：京23VTLHSTY7

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开元香港公司、终止运营或别无其他现实的选择。

治理层负责监督开元香港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，就可能导致对开元香港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开元香港公司不能持续经营。

（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）就开元香港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·北京　　中国注册会计师：

2023 年 4 月 21 日

合并资产负债表

2022年12月31日

编制单位：开元股份（香港）有限公司　　金额单位：人民币元

项　目	注释	期末余额	上年年末余额
流动资产：			
货币资金	六、1	65,394,435.58	117,713,943.11
交易性金融资产			
衍生金融资产			
应收票据			
应收账款	六、2	194,661,043.14	153,705,001.81
应收款项融资			
预付款项	六、3	82,909,497.43	50,476,720.03
其他应收款	六、4	136,577.45	226,089.53
存货	六、5	2,338,079.93	
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		345,439,633.53	322,121,754.48
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	六、6	5,382,936.02	5,898,030.56
在建工程			
生产性生物资产			
油气资产			
使用权资产			
无形资产			
开发支出			
商誉			
长期待摊费用	六、7	1,443,691.53	1,542,546.21
递延所得税资产	六、8	888,677.03	693,781.01
其他非流动资产			
非流动资产合计		**7,715,304.58**	**8,134,357.78**
资产总计		**353,154,938.11**	**330,256,112.26**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：　　主管会计工作负责人：　　会计机构负责人：

合并资产负债表（续）

2022年12月31日

编制单位：开元股份（香港）有限公司　　金额单位：人民币元

	注释	期末余额	上年年末余额
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	六、9	104,011,274.61	93,998,130.13
预收款项			
合同负债	六、10	44,596,135.97	54,771,454.25
应付职工薪酬	六、11		
应交税费	六、12	1,006,852.25	1,631,028.98
其他应付款	六、13	81,543,466.07	74,937,510.83
持有待售负债			
一年内到期的非流动负债			
其他流动负债			
流动负债合计		**231,157,728.90**	**225,338,124.19**
非流动负债：			
长期借款			
应付债券			
其中：优先股			
永续债			
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			
递延所得税负债			
其他非流动负债			
非流动负债合计			
负债合计		**231,157,728.90**	**225,338,124.19**
所有者权益：			
实收资本	六、14	35,399,844.03	35,399,844.03
其他权益工具			
其中：优先股			
永续债			
资本公积			
减：库存股			
其他综合收益	六、15	1,659,001.47	-9,243,534.50
专项储备			
盈余公积			
未分配利润	六、16	84,938,363.71	78,761,678.54
归属于母公司所有者权益合计		121,997,209.21	104,917,988.07
少数股东权益			
所有者权益合计		**121,997,209.21**	**104,917,988.07**
负债和所有者权益总计		**353,154,938.11**	**330,256,112.26**

（后附财务报表附注是本财务报表的组成部分）

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

2022年度

编制单位：开元股份（香港）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	六、17	1,671,737,502.02	1,465,787,131.38
其中：营业收入		1,671,737,502.02	1,465,787,131.38
二、营业总成本		1,663,627,430.20	1,456,199,362.40
其中：营业成本	六、17	1,667,479,873.76	1,454,993,217.34
税金及附加	六、18	89,645.51	76,522.77
销售费用	六、19	19,040.44	394,000.45
管理费用	六、20	3,817,470.62	3,387,840.68
研发费用			
财务费用	六、21	-7,778,600.13	-2,652,218.84
其中：利息费用		1,941,460.25	549,936.78
利息收入		1,768,152.90	400,180.13
加：其他收益	六、22	293,436.00	
投资收益（损失以"-"号填列）			
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（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）	六、23	-1,130,726.36	-462,808.61
资产减值损失（损失以"-"号填列）			
资产处置收益（损失以"-"号填列）			
三、营业利润（亏损以"-"号填列）		7,272,781.46	9,124,960.37
加：营业外收入			
减：营业外支出			
四、利润总额（亏损总额以"-"号填列）		7,272,781.46	9,124,960.37
减：所得税费用	六、24	1,096,096.29	1,497,743.75
五、净利润（净亏损以"-"号填列）		6,176,685.17	7,627,216.62
（一）按经营持续性分类：			
1、持续经营净利润（净亏损以"-"号填列）		6,176,685.17	7,627,216.62
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）		6,176,685.17	7,627,216.62
2、少数股东损益（净亏损以"-"号填列）			
六、其他综合收益的税后净额		10,902,535.97	-2,678,710.29
（一）归属母公司所有者的其他综合收益的税后净额		10,902,535.97	-2,678,710.29
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			
（4）企业自身信用风险公允价值变动			
（5）其他			
2.将重分类进损益的其他综合收益	六、25	10,902,535.97	-2,678,710.29
（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		10,902,535.97	-2,678,710.29
（7）其他			
（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		17,079,221.14	4,948,506.33
（一）归属于母公司所有者的综合收益总额		17,079,221.14	4,948,506.33
（二）归属于少数股东的综合收益总额			

（后附财务报表附注是本财务报表的组成部分）

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

2022年度

编制单位：开元股份（香港）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		1,640,948,518.38	1,456,208,948.21
收到的税费返还			
收到其他与经营活动有关的现金	六、26（1）	2,846,384.36	641,726.04
经营活动现金流入小计		**1,643,794,902.74**	**1,456,850,674.25**
购买商品、接受劳务支付的现金		1,685,383,972.76	1,474,558,424.65
支付给职工以及为职工支付的现金		13,428,705.82	8,485,377.99
支付的各项税费		2,011,392.34	1,555,001.31
支付其他与经营活动有关的现金	六、26（2）	3,686,273.27	6,545,882.33
经营活动现金流出小计		**1,704,510,344.19**	**1,491,144,686.28**
经营活动产生的现金流量净额		**-60,715,441.45**	**-34,294,012.03**
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			
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			
投资活动产生的现金流量净额			
三、筹资活动产生的现金流量：			
吸收投资收到的现金			
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			
收到其他与筹资活动有关的现金			
筹资活动现金流入小计			
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		1,941,460.25	549,936.78
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			
筹资活动现金流出小计		**1,941,460.25**	**549,936.78**
筹资活动产生的现金流量净额		**-1,941,460.25**	**-549,936.78**
四、汇率变动对现金及现金等价物的影响		10,337,394.17	2,048,833.33
五、现金及现金等价物净增加额		-52,319,507.53	-32,795,115.48
加：期初现金及现金等价物余额		117,713,943.11	150,509,058.59
六、期末现金及现金等价物余额		**65,394,435.58**	**117,713,943.11**

（后附财务报表附注是本财务报表的组成部分）

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

2022年度

编制单位：开元股份（香港）有限公司

金额单位：人民币元

项目	本期金额												
	归属于母公司所有者权益											少数股东权益	所有者权益合计
	实收资本	其他权益工具			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	小计		
		优先股	永续债	其他									
一、上年年末余额	35,399,844.03						-9,243,534.50			78,761,678.54	104,917,988.07		104,917,988.07
加：会计政策变更													
前期差错更正													
其他													
二、本年年初余额	35,399,844.03						-9,243,534.50			78,761,678.54	104,917,988.07		104,917,988.07
三、本期增减变动金额（减少以“-”号填列）							10,902,535.97			6,176,685.17	17,079,221.14		17,079,221.14
（一）综合收益总额							10,902,535.97			6,176,685.17	17,079,221.14		17,079,221.14
（二）所有者投入和减少资本													
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													
（三）利润分配													
1、提取盈余公积													
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													
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	35,399,844.03						1,659,001.47			84,938,363.71	121,997,209.21		121,997,209.21

（后附财务报表附注是本财务报表的组成部分）

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（续）

2022年度

编制单位：开元股份（香港）有限公司

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											少数股东权益	所有者权益合计
	实收资本	其他权益工具			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	小计		
		优先股	永续债	其他									
一、上年年末余额	35,399,844.03						-6,564,824.21			71,134,461.92	99,969,481.74		99,969,481.74
加：会计政策变更													
前期差错更正													
其他													
二、本年年初余额	35,399,844.03						-6,564,824.21			71,134,461.92	99,969,481.74		99,969,481.74
三、本期增减变动金额（减少以"-"号填列）							-2,678,710.29			7,627,216.62	4,948,506.33		4,948,506.33
（一）综合收益总额							-2,678,710.29			7,627,216.62	4,948,506.33		4,948,506.33
（二）所有者投入和减少资本													
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													
（三）利润分配													
1、提取盈余公积													
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													
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	35,399,844.03						-9,243,534.50			78,761,678.54	104,917,988.07		104,917,988.07

（后附财务报表附注是本财务报表的组成部分）

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

2022年12月31日

编制单位：开元股份（香港）有限公司　　金额单位：人民币元

项目	注释	期末余额	上年年末余额
流动资产：			
货币资金		60,579,810.97	115,366,675.75
交易性金融资产			
衍生金融资产			
应收票据			
应收账款	十四、1	192,762,441.45	151,706,552.36
应收款项融资			
预付款项	十四、2	82,909,497.43	50,476,720.03
其他应收款		45,880.05	60,033.09
存货		2,338,079.93	
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		**338,635,709.83**	**317,609,981.23**
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	十四、3	11,648,570.00	11,648,570.00
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			
在建工程			
生产性生物资产			
油气资产			
使用权资产			
无形资产			
开发支出			
商誉			
长期待摊费用			
递延所得税资产		808,369.72	635,807.14
其他非流动资产			
非流动资产合计		**12,456,939.72**	**12,284,377.14**
资产总计		**351,092,649.55**	**329,894,358.37**

（后附财务报表附注是本财务报表的组成部分）

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（续）

2022年12月31日

编制单位：开元股份（香港）有限公司　　金额单位：人民币元

项　目	注释	期末余额	上年年末余额
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	十四、4	94,712,833.52	86,031,696.92
预收款项			
合同负债	十四、5	44,243,805.84	53,971,419.05
应付职工薪酬			
应交税费		919,785.06	1,551,305.51
其他应付款	十四、6	81,522,630.16	74,918,436.76
持有待售负债			
一年内到期的非流动负债			
其他流动负债			
流动负债合计		**221,399,054.58**	**216,472,858.24**
非流动负债：			
长期借款			
应付债券			
其中：优先股			
永续债			
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			
递延所得税负债			
其他非流动负债			
非流动负债合计			
负债合计		**221,399,054.58**	**216,472,858.24**
所有者权益：			
实收资本		35,399,844.03	35,399,844.03
其他权益工具			
其中：优先股			
永续债			
资本公积			
减：库存股			
其他综合收益		1,672,214.27	-8,945,467.66
专项储备			
盈余公积			
未分配利润		92,621,536.67	86,967,123.76
所有者权益合计		**129,693,594.97**	**113,421,500.13**
负债和所有者权益总计		**351,092,649.55**	**329,894,358.37**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：　　主管会计工作负责人：　　会计机构负责人：

利润表

2022年度

编制单位：开元股份（香港）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	十四、7	**1,597,211,776.73**	**1,414,742,391.42**
减：营业成本	十四、7	1,596,398,980.58	1,406,842,020.15
税金及附加			
销售费用		19,040.44	394,000.45
管理费用		1,303,557.96	1,045,691.79
研发费用			
财务费用		-8,034,276.85	-2,941,172.52
其中：利息费用		1,941,460.25	549,936.78
利息收入		2,000,979.05	399,041.62
加：其他收益		293,436.00	
投资收益（损失以“－”号填列）			
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（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）		-1,045,833.89	-318,637.91
资产减值损失（损失以“－”号填列）			
资产处置收益（损失以“－”号填列）			
二、营业利润（亏损以“－”号填列）		**6,772,076.71**	**9,083,213.64**
加：营业外收入			
减：营业外支出			
三、利润总额（亏损总额以“-”号填列）		**6,772,076.71**	**9,083,213.64**
减：所得税费用		1,117,663.80	1,525,307.57
四、净利润（净亏损以"-"号填列）		**5,654,412.91**	**7,557,906.07**
（一）持续经营净利润（净亏损以“-”号填列）		**5,654,412.91**	**7,557,906.07**
（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		**10,617,681.93**	**-2,625,353.37**
（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			
5. 其他			
（二）将重分类进损益的其他综合收益		**10,617,681.93**	**-2,625,353.37**
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		**10,617,681.93**	**-2,625,353.37**
7. 其他			
六、综合收益总额		**16,272,094.84**	**4,932,552.70**

（后附财务报表附注是本财务报表的组成部分）

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

2022年度

编制单位：开元股份（香港）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		1,566,768,612.69	1,406,803,123.24
收到的税费返还			
收到其他与经营活动有关的现金		2,140,038.93	399,041.62
经营活动现金流入小计		**1,568,908,651.62**	**1,407,202,164.86**
购买商品、接受劳务支付的现金		1,629,063,793.28	1,434,587,265.22
支付给职工以及为职工支付的现金			
支付的各项税费		1,921,746.83	1,478,478.54
支付其他与经营活动有关的现金		1,715,890.66	5,093,543.37
经营活动现金流出小计		**1,632,701,430.77**	**1,441,159,287.13**
经营活动产生的现金流量净额		**-63,792,779.15**	**-33,957,122.27**
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			
收到其他与投资活动有关的现金		241,334.52	
投资活动现金流入小计		**241,334.52**	
购建固定资产、无形资产和其他长期资产支付的现金			
投资支付的现金			
支付其他与投资活动有关的现金			
投资活动现金流出小计			
投资活动产生的现金流量净额		**241,334.52**	
三、筹资活动产生的现金流量：			
吸收投资收到的现金			
取得借款收到的现金			
收到其他与筹资活动有关的现金			
筹资活动现金流入小计			
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		1,941,460.25	549,936.78
支付其他与筹资活动有关的现金			
筹资活动现金流出小计		**1,941,460.25**	**549,936.78**
筹资活动产生的现金流量净额		**-1,941,460.25**	**-549,936.78**
四、汇率变动对现金及现金等价物的影响		10,706,040.10	2,211,646.59
五、现金及现金等价物净增加额		-54,786,864.78	-32,295,412.46
加：期初现金及现金等价物余额		115,366,675.75	147,662,088.21
六、期末现金及现金等价物余额		**60,579,810.97**	**115,366,675.75**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：杨承刚　　主管会计工作负责人：[illegible]　　会计机构负责人：[illegible]

所有者权益变动表

2022年度

编制单位：开元股份（香港）有限公司　　金额单位：人民币元

项　　目	本期金额										
	实收资本	其他权益工具			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
		优先股	永续债	其他							
一、上年年末余额	35,399,844.03						-8,945,467.66			86,967,123.76	113,421,500.13
加：会计政策变更											
前期差错更正											
其他											
二、本年年初余额	35,399,844.03						-8,945,467.66			86,967,123.76	113,421,500.13
三、本期增减变动金额（减少以“-”号填列）							10,617,681.93			5,654,412.91	16,272,094.84
（一）综合收益总额							10,617,681.93			5,654,412.91	16,272,094.84
（二）所有者投入和减少资本											
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											
（三）利润分配											
1、提取盈余公积											
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											
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	35,399,844.03						1,672,214.27			92,621,536.67	129,693,594.97

（后附财务报表附注是本财务报表的组成部分）

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）

2022年度

编制单位：开元股份（香港）有限公司

金额单位：人民币元

项　　目	上期金额										
	实收资本	其他权益工具			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
		优先股	永续债	其他							
一、上年年末余额	35,399,844.03						-6,320,114.29			79,409,217.69	**108,488,947.43**
加：会计政策变更											
前期差错更正											
其他											
二、本年年初余额	35,399,844.03						-6,320,114.29			79,409,217.69	**108,488,947.43**
三、本期增减变动金额（减少以“-”号填列）							-2,625,353.37			7,557,906.07	**4,932,552.70**
（一）综合收益总额							-2,625,353.37			7,557,906.07	**4,932,552.70**
（二）所有者投入和减少资本											
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											
（三）利润分配											
1、提取盈余公积											
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（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											
1、本期提取											
2、本期使用											
（六）其他											
四、本年年末余额	35,399,844.03						-8,945,467.66			86,967,123.76	**113,421,500.13**

（后附财务报表附注是本财务报表的组成部分）

法定代表人　　主管会计工作负责人：　　会计机构负责人：

开元股份（香港）有限公司
2022 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

开元股份（香港）有限公司（以下简称"公司"或"本公司"） 系 2006 年 11 月 15 日，根据江苏开元股份有限公司第四届董事会第十五次会议决议公告，由江苏开元股份有限公司（以下简称"开元股份"）与开元（国际）香港有限公司联合成立，本公司注册资本总额 100 万港币，其中：江苏开元股份有限公司投资 70 万元港币，占注册资本的 70%；开元（国际）香港有限公司投资 30 万元港币，占注册资本的 30%。本公司于 2006 年 12 月 21 日在香港注册登记，领取公司注册证书（注册证书编号：1097058）。

2011 年 3 月 25 日，开元股份第六届董事会第四次会议审议通过了《关于受让开元股份（香港）有限公司 30%股权的议案》。因本公司 2010 年底的净资产为-121,653.86 元人民币，开元股份以 0 元人民币受让开元国际（香港）有限公司持有的 30%股权。受让后，本公司变成开元股份的全资子公司。

2012 年 5 月 9 日，开元股份变更公司名称为江苏汇鸿股份有限公司（以下简称"汇鸿股份"），并经江苏省工商行政管理局核准，本公司股东由开元股份更名为汇鸿股份。

2014 年 3 月 26 日，汇鸿股份第七届董事会第二次会议审议通过了《关于对全资子公司开元股份（香港）有限公司增资并更名的议案》，本公司注册资本由 100 万港币增加到 3000 万港币。

2015 年，汇鸿股份吸收合并汇鸿集团以实现汇鸿集团整体上市后，依据省国资委苏国资函［2015］32 号《关于江苏汇鸿国际集团股份有限公司划转部分资产及权属变更的复函》，原上市公司汇鸿股份的人员、业务、资产整体划转至江苏汇鸿国际集团中天控股有限公司（以下简称"中天控股"），其中包括本公司。2017 年在商务系统将本公司划转至中天控股，本公司股东由江苏汇鸿国际集团股份有限公司变更为江苏汇鸿国际集团中天控股有限公司。

2018 年本公司股东中天控股将本公司股权全部转让给江苏汇鸿国际集团股份有限公司，本公司股东由中天控股变更为江苏汇鸿国际集团股份有限公司。

2018 年 10 月，汇鸿集团对本公司增资 1326 万港币，增资后，本公司注册资本变更为 4326 万港币。

公司注册地址：香港湾仔港湾道 23 号鹰君中心 1903 室；商业登记证号码：37487445000121 85。

2、公司的业务性质和主要经营活动

公司属外贸行业。经营范围为：自营和代理各类商品及技术的进出口业务，国内贸易，国内外投资，纺织原料及制成品的研发、制造、仓储，电子设备研发、安装、租赁，计算机软硬件、电子产品及网络工程设计、安装、咨询与技术服务，房屋租赁，物业管理服务、仓储。危险化学品批发

（按许可证所列范围经营）；预包装食品兼散装食品、乳 制 品 （含婴幼儿配方乳粉）的批发，燃料油销售，粮食收购与销售。（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）

本公司主要业务板块为供应链运营业务。供应链运营业务主要包括冷链物流和医疗健康两大新兴产业板块以及纺织服装、浆纸板材和船舶机电三大传统优势业务板块等。

3、 合并报表范围

本公司 2022 年度纳入合并范围的子公司共 1 户，详见本附注八"在其他主体中的权益"。

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"），以及中国证券监督管理委员会《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）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。资产如果发生减值，则按照相关规定计提相应的减值准备。

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 2022 年 12 月 31 日的合并及母公司财务状况及 2022 年度的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。此外，本公司的财务报表在所有重大方面符合中国证券监督管理委员会 2014 年修订的《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》有关财务报表及其附注的披露要求。

四、重要会计政策和会计估计

本公司及各子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，对收入确认、研究开发支出等交易和事项制定了若干项具体会计政策和会计估计，详见本附注四、28"收入"、20"无形资产"各项描述。关于管理层所作出的重大会计判断和估计的说明，请参阅附注四、34"重大会计判断和估计"。

1、 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。

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。

3、 记账本位币

本公司编制本财务报表时所采用的货币为港币。

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）同一控制下企业合并

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。

公司在企业合并中取得的资产和负债，按照合并日被合并方资产、负债（包括最终控制方收购被合并方形成的商誉）在最终控制方合并财务报表中的账面价值计量；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，调整资本公积中的股本溢价，资本公积中股本溢价不足冲减的，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）非同一控制下企业合并

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（中国银行公布的当日固定时点外汇牌价的买入价、卖出价，下同）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，采用交易当期平均汇率折算。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或所有者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或所有者权益项目下列示的、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，采用现金流量发生当期平均汇率折算。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，将资产负债表中股东权益或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

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。

10、金融资产减值

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

本公司对信用风险显著不同的金融资产单项评价信用风险，如：与对方存在争议或涉及诉讼、仲裁的应收款项；已有明显迹象表明债务人很可能无法履行还款义务的应收款项等。

除了单项评估信用风险的金融资产外，本公司基于共同风险特征将金融资产划分为不同的组别，本公司采用的共同信用风险特征包括：金融工具类型、信用风险评级、账龄组合、逾期账龄组合、合同结算周期等，在组合的基础上评估信用风险。

（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。

（6）各类金融资产信用损失的确定方法

①应收票据

本公司对于应收票据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。基于应收票据的信用风险特征，将其划分为不同组合：

项　目	确定组合的依据及计提方法
银行承兑汇票	承兑人为信用风险较小的银行承兑汇票，不计提坏账
商业承兑汇票	根据承兑人的信用风险划分，与应收账款组合划分相同

②应收账款及合同资产

对于不含重大融资成分的应收款项和合同资产，本公司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。

对于包含重大融资成分的应收款项、合同资产，本公司选择始终按照相当于存续期内预期信用损失的金额计量损失准备。

除了单项评估信用风险的应收账款外，基于其信用风险特征，将其划分为不同组合：

项　目	确定组合的依据及计提方法
政府机关组合	本组合为政府机关单位的应收款项，不计提坏账
非政府机关组合	本组合为非政府机关单位的应收款项，公司参考历史经验，结合当前状况以及对未来经济状况的预测，编制应收账款逾期账龄与整个存续期预期信用损失率对照表，计算预期信用损失。

应收账款——非政府机关组合的账龄与整个存续期预期信用损失率对照表

账　龄	应收账款 预期信用损失率(%)
1年以内	2
1至2年	10
2至3年	30
3至4年	60
4至5年	80
5年以上	100

③其他应收款

本公司依据其他应收款信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。除了单项评估信用风险的其他应收款外，基于其信用风险特征，将其划分为不同组合：

项　目	确定组合的依据
账龄组合	本组合以应收款项的账龄作为信用风险特征。
应收资金集中管理款组合	本组合为成员单位在集团公司账户归集或拆借的应收款项。

④债权投资

债权投资主要核算以摊余成本计量的债券投资等。本公司依据其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。

除了单项评估信用风险的债权投资外，基于其信用风险特征，将其划分为不同组合，划分与本附注四、10（6）⑥"长期应收款"组合划分相同。

⑤其他债权投资

其他债权投资主要核算以公允价值计量且其变动计入其他综合收益的债券投资等。本公司依据

其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。

除了单项评估信用风险的其他债权投资外，基于其信用风险特征，将其划分为不同组合，划分与本附注四、10（6）⑥"长期应收款"组合划分相同。

⑥长期应收款

本公司依据其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量长期应收款减值损失。详细参照"其他应收款"相关内容描述。

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

存货主要包括原材料、库存商品、生产成本、消耗性生物资产、开发成本、开发产品、发出商品、在途物资、周转材料、低值易耗品、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。外贸行业领用和发出时按个别认定法计价；生产行业领用和发出时按加权平均法计价。

房地产开发行业存货按成本进行初始计量。存货主要包括库存材料、开发成本、开发产品和意图出售而暂时出租的开发产品等。开发产品的成本包括土地出让金、基础配套设施支出、建筑安装工程支出、开发项目完工之前所发生的借款费用及开发过程中的其他相关费用。

①开发用土地的核算方法：取得开发用土地，按可售商品房应分摊的实际成本计入"开发成本"；

②公共配套设施费用的核算方法：公共配套设施费用包括住宅小区中非营业性的文教、行政管理、市政公用配套设施，其所发生的成本费用列入存货-开发成本，按住宅小区可销售面积分摊。本年完工的开发产品，若该开发产品应分摊的公共配套设施费用尚未发生或尚未支付完毕，则预提尚未发生或尚未支付完毕的公共配套设施费用，计入该开发产品成本；

③建造成本按实际支付的工程款、材料款计入开发成本；

④出租开发产品、周转房的摊销方法：出租开发产品、周转房按直线法在收益期内摊销。

（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。对于数量繁

多、单价较低的存货，按存货类别计提存货跌价准备；对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，可合并计提存货跌价准备。

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）低值易耗品和包装物的摊销方法

低值易耗品于领用时按一次摊销法摊销；包装物于领用时一次摊销法摊销。

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。有关规定要求相关权力机构或者监管部门批准后方可出售的需要获得相关批准。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非流动资产和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，对于处置组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。

终止确认持有待售的非流动资产或处置组时，将尚未确认的利得或损失计入当期损益。

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股东权益或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股东权益或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股东权益或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，在处置时将原计入股东权益或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。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。

类别	折旧方法	折旧年限（年）	残值率（%）	年折旧率（%）
房屋及建筑物	年限平均法	25-40	3	2.425-3.88
土地使用权	年限平均法	50	—	2.00

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、21"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。

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：

类别	折旧方法	折旧年限（年）	残值率（%）	年折旧率（%）
房屋及建筑物	年限平均法	20-40	3	2.425-4.85
机器设备	年限平均法	4-10	3-10	9.00-22.50
运输设备	年限平均法	8	3	12.125
电子设备	年限平均法	4-10	3	9.70-24.25
船舶	年限平均法	10-20	3-5	4.75-9.70
其它设备	年限平均法	4-10	3	9.70-24.25

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、21"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、21"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。本公司无形资产包括土地使用权、专利技术、非专利技术等。

无形资产按成本进行初始计量，其中，购入的无形资产，按实际支付的价款和相关的其他支出作为实际成本；投资者投入的无形资产，按投资合同或协议约定的价值确定实际成本，但合同或协议约定价值不公允的，按公允价值确定实际成本；对非同一控制下合并中取得被购买方拥有的但在其财务报表中未确认的无形资产，在对被购买方资产进行初始确认时，按公允价值确认为无形资产。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。

土地使用权从出让起始日起，按其出让年限平均摊销；其他无形资产按预计使用年限、合同规定的受益年限和法律规定的有效年限三者中最短者分期平均摊销。摊销金额按其受益对象计入相关资产成本和当期损益。

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）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。

研究阶段的支出，于发生时计入当期损益。

开发阶段的支出同时满足下列条件的，确认为无形资产，不能满足下述条件的开发阶段的支出计入当期损益，前期已计入损益的开发支出不在以后期间确认为资产：

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。

无法区分研究阶段支出和开发阶段支出的，将发生的研发支出全部计入当期损益。

已资本化的开发阶段的支出在资产负债表上列示为开发支出，自该项目达到预定可使用状态之日起转为无形资产。

（3）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、21"长期资产减值"。

21、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。

22、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。长期待摊费用在预计受益期间按直线法摊销。如果长期待摊费用项目不能使以后会计期间受益，则将尚未摊销的该项目的摊余价值全部转入当期损益。

23、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。

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、辞退福利以及其他长期职工福利。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及设定受益计划。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。但辞退福利预期在年度报告期结束后十二个月不能完全支付的，按照其他长期职工薪酬处理。

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）。

本公司向职工提供的其他长期职工福利，符合设定提存计划的，按照设定提存计划进行会计处理，除此之外按照设定受益计划进行会计处理。

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。

（1）亏损合同

亏损合同是履行合同义务不可避免会发生的成本超过预期经济利益的合同。待执行合同变成亏损合同，且该亏损合同产生的义务满足上述预计负债的确认条件的，将合同预计损失超过合同标的资产已确认的减值损失（如有）的部分，确认为预计负债。

（2）重组义务

对于有详细、正式并且已经对外公告的重组计划，在满足前述预计负债的确认条件的情况下，按照与重组有关的直接支出确定预计负债金额。对于出售部分业务的重组义务，只有在本公司承诺出售部分业务（即签订了约束性出售协议时），才确认与重组相关的义务。

26、股份支付

（1）股份支付的会计处理方法

股份支付是为了获取职工或其他方提供服务而授予权益工具或者承担以权益工具为基础确定的负债的交易。股份支付分为以权益结算的股份支付和以现金结算的股份支付。

① 以权益结算的股份支付

用以换取职工提供的服务的权益结算的股份支付，以授予职工权益工具在授予日的公允价值计量。该公允价值的金额在完成等待期内的服务或达到规定业绩条件才可行权的情况下，在等待期内以对可行权权益工具数量的最佳估计为基础，按直线法计算计入相关成本或费用/在授予后立即可行权时，在授予日计入相关成本或费用，相应增加资本公积。

在等待期内每个资产负债表日，本公司根据最新取得的可行权职工人数变动等后续信息做出最佳估计，修正预计可行权的权益工具数量。上述估计的影响计入当期相关成本或费用，并相应调整资本公积。

用以换取其他方服务的权益结算的股份支付，如果其他方服务的公允价值能够可靠计量，按照其他方服务在取得日的公允价值计量，如果其他方服务的公允价值不能可靠计量，但权益工具的公允价值能够可靠计量的，按照权益工具在服务取得日的公允价值计量，计入相关成本或费用，相应增加股东权益。

② 以现金结算的股份支付

以现金结算的股份支付，按照本公司承担的以股份或其他权益工具为基础确定的负债的公允价值计量。如授予后立即可行权，在授予日计入相关成本或费用，相应增加负债；如须完成等待期内

的服务或达到规定业绩条件以后才可行权，在等待期的每个资产负债表日，以对可行权情况的最佳估计为基础，按照本公司承担负债的公允价值金额，将当期取得的服务计入成本或费用，相应增加负债。

在相关负债结算前的每个资产负债表日以及结算日，对负债的公允价值重新计量，其变动计入当期损益。

（2）修改、终止股份支付计划的相关会计处理

本公司对股份支付计划进行修改时，若修改增加了所授予权益工具的公允价值，按照权益工具公允价值的增加相应确认取得服务的增加。权益工具公允价值的增加是指修改前后的权益工具在修改日的公允价值之间的差额。若修改减少了股份支付公允价值总额或采用了其他不利于职工的方式，则仍继续对取得的服务进行会计处理，视同该变更从未发生，除非本公司取消了部分或全部已授予的权益工具。

在等待期内，如果取消了授予的权益工具，本公司对取消所授予的权益性工具作为加速行权处理，将剩余等待期内应确认的金额立即计入当期损益，同时确认资本公积。职工或其他方能够选择满足非可行权条件但在等待期内未满足的，本公司将其作为授予权益工具的取消处理。

（3）涉及本公司与本公司股东或实际控制人的股份支付交易的会计处理

涉及本公司与本公司股东或实际控制人的股份支付交易，结算企业与接受服务企业中其一在本公司合并范围内，另一在本公司合并范围外的，在本公司合并财务报表中按照以下规定进行会计处理：

① 结算企业以其本身权益工具结算的，将该股份支付交易作为权益结算的股份支付处理；除此之外，作为现金结算的股份支付处理。

结算企业是接受服务企业的投资者的，按照授予日权益工具的公允价值或应承担负债的公允价值确认为对接受服务企业的长期股权投资，同时确认资本公积（其他资本公积）或负债。

② 接受服务企业没有结算义务或授予本企业职工的是其本身权益工具的，将该股份支付交易作为权益结算的股份支付处理；接受服务企业具有结算义务且授予本企业职工的并非其本身权益工具的，将该股份支付交易作为现金结算的股份支付处理。

本公司合并范围内各企业之间发生的股份支付交易，接受服务企业和结算企业不是同一企业的，在接受服务企业和结算企业各自的个别财务报表中对该股份支付交易的确认和计量，比照上述原则处理。

27、优先股、永续债等其他金融工具

（1）永续债和优先股等的区分

本公司发行的永续债和优先股等金融工具，同时符合以下条件的，作为权益工具：

①该金融工具不包括交付现金或其他金融资产给其他方，或在潜在不利条件下与其他方交换金融资产或金融负债的合同义务；

②如将来须用或可用企业自身权益工具结算该金融工具的，如该金融工具为非衍生工具，则不

包括交付可变数量的自身权益工具进行结算的合同义务；如为衍生工具，则本公司只能通过以固定数量的自身权益工具交换固定金额的现金或其他金融资产结算该金融工具。

除按上述条件可归类为权益工具的金融工具以外，本公司发行的其他金融工具应归类为金融负债。

本公司发行的金融工具为复合金融工具的，按照负债成分的公允价值确认为一项负债，按实际收到的金额扣除负债成分的公允价值后的金额，确认为"其他权益工具"。发行复合金融工具发生的交易费用，在负债成分和权益成分之间按照各自占总发行价款的比例进行分摊。

（2）永续债和优先股等的会计处理方法

归类为金融负债的永续债和优先股等金融工具，其相关利息、股利（或股息）、利得或损失，以及赎回或再融资产生的利得或损失等，除符合资本化条件的借款费用（参见本附注四、19"借款费用"）以外，均计入当期损益。

归类为权益工具的永续债和优先股等金融工具，其发行（含再融资）、回购、出售或注销时，本公司作为权益的变动处理，相关交易费用亦从权益中扣减。本公司对权益工具持有方的分配作为利润分配处理。

本公司不确认权益工具的公允价值变动。

28、收入

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。

收入确认具体政策：

公司销售纺织服装、食品生鲜、再生资源、浆纸业务、绿色板材等产品，属于在某一时点履行履约义务。内销产品收入确认需满足以下条件:公司已根据合同约定将产品交付给客户且客户已接受该商品，已经收回货款或取得了收款凭证且相关的经济利益很可能流入，商品所有权上的主要风险和报酬已转移,商品的法定所有权已转移。外销产品收入确认需满足以下条件:公司已根据合同约定将产品报关，取得提单，已经收回货款或取得了收款凭证且相关的经济利益很可能流入，商品所有权上的主要风险和报酬已转移，商品的法定所有权已转移。

公司销售房地产开发产品的收入在房产完工并验收合格，签订具有法律约束力的销售合同，将开发产品或外购商品房的控制权转移给购买方时，确认销售收入。

公司出租物业，按租赁合同、协议约定的承租日期（有免租期的考虑免租期）与租金额，在相关租金已经收到或取得了收款的证据时确认出租物业收入的实现。

其他业务收入，按相关合同、协议的约定，与交易相关的经济利益很可能流入企业，收入金额能够可靠计量，与收入相关的已发生或将发生成本能够可靠地计量时，确认其他业务收入的实现。

29、合同成本

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。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。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）。本公司为取得合同发生的、除预期能够收回的增量成本之外的其他支出（如无论是否取得合同均会发生的差旅费等），在发生时计入当期损益，但是，明确由客户承担的除外。

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。

本公司在确定与合同成本有关的资产的减值损失时，首先对按照其他相关企业会计准则确认的、与合同有关的其他资产确定减值损失；然后根据其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的剩余对价以及为转让该相关商品估计将要发生的成本这两项差额的，超出部分应当计提减值准备，并确认为资产减值损失。

以前期间减值的因素之后发生变化，使得前述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应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。

30、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；（4）根据本公司和该补助事项的具体情况，应满足的其他相关条件（如有）。

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。

本公司取得政策性优惠贷款贴息的，区分财政将贴息资金拨付给贷款银行和财政将贴息资金直接拨付给本集团两种情况，分别按照以下原则进行会计处理：

（1）财政将贴息资金拨付给贷款银行，由贷款银行以政策性优惠利率向本集团提供贷款的，本公司以实际收到的借款金额作为借款的入账价值，按照借款本金和该政策性优惠利率计算相关借款费用（或以借款的公允价值作为借款的入账价值并按照实际利率法计算借款费用，实际收到的金

额与借款公允价值之间的差额确认为递延收益。递延收益在借款存续期内采用实际利率法摊销，冲减相关借款费用）。

（2）财政将贴息资金直接拨付给本公司，本公司将对应的贴息冲减相关借款费用。

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；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。

31、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年度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。

32、租赁

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及建筑物。

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。

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，（除新冠肺炎疫情直接引发的合同变更采用简化方法外，）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。

（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。

③租赁变更

经营租赁发生变更的，本公司自变更生效日起将其作为一项新租赁进行会计处理，与变更前租赁有关的预收或应收租赁收款额视为新租赁的收款额。

融资租赁发生变更且同时符合下列条件的，本公司将该变更作为一项单独租赁进行会计处理：

• 该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。

融资租赁的变更未作为一项单独租赁进行会计处理的，本公司分下列情形对变更后的租赁进行处理：

• 假如变更在租赁开始日生效，该租赁会被分类为经营租赁的，本公司自租赁变更生效日开始将其作为一项新租赁进行会计处理，并以租赁变更生效日前的租赁投资净额作为租赁资产的账面价值；

• 假如变更在租赁开始日生效，该租赁会被分类为融资租赁的，本公司按照《企业会计准则第 22 号——金融工具确认和计量》关于修改或重新议定合同的规定进行会计处理。

33、其他重要的会计政策和会计估计

（1）终止经营

终止经营，是指满足下列条件之一的、能够单独区分且已被本公司处置或划分为持有待售类别的组成部分：①该组成部分代表一项独立的主要业务或一个单独的主要经营地区；②该组成部分是拟对一项独立的主要业务或一个单独的主要经营地区进行处置的一项相关联计划的一部分；③该组成部分是专为了转售而取得的子公司。

终止经营的会计处理方法参见本附注四、14"持有待售资产和处置组"相关描述。

（2）套期会计

为规避某些风险，本公司把某些金融工具作为套期工具进行套期。满足规定条件的套期，本公司采用套期会计方法进行处理。本公司的套期包括公允价值套期、现金流量套期以及对境外经营净投资的套期。

本公司在套期开始时，正式指定套期工具与被套期项目，并准备关于套期关系和公司从事套期的风险管理策略和风险管理目标的书面文件。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估。

①公允价值套期

公允价值套期，是指对已确认资产或负债、尚未确认的确定承诺，或上述项目组成部分的公允价值变动风险敞口进行的套期。该公允价值变动源于特定风险，且将影响企业的损益或其他综合收益。

被指定为公允价值套期且符合条件的套期工具，其产生的利得或损失计入当期损益。如果套期

工具是对选择以公允价值计量且其变动计入其他综合收益的非交易性权益工具投资（或其组成部分）进行套期的，套期工具产生的利得和损失计入其他综合收益。被套期项目因被套期风险敞口形成的利得或损失计入当期损益，同时调整被套期项目的账面价值。如果被套期项目是以公允价值计量的，则被套期项目因被套期风险形成的利得或损失，无需调整被套期项目的账面价值，相关利得和损失计入当期损益或者其他综合收益。

被套期项目为以摊余成本计量的金融工具（或其组成部分）的，对被套期项目账面价值所作的调整应当按照开始摊销日重新计算的实际利率进行摊销，并计入当期损益。该摊销可以自调整日开始，但不应当晚于对被套期项目终止进行套期利得和损失调整的时点。被套期项目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（或其组成部分）的，按照相同的方式对累计已确认的套期利得或损失进行摊销，并计入当期损益，但不调整金融资产（或其组成部分）的账面价值。

被套期项目为尚未确认的确定承诺（或其组成部分）的，其在套期关系指定后因被套期风险引起的公允价值累计变动额应当确认为一项资产或负债，相关的利得或损失应当计入各相关期间损益。当履行确定承诺而取得资产或承担负债时，应当调整该资产或负债的初始确认金额，以包括已确认的被套期项目的公允价值累计变动额。

当本公司撤销对套期关系的指定、套期工具已到期或被出售、合同终止或已行使、或不再符合运用套期会计的条件时，终止运用套期会计。

②现金流量套期

现金流量套期，是指对现金流量变动风险敞口进行的套期。现金流量变动源于与已确认资产或负债、极可能发生的预期交易，或与上述项目组成部分有关的特定风险，且将影响企业的损益。

被指定为现金流量套期且符合条件的套期工具，其产生的利得或损失中属于套期有效的部分作为现金流量套期储备，计入其他综合收益，无效套期部分计入当期损益。

如果预期交易使本公司随后确认一项非金融资产或非金融负债，或者非金融资产或非金融负债的预期交易形成一项适用于公允价值套期会计的确定承诺时，本公司将原在其他综合收益中确认的现金流量套期储备金额转出，计入该资产或负债的初始确认金额。除此之外的现金流量套期，公司在被套期的预期现金流量影响损益的相同期间，将原在其他综合收益中确认的现金流量套期储备金额转出，计入当期损益。

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。

当本公司对现金流量套期终止运用套期会计时，已计入其他综合收益的累计现金流量套期储备，在未来现金流量预期仍会发生时予以保留，在未来现金流量预期不再发生时，从其他综合收益中转出，计入当期损益。

③境外经营净投资套期

境外经营净投资套期，是指对境外经营净投资外汇风险敞口进行的套期。境外经营净投资，是指本公司在境外经营净资产中的权益份额。

境外经营净投资的套期采用与现金流量套期类似的方法进行核算。套期工具的利得或损失中，属于套期有效的部分确认为其他综合收益，套期无效部分的利得或损失则计入当期损益。

已计入其他综合收益的利得和损失，在处置境外经营时，自其他综合收益转出，计入当期损益。

34、重大会计判断和估计

本公司在运用会计政策过程中，由于经营活动内在的不确定性，本公司需要对无法准确计量的报表项目的账面价值进行判断、估计和假设。这些判断、估计和假设是基于本公司管理层过去的历史经验，并在考虑其他相关因素的基础上做出的。这些判断、估计和假设会影响收入、费用、资产和负债的报告金额以及资产负债表日或有负债的披露。然而，这些估计的不确定性所导致的实际结果可能与本公司管理层当前的估计存在差异，进而造成对未来受影响的资产或负债的账面金额进行重大调整。

本公司对前述判断、估计和假设在持续经营的基础上进行定期复核，会计估计的变更仅影响变更当期的，其影响数在变更当期予以确认；既影响变更当期又影响未来期间的，其影响数在变更当期和未来期间予以确认。

于资产负债表日，本公司需对财务报表项目金额进行判断、估计和假设的重要领域如下：

（1）收入确认

如本附注四、28、"收入"所述，本公司在收入确认方面涉及到如下重大的会计判断和估计：识别客户合同；估计因向客户转让商品而有权取得的对价的可收回性；识别合同中的履约义务；估计合同中存在的可变对价以及在相关不确定性消除时累计已确认收入极可能不会发生重大转回的金额；合同中是否存在重大融资成分；估计合同中单项履约义务的单独售价；确定履约义务是在某一时段内履行还是在某一时点履行；履约进度的确定，等等。

本公司主要依靠过去的经验和工作作出判断，这些重大判断和估计变更都可能对变更当期或以后期间的营业收入、营业成本，以及期间损益产生影响，且可能构成重大影响。

（2）租赁的归类

①租赁的识别

本集团在识别一项合同是否为租赁或包含租赁时，需要评估是否存在一项已识别资产，且客户控制了该资产在一定期间内的使用权。在评估时，需要考虑资产的性质、实质性替换权、以及客户是否有权获得因在该期间使用该资产所产生的几乎全部经济利益，并能够主导该资产的使用。

②租赁的分类

本集团作为出租人时，将租赁分类为经营租赁和融资租赁。在进行分类时，管理层需要对是否已将与租出资产所有权有关的全部风险和报酬实质上转移给承租人作出分析和判断。

③租赁负债

本集团作为承租人时，租赁负债按照租赁期开始日尚未支付的租赁付款额的现值进行初始计量。在计量租赁付款额的现值时，本集团对使用的折现率以及存在续租选择权或终止选择权的租赁合同的租赁期进行估计。在评估租赁期时，本集团综合考虑与本集团行使选择权带来经济利益的所有相

关事实和情况，包括自租赁期开始日至选择权行使日之间的事实和情况的预期变化等。不同的判断及估计可能会影响租赁负债和使用权资产的确认，并将影响后续期间的损益。

（3）金融资产减值

本公司采用预期信用损失模型对金融工具的减值进行评估，应用预期信用损失模型需要做出重大判断和估计，需考虑所有合理且有依据的信息，包括前瞻性信息。在做出该等判断和估计时，本公司根据历史数据结合经济政策、宏观经济指标、行业风险、外部市场环境、技术环境、客户情况的变化等因素推断债务人信用风险的预期变动。

（4）存货跌价准备

本公司根据存货会计政策，按照成本与可变现净值孰低计量，对成本高于可变现净值及陈旧和滞销的存货，计提存货跌价准备。存货减值至可变现净值是基于评估存货的可售性及其可变现净值。鉴定存货减值要求管理层在取得确凿证据，并且考虑持有存货的目的、资产负债表日后事项的影响等因素的基础上作出判断和估计。实际的结果与原先估计的差异将在估计被改变的期间影响存货的账面价值及存货跌价准备的计提或转回。

（5）金融工具公允价值

对不存在活跃交易市场的金融工具，本公司通过各种估值方法确定其公允价值。这些估值方法包括贴现现金流模型分析等。估值时本公司需对未来现金流量、信用风险、市场波动率和相关性等方面进行估计，并选择适当的折现率。这些相关假设具有不确定性，其变化会对金融工具的公允价值产生影响。权益工具投资或合同有公开报价的，本公司不将成本作为其公允价值的最佳估计。

（6）长期资产减值准备

本公司于资产负债表日对除金融资产之外的非流动资产判断是否存在可能发生减值的迹象。对使用寿命不确定的无形资产，除每年进行的减值测试外，当其存在减值迹象时，也进行减值测试。其他除金融资产之外的非流动资产，当存在迹象表明其账面金额不可收回时，进行减值测试。

当资产或资产组的账面价值高于可收回金额，即公允价值减去处置费用后的净额和预计未来现金流量的现值中的较高者，表明发生了减值。

公允价值减去处置费用后的净额，参考公平交易中类似资产的销售协议价格或可观察到的市场价格，减去可直接归属于该资产处置的增量成本确定。

在预计未来现金流量现值时，需要对该资产（或资产组）的产量、售价、相关经营成本以及计算现值时使用的折现率等作出重大判断。本公司在估计可收回金额时会采用所有能够获得的相关资料，包括根据合理和可支持的假设所作出有关产量、售价和相关经营成本的预测。

本公司至少每年测试商誉是否发生减值。这要求对分配了商誉的资产组或者资产组组合的未来现金流量的现值进行预计。对未来现金流量的现值进行预计时，本公司需要预计未来资产组或者资产组组合产生的现金流量，同时选择恰当的折现率确定未来现金流量的现值。

（7）折旧和摊销

本公司对投资性房地产、固定资产、使用权资产和无形资产在考虑其残值后，在使用寿命内按

直线法计提折旧和摊销。本公司定期复核使用寿命，以决定将计入每个报告期的折旧和摊销费用数额。使用寿命是本公司根据对同类资产的以往经验并结合预期的技术更新而确定的。如果以前的估计发生重大变化，则会在未来期间对折旧和摊销费用进行调整。

（8）开发支出

确定资本化的金额时，本公司管理层需要作出有关资产的预计未来现金流量、适用的折现率以及预计受益期间的假设。

（9）递延所得税资产

在很有可能有足够的应纳税利润来抵扣亏损的限度内，本公司就所有未利用的税务亏损确认递延所得税资产。这需要本公司管理层运用大量的判断来估计未来应纳税利润发生的时间和金额，结合纳税筹划策略，以决定应确认的递延所得税资产的金额。

（10）所得税

本公司在正常的经营活动中，有部分交易其最终的税务处理和计算存在一定的不确定性。部分项目是否能够在税前列支需要税收主管机关的审批。如果这些税务事项的最终认定结果同最初估计的金额存在差异，则该差异将对其最终认定期间的当期所得税和递延所得税产生影响。

（11）预计负债

本公司根据合约条款、现有知识及历史经验，对产品质量保证、预计合同亏损、延迟交货违约金等估计并计提相应准备。在该等或有事项已经形成一项现时义务，且履行该等现时义务很可能导致经济利益流出本公司的情况下，本公司对或有事项按履行相关现时义务所需支出的最佳估计数确认为预计负债。预计负债的确认和计量在很大程度上依赖于管理层的判断。在进行判断过程中本公司需评估该等或有事项相关的风险、不确定性及货币时间价值等因素。

其中，本公司会就出售、维修及改造所售商品向客户提供的售后质量维修承诺预计负债。预计负债时已考虑本公司近期的维修经验数据，但近期的维修经验可能无法反映将来的维修情况。这项准备的任何增加或减少，均可能影响未来年度的损益。

（12）公允价值计量

本公司的某些资产和负债在财务报表中按公允价值计量。本公司的董事会已成立估价委员会（该估价委员会由本公司的首席财务官领导），以便为公允价值计量确定适当的估值技术和输入值。在对某项资产或负债的公允价值作出估计时，本公司采用可获得的可观察市场数据。如果无法获得第一层次输入值，本公司会聘用第三方有资质的评估师来执行估价。估价委员会与有资质的外部估价师紧密合作，以确定适当的估值技术和相关模型的输入值。首席财务官每季度向本公司董事会呈报估价委员会的发现，以说明导致相关资产和负债的公允价值发生波动的原因。在确定各类资产和负债的公允价值的过程中所采用的估值技术和输入值的相关信息在附注十中披露。

35、其他

无。

五、税项

1、 主要税种及税率

税种	具体税率情况
企业所得税	按应纳税所得额的16.5%计缴。

2、 税收优惠及批文

无。

3、 其他说明

无。

六、合并财务报表项目注释

以下注释项目（含公司财务报表主要项目注释）除非特别指出，“期末”指 2022 年 12 月 31 日，“上年年末”指 2021 年 12 月 31 日，“本期”指 2022 年度，“上期”指 2021 年度。

1、 货币资金

项　　目	期末余额	上年年末余额
库存现金	118,260.16	39,489.38
银行存款	65,276,175.42	117,674,453.73
其他货币资金		
合　　计	65,394,435.58	117,713,943.11
其中：存放在境外的款项总额	58,427,499.53	101,090,927.16

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	196,486,748.66	156,841,838.58
1 至 2 年	2,337,810.49	
2 至 3 年		
3 至 4 年		
4 至 5 年		
5 年以上	704,156.10	704,156.10
小　　计	199,528,715.25	157,545,994.68
减：坏账准备	4,867,672.11	3,840,992.87
合　　计	194,661,043.14	153,705,001.81

（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（%）	金额	计提比例（%）	
按单项计提坏账准备的应收账款	748,253.52	0.38	705,038.05	94.22	43,215.47
按信用风险特征组合计提坏账准备的应收账款	198,780,461.73	99.62	4,162,634.06	2.09	194,617,827.67
其中：政府机关					
非政府机关	198,780,461.73	99.62	4,162,634.06	2.09	194,617,827.67
合　计	199,528,715.25	——	4,867,672.11	——	194,661,043.14

（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（%）	金额	计提比例（%）	
按单项计提坏账准备的应收账款	704,156.10	0.45	704,156.10	100.00	
按信用风险特征组合计提坏账准备的应收账款	156,841,838.58	99.55	3,136,836.77	2.00	153,705,001.81
其中：组合一政府机关					
组合二非政府机关	156,841,838.58	99.55	3,136,836.77	2.00	153,705,001.81
合　计	157,545,994.68	——	3,840,992.87	——	153,705,001.81

①期末单项计提坏账准备的应收账款

单位名称	期末余额			
	账面余额	坏账准备	计提比例（%）	计提理由
HIGH HOPE RUS LLC	748,253.52	705,038.05	94.22	部分货款收回的可能性较低
合　计	748,253.52	705,038.05	——	——

②组合中，按非政府机关组合计提坏账准备的应收账款

项　目	期末余额		
	账面余额	坏账准备	计提比例（%）
1 年以内	196,442,651.24	3,928,853.01	2.00
1 至 2 年	2,337,810.49	233,781.05	10.00
2 至 3 年			

项　目	期末余额		
	账面余额	坏账准备	计提比例（%）
3 至 4 年			
4 至 5 年			
5 年以上			
合　计	198,780,461.73	4,162,634.06	——

③组合中，按非政府机关组合计提坏账准备的应收账款

项　目	上年年末余额		
	账面余额	坏账准备	计提比例（%）
1 年以内	156,841,838.58	3,136,836.77	2.00
1 至 2 年			
2 至 3 年			
3 至 4 年			
4 至 5 年			
5 年以上			
合　计	156,841,838.58	3,136,836.77	——

（3）坏账准备的情况

类　别	上年年末余额	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	
单项计提	704,156.10	881.95				705,038.05
账龄组合	3,136,836.77	3,478,152.89	2,456,122.81		3,767.21	4,162,634.06
合　计	3,840,992.87	3,479,034.84	2,456,122.81		3,767.21	4,867,672.11

（4）本期实际核销的应收账款情况

无。

（5）按欠款方归集的期末余额前五名的应收账款情况

本公司按欠款方归集的期末余额前五名应收账款汇总金额为 178,510,599.73 元，占应收账款期末余额合计数的比例为 89.46%，相应计提的坏账准备期末余额汇总金额为 3,570,211.99 元。

应收账款（按单位）	应收账款期末余额	账龄	占应收账款期末余额合计数的比例(%)	坏账准备期末余额
上海汇鸿浆纸有限公司	145,179,116.69	1 年以内	72.76	2,903,582.33
牡丹江恒丰纸业股份有限公司	12,239,798.15	1 年以内	6.13	244,795.96
亚太森博(广东)纸业有限公司	9,972,236.06	1 年以内	5.00	199,444.72

浙江凯丰新材料股份有限公司	5,688,452.28	1 年以内	2.85	113,769.05
江苏博汇纸业有限公司	5,430,996.55	1 年以内	2.72	108,619.93
合　计	178,510,599.73	——	89.46	3,570,211.99

（6）因金融资产转移而终止确认的应收账款

无。

（7）转移应收账款且继续涉入形成的资产、负债金额

无。

3、 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	81,636,585.29	98.46	49,203,807.89	97.48
1 至 2 年			1,272,912.14	2.52
2 至 3 年	1,272,912.14	1.54		
3 年以上				
合　计	82,909,497.43	100.00	50,476,720.03	100.00

（2）按预付对象归集的期末余额前五名的预付款情况

本公司按预付对象归集的期末余额前五名预付账款汇总金额为 82,908,753.92 元，占预付账款期末余额合计数的比例为 100.00 %。

项目	期末余额	账龄	占预付款项期末余额合计数的比例(%)
ILIM SA	80,494,429.89	1 年以内	97.09
HYSKY FAREAST GARMENT CO. LTD	1,272,912.14	2 至 3 年	1.54
EXCOM FASHIONS LIMITED	701,080.69	1 年以内	0.84
BHIS APPARELS LIMITED	296,714.21	1 年以内	0.36
山东德仁经济贸易有限公司	143,616.99	1 年以内	0.17
合计	82,908,753.92	——	100.00

4、 其他应收款

项　目	期末余额	上年年末余额
应收利息		
应收股利		
其他应收款	136,577.45	226,089.53
合　计	136,577.45	226,089.53

（1）应收利息

①应收利息分类

无。

②重要逾期利息

无。

③坏账准备计提情况

无。

（2）应收股利

①应收股利情况

无。

②重要的账龄超过 1 年的应收股利

无。

③坏账准备计提情况

无。

（3）其他应收款

①按账龄披露

账　龄	期末余额	上年年末余额
1 年以内	46,816.38	47,939.48
1 至 2 年		
2 至 3 年		
3 至 4 年		415,141.11
4 至 5 年	453,486.98	65,262.00
5 年以上	69,349.00	
小　计	569,652.36	528,342.59
减：坏账准备	433,074.91	302,253.06
合　计	136,577.45	226,089.53

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
往来款	116,165.38	113,201.48
保证金和押金	453,486.98	415,141.11
小　计	569,652.36	528,342.59
减：坏账准备	433,074.91	302,253.06
合　计	136,577.45	226,089.53

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）	
上年年末余额	302,253.06			302,253.06
上年年末应收利息账面余额在本期：				
——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	108,773.12			108,773.12
本期转回	958.79			958.79
本期转销				
本期核销				
其他变动	23,007.52			23,007.52
期末余额	433,074.91			433,074.91

④坏账准备的情况

类　别	上年年末余额	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	
单项计提						
账龄组合	302,253.06	108,773.12	958.79		23,007.52	433,074.91
合　计	302,253.06	108,773.12	958.79		23,007.52	433,074.91

⑤本期实际核销的其他应收款情况

无。

⑥按欠款方归集的期末余额前五名的其他应收款情况

单位名称	款项性质	期末余额	账龄	占其他应收款期末余额合计数的比例（%）	坏账准备期末余额
CHAN LO TAK	保证金和押金	453,486.98	4 至 5 年	79.61	362,789.58
HQG,LIMITED	往来款	69,349.00	5 年以上	12.17	69,349.00
江苏汇鸿国际集团中嘉发展有限公司	往来款	46,816.38	1 年以内	8.22	936.33
合　计	——	569,652.36	——	100.00	433,074.91

⑦涉及政府补助的应收款项

无。

⑧因金融资产转移而终止确认的其他应收款

无。

⑨转移其他应收款且继续涉入形成的资产、负债金额

无。

5、 存货

（1）存货分类

项　目	期末余额		
	账面余额	存货跌价准备/合同履约成本减值准备	账面价值
库存商品	2,338,079.93		2,338,079.93
合　计	2,338,079.93		2,338,079.93

（续）

项　目	上年年末余额		
	账面余额	存货跌价准备/合同履约成本减值准备	账面价值
库存商品			
合　计			

（2）存货跌价准备/合同履约成本减值准备

无。

6、固定资产

项　目	期末余额	上年年末余额
固定资产	5,382,936.02	5,898,030.56
固定资产清理		
合　计	5,382,936.02	5,898,030.56

（1）固定资产

①固定资产情况

项目	机器设备	运输设备	电子设备	其他设备	合计
一、账面原值					
1、年初余额	8,245,415.23	182,836.80	181,162.69	135,413.51	8,744,828.23
2、本期增加金额					
3、本期减少金额	1,022,736.71	60,605.03	117,142.05	41,640.00	1,242,123.79

项目	机器设备	运输设备	电子设备	其他设备	合计
（1）其他转出	1,022,736.71	60,605.03	117,142.05	41,640.00	1,242,123.79
4、期末余额	7,222,678.52	122,231.77	64,020.64	93,773.51	7,502,704.44
二、累计折旧					
1、年初余额	2,549,334.76	106,488.70	109,492.38	81,481.83	2,846,797.67
2、本期增加金额	969,416.63	38,746.67	20,912.88	30,809.26	1,059,885.44
（1）计提	969,416.63	38,746.67	20,912.88	30,809.26	1,059,885.44
3、本期减少金额	1,579,918.95	67,742.02	88,581.15	50,672.57	1,786,914.69
（1）其他转出	1,579,918.95	67,742.02	88,581.15	50,672.57	1,786,914.69
4、期末余额	1,938,832.44	77,493.35	41,824.11	61,618.52	2,119,768.42
三、减值准备					
1、年初余额					
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	5,283,846.08	44,738.42	22,196.53	32,154.99	5,382,936.02
2、年初账面价值	5,696,080.47	76,348.10	71,670.31	53,931.68	5,898,030.56

②暂时闲置的固定资产情况

无。

③通过经营租赁租出的固定资产

无。

④未办妥产权证书的固定资产情况

无。

⑤所有权或使用权受限制的投资性房地产情况

无。

（2）固定资产清理

无。

7、 长期待摊费用

项　目	上年年末余额	本期增加金额	本期摊销金额	其他变动	期末余额
地坪	110,574.40		17,336.97	6,452.38	99,689.81
装修	1,431,971.81		224,000.04	136,029.95	1,344,001.72
合　计	1,542,546.21		241,337.01	142,482.33	1,443,691.53

8、 递延所得税资产/递延所得税负债

（1）未经抵销的递延所得税资产明细

项 目	期末余额		上年年末余额	
	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异	递延所得税资产
资产减值准备	5,300,747.02	888,677.03	4,143,245.93	693,781.01

（2）未经抵销的递延所得税负债明细

无。

（3）未确认递延所得税资产明细

项 目	期末余额	上年年末余额
可抵扣亏损	7,769,484.56	8,349,436.27
合 计	7,769,484.56	8,349,436.27

（4）未确认递延所得税资产的可抵扣亏损将于以下年度到期

年 份	期末余额	上年年末余额	备注
2023 年度	805,426.91	1,382,037.07	
2024 年度	4,365,127.15	4,365,127.15	
2025 年度	2,598,930.50	2,598,930.50	
2026 年度		3,341.55	
合 计	7,769,484.56	8,349,436.27	

9、 应付账款

（1）应付账款列示

项 目	期末余额	上年年末余额
应付账款	104,011,274.61	93,998,130.13
合 计	104,011,274.61	93,998,130.13

（2）账龄超过 1 年的重要应付账款

无。

10、合同负债

项 目	期末余额	上年年末余额
货款	44,596,135.97	54,771,454.25
合 计	44,596,135.97	54,771,454.25

11、应付职工薪酬

（1）应付职工薪酬列示

项目	上年年末余额	本期增加	本期减少	期末余额
一、短期薪酬		13,428,705.82	13,428,705.82	

项目	上年年末余额	本期增加	本期减少	期末余额
二、离职后福利-设定提存计划				
三、辞退福利				
四、一年内到期的其他福利				
合　计		13,428,705.82	13,428,705.82	

（2）短期薪酬列示

项目	上年年末余额	本期增加	本期减少	期末余额
1、工资、奖金、津贴和补贴		13,428,705.82	13,428,705.82	
2、职工福利费				
3、社会保险费				
其中：医疗保险费				
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				
8、非货币性福利				
9、其他短期薪酬				
合　计		13,428,705.82	13,428,705.82	

（3）设定提存计划列示

无。

12、应交税费

项　目	期末余额	上年年末余额
企业所得税	1,006,852.25	1,631,028.98
合　计	1,006,852.25	1,631,028.98

13、其他应付款

项　目	期末余额	上年年末余额
应付利息		
应付股利		
其他应付款	81,543,466.07	74,937,510.83
合　计	81,543,466.07	74,937,510.83

（1）应付利息

无。

（2）应付股利

无。

（3）其他应付款

①按款项性质列示

项　目	期末余额	上年年末余额
往来款	81,543,466.07	74,937,510.83
合　计	81,543,466.07	74,937,510.83

②账龄超过 1 年的重要其他应付款

无。

14、实收资本

项目	上年年末余额	本期增减变动（+ 、-）					期末余额
		发行新股	送股	公积金转股	其他	小计	
江苏汇鸿国际集团股份有限公司	35,399,844.03						35,399,844.03

15、其他综合收益

项目	上年末余额	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							
其中：重新计量设定受益计划变动额							
权益法下不能转损益的其他综合收益							
其他权益工具投资公允价值变动							
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	-9,243,534.50	10,902,535.97			10,902,535.97		1,659,001.47
其中：权益法下可转损益的其他综合收益							
其他债权投资公允价值变动							
金融资产重分类计入其他综合收益的金额							
其他债权投资信用减值准备							
现金流量套期储备							
外币财务报表折算差额	-9,243,534.50	10,902,535.97			10,902,535.97		1,659,001.47
其他综合收益合计	-9,243,534.50	10,902,535.97			10,902,535.97		1,659,001.47

16、未分配利润

项　目	本　期	上　期
调整前上年末未分配利润	78,761,678.54	71,134,461.92
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	78,761,678.54	71,134,461.92
加：本期归属于母公司股东的净利润	6,176,685.17	7,627,216.62
减：提取法定盈余公积		
提取任意盈余公积		
提取一般风险准备		
应付普通股股利		
转作股本的普通股股利		
期末未分配利润	84,938,363.71	78,761,678.54

17、营业收入和营业成本

（1）营业收入和营业成本情况

项　目	本期金额		上年金额	
	收入	成本	收入	成本
主营业务	1,671,690,685.64	1,667,479,873.76	1,465,702,494.73	1,454,993,217.34
其他业务	46,816.38		84,636.65	
合　计	1,671,737,502.02	1,667,479,873.76	1,465,787,131.38	1,454,993,217.34

①本期合同产生的收入情况

合同分类	供应链运营	合　计
纺织服装供应链	81,661,020.60	81,661,020.60
浆纸业务供应链	1,461,970,511.17	1,461,970,511.17
医药化工	660,734.21	660,734.21
五金矿产	111,426,878.72	111,426,878.72
其他	16,018,357.32	16,018,357.32
合　计	1,671,737,502.02	1,671,737,502.02

18、税金及附加

项　目	本期金额	上期金额
其他	89,645.51	76,522.77
合　计	89,645.51	76,522.77

注：各项税金及附加的计缴标准详见附注五、税项。

19、销售费用

项　目	本期金额	上期金额
运杂费		345,855.42
集港费		4,233.94
其他业务费		248.34
咨询费	19,040.44	
其他		43,662.75
合　计	19,040.44	394,000.45

20、管理费用

项　目	本期金额	上期金额
折旧费	1,059,885.46	985,376.77
摊销费用	241,337.02	224,372.62
保险费	18,098.78	
办公费	7,650.44	
中介机构费用	156,271.22	159,629.14
招待费	4,108.10	
租赁费	2,022,258.67	1,883,602.93
差旅费	13,496.28	
水电物业管理费	132,254.70	
修理费	889.20	
劳务费	147,621.41	134,651.82
交通费	2,303.92	
其他	11,295.42	207.40
合　计	3,817,470.62	3,387,840.68

21、财务费用

项　目	本期金额	上期金额
利息支出	1,941,460.25	549,936.78
减：利息收入	1,768,152.90	400,180.13
利息净支出	173,307.35	149,756.65
银行手续费	320,752.68	1,705,233.81
汇兑损益	-8,322,658.16	-4,836,231.30
其他	49,998.00	329,022.00
合　计	-7,778,600.13	-2,652,218.84

22、其他收益

项　　目	本期金额	上期金额	计入本期非经常性损益的金额
政府补助	293,436.00		293,436.00
合　计	293,436.00		293,436.00

23、信用减值损失

项　　目	本期金额	上期金额
应收账款坏账损失	-1,022,912.03	-322,314.92
其他应收款坏账损失	-107,814.33	-140,493.69
合　计	-1,130,726.36	-462,808.61

24、所得税费用

（1）所得税费用表

项　目	本期金额	上期金额
当期所得税费用	1,290,992.31	1,551,305.51
调整以前年度企业所得税费用		26,577.32
递延所得税费用	-194,896.02	-80,139.08
合　计	1,096,096.29	1,497,743.75

（2）会计利润与所得税费用调整过程

项　目	本期金额
利润总额	7,272,781.46
按法定/适用税率计算的所得税费用	1,200,008.94
子公司适用不同税率的影响	17,210.12
调整以前期间所得税的影响	
非应税收入的影响	
不可抵扣的成本、费用和损失的影响	271.15
使用前期未确认递延所得税资产的可抵扣亏损的影响	-94,838.32
本年未确认递延所得税资产的可抵扣暂时性差异或可抵扣亏损的影响	
税率调整导致年初递延所得税资产/负债余额的变化	
权益法核算的免税投资收益	
其他影响	-26,555.60
所得税费用	1,096,096.29

25、其他综合收益

详见附注六、15。

26、现金流量表项目

（1）收到其他与经营活动有关的现金

项　目	本期金额	上期金额
收到经营性往来款	784,795.46	241,545.91
政府补助收入	293,436.00	
利息收入	1,768,152.90	400,180.13
合　计	2,846,384.36	641,726.04

（2）支付其他与经营活动有关的现金

项　目	本期金额	上期金额
支付经营性往来款	780,233.99	2,195,661.22
费用性支出	2,906,039.28	4,350,221.11
合　计	3,686,273.27	6,545,882.33

27、现金流量表补充资料

（1）现金流量表补充资料

补充资料	本期金额	上期金额
1、将净利润调节为经营活动现金流量：		
净利润	6,176,685.17	7,627,216.62
加：资产减值准备		
信用减值损失	1,130,726.36	462,808.61
固定资产折旧、油气资产折耗、生产性生物资产折旧	1,059,885.44	985,376.77
使用权资产折旧		
无形资产摊销		
长期待摊费用摊销	241,337.02	220,930.66
处置固定资产、无形资产和其他长期资产的损失（收益以“一”号填列）		
固定资产报废损失（收益以“一”号填列）		
公允价值变动损失（收益以“一”号填列）		
财务费用（收益以“一”号填列）	8,413,423.47	-3,944,602.66
投资损失（收益以“一”号填列）		
递延所得税资产减少（增加以“一”号填列）	-194,896.02	-80,139.08
递延所得税负债增加（减少以“一”号填列）		
存货的减少（增加以“一”号填列）	-2,338,079.93	
经营性应收项目的减少（增加以“一”号填列）	-75,152,882.96	20,728,394.47
经营性应付项目的增加（减少以“一”号填列）	-51,640.00	-60,293,997.42

补充资料	本期金额	上期金额
其他		
经营活动产生的现金流量净额	-60,715,441.45	-34,294,012.03
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	65,394,435.58	117,713,943.11
减：现金的年初余额	117,713,943.11	150,509,058.59
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	-52,319,507.53	-32,795,115.48

（2）现金及现金等价物的构成

项　目	期末余额	上年年末余额
一、现金	65,394,435.58	117,713,943.11
其中：库存现金	118,260.16	39,489.38
可随时用于支付的银行存款	65,276,175.42	117,674,453.73
可随时用于支付的其他货币资金		
可用于支付的存放中央银行款项		
存放同业款项		
拆放同业款项		
二、现金等价物		
其中：三个月内到期的债券投资		
三、期末现金及现金等价物余额	65,394,435.58	117,713,943.11
其中：母公司或集团内子公司使用受限制的现金和现金等价物		

28、所有者权益变动表项目注释

无重大变动项目。

29、所有权或使用权受限制的资产

无。

30、外币货币性项目

（1）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			
其中：美元	9,346,846.67	6.9349	64,819,446.98
港元	564,137.80	0.8892	501,631.33
日元	301,325.00	0.05256	15,837.64
应收账款			
其中：美元	28,771,678.79	6.9349	199,528,715.24
其他应收款			
其中：美元	75,392.00	6.9349	522,835.98
港元	6,119,490.00	0.8892	5,441,450.51
应付账款			
其中：美元	14,464,228.36	6.9349	100,307,977.25
港元	3,715,200.15	0.8892	3,303,555.97
其他应付款			
其中：美元	12,513,362.17	6.9349	86,778,915.32
港元	178,268.07	0.8892	158,515.97

（2）境外经营实体说明

本公司主要经营地：香港湾仔港湾道 23 号鹰君中心 1903 室；记账本位币：港币；记账本位币选择依据：当地货币。

本公司子公司汇鸿制衣（香港）有限公司主要经营地：香港湾仔港湾道 23 号鹰君中心 1903 室；记账本位币：港币；记账本位币选择依据：当地货币。

本公司子公司汇鸿制衣（香港）有限公司之下属子公司汇鸿（柬埔寨）制衣有限公司主要经营地：柬埔寨金边市干拉省安厝符县必曾乡德帮哥桑村；记账本位币：美元；记账本位币选择依据：当地货币。

31、政府补助

（1）政府补助基本情况

种　类	金　额	列报项目	计入当期损益的金额
政府退税	293,436.00	其他收益	293,436.00

（2）政府补助退回情况

无。

32、其他

无。

七、合并范围的变更

1、非同一控制下企业合并

无。

2、同一控制下企业合并

无。

3、反向购买

无。

4、处置子公司

无。

八、在其他主体中的权益

1、在子公司中的权益

（1）企业集团的构成

子公司名称	主要经营地	注册地	业务性质	持股比例（%）		取得方式
				直接	间接	
汇鸿制衣（香港）有限公司	香港	香港	贸易	100.00		投资设立

以上仅为二级子公司。

2、在子公司的所有者权益份额发生变化且仍控制子公司的交易

无。

3、在合营企业或联营企业中的权益

（1）重要的合营企业或联营企业

无。

4、重要的共同经营

无。

5、在未纳入合并财务报表范围的结构化主体中的权益

无。

九、关联方及关联交易

1、本公司的母公司情况

母公司名称	注册地	业务性质	注册资本	母公司对本公司的持股比例（%）	母公司对本公司的表决权比例（%）
江苏汇鸿国际集团股份有限公司	江苏南京	外贸	224,243.32	100.00	100.00

注：本公司的最终控制方是江苏苏汇资产管理有限公司。

控股股东的注册资本及其变化

控股股东	期初余额	本期增加	本期减少	期末余额

控股股东	期初余额	本期增加	本期减少	期末余额
江苏汇鸿国际集团股份有限公司	2,242,433,192.00			2,242,433,192.00

控股股东的所持股份或权益及其变化

控股股东	持股金额		持股比例（%）	
	期末余额	期初余额	期末比例	期初比例
江苏汇鸿国际集团股份有限公司	35,399,844.03	35,399,844.03	100.00	100.00

2、本公司的子公司情况

详见附注八、1、在子公司中的权益。

3、本公司的合营和联营企业情况

本公司重要的合营和联营企业详见附注八、3、在合营企业或联营企业中的权益。

4、其他关联方情况

其他关联方名称	其他关联方与本公司关系
江苏汇鸿国际集团中锦控股有限公司	最终受同一控制人控制
江苏汇鸿国际集团中鼎控股股份有限公司	最终受同一控制人控制
江苏汇鸿国际集团中嘉发展有限公司	最终受同一控制人控制
江苏开元国际集团石化有限公司	最终受同一控制人控制
江苏省粮油食品进出口集团股份有限公司	最终受同一控制人控制
江苏汇鸿国际集团医药保健品进出口有限公司	最终受同一控制人控制
江苏汇鸿国际集团畜产进出口股份有限公司	最终受同一控制人控制
江苏汇鸿国际集团盛世进出口有限公司	最终受同一控制人控制
江苏汇鸿国际集团同泰贸易有限公司	最终受同一控制人控制
江苏汇鸿亚森国际贸易有限公司	最终受同一控制人控制
江苏汇鸿创业投资有限公司	最终受同一控制人控制
汇鸿（香港）有限公司	最终受同一控制人控制
江苏汇鸿国际集团资产管理有限公司	最终受同一控制人控制
江苏汇鸿国际集团中天控股有限公司	最终受同一控制人控制
江苏汇鸿冷链物流有限公司	最终受同一控制人控制
江苏汇鸿宝贝婴童用品有限公司	最终受同一控制人控制
江苏汇鸿国际集团会展股份有限公司	最终受同一控制人控制
无锡天鹏集团有限公司	最终受同一控制人控制
江苏汇鸿汇升投资管理有限公司	最终受同一控制人控制
开元股份(香港)有限公司	最终受同一控制人控制

江苏省纸联再生资源有限公司	最终受同一控制人控制
江苏汇鸿瑞盈时尚供应链运营有限公司	最终受同一控制人控制
江苏汇鸿东江环保有限公司	最终受同一控制人控制
江苏汇鸿国际展览装饰工程有限公司	最终受同一控制人控制
江苏汇鸿国际集团华源贸易有限公司	最终受同一控制人控制
南京金居物业管理有限公司	最终受同一控制人控制
青海汇鸿供应链有限公司	最终受同一控制人控制

5、关联方交易情况

（1）购销商品、提供和接受劳务的关联交易

①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
江苏汇鸿国际集团中天控股有限公司	采购浆纸、防止服装、五金矿产	946,011,566.31	743,751,501.73
江苏汇鸿国际集团中锦控股有限公司	采购纺织服装	33,134,854.96	22,306,206.79

②出售商品/提供劳务情况

关联方	关联交易内容	本期金额	上期金额
上海汇鸿浆纸有限公司	销售浆纸	246,918,412.25	88,201,381.11

（2）关联受托管理/委托管理情况

无。

（3）关联承包情况

无。

（4）关联租赁情况

①本公司作为承租方

出租方名称	租赁资产种类	本期确认的租赁费	上期确认的租赁费
汇鸿(香港)有限公司	办公楼	1,067,040.00	995,520.00

（5）关联担保情况

①本公司作为被担保方

担保方	担保金额	担保起始日	担保到期日	担保是否已经履行完毕
汇鸿(香港)有限公司	（HKD）50,000,000.00	2022-07-07	无固定到期期限，书面通知终止合同后 3 个月解除担保责任	否

（6）关联方资金拆借

无。

（7）关联方资产转让、债务重组情况

无。

（8）其他关联交易

无。

6、关联方应收应付款项

（1）应收项目

项目名称	期末余额		上年年末余额	
	账面余额	坏账准备	账面余额	坏账准备
应收账款：				
上海汇鸿浆纸有限公司	145,179,116.69	2,903,582.33	10,601,271.13	212,025.42
合　计	145,179,116.69	2,903,582.33	10,601,271.13	212,025.42
其他应收款：				
江苏汇鸿国际集团中嘉发展有限公司	46,816.38	936.33		
合　计	46,816.38	936.33		

（2）应付项目

项目名称	期末余额	上年年末余额
应付账款：		
江苏汇鸿国际集团中天控股有限公司	64,293,144.25	75,713,525.23
江苏汇鸿国际集团中锦控股有限公司	9,296,284.34	12,868,555.03
合　计	73,589,428.59	88,582,080.26
其他应付款：		
江苏汇鸿国际集团中天控股有限公司	81,364,114.19	74,803,372.05
合　计	81,364,114.19	74,803,372.05

7、关联方承诺

无。

十、股份支付

无。

十一、承诺及或有事项

1、重大承诺事项

截至 2022 年 12 月 31 日，本公司无需要披露的重大承诺事项。

2、或有事项

无。

十二、资产负债表日后事项

1、重要的非调整事项

无。

2、利润分配情况

无。

3、销售退回

无。

4、资产负债表日后划分为持有待售情况

无。

5、其他重要的资产负债表日后非调整事项

无。

十三、其他重要事项

1、前期差错更正

无。

2、债务重组

无。

3、资产置换

无。

4、年金计划

无。

5、终止经营

无。

6、分部信息

无。

7、其他对投资者决策有影响的重要事项

无。

十四、母公司财务报表主要项目注释

1、 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	194,549,400.00	154,802,604.45
1 至 2 年	2,337,810.49	
2 至 3 年		
3 至 4 年		

账　龄	期末余额	上年年末余额
4 至 5 年		
5 年以上	704,156.10	704,156.10
小　计	197,591,366.59	155,506,760.55
减：坏账准备	4,828,925.14	3,800,208.19
合　计	192,762,441.45	151,706,552.36

（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（%）	金额	计提比例（%）	
按单项计提坏账准备的应收账款	748,253.52	0.38	705,038.05	94.22	43,215.47
按信用风险特征组合计提坏账准备的应收账款	196,843,113.07	99.62	4,123,887.09	2.10	192,719,225.98
其中：政府机关					
非政府机关	196,843,113.07	99.62	4,123,887.09	2.10	192,719,225.98
合　计	197,591,366.59	——	4,828,925.14	——	192,762,441.45

（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（%）	金额	计提比例（%）	
按单项计提坏账准备的应收账款	704,156.10	0.45	704,156.10	100.00	
按信用风险特征组合计提坏账准备的应收账款	154,802,604.45	99.55	3,096,052.09	2.00	151,706,552.36
其中：政府机关					
非政府机关	154,802,604.45	99.55	3,096,052.09	2.00	151,706,552.36
合　计	155,506,760.55	100.00	3,800,208.19	——	151,706,552.36

①期末单项计提坏账准备的应收账款

应收账款（按单位）	期末余额			
	账面余额	坏账准备	计提比例（%）	计提理由
"HIGH HOPE RUS" LLC	748,253.52	705,038.05	94.22	部分货款收回的可能性较低

合　计	748,253.52	705,038.05	——	——

②组合中，按信用风险特征组合二非政府机关组合计提坏账准备的应收账款

项　目	期末余额		
	账面余额	坏账准备	计提比例（%）
1 年以内	194,505,302.58	3,890,106.04	2.00
1 至 2 年	2,337,810.49	233,781.05	10.00
2 至 3 年			
3 至 4 年			
4 至 5 年			
5 年以上			
合　计	196,843,113.07	4,123,887.09	——

（3）坏账准备的情况

类　别	上年年末余额	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	
单项计提	704,156.10	881.95				705,038.05
账龄组合	3,096,052.09	3,445,390.06	2,417,555.06			4,123,887.09
合　计	3,800,208.19	3,446,272.01	2,417,555.06			4,828,925.14

（4）本期实际核销的应收账款情况

无。

（5）按欠款方归集的期末余额前五名的应收账款情况

本公司按欠款方归集的期末余额前五名应收账款汇总金额为 178,510,599.73 元，占应收账款期末余额合计数的比例为 90.34%，相应计提的坏账准备期末余额汇总金额为 3,570,211.99 元。

应收账款（按单位）	应收账款期末余额	账龄	占应收账款期末余额合计数的比例(%)	坏账准备期末余额
上海汇鸿浆纸有限公司	145,179,116.69	1 年以内	73.47	2,903,582.33
牡丹江恒丰纸业股份有限公司	12,239,798.15	1 年以内	6.19	244,795.96
亚太森博(广东)纸业有限公司	9,972,236.06	1 年以内	5.05	199,444.72
浙江凯丰新材料股份有限公司	5,688,452.28	1 年以内	2.88	113,769.05
江苏博汇纸业有限公司	5,430,996.55	1 年以内	2.75	108,619.93
合　计	178,510,599.73	——	90.34	3,570,211.99

（6）因金融资产转移而终止确认的应收账款

无。

（7）转移应收账款且继续涉入形成的资产、负债金额

无。

2、 预付账款

（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	81,636,585.29	98.46	49,203,807.89	97.48
1 至 2 年			1,272,912.14	2.52
2 至 3 年	1,272,912.14	1.54		
3 年以上				
合　计	82,909,497.43	——	50,476,720.03	——

（2）按预付对象归集的期末余额前五名的预付款情况

本公司按预付对象归集的期末余额前五名预付账款汇总金额为 82,908,753.92 元，占预付账款期末余额合计数的比例为 100.00 %。

单位名称	预付账款账面余额	账龄	占预付款项期末余额的比例（%）
ILIM SA	80,494,429.89	1 年以内	97.09
HYSKY FAREAST GARMENT CO., LTD	1,272,912.14	2 至 3 年	1.54
EXCOM FASHIONS LIMITED,	701,080.69	1 年以内	0.84
BHIS APPARELS LIMITED	296,714.21	1 年以内	0.36
山东德仁经济贸易有限公司	143,616.99	1 年以内	0.17
合　计	82,908,753.92	——	100.00

3、长期股权投资

（1）长期股权投资分类

项　目	期末余额			上年年末余额		
	账面余额	减值准备	账面价值	账面余额	减值准备	账面价值
一、对子公司投资	11,648,570.00		11,648,570.00	11,648,570.00		11,648,570.00
二、对联营、合营企业投资						
合　计	11,648,570.00		11,648,570.00	11,648,570.00		11,648,570.00

（2）对子公司投资

被投资单位	上年年末余额	本期增加	本期减少	期末余额	本期计提减值准备	减值准备期末余额
汇鸿制衣（香港）有限公司	11,648,570.00			11,648,570.00		
合　计	11,648,570.00			11,648,570.00		

4、应付账款

（1）应付账款列示

项　目	期末余额	上年年末余额
应付账款	94,712,833.52	86,031,696.92
合　计	94,712,833.52	86,031,696.92

（2）账龄超过 1 年的重要应付账款

无。

5、合同负债

（1）合同负债情况

项　目	期末余额	上年年末余额
货款	44,243,805.84	53,971,419.05
合　计	44,243,805.84	53,971,419.05

6、其他应付款

项　目	期末余额	上年年末余额
应付利息		
应付股利		
其他应付款	81,522,630.16	74,918,436.76
合　计	81,522,630.16	74,918,436.76

（1）其他应付款

①按款项性质列示

项　目	期末余额	上年年末余额
往来款	81,522,630.16	74,918,436.76
合　计	81,522,630.16	74,918,436.76

②账龄超过 1 年的重要其他应付款

无。

7、营业收入、营业成本

（1）营业收入和营业成本情况

项　目	本期金额		上期金额	
	收入	成本	收入	成本
主营业务	1,597,164,960.35	1,596,398,980.58	1,414,657,754.77	1,406,842,020.15
其他业务	46,816.38		84,636.65	
合　计	1,597,211,776.73	1,596,398,980.58	1,414,742,391.42	1,406,842,020.15

①本期合同产生的收入情况

合同分类	供应链运营	合　计
纺织服装供应链	7,135,295.31	7,135,295.31
浆纸业务供应链	1,461,970,511.17	1,461,970,511.17
医药化工	660,734.21	660,734.21
五金矿产	111,426,878.72	111,426,878.72
其他	16,018,357.32	16,018,357.32
合　计	1,597,211,776.73	1,597,211,776.73

十五、补充资料

1、本期非经常性损益明细表

项　　目	金额	说明
非流动性资产处置损益		
越权审批，或无正式批准文件，或偶发的税收返还、减免		
计入当期损益的政府补助，但与企业正常经营业务密切相关，符合国家政策规定，按照一定标准定额或定量持续享受的政府补助除外	293,436.00	
计入当期损益的对非金融企业收取的资金占用费		
企业取得子公司、联营企业及合营企业的投资成本小于取得投资时应享有被投资单位可辨认净资产公允价值产生的收益		
非货币性资产交换损益		
委托他人投资或管理资产的损益		
因不可抗力因素，如遭受自然灾害而计提的各项资产减值准备		
债务重组损益		
企业重组费用，如安置职工的支出、整合费用等		
交易价格显失公允的交易产生的超过公允价值部分的损益		
同一控制下企业合并产生的子公司年初至合并日的当期净损益		
与公司正常经营业务无关的或有事项产生的损益		
除同公司正常经营业务相关的有效套期保值业务外，持有交易性金融资产、衍生金融资产、交易性金融负债、衍生金融负债产生的公允价值变动损益，以及处置交易性金融资产、衍生金融资产、交易性金融负债、衍生金融负债和其他债权投资取得的投资收益		
单独进行减值测试的应收款项减值准备转回		
对外委托贷款取得的损益		
采用公允价值模式进行后续计量的投资性房地产公允价值变动产生的损益		
根据税收、会计等法律、法规的要求对当期损益进行一次性调整对当		

项　　目	金额	说明
期损益的影响		
受托经营取得的托管费收入		
除上述各项之外的其他营业外收入和支出		
其他符合非经常性损益定义的损益项目		
小　　计	293,436.00	
所得税影响额	-48,416.94	
少数股东权益影响额		
合　　计	245,019.06	

注：非经常性损益项目中的数字"+"表示收益及收入,"-"表示损失或支出。

本公司对非经常性损益项目的确认依照《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》（证监会公告[2008]43号）的规定执行。

开元股份（香港）有限公司

2023年4月21日

统一社会信用代码

91110102082881146K

营业执照

(副本)(5-1)

扫描市场主体身份码了解更多登记、备案、许可、监管信息，体验更多应用服务。

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，[illegible]华

经营范围　许可项目：注册会计师业务；代理记账。（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，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。）

出　资　额　6541万元

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

中兴华会计师事务所（特殊普通合伙）
报告审计专用章（1）

登记机关　北京市丰台区市场监督管理局

2022年11月29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

仅作为报告附件使用

会计师事务所

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

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[illegible]、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

中兴华会计师事务所（特殊普通合伙）备案文件

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 > 证券期货机构监管 > 审计与评估机构

索 引 号　bm56000001/2023-00002630　　分　类　审计与评估机构监管对象

发布机构　　发文日期　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　　主 题 词

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）

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	通讯地址	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[illegible]区浐灞大道一号外事大厦六层	029-63620980
80	新联谊会计师事务所（特殊普通合伙）	山[illegible]市槐荫区[illegible]鹏山河西路济南报业大厦B座11层	0531-80995542
81	信永中和会计师事务所（特殊普通合伙）	北京市东城区朝阳门北大街8号富华大厦A座8层	010-62922316
82	亚太（集团）会计师事务所（特殊普通合伙）	北京市丰台区丽泽路16号院3号楼20层2001	0371-65336655
83	永拓会计师事务所（特殊普通合伙）	北京市朝[illegible]东路[illegible]居北街一号（国安大厦13层）	010-65950411
84	尤尼泰振青会计师事务所（特殊普通合伙）	[illegible]省青岛市市北区上清路20号	0532-85921367
85	浙江科信会计师事务所（特殊普通合伙）	浙江省[illegible]州区江东北路317号和平创意广场和庭楼10楼	0574-87269394
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号北城天地商务中心9幢十一层	0571-56832576
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	0579-83503963-8636
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8号华联时代大厦A幢601室	0571-88879063
90	中审国韬（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	027-87319382
91	中勤万信会计师事务所（特殊普通合伙）	北京市西城区西直门外大街112号10层	010-68360123
92	中瑞诚会计师事务所（特殊普通合伙）	北京市西城区阜成门外大街31号5层512A	010-62267689
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188号信达广场52层	022-58338268-8239
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	010-51716767
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	027-86781250
96	中天运会计师事务所（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	010-88395676
97	中喜会计师事务所（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	010-67085759
98	中兴财光华会计师事务所（特殊普通合伙）	[illegible]京市西城区阜成门外大街2号22层A24	0311-85927187
99	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
100	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

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

中国注册会计师协会

姓　名 Full name 薛宇

性　别 Sex 男

出生日期 Date of birth 1975-05-09

工作单位 Working unit 江苏苏民会计师事务所有限公司

身份证号码 Identity card No. 320111751009865

证书编号: No. of Certificate 320000200022

批准注册协会: Institute of CPAs 江苏省注册会计师协会

发证日期 Date of Issuance 二〇〇七年 五月 廿二日

中华人民共和国财政部（财会[2000]11号）

110102173689

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.

2011 年

CPA 年检专用

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 PAs

转出协会盖章 Stamp of the transfer-out Institute of CPAs

2015 年 5 月 9 日

同意调入
Agree the holder to be transferred to

事务所 CPAs

JICPA

转入协会盖章 Stamp of the transfer-in Institute of CPAs

2015 年 5 月 9 日

姓　　名 Full name　朱昊男

性　　别 Sex　男

出生日期 Date of birth　1995-09-14

工作单位 Working unit　中兴华会计师事务所（特殊普通合伙）江苏分所

身份证号码 Identity card No.　320924199509148071

中兴华会计师事务所（特殊普通合伙）江苏分所 110102017368

证书编号：No. of Certificate　110001670503

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　2021 年 12 月 30 日

4

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.

年　月　日

5

审 计 业 务 约 定 书

甲方编号：

乙方编号：中兴华（2022）第[illegible]号

年　月　日

审计业务约定书

甲方：淮安开发控股有限公司

乙方：中兴华会计师事务所（特殊普通合伙）

兹由甲方委托乙方对甲方 2021 年度财务报表审计报告提供翻译并出具英文版审计报告服务，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（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。

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。

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 20xx 年 x 月 x 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。

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。乙方应于 2022 年 4 月 28 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 9.00 万元。

2. 甲方应于本约定书签署之日起_____日内支付___%的审计费用，其余款项乙方提

供审计报告时之日结清。

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___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。

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____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_____所在地仲裁委员会仲裁。

十一、双方对其他有关事项的约定

本约定书一式陆份，甲、乙方各执叁份，具有同等法律效力。

甲方：淮安开发控股有限公司（盖章）

授权代表：（签名并盖章）

2022年3月21日

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）

年　月　日

审 计 业 务 约 定 书

甲方编号：

乙方编号：中兴华（2022）第[illegible]号

年　月　日

审计业务约定书

甲方：淮安开发控股有限公司

乙方：中兴华会计师事务所（特殊普通合伙）

兹由甲方委托乙方对甲方 2021 年度财务报表审计报告提供翻译并出具英文版审计报告服务，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（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。

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。

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 20xx 年 x 月 x 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。

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。乙方应于 2022 年 4 月 28 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 9.00 万元。

2. 甲方应于本约定书签署之日起_____日内支付___%的审计费用，其余款项乙方提

供审计报告时之日结清。

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___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。

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____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_____所在地仲裁委员会仲裁。

十一、双方对其他有关事项的约定

本约定书一式陆份，甲、乙方各执叁份，具有同等法律效力。

甲方：淮安开发控股有限公司（盖章）

授权代表：（签名并盖章）

2022年3月21日

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）

年　月　日

审 计 业 务 约 定 书

甲方编号：

乙方编号：中兴华（2022）第[illegible]号

年　月　日

审计业务约定书

甲方：淮安开发控股有限公司

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其子公司香港翔宇投资集团有限公司 2021 年度财务报表审计报告提供翻译并出具英文版审计报告服务，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，对香港翔宇投资集团有限公司及其子公司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（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。

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。

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 20xx 年 x 月 x 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。

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。乙方应于 2022 年 4 月 28 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 10.00 万元。

2. 甲方应于本约定书签署之日起_____日内支付___%的审计费用，其余款项乙方提供审计报告时之日结清。

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___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。

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____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_____所在地仲裁委员会仲裁。

十一、双方对其他有关事项的约定

本约定书一式陆份，甲、乙方各执叁份，具有同等法律效力。

甲方：淮安开发控股有限公司（盖章）

授权代表：（签名并盖章）

2022年7月12日

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）

年　月　日

审 计 业 务 约 定 书

甲方编号：

乙方编号：中兴华（2022）第[illegible]号

年　月　日

审计业务约定书

甲方：淮安开发控股有限公司

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其子公司香港翔宇投资集团有限公司 2021 年度财务报表审计报告提供翻译并出具英文版审计报告服务，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，对香港翔宇投资集团有限公司及其子公司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（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。

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。

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 20xx 年 x 月 x 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。

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。乙方应于 2022 年 4 月 28 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 10.00 万元。

2. 甲方应于本约定书签署之日起_____日内支付___%的审计费用，其余款项乙方提供审计报告时之日结清。

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___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。

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____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_____所在地仲裁委员会仲裁。

十一、双方对其他有关事项的约定

本约定书一式陆份，甲、乙方各执叁份，具有同等法律效力。

甲方：淮安开发控股有限公司（盖章）

授权代表：（签名并盖章）

2022年7月12日

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）

年　月　日

审 计 业 务 约 定 书

甲方编号：

乙方编号：中兴华（2023）第02008b 号

年　　月　　日

审计业务约定书

甲方：**淮安开发控股有限公司**

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，为配合甲方发行海外债的需要，对甲方2019年度、2020年度、2021年6月30日财务报表进行审计，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，为甲方2022年发行海外债提供审计及审阅服务，出具海外债发行过程所必须的文件资料。

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》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。

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。

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）以及《中国注册会计师审阅准则第2101号-财务报表审阅》（以下简称审阅准则）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、乙方并不对非由乙方审计的组成部分的财务信息单独出具审计报告，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。

3、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。

4、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。

5、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。

6、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。

7、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、乙方按照甲方要求的时间完成审计业务，出具审计报告。

2、乙方按照甲方要求的时间完成中期合并财务报表及附注的编制工作。

3、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

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，本次审计服务费用总额为人民币 50 万元（大写：伍拾万元整）。

2、甲方应于提交安慰函等发行材料后 5 日内支付人民币 25 万元；海外债发行成功后支付人民币 25 万元。

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。

5、本次业务有关的审计人员食宿费用由乙方承担。

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第 1501 号-对财务报表形成审计意见和出具审计报告》、《中国注册会计师审计准则第 1502 号-在审计报告中发表非无保留意见》以及审阅准则规定的格式和类型出具报告。

2、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。但其中的第三（二）3、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。

本约定书一式陆份，甲、乙方各执叁份，具有同等法律效力。

甲方：淮安开发控股有限公司

授权代表：

签约日期： 年 月 日

乙方：中兴华会计师事务所（特殊普通合伙）

授权代表：

签约日期： 年 月 日

审 计 业 务 约 定 书

甲方编号：

乙方编号：中兴华（2023）第02008b 号

年　　月　　日

审计业务约定书

甲方：**淮安开发控股有限公司**

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，为配合甲方发行海外债的需要，对甲方2019年度、2020年度、2021年6月30日财务报表进行审计，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，为甲方2022年发行海外债提供审计及审阅服务，出具海外债发行过程所必须的文件资料。

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》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。

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。

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）以及《中国注册会计师审阅准则第2101号-财务报表审阅》（以下简称审阅准则）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、乙方并不对非由乙方审计的组成部分的财务信息单独出具审计报告，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。

3、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。

4、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。

5、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。

6、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。

7、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、乙方按照甲方要求的时间完成审计业务，出具审计报告。

2、乙方按照甲方要求的时间完成中期合并财务报表及附注的编制工作。

3、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

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，本次审计服务费用总额为人民币 50 万元（大写：伍拾万元整）。

2、甲方应于提交安慰函等发行材料后 5 日内支付人民币 25 万元；海外债发行成功后支付人民币 25 万元。

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。

5、本次业务有关的审计人员食宿费用由乙方承担。

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第 1501 号-对财务报表形成审计意见和出具审计报告》、《中国注册会计师审计准则第 1502 号-在审计报告中发表非无保留意见》以及审阅准则规定的格式和类型出具报告。

2、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。但其中的第三（二）3、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。

本约定书一式陆份，甲、乙方各执叁份，具有同等法律效力。

甲方：淮安开发控股有限公司

授权代表：

签约日期： 年 月 日

乙方：中兴华会计师事务所（特殊普通合伙）

授权代表：

签约日期： 年 月 日

业 务 约 定 书

甲方编号：

乙方编号：中兴华鉴[2022]苏州第0098号

年　　月　　日

业务约定书

编号：中兴华 [2022] 第 号

甲方：苏州市吴中文化旅游发展集团有限公司

乙方：中兴华会计师事务所（特殊普通合伙）江苏分所

甲方因发行中国（上海）自由贸易试验区发行人民币高级无抵押债券，委托乙方全力配合主承销商的申报工作，提供财务协助，经双方协商，就有关事项达成以下约定：

一、业务范围

1. 乙方接受甲方委托，根据债券的发行需要，出具 2020 年度、2021 年度英文版审计报告，全力配合主承销券商的申报工作，提供债券发行所需的安慰函。

二、业务收费

1、本次业务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。本次业务服务费总额为**陆万元整（￥60,000.00 元）**。

2、甲方应于合同签署后 7 个工作日内支付。

三、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。

四、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。

五、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。

六、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提供服务所在地，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 2 种解决方式：

1. 向有管辖权的人民法院提起诉讼；

2. 提交乙方仲裁委员会仲裁。

七、双方对其他有关事项的约定

本约定书一式肆份，甲、乙双方各执有贰份，具有同等法律效力。

（此页无正文）

委托方：苏州市吴中文化旅游发展集团有限公司（盖章）

法定代表人（或授权代表）：

签署日期：二〇二三年____月____日

受托方：中兴华会计师事务所（特殊普通合伙）江苏分所（盖章）

负责合伙人（或授权合伙人）：

签署日期：二〇二三年____月____日

Longnan Tourism Development Investment (Group) Co., Ltd

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Report file no.: Zhongxinghua Audit [2021] no. 020795

Audit Report

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Audit Report

Zhongxinghua Audit (2021) No.020795

All shareholders of Longnan Tourism Development Investment (Group) Co., Ltd:

I. Audit opinions

We have audited the financial statement of Longnan Tourism Development Investment (Group) Co., Ltd (hereinafter referred to as "Longnan Tourism Development Company"), including Consolidated & Parent Company Balance Sheet as of 31 December 2020, Consolidated & Parent Company Income Statement, Consolidated & Parent Company Cash Flow Statement, Consolidated & Parent Company Owner's Equity Change Statement and relevant Financial Statement Notes in 2020.

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 Longnan Tourism Development Company's financial conditions of consolidated and parent company as of 31 December 2020, as well as operation achievement and cash flow of consolidated and parent company in 2020.

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 Longnan Tourism Development 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 level of Longnan Tourism Development Company (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, so that financial statement has no material misstatement due to fraud or error.

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

The governance level is responsible for supervising the financial report process of Longnan Tourism Development 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:

(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 Longnan Tourism Development Company capabilities of 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 Longnan Tourism Development Company 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) Sufficient and appropriate audit evidences on the financial information of Longnan Tourism Development Company 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.

(No text on this page, as the signature and seal page for the 2020 financial statement Audit Report of Longnan Tourism Development Investment (Group) Co., Ltd (Zhongxinghua Audit (2021) No.020795))

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Beijing·China

Chinese CPA:

Chinese CPA:

21 April 2021

CONSOLIDATED BALANCE SHEET

31 December 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd **Amount Unit: RMB yuan**

Items	Note	Closing balance	Opening balance
Current assets:			
Cash at bank and on hand	VI. 1	1,468,491,880.52	1,702,329,336.34
Financial liabilities measured at fair value with changes included in current profit and loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	VI. 2	29,185,602.55	2,557,163.16
Advances to suppliers	VI. 3	3,520,677.42	4,703,379.69
Other receivables	VI. 4	3,323,690,946.39	2,815,877,758.49
Inventory	VI. 5	5,917,448,991.08	5,668,766,367.04
Assets held for sale			
Non-current assets due within one year			
Other current assets	VI. 6	154,857,971.78	132,177,484.57
Total current assets		10,897,196,069.74	10,326,411,489.29
Non-current assets			
Available for sale financial assets	VI. 7	354,944,546.00	354,944,546.00
Held to maturity investments			
Long-term receivables			
Long-term equity investments	VI. 8	507,686.14	
Investment properties	VI. 9	460,346,225.00	196,495,750.23
Fixed assets	VI. 10	835,885,945.27	588,396,354.44
Construction in progress	VI. 11	10,623,348.39	4,673,865.82
Bearer biological assets			
Oil and gas assets			
Intangible assets	VI. 12	148,763,782.65	151,494,090.66
Development expenditure			
Goodwill			
Long-term prepaid expense	VI. 13	29,132,638.83	29,326,875.58
Deferred tax assets	VI. 14	207,040.56	541,501.92
Other non-current assets	VI. 15	51,366,732.00	49,500,000.00
Total non-current assets		**1,891,777,944.84**	**1,375,372,984.65**
Total assets		**12,788,974,014.58**	**11,701,784,473.94**

(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 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd **Amount Unit: RMB yuan**

Items	Note	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings	VI. 16	382,000,000.00	90,000,000.00
Financial liabilities measured at fair value with changes charged to current profits and losses			
Derivative financial liabilities			
Notes payable			
Trade payables	VI. 17	151,468,382.12	153,135,228.91
Advances from customers	VI. 18	495,373,797.51	523,296,538.49
Employee benefits payable	VI. 19	701,343.89	1,086,504.80
Taxes payable	VI. 20	59,226,667.46	22,766,226.84
Other payables	VI. 21	1,917,577,849.49	1,287,810,719.12
Liabilities held for sale			
Non-current liabilities due within one year	VI. 22	849,208,332.18	720,267,851.16
Other current liabilities			
Total current liabilities		**3,855,556,372.65**	**2,798,363,069.32**
Non-current liabilities:			
Long-term borrowing	VI. 23	3,037,700,000.00	3,248,450,000.00
Bonds payable			
Of which: Preferred Stock			
Perpetual debts			
Long-term payables	VI. 24	536,945,591.12	218,017,808.74
Long-term employee remuneration payable			
Provisions	VI. 25	1,554,277.66	600,339.62
Deferred incomes			
Deferred tax liabilities	VI. 14	6,767,966.87	
Other non-current liabilities			
Total non-current liabilities		**3,582,967,835.65**	**3,467,068,148.36**
Total liabilities		**7,438,524,208.30**	**6,265,431,217.68**
Owner's equity:			
Paid-in capital	VI. 26	2,038,496,000.00	284,000,000.00
Other equity instruments			
Of which: Preferred Stock			
Perpetual debts			
Capital reserve	VI. 27	2,998,301,404.10	4,871,146,704.10
Less: treasury stock			
Other comprehensive income	VI. 28	9,607,020.52	
Special reserve			
Surplus reserve	VI. 29	6,387,546.90	4,728,663.43
Undistributed profits	VI. 30	176,336,600.71	164,037,678.15
Total owners' equity attributable to the parent		5,229,128,572.23	5,323,913,045.68
Minority shareholder's equity		121,321,234.05	112,440,210.58
Total owners' equity		**5,350,449,806.28**	**5,436,353,256.26**
Total liabilities and owners' equity		**12,788,974,014.58**	**11,701,784,473.94**

(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 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Total operating incomes		**758,660,729.00**	**572,880,202.01**
Of which: Operating revenue	VI. 31	**758,660,729.00**	**572,880,202.01**
II. Total operating costs		**724,251,677.67**	**540,657,175.13**
Of which: Operating costs	VI. 31	603,833,612.59	464,072,507.30
Taxes and surcharges	VI. 32	48,821,292.72	42,477,889.26
Selling expenses		20,728,434.09	20,868,135.95
Administrative expenses		45,672,995.52	18,204,141.48
R&D expenses			
Financial expenses	VI. 33	5,195,342.75	-4,965,498.86
Of which: Interest expense		4,339,045.49	401,959.07
Interest incomes		4,991,820.84	5,502,309.58
Add: other incomes	VI. 34	4,876,574.57	1,811,000.00
Investment income (losses expressed with "-")	VI. 35	-17,313.86	
Of which: Investment income from associates and joint ventures		-17,313.86	
Fair value change incomes (losses marked with "-")	VI. 36	14,262,506.77	
Asset impairment losses (losses marked with "-")	VI. 37	1,338,035.44	-1,141,009.70
Gains on disposal of assets (losses expressed with "-")	VI. 38	-166,724.00	
III. Operating profits (losses marked with "-")		54,682,130.25	32,893,017.18
Add: non-operating income	VI. 39	238,099.43	576,882.69
Less: Non-operating expenses	VI. 40	1,480,978.26	493,177.90
IV. Total profits (total losses marked with "-")		53,439,251.42	32,976,721.97
Less: Income tax expenses	VI. 41	28,084,022.77	2,789,408.15
V. Net profits (net losses marked with "-")		**25,355,228.65**	**30,187,313.82**
(I) Classified by business continuity:			
1. Net profits from sustainable operation (net losses marked with "-")		25,355,228.65	30,187,313.82
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 "-")		16,621,205.18	22,713,383.20
2. Minority shareholders' profits and losses (net losses marked with "-")		8,734,023.47	7,473,930.62
VI. After-tax net amount of other comprehensive incomes		**9,607,020.52**	
(I) Net other comprehensive incomes after tax attributable to owners of parent company		**9,607,020.52**	
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			
2. Other comprehensive incomes to be reclassified into profits and losses		**9,607,020.52**	
(1) Other comprehensive incomes able to transfer to profits and losses under the equity method			
(2) Profits and losses from changes in fair value of available-for-sale financial assets			
(3) Profits and losses from held-to-maturity investments reclassified into available-for-sale financial assets			
(4) Effective part of cash flow hedging profits and losses			
(5) Converted difference in foreign currency statements			
(6) Others		**9,607,020.52**	
(II) Net other comprehensive incomes after tax attributable to minority shareholders			
VII. Total comprehensive incomes		**34,962,249.17**	**30,187,313.82**
(I) Total comprehensive incomes attributable to owners of parent company		**26,228,225.70**	**22,713,383.20**
(II) Total comprehensive incomes attributable to minority shareholders		**8,734,023.47**	**7,473,930.62**

(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 2020

Prepared by: Longnan Tourism Development Investment (Group) 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		929,035,139.00	708,486,925.29
Tax refunds received			38,691.71
Other cash received related to operating activities		1,933,883,887.75	1,777,822,429.40
Subtotal cash inflow from operating activities		**2,862,919,026.75**	**2,486,348,046.40**
Cash paid to buy goods and receive labor service		827,094,945.21	1,596,264,542.64
Cash paid to and for employees		26,014,677.46	16,841,383.14
Taxes paid		64,113,764.35	62,045,549.60
Other cash paid to operating-related activities		1,818,339,764.66	1,367,436,367.10
Subtotal cash outflow from operating activities		**2,735,563,151.68**	**3,042,587,842.48**
Net cash flow from operating activities		**127,355,875.07**	**-556,239,796.08**
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			37,926.00
Net cash received from disposal of subsidiaries and other business units			
Other cash received from investing activities			
Subtotal cash inflow from investing activities			**37,926.00**
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		136,464,712.63	210,764,188.31
Cash paid for investment		525,000.00	13,939,600.00
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		**136,989,712.63**	**224,703,788.31**
Net cash flow from investment activities		**-136,989,712.63**	**-224,665,862.31**
III. Cash flow from financing activities:			
Cash received from absorbing investments		1,647,000.00	184,000,000.00
Of which: cash received from absorbing investments from minority shareholders by the subsidiary		147,000.00	
Cash received from borrowings		400,250,000.00	513,000,000.00
Other cash received from financing-related activities		266,000,000.00	691,843,040.69
Subtotal of cash inflow from financing activities		**667,897,000.00**	**1,388,843,040.69**
Cash paid for repayment of debt		271,500,000.00	284,600,000.00
Cash paid for distributing dividends, profits or settling interests		279,550,938.00	267,092,336.99
Of which: dividends and profits paid to minority shareholders by the subsidiary			
Other cash paid to financing-related activities		540,870,723.60	50,094,505.30
Subtotal cash outflow from financing activities		**1,091,921,661.60**	**601,786,842.29**
Net cash flow from financing activities		**-424,024,661.60**	**787,056,198.40**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents		-433,658,499.16	6,150,540.01
Add: opening balance of cash and cash equivalents		1,591,728,641.48	1,585,578,101.47
VI. Closing balance of cash and cash equivalents		**1,158,070,142.32**	**1,591,728,641.48**

(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 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Current amount												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owners' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preference shares	Perpetual debts	Other									
I. Balance at the end of last year	284,000,000.00				4,871,146,704.10				4,728,663.43	164,037,678.15	5,323,913,045.68	112,440,210.58	5,436,353,256.26
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	284,000,000.00				4,871,146,704.10				4,728,663.43	164,037,678.15	5,323,913,045.68	112,440,210.58	5,436,353,256.26
III. Increased or decreased amount in the current period (decrease marked with "-")	1,754,496,000.00				-1,872,845,300.00		9,607,020.52		1,658,883.47	12,298,922.56	-94,784,473.45	8,881,023.47	-85,903,449.98
(I) Total comprehensive incomes							9,607,020.52			16,621,205.18	26,226,225.70	8,734,023.47	34,962,249.17
(II) Capital increase or decrease from the owner	1,500,000.00				148,750,700.00						150,250,700.00	147,000.00	150,397,700.00
1. Invested capital by the owner	1,500,000.00										1,500,000.00	147,000.00	1,647,000.00
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others					148,750,700.00						148,750,700.00		148,750,700.00
(III) Profit distribution									1,658,883.47	-4,322,282.62	-2,663,399.15		-2,663,399.15
1. Withdrawal of the surplus reserves									1,658,883.47	-1,658,883.47			
2. Withdrawal of the general risk reserves													
3. Distribution to owners													
4. Others										-2,663,399.15	-2,663,399.15		-2,663,399.15
(IV) Internal transfer of shareholders' equity	1,752,996,000.00				-1,752,996,000.00								
1. Capital reserve to increase capital	1,752,996,000.00				-1,752,996,000.00								
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					-268,600,000.00						-268,600,000.00		-268,600,000.00
IV. Balance at the end of current year	2,038,496,000.00				2,998,301,404.10		9,607,020.52		6,387,546.90	176,336,600.71	5,229,128,572.23	121,321,234.05	5,350,449,806.28

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

Legal representative

Accounting leader:

Accounting firm director:

Consolidated Owner's Equity Change Statement (Continued)

the year 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Previous amount												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owners' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preference shares	Perpetual debts	Other									
I. Balance at the end of last year	100,000,000.00				3,598,389,114.19					146,984,318.13	3,845,373,432.32	104,966,279.96	3,950,339,712.28
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	100,000,000.00				3,598,389,114.19					146,984,318.13	3,845,373,432.32	104,966,279.96	3,950,339,712.28
III. Increased or decreased amount in the current period (decrease marked with "-")	184,000,000.00				1,272,757,589.91				4,728,663.43	17,053,360.02	1,478,539,613.36	7,473,930.62	1,486,013,543.98
(I) Total comprehensive incomes										22,713,383.20	22,713,383.20	7,473,930.62	30,187,313.82
(II) Capital increase or decrease from the owner	184,000,000.00										184,000,000.00		184,000,000.00
1. Invested capital by the owner	184,000,000.00										184,000,000.00		184,000,000.00
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others													
(III) Profit distribution									4,728,663.43	-5,660,023.18	-931,359.75		-931,359.75
1. Withdrawal of the surplus reserves									4,728,663.43	-4,728,663.43	4,728,663.43		4,728,663.43
2. Withdrawal of the general risk reserves													
3. Distribution to owners													
4. Others													
(IV) Internal transfer of shareholders' equity										-931,359.75	-931,359.75		-931,359.75
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	284,000,000.00				1,272,757,589.91						1,272,757,589.91		1,272,757,589.91
					4,871,146,704.10				4,728,663.43	164,037,678.15	5,323,913,045.68	112,440,210.58	5,436,353,256.26

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

Legal representative

Accounting leader:

Accounting firm director:

Balance Sheet

31 December 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd **Amount Unit: RMB yuan**

Items	Note	Closing balance	Opening balance
Current assets:			
Cash at bank and on hand		532,761,826.51	786,457,750.74
Financial liabilities measured at fair value with changes included in current profit and loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	XIII. 1	8,000,000.96	8,000,189.90
Advances to suppliers			
Other receivables	XIII. 2	1,530,551,812.52	919,097,648.12
Inventory		949,050,687.56	1,004,973,872.46
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets		**3,020,364,327.55**	**2,718,529,461.22**
Non-current assets			
Available for sale financial assets		341,004,946.00	341,004,946.00
Held to maturity investments			
Long-term receivables			
Long-term equity investments	XIII. 3	2,498,416,823.28	2,492,537,873.99
Investment properties		197,671,850.00	188,094,600.00
Fixed assets		723,076,082.28	518,161,099.59
Construction in progress		1,541,392.60	1,541,392.60
Bearer biological assets			
Oil and gas assets			
Intangible assets		53,610.05	2,827.00
Development expenditure			
Goodwill			
Long-term prepaid expense		25,330,000.00	26,835,625.60
Deferred tax assets		135,508.07	519,191.72
Other non-current assets		51,366,732.00	49,500,000.00
Total non-current assets		**3,838,596,944.28**	**3,618,197,556.50**
Total assets		**6,858,961,271.83**	**6,336,727,017.72**

(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 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings		190,000,000.00	90,000,000.00
Financial liabilities measured at fair value with changes charged to current profits and losses			
Derivative financial liabilities			
Notes payable			
Trade payables		76,106,895.02	76,822,367.01
Advances from customers		130,000,000.00	
Employee benefits payable		80,000.00	
Taxes payable		18,468,200.85	13,765,286.50
Other payables		1,594,059,442.35	1,274,961,158.97
Liabilities held for sale			
Non-current liabilities due within one year		217,241,665.50	72,449,417.82
Other current liabilities			
Total current liabilities		**2,225,956,203.72**	**1,527,998,230.30**
Non-current liabilities:			
Long-term borrowing		692,800,000.00	757,750,000.00
Bonds payable			
Of which: Preferred Stock			
Perpetual debts			
Long-term payables		99,124,074.18	114,269,836.81
Long-term employee remuneration payable			
Provisions			
Deferred incomes			
Deferred tax liabilities		2,394,312.50	
Other non-current liabilities			
Total non-current liabilities		**794,318,386.68**	**872,019,836.81**
Total liabilities		**3,020,274,590.40**	**2,400,018,067.11**
Owner's equity:			
Paid-in capital		2,038,496,000.00	284,000,000.00
Other equity instruments			
Of which: Preferred Stock			
Perpetual debts			
Capital reserve		1,654,780,348.99	3,521,946,699.70
Less: treasury stock			
Other comprehensive income			
Special reserve			
Surplus reserve		6,387,546.90	4,728,663.43
Undistributed profits		139,022,785.54	126,033,587.48
Total owners' equity		**3,838,686,681.43**	**3,936,708,950.61**
Total liabilities and owners' equity		**6,858,961,271.83**	**6,336,727,017.72**

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

Legal representative: **Accounting director:** **Accounting firm director:**

Income Statement

the year 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Operating income	XIII. 4	**115,039,166.19**	**156,576,152.44**
Less: operating costs	XIII. 4	73,485,764.93	131,256,606.04
Taxes and surcharges		306,716.50	31,832.70
Selling expenses		2,853,018.31	2,534,848.66
Administrative expenses		23,851,493.73	10,059,097.47
R&D expenses			
Financial expenses		3,827,128.69	-413,586.62
Of which: Interest expense			
Interest incomes		881,362.60	828,641.53
Add: other incomes		306,532.50	1,811,000.00
Investment income (losses expressed with "-")			
Of which: Investment income from associates and joint ventures			
Fair value change incomes (losses marked with "-")		9,577,250.00	
Asset impairment losses (losses marked with "-")		1,534,734.61	-1,101,013.44
Gains on disposal of assets (losses expressed with "-")			
II. Operating profits (losses marked with "-")		**22,133,561.14**	**13,817,340.75**
Add: non-operating income		14,310.86	207,006.62
Less: Non-operating expenses			12,966.41
III. Total profits (total losses marked with "-")		**22,147,872.00**	**14,011,380.96**
Less: Income tax expenses		5,559,037.30	-275,253.36
IV. Net profits (net losses marked with "-")		**16,588,834.70**	**14,286,634.32**
(I) Net profits from sustainable operation (net losses marked with "-")		**16,588,834.70**	**14,286,634.32**
(II) Net profits from discontinued operation (net losses marked with "-")			
V. After-tax net amount of other comprehensive incomes			
(1) Other comprehensive incomes unable to be reclassified into profits and losses			
1. Re-measure and re-define the variation in the benefit plan			
2. Other comprehensive income that fails to be transferred to profit or loss under the equity method			
(2) Other comprehensive incomes to be reclassified into profits and losses			
1. Other comprehensive income of convertible profit or loss under the Equity Method			
2. Profit and loss arising from changes in fair value of available-for-sale financial assets			
3. Profit and loss of held-to-maturity investments reclassified as available-for-sale financial assets			
4. Effective portion of profit and loss of cash flow hedging			
5. Converted difference in foreign currency statements			
6. Others			
VI. Total comprehensive incomes		**16,588,834.70**	**14,286,634.32**

(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 2020

Prepared by: Longnan Tourism Development Investment (Group) 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		306,827,303.75	154,148,010.55
Tax refunds received			
Other cash received related to operating activities		1,567,933,053.41	956,827,869.90
Subtotal cash inflow from operating activities		**1,874,760,357.16**	**1,110,975,880.45**
Cash paid to buy goods and receive labor service		37,936,230.33	225,938,760.70
Cash paid to and for employees		5,158,951.41	4,441,161.34
Taxes paid		63,799.92	648,065.17
Other cash paid to operating-related activities		2,166,581,350.26	722,901,810.10
Subtotal cash outflow from operating activities		**2,209,740,331.92**	**953,929,797.31**
Net cash flow from operating activities		**-334,979,974.76**	**157,046,083.14**
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		2,117,496.13	110,916,054.00
Cash paid for investment		200,000.00	290,381,600.00
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		**2,317,496.13**	**401,297,654.00**
Net cash flow from investment activities		**-2,317,496.13**	**-401,297,654.00**
III. Cash flow from financing activities:			
Cash received from absorbing investments		1,500,000.00	184,000,000.00
Cash received from borrowings		298,250,000.00	245,000,000.00
Other cash received from financing-related activities		100,000,000.00	708,349,475.57
Subtotal of cash inflow from financing activities		**399,750,000.00**	**1,137,349,475.57**
Cash paid for repayment of debt		261,200,000.00	159,500,000.00
Cash paid for distributing dividends, profits or settling interests		73,906,787.84	81,551,874.12
Other cash paid to financing-related activities		56,041,665.50	44,532,272.62
Subtotal cash outflow from financing activities		**391,148,453.34**	**285,584,146.74**
Net cash flow from financing activities		**8,601,546.66**	**851,765,328.83**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents		-328,695,924.23	607,513,757.97
Add: opening balance of cash and cash equivalents		786,457,750.74	178,943,992.77
VI. Closing balance of cash and cash equivalents		**457,761,826.51**	**786,457,750.74**

(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 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Current amount										
	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	284,000,000.00				3,521,946,699.70				4,728,663.43	126,033,587.48	**3,936,708,950.61**
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	284,000,000.00				3,521,946,699.70				4,728,663.43	126,033,587.48	**3,936,708,950.61**
III. Increased or decreased amount in the current period (decrease marked with "-")	1,754,496,000.00				-1,867,166,350.71				1,658,883.47	12,989,198.06	**-98,022,269.18**
(I) Total comprehensive incomes										16,588,834.70	**16,588,834.70**
(II) Capital increase or decrease from the owner	1,500,000.00									-	**1,500,000.00**
1. Invested capital by the owner	1,500,000.00										**1,500,000.00**
2. Other equity instruments owner invested capital											
3. Amount of stock payment included in owner's equity											
4. Others											
(III) Profit distribution					154,429,649.29				1,658,883.47	-3,599,636.64	**152,488,896.12**
1. Withdrawal of the surplus reserves									1,658,883.47	-1,658,883.47	
2. Withdrawal of the general risk reserves											
3. Distribution to owners											
4. Others					154,429,649.29					-1,940,753.17	**152,488,896.12**
(IV) Internal transfer of shareholders' equity	1,752,996,000.00				-1,752,996,000.00						
1. Capital reserve to increase capital	1,752,996,000.00				-1,752,996,000.00						
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	2,038,496,000.00				-268,600,000.00						**-268,600,000.00**
					1,654,780,348.99				6,387,546.90	139,022,785.54	**3,838,686,681.43**

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

Legal representative

Accounting leader:

Accounting firm director:

Owner's Equity Change Statement (Continued)

the year 2020

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Previous amount										
	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	100,000,000.00				2,969,712,099.70					-13,124,531.67	**3,056,587,568.03**
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	100,000,000.00				2,969,712,099.70					-13,124,531.67	**3,056,587,568.03**
III. Increased or decreased amount in the current period (decrease marked with "-")	184,000,000.00				552,234,600.00				4,728,663.43	139,158,119.15	**880,121,382.58**
(I) Total comprehensive incomes										14,286,634.32	**14,286,634.32**
(II) Capital increase or decrease from the owner	184,000,000.00										**184,000,000.00**
1. Invested capital by the owner	184,000,000.00										**184,000,000.00**
2. Other equity instruments owner invested capital											
3. Amount of stock payment included in owner's equity											
4. Others											
(III) Profit distribution									4,728,663.43	124,871,484.83	**129,600,148.26**
1. Withdrawal of the surplus reserves									4,728,663.43	-4,728,663.43	
2. Withdrawal of the general risk reserves											
3. Distribution to owners											
4. Others										129,600,148.26	**129,600,148.26**
(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. Others											
(V) Special reserve											
1. Withdrawal in this period											
2. Used in this period											
(VI) Others					552,234,600.00						**552,234,600.00**
IV. Balance at the end of current year	284,000,000.00				3,521,946,699.70				4,728,663.43	126,033,587.48	**3,936,708,950.61**

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

Legal representative

Accounting leader:

Accounting firm director:

Longnan Tourism Development Investment (Group) Co., Ltd

2020 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

Longnan Tourism Development Investment (Group) Co., Ltd (hereinafter referred to as "the company" or "corporate", collectively referred to as the Group when including subsidiaries) was founded upon registration in the Longnan County Market Supervision Administration on 28 March 2016. The company, formerly known as Longnan County Tourism Investment Development Co., Ltd, changed corporate name to Longnan Tourism Development Investment (Group) Co., Ltd on 20 December 2018; the registered capital of the company amounted to RMB 4,500,000,000 as of 31 December 2020 after changes for many times.

Corporate unified social credit code: 91360727MA35H1AG75; corporate type: other limited liability company; legal representative: Pan Ping; company address: (Longnan Headquarter Economic Zone Enterprise Building) Land Plot A-1, Shiren Area, Longnan Economic and Technological Development Zone, Longnan County, Ganzhou City, Jiangxi Province; corporate business period: 28.03.2016-27.03.2036.

2. Business nature and main operating activities of the company

Corporate business scope: property ownership management of state-owned assets within the authorization scope, asset reorganization and capital operation; urban infrastructure, public facility and environmental remediation investment, construction and operation management; affordable housing construction; real estate development construction and marketing; land development and arrangement; highway and bridge engineering construction; project investment, investment management and investment consulting (excluding finance, securities, futures); hotel construction, operation management, property management, housing lease, etc.; scenic area and scenic spot planning, investment, development, construction and operation management; highway passenger transportation service; tourism commodity R&D, investment and sales; cultural and sport activity planning service, advertising planning, release and publicity; venue rental. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)

3. Scope of consolidated statement

A total of 22 subsidiaries were included in the consolidation scope in 2020; see Note VIII "Equities in Other Entities". The company's consolidation scope in the current period increased 2 subsidiaries compared with the last period; see Note VII "Changes of the Consolidation Scope".

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. 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 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 December 31, 2020, as well as its consolidation and its parent company's operation results, consolidation, cash flow and other relevant information in 2020.

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 combing 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.

For enterprise mergers under different control realized in steps through multiple transactions, according to Notice of Ministry of Finance on Printing and Issuing No.5 Explanation on Accounting Standards for Enterprises (Cai Kuai [2012] No.19) and Article 51 of Accounting Standards for Enterprises No.33 - Consolidated Financial Statements, i.e. standards for judgment of "package deal", it's necessary to judge whether multiple transactions belong to "package deal". The deals belonging to package-deal are accounted based on the above description and Note IV. 11 - 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. 11 "Long-term equity investment" or Note IV. 8 "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 11 (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. 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.

7. Foreign currency transactions and conversion of foreign currency statements

(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; ②for 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.

8. Financial instruments

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.

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 entirely 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 entirely 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.

9. Receivables

Receivables include accounts receivable, other receivables, etc.

(1) Bad debt preparation confirmation standards

The company inspects book value of receivables on the balance sheet date; if the following objective evidences indicate impairment of receivables, provision for impairment is made: ① the debtor has

serious financial difficulties; ② the debtor breaches the contract terms (e.g. payment of interest or principal is breach of contract or overdue, etc.); ③ the debtor is likely to close down or conduct other financial restructuring; ④ other objective basis to indicate impairment of receivables.

(2) Bad debt provision method

① The confirmation standard and accrual method of bad debt provision for account receivables with single significant amount and single provision for bad debts

The company recognizes account receivable of RMB 2 million and above as the account receivable with significant amount of single item.

The Company conducts the individual impairment tests on individual significant receivables, and the individual test financial assets without impairment are included in the financial assets portfolio with similar characteristics of credit risk to perform the impairment tests. The receivables that have been confirmed for impairment losses in individual tests are no longer included in the portfolio of accounts receivable with similar credit risk characteristics for impairment testing.

② The basis to determine the receivables of bad debt provision according to the credit risk portfolio and the method for bad debt provision

A. The basis of determining the combination of credit risk characteristics

The company classifies the financial assets based on the similarity and correlation of credit risk characteristics for receivables with single insignificant and significant amounts without impairment of individual tests. These credit risks reflect generally the ability of the debtor to repay all amounts due according to the contractual terms of the assets, which are related to the measurement of the future cash flows of the assets inspected.

The basis to determine the different combinations:

Items	Basis of determining the portfolio
Aging portfolio	The portfolio determined by similar credit risk characteristics of receivables aging, for the accounts receivable with single significant amount but no bad debt provision upon separate test plus the receivables with single insignificant amount upon deducting single bad debt provision
Other combinations	Receivables from related parties, government departments, enterprises controlled by government departments, personal reserve funds and security deposits

B. Bad debt provision method based on credit risk feature combination

When the impairment test is conducted in a combined manner, the amount of bad debts provision is determined on the basis of the loss assessment existing in the portfolio of historical loss experience, current economic conditions and expected receivables according to the portfolio structure of accounts receivable and similar credit risk characteristics (ability of the debtor to repay arrears according to the terms of the contract).

Different types of accruals for provision of bad debts:

Items	Withdrawal method
Aging portfolio	Aging analysis method

Items	Withdrawal method
Other combinations	No provision for bad debts

a. In the portfolio, the provision method of bad debt with the aging analysis method to calculate

Aging	Accounts receivable ratio (%)	Accrual ratio of other receivables (%)
Within 1 year (including 1 year, the same below)		
1-2 years	5.00	5.00
2-3 years	10.00	10.00
3-4 years	30.00	30.00
4-5 years	50.00	50.00
Over 5 years	100.00	100.00

③ Receivables with individual insignificant amounts and single provision for bad debts

For the accounts receivable with single insignificant amount but the following characteristics (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.), impairment test shall be conducted separately; if objective evidence shows occurrence of impairment, recognize impairment losses as per the difference of estimated future cash flow present value lower than the book value, and withdraw bad debt provision. Meanwhile, the company withdraws bad debt provision, according to similar credit risk characteristics of accounts receivable age, for the accounts receivable with single insignificant amount after deducting single bad debt provision.

(3) Reversal of bad debt provision

If objective evidence shows the value of such receivables has been recovered and it is objectively related to the matters occurred after the loss has been recognized, the previously recognized impairment losses are reversed and charged to the current profits and losses. However, the book value after the reversal does not exceed the assumed amortized cost of such receivables on the reversal date without provision for impairment.

10. Inventory

(1) Classification of inventory

Inventories mainly include raw materials, turnover materials (including packaging materials and low-value consumables), inventory goods, development costs and developed products, 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. Delivered materials are accounted by the weighted average method, delivered inventory goods are accounted by the weighted average method, development costs are accounted by the individual recognition method, and developed products are accounted by the individual recognition 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.

The company withdraws depreciation provision based on the lower of single inventory cost and net realizable value. For large quantities of inventory with low unit price, the company shall withdraw the inventory falling price reserves by the inventory category. For inventory relating to product series produced and sold in the same area, with same or similar final use or purpose, and difficult to be measured by separating from other items, inventory falling price reserves shall be withdrawn in a combined way.

(4) The inventory stocktaking system is perpetual inventory system, and physical stocktaking is performed on a regular basis.

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

Low-value consumables are amortized by fifty percent amortization method at the time of requisitioning; packaging materials are amortized by fifty percent amortization method at the time of requisitioning.

11. 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. 8 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.

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.

(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.

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.

12. 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 fair value model for subsequent measurement of investment real estate. For the investment real estate subsequently measured by fair value mode, the basis for selecting accounting policy is:

① There is active real estate trading market in the place where the investment real estate is located;

② The company can obtain the same category or similar real estate market price and other relevant information from the real estate transaction market, so as to make reasonable estimate on the fair value of investment real estate.

The company does not withdraw depreciation or make amortization on the investment real estate, adjust the book value based on fair value of investment real estate on the balance sheet date, and record the difference between fair value and original book value in current profits and losses.

When determining fair value of investment real estate, refer to the prevailing price for same category or similar real estate on active market; where the prevailing price for same category or similar real estate is unavailable, refer to the latest transaction price for same category or similar real estate on active market, and considering such factors as transaction condition, transaction date, location, etc, so as to make reasonable estimate on fair value of the investment real estate; or determine the fair value based on expected future rental income and present value of relevant cash flow.

In rare cases, if evidence shows when the company acquires an investment real estate for the first time (or when an existing real estate becomes investment real estate for the first time after completing construction or development activities or changing the application), and the fair value of this investment real estate cannot be obtained continuously and reliably, this investment real estate is measured by the cost model until disposal, and assuming there is no residual value.

When the self-use real estate or inventory is converted to investment real estate, make valuation based on fair value on the day of conversion; if the fair value on the day of conversion is less than original book value, the difference is included in current profits and losses; if the fair value on the day of conversion is larger than original book value, the difference is recognized as other comprehensive income. When the investment real estate is converted to self-use real estate, the fair value on the day of conversion is taken

as book value of self-use real estate, and the difference between fair value and original book value is included in current profits and losses.

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 m 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.

13. 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	10-45	5	2.11-9.50
Machinery equipment	Straight-line method	8-12	0-5	7.91-11.875
Transportation equipment	Straight-line method	4-10	0-5	9.5-23.75
Electronic equipments	Straight-line method	3-10	0-5	9.5-31.67
Other equipment	Straight-line method	3-20	0-5	4.75-31.67

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. 18 "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.

14. 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. 18 "Long-term Asset Impairment".

15. 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.

16. 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.

For an intangible asset with limited service life, the original value is amortized averagely and periodically over its estimated service life by using the straight-line method. 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.

17. 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. Long-term expenses to be apportioned are amortized on a straight-line basis over the expected benefit period.

18. Long-term asset impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, 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.

19. 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 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. 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.

21. Incomes

(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 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 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.

(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.

22. 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.

23. 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.

24. Leasing

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.

25. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

No

(2) Accounting estimate change

No

V. Tax items

1. Main tax categories and tax rates

Tax category	Specific tax rate
VAT	For taxable income, VAT is calculated and paid as per the difference after deducting the deductible input tax amount in the current period based on 13%, 9% and 6%, with 3% simple taxation
Urban maintenance and construction tax	subject to 5% of the actually paid turnover tax
Education surcharge	Calculation and payment is made at 5% of the payable turnover tax.
Corporate income tax	Calculation and payment is made at 25% of the taxable income.
Housing tax	Calculation and payment is made at 1.2% after original value deducting 30% or 12% of rental income.

2. Tax benefit and approval document

Pursuant to the Ministry of Finance and State Administration of Taxation Notice on Corporate Income Tax Handling Issues of Special-Purpose Fiscal Funds (Fiscal Taxation [2011] No.70), where fiscal funds that the enterprise obtains from financial departments and other departments of people's governments above county level and shall be included in total income meet the specified conditions in the document, they are regarded as non-taxable income, and deducted from total income when calculating the taxable

income amount.

According to Article 3 in the Notice of Ministry of Finance and State Administration of Taxation on Implementing Generalized Preference Tax Reduction and Exemption Policy of Small and Micro-sized Enterprises (Fiscal Taxation [2019] No.13), people's governments of provinces, autonomous regions and municipalities may determine to reduce the collection of resource tax, urban maintenance and construction tax, real estate tax, urban land use tax, stamp tax (excluding securities transaction stamp tax), cultivated land occupation tax and education expense surcharge, as well as local education surcharge within 50% tax amount range for small-scale taxpayers of VAT, based on actual conditions of local areas and macro-control needs. The implementation period of this notice is from 1 January 2019 to 31 December 2021.

VI. Notes on consolidated financial statement items

In the following notes (including the main item notes of corporate financial statement), unless otherwise specified, the beginning of year refers to 1 January 2020, the end of period refers to 31 December 2020, the current period refers to 2020, and the previous period refers to 2019.

1. Cash at bank and on hand

Items	Closing balance	Opening balance
Cash on hand	21,405.20	16,999.75
Bank savings	1,158,048,737.13	1,562,070,006.11
Other monetary funds	310,421,738.19	140,242,330.48
Total	1,468,491,880.52	1,702,329,336.34

Note: As of 31 December 2020, corporate monetary funds with restricted ownership was RMB 310,421,738.19, of which RMB 275,195,000.00 was the bank loan obtained by the company with bank certificate of deposit as pledge, and RMB 35,226,738.19 was the security deposit.

2. Accounts receivable

(1) Disclosure of receivable classification

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivable with significant amount of single item and separate provision for bad debts					
Receivables with bad debt provision as per credit risk characteristic combinations	29,186,602.55	100.00	1,000.00	0.00	29,185,602.55
Of which: combination of account age	400,022.96	1.37	1,000.00	0.25	399,022.96
Other combinations	28,786,579.59	98.63			28,786,579.59
Account receivable with insignificant amount of single item but separate provision for bad debts					
Total	29,186,602.55	100.00	1,000.00	0.00	29,185,602.55

(Continued)

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivable with significant amount of single item and separate provision for bad debts					
Receivables with bad debt provision as per credit risk characteristic combinations	2,557,163.16	100.00			2,557,163.16
Of which: combination of account age	92,780.98	3.63			92,780.98
Other combinations	2,464,382.18	96.37			2,464,382.18
Account receivable with insignificant amount of single item but separate provision for bad debts					
Total	2,557,163.16	100.00			2,557,163.16

A. In the portfolio, accounts receivable for which the provision for bad debts is made by the aging analysis method

Aging	Closing balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Within 1 year	380,022.96		
1-2 years	20,000.00	1,000.00	5.00
Total	400,022.96	1,000.00	—

Aging	Opening balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Within 1 year	92,780.98		
Total	92,780.98		

(2) Accounts receivable of the Top 5 closing balance classified by overdue items

The total accounts receivable of the Top 5 closing balance classified by the overdue party is RMB 14,729,478.70, accounting for 50.47% of the total closing balance of accounts receivable, and the total closing balance of corresponding bad debt provision is RMB 0.

Name of projects	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Longnan County Wudang Town People's Government	4,478,399.13	15.34	
Longnan Economic and Technological Development Zone Construction Investment Co., Ltd	3,031,453.16	10.39	
Longnan County Urban Management Bureau	2,822,068.34	9.67	
Longnan County Chenglong Town People's Government	2,273,868.07	7.79	
Longnan City Jintang New District Management Committee	2,123,690.00	7.28	

Name of projects	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Total	14,729,478.70	50.47	

3. Advances to suppliers

(1) Advance payment is listed by age

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	3,375,837.97	95.89	4,703,379.69	100.00
1-2 years	144,839.45	4.11		
Total	3,520,677.42	—	4,703,379.69	—

(2) Advance payments with relatively large closing balance classified by advance payment recipients

Name of entity	Closing balance	Proportion to the total closing balance of advance payments (%)
Jiangxi Yingge Electromechanical Equipment Engineering Co., Ltd	3,280,000.00	93.16
Total	3,280,000.00	93.16

4. Other receivables

Items	Closing balance	Opening balance
Other receivables	3,323,690,946.39	2,815,877,758.49
Interests receivable		
Dividends receivable		
Total	3,323,690,946.39	2,815,877,758.49

(1) Other receivables

① Disclosure of other receivable classification

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with significant amount of single item and separate provision for bad debts					
Other accounts receivable for which the provision for bad debts is made by combination	3,324,779,859.39	100.00	1,088,913.00	0.03	3,323,690,946.39
Including: aging analysis combination	90,688,436.52	2.73	1,088,913.00	1.20	89,599,523.52
Other combinations	3,234,091,422.87	97.27			3,234,091,422.87
Other receivables with single insignificant amount and separate bad debt provision					
Total	3,324,779,859.39	100.00	1,088,913.00	0.03	3,323,690,946.39

(Continued)

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with significant amount of single item and separate provision for bad debts					
Other accounts receivable for which the provision for bad debts is made by combination	2,818,305,706.93	100.00	2,427,948.44	0.09	2,815,877,758.49
Including: aging analysis combination	40,983,179.29	1.45	2,427,948.44	5.92	38,555,230.85
Other combinations	2,777,322,527.64	98.55			2,777,322,527.64
Other receivables with single insignificant amount and separate bad debt provision					
Total	2,818,305,706.93	100.00	2,427,948.44	0.09	2,815,877,758.49

A. In the portfolio, accounts receivable for which the provision for bad debts is made by the aging analysis method

Aging	Closing balance		
	Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year	75,500,412.86		
1-2 years	14,032,102.79	701,605.14	5.00
2-3 years	713,434.72	71,343.47	10.00
3-4 years	180,745.37	54,223.61	30.00
4-5 years			
Over 5 years	261,740.78	261,740.78	100.00
Total	90,688,436.52	1,088,913.00	1.20

(Continued)

Aging	Opening balance		
	Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year	17,369,546.89		
1-2 years	762,222.32	38,111.12	5.00
2-3 years	22,589,669.30	2,258,966.93	10.00
3-4 years			
4-5 years	261,740.78	130,870.39	50.00
Over 5 years			
Total	40,983,179.29	2,427,948.44	5.92

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
Longnan County Finance Bureau	Transaction accounts	2,108,683,160.30	Within 1 year, 1-2 years, 2-3 years, 3-4 years	63.42	
Longnan County Urban Construction Investment Co., Ltd	Transaction accounts	406,320,737.43	Within 1 year, 1-2 years	12.22	
Longnan County Land and Housing Expropriation Office	Transaction accounts	160,000,000.00	Within 1 year, 1-2 years	4.81	
Longnan Economic and Technological Development Zone Construction Investment Co., Ltd	Transaction accounts	145,000,000.00	Within 1 year, 1-2 years, 2-3 years	4.36	
Longnan Urban Investment Holding Group Co., Ltd	Transaction accounts	74,546,335.80	Within 1 year	2.24	
Total	—	2,894,550,233.53	—	87.06	

5. Inventory

(1) Inventory classification

Items	Closing balance		
	Book balance	Provision for depreciation	Book value
Raw materials	65,561.92		65,561.92
Low-value consumables	193,061.64		193,061.64
Turnover material	46,186.58		46,186.58
Commodity stocks	448,269,966.78		448,269,966.78
Development cost	4,692,135,092.41		4,692,135,092.41
Developed products	776,725,977.71		776,725,977.71
Product delivered	13,144.04		13,144.04
Total	5,917,448,991.08		5,917,448,991.08

(Continued)

Items	Opening balance		
	Book balance	Provision for depreciation	Book value
Raw materials	65,561.92		65,561.92
Low-value consumables	23,545.11		23,545.11
Turnover material	46,186.58		46,186.58
Commodity stocks	447,638,549.31		447,638,549.31
Development cost	4,522,309,018.94		4,522,309,018.94
Developed products	698,683,505.18		698,683,505.18
Total	5,668,766,367.04		5,668,766,367.04

(2) In closing balance of inventories, the capitalized amount of borrowing cost is RMB 66,566,566.20.

(3) Main details on inventory goods are as follows:

Items	Closing balance	Opening balance
Commodity forest	445,207,000.00	445,207,000.00
Other inventory goods	3,062,966.78	2,431,549.31
Total	448,269,966.78	447,638,549.31

6. Other current assets

Items	Closing balance	Opening balance
VAT - input tax to be deducted	32,146,425.62	9,970,353.16
Prepaying taxes	122,711,546.16	122,207,131.41
Total	154,857,971.78	132,177,484.57

7. Available for sale financial assets

(1) Available-for-sale financial assets are as follows

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Available-for-sale liability tool						
Available-for-sale equity tool	354,944,546.00		354,944,546.00	354,944,546.00		354,944,546.00
Of which: Measured at fair value						
Measured by costs	354,944,546.00		354,944,546.00	354,944,546.00		354,944,546.00
Other						
Total	354,944,546.00		354,944,546.00	354,944,546.00		354,944,546.00

(2) Available-for-sale equity instruments measured at cost

Investee	Shareholding ratio (%)	Book balance			
		2019/12/31	Increase in current period	Decrease in current period	2020/12/31
Longnan Huajia Real Estate Development Co., Ltd [Note]	100.00	341,004,946.00			341,004,946.00
Longnan Zhongmei Project Management Co., Ltd	10.00	13,939,600.00			13,939,600.00
Total		354,944,546.00			354,944,546.00

Note: According to the Document Long Government Office Approval (2019) No.387, the company signed a project investment cooperation agreement with Jiangxi Huayi Real Estate Group Co., Ltd through public investment attraction, and the agreement stipulated the establishment of project company "Longnan Huajia Real Estate Development Company". Jiangxi Huayi Real Estate Group Co., Ltd was responsible for daily operation management and decision-making of this project company. The company held 100% shares, but without actual operation management right and decision-making right, only entitled to investment income with annualized yield of 9%.

8. 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
Longnan Great Wall Property Management Co., Ltd		525,000.00		-17,313.86		
Total		525,000.00		-17,313.86		

(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		
Longnan Great Wall Property Management Co., Ltd				507,686.14	
Total				507,686.14	

9. Investment properties

(1) Investment real estate measured at fair value

Items	Houses and buildings	Land use right	Total
I. Opening balance	196,495,750.23		196,495,750.23
II. Changes in current period			
Add: outsourced			
Transfer of the inventory		236,778,607.30	236,778,607.30
Increase in business combination			
Less: disposal			
Fair value greater than cost on the conversion date		12,809,360.70	12,809,360.70
Fair value changes	14,262,506.77		14,262,506.77
III. Closing balance	210,758,257.00	249,587,968.00	460,346,225.00

Regarding fair value of investment real estate at the end of period, Appraisal Report Yongjie Appraisal Report [2021] No.G041201 was issued by Jiangxi Yongjie Real Estate Asset Appraisal Co., Ltd, with appraisal value of RMB 197,671,850.00; Appraisal Report Yongjie Appraisal Report [2021] No.G041202 was issued by Jiangxi Yongjie Real Estate Asset Appraisal Co., Ltd, with appraisal value of RMB 13,086,407.00; Appraisal Report Gan Red Earth (2021) Land Appraisal No.LN0101 was issued by Jiangxi Red Earth Real Estate Asset Appraisal Surveying and Mapping Consulting Co., Ltd, with appraised value of RMB 249,587,968.00.

(2) Amount and reason for investment real estate with property ownership certificate unhandled

Items	Book value	Reasons for failure to complete the Property Ownership Certificate
Land Plot D1-6 and D1-7, Shiren Area, Longnan County	249,587,968.00	Property ownership certificate not handled yet

10. Fixed assets

Items	Closing balance	Opening balance
Fixed assets	835,885,945.27	588,396,354.44
Fixed asset liquidation		
Total	835,885,945.27	588,396,354.44

(1) Fixed assets

① Fixed assets are as follows

Items	Houses and buildings	Machinery equipment	Transportation equipment	Office equipment and others	Total
I. Original book value					
1. Opening balance	561,916,426.15	2,472,645.77	13,355,235.78	13,287,542.04	591,031,849.74
2. Increased amount in current period	258,805,273.49	2,251,522.77	3,527,468.84	3,904,850.04	268,489,115.14
(1) Purchase	38,407,262.23	1,394,442.49	3,527,468.84	3,904,850.04	47,234,023.60
(2) Transfer of engineering under construction	71,647,311.26	857,080.28			72,504,391.54
(3) Transfer in from allocation	148,750,700.00				148,750,700.00
3. Decreased amount in current period		186,724.00		1,449,040.32	1,635,764.32
(1) Disposal or scrap [Note]		186,724.00		1,449,040.32	1,635,764.32
(2) Decrease of enterprise consolidation					
(3) Investment property transfer-in					
(4) Divided into assets held for sale					
4. Closing balance	820,721,699.64	4,537,444.54	16,882,704.62	15,743,351.76	857,885,200.56
II. Cumulative depreciation					
1. Opening balance	160,154.35	202,852.14	409,617.10	1,862,871.71	2,635,495.30
2. Increased amount in current period	14,749,306.43	1,315,014.42	2,219,060.35	1,080,378.79	19,363,759.99
(1) Provision	14,749,306.43	1,315,014.42	2,219,060.35	1,080,378.79	19,363,759.99
3. Decreased amount in current period					
(1) Disposal or scraping					
4. Closing balance	14,909,460.78	1,517,866.56	2,628,677.45	2,943,250.50	21,999,255.29
III. Provision for impairment					
1. Opening balance					
2. Increased amount in current period					
(1) Provision					
3. Decreased amount in current period					
(1) Disposal or scraping					

Items	Houses and buildings	Machinery equipment	Transportation equipment	Office equipment and others	Total
4. Closing balance					
IV. Book value					
1. Period-end book value	805,812,238.86	3,019,577.98	14,254,027.17	12,800,101.26	835,885,945.27
2. Book value at the beginning of year	561,756,271.80	2,269,793.63	12,945,618.68	11,424,670.33	588,396,354.44

Note: Because the decreased fixed assets are external donation in the current month of purchase, there is no decrease in depreciation.

② Details on fixed assets-houses and buildings as of 31 December 2020 are as follows:

Items	Original book value	Cumulative depreciation	Book value
Longnan County Xiaowudang Scenic Resort 4A Scenic Area Creation Development and Construction Project [Note 1]	388,119,232.70	8,105,743.23	380,013,489.47
Longnan County Guanxi Enclosed House Cluster Scenic Area Construction Project [Note 1]	200,058,147.08	5,174,936.11	194,883,210.97
Headquarter Economic Zone Tourism Development Group Office Building [Note 2]	11,003,653.81	140,701.50	10,862,952.31
Idle house [Note 3]	29,226,221.91	788,499.11	28,437,722.80
Forestry Investment Company Office Building [Note 3]	4,553,085.71	122,838.46	4,430,247.25
Sunshine Longwan Store	37,255,794.18	488,999.16	36,766,795.02
Nanwudang Sightseeing Bus Shelter, etc.	1,754,864.25	87,743.21	1,667,121.04
Sports Center	148,750,700.00		148,750,700.00
Total	820,721,699.64	14,909,460.78	805,812,238.86

Note 1: For Longnan County Xiaowudang Scenic Resort 4A Scenic Area Creation Development and Construction Project and Longnan County Guanxi Enclosed House Cluster Scenic Area Construction Project, engineering project had basically completed construction and reached usable status as of the end of 2019. At present, it is accounted as per tentatively estimated cost carried over to the item of fixed assets-houses and building, without handling relevant ownership certificate.

Note 2: Headquarter Economic Zone Tourism Development Group Office Building has completed construction and reached usable status. At present, it is accounted as per final account amount of project completion carried over to the item of fixed assets-houses and building, and property ownership certificates Gan (2021) Longnan City Immovable Property Ownership No.0001005 and Gan (2021) Longnan City Immovable Property Ownership No.0001006 have been handled, with set mortgage.

Note 3: The property ownership certificate has been handled for all idle houses, and some have set mortgage.

Note 4: Forestry Investment Company Office Building has handled property ownership certificate-Gan (2019) Longnan County Immovable Property Ownership No.0004180, with set mortgage.

③ Fixed assets without handling property ownership certificate

Items	Book value	Reasons for failure to complete the property certificate
Longnan County Xiaowudang Scenic Resort 4A Scenic Area Creation Development and Construction Project	380,013,489.47	Under handling
Longnan County Guanxi Enclosed House Cluster Scenic Area Construction Project	194,883,210.97	Under handling
Sunshine Longwan Store	36,766,795.02	Under handling
Total	611,663,495.46	—

11. Construction in progress

(1) Construction in process

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction in progress	10,623,348.39		10,623,348.39	4,673,865.82		4,673,865.82
Total	10,623,348.39		10,623,348.39	4,673,865.82		4,673,865.82

(2) Changes of important construction in progress in current period

Project name	Opening balance	Increase in current period	Decrease in current period		Closing balance
			Fixed asset transfer-in	Other decreases	
Longnan County Xiaowudang Scenic Resort 4A Scenic Area Creation Development and Construction Project		69,282,095.11	69,282,095.11		
Headquarter Economic Zone Tourism Development Group Office Building		1,761,819.95	1,761,819.95		
Nanwudang sporadic engineering	710,623.54	1,450,103.37	603,396.20		1,557,330.71
Guanxiwei Scenic Area engineering		384,970.22			384,970.22
Yangming Academy and Hakka Culture Expo Park outdoor ancillary engineering	866,618.77	23,308.64			889,927.41
Bus company repair engineering		2,555,585.42			2,555,585.42
Talent Industrial Park Project		2,657,913.46			2,657,913.46
Yingbin Building hotel garden engineering		804,720.00			804,720.00
Other sporadic projects	2,291,903.51	733,663.96	857,080.28	395,586.02	1,772,901.17
Total	3,869,145.82	79,654,180.13	72,504,391.54	395,586.02	10,623,348.39

12. Intangible assets

(1) Intangible assets

Items	Land use right	Software	Other	Total
I. Original book value				
1. Opening balance	152,027,215.23	6,000.00		152,033,215.23
2. Increased amount in current period		53,681.75	434,618.30	488,300.05
(1) Purchase		53,681.75	434,618.30	488,300.05
(2) Internal R&D				
(3) Increase in business combination				
3. Decreased amount in current period				
(1) Disposal				
(2) Invalid and derecognized part				
4. Closing balance	152,027,215.23	59,681.75	434,618.30	152,521,515.28
II. Accumulated amortization				
1. Opening balance	535,951.57	3,173.00		539,124.57
2. Increased amount in current period	3,215,709.36	2,898.70		3,218,608.06
(1) Provision	3,215,709.36	2,898.70		3,218,608.06
3. Decreased amount in current period				
(1) Disposal				
(2) Invalid and derecognized part				
4. Closing balance	3,751,660.93	6,071.70		3,757,732.63
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	148,275,554.30	53,610.05	434,618.30	148,763,782.65
2. Book value at the beginning of year	151,491,263.66	2,827.00		151,494,090.66

Note: As of 31 December 2020, ownership certificate had been handled for intangible assets-land use right, without set mortgage.

(2) Other notes:

Other intangible assets were the operation right of Bus Company, and service life of this operation right was uncertain, therefore it was not amortized.

13. Long-term prepaid expense

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Tour Guide Narrator Contest & New Tour Guide Speech	15,625.60		15,625.60		0.00

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Nanwudang Mountain operation right	26,820,000.00		1,490,000.00		25,330,000.00
Longtoutan operation right	2,491,249.98	50,000.00	267,500.04		2,273,749.94
Far East International Financial Leasing handling fee		1,720,000.00	191,111.11		1,528,888.89
Total	29,326,875.58	1,770,000.00	1,964,236.75		29,132,638.83

14. Deferred income tax assets/deferred income tax liabilities

(1) Non-offset deferred income tax asset details

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Asset impairment reserve	828,162.24	207,040.56	2,166,007.68	541,501.92
Total	828,162.24	207,040.56	2,166,007.68	541,501.92

(2) Deferred income tax liability items

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Increase and decrease in fair value of investment properties	27,071,867.46	6,767,966.87		
Total	27,071,867.46	6,767,966.87		

15. Other non-current assets

Items	Closing balance	Opening balance
Dujiang Guolong Agricultural Tourism Integrated Sci-tech Industrial Park Project [Note 1]	47,400,000.00	47,400,000.00
Jiahu Geothermal Water Feasibility Exploration Prospecting Right [Note 2]	2,100,000.00	2,100,000.00
Acquired Jade Xianyan building transfer fee	1,866,732.00	
Total	51,366,732.00	49,500,000.00

Note 1: Longnan County People's Government and Ganzhou Changle Ecological Agriculture Technology Co., Ltd signed a cooperation agreement on "Longnan County Guolong Agricultural Tourism Integration Sci-tech Industrial Park Project". County government designated the company to cooperate with Ganzhou Changle Ecological Agriculture Technology Co., Ltd on behalf of the government. After acceptance of the project, the company shall hold 15% shares, entitled to project incomes and dividends.

Note 2: The geothermal water reserve of Jiahu Longnan County is currently under exploration, without ascertaining specific reserve.

16. Short-term borrowings

(1) Short-term loan classification

Items	Closing balance	Opening balance
Security borrowings	159,000,000.00	90,000,000.00
Mortgage borrowings	100,000,000.00	
Pledge borrowings	123,000,000.00	
Total	382,000,000.00	90,000,000.00

17. Payables

(1) List of payables

Items	Closing balance	Opening balance
Within 1 year	49,351,568.91	131,846,964.11
1-2 years	80,828,548.41	21,286,162.80
2-3 years	21,286,162.80	
Over 3 years	2,102.00	2,102.00
Total	151,468,382.12	153,135,228.91

(2) Major payables aged over 1 year

Items	Closing balance	Reasons for outstanding or carrying over
Huatai Construction Engineering Co., Ltd	65,352,015.45	Not settled
Hunan Xingda Construction Group Co., Ltd	11,894,321.80	Not settled
Ganzhou City Zhongqi Construction Engineering Co., Ltd	7,898,945.80	Not settled
Total	85,145,283.05	

18. Advances from customers

(1) List of advance receipts

Items	Closing balance	Opening balance
Within 1 year	396,664,639.44	523,293,355.09
1-2 years	98,705,974.67	3,183.40
2-3 years	3,183.40	
Over 3 years		
Total	495,373,797.51	523,296,538.49

(2) Major advance receipts aged over 1 year

Items	Closing balance	Reasons for outstanding or carrying over
Sunshine Longwan pre-selling house funds	98,705,974.67	Conditions for income recognition have not been met
Total	98,705,974.67	

19. Employee benefits payable

(1) Presentation of employee remuneration payable

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Short-term remuneration	1,086,504.80	24,932,057.96	25,317,218.87	701,343.89

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
II. Post-employment welfare - defined contribution plan		697,458.59	697,458.59	
III. Dismissal benefits				
IV. Other benefits due within one year				
Total	1,086,504.80	25,629,516.55	26,014,677.46	701,343.89

(2) Presentation of short-term remuneration

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
1. Wages, bonuses, allowances and subsidies	1,086,504.80	21,730,253.48	22,115,414.39	701,343.89
2. Employee services and benefits		1,300,446.99	1,300,446.99	
3. Social insurance premiums		608,414.29	608,414.29	
Of which: medical insurance premium		152,103.57	152,103.57	
Work-related injury insurance premium		19,012.95	19,012.95	
Birth insurance premium		19,012.95	19,012.95	
4. Housing fund		550,920.00	550,920.00	
5. Trade union funds and staff education funds		741,863.20	741,863.20	
6. Short-term paid absences				
7. Short-term profit sharing plan				
8. Other short-term compensation		160.00	160.00	
Total	1,086,504.80	24,932,057.96	25,317,218.87	701,343.89

(3) Presentation of defined contribution plan

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
1. Basic endowment insurance		660,626.27	660,626.27	
2. Unemployment insurance premium		36,832.32	36,832.32	
3. Payment of enterprise annuity				
4. Other post-employment welfare				
Total		697,458.59	697,458.59	

20. Taxes payable

Items	Closing balance	Opening balance
VAT payable	27,124,707.74	7,457,469.03
City maintenance and construction tax payable	956,035.48	563,321.51
Educational fee payable	788,687.88	561,675.10
Local education fee surcharge payable	148,522.23	1,562.08
Enterprise income tax payable	29,032,955.09	14,019,578.72
Property tax payable	394,418.49	
Land use tax payable	549,565.58	
Stamp tax payable	23,055.50	162,620.40

Items	Closing balance	Opening balance
Other taxes payable	208,719.47	
Total	59,226,667.46	22,766,226.84

21. Other payables

Items	Closing balance	Opening balance
Other payables	1,917,577,849.49	1,287,810,719.12
Interest payable		
Dividends payable		
Total	1,917,577,849.49	1,287,810,719.12

(1) Other payables

① Other Payables by Age

Items	Closing balance	Opening balance
Within 1 year	1,497,251,635.69	848,548,332.33
1-2 years	392,060,494.92	41,114,626.63
2-3 years	5,674,689.71	397,110,739.71
Over 3 years	22,591,029.17	1,037,020.45
Total	1,917,577,849.49	1,287,810,719.12

22. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term loans due within 1 year (Note VI. 23)	752,500,000.00	705,000,000.00
Bonds payable due within 1 year		
Long-term payables due within 1 year (Note VI. 24)	96,708,332.18	15,267,851.16
Total	849,208,332.18	720,267,851.16

23. Long-term borrowing

Items	Closing balance	Opening balance
Security borrowings	2,588,850,000.00	2,749,750,000.00
Pledge borrowings	379,750,000.00	348,000,000.00
Guarantee + pledge	249,000,000.00	299,000,000.00
Mortgage + pledge	315,600,000.00	336,700,000.00
Guarantee + mortgage + pledge	220,000,000.00	220,000,000.00
Credit borrowings	37,000,000.00	-
Less: long-term borrowings due within 1 year (Notes VI 22)	752,500,000.00	705,000,000.00
Total	3,037,700,000.00	3,248,450,000.00

24. Long-term payables

Items	Closing balance	Opening balance
Long-term payables	309,803,533.35	133,342,148.30
Special accounts payable	323,850,389.95	99,943,511.60
Less: the portion due within 1 year (Notes VI 22)	96,708,332.18	15,267,851.16

Items	Closing balance	Opening balance
Total	536,945,591.12	218,017,808.74

(1) Long-term payables

Items	Closing balance	Opening balance
Huaxia Financial Leasing Co., Ltd.	95,000,000.00	
Jiangxi Financial Leasing Co., Ltd.	58,333,333.35	91,666,666.67
JinYuan Huaxing Finance Leasing Co., Ltd.	5,636,866.67	8,455,300.00
Far East International Financial Leasing Co., Ltd	78,833,333.33	
Luoyin Financial Leasing Co., Ltd.	72,000,000.00	33,220,181.63
Less: the portion due within 1 year	96,708,332.18	15,267,851.16
Total	213,095,201.17	118,074,297.14

(2) Special accounts payable

Items	Closing balance	Opening balance
Second batch of traditional village protection funds	1,832,406.33	1,832,406.33
Longnan County Independent Industrial and Mining District No.4 Middle School	52,370,000.00	52,370,000.00
Construction of public school in High-speed Railway New District (Liren)	6,050,000.00	23,300,000.00
Longnan Middle School Comprehensive Experimental Building and Dormitory Building Project	6,050,000.00	6,050,000.00
Longnan County No.4 Public Kindergarten	14,000,000.00	
Longnan County No.3 Middle School Teaching Building Project	5,000,000.00	
Longnan Taojiang School Student Dormitory Engineering Project	4,000,000.00	
Longnan Xindu School Comprehensive Building Engineering Project	5,141,000.00	
Longnan County Urban Parking Lot Construction Project	30,000,000.00	
Safety production expense	78,326.62	
Xinli Huayuan Urban Shantytown Renovation and Resettlement House	56,000,000.00	
Shiren Huayuan Urban Shantytown Renovation Project	60,000,000.00	
Longnan Hakka Enclosed House Cluster (Wudang Gangshang Enclosed House Cluster) Project	20,000,000.00	
Capital of High-standard Farmland Construction Project	57,391,900.00	16,391,105.27
Funds for 13th Five-Year Relocating Poverty Alleviation Project	5,936,757.00	
Total	323,850,389.95	99,943,511.60

25. Provisions

Items	Closing balance	Opening balance
Unexpired liability reserve	194,339.62	194,339.62
Guarantee compensation reserve withdrawal	1,359,938.04	406,000.00
Total	1,554,277.66	600,339.62

26. Paid-in capital

Name of investors	Opening balance	Increase in current period	Decrease in current period	Closing balance
Longnan County State-owned Assets Management Center	284,000,000.00	1,754,496,000.00		2,038,496,000.00
Total	284,000,000.00	1,754,496,000.00		2,038,496,000.00

Note: The increase of paid-in capital in the current period is RMB 1,500,000.00 capital input, and RMB 1,752,996,000.00 is capital reserve to increase capital.

27. Capital reserve

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Transfer of funds	1,938,544,248.81		1,752,996,000.00	185,548,248.81
Other capital reserves	2,932,602,455.29	148,750,700.00	268,600,000.00	2,812,753,155.29
Total	4,871,146,704.10	148,750,700.00	2,021,596,000.00	2,998,301,404.10

Note: The decrease of capital reserve is the increase of paid-in capital by RMB 1,752,996,000.00, RMB 268,600,000.00 is financial recovery of investment, and the increase of capital reserve is the transferred fixed assets to enter account as per the appraisal value of RMB 148,750,700.00.

28. Other comprehensive income

Items	Opening balance	Amount incurred in current period					Closing balance
		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	
Difference between fair value and book value of investment real estate converted from inventories		12,809,360.70		3,202,340.18	9,607,020.52		9,607,020.52
Total		12,809,360.70		3,202,340.18	9,607,020.52		9,607,020.52

29. Surplus reserve

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	4,728,663.43	1,658,883.47		6,387,546.90
Total	4,728,663.43	1,658,883.47		6,387,546.90

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.

30. Undistributed profits

Items	Current amount	Previous amount
Undistributed profit at the end of the prior year before adjustment	164,037,678.15	146,984,318.13
Total beginning undistributed profits adjusted (increase +, decrease -)		
Undistributed profits after adjustment at the beginning of period	164,037,678.15	146,984,318.13
Add: Net profit attributable to shareholders of parent company in current period	16,621,205.18	22,713,383.20
Less: withdrawal of statutory surplus reserve	1,658,883.47	4,728,663.43
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk reserve		
Common stock dividends payable		
Common stock dividends converted into capital stock		
Other profit distributions	2,663,399.15	931,359.75
Undistributed profits at the end of period	176,336,600.71	164,037,678.15

31. Operating incomes and operating costs

Items	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Main business	725,165,571.23	603,430,807.98	572,848,943.43	464,061,800.30
Other businesses	33,495,157.77	402,804.61	31,258.58	10,707.00
Total	758,660,729.00	603,833,612.59	572,880,202.01	464,072,507.30

(1) Main business (according to industry or business)

Category	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Engineering construction incomes	127,586,176.67	124,929,610.89	124,428,801.87	123,308,295.94
Agent construction project income	98,786,407.77	88,478,260.87	180,783,793.73	161,919,397.86
Transportation income	6,881,069.43	7,653,922.26	98,614.93	543,156.80
Real estate sales revenue	460,829,851.67	372,298,290.63	223,502,038.08	165,577,072.87
Scenic area operating income	16,699,226.41	5,163,696.13	39,705,876.00	10,675,559.57
Rental service income	6,850,857.35	802,258.56	1,409,059.96	229,486.03
Catering service income	2,777,157.36	2,056,782.38		
Other service incomes	1,545,747.00	279,601.50	1,251,099.64	256,080.00
Other incomes	3,209,077.57	1,768,384.76	1,669,659.22	1,552,751.23
Total	725,165,571.23	603,430,807.98	572,848,943.43	464,061,800.30

32. Taxes and surcharges

Items	Current amount	Previous amount
Urban maintenance and construction tax	903,870.18	702,855.92

Items	Current amount	Previous amount
Education surcharge	802,901.13	699,298.68
Land use tax	1,193,684.16	199,712.76
Housing tax	482,182.43	2,319.56
Stamp duty	393,613.05	503,581.41
Vehicle and vessel use tax	2,231.20	360.00
Increment tax on land value	45,042,810.57	40,369,760.93
Total	48,821,292.72	42,477,889.26

Notes: As for the payment standard of taxes and fees, please refer to Note V Tax Items.

33. Financial expenses

Items	Current amount	Previous amount
Interest expenses	4,339,045.49	401,959.07
Less: interest income	4,991,820.84	5,502,309.58
Handling fee and others	5,848,118.10	134,851.65
Total	5,195,342.75	-4,965,498.86

34. Other revenues

Items	Current amount	Previous amount
Government subsidy related to corporate daily activities	4,876,574.57	1,811,000.00
Total	4,876,574.57	1,811,000.00

Among them, government grants are as follows:

Subsidy item	Current amount	Previous amount	Asset-related/income-related
Tourist toilet incentive subsidy funds	230,000.00	90,000.00	Income-related
Provincial, municipal and county incentive funds of service industry above the designated scale newly added in 2018		120,000.00	Income-related
Ganzhou tourism brand creation incentive subsidy funds		710,000.00	Income-related
2017-2018 brand creation incentive funds		610,000.00	Income-related
Funds for Central Tourism Development Fund Local Subsidy Project		281,000.00	Income-related
Funds for Central Tourism Development Fund Local Subsidy Project	290,000.00		Income-related
2019 provincial tourism development funds	529,000.00		Income-related
Unemployment insurance post stabilization subsidy funds	20,823.92		Income-related
Public cultural system construction incentive subsidy funds	50,000.00		Income-related

Subsidy item	Current amount	Previous amount	Asset-related/income-related
Other	3,756,750.65		Income-related
Total	4,876,574.57	1,811,000.00	Income-related

35. Investment income

Items	Current amount	Previous amount
Income of long-term equity investment by equity method accounting	-17,313.86	
Total	-17,313.86	

36. Proceed from fair value variance

Source of profit from fluctuation of fair value	Current amount	Previous amount
Investment real estate measured at fair value	14,262,506.77	
Total	14,262,506.77	

37. Asset impairment losses

Items	Current amount	Previous amount
Bad debt losses	1,338,035.44	-1,141,009.70
Total	1,338,035.44	-1,141,009.70

38. ASSET DISPOSAL GAINS

ITEMS	CURRENT AMOUNT	PREVIOUS AMOUNT
Gains or losses from disposal of immovable property	-186,724.00	
TOTAL	-186,724.00	

39. Non-operating income

Items	Current amount	Previous amount
Government grants irrelevant to daily activities of the enterprise	14,310.86	244,932.62
Penalty income	47,754.85	
Other	176,033.72	331,950.07
Total	238,099.43	576,882.69

40. Non-operating expenses

Items	Current amount	Previous amount
Donation expenditure	1,449,040.32	132,966.41
Operational fines, administrative fines and tax late fees	27,693.94	207,211.49
Other	4,244.00	153,000.00
Total	1,480,978.26	493,177.90

41. Income tax expenses

Items	Current amount	Previous amount
Current income tax	24,183,934.72	3,316,951.29
Decrease of current deferred tax assets	334,461.36	-527,543.14
Increase of current deferred tax liability	3,565,626.69	
Total	28,084,022.77	2,789,408.15

42. Supplementary information of Cash Flow Statement

(1) Supplementary information of Cash Flow Statement

Supplementary information	Current amount	Previous amount
1. Net profits adjusted to cash flow from operating activities:		
Net profits	25,355,228.65	30,187,313.82
Add: provision for impairment of assets	-1,338,035.44	1,141,009.70
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	19,363,759.99	2,368,316.26
Amortization of intangible assets	3,218,608.06	537,955.57
Amortization of long-term prepaid expenses	1,964,236.75	1,768,086.69
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "-")		
Losses of fixed asset scrapping (revenues marked with "-")	186,724.00	-37,926.00
Fair value change losses (revenues marked with "-")	-14,262,506.77	
Financial costs (revenues marked with "-")	4,339,045.49	401,959.07
Investment losses (revenues marked with "-")	17,313.86	
Decrease of deferred income tax assets (increase marked with "-")	334,461.36	-527,543.14
Increase of deferred income tax liabilities (decrease marked with "-")	3,565,626.69	
Decrease of inventory (increase marked with "-")	-182,116,057.84	-504,431,625.55
Decrease of operational receivables (increase marked with "-")	-533,214,604.03	-954,199,504.61
Increase of operational payables (decrease marked with "-")	799,942,074.30	866,552,162.11
Other		
Net cash flow from operating activities	127,355,875.07	-556,239,796.08
2. Major investing and financing activities uninvolving 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	1,158,070,142.33	1,591,728,641.48
Less: opening cash balance	1,591,728,641.48	1,585,578,101.47
Add: Ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase of cash and cash equivalents	-433,658,499.15	6,150,540.01

(2) Composition of cash and cash equivalents

Items	Closing balance	Opening balance
I. Cash	1,158,070,142.33	1,591,728,641.48
Of which: cash on hand	21,405.20	16,999.75
Bank deposits for payment at any time	1,158,048,737.13	1,562,070,006.11
Other monetary assets for payment at any time		29,641,635.62
Funds deposited in central bank that can be used for payment		
Inter-bank deposits		
Inter-bank offers		

Items	Closing balance	Opening balance
II. Cash equivalents		
Of which: bond investments due within three months		
III. Closing balance of cash and cash equivalents	1,158,070,142.33	1,591,728,641.48

Notes: Cash and cash equivalents exclude the cash and cash equivalents with restricted use of parent company or subsidiaries in the group.

43. Assets with limited ownership or right of use

Items	Period-end book value	Limited reasons
Cash at bank and on hand	310,421,738.19	Margin or pledge loan
Inventory	105,225,529.50	Mortgage
Fixed assets	33,733,683.33	Mortgage
Investment properties	188,094,600.00	Mortgage
Total	637,475,551.02	

VII. Consolidation scope changes

1. Changes in consolidation scope for other reasons

Name of consolidated party	Proportion of equity obtained in consolidation of enterprises (%)	Basis for consolidation	Consolidation date	Basis for determining the consolidation date
Longnan City Yingbin Building Hotel Co., Ltd	100.00	Allocation of Longnan County Finance Bureau	2020-03-27	Industrial and commercial change date

VIII. Equity in other entities

1. Equity in subsidiaries

(1) Composition of corporate group

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Longnan Culture and Sports Development Co., Ltd	Longnan City	Longnan City	Responsible for investment, operation and management of state-owned assets and land assets within the authorization scope; cultural and sports industry investment construction; cultural and sports asset operation and management	100.00		Appropriation
Longnan Poverty Alleviation Development Co., Ltd	Longnan City	Longnan City	Relevant poverty alleviation industry investment; infrastructure investment and management	100.00		Establishment
Longnan Town Asset Investment Management Co., Ltd	Longnan City	Longnan City	Responsible for investment, operation and management of operating town state-owned assets within the authorization or entrustment scope; shantytown renovation engineering, village-in-city renovation engineering and	100.00		Establishment

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
			hollow house renovation engineering construction			
Longnan City Jinyuan Investment Development Co., Ltd	Longnan City	Longnan City	Tourism real estate development and operation; property management; investment in real estate projects; indoor and outdoor decoration engineering construction; scenic area and tourism project development; tourism commodity development and sales	100.00		Establishment
Longnan Guanxiwei Cultural Tourism Development Co., Ltd	Longnan City	Longnan City	Tourism project investment and asset management	100.00		Establishment
Longnan Nanwudang Cultural Tourism Development Co., Ltd	Longnan City	Longnan City	Scenic area development and operation management	100.00		Establishment
Longnan Financial Guarantee Co., Ltd	Longnan City	Longnan City	Financing guarantee, performance guarantee, litigation preservation guarantee business	100.00		Establishment
Longnan Development Investment Asset Management Co., Ltd	Longnan City	Longnan City	Responsible for management and operation of operating state-owned assets within the authorization or entrustment scope	100.00		Establishment
Longnan Water Conservancy Investment Development Co., Ltd	Longnan City	Longnan City	Responsible for operation and management of water conservancy state-owned assets within the authorization scope; water conservancy construction project investment and management	100.00		Establishment
Longnan Development Investment Construction Co., Ltd	Longnan City	Longnan City	Real estate development	100.00		Establishment
Longnan Public Transport Investment Development Co., Ltd	Longnan City	Longnan City	Road and bridge engineering investment construction; transport infrastructure project investment construction; transport asset operation and management; transport system operating project investment development; urban bus passenger transport operation	100.00		Establishment
Longnan Forestry Investment Development Co., Ltd	Longnan City	Longnan City	Forestry investment; forestry industry	100.00		Establishment
Longnan County Engineering Construction Co., Ltd	Longnan City	Longnan City	Housing construction engineering, municipal public engineering, architectural decoration engineering, architectural curtain wall engineering, fire protection facility engineering, earthwork engineering, pipeline engineering, basic foundation engineering, urban and road lighting engineering, steel structure engineering, landscaping	100.00		Appropriation

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
			engineering, architectural waterproof engineering, electromechanical equipment installation engineering survey, design, construction and installation;			
Longnan Development Investment Property Management Co., Ltd	Longnan City	Longnan City	Property management	100.00		Establishment
Longnan Housing Surveying and Mapping Co., Ltd	Longnan City	Longnan City	Immovable property surveying and mapping; real estate surveying and mapping; typing and photocopying service	100.00		Establishment
Longnan County Planning and Architectural Design Institute Co., Ltd	Longnan City	Longnan City	Industrial and civil architectural design; civil engineering technology consulting service; urban planning; engineering survey (specialized rock and soil)	100.00		Establishment
Longnan Urban Investment Development Construction Co., Ltd	Longnan City	Longnan City	Urban infrastructure; land development; real estate development; new housing construction and sales	51.00		Appropriation
Longnan City Municipal Public Construction Investment Co., Ltd	Longnan City	Longnan City	Municipal public facility road and bridge engineering investment construction and daily maintenance management	51.00		Appropriation
Longnan City Yingbin Building Hotel Co., Ltd	Longnan City	Longnan City	Catering, accommodation, conference and exhibition service; hotel management consulting service	100.00		Appropriation
Longnan Lifa Health Care Pharmaceutical Co., Ltd	Longnan City	Longnan City	Medical and health industry infrastructure construction, operation and management; medical and health industry project development, introduction, investment, operation, application promotion and management	100.00		Establishment
Longnan City Longzhilv International Travel Agency Co., Ltd	Longnan City	Longnan City	Tourism business		100.00	Subsidiary establishment
Longnan Weixiang Purified Water Co., Ltd	Longnan City	Longnan City	Food operation, beverage production		51.00	Subsidiary establishment

IX. Associated parties and associated transactions

1. Shareholders of the company

Name of shareholder	Registered place	Business nature	Registered capital	Shareholder's shareholding ratio of the company(%)
Ganzhou Tourism Investment Group Co., Ltd.	Ganzhou City	Investment in tourism	500 million	51.00
Longnan City State-owned Assets Service Center	Longnan City	Service offering for management of state-owned assets	30,000	49.00

Note: During the reporting period, nominal parent company of the company is Ganzhou Tourism Investment Group Co., Ltd, and actual controller is Longnan City State-owned Assets Service Center.

2. Subsidiaries of the Company

See Note VIII. 1. Equity in subsidiaries.

3. Conditions of associated party transactions

No

4. Receivables and payables of related parties

Name of projects	Name of associated party	Nature of funds	Closing balance	Opening balance
Other receivables	Longnan County Urban Construction Investment Co., Ltd	Transaction accounts	406,320,737.43	420,055,302.35
Other receivables	Longnan Heji Cultural Tourism Investment Development Co., Ltd	Transaction accounts	138,794,700.00	
Subtotal			545,115,437.43	420,055,302.35
Other payables	Longnan County Urban Construction Investment Co., Ltd	Transaction accounts	311,313,340.96	
Other payables	Longnan Heji Cultural Tourism Investment Development Co., Ltd	Borrowings	60,000,000.00	60,000,000.00
Other payables	Ganzhou Cultural Tourism Industry Capital Management Co., Ltd	Transaction accounts	638,000,000.00	
Subtotal			1,009,313,340.96	60,000,000.00

X. Commitments and contingencies

1. Major commitments

The company has no commitment matter for disclosure.

2. Contingencies

(1) As of 31 December 2020, external guarantee provided by the company was as follows:

Secured units	Guarantor	Guarantee method	Guarantee Period	Guarantee balance (RMB ten thousand)
Longnan County Urban Construction Investment Co., Ltd	Longnan Urban Investment Development Construction Co., Ltd	Warrandice	2016.4-2023.4	14,000.00
Longnan County Urban Construction Investment Co., Ltd	Longnan Urban Investment Development Construction Co., Ltd	Mortgage guarantee	2019.12-2021.9	25,000.00
Longnan Urban Investment Holding Group Co., Ltd (former name: Longnan County Engineering Agency Construction Co., Ltd)	Longnan Urban Investment Development Construction Co., Ltd	Warrandice	2017.12-2032.12	94,740.00
Longnan County Urban Construction Investment Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Mortgage guarantee	2019.12-2021.8	85,000.00
Longnan Economic and Technological Development Zone Construction Investment Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2019.7-2026.7	16,000.00

Secured units	Guarantor	Guarantee method	Guarantee Period	Guarantee balance (RMB ten thousand)
Jiangxi Zhihao Electronic Technology Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2018.6-2024.6	36,000.00
Ganzhou Sannan Construction Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2020.3-2034.03	60,000.00
Ganzhou Sannan Construction Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2020.3-2034.3	20,000.00
Longnan County No.1 People's Hospital	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2020.3-2023.3	3,000.00
Total				353,740.00

XI. Events after the balance sheet date

As of the date of issuing this report, the company had no event after the balance sheet date for disclosure.

XII. Other important matters

As of the date of balance sheet, the company had no other important matters for disclosure.

XIII. Notes on major items of parent company's financial statement

1. Accounts receivable

(1) Disclosure of receivable classification

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivables with single significant amount and separate bad debt provision					
Accounts receivable for which bad debt provision has been assessed by portfolios	8,000,000.96	100.00			8,000,000.96
Including: aging analysis combination	0.96				0.96
Risk-free portfolio	8,000,000.00	100.00			8,000,000.00
Accounts receivable with single insignificant amount and single provision for bad debt reserve					
Total	8,000,000.96	100.00			8,000,000.96

(Continued)

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivables with single significant amount and separate bad debt provision					

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable for which bad debt provision has been assessed by portfolios	8,000,189.90	100.00			8,000,189.90
Including: aging analysis combination	189.90				189.90
Risk-free portfolio	8,000,000.00	100.00			8,000,000.00
Accounts receivable with single insignificant amount and single provision for bad debt reserve					
Total	8,000,189.90	100.00			8,000,189.90

Note: Accounts receivable of risk-free portfolio are receivables of subsidiary Longnan Nanwudang Cultural Tourism Development Co., Ltd within the consolidation scope.

2. Other receivables

Items	Closing balance	Opening balance
Other receivables	1,530,551,812.52	919,097,648.12
Interests receivable		
Dividends receivable		
Total	1,530,551,812.52	919,097,648.12

(1) Other receivables

① Disclosure of other receivable classification

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with significant amount of single item and separate provision for bad debts					
Other accounts receivable for which the provision for bad debts is made by combination	1,531,093,844.79	100.00	542,032.27	0.04	1,530,551,812.52
Including: aging analysis combination	15,899,574.70	1.04	542,032.27	3.41	15,357,542.43
Risk-free portfolio	1,515,194,270.09	98.96			1,515,194,270.09
Other receivables with single insignificant amount and separate bad debt provision					
Total	1,531,093,844.79	100.00	542,032.27	0.04	1,530,551,812.52

(Continued)

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with significant amount of single item and separate provision for bad debts					
Other accounts receivable for which the provision for bad debts is made by combination	921,174,415.00	100.00	2,076,766.88	0.23	919,097,648.12
Including: aging analysis combination	32,608,982.97	3.54	2,076,766.88	6.37	30,532,216.09
Risk-free portfolio	888,565,432.03	96.46			888,565,432.03
Other receivables with single insignificant amount and separate bad debt provision					
Total	921,174,415.00	100.00	2,076,766.88	0.23	919,097,648.12

A. In the portfolio, accounts receivable for which the provision for bad debts is made by the aging analysis method

Aging	Closing balance		
	Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year	5,058,929.33		
1-2 years	10,840,645.37	542,032.27	5.00
2-3 years			
3-4 years			
4-5 years			
Over 5 years			
Total	15,899,574.70	542,032.27	3.41

Aging	Opening balance		
	Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year	11,840,645.37		
1-2 years	1,337.60	66.88	5.00
2-3 years	20,767,000.00	2,076,700.00	10.00
3-4 years			
4-5 years			
Over 5 years			
Total	32,608,982.97	2,076,766.88	6.37

⑤ Other receivables of Top 5 closing balance classified by debtors

Name of entity	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Longnan County Finance Bureau	517,117,858.48	Within 1 year, 1-2 years, 2-3 years	33.77	

Name of entity	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Longnan County Urban Construction Investment Co., Ltd	200,000,000.00	Within 1 year, 1-2 years	13.06	
Longnan Xinji Construction Co., Ltd	70,400,000.00	Within 1 year	4.60	
Longnan City Land Purchasing and Storage Trading Center	45,525,600.00	Within 1 year	2.97	
Longnan Economic and Technological Development Zone Construction Investment Co., Ltd	40,000,000.00	Within 1 year, 1-2 years	2.61	
Total	873,043,458.48	—	57.02	

3. Long-term equity investments

(1) Classification of long-term equity investment

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	2,498,416,823.28		2,498,416,823.28	2,492,537,873.99		2,492,537,873.99
Investment in associated enterprises and joint ventures						
Total	2,498,416,823.28		2,498,416,823.28	2,492,537,873.99		2,492,537,873.99

(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
Longnan County Housing Surveying and Mapping Office Co., Ltd	745,847.78			745,847.78		
Longnan County Planning and Architectural Design Institute Co., Ltd	18,436.12			18,436.12		
Longnan County Urban Investment Development Construction Co., Ltd	121,303,466.99			121,303,466.99		
Longnan County Municipal Public Construction Investment Co., Ltd	330,853,496.08			330,853,496.08		

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
Longnan Culture and Sports Development Co., Ltd	99,940,852.73			99,940,852.73		
Longnan Nanwudang Cultural Tourism Development Co., Ltd	22,054,174.29			22,054,174.29		
Longnan Guanxiwei Cultural Tourism Development Co., Ltd	200,000.00			200,000.00		
Longnan Public Transport Investment Development Co., Ltd	20,000,000.00			20,000,000.00		
Longnan Poverty Alleviation Development Co., Ltd	578,000,000.00			578,000,000.00		
Longnan Development Investment Asset Management Co., Ltd	590,000,000.00			590,000,000.00		
Longnan County Forestry Investment Development Co., Ltd	10,000,000.00			10,000,000.00		
Longnan County Water Conservancy Investment Development Co., Ltd	40,000,000.00			40,000,000.00		
Longnan Financial Guarantee Co., Ltd	100,000,000.00			100,000,000.00		
Longnan Development Investment Construction Co., Ltd	542,881,600.00			542,881,600.00		
Longnan Town Asset Investment Management Co., Ltd	30,000,000.00			30,000,000.00		
Longnan Development Investment Property Management Co., Ltd	500,000.00			500,000.00		
Longnan County Engineering	6,040,000.00			6,040,000.00		

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
Construction Co., Ltd						
Longnan Lifa Health Care Pharmaceutical Co., Ltd		200,000.00		200,000.00		
Longnan City Yingbin Building Hotel Co., Ltd		5,678,949.29		5,678,949.29		
Total	2,492,537,873.99	5,878,949.29		2,498,416,823.28		

4. Operating income, operating cost

Items	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Main business	82,048,103.06	73,485,764.93	156,545,954.41	131,245,899.04
Other businesses	32,991,063.13		30,198.03	10,707.00
Total	115,039,166.19	73,485,764.93	156,576,152.44	131,256,606.04

Longnan Tourism Development Investment
(Group) Co., Ltd
Date: 30-4-2022

营业执照

（副 本）

(5-5)

统一社会信用代码

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类　　型　特殊普通合伙企业

执行事务合伙人　李尊农，乔久华

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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 年 04 月 20 日

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执业证书

报告审计章(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

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[illegible]、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

索 引 号 bm56000001/2022-00000491　　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）

中兴华会计师事务所（特殊普通合伙）
1101020173689

中兴华会计师事务所（特殊普通合伙）
报告审论章（1）

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	027-86781250
74	中天运会计师事务所（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	010-88395676
75	中喜会计师事务所（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）	高定工业区沪宜路叶城路 1630 号 5 幢 1088 室	021-63525500

姓　　名 Full name 陈东

性　　别 Sex 男

出生日期 Date of birth 1982-11-26

工作单位 Working unit 中兴华会计师事务所（特殊普通合伙）江苏分所

身份证号码 Identity card No. 340811198211264717

中兴华会计师事务所（特殊普通合伙） 1101020173689

证书编号：No. of Certificate 110001673841

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 2015 年/y 04 月/m 30 日/d

4

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.

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

8

姓　　名 Full name	徐尚
性　　别 Sex	男
出生日期 Date of birth	1992-07-26
工作单位 Working unit	中兴华会计师事务所（特殊普通合伙）江苏分所
身份证号码 Identity card No.	321323199207264538

中兴华会计师事务所（特殊普通合伙） 1101020173689

证书编号：
No. of Certificate 110001670426

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 2020 年 /y 12 月 /m 30 日 /d

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.

徐尚(110001670426)
您已通过2021年年检
江苏省注册会计师协会

年 /y 月 /m 日 /d

Longnan Tourism Development Investment (Group) Co., Ltd

Audit Report

00002022040044545693
Report file no.: Zhongxinghua Audit [2022] no. 020661

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Audit Report

Zhongxinghua Audit (2022) No.020661

All shareholders of Longnan Tourism Development Investment (Group) Co., Ltd:

I. Audit opinions

We have audited the financial statement of Longnan Tourism Development Investment (Group) Co., Ltd (hereinafter referred to as "Longnan Tourism Development"), including Consolidated & Parent Company Balance Sheet as of 31 December 2021, Consolidated & Parent Company Income Statement, Consolidated & Parent Company Cash Flow Statement, Consolidated & Parent Company Owner's Equity Change Statement and relevant Financial Statement Notes in 2021.

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 Longnan Tourism Development Company's financial conditions of consolidated and parent company as of 31 December 2021, as well as operation achievement and cash flow of consolidated and parent company in 2021.

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 Longnan Tourism Development, 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 Longnan Tourism Development (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, so that financial statement has no material misstatement due to fraud or error.

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

The governance level is responsible for supervising the financial report process of Longnan Tourism Development.

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 Longnan Tourism Development capabilities of 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 Longnan Tourism Development 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) Sufficient and appropriate audit evidences on the financial information of Longnan Tourism Development 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.

No text on this page, as the signature and seal page for the 2021 Audit Report of Longnan Tourism Development Investment (Group) Co., Ltd Zhongxinghua Audit (2022) No.020661.

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Beijing China

Chinese CPA:

Chinese CPA:

18 April 2022

CONSOLIDATED BALANCE SHEET

31 December 2021

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd Amount Unit: RMB yuan

Items	Note	Closing balance	Previous year ending balance
Current assets:			
Cash at bank and on hand	VI. 1	1,161,893,918.89	1,468,491,880.52
Deposit reservation for balance			
Funds lent			
Financial assets held for trading			
Financial liabilities measured at fair value with changes included in current profit and loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	VI. 2	683,309,447.07	29,185,602.55
Receivables financing			
Advances to suppliers	VI. 3	62,205,203.15	3,520,677.42
Premium receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	VI. 4	2,915,060,944.00	3,323,690,946.39
Buying back the sale of financial assets			
Inventory	VI. 5	5,743,602,169.28	5,472,241,991.08
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	VI. 6	92,202,668.26	154,857,971.78
Total current assets		10,658,274,350.65	**10,451,989,069.74**
Non-current assets			
Issue entrusted loans and advances			
Creditor's rights investment	VI. 7	10,000,000.00	
Available for sale financial assets	VI. 8		354,944,546.00
Other debt investments			
Held to maturity investments			
Long-term receivables			
Long-term equity investments	VI. 9	470,480.38	507,686.14
Other equity instrument investments	VI. 10	13,939,600.00	
Other non-current financial assets			
Investment properties	VI. 11	483,830,432.00	460,346,225.00
Fixed assets	VI. 12	802,558,236.51	835,885,945.27
Construction in progress	VI. 13	144,891,502.44	10,623,348.39
Bearer biological assets	VI. 14	445,207,000.00	445,207,000.00
Oil and gas assets			
Right-of-use assets			
Intangible assets	VI. 15	348,254,398.81	148,763,782.65
Development expenditure			
Goodwill			
Long-term prepaid expense	VI. 16	26,801,805.46	29,132,638.83
Deferred tax assets	VI. 17	752,506.35	207,040.56
Other non-current assets	VI. 18	51,366,732.00	51,366,732.00
Total non-current assets		**2,328,072,693.95**	**2,336,984,944.84**
Total assets		**12,986,347,044.60**	**12,788,974,014.58**

(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: Longnan Tourism Development Investment (Group) Co., Ltd **Amount Unit: RMB yuan**

Items	Note	Closing balance	Previous year ending balance
Current liabilities:			
Short-term borrowings	VI. 19	160,000,000.00	382,000,000.00
Transactional financial liabilities			
Financial liabilities measured at fair value with changes charged to current profits and losses			
Derivative financial liabilities			
Notes payable	VI. 20	28,520,000.00	
Trade payables	VI. 21	169,043,748.74	151,468,382.12
Advances from customers	VI. 22		495,373,797.51
Employee benefits payable	VI. 23	1,221,807.98	701,343.89
Contract liabilities	VI. 24	576,281,802.12	
Taxes payable	VI. 25	55,721,132.22	59,226,667.46
Other payables	VI. 26	3,293,976,644.35	1,917,577,849.49
Liabilities held for sale			
Non-current liabilities due within one year	VI. 27	681,432,983.91	849,208,332.18
Other current liabilities	VI. 28	47,498,775.30	
Total current liabilities		**5,013,696,894.62**	**3,855,556,372.65**
Non-current liabilities:			
Long-term borrowing	VI. 29	1,917,068,308.72	3,037,700,000.00
Bonds payable			
Of which: Preferred Stock			
Perpetual debts			
Lease liabilities			
Long-term payables	VI. 30	442,419,187.85	536,945,591.12
Long-term employee remuneration payable			
Provisions	VI. 31	3,284,364.56	1,554,277.66
Deferred incomes			
Deferred tax liabilities	VI. 17	12,639,018.62	6,767,966.87
Other non-current liabilities			
Total non-current liabilities		**2,375,410,879.75**	**3,582,967,835.65**
Total liabilities		**7,389,107,774.37**	**7,438,524,208.30**
Owner's equity:			
Paid-in capital	VI. 32	2,038,496,000.00	2,038,496,000.00
Other equity instruments			
Of which: Preferred Stock			
Perpetual debts			
Capital reserve	VI. 33	3,290,422,046.30	2,998,301,404.10
Less: treasury stock			
Other comprehensive income	VI. 34	9,607,020.52	9,607,020.52
Special reserve			
Surplus reserve	VI. 35	6,387,546.90	6,387,546.90
Undistributed profits	VI. 36	251,998,125.19	176,336,600.71
Total owners' equity attributable to the parent		5,596,910,738.91	5,229,128,572.23
Minority shareholder's equity		328,531.32	121,321,234.05
Total owners' equity		**5,597,239,270.23**	**5,350,449,806.28**
Total liabilities and owners' equity		**12,986,347,044.60**	**12,788,974,014.58**

(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: Longnan Tourism Development Investment (Group) Co., Ltd Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Total operating incomes		**1,290,494,462.13**	**758,660,729.00**
Of which: Operating revenue	VI. 37	**1,290,494,462.13**	758,660,729.00
II. Total operating costs		**1,179,655,809.89**	**724,251,677.67**
Of which: Operating costs	VI. 37	1,020,052,791.61	603,833,612.59
Taxes and surcharges	VI. 38	46,472,400.40	48,821,292.72
Selling expenses		22,831,541.21	20,728,434.09
Administrative expenses		61,985,206.82	45,672,995.62
R&D expenses			
Financial expenses	VI. 39	28,313,869.85	5,195,342.75
Of which: Interest expense		32,639,527.06	4,339,045.49
Interest incomes		7,520,150.07	4,991,820.84
Add: other incomes	VI. 40	2,252,136.40	4,876,574.57
Investment income (losses expressed with "-")	VI. 41	-37,205.76	-17,313.86
Of which: Investment income from associates and joint ventures		-37,205.76	-17,313.86
Derecognized incomes of financial assets measured at amortized cost			
Net exposure hedging gains (losses marked with "-")			
Fair value change incomes (losses marked with "-")	VI. 42	23,484,207.00	14,262,506.77
Credit impairment losses (losses marked with "-")	VI. 43	-2,253,536.76	
Asset impairment losses (losses marked with "-")	VI. 44		1,338,035.44
Gains on disposal of assets (losses expressed with "-")	VI. 45	-12,962,472.85	-186,724.00
III. Operating profits (losses marked with "-")		121,321,780.27	54,682,130.25
Add: non-operating income	VI. 46	845,201.89	238,099.43
Less: Non-operating expenses	VI. 47	1,914,623.25	1,480,978.26
IV. Total profits (total losses marked with "-")		120,252,358.91	53,439,251.42
Less: Income tax expenses	VI. 48	38,798,219.28	28,084,022.77
V. Net profits (net losses marked with "-")		**81,454,139.63**	**25,355,228.65**
(I) Classified by business continuity:			
1. Net profits from sustainable operation (net losses marked with "-")		81,454,139.63	25,355,228.65
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 "-")		81,296,750.16	16,621,205.18
2. Minority shareholders' profits and losses (net losses marked with "-")		157,389.47	8,734,023.47
VI. After-tax net amount of other comprehensive incomes			**9,607,020.52**
(I) Net other comprehensive incomes after tax attributable to owners of parent company			**9,607,020.52**
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			
(4) Fair value changes of corporate credit risks			
(5) Others			
2. Other comprehensive incomes to be reclassified into profits and losses			**9,607,020.52**
(1) Other comprehensive incomes able to transfer to profits and losses under the equity method			
(2) Fair value changes of other debt investments			
(3) Fair value changes of available-for-sale financial asset investments			
(4) Amount of financial assets reclassified into other comprehensive incomes			
(5) Profits and losses from held-to-maturity investments reclassified into available-for-sale financial assets			
(6) Other debt investment credit impairment provisions			
(7) Cash flow hedge reserve			
(8) Converted difference in foreign currency statements			
(9) Others			**9,607,020.52**
(II) Net other comprehensive incomes after tax attributable to minority shareholders			
VII. Total comprehensive incomes		**81,454,139.63**	**34,962,249.17**
(I) Total comprehensive incomes attributable to owners of parent company		**81,296,750.16**	**26,228,225.70**
(II) Total comprehensive incomes attributable to minority shareholders		**157,389.47**	**8,734,023.47**

(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: Longnan Tourism Development Investment (Group) 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		1,041,696,307.20	929,035,139.00
Tax refunds received		73,308.96	
Other cash received related to operating activities		1,109,190,066.67	1,933,883,887.75
Subtotal cash inflow from operating activities		**2,150,959,682.83**	**2,862,919,026.75**
Cash paid to buy goods and receive labor service		1,375,549,848.95	827,094,945.21
Cash paid to and for employees		31,208,810.15	26,014,677.46
Taxes paid		87,175,012.21	64,113,764.35
Other cash paid to operating-related activities		299,619,293.49	1,818,339,764.66
Subtotal cash outflow from operating activities		**1,793,552,964.80**	**2,735,563,151.68**
Net cash flow from operating activities		**357,406,718.03**	**127,355,875.07**
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			
Net cash received from disposal of subsidiaries and other business units			
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		128,678,521.46	136,464,712.63
Cash paid for investment		10,000,000.00	525,000.00
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		**138,678,521.46**	**136,989,712.63**
Net cash flow from investment activities		**-138,678,521.46**	**-136,989,712.63**
III. Cash flow from financing activities:			
Cash received from absorbing investments			1,647,000.00
Of which: cash received from absorbing investments from minority shareholders by the subsidiary			147,000.00
Cash received from borrowings		829,319,850.55	400,250,000.00
Other cash received from financing-related activities		988,050,870.73	266,000,000.00
Subtotal of cash inflow from financing activities		**1,817,370,721.28**	**667,897,000.00**
Cash paid for repayment of debt		1,953,974,691.40	271,500,000.00
Cash paid for distributing dividends, profits or settling interests		169,601,872.91	279,550,938.00
Of which: dividends and profits paid to minority shareholders by the subsidiary			
Other cash paid to financing-related activities		131,069,444.44	540,870,723.60
Subtotal cash outflow from financing activities		**2,254,646,008.75**	**1,091,921,661.60**
Net cash flow from financing activities		**-437,275,287.47**	**-424,024,661.60**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents		-218,547,090.90	-433,658,499.16
Add: opening balance of cash and cash equivalents		1,158,070,142.33	1,591,728,641.48
VI. Closing balance of cash and cash equivalents		**939,523,051.43**	**1,158,070,142.32**

(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: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Current amount												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owners' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preference shares	Perpetual debts	Other									
I. Balance at the end of last year	2,038,496,000.00				2,998,301,404.10		9,607,020.52		6,387,546.90	176,336,600.71	5,229,128,572.23	121,321,234.05	5,350,449,806.28
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	2,038,496,000.00				2,998,301,404.10		9,607,020.52		6,387,546.90	176,336,600.71	5,229,128,572.23	121,321,234.05	5,350,449,806.28
III. Increased or decreased amount in the current period (decrease marked with "-")					292,120,642.20					75,661,524.48	367,782,166.68	-120,992,702.73	246,789,463.95
(I) Total comprehensive incomes										81,296,750.16	81,296,750.16	157,389.47	81,454,139.63
(II) Capital increase or decrease from the owner					170,970,550.00						170,970,550.00		341,941,100.00
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					170,970,550.00						170,970,550.00		341,941,100.00
(III) Profit distribution										-5,635,225.68	-5,635,225.68		-11,270,451.36
1. Withdrawal of the surplus reserves													
2. Withdrawal of the general risk reserves													
3. Distribution to owners													
4. Others										-5,635,225.68	-5,635,225.68		-11,270,451.36
(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					121,150,092.20						121,150,092.20	-121,150,092.20	
IV. Balance at the end of current year	2,038,496,000.00				3,290,422,046.30		9,607,020.52		6,387,546.90	251,998,125.19	5,596,910,738.91	328,531.32	5,597,239,270.23

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

Legal representative

Accounting leader:

Accounting firm director:

Consolidated Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Previous amount												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owners' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preference shares	Perpetual debts	Other									
I. Balance at the end of last year	284,000,000.00				4,871,146,704.10				4,728,663.43	164,037,678.15	5,323,913,045.68	112,440,210.58	5,436,353,256.26
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	284,000,000.00				4,871,146,704.10				4,728,663.43	164,037,678.15	5,323,913,045.68	112,440,210.58	10,760,266,301.94
III. Increased or decreased amount in the current period (decrease marked with "-")	1,754,496,000.00				-1,872,845,300.00		9,607,020.52		1,658,883.47	12,298,922.56	-94,784,473.45	8,881,023.47	-180,687,923.43
(I) Total comprehensive incomes							9,607,020.52			16,621,205.18	26,228,225.70	8,734,023.47	61,190,474.87
(II) Capital increase or decrease from the owner	1,500,000.00				148,750,700.00						150,250,700.00	147,000.00	300,648,400.00
1. Invested capital by the owner	1,500,000.00										1,500,000.00	147,000.00	3,147,000.00
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others					148,750,700.00						148,750,700.00		297,501,400.00
(III) Profit distribution									1,658,883.47	-4,322,282.62	-2,663,399.15		-2,663,399.15
1. Withdrawal of the surplus reserves									1,658,883.47	-1,658,883.47			
2. Withdrawal of the general risk reserves													
3. Distribution to owners													
4. Others										-2,663,399.15	-2,663,399.15		-2,663,399.15
(IV) Internal transfer of shareholders' equity	1,752,996,000.00				-1,752,996,000.00								
1. Capital reserve to increase capital	1,752,996,000.00				-1,752,996,000.00								
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					-268,600,000.00						-268,600,000.00		-268,600,000.00
IV. Balance at the end of current year	2,038,496,000.00				2,998,301,404.10		9,607,020.52		6,387,546.90	176,336,600.71	5,229,128,572.23	121,321,234.05	5,350,449,806.28

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

Legal representative

Accounting leader:

Accounting firm director:

Balance Sheet

31 December 2021

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd Amount Unit: RMB yuan

Items	Note	Closing balance	Previous year ending balance
Current assets:			
Cash at bank and on hand		206,324,515.82	532,761,826.51
Financial assets held for trading			
Financial liabilities measured at fair value with changes included in current profit and loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	XIII. 1	164,989,948.80	8,000,000.96
Receivables financing			
Advances to suppliers		195,076.67	
Other receivables	XIII. 2	2,161,437,677.86	1,530,551,812.52
Inventory		1,050,713,616.40	949,050,687.56
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		7,627,506.43	
Total current assets		**3,591,288,341.98**	**3,020,364,327.55**
Non-current assets			
Creditor's rights investment			
Available for sale financial assets			341,004,946.00
Other debt investments			
Held to maturity investments			
Long-term receivables			
Long-term equity investments	XIII. 3	3,083,696,823.28	2,498,416,823.28
Other equity instrument investments		10,000,000.00	
Other non-current financial assets			
Investment properties		197,671,850.00	197,671,850.00
Fixed assets		693,661,288.06	723,076,082.28
Construction in progress		2,598,397.13	1,541,392.60
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		184,645,491.90	53,610.05
Development expenditure			
Goodwill			
Long-term prepaid expense		23,840,000.00	25,330,000.00
Deferred tax assets			135,508.07
Other non-current assets		51,366,732.00	51,366,732.00
Total non-current assets		**4,247,480,582.37**	**3,838,596,944.28**
Total assets		**7,838,768,924.35**	**6,858,961,271.83**

(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: Longnan Tourism Development Investment (Group) Co., Ltd | Amount Unit: RMB yuan

Items	Note	Closing balance	Previous year ending balance
Current liabilities:			
Short-term borrowings		160,000,000.00	190,000,000.00
Transactional financial liabilities			
Financial liabilities measured at fair value with changes charged to current profits and losses			
Derivative financial liabilities			
Notes payable			
Trade payables		3,278,100.00	76,106,895.02
Advances from customers			130,000,000.00
Contract liabilities		150,502,473.00	
Employee benefits payable			80,000.00
Taxes payable		3,462,453.77	18,468,200.85
Other payables		2,922,233,299.34	1,594,059,442.35
Liabilities held for sale			
Non-current liabilities due within one year		353,250,000.03	217,241,665.50
Other current liabilities			
Total current liabilities		**3,592,726,326.14**	**2,225,956,203.72**
Non-current liabilities:			
Long-term borrowing		298,368,308.72	692,800,000.00
Bonds payable			
Of which: Preferred Stock			
Perpetual debts			
Lease liabilities			
Long-term payables		83,000,000.00	99,124,074.18
Long-term employee remuneration payable			
Provisions			
Deferred incomes			
Deferred tax liabilities		2,394,312.50	2,394,312.50
Other non-current liabilities			
Total non-current liabilities		**383,762,621.22**	**794,318,386.68**
Total liabilities		**3,976,488,947.36**	**3,020,274,590.40**
Owner's equity:			
Paid-in capital		2,038,496,000.00	2,038,496,000.00
Other equity instruments			
Of which: Preferred Stock			
Perpetual debts			
Capital reserve		1,708,680,348.99	1,654,780,348.99
Less: treasury stock			
Other comprehensive income			
Special reserve			
Surplus reserve		6,387,546.90	6,387,546.90
Undistributed profits		108,716,081.10	139,022,785.54
Total owners' equity		**3,862,279,976.99**	**3,838,686,681.43**
Total liabilities and owners' equity		**7,838,768,924.35**	**6,858,961,271.83**

(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: Longnan Tourism Development Investment (Group) Co., Ltd **Amount Unit: RMB yuan**

Items	Note	Current amount	Previous amount
I. Operating income	XIII. 4	**164,380,851.18**	**115,039,166.19**
Less: operating costs	XIII. 4	129,964,552.78	73,485,764.93
Taxes and surcharges		6,322,077.08	306,716.50
Selling expenses		4,833,957.28	2,853,018.31
Administrative expenses		34,251,738.23	23,851,493.73
R&D expenses			
Financial expenses		1,748,954.99	3,827,128.69
Of which: Interest expense			
Interest incomes		709,852.81	881,362.60
Add: other incomes		35,000.00	
Investment income (losses expressed with "-")			306,532.50
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 "-")			9,577,250.00
Credit impairment losses (losses marked with "-")		542,032.27	
Asset impairment losses (losses marked with "-")			1,534,734.61
Gains on disposal of assets (losses expressed with "-")		-12,962,472.85	
II. Operating profits (losses marked with "-")		**-25,125,869.76**	**22,133,561.14**
Add: non-operating income		73,760.00	14,310.86
Less: Non-operating expenses		5,336.61	
III. Total profits (total losses marked with "-")		**-25,057,446.37**	**22,147,872.00**
Less: Income tax expenses		135,508.07	5,559,037.30
IV. Net profits (net losses marked with "-")		**-25,192,954.44**	**16,588,834.70**
(I) Net profits from sustainable operation (net losses marked with "-")		**-25,192,954.44**	**16,588,834.70**
(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			
4. Fair value changes of corporate own credit risks			
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			
3. Fair value changes of available-for-sale financial asset investments			
4. Amount of financial assets reclassified into other comprehensive incomes			
5. Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets			
6. Other debt investment credit impairment provisions			
7. Cash flow hedge reserve			
8. Converted difference in foreign currency statements			
9. Others			
VI. Total comprehensive incomes		**-25,192,954.44**	**16,588,834.70**

(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: Longnan Tourism Development Investment (Group) 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		203,355,691.33	306,827,303.75
Tax refunds received			
Other cash received related to operating activities		811,832,495.68	1,567,933,053.41
Subtotal cash inflow from operating activities		**1,015,188,187.01**	**1,874,760,357.16**
Cash paid to buy goods and receive labor service		315,172,743.48	37,936,230.33
Cash paid to and for employees		5,445,398.49	5,158,951.41
Taxes paid		27,705,409.40	63,799.92
Other cash paid to operating-related activities		813,529,439.81	2,166,581,350.26
Subtotal cash outflow from operating activities		**1,161,852,991.18**	**2,209,740,331.92**
Net cash flow from operating activities		**-146,664,804.17**	**-334,979,974.76**
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		1,200,331.22	2,117,496.13
Cash paid for investment		541,380,000.00	200,000.00
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		**542,580,331.22**	**2,317,496.13**
Net cash flow from investment activities		**-542,580,331.22**	**-2,317,496.13**
III. Cash flow from financing activities:			
Cash received from absorbing investments			1,500,000.00
Cash received from borrowings		160,000,000.00	298,250,000.00
Other cash received from financing-related activities		900,000,000.00	100,000,000.00
Subtotal of cash inflow from financing activities		**1,060,000,000.00**	**399,750,000.00**
Cash paid for repayment of debt		437,381,691.28	261,200,000.00
Cash paid for distributing dividends, profits or settling interests		71,977,150.70	73,906,787.84
Other cash paid to financing-related activities		113,333,333.32	56,041,665.50
Subtotal cash outflow from financing activities		**622,692,175.30**	**391,148,453.34**
Net cash flow from financing activities		**437,307,824.70**	**8,601,546.66**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents		-251,937,310.69	-328,695,924.23
Add: opening balance of cash and cash equivalents		457,761,826.51	786,457,750.74
VI. Closing balance of cash and cash equivalents		**205,824,515.82**	**457,761,826.51**

(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: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Current amount										
	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	2,038,496,000.00				1,654,780,348.99				6,387,546.90	139,022,785.54	**3,838,686,681.43**
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	2,038,496,000.00				1,654,780,348.99				6,387,546.90	139,022,785.54	**3,838,686,681.43**
III. Increased or decreased amount in the current period (decrease marked with "-")					53,900,000.00					-30,306,704.44	**23,593,295.56**
(I) Total comprehensive incomes										-25,192,954.44	**-25,192,954.44**
(II) Capital increase or decrease from the owner					53,900,000.00						**53,900,000.00**
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					53,900,000.00						**53,900,000.00**
(III) Profit distribution										-5,113,750.00	**-5,113,750.00**
1. Withdrawal of the surplus reserves											
2. Withdrawal of the general risk reserves											
3. Distribution to owners											
4. Others										-5,113,750.00	**-5,113,750.00**
(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	2,038,496,000.00				1,708,680,348.99				6,387,546.90	108,716,081.10	**3,862,279,976.99**

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

Legal representative **Accounting leader:** **Accounting firm director:**

Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Longnan Tourism Development Investment (Group) Co., Ltd

Amount Unit: RMB yuan

Items	Previous amount										
	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	284,000,000.00				3,521,946,699.70				4,728,663.43	126,033,587.48	**3,936,708,950.61**
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	284,000,000.00				3,521,946,699.70				4,728,663.43	126,033,587.48	**3,936,708,950.61**
III. Increased or decreased amount in the current period (decrease marked with "-")	1,754,496,000.00				-1,867,166,350.71				1,658,883.47	12,989,198.06	**-98,022,269.18**
(I) Total comprehensive incomes										16,588,834.70	**16,588,834.70**
(II) Capital increase or decrease from the owner	1,500,000.00										**1,500,000.00**
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											
(III) Profit distribution					154,429,649.29				1,658,883.47	-3,589,636.64	**-152,488,896.12**
1. Withdrawal of the surplus reserves									1,658,883.47	-1,658,883.47	
2. Withdrawal of the general risk reserves											
3. Distribution to owners											
4. Others					154,429,649.29					-1,940,753.17	**152,488,896.12**
(IV) Internal transfer of shareholders' equity	1,752,996,000.00				-2,021,596,000.00						**-268,600,000.00**
1. Capital (or stock) increase from capital reserves	1,752,996,000.00				-1,752,996,000.00						
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					-268,600,000.00						**-268,600,000.00**
(V) Special reserve											
1. Withdrawal in this period											
2. Used in this period											
(VI) Others											
IV. Balance at the end of current year	2,038,496,000.00				1,654,780,348.99				6,387,546.90	139,022,785.54	**3,838,686,681.43**

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

Legal representative

Accounting leader:

Accounting firm director:

Longnan Tourism Development Investment (Group) 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

Longnan Tourism Development Investment (Group) Co., Ltd (hereinafter referred to as "the company" or "corporate", collectively referred to as the Group when including subsidiaries) was founded upon registration in the Longnan County Market Supervision Administration on 28 March 2016. The company, formerly known as Longnan County Tourism Investment Development Co., Ltd, changed corporate name to Longnan Tourism Development Investment (Group) Co., Ltd on 20 December 2018; the registered capital of the company amounted to RMB 4,500,000,000 as of 31 December 2021 after changes for many times.

2. Business nature and main operating activities of the company

Corporate business scope: property ownership management of state-owned assets within the authorization scope, asset reorganization and capital operation; urban infrastructure, public facility and environmental remediation investment, construction and operation management; affordable housing construction; real estate development construction and marketing; land development and arrangement; highway and bridge engineering construction; project investment, investment management and investment consulting (excluding finance, securities, futures); hotel construction, operation management, property management, housing lease, etc.; scenic area and scenic spot planning, investment, development, construction and operation management; highway passenger transportation service; tourism commodity R&D, investment and sales; cultural and sport activity planning service, advertising planning, release and publicity; venue rental. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)

3. Scope of consolidated statement

Scope for financial statement of the company is determined on the basis of control, and all controlled subsidiaries are included in scope of the consolidated financial statement. Please refer to Note VII "Changes of consolidation scope" and Note VIII "Equity in other entities" for details.

II. Preparation basis of the financial statements

1. Preparation basis

Based on the sustainable operation assumption and according to really occurred transactions and affairs, the Bank prepares its financial statements, adopting Accounting Standards for Business Enterprises - Basic Standards issued by the Ministry of Finance (Ministry of Finance No. 33 issuance and No. 76 revision), 42 detailed accounting principles, guidelines on application of accounting principles, interpretation of accounting principles and other relevant regulations (hereinafter referred to collectively as Accounting Standards) issued and revised on and after 15 February 2006.

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. 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 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

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 transactions and events such as income recognition and R&D expenditure; see descriptions in Note IV 27 "Incomes". For details of the major accounting judgments and estimates made by management, please refer to Note IV. 33 "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.

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

The currency used by the company in preparing the financial statement is RMB.

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 combing 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. 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 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 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 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 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;②exchange difference of hedging instrument used for effective net overseas operation investment hedging (such difference is included in other comprehensive income, and recognized as current profits and losses until net investment is disposed); ③ 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 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.

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 entirely 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.

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. The financial assets measured by the company at fair value with the change charged to current profits and losses are all transactional financial assets.

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 or buyback 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.

Transactional financial assets are subsequently measured at fair value; gains or losses arising from fair value change, as well as dividends and interest incomes associated with such financial assets are included in profits and losses.

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, and the basis for determining the continuous decline period is 24 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 entirely 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) 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.

(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 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	According to credit risk division of the acceptor, it is the same as the division of "accounts receivable" portfolio

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 case no simplified treatment method is selected, based on whether the credit risk has increased significantly since the initial recognition, the Company measures the loss provision at an amount equal to the expected credit loss within the next 12 months or the existence period.

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 portfolio	This portfolio takes the aging of receivables as credit risk characteristics
Other combinations	This portfolio is receivables arising from sales of commodities, services and labor service provision to government entities

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 portfolio	This portfolio takes the aging of receivables as credit risk characteristics
Other combinations	This portfolio is deposits receivable in daily regular activities, advances, quality margins and other receivables.

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.

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.

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.

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 raw materials, turnover materials, inventory goods, development costs, developed products, engineering construction, 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. Delivered materials are accounted by the weighted average method, delivered inventory goods are accounted by the weighted average method, development costs are accounted by the individual recognition method, and developed products are accounted by the individual recognition 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. 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.

(4) The inventory stocktaking system is perpetual inventory system, and physical stocktaking is performed on a regular basis

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

Low-value consumables are amortized by fifty percent amortization method at the time of requisitioning; packaging materials are amortized by fifty percent amortization method at the time of requisitioning.

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 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 incomes 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 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. The equity investments held before the consolidation date due to using equity method of accounting or other comprehensive incomes recognized as financial assets measured at fair value with changes included in other comprehensive incomes, 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 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.

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.

For the long-term equity investment to associated enterprises and joint ventures which had been held by the company prior to first implementation of new accounting standards on 1 January 2010, if there is equity investment debit difference related to such investment, it shall be included in current profits and losses as per the directly amortized amount based on original remaining period.

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.

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.

For the investment real estate subsequently measured by fair value mode, the basis for selecting accounting policy is:

①There is active real estate trading market in the place where the investment real estate is located;

②The company can obtain the same category or similar real estate market price and other relevant information from the real estate transaction market, so as to make reasonable estimate on the fair value of investment real estate.

The company does not withdraw depreciation or make amortization on the investment real estate, adjust the book value based on fair value of investment real estate on the balance sheet date, and record the difference between fair value and original book value in current profits and losses.

When determining fair value of investment real estate, refer to the prevailing price for same category or similar real estate on active market; where the prevailing price for same category or similar real estate is unavailable, refer to the latest transaction price for same category or similar real estate on active market, and considering such factors as transaction condition, transaction date, location, etc, so as to make reasonable estimate on fair value of the investment real estate; or determine the fair value based on expected future rental income and present value of relevant cash flow.

In rare cases, if evidence shows when the company acquires an investment real estate for the first time (or when an existing real estate becomes investment real estate for the first time after completing construction or development activities or changing the application), and the fair value of this investment real estate cannot be obtained continuously and reliably, this investment real estate is measured by the cost model until disposal, and assuming there is no residual value.

When the self-use real estate or inventory is converted to investment real estate, make valuation based on fair value on the day of conversion; if the fair value on the day of conversion is less than original book value, the difference is included in current profits and losses; if the fair value on the day of conversion is larger than original book value, the difference is recognized as other comprehensive income. When the investment real estate is converted to self-use real estate, the fair value on the day of conversion is taken as book value of self-use real estate, and the difference between fair value and original book value is included in current profits and losses.

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 m 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	10-20	5	4.75-9.50
Machinery equipment	Straight-line method	8-12	5	7.92-11.88
Transportation equipment	Straight-line method	4-10	5	9.50-23.75
Office equipment and others	Straight-line method	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. 22 "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.

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. 22 "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. Biologic assets

Productive biological assets refer to biological assets held for the purpose of producing agricultural products, providing labor services or lease, including economic forests, fuelwood forests, productive livestock and draught animals, etc. Productive biological assets are initially measured at cost. The costs of productive biological assets with self-creation or propagation are necessary expenditures directly attributable to such assets occurred before reaching the expected production operation purpose, including borrowing costs eligible for capitalization.

Corporate forestry assets are subject to the cost model for subsequent measurement. Due to their slow growth cycle, the expected production and operation purpose has not been reached yet, without depreciation accrued, and the depreciation is accrued within service life on a straight-line basis after reaching the expected production and operation purpose.

The company reviews the service life, estimated net residual value and depreciation method of productive biological assets at least at the end of year, and in case of change, it is treated as accounting estimate change.

The difference of disposal income from the sale, inventory loss, death or damage of productive biological assets after deducting the book value and relevant taxes is included in current profits and losses.

The company checks whether there are signs of possible impairment for productive biological assets on each balance sheet date. If there is a sign of impairment for such assets, the recoverable amount is estimated. The estimated recoverable amount of assets is based on individual assets. If the recoverable amount of individual assets is difficult to estimate, the recoverable amount of asset group is determined based on the asset group to which such assets belong. If the recoverable amount of assets is lower than the book value, provision for asset impairment reserve is made according to the difference and included in current profits and losses.

Once the above asset impairment loss is confirmed, it will not be transferred back in the subsequent accounting period.

20. 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) 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. 22 "Long-term asset impairment".

21. 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. Corporate long-term deferred expense mainly includes scenic area operation right, financial leasing handling fee, etc. Long-term expenses to be apportioned are amortized on a straight-line basis over the expected benefit period.

22. 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.

23. 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.

24. Employee remuneration

Staff remuneration of the company mainly includes short-term staff remuneration, post-employment welfare, dismissal welfare and other long-term staff welfares.

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 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.

25. 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.

26. Preferred stock, perpetual bond and other financial instruments

(1) Distinction between perpetual bond and preferred stock

The financial instruments issued by the company, such as perpetual bond and preferred stock that meet the following conditions are regarded as equity instruments:

① Such financial instruments do not include contractual obligations to deliver cash or other financial assets to the other party or exchange financial assets or financial liabilities with other parties under potentially adverse conditions;

② If such financial instruments must or may be settled by using the company's own equity instruments in the future, and if such financial instruments are non-derivative instruments, they exclude the contractual obligations to deliver variable number of own equity instruments for settlement; if they are derivative instruments, the company can only settle such financial instruments by exchanging fixed amount of cash or other financial assets with fixed number of own equity instruments.

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

If the financial instrument issued by the company is compound financial instrument, it shall be recognized as a liability as per the fair value of liability component, and the amount after the actually received amount deducting the fair value of liability component shall be recognized as "other equity instrument". The transaction costs incurred for issuing compound financial instrument are apportioned between liability component and equity component as per their respective proportion to the total issuance price.

(2) Accounting method for perpetual bond and preferred stock

Financial instruments such as perpetual bonds and preferred stocks categorized as financial liabilities, their relevant interests, dividends (or stock dividends), gains or losses, as well as gains or losses arising from redemption or refinancing, etc, except for the borrowing cost eligible for capitalization (see Note IV 18 "Borrowing cost"), are included in the current profits and losses.

For the financial instruments of perpetual bond, preferred stock, etc classified as equity instruments, during their issuance (including refinancing), repurchase, sale or cancellation, the company handles as equity changes, and related transaction costs are also deducted from equity. The company's distribution to holders of equity instruments is regarded as profit distribution.

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

27. 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 accounting policy of income is applicable to 2020:

(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 according to the proportion of completed work measurement/provided labor to the total labor that shall be provided/labor service cost incurred to the total estimated cost.

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 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. Contract completion schedule is determined by the ratio of actually incurred total contractual cost to estimated total contractual cost/ratio of completed contractual workload to estimated total contractual workload/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.

(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.

28. 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.

29. 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) .

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.

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.

30. 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.

31. 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 of Financial Instruments.

The following lease accounting policy was applicable for 2020:

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.

32. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

① Accounting policy changes due to implementation of new financial instrument standards

The Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.22——Recognition & Measurement of Financial Instruments (2017 Amendment) (Accounting [2017] No.7), the Accounting Standards for Business Enterprises No.23——Transfer of Financial Assets (2017 Amendment) (Accounting [2017] No.8), the Accounting Standards for Business Enterprises No.24——Hedging Accounting (2017 Amendment) (Accounting [2017] No.9) respectively on 31 March 2017, and promulgated the Accounting Standards for Business Enterprises No.37——Presentation of Financial Instruments (2017 Amendment) (Accounting [2017] No.14) on 2 May 2017 (the above standards collectively referred to as "new financial instrument standards"), and the company started to implement new financial instrument standards from 1 January 2021.

All financial assets recognized under the new financial instrument standards are measured at amortized cost or fair value subsequently. On the implementation date of new financial instruments standards, upon evaluation of business model for managing financial assets based on existing corporate facts and circumstances on such date, and evaluation of contractual cash flow characteristics of such financial assets based on facts and circumstances during initial recognition of financial assets, financial assets are divided into three categories: measured at amortized cost, measured at fair value with changes included in other comprehensive incomes, and measured at fair value with changes included in current profits and losses. Among them, as for equity instrument investments measured at fair value with changes included in other comprehensive incomes, when such financial assets are derecognized, the cumulative gains or losses previously included in other comprehensive incomes will be transferred from other comprehensive incomes into retained earnings, and excluded in current profits and losses.

Under new financial instrument standards, and based on expected credit losses, the company makes impairment provision for financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive incomes, lease receivables, contract assets and financial guarantee contracts, and recognizes credit impairment losses.

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.

Main changes and impacts of the implementation of new financial instrument standards on the company are as follows:

A. Comparison statement on financial asset classification and measurement before and after the first implementation date

a. Impact on consolidated financial statement

December 31, 2020 (before change)			January 1, 2021 (after change)		
Items	Measurement category	Book value	Items	Measurement category	Book value
Available for sale financial assets	Measured at cost (equity instrument)	354,944,546.00	Other equity instrument investments	Measured at fair value with changes included in other comprehensive incomes	354,944,546.00

b. Impact on parent company's financial statement

December 31, 2020 (before change)			January 1, 2021 (after change)		
Items	Measurement category	Book value	Items	Measurement category	Book value
Available for sale financial assets	Measured at cost (equity instrument)	341,004,946.00	Other equity instrument investments	Measured at fair value with changes included in other comprehensive incomes	341,004,946.00

B. Adjustment statement on original financial asset book value adjusted to new financial asset book value classified and measured in accordance with new financial instrument standards on the first implementation date

a. Impact on consolidated statement

Items	December 31, 2020 (before change)	Reclassification	Remeasurement	January 1, 2021 (after change)
Available-for-sale financial assets (former standards)	354,944,546.00			
Less: transfer to other debt investments				
Less: transfer to other non-current financial assets				
Less: transfer to other equity instrument investments		-354,944,546.00		
Balance presented as per new financial instrument standards				—
Other equity instrument investment (new standards)	—			
Plus: transfer from available-for-sale financial assets (former standards)		354,944,546.00		

Items	December 31, 2020 (before change)	Reclassification	Remeasurement	January 1, 2021 (after change)
Re-measure: re-measure by fair value				
Balance presented as per new financial instrument standards				354,944,546.00

b. Impact on parent company's financial statement

Items	December 31, 2020 (before change)	Reclassification	Remeasurement	January 1, 2021 (after change)
Available-for-sale financial assets (former standards)	341,004,946.00			
Less: transfer to other debt investments				
Less: transfer to other non-current financial assets				
Less: transfer to other equity instrument investments		-341,004,946.00		
Balance presented as per new financial instrument standards				—
Other equity instrument investment (new standards)	—			
Plus: transfer from available-for-sale financial assets (former standards)		341,004,946.00		
Re-measure: re-measure by fair value				
Balance presented as per new financial instrument standards				341,004,946.00

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"). The company started to implement the aforesaid new income standards since 1 January 2021.

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 provisions of the new income standards, it only chose to adjust cumulative impact number of contracts not completed on 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 impact under the implementation of new income standards to financial statement on 1 January 2021

Statement item	31 December 2020 amount (before change)		1 January 2021 amount (after change)	
	Consolidated statement	Parent company statement	Consolidated statement	Parent company statement
Deposit received in advance	495,373,797.51	130,000,000.00		

Statement item	31 December 2020 amount (before change)		1 January 2021 amount (after change)	
	Consolidated statement	Parent company statement	Consolidated statement	Parent company statement
Contract liabilities			458,085,871.06	122,641,509.37
Other current liabilities			37,287,926.45	7,358,490.63

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") on 7 December 2018. The company implemented the new lease standards on 1 January 2021, and relevant accounting policies were changed according to the provisions of the new lease standards.

According to provisions of new lease standards, for the contracts existed before the first implementation date, the company chose not to reassess whether it was lease or included lease.

The company only chose to adjust cumulative impact number of lease contracts not completed on 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.

On the first execution date of new lease standards (i.e. 1 January 2021), specific connection process of the company and its impacts are as follows:

A. The company acts as a lessee

For financing lease of the first execution date, the company as the lessee measures the right-of-use assets and lease liabilities respectively according to original book value of the assets acquired under finance lease and financial lease payable; for operating lease of the first execution date, as the lessee, it measures lease liabilities as per the present value of discounted incremental loan interest rate on the first execution date according to the remaining lease payment amount; the unpaid rental fee payable accrued as per the accrual-basis accounting is included in remaining lease payment amount.

As for operating lease prior to the first implementation date, the company adopts new lease standards from the lease start date according to the assumption, and adopts incremental borrowing rate on the first implementation date as the discount rate to measure the right-of-use assets. The company conducts an impairment test on the right-of-use asset on the date of initial adoption, and does not adjust the book value of the right-of-use asset.

For the lease assets that belong to operating lease of low value assets before the first execution date, the company does not recognize right-of-use assets and lease liabilities. For the operating lease other than low value lease on the first adoption date, the company conducts the following one or more simplified treatment according to each lease item:

- The lease that will complete within 12 months after the first execution date is treated as short-term lease;
- When measuring lease liabilities, the leases with similar features follow the same discount rate;
- The measurement of right-of-use assets excludes initial direct cost;
- If there is lease renewal option right or lease termination option right, the company determines lease term according to actual exercise of option right before the first execution date and other latest

circumstances;

● As alternative to the impairment test of right-of-use assets, the company assesses whether the contract containing lease is loss contract before the first execution date according to the Accounting Standards for Business Enterprises No.13——Contingencies, and adjusts right-of-use assets according to the loss reserve amount recorded in balance sheet before the first execution date;

● In case of lease change before the first adoption date, the company conducts accounting treatment according to final arrangement of lease change.

B. The company acts as a lessor

Where sublease still exists after the first execution date classified as operating lease before the first execution date, the company re-evaluates and classifies it as the sublease lessor based on remaining contract term and provisions of original lease and sublease after the first execution date. If it is reclassified as financial lease, accounting treatment is conducted by regarding it as a new financial lease item.

C. Main changes and impacts of the implementation of new lease standards are as follows:

Accounting policy change in the implementation of new lease standards had no impact on financial statement on 1 January 2021.

(2) Accounting estimate change

The company had no change in accounting estimates during the reporting period.

33. Significant Accounting Judgments and Estimates

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 company conducts periodic review on the foregoing judgments, estimates and assumptions on the basis of sustainable operation; if changes in accounting estimates only affect the current period of changes, the affected amount is recognized in the current period of changes; if it affects both current period of changes and future period, the affected amount is recognized in the current period of changes and future period.

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

(1) Income recognition

The following major accounting judgments and estimates related to revenue recognition apply in 2021 and beyond:

As stated in Note IV 27 "Income", the company involves the following major accounting judgments and estimates in terms of income recognition: identify customer contracts; estimate recoverability of the

consideration that is entitled to obtain due to the transfer of commodities to customers; identify performance obligations in the contract; estimate variable consideration in contract and amount of cumulative recognized income that is most likely not to incur significant reversal when relevant uncertainty is eliminated; whether there is significant financing element in contract; estimate separate sales price of individual performance obligation in contract; determine whether performance obligation is conducted within a certain period of time or at a certain point in time; determine performance progress.

The company mainly relies on past experience and work to make judgments. These major judgments and estimated changes may exert impact on the operating income, operating cost, and period profits and losses of the current or subsequent periods, and may exert significant impact.

The following significant accounting judgements and estimates regarding income recognition are applicable to before 2021:

When the construction contract results can be reliably estimated, the company leverages percentage-of-completion method to recognize contract incomes on the balance sheet date. The completion percentage method of contract is recognized according to the method in Note IV.27 "Income", and calculated cumulatively in each fiscal year when the construction contract is executed.

Significant judgments are required when determining the percentage of completion, contractual cost incurred, estimated total contract incomes and total costs, as well as recoverability of contract. Project executives mainly make judgments based on past experience and work. Estimated total contract revenue and total cost, as well as change in contract execution result estimates may affect the operating incomes and operating costs during or after change, as well as the profits and losses in the period, and exert a significant impact.

(2) Classification of lease

The following major accounting judgments and estimates relating to the classification of leases apply in 2021 and beyond.

① Lease identification

When the Group identifies whether a contract is for lease or contains lease, it must evaluate whether there is an identified asset and the customer has controlled the right of using this asset in a certain period. During evaluation, it is required to consider the nature of asset, substantive right of replacement, and whether the customer has the right to obtain almost all economic benefits arising from the use of this asset during this period and can dominate the use of this asset.

② Lease classification

When the Group serves as a lessor, it classifies lease as operating lease and financial lease When classifying, the management needs to analyze and judge whether all risks and rewards pertaining to the ownership of rented assets have been transferred to the lessee in substance.

③ Lease liabilities

When the Group serves as the lessee, lease liabilities are initially measured as per the present value of lease payment amount unpaid on the lease start date. When measuring the present value of lease payment amount, the Group estimates the discount rate used and the lease term of lease contract with lease renewal option right or termination option right. When evaluating lease term, the Group

comprehensively considers all relevant facts and circumstances that bring economic benefits from its exercise of option right, including the expected changes in facts and circumstances from the lease start date to option right exercise date. Different judgments and estimates may affect the recognition of lease liabilities and right-of-use assets, and will affect the profits and losses of subsequent periods.

The following major accounting judgments and estimates relating to the classification of leases apply in 2020 and beyond.

The company classifies lease as operating lease and financing lease pursuant to provisions in the Accounting Standards for Enterprises No.21-Lease; during classification, the executives need to make analysis and judgment on whether all risks and benefits associated with ownership of the leased asset have been substantially transferred to the lessee, or whether the company has substantially assumed all risks and benefits associated with ownership of the leased asset.

(3) Provision for long-term asset impairment

The company judges if there is possible sign of impairment on the non-current assets other than financial assets on the balance sheet date. For intangible assets with uncertain service life, in addition to annual impairment test, when there is sign of impairment, impairment test shall be conducted as well. For non-current assets other than financial assets, when there is sign showing the book amount unretrieved, impairment test shall be conducted.

When the book value of asset or asset group is higher than the recoverable amount, which is the higher of net amount after fair value deducting disposal expense and present value of estimated future cash flow, it indicates occurrence of impairment.

The net amount of fair value deducting disposal expense is determined by reducing the incremental cost that can be directly attributed to such asset disposal, with reference to sales agreement price of similar assets in fair trade or observable market price.

When estimating the present value of future cash flow, major judgments are required on the asset (or asset group) output, selling price, related operating cost, discount rate used when calculating the present value, etc. When estimating recoverable amount, the company may use all relevant information available, including forecasts of output, selling price and related operating cost which are made based on reasonable and supportable assumptions.

The company tests whether goodwill is impaired at least every year. This requires estimation on the present value of future cash flow of asset group or asset group portfolio with goodwill allocated. When estimating the present value of future cash flow, the company needs to estimate the future cash flow generated by asset group or asset group portfolio, and concurrently select appropriate discount rate to determine the present value of future cash flow.

(4) Depreciation and amortization

After considering the residue value of investment real estate, fixed assets, right-of-use assets, and intangible assets, the company leverages straight-line method for depreciation and amortization provision in the service life. The company regularly reviews the service life, to determine the amount of depreciation and amortization expenses included in each reporting period. The service life is determined by the company based on past experience of similar assets and combined with expected technical updates. In

case of significant change in previous estimates, the depreciation and amortization expenses will be adjusted in the future period.

(5) Deferred tax assets

Insofar as it is highly probable to offset losses with sufficient taxable profits, the company recognizes deferred income tax assets with all unused tax losses. This requires the company executives to use a large number of judgments to estimate the time and amount of future taxable profits, and combine the tax planning strategy, to determine the amount of deferred income tax assets that shall be recognized.

V. Tax items

1. Main tax categories and tax rates

Tax category	Specific tax rate
VAT	1) VAT is calculated and paid after deducting the deductible input tax amount in the current period based on 13%, 9% and 6% of taxable income; 2) simple taxation at a levying rate of 3%
Corporate income tax	Calculation and payment is made at 25% of the taxable incomes
Urban maintenance and construction tax	Calculated as per 5% of turnover tax actually paid
Education surcharge	Calculation and payment is made at 3% of the payable turnover tax
Local education surcharge	Calculation and payment is made at 2% of the payable turnover tax
Housing tax	Calculation and payment is made at 1.2% after original value deducting 30% or 12% of rental income

2. Tax benefit and approval document

Pursuant to the Ministry of Finance and State Administration of Taxation Notice on Corporate Income Tax Handling Issues of Special-Purpose Fiscal Funds (Fiscal Taxation [2011] No.70), where fiscal funds that the enterprise obtains from financial departments and other departments of people's governments above county level and shall be included in total income meet the specified conditions in the document, they are regarded as non-taxable income, and deducted from total income when calculating the taxable income amount.

According to Article 3 in the Notice of Ministry of Finance and State Administration of Taxation on Implementing Generalized Preference Tax Reduction and Exemption Policy of Small and Micro-sized Enterprises (Fiscal Taxation [2019] No.13), people's governments of provinces, autonomous regions and municipalities may determine to reduce the collection of resource tax, urban maintenance and construction tax, real estate tax, urban land use tax, stamp tax (excluding securities transaction stamp tax), cultivated land occupation tax and education expense surcharge, as well as local education surcharge within 50% tax amount range for small-scale taxpayers of VAT, based on actual conditions of local areas and macro-control needs. The implementation period of this notice is from 1 January 2019 to 31 December 2021.

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	28,608.23	21,405.20
Bank savings	924,504,326.28	1,158,048,737.13
Other monetary funds	237,360,984.38	310,421,738.19
Total	1,161,893,918.89	1,468,491,880.52

Note: As of 31 December 2021, corporate monetary funds with restricted ownership was RMB 222,370,867.46, of which RMB 150,195,000.00 was the bank loan obtained by the company with bank certificate of deposit as pledge, and RMB 72,175,867.46 was the security deposit.

2. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	655,731,456.35	28,762,314.72
1-2 years	27,577,990.72	424,287.83
Subtotal	683,309,447.07	29,186,602.55
Less: bad debt provision		1,000.00
Total	683,309,447.07	29,185,602.55

(2) Classified and presented by bad debt provision method

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	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	683,309,447.07	100.00			683,309,447.07
Of which: combination of account age	2,982,859.07	0.44			2,982,859.07
Other combinations	680,326,588.00	99.56			680,326,588.00
Total	683,309,447.07	100.00			683,309,447.07

(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	29,186,602.55	100.00	1,000.00	0.00	29,185,602.55
Of which: combination of account age	400,022.96	1.37	1,000.00	0.25	399,022.96

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other combinations	28,786,579.59	98.63			28,786,579.59
Account receivables with single insignificant amount but separate bad debt provision					
Total	29,186,602.55	100.00	1,000.00	0.00	29,185,602.55

(3) Accounts receivable of the Top 5 closing balance classified by the overdue party

The total accounts receivable of the Top 5 closing balance classified by the overdue party is RMB 604,407,267.95, accounting for 88.45% of the total closing balance of accounts receivable, and the total closing balance of corresponding bad debt provision is RMB 0.00.

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	59,864,039.40	96.24	3,375,837.97	95.89
1-2 years	2,247,727.45	3.61	144,839.45	4.11
2-3 years	93,436.30	0.15		
Total	62,205,203.15	100.00	3,520,677.42	100.00

(2) Advance payment of Top 5 closing balance classified by advance payment objects

The total advance payment of the Top 5 closing balance classified by advance payment recipients is RMB 23,514,148.69, accounting for 37.80% of the total closing balance of advance payment.

4. Other receivables

Items	Closing balance	Previous year ending balance
Interests receivable		
Dividends receivable		
Other receivables	2,915,060,944.00	3,323,690,946.39
Total	2,915,060,944.00	3,323,690,946.39

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	1,401,260,940.36	1,442,690,823.79
1-2 years	614,635,778.36	729,767,583.54
2-3 years	598,556,137.09	133,236,955.33
3-4 years	132,523,520.61	1,018,822,755.95
4-5 years	171,166,276.56	
Over 5 years		261,740.78
Subtotal	2,918,142,652.98	3,324,779,859.39

Aging	Closing balance	Previous year ending balance
Less: bad debt provision	3,081,708.98	1,088,913.00
Total	2,915,060,944.00	3,323,690,946.39

② Classification by fund nature

Nature of funds	Closing balance	Previous year ending balance
General operating receivables	2,581,082,055.85	2,730,804,369.85
Deposit and margin	45,714,090.94	48,860,052.11
Related party-others	291,346,506.19	545,115,437.43
Subtotal	2,918,142,652.98	3,324,779,859.39
Less: bad debt provision	3,081,708.98	1,088,913.00
Total	2,915,060,944.00	3,323,690,946.39

③ 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	1,088,913.00			1,088,913.00
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	2,254,536.76			2,254,536.76
Reversal in the current period				
Write-off in the current period				
Written off in the current period	261,740.78			261,740.78
Other changes				
Closing balance	3,081,708.98			3,081,708.98

④ 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	
Aging portfolio	1,088,913.00	2,254,536.76		261,740.78	3,081,708.98

⑤ 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
Longnan City Finance Bureau	Transaction accounts	699,948,018.80	Within 1 year, 1-2 years	23.99	
Longnan City Land Purchasing and Storage Trading Center	Transaction accounts	346,324,000.00	Within 1 year, 1-2 years	11.87	
Longnan Municipal Investment Construction Co., Ltd	Transaction accounts	384,666,869.40	Within 1 year, 1-2 years	13.18	
Longnan County Urban Construction Investment Co., Ltd	Transaction accounts	180,000,000.00	Within 1 year, 1-2 years	6.17	
Longnan County Land and Housing Expropriation Office	Transaction accounts	160,000,000.00	Within 1 year, 1-2 years	5.48	
Total	—	1,770,938,888.20	—	60.69	

5. Inventory

Items	Closing balance		
	Book balance	Inventory falling price reserves	Book value
Turnover material	649,932.63		649,932.63
Commodity stocks	1,971,267.98		1,971,267.98
Contract performance cost	3,398,611,752.04		3,398,611,752.04
Development cost	1,699,080,372.05		1,699,080,372.05
Developed products	607,904,574.37		607,904,574.37
Product delivered	6,970.40		6,970.40
Engineering construction	35,377,299.81		35,377,299.81
Total	5,743,602,169.28		5,743,602,169.28

(Continued)

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Raw materials	65,561.92		65,561.92
Low-value consumables	193,061.64		193,061.64
Turnover material	46,186.58		46,186.58
Commodity stocks	3,062,966.78		3,062,966.78
Development cost	4,678,551,936.83		4,678,551,936.83
Developed products	776,725,977.71		776,725,977.71
Product delivered	13,144.04		13,144.04
Engineering construction	13,583,155.58		13,583,155.58
Total	5,472,241,991.08		5,472,241,991.08

6. Other current assets

Items	Closing balance	Previous year ending balance
Prepaid and deductible tax	92,202,668.26	154,857,971.78
Total	92,202,668.26	154,857,971.78

7. Creditor's rights investment

Items	Closing balance		
	Book balance	Provision for impairment	Book value
Longnan Zhengping Cultural Tourism Development Co., Ltd	10,000,000.00		10,000,000.00
Less: debt investment due within one year			
Total	10,000,000.00		10,000,000.00

Note: As a government-authorized entity, the company participated in the implementation of "Ping'an Station. Longnan Hakka Homestay Culture Experience Site Project", and established Longnan Zhengping Cultural Tourism Development Co., Ltd Project Company for operation management together with Zhengping (Shenzhen) Investment Development Group Co., Ltd, a wholly-owned subsidiary of Zhengping Road and Bridge Construction Holding Co., Ltd, with a registered capital of RMB 100 million. The company subscribed a capital contribution amount of RMB 10 million, holding 10% shares, without participation in operation management, and unentitled to profit distribution. Investment agreement stipulates that the project operation period is five years, and Longnan Zhengping Cultural Tourism Development Co., Ltd shall pay capital occupation expense to the company at an annualized rate of 8.5%, and pay before January 30 of the next year; when the project expires, Zhengping Road and Bridge Construction Holding Co., Ltd shall pay equity transfer funds of RMB 10 million to the company in a lump sum to repurchase 10% equity held by the company. After completing relevant change procedures, all rights and obligations of the company shall be terminated. Namely corporate mode of managing such financial assets only aims at collecting contractual cash flow, and it is classified as debt investment according to new financial instrument standards.

8. Available for sale financial assets

Items	Previous year ending balance		
	Book balance	Provision for impairment	Book value
Available-for-sale liability tool			
Available-for-sale equity tool	354,944,546.00		354,944,546.00
Of which: Measured at fair value			
Measured by costs	354,944,546.00		354,944,546.00
Other			
Total	354,944,546.00		354,944,546.00

9. 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:						
Longnan Great Wall Property Management Co., Ltd	507,686.14			-37,205.76		
Total	507,686.14			-37,205.76		

(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:					
Longnan Great Wall Property Management Co., Ltd				470,480.38	
Total				470,480.38	

10. Other equity instrument investments

(1) Classification of other equity instrument investment

Items	Closing balance
Unlisted equity investment	13,939,600.00
Of which: Longnan Zhongmei Project Management Co., Ltd	13,939,600.00

Note: As a government-authorized entity, the company participated in the implementation of "G535 Longnan Wenlong-Dujiang Section Reconstruction Engineering PPP Project", and established Longnan Zhongmei Project Management Co., Ltd Project Company for operation management together with social capital party Jiangxi Zhongmei Engineering Group Co., Ltd, with a registered capital of RMB 139,396,000.00. The company subscribed a capital contribution amount of RMB 13,939,600.00, holding 10% shares. As stipulated in the Articles of Association, the company shall not participate in profit distribution of the project company.

11. Investment properties

(1) Investment real estate measured at fair value

Items	Houses, buildings	Land use right	Total
I. Opening balance	210,758,257.00	249,587,968.00	460,346,225.00
II. Changes in current period		23,484,207.00	23,484,207.00
Add: outsourced			
Inventory\fixed assets\construction in progress transfer-in			
Increase in business combination			
Less: disposal			

Items	Houses, buildings	Land use right	Total
Other transfer-out			
Fair value changes		23,484,207.00	23,484,207.00
III. Closing balance	210,758,257.00	273,072,175.00	483,830,432.00

(2) Amount and reason for investment real estate with property ownership certificate unhandled

Items	Book value	Reasons for failure to complete the Property Ownership Certificate
Land Plot D1-6 and D1-7, Shiren Area, Longnan City	273,072,175.00	Planned land use changes
Total	273,072,175.00	

Note: The company entrusted Jiangxi Ruihe Yongxin Asset Real Estate Land Appraisal Co., Ltd to appraise the value of Land Plot D1-6 and D1-7, Shiren Area, Longnan City, with land appraisal report number Gan Ruihe Land Appraisal (2022) No.0401, appraisal value on the reporting date of RMB 273,072,175.00, and appraisal appreciation of RMB 23,484,207.00.

12. Fixed assets

Items	Closing balance	Previous year ending balance
Fixed assets	802,558,236.51	835,885,945.27
Fixed asset liquidation		
Total	802,558,236.51	835,885,945.27

① Fixed assets are as follows

Items	Houses and buildings	Machinery equipment	Transportation equipment	Office equipment and others	Total
I. Original book value					
1. Opening balance	820,721,699.64	4,537,444.54	16,882,704.62	15,743,351.76	857,885,200.56
2. Increased amount in current period	2,460,542.16	1,353,558.75		1,214,189.29	5,028,290.20
(1) Purchase	1,225,043.86	1,353,558.75		1,091,639.29	3,670,241.90
(2) Transfer of engineering under construction	1,235,498.30			122,550.00	1,358,048.30
(3) Increase in business combination					
3. Decreased amount in current period				65,710.00	65,710.00
(1) Disposal or scraping				65,710.00	65,710.00
4. Closing balance	823,182,241.80	5,891,003.29	16,882,704.62	16,891,831.05	862,847,780.76
II. Cumulative depreciation					
1. Opening balance	14,909,460.78	1,517,866.56	2,628,677.45	2,943,250.50	21,999,255.29
2. Increased amount in current period	32,480,796.89	943,579.42	2,002,609.02	2,878,867.02	38,305,852.35
(1) Provision	32,480,796.89	943,579.42	2,002,609.02	2,878,867.02	38,305,852.35

Items	Houses and buildings	Machinery equipment	Transportation equipment	Office equipment and others	Total
3. Decreased amount in current period				15,563.39	15,563.39
(1) Disposal or scraping				15,563.39	15,563.39
4. Closing balance	47,390,257.67	2,461,445.98	4,631,286.47	5,806,554.13	60,289,544.25
III. Provision for impairment					
1. Opening balance					
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. Period-end book value	775,791,984.13	3,429,557.31	12,251,418.15	11,085,276.92	802,558,236.51
2. Book value at the beginning of year	805,812,238.86	3,019,577.98	14,254,027.17	12,800,101.26	835,885,945.27

② Temporarily idle fixed assets

During the reporting period, the company had no temporarily idle fixed assets

③ Fixed assets without handling property ownership certificate

Items	Book value	Reasons for failure to complete the property certificate
Longnan County Xiaowudang Scenic Resort 4A Scenic Area Creation Development and Construction Project	368,951,582.94	Engineering projects are mostly EPC contract with long settlement cycle
Longnan County Guanxi Enclosed House Cluster Scenic Area Construction Project	185,626,258.45	Engineering projects are mostly EPC contract with long settlement cycle
Total	554,577,841.39	——

13. 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
Construction in progress	144,891,502.44		144,891,502.44	10,623,348.39		10,623,348.39
Total	144,891,502.44		144,891,502.44	10,623,348.39		10,623,348.39

(2) Changes of important construction in progress in current period

Name of projects	Opening balance	Increased amount in current period	Current transfer in of fixed assets	Other current reductions	Closing balance
Talent Industrial Park Project	2,657,913.46	38,669,791.17			41,327,704.63
Yangming Middle School Project		72,882,223.96			72,882,223.96
Jinhua Avenue Project		4,224,476.24			4,224,476.24
Yingbin Building garden engineering	804,720.00				804,720.00
Bus company repair and renovation engineering	2,555,585.42	78,904.67			2,634,490.09
Guanxiwei Scenic Area Upgrade & Hakka Museum	384,970.22	10,949,433.61			11,334,403.83
Yangming Academy and Hakka Culture Expo Park outdoor ancillary engineering	889,927.41	2,275,564.98			3,165,492.39
Headquarters Economic Zone		806,183.81	806,183.81		
Other sporadic projects	3,330,231.88	5,739,623.91	551,864.49		8,517,991.30
Total	10,623,348.39	135,626,202.35	1,358,048.30		144,891,502.44

14. Bearer biological assets

(1) Adopt cost measurement model

Items	Forestry	Planting industry	Stockbreeding	Total
I. Original book value				
1. Opening balance	445,207,000.00			445,207,000.00
2. Increased amount in current period				
(1) Outsourcing				
(2) Self-cultivation				
3. Decreased amount in current period				
(1) Disposal				
(2) Other				
4. Closing balance	445,207,000.00			445,207,000.00
II. Cumulative depreciation				
1. Opening balance				
2. Increased amount in current period				
(1) Provision				

Items	Forestry	Planting industry	Stockbreeding	Total
3. Decreased amount in current period				
(1) Disposal				
(2) Other				
4. Closing balance				
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				
4. Closing balance				
IV. Book value				
1. Period-end book value	445,207,000.00			445,207,000.00
2. Book value at the beginning of year	445,207,000.00			445,207,000.00

15. Intangible assets

(1) Intangible assets

Items	Land use right	Software	Other	Total
I. Original book value				
1. Opening balance	152,027,215.23	59,681.75	434,618.30	152,521,515.28
2. Increased amount in current period	358,729,409.00	123,362.83	950,000.00	359,802,771.83
(1) Purchase	17,724,463.00	123,362.83		17,847,825.83
(2) Increase in business combination				
(3) Other	341,004,946.00		950,000.00	341,954,946.00
3. Decreased amount in current period	156,989,948.80			156,989,948.80
(1) Disposal	156,989,948.80			156,989,948.80
(2) Other				
4. Closing balance	353,766,675.43	183,044.58	1,384,618.30	355,334,338.31
II. Accumulated amortization				
1. Opening balance	3,751,660.93	6,071.70		3,757,732.63
2. Increased amount in current period	2,825,728.69	21,478.18	475,000.00	3,322,206.87
(1) Provision	2,825,728.69	21,478.18	475,000.00	3,322,206.87
3. Decreased amount in current period				
(1) Disposal				

Items	Land use right	Software	Other	Total
(2) Other				
4. Closing balance	6,577,389.62	27,549.88	475,000.00	7,079,939.50
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	347,189,285.81	155,494.70	909,618.30	348,254,398.81
2. Book value at the beginning of year	148,275,554.30	53,610.05	434,618.30	148,763,782.65

(2) Land use right without handling property certificate

As of 31 December 2021, the company had no land use right without handling property ownership certificate.

16. Long-term prepaid expense

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Nanwudang Mountain operation right	25,330,000.00		1,490,000.00		23,840,000.00
Longtoutan operation right	2,273,749.94		267,500.04		2,006,249.90
Far East International Financial Leasing handling fee	1,528,888.89		573,333.33		955,555.56
Total	29,132,638.83		2,330,833.37		26,801,805.46

17. 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	3,010,025.40	752,506.35		
Asset impairment reserve			828,162.24	207,040.56
Total	3,010,025.40	752,506.35	828,162.24	207,040.56

(2) Deferred income tax liability items

Items	Closing balance		Previous year ending balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
crease and decrease in fair	50,556,074.48	12,639,018.62	27,071,867.46	6,767,966.87

Items	Closing balance		Previous year ending balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
value of investment properties				

18. Other non-current assets

Items	Closing balance	Previous year ending balance
Dujiang Guolong Agricultural Tourism Integrated Sci-tech Industrial Park Project [Note 1]	47,400,000.00	47,400,000.00
Jiahu Geothermal Water Feasibility Exploration Prospecting Right [Note 2]	2,100,000.00	2,100,000.00
Acquired Jade Xianyan building transfer fee	1,866,732.00	1,866,732.00
Total	51,366,732.00	51,366,732.00

Note 1: Longnan County People's Government and Ganzhou Changle Ecological Agriculture Technology Co., Ltd signed a cooperation agreement on "Longnan County Guolong Agricultural Tourism Integration Sci-tech Industrial Park Project". County government designated the company to cooperate with Ganzhou Changle Ecological Agriculture Technology Co., Ltd on behalf of the government. After acceptance of the project, the company shall hold 15% shares, entitled to project incomes and dividends.

Note 2: The geothermal water reserve of Jiahu Longnan County is currently under exploration, without ascertaining specific reserve.

19. Short-term borrowings

(1) Short-term loan classification

Items	Closing balance	Previous year ending balance
Pledge borrowings		123,000,000.00
Mortgage borrowings	70,000,000.00	100,000,000.00
Security borrowings	90,000,000.00	159,000,000.00
Total	160,000,000.00	382,000,000.00

20. Notes payable

Category	Closing balance	Previous year ending balance
Bank acceptance bill	28,520,000.00	
Total	28,520,000.00	

21. Trade payables

(1) List of payables

Items	Closing balance	Previous year ending balance
Within 1 year	130,392,551.92	49,351,568.91
1-2 years	16,469,821.59	80,828,548.41
2-3 years	2,547,802.54	21,286,162.80
Over 3 years	19,633,572.69	2,102.00
Total	169,043,748.74	151,468,382.12

(2) Major payables aged over 1 year

Items	Closing balance	Reasons for outstanding or carrying over
Hunan Xingda Construction Group Co., Ltd	11,362,244.29	Unsettled yet
Jiangxi Province Qihang Construction Engineering Co., Ltd	4,945,796.24	Unsettled yet
Zhongyu Construction Group Co., Ltd	4,175,479.97	Unsettled yet
Total	20,483,520.50	——

22. Advances from customers

(1) List of advance receipts

Items	Closing balance	Previous year ending balance
Within 1 year		396,664,639.44
1-2 years		98,705,974.67
2-3 years		3,183.40
Total		495,373,797.51

23. Employee benefits payable

(1) Presentation of employee remuneration payable

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Short-term remuneration	701,343.89	29,960,536.11	29,440,072.02	1,221,807.98
II. Post-employment welfare - defined contribution plan		1,771,938.05	1,771,938.05	
Total	701,343.89	31,732,474.16	31,212,010.07	1,221,807.98

(2) Presentation of short-term remuneration

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
1. Wages, bonuses, allowances and subsidies	701,343.89	25,058,145.25	24,546,449.47	1,213,039.67
2. Employee services and benefits		2,191,561.26	2,183,143.15	8,418.11
3. Social insurance premiums		723,800.39	723,450.19	350.20
Of which: medical insurance premium		699,329.16	698,978.96	350.20
Work-related injury insurance premium		24,471.23	24,471.23	
4. Housing fund		907,616.00	907,616.00	
5. Trade union funds and staff education funds		1,021,197.25	1,021,197.25	
6. Short-term paid absences		58,215.96	58,215.96	
Total	701,343.89	29,960,536.11	29,440,072.02	1,221,807.98

(3) Presentation of defined contribution plan

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
1. Basic endowment insurance		1,719,905.83	1,719,905.83	

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
2. Unemployment insurance premium		39,625.18	39,625.18	
3. Payment of enterprise annuity		12,407.04	12,407.04	
Total		1,771,938.05	1,771,938.05	

24. Contract liabilities

Items	Closing balance
Commodity and labor service funds	576,281,802.12
Total	576,281,802.12

25. Taxes payable

Items	Closing balance	Previous year ending balance
VAT payable	2,774,293.54	27,124,707.74
City maintenance and construction tax payable	757,993.55	956,035.48
Education surcharge payable	731,896.96	937,210.11
Enterprise income tax payable	35,504,218.86	29,032,955.09
Property tax payable	345,489.52	394,418.49
Land use tax payable	456,730.22	549,565.58
Land VAT payable	15,057,980.03	208,719.47
Stamp tax payable	90,257.80	23,055.50
Environmental tax payable	2,271.74	
Total	55,721,132.22	59,226,667.46

26. Other payables

Items	Closing balance	Previous year ending balance
Interest payable		
Dividends payable		
Other payables	3,293,976,644.35	1,917,577,849.49
Total	3,293,976,644.35	1,917,577,849.49

(1) Other payables

① Presentation by aging

Items	Closing balance	Previous year ending balance
Within 1 year	2,118,383,346.52	1,138,381,635.69
1-2 years	692,431,544.49	392,060,494.92
2-3 years	105,528,461.16	364,544,689.71
Over 3 years	377,633,292.18	22,591,029.17
Total	3,293,976,644.35	1,917,577,849.49

② Presented by fund nature

Items	Closing balance	Previous year ending balance
Deposit and margin	2,324,441.28	2,074,563.02
Other business transactions	1,826,422,306.42	906,189,945.51

Items	Closing balance	Previous year ending balance
Fund transactions and borrowings of related parties beyond the consolidation scope	1,465,229,896.65	1,009,313,340.96
Total	3,293,976,644.35	1,917,577,849.49

27. Non-current liabilities due within one year

Items	Closing balance	Previous year ending balance
Long-term loans due within 1 year (Note VI. 29)	583,750,000.00	752,500,000.00
Interest of long-term borrowings due within 1 year (Note VI 29)	1,864,550.55	
Long-term payables due within 1 year (Note VI. 30)	95,818,433.36	96,708,332.18
Total	681,432,983.91	849,208,332.18

28. Other current liabilities

Items	Closing balance	Previous year ending balance
Output tax to be transferred	47,498,775.30	
Total	47,498,775.30	

29. Long-term borrowing

Items	Closing balance	Previous year ending balance
Security borrowings	1,205,843,557.07	2,625,850,000.00
Pledge borrowings	273,221,044.52	379,750,000.00
Guarantee + pledge	398,682,511.11	249,000,000.00
Mortgage + pledge	294,697,678.08	315,600,000.00
Guarantee + mortgage + pledge	330,238,068.49	220,000,000.00
Less: long-term borrowings due within 1 year (Notes VI. 27)	583,750,000.00	752,500,000.00
Interest of long-term borrowings due within one year (Note VI 27)	1,864,550.55	
Total	1,917,068,308.72	3,037,700,000.00

30. Long-term payables

Items	Closing balance	Previous year ending balance
Long-term payables	218,151,766.69	309,803,533.35
Special accounts payable	320,085,854.52	323,850,389.95
Less: the portion due within 1 year (Notes VI. 27)	95,818,433.36	96,708,332.18
Total	442,419,187.85	536,945,591.12

(1) Long-term payables

Items	Closing balance	Previous year ending balance
Huaxia Financial Leasing Co., Ltd.	75,000,000.00	95,000,000.00
Jiangxi Financial Leasing Co., Ltd.	25,000,000.03	58,333,333.35
JinYuan Huaxing Finance Leasing Co., Ltd.	2,818,433.34	5,636,866.67
Far East International Financial Leasing Co., Ltd	50,166,666.65	78,833,333.33
Luoyin Financial Leasing Co., Ltd.	65,166,666.67	72,000,000.00
Less: the portion due within 1 year (Notes VI. 27)	95,818,433.36	96,708,332.18

Items	Closing balance	Previous year ending balance
Total	122,333,333.33	213,095,201.17

(2) Special accounts payable

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Second batch of traditional village protection funds	1,832,406.33		1,832,406.33	
Yushi Xianyan Area Basin Comprehensive Treatment and Ecological Restoration Engineering Project		28,125,736.92		28,125,736.92
Longnan City Yangming Middle School Project		37,861,847.24		37,861,847.24
Xinli Huayuan Urban Shantytown Renovation and Resettlement House	56,000,000.00		56,000,000.00	
Liyuan Huayuan Urban Shantytown Renovation and Resettlement House				
Shiren Huayuan Urban Shantytown Renovation Project	60,000,000.00	45,500,000.00	60,000,000.00	45,500,000.00
Longnan Hakka Enclosed House Cluster-Wudang Gangshang Enclosed House Cluster Project	20,000,000.00	73,573,880.00		93,573,880.00
High-standard Farmland Construction Project	57,391,900.00		5,777,400.00	51,614,500.00
13th Five-Year Relocating Poverty Alleviation Project	5,936,757.00		2,227,876.94	3,708,880.06
Longnan County No.4 Public Kindergarten	14,000,000.00		13,452,358.13	547,641.87
Longnan County No.3 Middle School Teaching Building Project	5,000,000.00		4,934,606.43	65,393.57
Longnan Taojiang School Student Dormitory Engineering Project	4,000,000.00		4,000,000.00	
Longnan Xindu School Comprehensive Building Engineering Project	5,141,000.00		2,468,660.09	2,672,339.91
Longnan County Independent Industrial and Mining District No.4 Middle School	52,370,000.00		51,250,642.85	1,119,357.15
Construction of public school in High-speed Railway New District (Liren)	6,050,000.00		6,050,000.00	
Longnan Middle School Comprehensive Experimental Building and Dormitory Building Project	6,050,000.00		6,050,000.00	
Longnan City No.5 Public Kindergarten Project		1,339,295.60		1,339,295.60

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Longnan Middle School Dormitory Building and ancillary engineering		19,400.00		19,400.00
Longnan City Donghu New District football field engineering		2,400,000.00		2,400,000.00
Longnan City No.6 Public Kindergarten engineering		5,063,400.00		5,063,400.00
Longnan City Yangtze River Economic Belt Green Development Demonstration Construction Project		259,263.08		259,263.08
Longnan County Urban Parking Lot Construction Project	30,000,000.00	10,000,000.00	10,000.00	39,990,000.00
Safety production expense	78,326.62	121,178.78	3,604.00	195,901.40
Guanxi Enclosed House Upgrade Project-X852 Longguan Highway renovation engineering		6,029,017.72		6,029,017.72
Total	323,850,389.95	210,293,019.34	214,057,554.77	320,085,854.52

31. Provisions

Items	Closing balance	Previous year ending balance	Cause of formation
Unexpired liability reserve	978,864.56	194,339.62	Longnan Financing Guarantee Co., Ltd withdrawal according to relevant system
Guarantee compensation reserve withdrawal	2,305,500.00	1,359,938.04	Longnan Financing Guarantee Co., Ltd withdrawal according to relevant system
Total	3,284,364.56	1,554,277.66	——

32. Paid-in capital

Name of investors	Opening balance	Increase in current period	Decrease in current period	Closing balance
Ganzhou Tourism Investment Group Co., Ltd.	1,039,632,960.00			1,039,632,960.00
Longnan City State-owned Assets Service Center	998,863,040.00			998,863,040.00
Total	2,038,496,000.00			2,038,496,000.00

33. Capital reserve

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Transfer of funds	185,548,248.81	170,970,550.00		356,518,798.81
Other capital reserves	2,812,753,155.29	121,150,092.20		2,933,903,247.49
Total	2,998,301,404.10	292,120,642.20		3,290,422,046.30

Note: In 2021, the increase of capital reserve totaled RMB 292,120,642.20, of which: 1) financial appropriation and financial current account transfer in was RMB 170,970,550.00; 2) Longnan City People's Government transferred 49% equity of Longnan Urban Investment Development Construction Co., Ltd to the company, increasing RMB 49,000,000.00; 3) Longnan City People's Government transferred 49% equity of Longnan City Municipal Public Construction Investment Co., Ltd to the company, increasing RMB 4,900,000.00; 4) the company's shareholding in the above two companies changed from 51.00% to 100%. For the difference between book value portion of identifiable net assets of the investee and added value of long-term equity investment of individual statements, incremental capital reserve was adjusted to RMB 67,250,092.20 at the consolidated statement level.

34. Other comprehensive income

Items	Balance at the end of last year	Amount incurred in current period					Closing balance
		Actual amounts incurred before income tax for the current period	Less: included in other comprehensive incomes in previous period transferred into profits and losses (or retained earnings) in current period	Less: Income tax expenses	After-tax parent company's attributable share	After-tax minority shareholders' attributable share	
Difference between fair value and book value of investment real estate converted from inventories	9,607,020.52						9,607,020.52
Total	9,607,020.52						9,607,020.52

35. Surplus reserve

Items	Previous year ending balance	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	6,387,546.90	6,387,546.90			6,387,546.90
Discretionary surplus reserve					
Total	6,387,546.90	6,387,546.90			6,387,546.90

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.

36. Undistributed profits

Items	The current period	Last period
Undistributed profit at the end of the prior year before adjustment	176,336,600.71	164,037,678.15
Total adjusted undistributed profits at the beginning of year (increase +, decrease -)		
Year-beginning undistributed profit after adjustment	176,336,600.71	164,037,678.15
Add: Net profit attributable to shareholders of parent company in current period	81,296,750.16	16,621,205.18

Items	The current period	Last period
Less: withdrawal of statutory surplus reserve		1,658,883.47
Withdrawal of discretionary surplus reserve		
Common stock dividends payable		
Other profit distributions	5,635,225.68	2,663,399.15
Undistributed profits at the end of period	251,998,125.19	176,336,600.71

37. Operating incomes and operating costs

(1) Operating income and operating cost

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Main business	1,269,788,447.86	1,019,091,861.51	725,165,571.23	603,430,807.98
Other businesses	20,706,014.27	960,930.10	33,495,157.77	402,804.61
Total	1,290,494,462.13	1,020,052,791.61	758,660,729.00	603,833,612.59

(2) Main business (according to industry or business)

Category	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Engineering construction	201,405,422.08	197,579,561.69	127,586,176.67	124,929,610.89
Agent construction project	783,795,695.02	630,933,530.60	98,786,407.77	88,478,260.87
Transportation	8,250,379.59	12,246,383.70	6,881,069.43	7,653,922.26
Commercial housing sales	187,474,970.40	125,095,464.14	460,829,851.67	372,298,290.63
Affordable housing sales	44,440,103.01	35,770,027.80		
Scenic area operation	22,567,852.59	8,060,706.82	16,699,226.41	5,163,696.13
Leasing service	11,634,929.88	1,659,707.22	6,850,857.35	802,258.56
Catering services	6,637,875.00	4,868,848.61	2,777,157.36	2,056,782.38
Other services	1,256,845.76	692,582.00	1,545,747.00	279,601.50
Other incomes	2,324,374.53	2,185,048.93	3,209,077.57	1,768,384.76
Total	1,269,788,447.86	1,019,091,861.51	725,165,571.23	603,430,807.98

38. Taxes and surcharges

Items	Current amount	Amount last year
Urban maintenance and construction tax	5,541,220.27	903,870.18
Education surcharge	4,317,292.20	802,901.13
Land use tax	6,680,039.52	1,193,684.16
Housing tax	4,440,844.81	482,182.43
Stamp duty	1,448,389.27	393,613.05
Vehicle and vessel use tax		2,231.20
Increment tax on land value	24,044,614.33	45,042,810.57
Total	46,472,400.40	48,821,292.72

39. Financial expenses

Items	Current amount	Previous amount
Interest expenses	32,639,527.06	4,339,045.49
Less: interest income	7,520,150.07	4,991,820.84
Handling fee and others	3,194,492.86	5,848,118.10
Total	28,313,869.85	5,195,342.75

40. Other revenues

Items	Current amount	Previous amount
Government grants related to daily business activities	2,228,012.61	4,876,574.57
Refund of the withheld personal income tax handling fee		
Other	24,123.79	
Total	2,252,136.40	4,876,574.57

41. Investment income

Items	Current amount	Previous amount
Long-term equity investment incomes by equity methods	-37,205.76	-17,313.86
Total	-37,205.76	-17,313.86

42. Proceed from fair value variance

Source of profit from fluctuation of fair value	Current amount	Previous amount
Investment real estate measured at fair value	23,484,207.00	14,262,506.77
Total	23,484,207.00	14,262,506.77

43. Credit impairment losses

Items	Current amount
Bad debt losses of accounts receivable	1,000.00
Bad debt losses of other receivables	-2,254,536.76
Total	-2,253,536.76

44. Asset impairment losses

Items	Current amount	Previous amount
Bad debt losses		1,338,035.44
Total		1,338,035.44

45. Asset disposal gains

Items	Current amount	Previous amount
Fixed asset disposal gains or losses		-186,724.00
Gains or losses on disposal of intangible assets	-12,962,472.85	
Total	-12,962,472.85	-186,724.00

46. Non-operating income

Items	Current amount	Previous amount
Abandoned profits from damage of non-current assets		
Of which: fixed assets		
Intangible assets		
Gains from accepting donation	36,660.00	
Penalty income	88,258.53	47,754.85
Government grants irrelevant to daily activities of the enterprise		14,310.86
Other	720,283.36	176,033.72
Total	845,201.89	238,099.43

47. Non-operating expenses

Items	Current amount	Previous amount
Scrap losses of non-current assets	5,336.61	
Of which: fixed assets	5,336.61	
Intangible assets		
Donation expenditure		1,449,040.32
Operational fines, administrative fines and tax late fees	1,719,279.41	27,693.94
Other	190,007.23	4,244.00
Total	1,914,623.25	1,480,978.26

48. Income tax expenses

Items	Current amount	Previous amount
Current income tax expense	29,336,844.58	24,183,934.72
Difference of accounting and settlement of last year's income tax included in the current income tax	4,135,788.74	
Decrease of current deferred tax assets	-545,465.79	334,461.36
Increase of current deferred tax liability	5,871,051.75	3,565,626.69
Total	38,798,219.28	28,084,022.77

49. Supplementary information of Cash Flow Statement

(1) Supplementary information of Cash Flow Statement

Supplementary information	Current amount	Previous amount
1. Net profits adjusted to cash flow from operating activities:		
Net profits	81,454,139.63	25,355,228.65
Add: provision for impairment of assets		-1,338,035.44
Credit impairment losses	2,253,536.76	
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	38,305,852.35	19,363,759.99
Amortization of intangible assets	3,322,206.87	3,218,608.06
Amortization of long-term prepaid expenses	1,757,500.04	1,964,236.75
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "-")	12,962,472.85	
Losses of fixed asset scrapping (revenues marked with "-")	5,336.61	186,724.00

Supplementary information	Current amount	Previous amount
Fair value change losses (revenues marked with "-")	-23,484,207.00	-14,262,506.77
Financial costs (revenues marked with "-")	33,212,860.39	4,339,045.49
Investment losses (revenues marked with "-")	37,205.76	17,313.86
Decrease of deferred income tax assets (increase marked with "-")	-545,465.79	334,461.36
Increase of deferred income tax liabilities (decrease marked with "-")	5,871,051.75	3,565,626.69
Decrease of inventory (increase marked with "-")	-271,360,178.20	-182,116,057.84
Decrease of operational receivables (increase marked with "-")	-117,587,375.42	-533,214,604.03
Increase of operational payables (decrease marked with "-")	591,201,781.43	799,942,074.30
Other		
Net cash flow from operating activities	357,406,718.03	127,355,875.07
2. Major investing and financing activities uninvolving 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	939,523,051.43	1,158,070,142.33
Less: opening balance of cash	1,158,070,142.33	1,591,728,641.48
Add: Ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase of cash and cash equivalents	-218,547,090.90	-433,658,499.15

(2) Composition of cash and cash equivalents

Items	Closing balance	Opening balance
I. Cash	939,523,051.43	1,158,070,142.33
Of which: cash on hand	28,608.23	21,405.20
Bank deposits for payment at any time	924,504,326.28	1,158,048,737.13
Other monetary assets for payment at any time	14,990,116.92	
Funds deposited in central bank that can be used for payment		
II. Cash equivalents		
Of which: bond investments due within three months		
III. Closing balance of cash and cash equivalents	939,523,051.43	1,158,070,142.33

50. Assets with limited ownership or right of use

Items	Period-end book value	Limited reasons
Cash at bank and on hand	222,370,867.46	Security deposit, large certificate of deposit pledge
Inventory	575,381,252.50	Mortgage
Fixed assets	23,002,158.64	Mortgage
Investment properties	204,606,068.00	Mortgage
Total	1,025,360,346.60	

VII. Consolidation scope changes

Corporate consolidation scope did not change in 2021.

VIII. Equity in other entities

1. Equity in subsidiaries

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Longnan Public Transport Investment Development Co., Ltd	Longnan City	Longnan City	Road and bridge engineering investment construction; transport infrastructure project investment construction; transport asset operation and management; transport system operating project investment development; urban bus passenger transport operation	100.00		Establishment
Longnan Revitalization Urban and Rural Construction Development Co., Ltd	Longnan City	Longnan City	Architectural engineering construction; geological disaster control engineering construction; construction engineering supervision; highway management and maintenance; construction engineering design; construction engineering survey; residential interior decoration; urban construction waste disposal and transportation	100.00		Establishment
Longnan Development Investment Asset Management Co., Ltd	Longnan City	Longnan City	Responsible for management and operation of operating state-owned assets within the authorization or entrustment scope	100.00		Establishment
Longnan Forestry Investment Development Co., Ltd	Longnan City	Longnan City	Forestry investment; forestry industry management; forestry asset appraisal, forestry technology consultation; forest culture inheritance and development; forestry infrastructure and forestry project construction	100.00		Establishment
Longnan Water Conservancy Investment Development Co., Ltd	Longnan City	Longnan City	Responsible for operation and management of water conservancy state-owned assets within the authorization scope; water conservancy construction project investment and management	100.00		Establishment
Longnan Financial Guarantee Co., Ltd	Longnan City	Longnan City	Financing guarantee, performance guarantee, litigation preservation guarantee business, intermediary service business such as guarantee-related financing consultation and financial advisor, as well as investment with proprietary funds according to regulations	100.00		Establishment
Longnan Town Asset Investment Management Co., Ltd	Longnan City	Longnan City	Responsible for investment, operation and management of operating town state-owned assets within the authorization or entrustment scope; shantytown renovation engineering, village-in-city renovation engineering and hollow house renovation engineering construction	100.00		Establishment

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Longnan Development Investment Property Management Co., Ltd	Longnan City	Longnan City	Property management	100.00		Establishment
Longnan Jade Xianyan Cultural Tourism Co., Ltd	Longnan City	Longnan City	Various engineering construction activities; residential interior decoration; road passenger transportation operation; tourism business; accommodation service	100.00		Establishment
Longnan Culture and Sports Development Co., Ltd	Longnan City	Longnan City	Responsible for investment, operation and management of state-owned assets and land assets within the authorization scope; cultural and sports industry investment construction; cultural and sports asset operation and management	100.00		Appropriation
Longnan Development Investment Construction Co., Ltd	Longnan City	Longnan City	Development and management of real estate	100.00		Establishment
Longnan Guanxiwei Cultural Tourism Development Co., Ltd	Longnan City	Longnan City	Tourism project investment and asset management	100.00		Establishment
Longnan Nanwudang Cultural Tourism Development Co., Ltd	Longnan City	Longnan City	Scenic area development and operation management	100.00		Establishment
Longnan County Engineering Construction Co., Ltd	Longnan City	Longnan City	Housing construction engineering, municipal public engineering, architectural decoration engineering, architectural curtain wall engineering, fire protection facility engineering, earthwork engineering, pipeline engineering, basic foundation engineering, urban and road lighting engineering, steel structure engineering, landscaping engineering, architectural waterproof engineering, electromechanical equipment installation engineering survey, design, construction and installation	100.00		Appropriation
Longnan County Planning and Architectural Design Institute Co., Ltd	Longnan City	Longnan City	Industrial and civil architectural design; civil engineering technology consulting service; urban planning; engineering survey (specialized rock and soil)	100.00		Appropriation
Longnan Housing Surveying and Mapping Co., Ltd	Longnan City	Longnan City	Immovable property surveying and mapping; real estate surveying and mapping; typing and photocopying service	100.00		Appropriation
Longnan City Yingbin Building Hotel Co., Ltd	Longnan City	Longnan City	Catering, accommodation, conference and exhibition service; hotel management consulting service; hotel product lease; pre-packaged food, liquor, daily necessity, cultural product, handicraft (excluding cultural relics) and general merchandise sales; tourism product design and development; tourism management consulting service; agricultural and sideline product, as well as local specialty sales and distribution	100.00		Appropriation

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Longnan Lifa Health Care Pharmaceutical Co., Ltd	Longnan City	Longnan City	Medical and health industry infrastructure construction, operation and management; medical and health industry project development, introduction, investment, operation, application promotion and management	100.00		Establishment
Longnan Urban Investment Development Construction Co., Ltd	Longnan City	Longnan City	Urban infrastructure; land development; real estate development; new housing construction and sales	100.00		Appropriation
Longnan City Municipal Public Construction Investment Co., Ltd	Longnan City	Longnan City	Municipal public facility road and bridge engineering investment construction and daily maintenance management	100.00		Appropriation

2. Equity in 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	
Longnan Great Wall Property Management Co., Ltd	Longnan City	Longnan City	Property management	35.00		Equity method

IX. 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 (%)
Ganzhou Tourism Investment Group Co., Ltd.	Ganzhou City	Tourism investment and development; scenic area development and operation; hotel management, etc.	RMB 500 million	51.00	51.00

Note: Ultimate controller of the company is Ganzhou Development Investment Holding Group Co., Ltd.

2. Subsidiaries of the Company

See Note VIII. 1. Equity in subsidiaries.

3. Joint ventures and associated enterprises of the company

Please refer to Note VIII 2 "Equity in joint ventures or associated enterprises" for details.

4. Other associated parties

Name of other associated parties	Relationships between other associated parties and the company
Longnan City Urban Construction Investment Co., Ltd	Originally belonged to the same parent company as subsidiary Urban Investment Development, and now still keep some transactions in business and funds

Name of other associated parties	Relationships between other associated parties and the company
Longnan Heji Cultural Tourism Investment Development Co., Ltd	Associated enterprises of parent company
Ganzhou Cultural Tourism Industry Capital Management Co., Ltd	Same parent company
Longnan Zhengping Cultural Tourism Development Co., Ltd	Corporate other equity instrument investment

5. Conditions of associated party transactions

The company has no related party transaction for disclosure.

6. Receivables and payables of related parties

(1) Receivables

Name of projects	Closing balance		Previous year ending balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Other receivables:				
Longnan City Urban Construction Investment Co., Ltd	180,000,000.00		406,320,737.43	
Longnan Heji Cultural Tourism Investment Development Co., Ltd	83,205,965.24		138,794,700.00	
Longnan Zhengping Cultural Tourism Development Co., Ltd	28,140,540.95			
Total	291,346,506.19		545,115,437.43	

(2) Payables

Name of projects	Closing balance	Previous year ending balance
Total		
Other payables:		
Longnan City Urban Construction Investment Co., Ltd	65,229,896.65	311,313,340.96
Longnan Heji Cultural Tourism Investment Development Co., Ltd		60,000,000.00
Ganzhou Cultural Tourism Industry Capital Management Co., Ltd	1,000,000,000.00	638,000,000.00
Ganzhou Tourism Investment Group Co., Ltd.	400,000,000.00	
Total	1,465,229,896.65	1,009,313,340.96

X. Commitments and contingencies

1. Major commitments

As of 31 December 2021, the company had no commitment for disclosure.

2. Contingencies

(1) As of 31 December 2021, external guarantee provided by the company was as follows:

Secured units	Guarantor	Guarantee method	Guarantee Period	Guarantee balance (RMB ten thousand)
Longnan City Gangshang Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.9.8-2028.9.8	720.00
Longnan City Guihu Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.8.26-2028.8.26	960.00
Longnan City Jinling Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.9.7-2028.9.7	720.00
Longnan City Liantang Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.9.9-2028.9.9	990.00
Longnan City Longxiu Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.9.8-2028.9.8	720.00
Longnan City Qingyuan Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.9.7-2028.9.7	960.00
Longnan City Rundong Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.8.26-2028.8.26	720.00
Longnan City Shilian Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.8.26-2028.8.26	960.00
Longnan City Shuikou Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.9.7-2028.9.7	960.00
Longnan City Wushi Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.9.9-2028.9.9	990.00
Longnan City Xiaowan Agricultural Development Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.9.7-2028.9.7	960.00
Longnan Economic and Technological Development Zone Construction Investment Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2021.8.26-2035.8.25	12,600.00
Longnan City No.1 People's Hospital	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2020.3.13-2023.3.13	3,000.00
Longnan Economic and Technological Development Zone Construction Investment Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2019.7-2026.7	16,000.00
Jiangxi Zhihao Electronic Technology Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2018.6.7-2024.6.7	33,000.00
Ganzhou Sannan Construction Co., Ltd	Longnan Tourism Development Investment (Group) Co., Ltd	Warrandice	2020.3.24-2034.03.23	80,000.00
Longnan County Urban Construction Investment Co., Ltd	Longnan Urban Investment Development Construction Co., Ltd	Warrandice	2016.4-2023.4	13,500.00

Secured units	Guarantor	Guarantee method	Guarantee Period	Guarantee balance (RMB ten thousand)
Longnan Municipal Investment Construction Co., Ltd	Longnan Urban Investment Development Construction Co., Ltd	Warrandice	2017.12-2032.12	88,740.00
Longnan Construction Engineering Group Co., Ltd	Longnan Urban Investment Development Construction Co., Ltd	Warrandice	2021.9.9-2024.9.9	1,300.00
Tang Zhiyong (Motorcycle Accessory Wholesale and Retail Store)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.1.25-2024.1.24	100.00
Li Cuiyu (China Gold)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.2.5-2024.2.4	700.00
Liu Shiqiao (Jiangxi Yonglun New Material Technology Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.3.4-2023.3.3	1,000.00
Liao Zhenxing (Longnan County Shengxing Hotel Management Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.3.11-2022.3.10	300.00
Liao Haiqing (Longnan County Haiqing Ceramic Tile Store)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.3.16-2023.3.15	200.00
Ye Weimin (Longnan County Xiangtai Trading Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.3.26-2024.3.25	380.00
Cai Qiyu (Jianlong Wood Industry)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.3.30-2024.3.29	200.00
Wu Lining (Longnan County Nuonuo Farm)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.4.14-2024.4.13	280.00
Ling Li (Longnan Xinyao Forest Farm)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.5.20-2024.5.19	260.00
Lai Xiangtian (Longnan County Chengzhen Shengshi Nongren Fruit Industry Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.5.24-2024.5.23	300.00
Xu Jinliang (Longnan Runsheng Forestry Development Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.5.28-2024.5.27	470.00
Liao Jingyu (Longnan County Qianyun Firm)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.6.20-2024.6.19	280.00
Zhu Hongyu (Ganzhou City Yufeng Electronic Technology Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.6.23-2024.6.22	160.00
Tang Jingshan (Longnan County Chuangyida Decoration Engineering Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.7.7-2024.7.6	110.00
Liao Zhenxing (Longnan County Shengxing Hotel Management Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.7.7-2022.7.6	700.00
Zeng Liren (Longnan County Zhonghui Machinery Equipment Rental Store)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.7.7-2024.7.6	320.00
Zhao Mingxing (Jiangxi Wansheng Property Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.7.29-2024.7.28	350.00

Secured units	Guarantor	Guarantee method	Guarantee Period	Guarantee balance (RMB ten thousand)
Huang Minhua (Longnan County Bohong Building Material Firm)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.8.5-2023.8.4	800.00
Zhang Jincheng (Hubei Shuidu Fire Protection Engineering Co., Ltd Longnan Branch)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.8.4-2024.8.3	110.00
Liu Lirong (Jiangxi Hengjie Intelligent Equipment Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.8.10-2024.8.9	480.00
Zeng Yunshan (Longnan Senyou Industrial Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.8.25-2024.8.24	150.00
Zhong Tao (Longnan Taisheng Building Material Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.9.28-2024.9.27	300.00
Zhong Mingliang (Longnan County Paiya Technology Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.10.13-2024.10.12	300.00
Ye Chunjing (Longnan County Hengda Trading Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.10.11-2023.10.10	500.00
Lai Zhiqing (Jiangxi Chuangjv Electronic Technology Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.10.29-2023.10.28	400.00
Zhong Huimin (Longnan Taisheng Building Material Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.11.24-2024.11.23	700.00
Liao Zhiwei (Longnan Huawei Asia Pacific Automobile Development Co., Ltd)	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.12.3-2024.12.2	300.00
Jiangxi Province Shengming Electronic Technology Co., Ltd	Longnan Financial Guarantee Co., Ltd	Warrandice	2021.12.6-2024.12.5	800.00
Total				268,750.00

XI. Events after the balance sheet date

As of the audit report date, the company had no event after the balance sheet date for disclosure.

XII. Other important matters

As of 31 December 2021, the company had no other important matters for due disclosure.

XIII. Notes on major items of parent company's financial statement

1. Accounts receivable

(1) Classified and presented by bad debt provision method

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve					
Of which:					
Accounts receivable for which bad debt provision has been assessed by portfolios	164,989,948.80	100.00			164,989,948.80

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Of which: combination of account age					
Other combinations	164,989,948.80	100.00			164,989,948.80
Total	164,989,948.80	100.00		——	164,989,948.80

(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					
Accounts receivable for which bad debt provision has been assessed by portfolios	8,000,000.96	100.00			8,000,000.96
Of which: combination of account age	0.96				0.96
Other combinations	8,000,000.00	100.00			8,000,000.00
Accounts receivable with single insignificant amount and single provision for bad debt reserve					
Total	8,000,000.96	100.00			8,000,000.96

2. Other receivables

Items	Closing balance	Previous year ending balance
Interests receivable		
Dividends receivable		
Other receivables	2,161,437,677.86	1,530,551,812.52
Total	2,161,437,677.86	1,530,551,812.52

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	1,472,359,725.38	793,906,647.88
1-2 years	202,809,246.33	697,734,063.06
2-3 years	479,612,082.75	39,453,133.85
3-4 years	6,656,623.40	
Subtotal	2,161,437,677.86	1,531,093,844.79
Less: bad debt provision		542,032.27
Total	2,161,437,677.86	1,530,551,812.52

② Classification by fund nature

Nature of funds	Closing balance	Previous year ending balance
General operating receivables	1,758,761,151.51	972,561,034.24
Deposit and margin	10,007,935.00	10,019,935.00
Related party transactions within the consolidation scope	363,970,879.72	548,512,875.55
Related party transactions beyond the consolidation scope	28,697,711.63	
Subtotal	2,161,437,677.86	1,531,093,844.79
Less: bad debt provision		542,032.27
Total	2,161,437,677.86	1,530,551,812.52

③ 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)	
Balance as of 1 January 2021	542,032.27			542,032.27
Book balance of other receivables as of 1 January 2021 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	542,032.27			542,032.27
Write-off in the current period				
Written off in the current period				
Other changes				
Balance as of 31 December 2021				

④ 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	
Aging portfolio	542,032.27		542,032.27		
Total	542,032.27		542,032.27		

⑤ 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
Longnan County Finance Bureau	Transaction accounts	594,490,786.47	Within 1 year, 1-2 years, 2-3 years	27.50	
Longnan City Land Purchasing and Storage Trading Center	Transaction accounts	346,324,000.00	Within 1 year, 1-2 years	16.02	
Longnan Municipal Investment Construction Co., Ltd	Transaction accounts	200,000,000.00	Within 1 year	9.25	
Longnan City Dongxuan Construction Co., Ltd	Transaction accounts	160,000,000.00	Within 1 year	7.40	
Longnan County Urban Construction Investment Co., Ltd	Transaction accounts	100,000,000.00	1-2 years	4.63	
Total	——	1,400,814,786.47	——	64.81	

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	3,083,696,823.28		3,083,696,823.28	2,498,416,823.28		2,498,416,823.28
Investment in associated enterprises and joint ventures						
Total	3,083,696,823.28		3,083,696,823.28	2,498,416,823.28		2,498,416,823.28

(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
Longnan Public Transport Investment Development Co., Ltd	20,000,000.00			20,000,000.00		
Longnan Revitalization Urban and Rural Construction Development Co.,	578,000,000.00			578,000,000.00		

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
Ltd						
Longnan Development Investment Asset Management Co., Ltd	590,000,000.00			590,000,000.00		
Longnan Forestry Investment Development Co., Ltd	10,000,000.00			10,000,000.00		
Longnan Water Conservancy Investment Development Co., Ltd	40,000,000.00			40,000,000.00		
Longnan Financial Guarantee Co., Ltd	100,000,000.00			100,000,000.00		
Longnan Town Asset Investment Management Co., Ltd	30,000,000.00			30,000,000.00		
Longnan Development Investment Property Management Co., Ltd	500,000.00			500,000.00		
Longnan Culture and Sports Development Co., Ltd	99,940,852.73	531,380,000.00		631,320,852.73		
Longnan Development Investment Construction Co., Ltd	542,881,600.00			542,881,600.00		
Longnan Guanxiwei Cultural Tourism Development Co., Ltd	200,000.00			200,000.00		
Longnan Nanwudang Cultural Tourism Development Co., Ltd	22,054,174.29			22,054,174.29		
Longnan County Engineering Construction Co., Ltd	5,678,949.29			5,678,949.29		
Longnan County Planning and Architectural Design Institute Co., Ltd	18,436.12			18,436.12		

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
Longnan Housing Surveying and Mapping Co., Ltd	745,847.78			745,847.78		
Longnan City Yingbin Building Hotel Co., Ltd	6,040,000.00			6,040,000.00		
Longnan Lifa Health Care Pharmaceutical Co., Ltd	200,000.00			200,000.00		
Longnan Urban Investment Development Construction Co., Ltd	121,303,466.99	49,000,000.00		170,303,466.99		
Longnan City Municipal Public Construction Investment Co., Ltd	330,853,496.08	4,900,000.00		335,753,496.08		
Total	2,498,416,823.28	585,280,000.00		3,083,696,823.28		

4. Operating income, operating cost

Items	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Main business	145,107,421.43	129,964,552.78	82,048,103.06	73,485,764.93
Other businesses	19,273,429.75		32,991,063.13	
Total	164,380,851.18	129,964,552.78	115,039,166.19	73,485,764.93

Longnan Tourism Development Investment
(Group) Co., Ltd
Date: 18 April 2022

营业执照

（副 本）

（5-5）

统一社会信用代码

91110102082881146K

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）

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。）

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　北京市丰台区市场监督管理局　1101069944520

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

仅作为报告附件使用

会计师事务所

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

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》。

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

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	027-86781250
74	中天运会计师事务所（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	010-88395676
75	中喜会计师事务所（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）	嘉定工业区沪宜路叶城路 1630 号 5 幢 1088 室	021-63525500

姓　　名 Full name 陈东

性　　别 Sex 男

出生日期 Date of birth 1982-11-26

工作单位 Working unit 中兴华会计师事务所（特殊普通合伙）江苏分所

身份证号码 Identity card No. 340811198211264717

中兴华会计师事务所（特殊普通合伙） 1101020173689

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：No. of Certificate 110001673841

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 2015 年/y 04 月/m 30 日/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

姓　　名 Full name	徐尚
性　　别 Sex	男
出生日期 Date of birth	1992-07-26
工作单位 Working unit	中兴华会计师事务所（特殊普通合伙）江苏分所
身份证号码 Identity card No.	321323199207264538

中兴华会计师事务所（特殊普通合伙）
1101020173689

年度检验登记
Annual Renewal Registration

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This certificate is valid for another year after this renewal.

证书编号：
No. of Certificate
110001670426

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
2020 年/y 12 月/m 30 日/d

徐尚(110001670426)
您已通过2021年年检
江苏省注册会计师协会

年/y 月/m 日/d

丹阳投资集团有限公司

审 计 报 告

00002022040082346023
报告文号：中兴华审字[2022]第020625号

中兴华会计师事务所（特殊普通合伙）

丹阳投资集团有限公司

2021年度合并及母公司财务报表

审计报告书

中兴华会计师事务所(特殊普通合伙)

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

地址：北京市丰台区丽泽路20号丽泽SOHO B座20层 邮编：100037

目　　录

一、审计报告

二、审计报告附送

1. 合并资产负债表

2. 合并利润表

3. 合并现金流量表

4. 合并所有者权益变动表

5. 母公司资产负债表

6. 母公司利润表

7. 母公司现金流量表

8. 母公司所有者权益变动表

9. 财务报表附注

三、审计报告附件

1. 中兴华会计师事务所（特殊普通合伙）营业执照复印件

2. 中兴华会计师事务所（特殊普通合伙）执业证书复印件

3. 中兴华会计师事务所（特殊普通合伙）证券、期货相关业务许可证复印件

4. 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 020625 号

丹阳投资集团有限公司全体股东：

一、审计意见

我们审计了丹阳投资集团有限公司（以下简称“丹投集团”）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，公允反映了丹投集团 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，我们独立于丹投集团，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，管理层负责评估丹投集团的持续经营能力，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丹投集团、终止运营或别无其他现实的选择。

治理层负责监督丹投集团的财务报告过程。

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，就可能导致对丹投集团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丹投集团不能持续经营。

（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）就丹投集团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。

（以下无正文，为丹投集团 2021 年度审计报告的签章页。）

中兴华会计师事务所（特殊普通合伙）

中国·北京

中国注册会计师：

中国注册会计师：

2022 年 4 月 21 日

合并资产负债表

2021年12月31日

编制单位：丹阳投资集团有限公司　　金额单位：人民币元

项　目	注释六	期末余额	年初余额	上年年末余额
流动资产：				
货币资金	1	1,588,263,939.13	5,081,509,857.45	5,081,509,857.45
交易性金融资产	2	90,621,085.00	544,269,892.10	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	3	不适用	不适用	10,463.20
衍生金融资产				
应收票据	4	15,838,098.56	2,834,590.59	30,952,183.21
应收账款	5	1,425,285,310.82	1,100,520,665.92	1,100,520,665.92
应收款项融资	6	18,185,644.02	28,117,592.62	不适用
预付款项	7	837,417,118.76	829,187,834.60	829,187,834.60
其他应收款	8	7,168,117,379.56	6,611,947,484.37	6,611,947,484.37
存货	9	35,113,945,712.01	34,216,846,670.07	34,216,846,670.07
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	10	27,044,273.59	24,576,703.38	568,836,132.28
流动资产合计		46,284,718,561.45	48,439,811,291.10	48,439,811,291.10
非流动资产：				
债权投资	11	255,141,912.83	255,141,912.83	不适用
可供出售金融资产	12	不适用	不适用	2,958,948,788.07
其他债权投资				不适用
持有至到期投资	13	不适用	不适用	255,141,912.83
长期应收款	14	88,200,000.00	15,000,000.00	15,000,000.00
长期股权投资	15	137,659,205.32	128,984,631.87	128,984,631.87
其他权益工具投资	16	34,233,871.32	20,000,000.00	不适用
其他非流动金融资产	17	2,816,547,860.11	2,903,874,952.07	不适用
投资性房地产	18	6,995,586.31	7,403,311.09	7,403,311.09
固定资产	19	10,419,597,895.64	10,191,959,433.85	10,191,959,433.85
在建工程	20	12,269,650,178.30	12,456,206,046.36	12,456,206,046.36
生产性生物资产				
油气资产				
使用权资产	21	849,077.34	725,869.92	不适用
无形资产	22	465,785,655.58	485,977,047.46	485,977,047.46
开发支出				
商誉	23	225,927,595.07	274,863,185.80	274,863,185.80
长期待摊费用	24	93,005,811.58	171,323,176.96	171,323,176.96
递延所得税资产	25	237,561,403.13	211,024,375.73	211,024,375.73
其他非流动资产	26	363,113,660.98	340,874,398.50	305,800,562.50
非流动资产合计		**27,414,269,713.51**	**27,463,358,342.44**	**27,462,632,472.52**
资产总计		**73,698,988,274.96**	**75,903,169,633.54**	**75,902,443,763.62**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：洪锋　　**主管会计工作负责人：**陈泽　　**会计机构负责人：**陈泽

合并资产负债表（续）

2021年12月31日

编制单位：丹阳投资集团有限公司　　金额单位：人民币元

项　目	注释六	期末余额	年初余额	上年年末余额
流动负债：				
短期借款	27	1,908,259,241.84	2,356,578,564.86	2,354,505,191.46
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	28	210,000,000.00	662,900,000.00	662,900,000.00
应付账款	29	291,667,892.15	563,622,526.76	563,622,526.76
预收款项	30	2,086,154.08	444,517.11	1,195,862,616.64
应付职工薪酬	31	33,266,209.18	29,669,781.64	29,669,781.64
合同负债	32	2,664,868,921.52	1,219,182,126.31	不适用
应交税费	33	466,171,900.98	406,815,698.89	406,815,698.89
其他应付款	34	5,292,766,416.29	8,005,697,207.83	8,213,718,207.86
持有待售负债				
一年内到期的非流动负债	35	7,986,118,081.05	3,915,268,762.83	3,766,990,479.33
其他流动负债	36	1,761,061,836.68	3,196,252,178.08	3,138,235,378.08
流动负债合计		**20,616,270,653.77**	**20,356,431,364.31**	**20,332,319,880.66**
非流动负债：				
长期借款	37	6,546,438,600.00	8,010,558,600.00	8,010,558,600.00
应付债券	38	4,190,665,374.47	6,178,576,197.71	6,178,576,197.71
其中：优先股				
永续债				
租赁负债	39	98,009.57	378,413.05	不适用
长期应付款	40	1,724,415,016.02	739,290,721.15	739,290,721.15
长期应付职工薪酬				
预计负债				
递延收益	41	128,040,232.11	30,857,533.88	173,070,153.00
递延所得税负债	25	3,671,694.33	130,968.32	130,968.32
其他非流动负债	42	142,212,619.12	118,448,592.34	
非流动负债合计		**12,735,541,545.62**	**15,078,241,026.45**	**15,101,626,640.18**
负债合计		**33,351,812,199.39**	**35,434,672,390.76**	**35,433,946,520.84**
所有者权益：				
实收资本	43	200,000,000.00	200,000,000.00	200,000,000.00
其他权益工具				
其中：优先股				
永续债				
资本公积	44	32,178,793,046.84	32,450,322,969.02	32,450,322,969.02
减：库存股				
其他综合收益	45	-2,540,093.12	-3,016,105.53	-3,016,105.53
专项储备				
盈余公积	46	317,983,794.62	317,983,794.62	317,983,794.62
未分配利润	47	6,138,183,491.23	5,824,575,614.72	5,824,575,614.72
归属于母公司所有者权益合计		38,832,420,239.57	38,789,866,272.83	38,789,866,272.83
少数股东权益		1,514,755,836.00	1,678,630,969.95	1,678,630,969.95
所有者权益合计		**40,347,176,075.57**	**40,468,497,242.78**	**40,468,497,242.78**
负债和所有者权益总计		**73,698,988,274.96**	**75,903,169,633.54**	**75,902,443,763.62**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：洪锋　　主管会计工作负责人：陈印泽　　会计机构负责人：陈印泽

合并利润表

2021年度

编制单位：舟阳控股集团有限公司　　金额单位：人民币元

项　目	注释六	本年金额	上年金额
一、营业总收入	48	5,354,444,514.68	4,061,503,607.61
其中：营业收入	48	5,354,444,514.68	4,061,503,607.61
二、营业总成本		5,426,119,942.60	4,336,919,363.23
其中：营业成本	48	4,513,288,539.75	3,389,295,065.84
税金及附加	49	105,282,490.99	134,005,991.34
销售费用		63,586,069.25	52,004,629.73
管理费用		433,568,261.36	458,915,509.46
研发费用	50	47,265,282.40	41,473,493.52
财务费用	51	263,129,298.84	261,224,673.34
其中：利息费用	51	795,948,405.54	725,203,868.62
利息收入	51	534,217,096.50	465,370,859.08
加：其他收益	52	395,449,509.12	374,249,227.52
投资收益（损失以"-"号填列）	53	105,998,916.25	154,057,489.44
其中：对联营企业和合营企业的投资收益	53	-12,486,072.22	-11,143,172.18
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（损失以"-"号填列）			
公允价值变动收益（损失以"-"号填列）	54		3,397.54
信用减值损失（损失以"-"号填列）	55	-32,013,841.82	
资产减值损失（损失以"-"号填列）	56	-84,267,335.81	-284,058,272.57
资产处置收益（损失以"-"号填列）	57	1,171,843.04	55,511,857.13
三、营业利润（亏损以"-"号填列）		314,663,662.86	24,347,943.44
加：营业外收入	58	17,477,449.88	30,447,141.57
减：营业外支出	59	30,721,578.95	17,933,639.70
四、利润总额（亏损总额以"-"号填列）		301,419,533.79	36,861,445.31
减：所得税费用	60	-11,346,502.24	-82,508,622.16
五、净利润（净亏损以"-"号填列）		312,766,036.03	119,370,067.47
（一）按经营持续性分类：			
1、持续经营净利润（净亏损以"-"号填列）		312,766,036.03	119,370,067.47
2、终止经营净利润（净亏损以"-"号填列）		0.00	
（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）		413,414,514.55	491,586,203.77
2、少数股东损益（净亏损以"-"号填列）		-100,648,478.52	-372,216,136.30
六、其他综合收益的税后净额		476,012.41	-3,734,039.90
（一）归属母公司所有者的其他综合收益的税后净额		476,012.41	-3,734,039.90
1.不能重分类进损益的其他综合收益		2,112,279.66	
（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		2,112,279.66	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		-1,636,267.25	-3,734,039.90
（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		-1,636,267.25	-3,734,039.90
（9）其他			
（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		313,242,048.44	115,636,027.57
（一）归属于母公司所有者的综合收益总额		413,890,526.96	487,852,163.87
（二）归属于少数股东的综合收益总额		-100,648,478.52	-372,216,136.30

（后附财务报表附注是本财务报表的组成部分）

法定代表人：洪锋　　主管会计工作负责人：陈泽印　　会计机构负责人：陈泽印

合并现金流量表

2021年度

编制单位：丹阳投资集团有限公司　　金额单位：人民币元

项　　目	注释六	本年金额	上年金额
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		6,570,681,528.51	3,276,545,323.18
收到的税费返还		4,378,618.87	608,563.61
收到其他与经营活动有关的现金		4,440,687,185.15	4,252,153,877.10
经营活动现金流入小计		**11,015,747,332.53**	**7,529,307,763.89**
购买商品、接受劳务支付的现金		5,189,956,349.15	2,449,966,876.61
支付给职工以及为职工支付的现金		473,854,407.50	416,397,990.32
支付的各项税费		179,488,901.42	116,912,531.24
支付其他与经营活动有关的现金		2,906,561,127.24	2,500,016,660.07
经营活动现金流出小计		**8,749,860,785.31**	**5,483,294,058.24**
经营活动产生的现金流量净额	61	**2,265,886,547.22**	**2,046,013,705.65**
二、投资活动产生的现金流量：			
收回投资收到的现金		751,755,279.59	927,843,678.32
取得投资收益收到的现金		99,186,926.62	148,146,126.41
处置固定资产、无形资产和其他长期资产收回的现金净额		7,377,640.25	21,576,661.04
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		15,364,893.85	2,845,736.35
投资活动现金流入小计		**873,684,740.31**	**1,100,412,202.12**
购建固定资产、无形资产和其他长期资产支付的现金		1,025,203,012.90	1,117,751,789.95
投资支付的现金		259,516,364.91	1,299,879,388.26
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			36,525,218.34
投资活动现金流出小计		**1,284,719,377.81**	**2,454,156,396.55**
投资活动产生的现金流量净额		**-411,034,637.50**	**-1,353,744,194.43**
三、筹资活动产生的现金流量：			
吸收投资收到的现金		106,000,000.00	103,000,000.00
其中：子公司吸收少数股东投资收到的现金			103,000,000.00
取得借款收到的现金		11,554,300,000.00	11,647,757,425.00
收到其他与筹资活动有关的现金		3,590,331,702.80	6,866,828,148.28
筹资活动现金流入小计		**15,250,631,702.80**	**18,617,585,573.28**
偿还债务支付的现金		11,829,476,713.71	11,547,767,964.31
分配股利、利润或偿付利息支付的现金		3,758,052,401.05	3,753,714,125.71
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		2,773,405,086.68	2,919,579,139.07
筹资活动现金流出小计		**18,360,934,201.44**	**18,221,061,229.09**
筹资活动产生的现金流量净额		**-3,110,302,498.64**	**396,524,344.19**
四、汇率变动对现金及现金等价物的影响		-1,557,746.77	-7,353,393.16
五、现金及现金等价物净增加额		-1,257,008,335.69	1,081,440,462.25
加：期初现金及现金等价物余额		2,330,613,774.82	1,249,173,312.57
六、期末现金及现金等价物余额		**1,073,605,439.13**	**2,330,613,774.82**

（后附财务报表附注是本财务报表的组成部分）

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

编制单位：丹阳投资集团有限公司　　金额单位：人民币元

项　目	本年金额												
	归属于母公司所有者权益											少数股东权益	所有者权益合计
	实收资本	其他权益工具			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	小计		
		优先股	永续债	其他									
一、上年年末余额	200,000,000.00				32,450,322,969.02		-3,016,105.53		317,983,794.62	5,824,575,614.72	38,789,866,272.83	1,678,630,969.95	40,468,497,242.78
加：会计政策变更													
前期差错更正													
其他													
二、本年年初余额	200,000,000.00				32,450,322,969.02		-3,016,105.53		317,983,794.62	5,824,575,614.72	38,789,866,272.83	1,678,630,969.95	40,468,497,242.78
三、本期增减变动金额（减少以"-"号填列）					-271,529,922.18		476,012.41			313,607,876.51	42,553,966.74	-163,875,133.95	-121,321,167.21
（一）综合收益总额							476,012.41			413,414,514.55	413,890,526.96	-100,648,478.52	313,242,048.44
（二）所有者投入和减少资本					-271,529,922.18					-1,486,638.04	-273,016,560.22	-63,226,655.43	-336,243,215.65
1、所有者投入资本					40,000,000.00						40,000,000.00		40,000,000.00
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					-311,529,922.18					-1,486,638.04	-313,016,560.22	-63,226,655.43	-376,243,215.65
（三）利润分配										-98,320,000.00	-98,320,000.00		-98,320,000.00
1、提取盈余公积													
2、提取一般风险准备													
3、对所有者的分配										-98,320,000.00	-98,320,000.00		-98,320,000.00
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													
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	200,000,000.00				32,178,793,046.84		-2,540,093.12		317,983,794.62	6,138,183,491.23	38,832,420,239.57	1,514,755,835.00	40,347,176,075.57

（后附财务报表附注是本财务报表的组成部分）

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（续）

2021年度

编制单位：丹阳投资集团有限公司　　金额单位：人民币元

项　目	上年金额												
	归属于母公司所有者权益											少数股东权益	所有者权益合计
	实收资本	其他权益工具			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	小计		
		优先股	永续债	其他									
一、上年年末余额	200,000,000.00				32,294,670,365.10		717,934.37		317,983,794.62	5,436,030,955.68	38,249,403,049.77	1,946,272,319.23	40,195,675,369.00
加：会计政策变更													
前期差错更正													
其他													
二、本年年初余额	200,000,000.00				32,294,670,365.10		717,934.37		317,983,794.62	5,436,030,955.68	38,249,403,049.77	1,946,272,319.23	40,195,675,369.00
三、本期增减变动金额（减少以"-"号填列）					155,652,603.92		-3,734,039.90			388,544,659.04	540,463,223.06	-267,641,349.28	272,821,673.78
（一）综合收益总额							-3,734,039.90			491,586,203.77	487,852,163.87	-372,216,136.30	115,636,027.57
（二）所有者投入和减少资本					155,652,603.92						155,652,603.92	104,574,787.02	260,227,390.94
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					155,652,603.92						155,652,603.92	104,574,787.02	260,227,390.94
（三）利润分配										-103,430,000.00	-103,430,000.00		-103,430,000.00
1、提取盈余公积													
2、提取一般风险准备													
3、对所有者的分配										-103,430,000.00	-103,430,000.00		-103,430,000.00
4、其他													
（四）股东权益内部结转										388,455.27	388,455.27		388,455.27
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													
6、其他													
（五）专项储备										388,455.27	388,455.27		388,455.27
1、本期提取													
2、本期使用													
（六）其他													
四、本年年末余额	200,000,000.00				32,450,322,969.02		-3,016,105.53		317,983,794.62	5,824,575,614.72	38,789,866,272.83	1,678,630,969.95	40,468,497,242.78

（后附财务报表附注是本财务报表的组成部分）

法定代表人：洪锋　　主管会计工作负责人：陈泽印　　会计机构负责人：陈泽印

资产负债表

2021年12月31日

编制单位：丹阳投资集团有限公司　　金额单位：人民币元

项　目	注释七	期末余额	年初余额	上年年末余额
流动资产：				
货币资金		517,127,993.40	2,357,500,240.72	2,357,500,240.72
交易性金融资产			206,809,428.90	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				12,520,000.00
应收账款	1	385,913,647.35		
应收款项融资		3,766,165.02	12,520,000.00	不适用
预付款项		596,005,894.56	681,424,535.56	681,424,535.56
其他应收款	2	8,546,535,021.23	7,190,930,562.33	7,190,930,562.33
存货		34,359,001,178.44	33,404,741,922.84	33,404,741,922.84
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				206,809,428.90
流动资产合计		**44,408,349,900.00**	**43,853,926,690.35**	**43,853,926,690.35**
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	2,074,391,683.50
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		42,700,000.00	15,000,000.00	15,000,000.00
长期股权投资	3	2,631,673,213.24	2,555,865,225.80	2,555,865,225.80
其他权益工具投资				不适用
其他非流动金融资产		2,030,382,762.55	2,050,950,847.50	不适用
投资性房地产				
固定资产		7,598,600,905.34	7,299,682,721.04	7,299,682,721.04
在建工程		11,844,976,004.83	11,973,220,294.42	11,973,220,294.42
生产性生物资产				
油气资产				
使用权资产				不适用
无形资产		1,433,100.06	726,923.41	726,923.41
开发支出				
商誉				
长期待摊费用				
递延所得税资产		18,214,232.89	11,437,643.92	11,437,643.92
其他非流动资产		9,876,836.00	23,440,836.00	
非流动资产合计		**24,177,857,054.91**	**23,930,324,492.09**	**23,930,324,492.09**
资产总计		**68,586,206,954.91**	**67,784,251,182.44**	**67,784,251,182.44**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：洪锋　　主管会计工作负责人：陈泽印　　会计机构负责人：陈泽印

资产负债表（续）

2021年12月31日

编制单位：丹阳投资集团有限公司　　金额单位：人民币元

项　目	注释十三	期末余额	年初余额	上年年末余额
流动负债：				
短期借款		79,224,761.39	49,900,000.00	49,900,000.00
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		8,514,681.08	229,353,507.98	229,353,507.98
预收款项		1,393,654.00		1,086,661,527.00
合同负债		2,569,817,000.00	1,086,661,527.00	不适用
应付职工薪酬		1,040,400.00	998,957.44	998,957.44
应交税费		415,847,421.90	328,503,847.38	328,503,847.38
其他应付款		11,698,074,436.27	12,351,133,813.24	12,543,312,113.24
持有待售负债				
一年内到期的非流动负债		4,772,527,434.41	2,784,624,833.33	2,650,463,333.33
其他流动负债		1,756,825,300.00	3,188,016,800.00	3,130,000,000.00
流动负债合计		**21,303,265,089.05**	**20,019,193,286.37**	**20,019,193,286.37**
非流动负债：				
长期借款		3,783,613,600.00	4,968,573,600.00	4,968,573,600.00
应付债券		4,190,665,374.47	4,384,228,697.71	4,384,228,697.71
其中：优先股				
永续债				
租赁负债				不适用
长期应付款		520,100,665.03	158,600,000.01	158,600,000.01
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		**8,494,379,639.50**	**9,511,402,297.72**	**9,511,402,297.72**
负债合计		**29,797,644,728.55**	**29,530,595,584.09**	**29,530,595,584.09**
所有者权益：				
实收资本		200,000,000.00	200,000,000.00	200,000,000.00
其他权益工具				
其中：优先股				
永续债				
资本公积		31,296,903,887.70	31,256,903,887.70	31,256,903,887.70
减：库存股				
其他综合收益				
专项储备				
盈余公积		317,983,794.62	317,983,794.62	317,983,794.62
未分配利润		6,973,674,544.04	6,478,767,916.03	6,478,767,916.03
所有者权益合计		**38,788,562,226.36**	**38,253,655,598.35**	**38,253,655,598.35**
负债和所有者权益总计		**68,586,206,954.91**	**67,784,251,182.44**	**67,784,251,182.44**

（后附财务报表附注是本财务报表的组成部分）

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：丹阳投资集团有限公司　　金额单位：人民币元

项　目	注释十三	本年金额	上年金额
一、营业收入	4	2,595,885,444.12	1,904,346,973.68
减：营业成本	4	2,036,158,943.61	1,356,507,846.98
税金及附加		64,279,171.14	101,634,327.55
销售费用		901,206.29	933,700.94
管理费用		80,894,161.67	59,476,421.16
研发费用			
财务费用		207,164,466.32	202,005,547.65
其中：利息费用		755,333,096.84	675,708,553.09
利息收入		548,883,663.35	474,561,742.78
加：其他收益		327,761,890.63	364,592,260.34
投资收益（损失以“－”号填列）	5	81,881,274.68	110,721,014.47
其中：对联营企业和合营企业的投资收益		-192,012.56	-1,103,466.24
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（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）		-27,106,355.88	
资产减值损失（损失以“－”号填列）			-28,355,935.50
资产处置收益（损失以“－”号填列）			-182,408.91
二、营业利润（亏损以“－”号填列）		**589,024,304.52**	**630,564,059.80**
加：营业外收入		70,649.02	294,928.95
减：营业外支出		2,644,914.50	9,448,172.23
三、利润总额（亏损总额以“－”号填列）		**586,450,039.04**	**621,410,816.52**
减：所得税费用		-6,776,588.97	-7,088,983.88
四、净利润（净亏损以“－”号填列）		**593,226,628.01**	**628,499,800.40**
（一）持续经营净利润（净亏损以“-”号填列）			
（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
5. 其他			
（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			
9. 其他			
六、综合收益总额		**593,226,628.01**	**628,499,800.40**

（后附财务报表附注是本财务报表的组成部分）

法定代表人：洪锋　　主管会计工作负责人：陈泽　　会计机构负责人：陈泽

现金流量表

2021年度

编制单位：丹阳投资集团有限公司　　金额单位：人民币元

项　　目	注释十三	本年金额	上年金额
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		3,570,423,180.83	1,301,357,458.61
收到的税费返还			
收到其他与经营活动有关的现金		4,229,699,780.95	3,394,343,232.54
经营活动现金流入小计		**7,800,122,961.78**	**4,695,700,691.15**
购买商品、接受劳务支付的现金		3,107,760,690.02	836,961,547.57
支付给职工以及为职工支付的现金		23,714,418.42	18,985,265.07
支付的各项税费		17,296,482.79	53,050,707.57
支付其他与经营活动有关的现金		173,979,850.55	1,738,148,774.53
经营活动现金流出小计		**3,322,751,441.78**	**2,647,146,294.74**
经营活动产生的现金流量净额		**4,477,371,520.00**	**2,048,554,396.41**
二、投资活动产生的现金流量：			
收回投资收到的现金		291,377,513.85	187,471,425.00
取得投资收益收到的现金		67,171,207.24	113,804,930.96
处置固定资产、无形资产和其他长期资产收回的现金净额			220,800.00
收到其他与投资活动有关的现金			
投资活动现金流入小计		**358,548,721.09**	**301,497,155.96**
购建固定资产、无形资产和其他长期资产支付的现金		823,516,595.82	1,064,827,422.38
投资支付的现金		64,000,000.00	735,809,433.90
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		**887,516,595.82**	**1,800,636,856.28**
投资活动产生的现金流量净额		**-528,967,874.73**	**-1,499,139,700.32**
三、筹资活动产生的现金流量：			
吸收投资收到的现金		40,000,000.00	
取得借款收到的现金		6,152,500,000.00	8,255,390,000.00
收到其他与筹资活动有关的现金		2,115,315,950.00	5,261,529,750.00
筹资活动现金流入小计		**8,307,815,950.00**	**13,516,919,750.00**
偿还债务支付的现金		6,943,063,333.32	8,229,725,906.66
分配股利、利润或偿付利息支付的现金		3,624,076,559.27	3,589,466,174.54
支付其他与筹资活动有关的现金		2,652,200,000.00	1,678,781,700.00
筹资活动现金流出小计		**13,219,339,892.59**	**13,497,973,781.20**
筹资活动产生的现金流量净额		**-4,911,523,942.59**	**18,945,968.80**
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		-963,120,297.32	568,360,664.89
加：期初现金及现金等价物余额		1,286,158,290.72	717,797,625.83
六、期末现金及现金等价物余额		**323,037,993.40**	**1,286,158,290.72**

（后附财务报表附注是本财务报表的组成部分）

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：丹阳投资集团有限公司　　金额单位：人民币元

项目	本年金额										
	实收资本	其他权益工具			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
		优先股	永续债	其他							
一、上年年末余额	200,000,000.00				31,256,903,887.70				317,983,794.62	6,478,767,916.03	38,253,655,598.35
加：会计政策变更											
前期差错更正											
其他											
二、本年年初余额	200,000,000.00				31,256,903,887.70				317,983,794.62	6,478,767,916.03	38,253,655,598.35
三、本期增减变动金额（减少以“-”号填列）					40,000,000.00					494,906,628.01	534,906,628.01
（一）综合收益总额										593,226,628.01	593,226,628.01
（二）所有者投入和减少资本					40,000,000.00						40,000,000.00
1、所有者投入资本					40,000,000.00						40,000,000.00
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										-98,320,000.00	-98,320,000.00
1、提取盈余公积											
2、提取一般风险准备											
3、对所有者的分配										-98,320,000.00	-98,320,000.00
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											
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	200,000,000.00				31,296,903,887.70				317,983,794.62	6,973,674,544.04	38,788,562,226.36

（后附财务报表附注是本财务报表的组成部分）

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：丹阳投资集团有限公司　　金额单位：人民币元

项　　目	上年金额										
	实收资本	其他权益工具			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
		优先股	永续债	其他							
一、上年年末余额	200,000,000.00				31,106,418,523.53				317,983,794.62	5,953,698,115.63	37,578,100,433.78
加：会计政策变更											
前期差错更正											
其他											
二、本年年初余额	200,000,000.00				31,106,418,523.53				317,983,794.62	5,953,698,115.63	37,578,100,433.78
三、本期增减变动金额（减少以“-”号填列）					150,485,364.17					525,069,800.40	675,555,164.57
（一）综合收益总额										628,499,800.40	628,499,800.40
（二）所有者投入和减少资本					150,485,364.17						150,485,364.17
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											
（三）利润分配					150,485,364.17					-103,430,000.00	-103,430,000.00
1、提取盈余公积											
2、提取一般风险准备											
3、对所有者的分配										-103,430,000.00	-103,430,000.00
4、其他											
（四）股东权益内部结转											
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											
1、本期提取											
2、本期使用											
（六）其他											
四、本年年末余额	200,000,000.00				31,256,903,887.70				317,983,794.62	6,478,767,916.03	38,253,655,598.35

（后附财务报表附注是本财务报表的组成部分）

法定代表人　　主管会计工作负责人：　　会计机构负责人：

丹阳投资集团有限公司
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

（一）公司基本情况简介

丹阳投资集团有限公司（以下简称“公司”或“本公司”）原名丹阳市城建投资公司，于 2004 年 1 月 30 日经丹阳市人民政府丹政发[2004]3 号文批准成立，取得丹阳市事业单位登记管理局核发的事证 132118100630 号事业单位法人证书。举办人为丹阳市人民政府。

2005 年 4 月 4 日经丹阳市人民政府丹政发[2005]46 号文批准更名为丹阳市城建交通投资公司。

2007 年 11 月 28 日经丹阳市财政局丹财[2007]170 号文批准变更为有限公司，股东为丹阳市国有资产经营有限公司，并于 2007 年 11 月 28 日取得丹阳市工商行政管理局核发的企业法人营业执照，2016 年三证合一后，统一社会信用代码为：91321181669640472N。

2009 年 11 月 16 日更名为丹阳投资集团有限公司。

2017 年 9 月 15 日公司股东变更为丹阳市人民政府国有资产监督管理办公室。

企业类型:有限责任公司（非自然人投资或控股的法人独资）

注册地址：丹阳市开发区齐梁路 999 号

法定代表人：洪锋

注册资本：20,000 万元

营业期限至：2058 年 11 月 28 日

（二）公司的业务性质和主要经营活动

本公司属城投类企业，经营范围主要包括：国有土地资产投资开发(市政府委托)，对城市基础设施、旧城改造、拆迁项目进行投资，土地前期开发和整理，资本和资产经营（市政府委托），项目投资，项目管理，国有房屋经营性出租（市政府委托），水利设施投资、建设，物业管理，信息咨询（不得开展吸收公众存款、投资担保、设立资金池、代客理财等金融业务）。

（三）母公司以及集团总部的名称

本公司唯一投资者为丹阳市人民政府国有资产监督管理办公室，本公司最终控制人为丹阳市人民政府国有资产监督管理办公室。

本公司下设财务部、融资一部、融资二部、项目管理部、投资部、风控部、审计部、资产运营管理部、产权管理部、招投标管理办公室、党群纪检部、综合办公室共 12 个部门。

截止 2021 年 12 月底，本公司有 17 个一级子公司（江苏丹化集团有限责任公司、丹阳丹健康复护理中心有限公司、凤美国际投资有限公司、丹阳市宏鼎户外传媒服务有限公司、镇江市易通达跨境贸易服务有限公司、丹阳市天晟新城建设投资发展有限公司、丹阳市天润资产管理有限公司、丹阳市方园规划建设有限公司、丹阳水务集团有限公司、丹阳市农业综合开发有限公司、江苏盛宇丹昇创业投资有限公司、江苏齐梁文化旅游发展有限公司、丹阳市新农村建设发展有限公司、丹阳

市丹晟物流产业发展有限公司、丹阳练湖生态新区投资发展有限公司、丹阳市天鑫创业投资管理有限公司（2021年度新增）、丹阳市公用事业产业发展有限公司（2021年度新增））。原丹阳市练湖生态旅游建设发展有限公司2021年注销。

本公司设有董事会，对公司重大决策和日常工作实施管理和控制。

(四)财务报告的批准报出

本财务报表业经本公司董事会决议批准，于2022年4月21日报出。

(五)合并报表范围

本期合并财务报表范围变化情况详见本附注七“合并范围的变更”和附注八“在其他主体中的权益”。

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。资产如果发生减值，则按照相关规定计提相应的减值准备。

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年度的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

本公司及各子公司从事生产经营。本公司及各子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，对收入确认、建造合同完工百分比确定等交易和事项制定了若干项具体会计政策和会计估计，详见本附注四、28“收入”各项描述。关于管理层所作出的重大会计判断和估计的说明，请参阅附注四、33“其他重要的会计政策和会计估计”。

1. 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。

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

本公司人民币为本公司及境内子公司经营所处的主要经济环境中的货币，本公司及境内子公司以人民币为记账本位币。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）同一控制下企业合并

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。

公司在企业合并中取得的资产和负债，按照合并日被合并方资产、负债（包括最终控制方收购被合并方形成的商誉）在最终控制方合并财务报表中的账面价值计量；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，调整资本公积中的股本溢价，资本公积中股本溢价不足冲减的，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）非同一控制下企业合并

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（通常指中国人民银行公布的当日外汇牌价的中间价，下同）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，采用交易发生日的当期平均汇率折算。期初未分配利润为上一年折算后的期末未分配利润；年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。

期初数和上期实际数按照上期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

因持有意图或能力发生改变，或公允价值不再能够可靠计量，或根据《企业会计准则第 22 号—金融工具确认和计量》第十六条规定将持有至到期投资重分类为可供出售金融资产的期限已超过两个完整的会计年度，使金融资产不再适合按照公允价值计量时，本公司将可供出售金融资产改按成本或摊余成本计量。重分类日，该金融资产的成本或摊余成本为该日的公允价值或账面价值。

该金融资产有固定到期日的，与该金融资产相关、原计入其他综合收益的利得或损失，在该金融资产的剩余期限内，采用实际利率法摊销，计入当期损益；该金融资产的摊余成本与到期日金额之间的差额，在该金融资产的剩余期限内，采用实际利率法摊销，计入当期损益。该金融资产没有固定到期日的，原计入其他综合收益的利得或损失仍保留在股东权益中，在该金融资产被处置时转出，计入当期损益。

（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，持续下跌期间的确定依据为公允价值连续下跌时间超过 6 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。

通常逾期超过 30 日，本公司即认为该金融工具的信用风险已显著增加，除非有确凿证据证明该金融工具的信用风险自初始确认后并未显著增加。

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

本公司对信用风险显著不同的金融资产单项评价信用风险，如：应收关联方款项；与对方存在争议或涉及诉讼、仲裁的应收款项；已有明显迹象表明债务人很可能无法履行还款义务的应收款项等。

除了单项评估信用风险的金融资产外，本公司基于共同风险特征将金融资产划分为不同的组别，本公司采用的共同信用风险特征包括：金融工具类型、信用风险评级、账龄组合、逾期账龄组合、合同结算周期、债务人所处行业等，在组合的基础上评估信用风险。

（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。

（6）各类金融资产信用损失的确定方法

①应收票据及应收款项融资

本公司认为所持有的信用评级较高的银行、国有企业及上市公司作为承兑人的应收票据，不存在重大的信用风险，未计提损失准备；除此之外的应收票据预期信用损失的确定方法及会计处理方法与应收账款的预期信用损失的确定方法及会计处理方法一致。

项　目	确定组合的依据
银行承兑汇票	承兑人为信用评级较高的银行
商业承兑汇票	根据承兑人的信用风险划分，与“应收账款”组合划分相同

应收款项融资信用损失确定方法与应收票据一致。

②应收账款、合同资产

对于不含重大融资成分的应收款项，本公司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。

对于包含重大融资成分的应收款项，本公司选择始终按照相当于存续期内预期信用损失的金额计量损失准备。

除了单项评估信用风险的应收账款外，基于其信用风险特征，将其划分为不同组合：

确定组合依据	
账龄组合	相同账龄的应收款项具有类似信用风险
其他组合	对政府及其相关单位、部门之间发生的应收款项、关联方应收款

③其他应收款

本公司依据其他应收款信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。对于有客观证据表明其已发生信用减值的，如：与对方存在争议或涉及诉讼、仲裁的其他应收款、已有明显迹象表明债务人很可能无法履行还款义务的其他应收款等，本公司将该其他应收款作为已发生信用减值的其他应收款并按照单项工具整个存续期的预期信用损失计量损失准备。除了单项评估信用风险的其他应收款外，基于其信用风

险特征，将其划分为不同组合：

确定组合依据	
账龄组合	相同账龄的应收款项具有类似信用风险
其他组合	对政府及其相关单位、部门之间发生的往来款、关联方往来款、保证金

对于账龄组合的其他应收款，作为具有类似信用风险特征的组合，本公司基于历史实际信用损失率计算预期信用损失，并考虑历史数据收集期间的经济状况、当前的经济状况与未来经济状况预测。

④债权投资

债权投资主要核算以摊余成本计量的债券投资等。本公司依据其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。

除了单项评估信用风险的债权投资外，基于其信用风险特征，将其划分为不同组合：

项　目	确定组合的依据
评级未下调	自初始购入后债券评级没有下调
评级已下调	自初始购入后债券评级向下调整

⑤其他债权投资

其他债权投资主要核算以公允价值计量且其变动计入其他综合收益的债券投资等。本公司依据其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。

除了单项评估信用风险的其他债权投资外，基于其信用风险特征，将其划分为不同组合：

项　目	确定组合的依据
评级未下调	自初始购入后债券评级没有下调
评级已下调	自初始购入后债券评级向下调整

⑥长期应收款（包含重大融资成分的应收款项和租赁应收款除外）

本公司依据其信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量长期应收款减值损失。除了单项评估信用风险的长期应收款外，基于其信用风险特征，将其划分为不同组合：

项　目	确定组合的依据
长期融资租赁保证金	企业融资发生的长期融资租赁等的保证金，不考虑风险
长期其他往来款	除保证金外的长期其他往来款，减值风险参考其他应收款

以下金融资产减值会计政策适用 2020 年度：

应收款项包括应收票据、应收账款、其他应收款等。

（1）坏账准备的确认标准

本公司在资产负债表日对应收款项账面价值进行检查，对存在下列客观证据表明应收款项发生减值的，计提减值准备：①债务人发生严重的财务困难；②债务人违反合同条款（如偿付利息或本

金发生违约或逾期等）；③债务人很可能倒闭或进行其他财务重组；④其他表明应收款项发生减值的客观依据。

（2）坏账准备的计提方法

①单项金额重大并单项计提坏账准备的应收款项坏账准备的确认标准、计提方法

本公司将金额为人民币 2000 万元以上的应收款项确认为单项金额重大的应收款项。

本公司对单项金额重大的应收款项单独进行减值测试，单独测试未发生减值的金融资产，包括在具有类似信用风险特征的金融资产组合中进行减值测试。单项测试已确认减值损失的应收款项，不再包括在具有类似信用风险特征的应收款项组合中进行减值测试。

②按信用风险组合计提坏账准备的应收款项的确定依据、坏账准备计提方法

A．信用风险特征组合的确定依据

本公司对单项金额不重大以及金额重大但单项测试未发生减值的应收款项，按信用风险特征的相似性和相关性对金融资产进行分组。这些信用风险通常反映债务人按照该等资产的合同条款偿还所有到期金额的能力，并且与被检查资产的未来现金流量测算相关。

不同组合的确定依据：

项目	确定组合的依据
账龄组合	以应收款项的账龄为信用风险特征划分组合
政府单位及关联方组合	以交易对象和信誉为信用风险特征划分组合

B．根据信用风险特征组合确定的坏账准备计提方法

按组合方式实施减值测试时，坏账准备金额系根据应收款项组合结构及类似信用风险特征（债务人根据合同条款偿还欠款的能力）按历史损失经验及目前经济状况与预计应收款项组合中已经存在的损失评估确定。

不同组合计提坏账准备的计提方法：

项目	计提方法
账龄组合	按账龄分析法计提坏账准备
政府单位及关联方组合	不计提坏账准备

组合中，采用账龄分析法计提坏账准备的组合计提方法

账龄	应收账款计提比例（%）	其他应收款计提比例（%）
1 年以内（含 1 年，下同）	1	5
1-2 年	1	5
2-3 年	1	5
3 年以上	100	100

③单项金额虽不重大但单项计提坏账准备的应收款项

本公司对于单项金额虽不重大但具备以下特征的应收款项，单独进行减值测试，有客观证据表明其发生了减值的，根据其未来现金流量现值低于其账面价值的差额，确认减值损失，计提坏账准

备应收关联方款项；与对方存在争议或涉及诉讼、仲裁的应收款项；已有明显迹象表明债务人很可能无法履行还款义务的应收款项。

（3）坏账准备的转回

如有客观证据表明该应收款项价值已恢复，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，计入当期损益。但是，该转回后的账面价值不超过假定不计提减值准备情况下该应收款项在转回日的摊余成本。

本公司向金融机构以不附追索权方式转让应收款项的，按交易款项扣除已转销应收账款的账面价值和相关税费后的差额计入当期损益。

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，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

存货主要包括生产成本、材料采购、原材料、低值易耗品、土地及开发成本、工程施工、库存商品、林木资产等。

（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。对于数量繁多、单价较低的存货，按存货类别计提存货跌价准备；对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，可合并计提存货跌价准备。

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）低值易耗品和包装物的摊销方法

低值易耗品于领用时按一次摊销法摊销；包装物于领用时按一次摊销法摊销。

13. 合同资产

合同资产会计政策适用 2021 年及以后。

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，作为可供出售金融资产或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为可供出售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。原持有股权投资为可供出售金融资产的，其公允价值与账面价值之间的差额，以及原计入其他综合收益的累计公允价值变动转入当期损益。

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。

对于本公司 2016 年 1 月 1 日首次执行新会计准则之前已经持有的对联营企业和合营企业的长期股权投资，如存在与该投资相关的股权投资借方差额，按原剩余期限直线摊销的金额计入当期损

益。

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。

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。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四、23“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的，以转换前的账面价值作为转换后的入账价值；转换为以公允价值模式计量的投资性房地产的，以转换日的公允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

本公司固定资产主要分为：房屋及建筑物、机器设备、办公及电子设备、运输设备、市政工程设施、水务管网设施等；折旧方法采用年限平均法。根据各类固定资产的性质和使用情况，确定固定资产的使用寿命和预计净残值。并在年度终了，对固定资产的使用寿命、预计净残值和折旧方法进行复核，如与原先估计数存在差异的，进行相应的调整。除已提足折旧仍继续使用的固定资产外，本公司对所有固定资产计提折旧。

类别	折旧方法	预计使用年限（年）	净残值率（%）	年折旧率（%）
房屋及建筑物	年限平均法	16—40	4/5/10	2.40/2.38/2.25—6.00/5.94/5.63
机器设备	年限平均法	5—30	4/5/10	3.20/3.17/3.00—19.20/19.00/18.00
办公及电子设备	年限平均法	5	4/5/10	19.20/19.00/18.00
运输设备	年限平均法	5—8	4/5/10	12.00/11.88/11.25—19.20/19.00/18.00
市政工程设施	年限平均法	16	0	6.25
水务管网设施	年限平均法	20	5	4.75
其他	年限平均法	5	5	19.00

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、23“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. 生物资产

（1）消耗性生物资产

消耗性生物资产是指为出售而持有的、或在将来收获为农产品的生物资产，包括生长中的大田作物、蔬菜、用材林以及存栏待售的牲畜等。消耗性生物资产按照成本进行初始计量。自行栽培、营造、繁殖或养殖的消耗性生物资产的成本，为该资产在收获前发生的可直接归属于该资产的必要支出，包括符合资本化条件的借款费用。消耗性生物资产在收获后发生的管护、饲养费用等后续支出，计入当期损益。

消耗性生物资产在收获或出售时，采用加权平均法按账面价值结转成本。

资产负债表日，消耗性生物资产按照成本与可变现净值孰低计量，并采用与确认存货跌价准备一致的方法计算确认消耗性生物资产的跌价准备。如果减值的影响因素已经消失的，减记的金额应当予以恢复，并在原已计提的跌价准备金额内转回，转回金额计入当期损益。

如果消耗性生物资产改变用途，作为生产性生物资产，改变用途后的成本按改变用途时的账面价值确定。如果消耗性生物资产改变用途，作为公益性生物资产，则按照《企业会计准则第 8 号——资产减值》规定考虑是否发生减值，发生减值时先计提减值准备，再按计提减值准备后的账面价值确定。

（2）生产性生物资产

生产性生物资产是指为产出农产品、提供劳务或出租等目的而持有的生物资产，包括经济林、薪炭林、产畜和役畜等。生产性生物资产按照成本进行初始计量。自行营造或繁殖的生产性生物资产的成本，为该资产在达到预定生产经营目的前发生的可直接归属于该资产的必要支出，包括符合资本化条件的借款费用。

生产性生物资产在达到预定生产经营目的后采用年限平均法在使用寿命内计提折旧。

本公司至少于年度终了对生产性生物资产的使用寿命、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。

生产性生物资产出售、盘亏、死亡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。

本公司在每一个资产负债表日检查生产性生物资产是否存在可能发生减值的迹象。如果该资产存在减值迹象，则估计其可收回金额。估计资产的可收回金额以单项资产为基础，如果难以对单项资产的可收回金额进行估计的，则以该资产所属的资产组为基础确定资产组的可收回金额。如果资产的可收回金额低于其账面价值，按其差额计提资产减值准备，并计入当期损益。

上述资产减值损失一经确认，在以后会计期间不予转回。

如果生产性生物资产改变用途，作为消耗性生物资产，其改变用途后的成本按改变用途时的账面价值确定；若生产性生物资产改变用途作为公益性生物资产，则按照《企业会计准则第 8 号——资产减值》规定考虑是否发生减值，发生减值时先计提减值准备，再按计提减值准备后的账面价值确定。

（3）公益性生物资产

公益性生物资产是指以防护、环境保护为主要目的的生物资产，包括防风固沙林、水土保持林和水源涵养林等。公益性生物资产按照成本进行初始计量。自行营造的公益性生物资产的成本，为该资产在郁闭前发生的可直接归属于该资产的必要支出，包括符合资本化条件的借款费用。

公益性生物资产在郁闭后发生的管护、饲养费用等后续支出，计入当期损益。

公益性生物资产按成本进行后续计量。公益性生物资产不计提资产减值准备。

公益性生物资产出售、盘亏、死亡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。

如果公益性生物资产改变用途，作为生产性生物资产，其改变用途后的成本按改变用途时的账面价值确定。

19. 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、23“长期资产减值”。

20. 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。

21. 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）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。

研究阶段的支出，于发生时计入当期损益。

开发阶段的支出同时满足下列条件的，确认为无形资产，不能满足下述条件的开发阶段的支出计入当期损益：

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。

无法区分研究阶段支出和开发阶段支出的，将发生的研发支出全部计入当期损益。

（3）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、23“长期资产减值”。

22. 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融资租赁手续费和发行债券的承销费。长期待摊费用在预计受益期间按直线法摊销。

23. 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。

24. 合同负债

合同负债会计政策适用 2021 年及以后。

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。

25. 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。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。但辞退福利预期在年度报告期结束后十二个月不能完全支付的，按照其他长期职工薪酬处理。

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）。

本公司向职工提供的其他长期职工福利，符合设定提存计划的，按照设定提存计划进行会计处

理，除此之外按照设定受益计划进行会计处理。

26. 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。

（1）亏损合同

亏损合同是履行合同义务不可避免会发生的成本超过预期经济利益的合同。待执行合同变成亏损合同，且该亏损合同产生的义务满足上述预计负债的确认条件的，将合同预计损失超过合同标的资产已确认的减值损失（如有）的部分，确认为预计负债。

（2）重组义务

对于有详细、正式并且已经对外公告的重组计划，在满足前述预计负债的确认条件的情况下，按照与重组有关的直接支出确定预计负债金额。对于出售部分业务的重组义务，只有在本公司承诺出售部分业务（即签订了约束性出售协议时），才确认与重组相关的义务。

27. 股份支付

（1）股份支付的会计处理方法

股份支付是为了获取职工或其他方提供服务而授予权益工具或者承担以权益工具为基础确定的负债的交易。股份支付分为以权益结算的股份支付和以现金结算的股份支付。

①以权益结算的股份支付

用以换取职工提供的服务的权益结算的股份支付，以授予职工权益工具在授予日的公允价值计量。该公允价值的金额在完成等待期内的服务或达到规定业绩条件才可行权的情况下，在等待期内以对可行权权益工具数量的最佳估计为基础，按直线法计算计入相关成本或费用/在授予后立即可行权时，在授予日计入相关成本或费用，相应增加资本公积。

在等待期内每个资产负债表日，本公司根据最新取得的可行权职工人数变动等后续信息做出最佳估计，修正预计可行权的权益工具数量。上述估计的影响计入当期相关成本或费用，并相应调整资本公积。

用以换取其他方服务的权益结算的股份支付，如果其他方服务的公允价值能够可靠计量，按照其他方服务在取得日的公允价值计量，如果其他方服务的公允价值不能可靠计量，但权益工具的公允价值能够可靠计量的，按照权益工具在服务取得日的公允价值计量，计入相关成本或费用，相应增加股东权益。

当授予权益工具的公允价值无法可靠计量时，在服务取得日、后续的每个资产负债表日以及结算日，按权益工具的内在价值计量，内在价值变动计入当期损益。

②以现金结算的股份支付

以现金结算的股份支付，按照本公司承担的以股份或其他权益工具为基础确定的负债的公允价值计量。如授予后立即可行权，在授予日计入相关成本或费用，相应增加负债；如须完成等待期内的服务或达到规定业绩条件以后才可行权，在等待期的每个资产负债表日，以对可行权情况的最佳估计为基础，按照本公司承担负债的公允价值金额，将当期取得的服务计入成本或费用，相应增加负债。

在相关负债结算前的每个资产负债表日以及结算日，对负债的公允价值重新计量，其变动计入当期损益。

（2）修改、终止股份支付计划的相关会计处理

本公司对股份支付计划进行修改时，若修改增加了所授予权益工具的公允价值，按照权益工具公允价值的增加相应确认取得服务的增加。权益工具公允价值的增加是指修改前后的权益工具在修改日的公允价值之间的差额。若修改减少了股份支付公允价值总额或采用了其他不利于职工的方式，则仍继续对取得的服务进行会计处理，视同该变更从未发生，除非本公司取消了部分或全部已授予的权益工具。

在等待期内，如果取消了授予的权益工具，本公司对取消所授予的权益性工具作为加速行权处理，将剩余等待期内应确认的金额立即计入当期损益，同时确认资本公积。职工或其他方能够选择满足非可行权条件但在等待期内未满足的，本公司将其作为授予权益工具的取消处理。

（3）涉及本公司与本公司股东或实际控制人的股份支付交易的会计处理

涉及本公司与本公司股东或实际控制人的股份支付交易，结算企业与接受服务企业中其一在本公司内，另一在本公司外的，在本公司合并财务报表中按照以下规定进行会计处理：

①结算企业以其本身权益工具结算的，将该股份支付交易作为权益结算的股份支付处理；除此之外，作为现金结算的股份支付处理。

结算企业是接受服务企业的投资者的，按照授予日权益工具的公允价值或应承担负债的公允价值确认为对接受服务企业的长期股权投资，同时确认资本公积（其他资本公积）或负债。

②接受服务企业没有结算义务或授予本企业职工的是其本身权益工具的，将该股份支付交易作为权益结算的股份支付处理；接受服务企业具有结算义务且授予本企业职工的并非其本身权益工具的，将该股份支付交易作为现金结算的股份支付处理。

本公司内各企业之间发生的股份支付交易，接受服务企业和结算企业不是同一企业的，在接受服务企业和结算企业各自的个别财务报表中对该股份支付交易的确认和计量，比照上述原则处理。

28. 收入

以下收入会计政策适用于2021年度及以后：

（1）一般原则

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

（2）具体方法

本公司土地出让业务收入，根据收到丹阳市财政局国有土地使用权出让结算单中，与本公司结算价格确认收入。

销售收入，公司已根据合同约定将产品交付给客户且客户已接受，该商品的法定所有权已转移，实物已转移，商品所有权上的主要风险已转移，已经收回货款或取得收款权利凭证且相关的经济利益很可能流入时，确认销售收入的实现。

工程建设收入，在取得客户确认的工程确认报告或监理工程支付单时确认收入。

使用费收入，根据有关合同或协议，按权责发生制确认收入。

出租收入，根据租赁合同约定时间和金额，按权责发生制确认收入。

以下收入会计政策适用于 2020 年度及以前

（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，已发生的劳务成本计入当期损益。

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/已经完成的合同工作量占合同预计总工作量的比例确定。

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。

对于提供建设经营移交方式（BOT）参与公共基础设施建设业务，本公司于项目建造期间，对所提供的建造服务按照《企业会计准则第 15 号—建造合同》确认相关的收入和费用；基础设施建成后，按照《企业会计准则第 14 号－收入》确认与后续经营服务相关的收入和费用。

（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实际利率计算确定。

29. 合同成本

合同成本会计政策适用于 2021 年度及以后。

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。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。

30. 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；（4）根据本公司和该补助事项的具体情况，应满足的其他相关条件（如有）。

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；属于其他情况的，直接计入当期损益。

31. 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。

32. 租赁

以下租赁会计政策适用 2021 年及以后：

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及建筑物。

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。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，（除新冠肺炎疫情直接引发的合同变更采用简化方法外，）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。

（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。

③租赁变更

经营租赁发生变更的，本公司自变更生效日起将其作为一项新租赁进行会计处理，与变更前租赁有关的预收或应收租赁收款额视为新租赁的收款额。

融资租赁发生变更且同时符合下列条件的，本公司将该变更作为一项单独租赁进行会计处理：

- 该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。

融资租赁的变更未作为一项单独租赁进行会计处理的，本公司分下列情形对变更后的租赁进行

处理：

• 假如变更在租赁开始日生效，该租赁会被分类为经营租赁的，本公司自租赁变更生效日开始将其作为一项新租赁进行会计处理，并以租赁变更生效日前的租赁投资净额作为租赁资产的账面价值；

• 假如变更在租赁开始日生效，该租赁会被分类为融资租赁的，本公司按照《企业会计准则第 22 号——金融工具确认和计量》关于修改或重新议定合同的规定进行会计处理。

以下租赁会计政策适用 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。

33. 其他重要的会计政策和会计估计

（1）终止经营

终止经营，是指满足下列条件之一的已被本公司处置或划归为持有待售的、在经营和编制财务报表时能够单独区分的组成部分：①该组成部分代表一项独立的主要业务或一个主要经营地区；②

该组成部分是拟对一项独立的主要业务或一个主要经营地区进行处置计划的一部分；③该组成部分是仅仅为了再出售而取得的子公司。

终止经营的会计处理方法参见本附注四、14“持有待售资产和处置组”相关描述。

34. 重要会计政策、会计估计的变更

（1） 会计政策变更

①执行新收入准则导致的会计政策变更

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”）。经本公司董事会于 2020 年 12 月 31 日决议通过，本公司于 2021 年 1 月 1 日起开始执行前述新收入准则，详见附注四、28“收入”。

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。

新收入准则为规范与客户之间的合同产生的收入建立了新的收入确认模型。为执行新收入准则，本公司重新评估主要合同收入的确认和计量、核算和列报等方面。根据新收入准则的规定，选择仅对在 2021 年 1 月 1 日尚未完成的合同的累积影响数进行调整，以及对于最早可比期间期初之前或 2021 年 1 月 1 日之前发生的合同变更予以简化处理，即根据合同变更的最终安排，识别已履行的和尚未履行的履约义务、确定交易价格以及在已履行的和尚未履行的履约义务之间分摊交易价格。

执行新收入准则对 2021 年 1 月 1 日财务报表的影响如下：

报表项目	合并资产负债表		母公司资产负债表	
	2020 年 12 月 31 日	2021 年 1 月 1 日	2020 年 12 月 31 日	2021 年 1 月 1 日
预收款项	1,195,862,616.64	444,517.11	1,086,661,527.00	
合同负债		1,219,182,126.31		1,086,661,527.00
其他非流动负债		118,448,592.34		
递延收益	173,070,153.00	30,857,533.88		

②执行新金融工具准则导致的会计政策变更

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）（上述准则统称“新金融工具准则”），经本公司董事会于 2020 年 12 月 31 日决议通过，本公司于 2021 年 1 月 1 日起开始执行前述新金融工具准则，详见附注四、9“金融工具”金融工具和附注四、10“金融资产减值”金融资产减值。

本公司追溯应用新金融工具准则，但对于分类和计量（含减值）涉及前期比较财务报表数据与

新金融工具准则不一致的，本公司选择不进行重述。因此，对于首次执行该准则的累积影响数，本公司调整 2021 年上年年末留存收益或其他综合收益以及财务报表其他相关项目金额，2020 年度的财务报表未予重述。

首次执行新金融工具准则对 2021 年 1 月 1 日财务报表的影响如下：

报表项目	合并资产负债表		母公司资产负债表	
	2020 年 12 月 31 日	2021 年 1 月 1 日	2020 年 12 月 31 日	2021 年 1 月 1 日
以公允价值计量且其变动计入当期损益的金融资产	10,463.20			
交易性金融资产		544,269,892.10		206,809,428.90
应收票据	30,952,183.21	2,834,590.59	12,520,000.00	
应收款项融资		28,117,592.62		12,520,000.00
其他流动资产	568,836,132.28	24,576,703.38	206,809,428.90	
债权投资		255,141,912.83		
可供出售金融资产	2,958,948,788.07		2,074,391,683.50	
持有至到期投资	255,141,912.83			
其他权益工具投资		20,000,000.00		
其他非流动金融资产		2,903,874,952.07		2,050,950,847.50
其他非流动资产	305,800,562.50	340,874,398.50		23,440,836.00
短期借款	2,354,505,191.46	2,356,578,564.86		
其他应付款	8,213,718,207.86	8,005,697,207.83	12,543,312,113.24	12,351,133,813.24
一年内到期的非流动负债	3,766,990,479.33	3,914,921,305.96	2,650,463,333.33	2,784,624,833.33
其他流动负债	3,138,235,378.08	3,196,252,178.08	3,130,000,000.00	3,188,016,800.00

③执行新租赁准则导致的会计政策变更

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。

于新租赁准则首次执行日（即 2021 年 1 月 1 日），本公司的具体衔接处理及其影响如下：

A、本公司作为承租人

对首次执行日的融资租赁，本公司作为承租人按照融资租入资产和应付融资租赁款的原账面价值，分别计量使用权资产和租赁负债；对首次执行日的经营租赁，作为承租人根据剩余租赁付款额按首次执行日的增量借款利率折现的现值计量租赁负债；原租赁准则下按照权责发生制计提的应付未付租金，纳入剩余租赁付款额中。

对首次执行日前的经营租赁，本公司按照与租赁负债相等的金额，并根据预付租金进行必要调整计量使用权资产。本公司于首次执行日对使用权资产进行减值测试，不调整使用权资产的账面价值。

本公司对于首次执行日前的租赁资产属于低价值资产的经营租赁，不确认使用权资产和租赁负债。对于首次执行日除低价值租赁之外的经营租赁，本公司根据每项租赁采用下列一项或多项简化处理：

●将于首次执行日后 12 个月内完成的租赁，作为短期租赁处理；

●计量租赁负债时，具有相似特征的租赁采用同一折现率；

●使用权资产的计量不包含初始直接费用；

●存在续约选择权或终止租赁选择权的，本公司根据首次执行日前选择权的实际行使及其他最新情况确定租赁期；

首次执行日之前发生租赁变更的，本公司根据租赁变更的最终安排进行会计处理。

B、执行新租赁准则的主要变化和影响如下：

报表项目	合并资产负债表		母公司资产负债表	
	2020 年 12 月 31 日	2021 年 1 月 1 日	2020 年 12 月 31 日	2021 年 1 月 1 日
使用权资产		725,869.92		
一年内到期的非流动负债		347,456.87		
租赁负债		378,413.05		

（2）会计估计变更

公司在本报告期内重要会计估计没有发生变更。

35. 重大会计判断和估计

本公司在运用会计政策过程中，由于经营活动内在的不确定性，本公司需要对无法准确计量的报表项目的账面价值进行判断、估计和假设。这些判断、估计和假设是基于本公司管理层过去的历史经验，并在考虑其他相关因素的基础上做出的。这些判断、估计和假设会影响收入、费用、资产和负债的报告金额以及资产负债表日或有负债的披露。然而，这些估计的不确定性所导致的实际结果可能与本公司管理层当前的估计存在差异，进而造成对未来受影响的资产或负债的账面金额进行重大调整。

本公司对前述判断、估计和假设在持续经营的基础上进行定期复核，会计估计的变更仅影响变更当期的，其影响数在变更当期予以确认；既影响变更当期又影响未来期间的，其影响数在变更当期和未来期间予以确认。

于资产负债表日，本公司需对财务报表项目金额进行判断、估计和假设的重要领域如下：

（1）收入确认

如本附注四、28“收入”所述，本公司在收入确认方面涉及到如下重大的会计判断和估计：识别客户合同；估计因向客户转让商品而有权取得的对价的可收回性；识别合同中的履约义务；估计合同中存在的可变对价以及在相关不确定性消除时累计已确认收入极可能不会发生重大转回的金额；合同中是否存在重大融资成分；估计合同中单项履约义务的单独售价；确定履约义务是在某一时段内履行还是在某一时点履行；履约进度的确定，等等。

（2）租赁的归类

以下与租赁相关的重大会计判断和估计适用于 2021 年度：

①租赁的识别

本集团在识别一项合同是否为租赁或包含租赁时，需要评估是否存在一项已识别资产，且客户控制了该资产在一定期间内的使用权。在评估时，需要考虑资产的性质、实质性替换权、以及客户是否有权获得因在该期间使用该资产所产生的几乎全部经济利益，并能够主导该资产的使用。

②租赁的分类

本集团作为出租人时，将租赁分类为经营租赁和融资租赁。在进行分类时，管理层需要对是否已将与租出资产所有权有关的全部风险和报酬实质上转移给承租人作出分析和判断。

③租赁负债

本集团作为承租人时，租赁负债按照租赁期开始日尚未支付的租赁付款额的现值进行初始计量。在计量租赁付款额的现值时，本集团对使用的折现率以及存在续租选择权或终止选择权的租赁合同的租赁期进行估计。在评估租赁期时，本集团综合考虑与本集团行使选择权带来经济利益的所有相关事实和情况，包括自租赁期开始日至选择权行使日之间的事实和情况的预期变化等。不同的判断及估计可能会影响租赁负债和使用权资产的确认，并将影响后续期间的损益。

以下与租赁相关的重大会计判断和估计适用于 2020 年度：

本集团根据《企业会计准则第 21 号——租赁》的规定，将租赁归类为经营租赁和融资租赁，在进行归类时，管理层需要对是否已将与租出资产所有权有关的全部风险和报酬实质上转移给承租人，或者本集团是否已经实质上承担与租入资产所有权有关的全部风险和报酬，作出分析和判断。

（3）金融资产减值

本公司采用预期信用损失模型对金融工具的减值进行评估，应用预期信用损失模型需要做出重大判断和估计，需考虑所有合理且有依据的信息，包括前瞻性信息。在做出该等判断和估计时，本公司根据历史数据结合经济政策、宏观经济指标、行业风险、外部市场环境、技术环境、客户情况的变化等因素推断债务人信用风险的预期变动。

（4）存货跌价准备

本公司根据存货会计政策，按照成本与可变现净值孰低计量，对成本高于可变现净值及陈旧和滞销的存货，计提存货跌价准备。存货减值至可变现净值是基于评估存货的可售性及其可变现净值。鉴定存货减值要求管理层在取得确凿证据，并且考虑持有存货的目的、资产负债表日后事项的影响等因素的基础上作出判断和估计。实际的结果与原先估计的差异将在估计被改变的期间影响存货的账面价值及存货跌价准备的计提或转回。

（5）金融工具公允价值

对不存在活跃交易市场的金融工具，本公司通过各种估值方法确定其公允价值。这些估值方法包括贴现现金流模型分析等。估值时本公司需对未来现金流量、信用风险、市场波动率和相关性等方面进行估计，并选择适当的折现率。这些相关假设具有不确定性，其变化会对金融工具的公允价值产生影响。权益工具投资或合同有公开报价的，本公司不将成本作为其公允价值的最佳估计。

（6）长期资产减值准备

本公司于资产负债表日对除金融资产之外的非流动资产判断是否存在可能发生减值的迹象。对使用寿命不确定的无形资产，除每年进行的减值测试外，当其存在减值迹象时，也进行减值测试。其他除金融资产之外的非流动资产，当存在迹象表明其账面金额不可收回时，进行减值测试。

当资产或资产组的账面价值高于可收回金额，即公允价值减去处置费用后的净额和预计未来现金流量的现值中的较高者，表明发生了减值。

公允价值减去处置费用后的净额，参考公平交易中类似资产的销售协议价格或可观察到的市场价格，减去可直接归属于该资产处置的增量成本确定。

在预计未来现金流量现值时，需要对该资产（或资产组）的产量、售价、相关经营成本以及计算现值时使用的折现率等作出重大判断。本公司在估计可收回金额时会采用所有能够获得的相关资料，包括根据合理和可支持的假设所作出有关产量、售价和相关经营成本的预测。

本公司至少每年测试商誉是否发生减值。这要求对分配了商誉的资产组或者资产组组合的未来现金流量的现值进行预计。对未来现金流量的现值进行预计时，本公司需要预计未来资产组或者资产组组合产生的现金流量，同时选择恰当的折现率确定未来现金流量的现值。

（7）折旧和摊销

本公司对投资性房地产、固定资产、使用权资产和无形资产在考虑其残值后，在使用寿命内按直线法计提折旧和摊销。本公司定期复核使用寿命，以决定将计入每个报告期的折旧和摊销费用数额。使用寿命是本公司根据对同类资产的以往经验并结合预期的技术更新而确定的。如果以前的估计发生重大变化，则会在未来期间对折旧和摊销费用进行调整。

（8）递延所得税资产

在很有可能有足够的应纳税利润来抵扣亏损的限度内，本公司就所有未利用的税务亏损确认递延所得税资产。这需要本公司管理层运用大量的判断来估计未来应纳税利润发生的时间和金额，结合纳税筹划策略，以决定应确认的递延所得税资产的金额。

（9）所得税

本公司在正常的经营活动中，有部分交易其最终的税务处理和计算存在一定的不确定性。部分项目是否能够在税前列支需要税收主管机关的审批。如果这些税务事项的最终认定结果同最初估计的金额存在差异，则该差异将对其最终认定期间的当期所得税和递延所得税产生影响。

（10）预计负债

本公司根据合约条款、现有知识及历史经验，对产品质量保证、预计合同亏损、延迟交货违约金等估计并计提相应准备。在该等或有事项已经形成一项现时义务，且履行该等现时义务很可能导致经济利益流出本公司的情况下，本公司对或有事项按履行相关现时义务所需支出的最佳估计数确认为预计负债。预计负债的确认和计量在很大程度上依赖于管理层的判断。在进行判断过程中本公司需评估该等或有事项相关的风险、不确定性及货币时间价值等因素。

其中，本公司会就出售、维修及改造所售商品向客户提供的售后质量维修承诺预计负债。预计负债时已考虑本公司近期的维修经验数据，但近期的维修经验可能无法反映将来的维修情况。这项准备的任何增加或减少，均可能影响未来年度的损益。

五、税项

1、主要税种及税率

税种	具体税率情况
增值税	应税收入按13%、6%、5%、3%、1%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
城市维护建设税	按应缴纳的流转税的7%、5%、1%计缴
教育费附加	按应缴纳的流转税的3%计缴
地方教育费附加	按应缴纳的流转税的2%计缴
企业所得税	按应纳税所得额的25%计缴

2、税收优惠及批文

本公司下属子公司通辽金煤化工有限公司 2019 年 12 月 04 日获得编号 GR201915000223 高新技术企业证书，有效期为三年，享受减按 15%税率征收企业所得税的优惠政策。

根据财税【2011】70 号《财政部、国家税务总局关于专项用途财政性资金有关企业所得税处

理问题的通知》和国务院第512号令《中华人民共和国企业所得税法》及《中华人民共和国企业所得税法实施条例》的有关规定，对企业在2011年1月1日起从县级以上各级人民政府财政部门及其他部门取得的应计收入总额的财政性资金，凡同时符合以下条件的，可以作为不征税收入，从收入总额中减除：

A、企业能够提供规定资金专项用途的资金拨付文件；

B、财政部门或其他拨付资金的政府部门对该资金有专门的资金管理办法或具体管理要求；

C、企业对该资金以及以该资金发生的支出单独进行核算。

上述不征税收入用于支出形成的费用，不得在计算应纳税所得额时扣除；用于支出所形成的资产，其计算的折旧、摊销不得在计算应纳税所得额时扣除。

六、合并财务报表项目注释

以下注释项目（含公司财务报表主要项目注释）除非特别指出，期初指2021年1月1日，期末指2021年12月31日，上年年末指2020年12月31日，本期指2021年度，上期指2020年度。

1、 货币资金

（1）货币资金余额情况

项目	期末余额	上年年末余额
库存现金	625,138.46	425,799.49
银行存款	1,068,694,047.95	2,329,421,253.56
其他货币资金	518,944,752.72	2,751,662,804.40
合计	1,588,263,939.13	5,081,509,857.45

（2）货币资金使用受限制状况

项目	期末金额	使用受限制的原因
其他货币资金	40,568,500.00	开具保函、信用证的保证金
其他货币资金	150,000,000.00	开具银行承兑汇票的保证金
其他货币资金	324,090,000.00	为银行贷款提供质押
合计	514,658,500.00	

2、 交易性金融资产

项目	期末余额
以公允价值计量且其变动计入当期损益的金融资产	
其中：债务工具投资	
权益工具投资	
理财产品	90,621,085.00
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	
其中：债务工具投资	
其他	

项目	期末余额
合计	90,621,085.00

3、 以公允价值计量且其变动计入当期损益的金融资产

项目	上年年末余额	
	成本	公允价值
交易性金融资产	7,065.66	10,463.20
其中：债务工具投资		
权益工具投资	7,065.66	10,463.20
其他		
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		
其中：债务工具投资		
权益工具投资		
其他		
其他以公允价值计量且其变动计入当期损益的金融资产		
合计	7,065.66	10,463.20

4、 应收票据

项目	期末余额	上年年末余额
银行承兑汇票	10,743,227.36	29,485,879.21
商业承兑汇票	5,094,871.20	1,466,304.00
小计	15,838,098.56	30,952,183.21
减：坏账准备		
合计	15,838,098.56	30,952,183.21

5、 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	695,406,447.63	340,737,008.40
1 至 2 年	35,908,514.17	602,550,337.64
2 至 3 年	585,039,438.35	160,559,179.19
3 年以上	169,023,277.90	12,456,396.18
小计	1,485,377,678.05	1,116,302,921.41

账龄	期末余额	上年年末余额
减：坏账准备	60,092,367.23	15,782,255.49
合计	1,425,285,310.82	1,100,520,665.92

（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（%）	金额	计提比例（%）	
单项计提坏账准备的应收账款	27,711,999.92	1.87	27,711,999.92	100.00	
按信用风险特征组合计提坏账准备的应收款项	1,457,665,678.13	98.13	32,380,367.31	2.22	1,425,285,310.82
其中：账龄组合	706,777,833.03	47.58	32,380,367.31	4.58	674,397,465.72
政府单位及关联方组合	750,887,845.10	50.55			750,887,845.10
合计	1,485,377,678.05	100.00	60,092,367.23	4.05	1,425,285,310.82

（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（%）	金额	计提比例(%)	
单项金额重大并单独计提坏账准备的应收款项	183,104,096.51	16.40			183,104,096.51
按信用风险特征组合计提坏账准备的应收款项	933,198,824.90	83.60	15,782,255.49	1.69	917,416,569.41
其中：账龄组合	161,896,165.00	14.50	15,782,255.49	9.75	146,113,909.51
政府单位及关联方组合	771,302,659.90	69.10			771,302,659.90
单项金额不重大但单独计提坏账准备的应收款项					
合计	1,116,302,921.41	100.00	15,782,255.49	1.41	1,100,520,665.92

1）期末单项计提坏账准备的应收账款

应收账款（按单位）	期末余额			
	账面余额	坏账准备	计提比例	计提理由
新乡永金化工有限公司	20,026,313.52	20,026,313.52	100.00%	对方财务困难
安阳永金化工有限公司	7,685,686.40	7,685,686.40	100.00%	对方财务困难
合计	27,711,999.92	27,711,999.92	——	——

（续）

应收账款（按单位）	上年年末余额		
	账面余额	坏账准备	计提比例（%）
大力神铝业股份有限公司	147,346,263.07		
江苏大力神科技股份有限公司	35,757,833.44		
合计	183,104,096.51		

2）组合中，采用预期信用损失率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	665,832,576.56	9,743,982.31	1.46
1 至 2 年	12,612,110.18	1,840,559.21	14.59
2 至 3 年	10,933,909.60	3,396,589.10	31.06
3 年以上	17,399,236.69	17,399,236.69	100.00
合计	706,777,833.03	32,380,367.31	4.58

（续）

账龄	上年年末余额		
	账面余额	坏账准备	计提比例（%）
1 年以内	103,711,278.88	2,986,711.06	2.88
1 至 2 年	12,144,074.11	394,333.60	3.25
2 至 3 年	34,820,258.77	1,180,657.59	3.39
3 年以上	11,220,553.24	11,220,553.24	100.00
合计	161,896,165.00	15,782,255.49	9.75

3）按其他方法计提坏账准备的应收账款

其他	期末余额		
	应收账款	坏账准备	计提比例（%）
政府单位等往来	102,939,368.45		
关联方往来	647,948,476.65		
合计	750,887,845.10		

（续）

其他	上年年末余额		
	应收账款	坏账准备	计提比例（%）
政府单位等往来	109,070,623.17		
关联方往来	662,232,036.73		

其他	上年年末余额		
	应收账款	坏账准备	计提比例（%）
合计	771,302,659.90		

（3）坏账准备的情况

类 别	上年年末余额	本期变动金额			期末余额
		计提	收回或转回	转销或核销	
应收账款坏账准备	15,782,255.49	44,337,057.98		26,946.24	60,092,367.23
合计	15,782,255.49	44,337,057.98		26,946.24	60,092,367.23

（4）按欠款方归集的期末余额前五名的应收账款情况

债务人名称	应收账款期末余额	占应收账款期末余额合计数的比例(%)	坏账准备期末余额
丹阳练湖水城投资建设有限公司	647,089,272.87	43.56	
江苏锦昌物业管理有限公司	322,930,000.00	21.74	3,229,300.00
江苏大力神科技股份有限公司	193,843,051.12	13.05	1,938,430.51
丹阳市财政局	85,891,049.97	5.78	
新乡永金化工有限公司	20,026,313.52	1.35	20,026,313.52
合计	1,269,779,687.48	85.48	25,194,044.03

6、 应收款项融资

项目	期末余额
应收票据	18,185,644.02
应收账款	
合计	18,185,644.02

7、 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	179,277,060.46	21.40	228,207,566.08	27.52
1至2年	101,971,867.85	12.18	356,563,233.14	43.00
2至3年	331,086,567.20	39.54	40,290,230.37	4.86
3年以上	225,081,623.25	26.88	204,126,805.01	24.62
合计	837,417,118.76	100.00	829,187,834.60	100.00

（2）按预付对象归集的期末余额前五名的预付款情况

本公司按预付对象归集的期末余额前五名预付账款汇总金额为 747,503,793.23 元，占预付账款期末余额合计数的比例为 89.26%。

单位名称	期末余额	占预付账款期末余额合计数的比例（%）
丹阳市新区房屋拆迁安置事务所	379,967,675.00	45.37
丹阳市镇丹高速公路建设指挥部(镇丹高速丹阳段)	168,004,513.00	20.06
恒美光电股份有限公司	122,500,000.00	14.63
污水管网建设专户	60,031,605.23	7.17
丹阳通泰房地产开发有限公司	17,000,000.00	2.03
合计	747,503,793.23	89.26

8、 其他应收款

项目	期末余额	上年年末余额
应收利息		
应收股利		
其他应收款	7,168,117,379.56	6,611,947,484.37
合计	7,168,117,379.56	6,611,947,484.37

（1）其他应收款

1）按账龄披露

账龄	期末余额	上年年末余额
1 年以内（含 1 年）	3,802,623,415.63	2,405,535,957.65
1 至 2 年	405,773,193.70	826,333,828.00
2 至 3 年	255,362,828.27	807,610,305.25
3 年以上	2,961,949,092.97	2,842,384,077.16
小计	7,425,708,530.57	6,881,864,168.06
减：坏账准备	257,591,151.01	269,916,683.69
合计	7,168,117,379.56	6,611,947,484.37

2）按款项性质分类情况

款项性质	期末余额	上年年末余额
往来款	7,386,744,656.62	6,822,608,280.48
短期保证金、押金	8,855,809.00	27,130,947.15
备用金	130,616.47	120,717.11
职工社保及所得税代垫款项	1,041,916.77	962,950.43

暂付款	23,853.00	22,045.19
待结算款	6,876,675.77	6,355,496.01
转入长账龄预付款项	1,905,413.08	1,761,002.79
经营性垫款	1,633,220.43	5,509,439.48
工程类垫款	12,459,700.69	11,515,386.30
资产转让款	3,941,844.96	3,941,844.96
其他	2,094,823.78	1,936,058.16
小计	7,425,708,530.57	6,881,864,168.06
减：坏账准备	257,591,151.01	269,916,683.69
合计	7,168,117,379.56	6,611,947,484.37

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）	
2021 年 1 月 1 日余额	154,190,000.50		115,726,683.19	269,916,683.69
2021 年 1 月 1 日余额在本期：				
——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				
本期转回	12,325,532.68			12,325,532.68
本期转销				
本期核销				
其他变动				
期末余额	141,864,467.82		115,726,683.19	257,591,151.01

4）坏账准备的情况

类　别	上年年末余额	本期变动金额			期末余额
		计提	收回或转回	转销或核销	
处于第一阶段的其他应收款	154,190,000.50		12,325,532.68		141,864,467.82

处于第二阶段的其他应收款					
处于第三阶段的其他应收款	115,726,683.19				115,726,683.19
合计	269,916,683.69		12,325,532.68		257,591,151.01

5）本期无实际核销的其他应收款情况

6）按欠款方归集的期末余额前五名的其他应收款情况

单位名称	款项性质	期末余额	账龄	占其他应收款期末余额合计数的比例（%）	坏账准备期末余额
丹阳市财政局	往来款	1,279,765,140.44	1 年以内	17.23	
丹阳市人民政府国有资产监督管理办公室	往来款	1,113,191,096.00	3 年以上	14.99	
丹阳市天晟投资有限公司	往来款	492,903,340.28	1 年以内	6.64	
丹北政府	往来款	433,781,567.26	1 年以内/1-2 年/2-3 年/3 年以上	5.84	
界牌政府	往来款	396,880,529.96	1 年以内/1-2 年/2-3 年	5.34	
合计	—	3,716,521,673.94		50.04	

9、 存货

（1）存货分类

项目	期末余额		
	账面余额	跌价准备	账面价值
原材料	137,332,694.13	14,881,994.94	122,450,699.19
周转材料	157,881.77		157,881.77
低值易耗品	2,036,743.60	681,644.25	1,355,099.35
发出商品	19,398,555.84	5,330,849.92	14,067,705.92
库存商品	659,370,660.41	2,582,703.88	656,787,956.53
林木资产	114,409,330.00		114,409,330.00
合同履约成本	34,113,050,828.85		34,113,050,828.85
工程施工	87,062,666.34		87,062,666.34
生产成本	4,603,544.06		4,603,544.06
合计	35,137,422,905.00	23,477,192.99	35,113,945,712.01

（续）

项目	上年年末余额		
	账面余额	跌价准备	账面价值

项目	上年年末余额		
	账面余额	跌价准备	账面价值
原材料	147,158,603.85	16,109,194.37	131,049,409.48
低值易耗品	2,569,974.65	681,644.25	1,888,330.40
发出商品	31,994,972.67	11,142,995.84	20,851,976.83
库存商品	457,481,843.29	3,173,646.41	454,308,196.88
林木资产	114,409,330.00		114,409,330.00
土地及开发成本	33,405,221,021.92		33,405,221,021.92
工程施工	85,615,159.33		85,615,159.33
生产成本	3,503,245.23		3,503,245.23
合计	34,247,954,150.94	31,107,480.87	34,216,846,670.07

10、其他流动资产

项目	期末余额	上年年末余额
理财产品		544,259,428.90
待抵扣税额	26,913,945.45	24,573,108.08
预交所得税	130,328.14	3,595.30
合计	27,044,273.59	568,836,132.28

11、债权投资

项目	期末余额
债权投资	255,141,912.83
合计	255,141,912.83

12、可供出售金融资产

（1）可供出售金融资产情况

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	687,481,287.00		687,481,287.00
可供出售权益工具	2,291,467,501.07	20,000,000.00	2,271,467,501.07
其中：按公允价值计量的			
按成本计量的	2,291,467,501.07	20,000,000.00	2,271,467,501.07
其他			
合计	2,978,948,788.07	20,000,000.00	2,958,948,788.07

13、持有至到期投资

项目	上年年末余额

项目	上年年末余额
债权投资	255,141,912.83
合计	255,141,912.83

14、长期应收款

项目	期末余额			上年年末余额		
	账面余额	减值准备	账面价值	账面余额	减值准备	账面价值
融资租赁保证金	88,200,000.00		88,200,000.00	15,000,000.00		15,000,000.00
合计	88,200,000.00		88,200,000.00	15,000,000.00		15,000,000.00

15、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	524,829.97					
上海英雄金笔厂桃浦联营二厂	524,829.97					
丹阳市安居物业管理有限公司						
二、联营企业	236,598,709.89	35,000,000.00		-12,486,072.22		
洛阳永金化工有限公司						
济宁金丹化工有限公司	49,388,201.28			-1,613,422.87		
上海丹升新材料科技中心（有限合伙）						
济宁丹佳环境服务有限公司	12,581,194.49			-11,082,819.00		
江苏新港园区发展有限公司	1,364,413.50			-192,012.56		
正大工程造价咨询有限公司	2,930,133.33			-176,359.22		

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
霍尔果斯丹科信息科技有限公司	1,938,922.91			-341,593.16		
内蒙古伊霖化工有限公司	96,014,974.60					
内蒙古伊霖巨鹏新能源有限公司	24,617,574.33					
江苏全球库供应链有限公司	47,763,295.45			889,072.00		
福州丹联供应链有限责任公司		35,000,000.00		31,062.59		
合计	237,123,539.86	35,000,000.00		-12,486,072.22		

（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	其他减少		
一、合营企业				524,829.97	524,829.97
上海英雄金笔厂桃浦联营二厂				524,829.97	524,829.97
丹阳市安居物业管理有限公司					
二、联营企业				259,112,637.67	121,453,432.35
洛阳永金化工有限公司					
济宁金丹化工有限公司				47,774,778.41	11,599,103.42
上海丹升新材料科技中心（有限合伙）					
济宁丹佳环境服务有限公司				1,498,375.49	
江苏新港园区发展有限公司				1,172,400.94	

正大工程造价咨询有限公司				2,753,774.11	
霍尔果斯丹科信息科技有限公司				1,597,329.75	
内蒙古伊霖化工有限公司				96,014,974.60	96,014,974.60
内蒙古伊霖巨鹏新能源有限公司				24,617,574.33	13,839,354.33
江苏全球库供应链有限公司				48,652,367.45	
福州丹联供应链有限责任公司				35,031,062.59	
合计				259,637,467.64	121,978,262.32

16、其他权益工具投资

项目	期末余额
分宜川流长枫新材料投资合伙企业（有限合伙）	34,233,871.32
合计	34,233,871.32

17、其他非流动金融资产

项目	期末余额
分类以公允价值计量且其变动计入当期损益的金融资产	2,816,547,860.11
其中：债务工具投资	560,482,627.00
权益工具投资	2,256,065,233.11
衍生金融资产	
混合工具投资	
其他	
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	
其中：债务工具投资	
混合工具投资	
其他	
合计	2,816,547,860.11

18、投资性房地产

按成本计量的投资性房地产

项目	上年年末余额	本期增加	本期减少	期末余额
账面原值合计	8,901,104.36			8,901,104.36

项目	上年年末余额	本期增加	本期减少	期末余额
1．房屋、建筑物	8,901,104.36			8,901,104.36
2．土地使用权				
累计折旧（摊销）合计	1,497,793.27	407,724.78		1,905,518.05
1．房屋、建筑物	1,497,793.27	407,724.78		1,905,518.05
2．土地使用权				
账面净值合计	7,403,311.09		407,724.78	6,995,586.31
1．房屋、建筑物	7,403,311.09		407,724.78	6,995,586.31
2．土地使用权				
减值准备合计				
1．房屋、建筑物				
2．土地使用权				
账面价值合计	7,403,311.09		407,724.78	6,995,586.31
1．房屋、建筑物	7,403,311.09		407,724.78	6,995,586.31
2．土地使用权				

19、固定资产

项目	期末余额	上年年末余额
固定资产	10,414,075,881.89	10,186,871,187.17
固定资产清理	5,522,013.75	5,088,246.68
合计	10,419,597,895.64	10,191,959,433.85

（1）固定资产

1）固定资产情况

项目	房屋及建筑物	办公及电子设备	运输设备	机器设备	市政工程设施	水务管网设施	其他	合计
一、账面原值								
1、上年年末余额	8,823,724,341.78	61,419,055.81	55,314,427.54	3,494,981,197.75	4,313,738,476.70	676,255,556.42	6,199,508.93	17,431,632,564.93
2、本期增加金额	159,503,625.27	4,042,040.40	2,293,815.58	167,691,529.80	737,308,003.90	-	103,994.45	1,070,943,009.40
（1）购置	61,023,705.50	2,851,040.40	2,293,815.58	58,572,118.42			103,994.45	124,844,674.35
（2）在建工程转入	5,599,487.93	1,191,000.00		105,858,860.48	737,308,003.90			849,957,352.31
（3）其他增加	92,880,431.84			3,260,550.90				96,140,982.74
3、本期减少金额	25,454,960.45	545,333.32	3,227,930.47	17,662,045.78	58,067,754.93	-	259,059.00	105,217,083.95
（1）处置或报废	12,609,247.32	545,333.32	3,227,930.47	14,499,893.89			259,059.00	31,141,464.00
（2）其他减少	12,845,713.13			3,162,151.89	58,067,754.93			74,075,619.95
4、期末余额	8,957,773,006.60	64,915,762.89	54,380,312.65	3,645,010,681.77	4,992,978,725.67	676,255,556.42	6,044,444.38	18,397,358,490.38
二、累计折旧								-
1、上年年末余额	2,353,141,661.77	47,349,777.19	38,363,156.06	2,059,803,045.68	1,913,544,842.43	598,855,224.58	4,718,696.88	7,015,776,404.59
2、本期增加金额	345,570,915.97	5,127,976.25	4,482,816.74	165,846,758.94	265,898,043.38	23,893,298.38	748,977.18	811,568,786.84
（1）计提	296,867,906.35	5,127,976.25	4,482,816.74	165,846,758.94	265,898,043.38	23,893,298.38	748,977.18	762,865,777.22
（2）其他增加	48,703,009.62							48,703,009.62
3、本期减少金额	9,609,216.77	466,187.03	2,925,478.52	11,097,558.03	48,703,009.62	-	246,106.14	73,047,556.11
（1）处置或报废	9,609,216.77	466,187.03	2,925,478.52	11,097,558.03			246,106.14	24,344,546.49

项目	房屋及建筑物	办公及电子设备	运输设备	机器设备	市政工程设施	水务管网设施	其他	合计
（2）其他减少					48,703,009.62			48,703,009.62
4、期末余额	2,689,103,360.97	52,011,566.41	39,920,494.28	2,214,552,246.59	2,130,739,876.19	622,748,522.96	5,221,567.92	7,754,297,635.32
三、减值准备								-
1、上年年末余额				228,984,973.17				228,984,973.17
2、本期增加金额								-
3、本期减少金额								-
4、期末余额				228,984,973.17				228,984,973.17
四、账面价值								-
1、期末账面价值	6,268,669,645.63	12,904,196.48	14,459,818.37	1,201,473,462.01	2,862,238,849.48	53,507,033.46	822,876.46	10,414,075,881.89
2、期初账面价值	6,470,582,680.01	14,069,278.62	16,951,271.48	1,206,193,178.90	2,400,193,634.27	77,400,331.84	1,480,812.05	10,186,871,187.17

2）固定资产清理

项目	期末余额	上年年末余额
房屋及建筑物	5,418,092.11	5,088,246.68
运输工具	103,921.64	
合计	5,522,013.75	5,088,246.68

20、在建工程

项目	期末余额	上年年末余额
在建工程	12,269,650,178.30	12,456,206,046.36
合计	12,269,650,178.30	12,456,206,046.36

（1）在建工程情况

项目	期末余额			上年年末余额		
	账面余额	减值准备	账面价值	账面余额	减值准备	账面价值
丹投本部在建工程	11,844,976,004.83		11,844,976,004.83	11,973,220,294.42		11,973,220,294.42
农发公司在建工程	19,342,038.29		19,342,038.29	19,342,038.29		19,342,038.29
水务公司在建工程	8,697,472.18		8,697,472.18	13,137,220.77		13,137,220.77
齐梁文化在建工程	329,837,679.73		329,837,679.73	329,837,679.73		329,837,679.73
丹健医疗在建工程	25,290,800.00		25,290,800.00	23,000,000.00		23,000,000.00
宏鼎在建工程				20,500.00		20,500.00
丹科在建工程	13,787,284.33		13,787,284.33	87,663,020.04		87,663,020.04
保安在建工程	19,432,575.21		19,432,575.21	3,056,522.38		3,056,522.38
佳洁环卫服务在建工程	775,019.00		775,019.00	476,400.00		476,400.00
练湖生态新区在建工程	7,511,304.73		7,511,304.73	6,452,370.73		6,452,370.73
合计	12,269,650,178.30		12,269,650,178.30	12,456,206,046.36		12,456,206,046.36

21、使用权资产

项目	房屋建筑物	土地	合 计
一、账面原值			
1、期初余额	444,320.99	281,548.93	725,869.92
2、本年增加金额	941,909.55		941,909.55
（1）新增租赁	941,909.55		941,909.55
3、本年减少金额			
（1）处置			
4、期末余额	1,386,230.54	281,548.93	1,667,779.47
二、累计折旧			
1、期初余额			
2、本年增加金额	724,852.49	93,849.64	818,702.13
（1）计提	724,852.49	93,849.64	818,702.13
3、本年减少金额			
（1）处置			
4、期末余额	724,852.49	93,849.64	818,702.13
三、减值准备			
1、期初余额			
2、本年增加金额			
（1）计提			
3、本年减少金额			
（1）处置			
4、期末余额			
四、账面价值			
1、期末账面价值	661,378.05	187,699.29	849,077.34
2、期初账面价值	444,320.99	281,548.93	725,869.92

22、无形资产

（1）无形资产情况

项目	软件使用费	土地使用权	林地使用权	水库水域使用权	专利及非专利技术	合计
一、账面原值						
1、上年年	6,102,095.35	352,001,992.63	77,387,040.00	162,000,000.00	81,167,300.00	678,658,427.98

项目	软件使用费	土地使用权	林地使用权	水库水域使用权	专利及非专利技术	合计
末余额						
2、本期增加金额	1,971,345.77	15,597.98				1,986,943.75
（1）购置	1,971,345.77	1,550.00				1,972,895.77
（2）内部研发						
（3）企业合并增加						
（4）其他增加		14,047.98				14,047.98
3、本期减少金额						
（1）处置						
4、期末余额	8,073,441.12	352,017,590.61	77,387,040.00	162,000,000.00	81,167,300.00	680,645,371.73
二、累计摊销						
1、上年年末余额	3,258,196.81	56,679,691.25	20,637,948.00	47,126,730.12	64,978,814.34	192,681,380.52
2、本期增加金额	1,710,359.82	7,304,849.13	2,444,688.00	3,240,000.00	7,478,438.68	22,178,335.63
（1）本期摊销数	1,710,359.82	7,290,801.15	2,444,688.00	3,240,000.00	7,478,438.68	22,164,287.65
（2）其他增加		14,047.98				14,047.98
3、本期减少金额						
（1）处置						
4、期末余额	4,968,556.63	63,984,540.38	23,082,636.00	50,366,730.12	72,457,253.02	214,859,716.15
三、减值准备						

项目	软件使用费	土地使用权	林地使用权	水库水域使用权	专利及非专利技术	合计
1、上年年末余额						
2、本期增加金额						
（1）计提						
3、本期减少金额						
（1）处置						
4、期末余额						
四、账面价值						
1、期末账面价值	3,104,884.49	288,033,050.23	54,304,404.00	111,633,269.88	8,710,046.98	465,785,655.58
2、期初账面价值	2,843,898.54	295,322,301.38	56,749,092.00	114,873,269.88	16,188,485.66	485,977,047.46

23、商誉

（1）商誉账面原值

被投资单位名称或形成商誉的事项	上年年末余额	本期增加	本期减少	期末余额
江苏丹化醋酐有限公司	128,628,990.41			128,628,990.41
苏州时钻环保实业有限公司	166,016,289.25			166,016,289.25
丹化化工科技股份有限公司	274,697,976.92			274,697,976.92
丹阳市天晟新城建设投资发展有限公司	165,208.88			165,208.88
合计	569,508,465.46			569,508,465.46

（2）商誉减值准备

被投资单位名称或形成商誉的事项	上年年末余额	本期增加	本期减少	期末余额
江苏丹化醋酐有限公司	128,628,990.41			128,628,990.41
苏州时钻环保实业有限公司	166,016,289.25			166,016,289.25
丹化化工科技股份有限公司		48,935,590.73		48,935,590.73

被投资单位名称或形成商誉的事项	上年年末余额	本期增加	本期减少	期末余额
合计	294,645,279.66	48,935,590.73		343,580,870.39

24、长期待摊费用

项目	上年年末余额	本期增加金额	本期摊销金额	其他减少金额	期末余额
固定资产改良支出	6,542,273.84	296,846.90	1,432,075.71		5,407,045.03
装修费	1,784,609.19	195,433.47	579,078.83		1,400,963.83
催化剂	127,766,302.54	16,529,013.15	36,525,428.52	38,268,526.25	69,501,360.92
发行费	35,220,734.16		18,529,898.86		16,690,835.30
其他	9,257.23		3,650.73		5,606.50
合计	171,323,176.96	17,021,293.52	57,070,132.65	38,268,526.25	93,005,811.58

25、递延所得税资产/递延所得税负债

（1）未经抵销的递延所得税资产明细

项目	期末余额		上年年末余额	
	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异	递延所得税资产
信用减值损失	185,317,695.38	46,074,721.71		
资产减值准备	276,975,742.01	43,649,398.64	411,873,013.42	77,120,921.94
预提费用			13,074,256.67	1,961,138.50
内部交易未实现利润	8,053,535.45	1,208,030.32	1,486,019.89	222,902.99
累计折旧时间性差异	153,010,618.32	22,951,592.75	182,201,255.75	27,330,188.36
递延收益	24,102,595.53	3,778,538.87	27,497,643.81	4,252,979.91
可抵扣亏损	761,794,617.77	119,899,120.84	664,450,381.67	100,136,244.03
合计	1,409,254,804.46	237,561,403.13	1,300,582,571.21	211,024,375.73

（2）未经抵销的递延所得税负债明细

项目	期末余额		上年年末余额	
	应纳税暂时性差异	递延所得税负债	应纳税暂时性差异	递延所得税负债
其他权益工具投资公允价值变动	14,233,871.32	3,558,467.83		
公允价值变动			3,397.56	849.39
非同一控制企业合并资产评估增值	754,843.33	113,226.50	867,459.53	130,118.93
合计	14,988,714.65	3,671,694.33	870,857.09	130,968.32

26、其他非流动资产

项目	期末余额	上年年末余额
林木资产	145,801,786.50	145,801,786.50
石刻等文物资产	158,269,505.00	158,269,505.00
预付工程及设备款	1,090,587.65	1,729,271.00
信托保障基金	22,951,781.83	

项目	期末余额	上年年末余额
企业之间长期借款	35,000,000.00	
合计	363,113,660.98	305,800,562.50

27、短期借款

（1）短期借款分类

项目	期末余额	上年年末余额
信用借款	44,800,000.00	
保证借款	1,387,000,000.00	1,405,010,000.00
抵押借款	127,400,000.00	212,637,766.46
质押借款	327,764,060.75	736,857,425.00
短期借款-应付利息	21,295,181.09	
合计	1,908,259,241.84	2,354,505,191.46

28、应付票据

种类	期末余额	上年年末余额
银行承兑汇票	130,000,000.00	623,000,000.00
商业承兑汇票		39,900,000.00
信用证	80,000,000.00	
合计	210,000,000.00	662,900,000.00

29、应付账款

（1）应付账款列示：

项目	期末余额	上年年末余额
货款	141,502,630.81	276,175,038.11
工程款及设备款	125,348,084.18	242,357,686.51
劳务费	321,306.78	
应付费用	2,351,470.34	5,636,225.27
其他	22,144,400.04	39,453,576.87
合计	291,667,892.15	563,622,526.76

（2）应付账款金额前五名情况：

单位名称	期末余额	账龄	占应付账款期末余额合计数的比例（%）
中国石油集团工程设计有限责任公司辽阳分公司	11,653,409.50	3 年以上	4.00
丹阳市丹化金煤化工有限公司	7,826,668.00	3 年以上	2.68
江苏永大化工机械有限公司	6,900,000.00	3 年以上	2.37

单位名称	期末余额	账龄	占应付账款期末余额合计数的比例（%）
丹阳市云阳镇格林建筑装潢垃圾清运服务部	6,286,140.30	1 年以内/1-2 年	2.16
江苏华纳石化工程有限公司	5,378,475.65	3 年以上	1.84
合计	38,044,693.45		13.05

30、预收款项

（1）预收款项情况

项目	期末余额	上年年末余额
预收货款		1,162,146,770.08
预收购房款		630,000.00
预收工程款		31,995,115.45
预收劳务费		587,714.00
预收垫付款		58,500.00
预收租金	2,088,154.08	444,517.11
合计	2,088,154.08	1,195,862,616.64

31、应付职工薪酬

（1）应付职工薪酬列示

项目	上年年末余额	本期增加	本期减少	期末余额
一、短期薪酬	29,586,217.37	433,711,858.18	430,186,649.78	33,111,425.77
二、离职后福利-设定提存计划	83,564.27	43,740,976.86	43,667,757.72	156,783.41
三、辞退福利				
四、一年内到期的其他福利				
合计	29,669,781.64	477,452,835.04	473,854,407.50	33,268,209.18

（2）短期薪酬列示

项目	上年年末余额	本期增加	本期减少	期末余额
1、工资、奖金、津贴和补贴	27,736,995.65	368,063,871.82	364,046,303.93	31,754,563.54
2、职工福利费		24,078,159.24	24,078,159.24	-
3、社会保险费	2,508.74	21,735,282.82	21,735,863.66	1,927.90
其中：医疗保险费	2,279.50	20,148,969.39	20,149,530.84	1,718.05
工伤保险费	6.74	1,023,046.37	1,023,024.11	29.00
生育保险费	222.50	502,127.06	502,168.71	180.85
其他		61,140.00	61,140.00	
4、住房公积金	1,948.00	16,203,220.01	16,203,902.01	1,266.00

项目	上年年末余额	本期增加	本期减少	期末余额
5、工会经费和职工教育经费	1,844,764.98	3,631,324.29	4,122,420.94	1,353,668.33
6、短期带薪缺勤				
7、短期利润分享计划				
8、其他短期薪酬				
合计	29,586,217.37	433,711,858.18	430,186,649.78	33,111,425.77

（3）设定提存计划列示

项目	上年年末余额	本期增加	本期减少	期末余额
1、基本养老保险	83,547.43	39,026,927.42	38,953,781.94	156,692.91
2、失业保险费	16.84	1,074,741.72	1,074,668.06	90.50
3、企业年金缴费		3,639,307.72	3,639,307.72	-
合计	83,564.27	43,740,976.86	43,667,757.72	156,783.41

32、合同负债

（1）合同负债情况

项目	期末余额
预收货款	2,600,745,835.77
预收购房款	442,224.77
预收工程款	58,676,164.73
预收劳务费	4,941,496.25
预收垫付款	63,200.00
合计	2,664,868,921.52

33、应交税费

项目	期末余额	上年年末余额
增值税	204,344,294.69	162,848,841.86
城市维护建设税	17,559,090.08	16,210,116.58
企业所得税	19,762,624.37	16,082,835.14
个人所得税	102,444.74	91,836.81
房产税	162,420,497.45	150,378,989.33
土地使用税	3,897,737.72	3,950,382.88
印花税	473,097.90	511,960.03
土地增值税	11,520.46	11,520.46
营业税	36,251,154.51	36,251,154.51
资源税	499,329.60	690,107.60

项目	期末余额	上年年末余额
教育费附加	13,355,496.36	12,366,931.96
堤防维护费	696,862.24	568,567.65
其他基金	5,825,999.96	5,892,572.88
其他税费	971,750.90	959,881.20
合计	466,171,900.98	406,815,698.89

34、其他应付款

项目	期末余额	上年年末余额
应付利息	39,493,055.55	233,573,083.36
应付股利	575,392.79	575,392.79
其他应付款	5,252,697,967.95	7,979,569,731.71
合计	5,292,766,416.29	8,213,718,207.86

（1）应付利息

项目	期末余额	上年年末余额
短期借款		2,073,373.40
分期付息到期还本的长期借款利息		25,552,083.33
分期付息到期还本的应付债券		147,930,826.63
短期融资券利息		48,850,200.00
短期公司债利息		9,166,600.00
借款利息	39,493,055.55	
合计	39,493,055.55	233,573,083.36

（2）应付股利

项目	期末余额	上年年末余额
普通股股利	575,392.79	575,392.79
合计	575,392.79	575,392.79

（3）其他应付款

1）按款项性质列示其他应付款

账龄	期末余额	上年年末余额
往来款	4,080,642,441.00	6,199,056,390.98
短期保证金、押金	37,632,697.57	57,169,236.89
代扣代缴职工社保款	2,819,247.73	4,282,824.56
代收款	1,007,264,281.15	1,530,172,802.38
代垫款	61,335,427.87	93,176,940.06
未结算费用	39,262,377.32	59,644,944.29

账龄	期末余额	上年年末余额
资产转让款	14,074,925.99	21,381,745.93
其他	9,666,569.32	14,684,846.62
合计	5,252,697,967.95	7,979,569,731.71

2）其他应付款金额前五名情况

单位名称	期末余额	账龄	占其他应付款期末余额合计数的比例（%）
丹阳成泰城镇化壹号基金(有限合伙)	823,040,000.00	3 年以上	15.67
江苏长宏重工有限公司	557,821,204.06	1 年以内	10.62
区域供水	372,023,250.43	3 年以上	7.08
江苏省城乡建设投资有限公司	309,200,000.00	3 年以上	5.89
丹阳诚明房产经纪有限公司	300,000,000.00	1 年以内	5.71
合计	2,362,084,454.49		44.97

35、一年内到期的非流动负债

项目	期末余额	上年年末余额
1 年内到期的长期借款	3,008,970,000.00	2,860,740,000.00
1 年内到期的长期借款-应付利息	28,746,097.19	
1 年内到期的应付债券	3,939,882,477.08	620,000,000.00
1 年内到期的应付债券-应付利息	190,716,173.75	
1 年内到期的租赁负债	647,753.09	
1 年内到期的长期应付款	817,155,579.94	286,250,479.33
合计	7,986,118,081.05	3,766,990,479.33

36、其他流动负债

项目	期末余额	上年年末余额
短期融资券	1,200,000,000.00	2,130,000,000.00
预提费用	125,000.00	180,000.00
待转销项税额	4,111,536.68	8,055,378.08
短期公司债	500,000,000.00	1,000,000,000.00
短期融资券-应付利息	49,950,300.00	
短期公司债-应付利息	6,875,000.00	
合计	1,761,061,836.68	3,138,235,378.08

37、长期借款

项目	期末余额	上年年末余额
信用借款	183,400,000.00	
保证借款	4,104,635,000.00	4,932,145,000.00
抵押借款	3,201,573,600.00	3,995,653,600.00
质押借款	2,065,800,000.00	1,943,500,000.00
长期借款-应付利息	28,746,097.19	
减：一年内到期的长期借款	3,008,970,000.00	2,860,740,000.00
一年内到期的长期借款-应付利息	28,746,097.19	
合计	6,546,438,600.00	8,010,558,600.00

38、应付债券

（1）应付债券

项目	期末余额	上年年末余额
20 苏丹阳投资 ZR001	300,000,000.00	300,000,000.00
21 丹投 MTN002 中期票据	448,474,272.60	
16 丹投债	639,104,963.98	957,538,438.72
20 丹投 MTN001 中期票据	496,011,344.37	494,890,829.96
20 苏丹阳投资 ZR002	200,000,000.00	200,000,000.00
17 丹阳投资 MTN001	1,366,564,977.08	1,361,645,198.51
17 丹阳投资绿色债券	897,347,933.05	1,195,365,285.06
21 丹投 MTN001 中期票据	538,260,464.90	
2021 年非公开发行公司债券（第一期）	498,331,203.90	
2021 年非公开发行公司债券（第二期）	497,242,331.69	
19 境外债	1,753,317,500.00	1,794,347,500.00
20 丹投 MTN002 中期票据	495,892,859.98	494,788,945.46
减：一年内到期部分期末余额	3,939,882,477.08	620,000,000.00
合计	4,190,665,374.47	6,178,576,197.71

（2）应付债券的增减变动

债券名称	面值	发行日期	债券期限	发行金额	上年年末余额
20 苏丹阳投资 ZR001	300,000,000.00	2020/11/30	2 年	300,000,000.00	300,000,000.00
21 丹投 MTN002 中期票据	450,000,000.00	2021/8/16	2 年	450,000,000.00	
16 丹投债	1,600,000,000.00	2016/1/27	7 年	1,600,000,000.00	957,538,438.72
20 丹投 MTN001 中期票据	500,000,000.00	2020/3/2	5 年	500,000,000.00	494,890,829.96
20 苏丹阳投资 ZR002	200,000,000.00	2020/12/18	2 年	200,000,000.00	200,000,000.00
17 丹阳投资 MTN001	1,500,000,000.00	2017/9/12	5 年	1,500,000,000.00	1,361,645,198.51
17 丹阳投资绿色债券	1,500,000,000.00	2017/7/18	7 年	1,500,000,000.00	1,195,365,285.06

债券名称	面值	发行日期	债券期限	发行金额	上年年末余额
21 丹投 MTN001 中期票据	540,000,000.00	2021/6/25	2 年	540,000,000.00	
2021 年非公开发行公司债券（第一期）	500,000,000.00	2021/1/20	2 年	500,000,000.00	
2021 年非公开发行公司债券（第二期）	500,000,000.00	2021/10/28	2 年	500,000,000.00	
19 境外债	1,918,455,000.00	2019/11/13	3 年	1,918,455,000.00	1,794,347,500.00
20 丹投 MTN002 中期票据	500,000,000.00	2020/3/20	5 年	500,000,000.00	494,788,945.46
债券应付利息					147,930,826.63
减：一年内到期部分期末余额					620,000,000.00
一年内到期债券应付利息					147,930,826.63
合计	10,008,455,000.00			10,008,455,000.00	6,178,576,197.71

（续）

债券名称	本期发行	溢折价摊销	应计利息	本期偿还	期末余额
20 苏丹阳投资 ZR001					300,000,000.00
21 丹投 MTN002 中期票据	450,000,000.00	-1,525,727.40			448,474,272.60
16 丹投债		1,566,525.26		320,000,000.00	639,104,963.98
20 丹投 MTN001 中期票据		1,120,514.41			496,011,344.37
20 苏丹阳投资 ZR002					200,000,000.00
17 丹阳投资 MTN001		4,919,778.57			1,366,564,977.08
17 丹阳投资绿色债券		1,982,647.99		300,000,000.00	897,347,933.05
21 丹投 MTN001 中期票据	540,000,000.00	-1,739,535.10			538,260,464.90
2021 年非公开发行公司债券（第一期）	500,000,000.00	-1,668,796.10			498,331,203.90
2021 年非公开发行公司债券（第二期）	500,000,000.00	-2,757,668.31			497,242,331.69
19 境外债					1,753,317,500.00
20 丹投 MTN002 中期票		1,103,914.52			495,892,859.98

债券名称	本期发行	溢折价摊销	应计利息	本期偿还	期末余额
据					
债券应付利息					190,716,173.75
减：一年内到期部分期末余额					3,939,882,477.08
一年内到期债券应付利息					190,716,173.75
合计	1,990,000,000.00	3,001,653.84		620,000,000.00	4,190,665,374.47

39、租赁负债

项目	期初余额	本期增加	本期减少	期末余额
租赁付款额	773,926.69	979,200.00	981,086.68	772,040.01
减：未确认融资费用	48,056.77	37,290.45	59,069.87	26,277.35
减：一年内到期的租赁负债	347,456.87	——	——	647,753.09
合计	378,413.05	——	——	98,009.57

40、长期应付款

项目	期末余额	上年年末余额
长期应付款余额	1,667,364,764.79	592,806,581.07
专项应付款余额	57,050,251.23	146,484,140.08
合计	1,724,415,016.02	739,290,721.15

（1）长期应付款

项目	期末余额	上年年末余额	备注
融资租赁	2,447,186,873.58	835,123,589.25	
安全费	3,733,471.15	3,733,471.15	
中国农发重点建设基金有限公司-融资款	33,600,000.00	40,200,000.00	
小计：	2,484,520,344.73	879,057,060.40	
减：一年内到期的长期应付款	817,155,579.94	286,250,479.33	
合计	1,667,364,764.79	592,806,581.07	

（2）专项应付款

项目	期末余额	上年年末余额
除磷脱氮工程专项资金	30,476,340.00	30,476,340.00
污水排放工程专项资金	1,019,500.00	1,019,500.00

项目	期末余额	上年年末余额
中水回用工程专项资金	128,200.00	128,200.00
扩膜工程专项资金		86,920,808.08
再生水利用工程专项资金	280,900.00	280,900.00
搬迁补偿款	11,980,859.23	14,493,940.00
科技成果转化资金	13,084,452.00	13,084,452.00
引进博士后项目	80,000.00	80,000.00
合计	57,050,251.23	146,484,140.08

41、递延收益

项目	期初余额	本期增加	本期减少	期末余额	形成原因
政府补助	30,857,533.88	112,059,959.77	14,877,261.54	128,040,232.11	与资产相关政府补助
合计	30,857,533.88	112,059,959.77	14,877,261.54	128,040,232.11	

其中，涉及政府补助的项目：

补助项目	种类	期初余额	本期增加	本期减少				期末余额
				计入营业外收入	计入其他收益	冲减成本费用	其他减少	
开发区财政局扶持资金	财政拨款	15,283,333.34			1,400,000.00			13,883,333.34
国家发改委扩大内需预算资金	财政拨款	5,422,118.49			1,102,803.72			4,319,314.77
重大科技专项资金	财政拨款	533,333.10			66,666.72			466,666.38
环保专项资金	财政拨款	1,637,500.00			150,000.00			1,487,500.00
搬迁补助	财政拨款	4,190,772.78			207,720.68			3,983,052.10
生态文明建设专项资金	财政拨款	2,507,142.84			192,857.16			2,314,285.68
递延收益-更新专项作业车辆项目	财政拨款	1,283,333.33			275,000.00			1,008,333.33
石城污水资产投入资金	财政拨款		112,059,959.77		11,482,213.26			100,577,746.51

合计		30,857,533.88	112,059,959.77		14,877,261.54			128,040,232.11

42、其他非流动负债

项目	期末余额	上年年末余额
超过一年的合同负债	142,212,619.12	
合计	142,212,619.12	

43、实收资本

投资者名称	上年年末余额	本期增加	本期减少	期末余额
丹阳市人民政府国有资产监督管理办公室	200,000,000.00			200,000,000.00
合计	200,000,000.00			200,000,000.00

44、资本公积

项目	上年年末余额	本期增加	本期减少	期末余额
拨款转入	18,886,006,623.00	40,000,000.00		18,926,006,623.00
其他	13,564,316,346.02	354,893.85	311,884,816.03	13,252,786,423.84
合计	32,450,322,969.02	40,354,893.85	311,884,816.03	32,178,793,046.84

注：本期增加 40,000,000.00 元为本公司接受拨款转入。

本期增加 354,893.85 元为一级子公司丹阳市天润资产管理有限公司接受划拨的丹阳市新丹大酒店有限公司形成。

本期减少 311,884,816.03 元为一级子公司江苏丹化集团有限责任公司购买二级子公司丹化化工科技股份有限公司少数股东股权的差额导致。

45、其他综合收益

项目	上年年末余额	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	税后归属于母公司	税后归属于少数股东	
其他权益工具投资公允价值变动		2,816,372.88		704,093.22	2,112,279.66		2,112,279.66
外币财务报表折算差额	-3,016,105.53	-1,636,267.25			-1,636,267.25		-4,652,372.78
合计	-3,016,105.53	1,180,105.63		704,093.22	476,012.41		-2,540,093.12

46、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	279,747,794.62			279,747,794.62
企业发展基金	38,236,000.00			38,236,000.00
合计	317,983,794.62			317,983,794.62

47、未分配利润

项目	本期金额	上期金额
调整前上期末未分配利润	5,824,575,614.72	5,436,030,955.68
调整期初未分配利润合计数（调增+，调减-）		
调整后期初未分配利润	5,824,575,614.72	5,436,030,955.68
加：本期归属于母公司股东的净利润	413,414,514.55	491,586,203.77
减：提取法定盈余公积		
提取任意盈余公积		
提取一般风险准备		
应付普通股股利	98,320,000.00	103,430,000.00
转作股本的普通股股利		
其他	1,486,638.04	-388,455.27
期末未分配利润	6,138,183,491.23	5,824,575,614.72

注：未分配利润其他减少为三级子公司丹阳市丹化新材料有限公司少数股东退出导致。

48、营业收入和营业成本

项目	本期金额		上期金额	
	营业收入	营业成本	营业收入	营业成本
主营业务	4,512,420,192.71	3,611,802,329.54	3,780,536,190.39	3,240,509,616.11
其他业务	842,024,321.97	901,486,210.22	280,967,417.22	148,785,449.73
合计	5,354,444,514.68	4,513,288,539.76	4,061,503,607.61	3,389,295,065.84

（1）主营业务（分项目）

项目	本期金额		上期金额	
	主营业务收入	主营业务成本	主营业务收入	主营业务成本
土地出让业务	1,670,662,538.00	1,236,898,589.92	1,607,934,870.58	1,209,967,481.47
化工产品	1,111,573,279.59	978,214,575.89	950,006,510.73	1,122,369,920.00
运输服务及相关业务	407,122.01	276,611.36	579,788.37	430,090.63
自来水销售及相关	174,162,322.54	90,535,159.90	163,239,656.07	127,742,937.61

业务				
污水处理及相关业务	23,563,416.78	27,082,138.79	24,240,477.70	22,908,216.79
广告服务及相关业务	2,682,246.75	3,751,105.36	1,477,691.53	2,713,742.53
"石刻园"门票及相关业务	153,794.17	6,060.89	131,895.43	7,148.16
房屋出租	314,198,536.21	147,255,858.66	286,753,302.14	142,724,467.86
其他劳务及服务	167,856,279.33	131,812,149.93	191,217,615.66	85,443,727.67
其他商品销售收入	725.66	1,418.01	9,444.27	16,152.09
工程收入及相关业务	135,899,835.73	98,992,778.41	141,862,242.80	118,921,243.27
销售材料收入	911,260,095.94	896,975,882.42	413,082,695.11	407,264,488.03
合计	4,512,420,192.71	3,611,802,329.54	3,780,536,190.39	3,240,509,616.11

（2）其他业务（分项目）

项目	本期金额		上期金额	
	其他业务收入	其他业务成本	其他业务收入	其他业务成本
工程安装收入	52,548,059.94	61,321,976.17	67,525,677.52	66,168,170.61
房租	5,647,301.12	36,981,520.10	3,609,177.06	572,984.04
维修劳务			2,406,668.08	445,421.60
水、电、蒸汽和其他	62,012,046.60	46,234,202.71	168,371,564.29	47,226,192.43
利息收入	8,510,741.17		4,800,000.00	
房屋销售	709,813,637.60	756,893,216.13	34,254,330.27	34,372,681.05
出售废旧材料	3,492,535.54	55,295.11		
合计	842,024,321.97	901,486,210.22	280,967,417.22	148,785,449.73

49、税金及附加

项目	本期金额	上年金额
城市维护建设税	6,555,427.39	4,263,863.92
教育费附加	4,267,788.01	2,833,655.86
地方教育附加	373,857.50	209,077.67
房产税	62,222,192.06	57,822,926.30
土地使用税	20,537,316.09	61,330,862.71

项目	本期金额	上年金额
印花税	3,589,744.23	1,285,968.23
车船使用税	57,113.09	62,937.09
防洪保安基金		906,862.95
其他基金	2,399,579.26	598,643.64
土地增值税	1,107,088.57	353,472.11
其他	4,172,384.79	4,337,720.86
合计	105,282,490.99	134,005,991.34

50、研发费用

项目	本期金额	上期金额
原材料	21,556,049.86	17,906,975.07
电力	3,676,660.20	4,281,263.96
水费	330,324.96	300,785.70
工资	19,684,671.93	17,147,505.33
差旅费	629,087.72	409,914.56
招待费	5,604.00	12,346.00
办公费	813.64	1,547.42
折旧	1,256,463.91	1,238,113.19
其他	125,606.18	175,042.29
合计	47,265,282.40	41,473,493.52

51、财务费用

项目	本期金额	上期金额
利息支出	795,948,405.54	725,203,868.62
减：利息收入	534,217,096.50	465,370,896.08
加：银行手续费	1,394,779.01	1,378,387.06
减：汇兑收益	-3,210.79	-13,313.74
合计	263,129,298.84	261,224,673.34

52、其他收益

项目	本期金额	上期金额
项目收益	378,267,157.92	304,030,900.00
开发区财政局扶持资金	1,400,000.00	1,400,000.00
财政补贴		436,556.92
国家发改委扩大内需预算资金	1,102,803.72	1,102,803.72

项目	本期金额	上期金额
科技成果转化资金	66,666.72	66,666.72
搬迁补助	207,720.68	207,720.68
环保专项资金	150,000.00	150,000.00
专项作业车辆更新项目	275,000.00	91,666.67
石城污水资产投入资金递延摊销	11,482,213.26	
高新技术企业奖励资金		500,000.00
原丹化集团及原昌和化学地块土壤修复一期工程		5,000,000.00
太湖长湾水厂深度处理改造工程		22,610,000.00
污水处理和垃圾处理管网工程		36,940,000.00
高新技术企业科研经费补助		100,000.00
储备人才资金及人员体检费补助		35,200.00
江苏省双创计划人才		128,000.00
人社局付人才工作服务站建站补贴		5,000.00
市委组织部 312 项目经费		30,000.00
生态文明建设专项资金		192,857.16
代扣个人所得税手续费返还		24,899.53
即征即退增值税	72,733.87	232,820.76
其他补助	2,425,212.95	964,135.36
合计	395,449,509.12	374,249,227.52

53、投资收益

项目	本期金额	上期金额
权益法核算的长期股权投资收益	-12,486,072.22	-11,143,172.18
持有其他非流动金融资产期间取得的投资收益	105,550,197.14	
持有可供出售金融资产期间取得的投资收益		150,583,520.24
处置交易性金融资产投资实现的损益	702,561.38	
处置以公允价值计量且其变动计入当期损益的金融资产实现的损益		1,194,340.34
处置可供出售金融资产实现的损益		-5,918,919.22
理财产品收益	12,232,229.95	19,341,720.26
合计	105,998,916.25	154,057,489.44

54、公允价值变动收益

产生公允价值变动收益的来源	本期金额	上期金额
交易性金融资产		3,397.54
合计		3,397.54

55、信用减值损失

项目	本期金额
应收账款坏账损失	-44,337,057.98
其他应收款坏账损失	12,323,216.16
合计	-32,013,841.82

56、资产减值损失

项目	本期金额	上期金额
坏账损失		-12,041,265.32
存货跌价损失	-10,232,552.20	-23,032,034.08
固定资产减值损失		-228,984,973.17
长期股权投资减值损失	-13,839,354.33	
长期待摊费用减值损失	-11,259,838.55	
商誉减值损失	-48,935,590.73	
可供出售金融资产减值损失		-20,000,000.00
合计	-84,267,335.81	-284,058,272.57

57、资产处置收益

项目	本期金额	上期金额
固定资产处置利得或损失	1,171,843.04	55,511,857.13
合计	1,171,843.04	55,511,857.13

58、营业外收入

项目	本期金额	上期金额
非流动资产报废利得	353,924.27	9,436.94
事业退休人员补贴及事业人员经费	13,689,741.65	25,147,902.12
水费滞纳金		174,828.43
债务利得		162,466.56
盘盈利得	501,263.31	
违约金、补偿金	397,521.75	155,073.00
因债权人原因确实无法支付的应付款项	119,888.78	
与企业日常活动无关的政府补助	503,534.98	2,246,113.86
罚款收入	742,438.34	830,146.93

项目	本期金额	上期金额
税收减免	42,186.59	74,436.18
其他	1,126,950.21	1,646,737.55
合计	17,477,449.88	30,447,141.57

59、营业外支出

项目	本期金额	上期金额
非流动资产报废损失	852,147.67	5,111,878.95
债务重组损失		33,500.00
捐赠支出	3,109,913.00	3,885,238.00
非常损失	724,626.77	
停工损失	37,344.00	43,488.00
行政罚款	378,939.99	100.94
税收滞纳金	17,656,529.83	1,611,243.43
违约金支出	6,277,714.45	
赔偿金	451,330.00	1,548,706.25
盘亏	906,164.65	718,597.71
其他	326,868.59	4,980,886.42
合计	30,721,578.95	17,933,639.70

60、所得税费用

项目	本期金额	上期金额
当期所得税费用	15,208,266.98	6,775,295.44
递延所得税费用	-26,554,769.22	-89,283,917.60
合计	-11,346,502.24	-82,508,622.16

61、现金流量表补充资料

（1）现金流量表补充资料

补充资料	本期金额	上期金额
1、将净利润调节为经营活动现金流量：		
净利润	312,766,036.03	119,370,067.47
加：信用减值准备	32,013,841.82	
资产减值准备	84,267,335.81	284,058,272.57
固定资产折旧、油气资产折耗、生产性生物资产折旧	498,200,444.06	594,948,058.65
无形资产摊销	22,164,287.65	21,854,913.44

补充资料	本期金额	上期金额
长期待摊费用摊销	18,624,950.63	1,330,850.36
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）	-1,171,843.04	-55,511,857.13
固定资产报废损失（收益以“-”号填列）	498,223.40	5,102,442.01
公允价值变动损失（收益以“-”号填列）		-3,397.54
财务费用（收益以“-”号填列）	795,951,616.33	743,487,750.49
投资损失（收益以“-”号填列）	-105,998,916.25	-154,057,489.44
递延所得税资产减少（增加以“-”号填列）	-26,537,027.40	-88,279,220.10
递延所得税负债增加（减少以“-”号填列）	-17,741.82	-1,004,697.50
存货的减少（增加以“-”号填列）	-873,260,567.19	672,091,898.09
经营性应收项目的减少（增加以“-”号填列）	231,324,177.16	-1,357,435,921.41
经营性应付项目的增加（减少以“-”号填列）	1,277,061,730.03	1,260,062,035.69
其他		
经营活动产生的现金流量净额	2,265,886,547.22	2,046,013,705.65
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	1,073,605,439.13	2,330,613,774.82
减：现金的上年年末余额	2,330,613,774.82	1,249,173,312.57
加：现金等价物的期末余额		
减：现金等价物的上年年末余额		
现金及现金等价物净增加额	-1,257,008,335.69	1,081,440,462.25

（2）现金及现金等价物的构成

项目	期末余额	上年年末余额
一、现金	1,073,605,439.13	2,330,613,774.82
其中：库存现金	625,138.46	425,799.49
可随时用于支付的银行存款	1,068,694,047.95	2,329,421,253.56
可随时用于支付的其他货币资金	4,286,252.72	766,721.77
可用于支付的存放中央银行款项		
存放同业款项		

项目	期末余额	上年年末余额
拆放同业款项		
二、现金等价物		
其中：三个月内到期的债券投资		
三、期末现金及现金等价物余额	1,073,605,439.13	2,330,613,774.82
其中：母公司或集团内子公司使用受限制的现金和现金等价物		

注：现金和现金等价物不含母公司或集团内子公司使用受限制的现金和现金等价物。

62、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
货币资金	514,658,500.00	用于开具承兑汇票的保证金/用于借款质押的定期存单和保证金/用于开具保函和信用证的保证金
存货	10,229,064,093.51	用于抵押贷款
固定资产	3,641,301,415.78	用于抵押贷款
无形资产	45,058,166.72	用于抵押贷款
合计	14,430,082,176.01	

七、合并范围的变更

本公司2021年从丹阳市金融控股集团有限公司购买丹阳市天鑫创业投资管理有限公司100%股权，将其纳入合并范围。

本公司2021年新设成立一级子公司丹阳市公用事业产业发展有限公司(2021年暂未正式经营，无财务数据)，并纳入合并范围。

本公司一级子公司丹阳市天润资产管理有限公司2021年接受划入的丹阳市新丹大酒店有限公司，将其纳入合并范围。

本公司一级子公司丹阳市天晟新城建设投资发展有限公司与外单位江苏汉鼎涵田建设有限公司2021年共同出资设立镇江华傲瑞丹环境工程科技有限公司(2021年暂未正式经营，无财务数据)，丹阳市天晟新城建设投资发展有限公司持股51%，拥有对其实质控制权，将其纳入合并范围。

本公司一级子公司丹阳市公用事业产业发展有限公司与外单位江苏港华交通科技有限公司、丹阳港华能源有限公司共同出资设立镇江港华交通科技有限公司（2021年暂未正式经营，无财务数据)，丹阳市公用事业产业发展有限公司持股45%，拥有对其实质控制权，将其纳入合并范围。

本公司原一级子公司丹阳市练湖生态旅游建设发展有限公司2021年注销，不再纳入合并范围。

八、在其他主体中的权益

1、在子公司中的权益

（1）企业集团的构成

序号	子公司名称	主要经营地	业务性质	持股比例（%）		取得方式	注册资本（万元）
				直接	间接		

序号	子公司名称	主要经营地	业务性质	持股比例（%）		取得方式	注册资本（万元）
				直接	间接		
1	江苏丹化集团有限责任公司	丹阳市	氮肥、碳化物、烃类及其卤化物、衍生物、聚烯烃树脂、离子交换树脂制造销售	100.00		设立	27,907.63
2	丹阳市金盛化工有限公司	丹阳市	危险化学品批发		71.20	设立	60.00
3	丹阳市东莱石油制品有限公司	丹阳市	化工物资经销		100.00	设立	60.00
4	丹阳市丹化运输有限公司	丹阳市	道路货物运输		100.00	设立	470.00
5	丹阳慧丰进出口贸易有限公司	丹阳市	自营和代理各类货物及技术的进出口		100.00	设立	100.00
6	丹阳市丹化劳动服务有限公司	丹阳市	劳动服务		100.00	设立	50.00
7	江苏丹化煤制化学品工程技术有限公司	丹阳市	煤制化学品的技术研发		100.00	设立	1,500.00
8	丹阳市丹化新材料有限公司	丹阳市	环保新型复合材料的研发、生产		100.00	设立	500.00
9	江苏丹化进出口有限公司	丹阳市	自营和代理各类商品及技术的进出口业务		66.00	设立	500.00
10	丹阳市车友之家餐饮服务有限公司	丹阳市	餐饮服务		100.00	设立	5.00
11	丹阳市驰易佳汽修养护服务有限公司	丹阳市	机动车修理和维护；汽车装饰用品销售		100.00	设立	5.00
12	丹阳市金丹电气安装有限公司	丹阳市	电气、仪器仪表、机械设备安装、维护、保养		100.00	设立	300.00
13	丹化化工科技股份有限公司	上海市	煤化工产品、石油化工产品技术开发、技术转让		23.72	设立	101,652.424
14	上海丹化化工技术开发有限公司	中国（上海）自由贸易试验区	能源化工专业领域内的技术开发、技术转让、技术咨询		100.00	设立	4,500.00
15	江苏丹化醋酐有限公司	丹阳市	生产醋酐及衍生物		75.00	非同一控制下企业合并	1480.00 万美元
16	通辽金煤化工有限公司	通辽市	草酸、草酸酯、碳酸酯、乙二醇、乙醇酸甲酯、乙醇酸及其衍生物、硫磺、氧气、氢气、氮气的生产经营		76.77	同一控制下企业合并	245,301.73
17	江苏金聚合金材料有限公司	丹阳市	铜钯粉末合金生产、销售		76.77	设立	4,000.00

序号	子公司名称	主要经营地	业务性质	持股比例（%）		取得方式	注册资本（万元）
				直接	间接		
18	丹阳丹茂化工科技中心（有限合伙）{原名：上海丹茂化工科技中心（有限合伙）}	丹阳市	从事化工技术领域内的技术开发、技术转让、技术咨询、技术服务		100.00	设立	
19	江苏金之虹新材料有限公司	丹阳市	塑料制品生产、销售		86.00	设立	10,000.00
20	上海丹升新材料科技中心（有限合伙）	上海市	化工新材料技术领域内的技术开发、技术转让、技术咨询、技术服务等		96.463	设立	
21	张家港保税区金通化工有限公司	张家港保税区	自营和代理各类商品的进出口业务		60.00	设立	170.00
22	苏州时钻环保实业有限公司	昆山市	危险废弃物集中处置		55.004	非同一控制下企业合并	10,000.00
23	丹阳丹健康复护理中心有限公司（原名丹阳市丹健医疗卫生事业投资发展有限公司）	丹阳市	医疗项目投资	100.00		设立	5,000.00
24	风美国际投资有限公司	香港	投资、资本管理	100.00		设立	2.000.00 万港元
25	丹阳市宏鼎户外传媒服务有限公司	丹阳市	户外传媒设计、制作、发布	100.00		划拨	20.00
26	镇江市易通达跨境贸易服务有限公司	丹阳市	跨境贸易包裹检测服务	100.00		设立	600.00
27	丹阳市天晟新城建设投资发展有限公司	丹阳市	新型城镇化建设	100.00		设立	54,643.00
28	镇江华傲瑞丹环境工程科技有限公司	丹阳市	建设工程施工、城市建筑垃圾处置（清运）、环境检测等		51.00	设立	4,100.00
29	丹阳市天润资产管理有限公司	丹阳市	资产管理服务	100.00		划拨	20,000.00
30	丹阳新能源发展有限公司	丹阳市	太阳能热水器、沼气、机械设备经销等		100.00	划拨	550.00
31	丹阳市保安服务有限公司	丹阳市	为单位、社会各界进行财产、人身安全保卫服务，		100.00	划拨	1,000.00
32	丹阳市瑞禹水利工程有限公司	丹阳市	水利水电工程、土石方工程、引排水工程施工、维修		100.00	划拨	600.00
33	丹阳市朝阳城市管理养护有限公司	丹阳市	市政工程、园林绿化工程		100.00	划拨	500.00
34	丹阳市联众道路照明有限公司	丹阳市	路灯照明工程设计、施工、安装、维护		100.00	划拨	1,000.00

序号	子公司名称	主要经营地	业务性质	持股比例（%）		取得方式	注册资本（万元）
				直接	间接		
35	丹阳市新丹大酒店有限公司	丹阳市	酒店项目筹建、停车场服务		100.00	划拨	50.00
36	丹阳市嘉城园林工程有限公司	丹阳市	假山、雕塑、喷泉工程施工		100.00	划拨	2,000.00
37	丹阳市佳洁环卫服务有限公司	丹阳市	城区街道清扫保洁		100.00	划拨	500.00
38	丹阳市三创环卫服务有限公司	丹阳市	新型组合化粪池技术推广；化粪池施工安装及其他新技术开发、推广、服务		100.00	划拨	100.00
39	丹阳市环卫设备修造有限公司	丹阳市	汽车三级保养，总成大修，吸粪车改制等		100.00	划拨	8.700
40	丹阳市新创产业投资发展有限公司	丹阳市	新农村、新市镇投资、建设、开发与管理；农村环境治理		60.00	划拨	20,000.00
41	丹阳水务集团有限公司	丹阳市	供水及安装、维修零售	39.78		设立	6,675.046951
42	丹阳市水云房地产开发有限公司	丹阳市	房屋开发、销售		90.00	设立	800.00
43	丹阳市水润安装工程有限公司	丹阳市	给排水安装、维修、销售		100.00	设立	800.000001
44	丹阳市石城污水处理有限公司	丹阳市	污水处理		100.00	设立	6,250.23
45	丹阳市农业综合开发有限公司	丹阳市	农业基础设施建设、经营和管理	100.00		设立	5,000.00
46	江苏盛宇丹昇创业投资有限公司	丹阳市	创业投资	43.33	20.00	设立	21,000.00
47	江苏齐梁文化旅游发展有限公司	丹阳市	文化旅游项目开发	100.00		设立	10,000.00
48	丹阳市新农村建设发展有限公司	丹阳市	新农村和新市镇项目投资、开发、管理、建设，	100.00		设立	20,000.00
49	丹阳高升新材料有限公司	丹阳市	铝及铝合金、镀锌板、镀铝锌板、彩涂板、冷轧板、光学镜片、玻璃块料、灯饰球料、玻璃制品、建筑材料、五金机电产品的销售		50.00	设立	20,000.00
50	丹阳市丹晟物流产业发展有限公司	丹阳市	物流产业园项目的开发	100.00		设立	42,000.00
51	丹阳市方园规划建设有限公司	丹阳市	土地规划服务	51.00		设立	1,000.00
52	丹阳练湖生态新区投资发展有限公司	丹阳市	园区综合开发、基础设施建设，产业投资、经营和服务。	100.00		划拨	16,000.00

序号	子公司名称	主要经营地	业务性质	持股比例（%）		取得方式	注册资本（万元）
				直接	间接		
53	江苏练湖生态文化科技发展有限公司	丹阳市	生态环境建设技术研发、咨询与开发（生态修复项目、水环境治理项目），园林设计与维护，文化旅游创意。各类工程建设活动		100.00	划拨	5,000.00
54	丹阳市天鑫创业投资管理有限公司	丹阳市	股权投资、咨询服务、基金管理服务	100.00		非同一控制下控股合并	10,000.00
55	丹阳市公用事业产业发展有限公司	丹阳市	发电、输电、供电业务；各类工程建设活动	100.00		设立	4,800.00
56	镇江港华交通科技有限公司	丹阳市	技术服务、技术开发、技术咨询、技术交流、技术转让、技术推广等		45.00	设立	1,000.00

注：二级子公司丹阳市新创产业投资发展有限公司认缴注册资本比例为60.00%，但该公司目前只有丹阳市天润资产管理有限公司实缴了注册资本，所以按100%计算损益。

持有上市公司丹化化工科技股份有限公司23.72%股份，是该公司第一大股东，且实际控制该公司，所以虽然持股比例低于50.00%，但本公司仍将其纳入合并范围。

（2）重要的非全资子公司

无。

2、在合营企业或联营企业中的权益

无重要的合营企业或联营企业。

3、在未纳入合并财务报表范围的结构化主体中的权益

无。

九、关联方及关联交易

1、 本公司的母公司情况

母公司名称	单位性质	注册地	业务性质	母公司对本公司的持股比例（%）	母公司对本公司的表决权比例（%）
丹阳市人民政府国有资产监督管理办公室	事业法人	丹阳市	代表丹阳市政府履行本级国有资产出资人职责。	100.00	100.00

2、 本公司的子公司情况

详见附注八、1“在子公司中的权益”。

3、 本公司的合营和联营企业情况

合营或联营企业名称	与本公司的关系
上海英雄金笔厂桃浦联营二厂	合营企业

合营或联营企业名称	与本公司的关系
丹阳市安居物业管理有限公司	合营企业
济宁丹佳环境服务有限公司	联营企业
江苏新港园区发展有限公司	联营企业
丹阳市正大工程造价咨询有限公司	联营企业
济宁金丹化工有限公司	联营企业
霍尔果斯丹科信息科技有限公司	联营企业
内蒙古伊霖化工有限公司	联营企业
内蒙古伊霖巨鹏新能源有限公司	联营企业
江苏全球库供应链有限公司	联营企业
福州丹联供应链有限责任公司	联营企业

4、 其他关联方情况

其他关联方名称	其他关联方名称与本公司关系
丹阳练湖水城投资建设有限公司	受同一母公司控制
丹阳市安居工程建设投资有限公司	关键管理人员
丹阳市天惠投资发展有限公司	关键管理人员
丹阳市成泰城镇建设有限公司	关键管理人员
丹阳成泰建设发展有限公司	受同一母公司控制
丹阳市丹昇农副产品发展有限公司	关键管理人员
丹阳市丹昇水利建设发展有限公司	受同一母公司控制
丹阳市丹晟水利建设发展有限公司	关键管理人员
丹阳市丹昇新市镇建设发展有限公司	受同一母公司控制
丹阳市新农市镇建设发展有限公司	关键管理人员
丹阳市天晟投资有限公司	关键管理人员
丹阳市天工惠农农村小额贷款有限公司	关键管理人员
丹阳市成泰五金贸易有限公司	关键管理人员
丹阳成泰酒店管理有限公司	关键管理人员
丹阳市丹化金煤化工有限公司	子公司联营公司之全资子公司
丹阳市嘉盛农业综合开发有限公司	关键管理人员
丹阳市嘉润交通工程有限公司	关键管理人员
丹阳市惠村科技合伙企业（普通合伙）	关键管理人员
丹阳市惠农科技合伙企业（有限合伙）	关键管理人员
丹阳市禾谷现代农业有限公司	关键管理人员

其他关联方名称	其他关联方名称与本公司关系
丹阳市镜彩绿色农业有限公司	关键管理人员
丹阳市蟠踞城市综合管廊建设有限公司	关键管理人员
丹阳市绿硕生态农业有限公司	关键管理人员
丹阳市颖杏农业生态旅游发展有限公司	关键管理人员

5、 关联方交易情况

（1） 购销商品、提供和接受劳务的关联交易

无。

6、 关联方应收应付款项

（1）应收项目

项目名称	期末余额		上年年末余额	
	账面余额	坏账准备	账面余额	坏账准备
应收账款：	**647,162,982.87**	**73,710.00**	**662,305,746.73**	**73,710.00**
济宁金丹化工有限公司	73,710.00	73,710.00	73,710.00	73,710.00
丹阳练湖水城投资建设有限公司	647,089,272.87		662,232,036.73	
其他应收款：	**2,613,913,448.65**	**2,034,727.93**	**2,067,423,267.24**	**23,034,727.93**
济宁金丹化工有限公司	48,869.88		48,869.88	
香港华盛公司	50,587.00		44,757.00	
丹阳市丹化金煤化工有限公司			1,084,898.00	
张惠霞			52,796.01	
史国平	700,000.00		700,000.00	
丹阳市天惠投资发展有限公司	275,333,791.75		420,000,000.00	21,000,000.00
上海盛宇股权投资基金管理有限公司	21,000,000.00		33,117,200.00	
丹阳市高创科技发展有限公司	14,000,000.00		16,297,333.00	
江苏天工集团有限公司	14,000,000.00		16,297,333.00	
丹阳市电站锅炉配件厂	14,000,000.00		16,297,333.00	
丹阳市人民政府国有资产监督管理办公室	1,113,191,096.00		1,113,191,096.00	
丹阳市天晟投资有限公司	492,903,340.28		288,256,923.42	
丹阳市安居工程建设投资有	345,548,898.40			

项目名称	期末余额		上年年末余额	
	账面余额	坏账准备	账面余额	坏账准备
限公司				
丹阳市成泰城镇建设有限公司	321,080,137.41			
丹阳市禾谷现代农业有限公司	10,000.00			
丹阳市镜彩绿色农业有限公司	10,000.00			
丹阳市蟠踞城市综合管廊建设有限公司	1,000.00			
丹阳市绿硕生态农业有限公司	1,000.00			
丹阳练湖水城投资建设有限公司			160,000,000.00	
上海英雄金笔厂桃浦联营二厂	2,034,727.93	2,034,727.93	2,034,727.93	2,034,727.93
合计	**3,261,076,431.52**	**2,108,437.93**	**2,729,729,013.97**	**23,108,437.93**

（2）应付项目

项目名称	期末余额	上年年末余额
应付账款：	**7,826,668.00**	**7,826,668.00**
丹阳市丹化金煤化工有限公司	7,826,668.00	7,826,668.00
其他应付款：	**60,866,766.28**	**2,528,561,770.90**
丹阳市丹化金煤化工有限公司	16,099,279.51	17,845,177.51
丹阳市天工惠农农村小额贷款有限公司	300,000.00	300,000.00
江苏全球库供应链有限公司		336,952,580.09
丹阳市丹昇新市镇建设发展有限公司		311,887,104.03
丹阳市丹昇农副产品发展有限公司		306,794,620.20
丹阳成泰建设发展有限公司		148,021,491.54
丹阳市丹昇水利建设发展有限公司		268,287,227.22
丹阳市丹晟水利建设发展有限公司		265,921,884.98
丹阳市新农市镇建设发展有限公司		259,011,646.08
丹阳市成泰五金贸易有限公司		209,168,636.55
丹阳市惠农科技合伙企业（有限合伙）		178,500,000.00
丹阳市嘉盛农业综合开发有限公司		110,159,467.80
丹阳市嘉润交通工程有限公司		66,179,682.70
丹阳市惠村科技合伙企业（普通合伙）		43,569,600.00
丹阳成泰酒店管理有限公司		4,892,652.20

项目名称	期末余额	上年年末余额
丹阳市颖杏农业生态旅游发展有限公司	43,397,486.77	
丹阳市阳光企业管理有限公司	1,070,000.00	1,070,000.00
合计	**68,693,434.28**	**2,536,388,438.90**

十、承诺及或有事项

1、重大承诺事项

无。

2、或有事项

（1）未决诉讼仲裁形成的或有负债及其财务影响

无。

（2）为其他单位提供债务担保形成的或有负债及其财务影响

无。

（3）与合营企业或联营企业投资相关的或有负债

无。

（4）其他或有事项

截止 2021 年 12 月 31 日，本公司对外提供保证情况如下：

被担保方	担保余额（万元）	担保起始日	担保到期日
大力神铝业股份有限公司	94,922.33	2013.1.31	2027.2.1
江苏恒神纤维材料有限公司	30,000.00	2015.2.13	2025.2.13
丹阳市丹昇水利建设发展有限公司	24,000.00	2015.9.25	2028.9.17
丹阳市丹昇新农村建设发展有限公司	17,500.00	2015.10.29	2027.10.28
丹阳市开发区高新技术产业发展有限公司	90,000.00	2016.3.4	2024.10.16
丹阳市教育投资发展有限公司	1,000.00	2016.1.25	2023.1.24
丹阳市齐梁农业发展有限公司	41,669.00	2016.3.18	2031.3.17
丹阳市丹晟城镇化建设发展有限公司	21,795.00	2016.5.27	2026.5.27
丹阳市教育投资发展有限公司	108,000.00	2016.7.29	2038.7.28
丹阳市教育投资发展有限公司	26,870.00	2016.8.1	2028.8.1
丹阳市成泰环境科技发展有限公司	52,000.00	2016.6.12	2026.6.12
丹阳市成泰环境科技发展有限公司	72,344.00	2016.9.30	2028.9.20
丹阳市华农水利建设发展有限公司	3,500.00	2016.10.14	2023.6.30
丹阳市华农水利建设发展有限公司	18,500.00	2016.12.9	2025.12.31
丹阳市嘉润环境治理发展有限公司	15,000.00	2017.3.1	2028.12.20

丹阳市丹昇新农村建设发展有限公司	32,000.00	2017.12.19	2023.12.12
丹阳市嘉润环境治理发展有限公司	88,900.00	2018.3.30	2025.3.30
丹阳练湖水城投资建设有限公司	8,000.00	2021.8.9	2023.4.10
丹阳市丹昇新农村建设发展有限公司	8,000.00	2021.8.9	2023.4.10
丹阳市成泰城镇建设有限公司	10,000.00	2021.9.2	2023.3.15
丹阳市成泰环境科技发展有限公司	10,000.00	2021.9.13	2023.3.18
丹阳市丹昇新市镇建设发展有限公司	10,000.00	2021.9.6	2023.3.15
丹阳市丹晟城镇化建设发展有限公司	10,000.00	2021.9.6	2023.3.15
丹阳市丹晟水利建设发展有限公司	10,000.00	2021.9.10	2023.4.10
丹阳市华农水利建设发展有限公司	10,000.00	2021.9.6	2024.7.25
丹阳市嘉润交通工程有限公司	10,000.00	2021.9.7	2024.8.2
丹阳市绿城水利建设发展有限公司	10,000.00	2021.9.14	2024.8.3
丹阳市天晟水利建设发展有限公司	10,000.00	2021.9.14	2024.8.3
丹阳市新农市镇建设发展有限公司	10,000.00	2021.8.16	2023.4.10
丹阳市嘉润环境治理发展有限公司	10,000.00	2021.9.2	2024.7.25
丹阳市农业开发有限公司	8,774.19	2018.10.24	2023.10.10
丹阳市佳成农副产品发展有限公司	13,117.13	2019.1.2	2023.5.20
丹阳市丹昇农副产品发展有限公司	8,774.19	2019.1.3	2024.1.20
丹阳市嘉盛农业综合开发有限公司	10,000.00	2019.1.22	2022.1.15
丹阳市佳成农副产品发展有限公司	10,000.00	2019.1.25	2022.1.15
丹阳市锦泰水利建设发展有限公司	10,000.00	2019.1.22	2022.1.15
丹阳眼镜城有限公司	10,000.00	2019.1.22	2022.1.15
丹阳市齐梁水利建设发展有限公司	1,000.00	2019.2.3	2022.2.3
丹阳市齐梁农业发展有限公司	10,000.00	2019.1.22	2022.1.16
丹阳市开发区高新技术产业发展有限公司	17,000.00	2019.1.30	2025.12.23
丹阳眼镜城有限公司	4,349.02	2018.12.25	2024.1.8
江苏丹阳眼镜市场发展有限公	10,000.00	2019.1.22	2022.1.16

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丹阳大地建设投资发展有限公司	4,999.00	2019.1.14	2024.1.14
丹阳市齐梁投资发展有限公司	4,999.00	2019.1.14	2024.1.14
丹阳市沿江装备制造产业园投资发展有限公司	4,999.00	2019.1.14	2024.1.14
丹阳市新农市镇建设发展有限公司	35,940.00	2020.12.29	2022.12.29
丹阳市安居工程建设投资有限公司	44,206.00	2019.6.12	2026.5.11
丹阳市开发区高新技术产业发展有限公司	23,000.00	2019.4.15	2024.3.24
丹阳市齐梁农业发展有限公司	8,909.58	2019.3.20	2026.3.10
丹阳市华农水利建设发展有限公司	5,306.81	2019.7.24	2026.7.10
丹阳市嘉盛农业综合开发有限公司	6,899.32	2019.7.31	2026.7.10
丹阳市浩润环境治理发展有限公司	5,442.06	2019.4.28	2024.4.29
丹阳市丹昇新市镇建设发展有限公司	10,840.00	2019.9.5	2026.8.4
丹阳市宏森新农村农业发展有限公司	15,000.00	2019.7.31	2024.7.30
丹阳市成泰环境科技发展有限公司	10,606.71	2019.12.26	2026.12.10
丹阳市丹昇农副产品发展有限公司	47,140.00	2019.12.12	2024.12.27
丹阳市齐梁农业发展有限公司	6,467.55	2019.10.14	2025.10.14
丹阳市开发区高新技术产业发展有限公司	6,500.00	2019.12.12	2025.1.2
丹阳市丹晟水利建设发展有限公司	9,250.00	2020.1.2	2025.12.31
丹阳市成泰城镇建设有限公司	3,600.00	2020.1.21	2025.12.31
丹阳市丹晟城镇化建设发展有限公司	4,920.00	2020.1.20	2026.12.31
丹阳市司徒香草现代农业园区发展有限公司	10,200.00	2020.1.14	2027.12.31
丹阳市丹晟水利建设发展有限公司	18,000.00	2020.3.19	2024.12.15
丹阳市安居工程建设投资有限公司	30,000.00	2019.12.30	2028.1.1
丹阳练湖水城投资建设有限公司	39,970.00	2020.1.21	2025.1.21
丹阳练湖水城投资建设有限公司	15,500.00	2020.3.30	2024.3.30
丹阳大地建设投资发展有限公司	4,600.00	2020.8.11	2024.8.10

丹阳市开发区高新技术产业发展有限公司	20,000.00	2019.7.12	2025.1.20
丹阳市齐梁投资发展有限公司	4,750.00	2020.8.11	2024.8.10
丹阳市沿江装备制造产业园投资发展有限公司	4,850.00	2020.8.11	2024.8.10
丹阳市丹拓建材贸易有限公司	20,000.00	2020.4.16	2025.4.10
丹阳市成泰五金贸易有限公司	20,000.00	2020.4.16	2025.4.10
丹阳市齐梁农业发展有限公司	11,046.32	2020.4.7	2028.4.7
丹阳市丹昇农副产品发展有限公司	5,248.96	2020.4.7	2023.4.7
丹阳市丹昇农副产品发展有限公司	5,265.07	2020.5.25	2026.5.25
丹阳市丹昇新农村建设发展有限公司	12,000.00	2020.4.16	2025.4.10
丹阳市丹昇水利建设发展有限公司	12,000.00	2020.4.9	2025.3.4
丹阳市丹晟水利建设发展有限公司	10,000.00	2020.4.16	2025.4.10
丹阳市丹昇新市镇建设发展有限公司	10,000.00	2020.3.30	2025.3.15
丹阳市成泰城镇建设有限公司	10,000.00	2020.3.30	2025.3.15
丹阳市丹晟城镇化建设发展有限公司	10,000.00	2020.4.1	2025.3.15
丹阳市新农市镇建设发展有限公司	6,000.00	2020.4.16	2025.4.10
丹阳练湖水城投资建设有限公司	19,404.00	2020.4.3	2025.4.29
丹阳市成泰环境科技发展有限公司	25,000.00	2020.6.12	2024.6.12
丹阳市成泰环境科技发展有限公司	10,000.00	2020.4.2	2025.3.18
丹阳市新农市镇建设发展有限公司	5,907.15	2020.6.9	2031.6.10
丹阳成泰建设发展有限公司	29,960.00	2020.6.12	2025.6.28
丹阳市新农市镇建设发展有限公司	25,000.00	2020.5.15	2024.6.22
丹阳市安居工程建设投资有限公司	27,000.00	2020.5.29	2024.6.4
丹阳市丹昇水利建设发展有限公司	23,500.00	2020.6.30	2023.12.23
丹阳市丹昇水利建设发展有限公司	12,000.00	2020.6.8	2024.6.8
丹阳高新区农业科技发展有限公司	12,000.00	2020.4.22	2025.4.10
丹阳市丹粤建设发展有限公司	11,000.00	2020.4.22	2025.4.10
丹阳高新区健康产业发展有限公司	10,000.00	2020.4.24	2025.4.10

丹阳市农业开发有限公司	9,843.00	2020.5.14	2024.6.19
丹阳市开发区新农村发展建设有限公司	49,985.00	2020.8.17	2025.8.17
丹阳市丹昇农副产品发展有限公司	39,985.00	2020.8.17	2025.8.17
丹阳市新农市镇建设发展有限公司	39,998.50	2020.9.17	2027.9.17
丹阳市嘉盛农业综合开发有限公司	2,361.36	2020.9.28	2025.9.28
丹阳市丹昇新农村建设发展有限公司	18,500.00	2020.7.31	2025.12.15
丹阳成泰建设发展有限公司	38,000.00	2020.9.27	2025.9.27
丹阳高新区投资发展有限公司	33,000.00	2020.9.29	2028.9.29
丹阳市齐梁农业发展有限公司	10,659.47	2020.9.1	2024.9.1
丹阳市丹昇水利建设发展有限公司	4,980.00	2020.12.23	2023.12.23
丹阳市嘉润交通工程有限公司	3,780.00	2021.6.16	2024.6.16
丹阳市成泰环境科技发展有限公司	10,339.12	2020.12.18	2023.12.20
丹阳市丹晟水利建设发展有限公司	6,000.00	2020.3.19	2024.12.15
丹阳市开发区高新技术产业发展有限公司	21,000.00	2020.11.4	2025.11.4
丹阳市齐梁农业发展有限公司	49,999.00	2021.02.23	2026.02.23
丹阳高新区投资发展有限公司	25,000.00	2021.01.26	2031.12.25
丹阳练湖水城投资建设有限公司	12,000.00	2021.1.25	2025.4.10
丹阳成泰建设发展有限公司	8,000.00	2021.8.11	2024.7.25
丹阳市新农市镇建设发展有限公司	21,300.00	2021.3.16	2024.9.11
丹阳市新农市镇建设发展有限公司	11,800.00	2021.3.24	2025.3.23
丹阳市丹晟城镇化建设发展有限公司	10,800.00	2021.3.10	2025.3.9
丹阳市丹昇水利建设发展有限公司	5,000.00	2021.3.9	2025.3.8
丹阳市丹昇新市镇建设发展有限公司	26,000.00	2021.1.5	2031.11.25
丹阳市嘉润交通工程有限公司	19,500.00	2021.2.8	2031.2.8
丹阳市天晟水利建设发展有限公司	7,684.99	2021.1.25	2026.1.22
丹阳市嘉润交通工程有限公司	3,970.00	2021.4.27	2024.4.27
丹阳市成泰环境科技发展有限公司	3,000.00	2021.4.28	2022.4.27
丹阳市成泰五金贸易有限公司	990.00	2021.4.29	2022.4.28
丹阳市丹昇新市镇建设发展有限公司	41,465.00	2021.4.29	2028.10.22

丹阳市丹昇水利建设发展有限公司	16,666.67	2021.5.7	2024.5.6
丹阳市丹昇水利建设发展有限公司	6,077.73	2021.4.30	2023.4.18
丹阳市和平工具贸易有限公司	2,600.00	2021.5.13	2022.5.12
丹阳江滨精密机械制造有限公司	3,400.00	2021.5.25	2022.5.24
丹阳市开发区高新技术产业发展有限公司	24,950.00	2021.4.23	2023.05.14
丹阳市开发区新农村发展建设有限公司	35,000.00	2021.4.21	2027.12.19
丹阳市开发区高新技术产业发展有限公司	49,410.00	2021.03.26	2022.5.28
丹阳市锦泰水利建设发展有限公司	495.00	2021.8.31	2024.8.14
丹阳市佳成农副产品发展有限公司	495.00	2021.8.31	2024.8.14
丹阳市丹拓建材贸易有限公司	495.00	2021.8.31	2024.8.14
丹阳市颖杏农业生态旅游发展有限公司	495.00	2021.9.14	2024.9.13
丹阳市成泰五金贸易有限公司	900.00	2021.7.8	2022.7.7
丹阳市嘉盛农业综合开发有限公司	15,000.00	2021.2.7	2029.2.6
丹阳市教育投资发展有限公司	13,859.58	2021.8.31	2024.8.27
丹阳市农业开发有限公司	7,000.00	2021.7.3	2022.7.12
丹阳眼镜城有限公司	6,500.00	2021.7.13	2022.7.12
丹阳市成泰城镇建设有限公司	4,500.00	2021.9.26	2022.9.25
江苏务本现代农业发展有限公司	4,000.00	2021.7.21	2022.7.21
丹阳市丹昇农副产品发展有限公司	7,500.00	2021.3.1	2028.10.27
丹阳市丹晟城镇化建设发展有限公司	20,000.00	2021.8.3	2026.8.10
江苏全球库供应链有限公司	4,900.00	2021.2.1	2022.2.1
丹阳市丹晟水利建设发展有限公司	900.00	2021.7.23	2022.1.22
丹阳市农业开发有限公司	4,000.00	2021.9.7	2022.9.7
丹阳市新农市镇建设发展有限公司	39,000.00	2021.8.31	2028.8.25
丹阳市佳成农副产品发展有限公司	19,153.04	2021.9.23	2026.9.20
丹阳市丹昇新市镇建设发展有限公司	59,900.00	2021.7.16	2023.7.14
丹阳市安居工程建设投资有限公司	50,000.00	2021.9.10	2029.9.10
丹阳市成泰城镇建设有限公司	59,000.00	2021.11.8	2027.6.25
丹阳市新农市镇建设发展有限	17,600.00	2021.10.29	2022.2.28

公司			
丹阳练湖水城投资建设有限公司	12,000.00	2021.11.11	2022.11.10
丹阳市教育投资发展有限公司	5,000.00	2021.10.29	2024.10.29
江苏省丹阳市食品有限公司	2,000.00	2021.11.30	2023.5.29
丹阳市乐祈文旅产业发展有限公司	12,000.00	2021.6.24	2026.5.11
丹阳市沿江装备制造产业园投资发展有限公司	6,500.00	2021.9.2	2022.9.1
丹阳市新农市镇建设发展有限公司	15,000.00	2021.12.16	2023.12.16
丹阳市丹昇新农村建设发展有限公司	16,699.00	2021.12.24	2023.12.24
丹阳市佳成农副产品发展有限公司	15,000.00	2021.12.28	2022.12.28
丹阳市丹昇新市镇建设发展有限公司	13,000.00	2021.10.26	2022.10.26
丹阳市丹昇新农村建设发展有限公司	14,000.00	2021.10.26	2022.10.26
丹阳练湖水城投资建设有限公司	9,800.00	2021.12.20	2022.12.20
丹阳练湖水城投资建设有限公司	900.00	2021.12.28	2022.12.27
江苏全球库供应链有限公司	4,000.00	2021.12.24	2022.12.22
丹阳市滨江新市镇建设发展有限公司	20,000.00	2021.12.30	2022.12.29
丹阳市丹昇农副产品发展有限公司	3,000.00	2021.12.30	2022.12.29
丹阳市嘉润交通工程有限公司	15,000.00	2021.12.28	2026.12.28
丹阳大地建设投资发展有限公司	3,000.00	2021.12.3	2022.12.2
丹阳市南城新农村发展有限公司	7,000.00	2021.12.30	2024.12.30
丹阳高新区园区建设经营服务有限公司	2,000.00	2021.12.30	2026.12.30
丹阳市丹晟水利建设发展有限公司	30,000.00	2021.11.29	2024.11.29
合计	2,940,877.85		

截止 2021 年 12 月 31 日，本公司下属子公司江苏丹化集团有限责任公司从上海光大证券资产管理有限公司取得借款 39,264,060.75 元，以其拥有的丹化化工科技股份有限公司 1 亿股股权质押。

十一、资产负债表日后事项

截至本财务报表批准报出日，本公司无其他重大资产负债表日后事项。

十二、其他重要事项

1、前期差错更正

无。

十三、母公司财务报表主要项目注释

1、 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	389,811,765.00	
1 至 2 年		
2 至 3 年		
3 年以上		
小计	389,811,765.00	
减：坏账准备	3,898,117.65	
合计	385,913,647.35	

（2）应收账款分类披露

类别	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（%）	
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款项	389,811,765.00	100.00	3,898,117.65	1.00	385,913,647.35
其中：账龄组合	389,811,765.00	100.00	3,898,117.65	1.00	385,913,647.35
政府单位及关联方组合					
合计	389,811,765.00	100.00	3,898,117.65	1.00	385,913,647.35

1）组合中，按账龄分析法计提坏账准备的应收账款

账龄	期末余额		
	应收账款	坏账准备	计提比例（%）
1 年以内	389,811,765.00	3,898,117.65	1.00
合计	389,811,765.00	3,898,117.65	1.00

（3）坏账准备的情况

类别	上年年末余额	本期变动金额			期末余额
		计提	收回或转回	转销或核销	
账龄组合		3,898,117.65			3,898,117.65
合计		3,898,117.65			3,898,117.65

（4）按欠款方归集的期末余额较大的应收账款情况

债务人名称	应收账款期末余额	占应收账款期末余额合计数的比例(%)	坏账准备期末余额
江苏锦昌物业管理有限公司	322,930,000.00	82.84	3,229,300.00
合计	322,930,000.00	82.84	3,229,300.00

2、 其他应收款

项目	期末余额	上年年末余额
应收利息		
应收股利		
其他应收款	8,546,535,021.23	7,190,930,562.33
合计	8,546,535,021.23	7,190,930,562.33

（1）其他应收款

1）按账龄披露

账龄	期末余额	期初余额
1 年以内（含 1 年）	5,228,206,845.44	2,532,232,216.96
1 至 2 年	431,989,513.99	613,740,534.66
2 至 3 年	234,273,220.85	583,347,229.85
3 年以上	2,701,024,254.84	3,487,361,156.52
小计	8,595,493,835.12	7,216,681,137.99
减：坏账准备	48,958,813.89	25,750,575.66
合计	8,546,535,021.23	7,190,930,562.33

2）按款项性质分类情况

款项性质	期末余额	期初余额
关联方往来	2,548,079,263.84	1,561,448,019.42
合并范围内关联方往来	1,796,777,586.06	1,428,213,299.69
第三方往来款	4,241,445,330.44	4,214,287,498.79
短期保证金、押金	3,185,900.00	3,185,900.00
职工社保及所得税代垫款项	658,627.60	400,162.80
待结算款	583,092.52	584,667.56
经营性垫款	822,189.70	4,619,744.77
资产转让款	3,941,844.96	3,941,844.96
小计	8,595,493,835.12	7,216,681,137.99
减：坏账准备	48,958,813.89	25,750,575.66

合计	8,546,535,021.23	7,190,930,562.33

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）	
2021 年 1 月 1 日余额	25,750,575.66			25,750,575.66
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	23,208,238.23			23,208,238.23
本期转回				
本期转销				
本期核销				
其他变动				
期末余额	48,958,813.89			48,958,813.89

4）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	收回或转回	转销或核销	
处于第一阶段的其他应收款	25,750,575.66	23,208,238.23			48,958,813.89
处于第二阶段的其他应收款					
处于第三阶段的其他应收款					
合计	25,750,575.66	23,208,238.23			48,958,813.89

5）本期无实际核销的其他应收款情况

6）按欠款方归集的期末余额前五名的其他应收款情况

单位名称	款项性质	期末余额	账龄	占其他应收款期末余额合计数的比例（%）	坏账准备期末余额

单位名称	款项性质	期末余额	账龄	占其他应收款期末余额合计数的比例（%）	坏账准备期末余额
丹阳市天润资产管理有限公司	往来款	1,314,770,476.99	1 年以内/1-2 年	15.30	
丹阳市财政局	往来款	1,279,765,140.44	1 年以内	14.89	
丹阳市人民政府国有资产监督管理办公室	往来款	1,113,191,096.00	3 年以上	12.95	
丹阳市天晟投资有限公司	往来款	492,903,340.28	1 年以内	5.73	
丹北政府	往来款	433,781,567.26	1 年以内/1-2 年/2-3 年/3 年以上	5.05	
合计		4,634,411,620.97		53.92	

3、 长期股权投资

（1）长期股权投资分类

项目	期末余额			上年年末余额		
	账面余额	减值准备	账面价值	账面余额	减值准备	账面价值
对子公司投资	2,630,500,812.30		2,630,500,812.30	2,554,500,812.30		2,554,500,812.30
对联营、合营企业投资	1,172,400.94		1,172,400.94	1,364,413.50		1,364,413.50
合计	2,631,673,213.24		2,631,673,213.24	2,555,865,225.80		2,555,865,225.80

（2）对子公司投资

被投资单位	上年年末余额	本期增加	本期减少	期末余额	本期计提减值准备	减值准备期末余额
丹阳水务集团有限公司	86,199,378.91			86,199,378.91		
丹阳市农业综合开发有限公司	50,000,000.00			50,000,000.00		
江苏盛宇丹昇创业投资有限公司	91,000,000.00			91,000,000.00		
江苏丹化集团有限责任公司	519,273,241.40			519,273,241.40		
丹阳市宏鼎户外传媒服务有限公司	1,423,741.31			1,423,741.31		
江苏齐梁文化旅游发展有限公司	100,000,000.00			100,000,000.00		
丹阳市新农村建设发展有限	200,000,000.00			200,000,000.00		

被投资单位	上年年末余额	本期增加	本期减少	期末余额	本期计提减值准备	减值准备期末余额
公司						
丹阳市丹晟物流产业发展有限公司	420,000,000.00			420,000,000.00		
凤美国际投资有限公司	17,792,000.00			17,792,000.00		
丹阳市天晟新城建设投资发展有限公司	546,290,667.88			546,290,667.88		
镇江市易通达跨境贸易服务有限公司	6,000,000.00			6,000,000.00		
丹阳市天润资产管理有限公司	366,036,418.63			366,036,418.63		
丹阳练湖生态新区投资发展有限公司	150,485,364.17			150,485,364.17		
丹阳市天鑫创业投资管理有限公司		76,000,000.00		76,000,000.00		
合计	2,554,500,812.30	76,000,000.00		2,630,500,812.30		

（3）对合营企业和联营企业的投资

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						
丹阳市安居物业管理有限公司						
二、联营企业	1,364,413.50			-192,012.56		
江苏新港园区发展有限公司	1,364,413.50			-192,012.56		
合计	1,364,413.50			-192,012.56		

（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	其他减少		
一、合营企业					

丹阳市安居物业管理有限公司					
二、联营企业				1,172,400.94	
江苏新港园区发展有限公司				1,172,400.94	
合计				1,172,400.94	

4、 营业收入和营业成本

（1）营业收入及营业成本分类

项目	本期金额		上期金额	
	营业收入	营业成本	营业收入	营业成本
主营业务	1,984,861,074.21	1,384,154,448.58	1,894,688,172.72	1,352,691,949.33
其他业务	611,024,369.91	652,004,495.03	9,658,800.96	3,815,897.65
合计	2,595,885,444.12	2,036,158,943.61	1,904,346,973.68	1,356,507,846.98

（2）主营业务收入及主营业务成本基本情况

项目	本期金额		上期金额	
	主营业务收入	主营业务成本	主营业务收入	主营业务成本
土地出让业务	1,670,662,538.00	1,236,898,589.92	1,607,934,870.58	1,209,967,481.47
房屋出租	314,198,536.21	147,255,858.66	286,753,302.14	142,724,467.86
合计	1,984,861,074.21	1,384,154,448.58	1,894,688,172.72	1,352,691,949.33

（3）其他业务收入及其他业务成本基本情况

项目	本期金额		上期金额	
	其他业务收入	其他业务成本	其他业务收入	其他业务成本
房屋销售	610,783,009.98	652,004,495.03	5,510,250.45	3,815,897.65
其他收入	241,359.93		4,148,550.51	
合计	611,024,369.91	652,004,495.03	9,658,800.96	3,815,897.65

5、 投资收益

项目	本期金额	上期金额
成本法核算的长期股权投资取得的收益	18,303,100.00	
权益法核算长期股权投资收益	-192,012.56	-1,103,466.24
持有其他非流动金融资产期间取得的投资收益	63,377,527.57	
持有可供出售金融资产期间取得的投资收益		117,038,841.02
处置可供出售金融资产实现的损益		-5,418,919.22
理财产品收益	392,659.67	204,558.91
合计	81,881,274.68	110,721,014.47

丹阳投资集团有限公司

2022年4月21日

法定代表人：洪锋　　主管会计工作负责人：陈洪　　会计机构负责人：陈洪

营业执照

（副 本）

(5-5)

统一社会信用代码

91110102082881146K

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）

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。）

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　北京市丰台区市场监督管理局　1101060944520

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

仅作为报告附件使用

会计师事务所

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

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》。

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

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	027-86781250
74	中天运会计师事务所（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	010-88395676
75	中喜会计师事务所（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）	嘉定工业区沪宜路叶城路 1630 号 5 幢 1088 室	021-63525500

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

姓　　名
Full name　孙裕强
性　　别
Sex　男
出生日期
Date of birth　1976-05-08
工作单位
Working unit　中兴华富华会计师事务所有限责任公司
身份证号码
Identity card No.　32108119760508[illegible]

证书编号：
No. of Certificate　110001670152

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

发证日期：　年 /y　月 /m　日 /d
Date of Issuance　二〇一二　三　三十

中兴华会计师事务所（特殊普通合伙）
1101020173689

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.

孙裕强(110001670152)
您已通过2020年年检
江苏省注册会计师协会

孙裕强(110001670152)
您已通过2021年年检
江苏省注册会计师协会

5

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 /y　月 /m　日 /d

同意调入
Agree the holder to be transferred to　变更备案

中兴华会计师事务所（特殊普通合伙）江苏分所　事务所
CPAs

江苏省注册会计师协会
JICPA
转所专用章

转入协会盖章
Stamp of the transfer-in Institute of CPAs
2021年 6月 2日
/y /m /d

10

姓　　名 Full name	缪雯
性　　别 Sex	女
出生日期 Date of birth	1993-06-12
工作单位 Working unit	中兴华会计师事务所（特殊普通合伙）江苏分所
身份证号码 Identity card No.	32048119930612482X

中兴华会计师事务所（特殊普通合伙）
1101020173689

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：110001670513
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 12 月 30 日
Date of Issuance　y　m　d

年　月　日
y　m　d

Dan Yang Investment Group Co., Ltd.

Audit Report

00002022040082346023
Report file no.: Zhongxinghua Audit [2022] no. 020625

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Dan Yang Investment Group Co., Ltd.

2021 Consolidated & Parent Company Financial Statement

Auditor's Report

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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

Postcode: 100073

Contents

I. Audit Report

II. Audit Report Attachment

1. Consolidated Balance Sheet

2. Consolidated Income Statement

3. Consolidated Cash Flow Statement

4. Consolidated Owner's Equity Change Statement

5. Parent Company Balance Sheet

6. Parent Company Income Statement

7. Cash Flow Statement of Parent Company

8. Owner's Equity Change Statement of Parent Company

9. Notes on Financial Statement

III. Audit Report Annex

1. Zhongxinghua Certified Public Accountants LLP Business License Copy

2. Zhongxinghua Certified Public Accountants LLP Practice Certificate Copy

3. Zhongxinghua Certified Public Accountants LLP Securities & Futures Business Permit Copy

4. Certified Public Accountants Practice Certificate Copy

Audit Report

Zhongxinghua Audit (2022) No.020625

All shareholders of Danyang Investment Group Co., Ltd.:

I. Audit opinions

We have audited the financial statement of Danyang Investment Group Co., Ltd (hereinafter referred to as "Dan Investment Group"), including Consolidated & Parent Company Balance Sheet as of 31 December 2021, Consolidated & Parent Company Income Statement, Consolidated & Parent Company Cash Flow Statement, Consolidated & Parent Company Owner's Equity Change Statement and relevant Financial Statement Notes in 2021.

We deem that the attached financial statements are formulated in all material respects in accordance with the enterprise accounting standards, which fairly reflects the financial status of the merger and parent company of Dantou Group as of 31 December 2021, and the operating results and cash flow in 2021 of the merger and 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 from Dantou 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 is responsible for preparing the financial statements in accordance with the Accounting Standards for Business Enterprises and presenting them fairly; designing, implementing and maintaining necessary internal control so that there isn't any material misstatement in the financial statements due to fraud or error.

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

The governance level is responsible for supervising the financial report process of Dantou 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:

(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 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 Dantou 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 Dantou Group 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 evidences on the financial information of Dantou Group'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.

(No text below, as the signature and seal page for the 2021 Audit Report of Dan Investment Group.)

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Beijing, China

Chinese CPA:

Chinese CPA:

21 April 2022

CONSOLIDATED BALANCE SHEET

31 December 2021

Prepared by: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Note VI	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand	1	1,588,263,939.13	5,081,509,857.45	5,081,509,857.45
Financial assets held for trading	2	90,621,085.00	544,269,892.10	Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss	3	Inapplicable	Inapplicable	10,463.20
Derivative financial assets				
Notes receivable	4	15,838,098.56	2,834,590.59	30,952,183.21
Accounts receivable	5	1,425,285,310.62	1,100,520,665.92	1,100,520,665.92
Receivables financing	6	18,185,644.02	28,117,592.62	Inapplicable
Advances to suppliers	7	837,417,118.76	829,187,834.60	829,187,834.60
Other receivables	8	7,168,117,379.56	6,611,947,484.37	6,611,947,484.37
Inventory	9	35,113,945,712.01	34,216,846,670.07	34,216,846,670.07
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year				
Other current assets	10	27,044,273.59	24,576,703.38	568,836,132.28
Total current assets		46,284,718,561.45	48,439,811,291.10	48,439,811,291.10
Non-current assets				
Creditor's rights investment	11	255,141,912.83	255,141,912.83	Inapplicable
Available for sale financial assets	12	Inapplicable	Inapplicable	2,958,948,788.07
Other debt investments				Inapplicable
Held to maturity investments	13	Inapplicable	Inapplicable	255,141,912.83
Long-term receivables	14	86,200,000.00	15,000,000.00	15,000,000.00
Long-term equity investments	15	137,658,205.32	128,984,631.87	128,984,631.87
Other equity instrument investments	16	34,239,871.32	20,000,000.00	Inapplicable
Other non-current financial assets	17	2,816,547,860.11	2,993,674,952.07	Inapplicable
Investment properties	18	6,995,586.31	7,403,311.09	7,403,311.09
Fixed assets	19	10,419,597,895.64	10,191,959,433.85	10,191,959,433.85
Construction in progress	20	12,269,650,178.30	12,456,206,046.36	12,456,206,046.36
Bearer biological assets				
Oil and gas assets				
Right-of-use assets	21	649,977.34	725,869.92	Inapplicable
Intangible assets	22	465,785,655.58	485,977,047.46	485,977,047.46
Development expenditure				
Goodwill	23	225,927,585.07	274,863,185.80	274,863,185.80
Long-term prepaid expense	24	93,005,811.58	171,323,176.96	171,323,176.96
Deferred tax assets	25	237,561,403.13	211,024,375.73	211,024,375.73
Other non-current assets	26	363,113,660.98	340,874,398.50	305,800,562.50
Total non-current assets		27,414,269,713.51	27,463,358,342.44	27,462,632,472.52
Total assets		73,698,988,274.96	75,903,169,633.54	75,902,443,763.62

(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: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Note VI	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings	27	1,908,259,241.84	2,366,578,564.86	2,354,505,191.46
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	28	210,000,000.00	662,900,000.00	662,900,000.00
Trade payables	29	291,667,892.15	583,622,526.76	583,622,526.76
Advances from customers	30	2,088,154.08	444,517.11	1,195,862,616.64
Employee benefits payable	31	33,268,209.18	29,669,781.64	29,669,781.64
Contract liabilities	32	2,664,868,921.52	1,219,182,126.31	Inapplicable
Taxes payable	33	466,171,900.98	406,815,698.69	406,815,698.69
Other payables	34	5,292,766,416.29	8,005,697,207.63	8,213,718,207.86
Liabilities held for sale				
Non-current liabilities due within one year	35	7,986,118,081.05	3,915,268,762.83	3,766,990,479.33
Other current liabilities	36	1,761,061,836.68	3,196,252,178.08	3,136,235,378.08
Total current liabilities		**20,616,270,653.77**	**20,356,431,364.31**	**20,332,319,880.66**
Non-current liabilities:				
Long-term borrowing	37	6,546,438,600.00	8,010,558,600.00	8,010,558,600.00
Bonds payable	38	4,190,665,374.47	6,178,576,197.71	6,178,576,197.71
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities	39	98,009.57	378,413.05	Inapplicable
Long-term payables	40	1,724,415,016.02	739,290,721.15	739,290,721.15
Long-term employee remuneration payable				
Provisions				
Deferred incomes	41	128,040,932.11	30,857,533.68	173,070,153.00
Deferred tax liabilities	25	3,674,694.33	130,968.32	130,968.32
Other non-current liabilities	42	142,212,619.12	118,448,592.34	
Total non-current liabilities		**12,735,541,843.62**	**15,078,241,026.45**	**15,101,626,640.18**
Total liabilities		**33,351,812,199.39**	**35,434,672,390.76**	**35,433,946,520.84**
Owner's equity:				
Paid-in capital	43	200,000,000.00	200,000,000.00	200,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve	44	32,178,793,046.84	32,450,322,969.02	32,450,322,969.02
Less: treasury stock				
Other comprehensive income	45	-2,540,093.12	-3,016,105.63	-3,016,105.63
Special reserve				
Surplus reserve	46	317,983,794.82	317,983,794.82	317,983,794.82
Undistributed profits	47	6,136,183,491.23	5,824,575,614.72	5,824,575,614.72
Total owners' equity attributable to the parent		38,832,420,239.57	38,789,866,272.83	38,789,866,272.83
Minority shareholder's equity		1,514,755,836.00	1,678,630,969.95	1,678,630,969.95
Total owners' equity		**40,347,176,075.57**	**40,468,497,242.78**	**40,468,497,242.78**
Total liabilities and owners' equity		**73,698,988,274.96**	**75,903,169,633.54**	**75,902,443,763.62**

(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: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Note VI	Amount this year	Amount last year
I. Total operating incomes	48	5,384,444,514.55	4,061,503,607.61
Of which: Operating revenue	48	5,384,444,514.55	4,061,503,607.61
II. Total operating costs		5,426,119,942.90	4,336,918,363.23
Of which: Operating costs	48	4,513,288,538.76	3,369,295,085.64
Taxes and surcharges	49	105,282,490.99	134,005,991.34
Selling expenses		83,586,069.25	52,004,629.73
Administrative expenses		439,568,261.36	456,915,509.46
R&D expenses	50	47,269,282.40	41,473,493.52
Financial expenses	51	263,129,298.84	281,224,673.34
Including: Interest expense	51	796,946,405.54	725,203,868.62
Interest incomes	51	534,217,096.50	495,370,898.09
Add: other incomes	52	395,449,509.12	374,249,227.52
Investment income (losses expressed with "-")	53	105,998,918.25	154,057,489.44
Of which: Investment income from associates and joint ventures	53	-12,456,072.22	-11,143,172.18
Derecognized incomes of financial assets measured at amortized cost			
Net exposure hedging gains (losses marked with "-")			
Fair value change incomes (losses marked with "-")	54		3,397.54
Credit impairment losses (losses marked with "-")	55	-32,013,841.82	
Asset impairment losses (losses marked with "-")	56	-64,267,935.81	-264,058,272.57
Gains on disposal of assets (losses expressed with "-")	57	1,171,943.04	55,511,657.13
III. Operating profits (losses marked with "-")		314,663,562.86	24,347,943.44
Add: non-operating income	58	17,477,449.88	30,447,141.57
Less: Non-operating expenses	59	30,721,578.95	17,933,639.70
IV. Total profits (total losses marked with "-")		301,419,533.79	36,861,445.31
Less: Income tax expenses	60	-11,346,502.24	-82,508,622.16
V. Net profits (net losses marked with "-")		312,766,036.03	119,370,067.47
(I) Classified by business continuity:			
1. Net profits from sustainable operation (net losses marked with "-")		312,766,036.03	119,370,067.47
2. Net profits from discontinued operation (net losses marked with "-")		0.00	
(II) Classified by ownership:			
1. Net profits attributable to parent company shareholders (net losses marked with "-")		413,414,514.55	491,586,203.77
2. Minority shareholders' profits and losses (net losses marked with "-")		-100,648,478.52	-372,216,136.30
VI. After-tax net amount of other comprehensive incomes		476,012.41	-3,734,039.90
(I) Net other comprehensive incomes after tax attributable to owners of parent company		476,012.41	-3,734,039.90
1. Other comprehensive incomes not to be reclassified into profits and losses		2,112,279.66	
(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		2,112,279.66	Inapplicable
(4) Fair value changes of corporate credit risks			Inapplicable
(5) Others			
2. Other comprehensive incomes to be reclassified into profits and losses		-1,636,267.25	-3,734,039.90
(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		-1,636,267.25	-3,734,039.90
(9) Others			
(II) Net other comprehensive incomes after tax attributable to minority shareholders			
VII. Total comprehensive incomes		313,242,048.44	115,636,027.57
(I) Total comprehensive incomes attributable to owners of parent company		413,890,526.96	487,852,163.87
(II) Total comprehensive incomes attributable to minority shareholders		-100,648,478.52	-372,216,136.30

(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: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Note VI	Amount this year	Amount last year
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		6,570,681,528.51	3,276,545,323.18
Tax refunds received		4,378,618.87	608,563.61
Other cash received related to operating activities		4,440,687,185.15	4,252,153,877.10
Subtotal cash inflow from operating activities		**11,015,747,332.53**	**7,529,307,763.89**
Cash paid to buy goods and receive labor service		5,189,956,349.15	2,449,966,876.61
Cash paid to and for employees		473,854,407.50	416,397,990.32
Taxes paid		179,488,901.42	116,912,531.24
Other cash paid to operating-related activities		2,906,561,127.24	2,500,016,660.07
Subtotal cash outflow from operating activities		**8,749,860,785.31**	**5,483,294,056.24**
Net cash flow from operating activities	61	**2,265,886,547.22**	**2,046,013,705.65**
II. Cash flow from investing activities			
Cash received from investment withdrawal		751,755,279.59	927,843,678.32
Cash received from investment income		99,186,926.62	148,146,126.41
Net cash received from disposal of fixed assets, intangible assets and other long-term investments		7,377,640.25	21,576,661.04
Net cash received from disposal of subsidiaries and other business units			
Other cash received from investing activities		15,364,893.85	2,845,736.35
Subtotal cash inflow from investing activities		**873,684,740.31**	**1,100,412,202.12**
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		1,025,203,012.90	1,117,751,789.95
Cash paid for investment		259,516,364.91	1,299,879,388.26
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities			36,525,218.34
Subtotal cash outflow from investing activities		**1,284,719,377.81**	**2,454,156,396.55**
Net cash flow from investment activities		**-411,034,637.50**	**-1,353,744,194.43**
III. Cash flow from financing activities:			
Cash received from absorbing investments		106,000,000.00	103,000,000.00
Of which: cash received from absorbing investments from minority shareholders by the subsidiary			103,000,000.00
Cash received from borrowings		11,554,300,000.00	11,647,757,425.00
Other cash received from financing-related activities		3,590,331,702.80	6,866,828,148.28
Subtotal of cash inflow from financing activities		**15,250,631,702.80**	**18,617,585,573.28**
Cash paid for repayment of debt		11,829,476,713.71	11,547,767,964.31
Cash paid for distributing dividends, profits or settling interests		3,758,052,401.05	3,753,714,125.71
Of which: dividends and profits paid to minority shareholders by the subsidiary			
Other cash paid to financing-related activities		2,773,405,086.68	2,919,579,139.07
Subtotal cash outflow from financing activities		**18,360,934,201.44**	**18,221,061,229.09**
Net cash flow from financing activities		**-3,110,302,498.64**	**396,524,344.19**
IV. Influence of exchange rate changes to cash and cash equivalents		-1,557,746.77	-7,353,393.16
V. Net increase in cash and cash equivalents		-1,257,008,335.69	1,081,440,462.25
Add: opening balance of cash and cash equivalents		2,330,613,774.82	1,249,173,312.57
VI. Closing balance of cash and cash equivalents		**1,073,605,439.13**	**2,330,613,774.82**

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

Legal representative: 洪锋 Accounting director: 陈泽 Accounting firm director: 陈泽

Consolidated Owner's Equity Change Statement

the year 2021

Prepared by: Danyang Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Amount this year												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owners' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preference shares	Perpetual debts	Other									
I. Balance at the end of last year	200,000,000.00				32,450,322,969.02		-3,016,106.53		317,963,794.62	5,824,575,814.72	38,769,866,272.83	1,676,530,969.95	40,469,497,242.78
Plus: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	200,000,000.00				32,450,322,969.02		-3,016,106.53		317,963,794.62	5,824,575,814.72	38,769,866,272.83	1,676,530,969.95	40,469,497,242.78
III. Increased or decreased amount in the current period (decrease marked with "-")					-271,529,922.18		476,012.41			313,607,878.51	42,563,968.74	-163,878,139.86	-124,321,187.31
(I) Total comprehensive income							476,012.41			413,434,514.56	413,910,526.96	-109,648,476.52	313,262,846.44
(II) Capital increase or decrease from the owner					-271,529,922.18					71,486,636.04	-200,043,286.14	-53,229,663.43	-336,243,215.65
1. Invested capital by the owner					40,000,000.00						40,000,000.00		40,000,000.00
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others					-311,529,922.18					71,486,636.04	-311,016,568.22	-53,229,655.43	-376,243,215.65
(III) Profit distribution										-99,320,000.00	-99,320,000.00		-99,320,000.00
1. Withdrawal of the surplus reserves													
2. Withdrawal of the general risk reserves													
3. Distribution to owners										-99,320,000.00	-99,320,000.00		-99,320,000.00
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				32,178,793,046.84		-2,540,093.12		317,963,794.62	6,138,183,491.23	38,832,420,238.57	1,514,795,636.80	40,347,178,075.57

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

Legal representative: 洪锋 321181197704?

Accounting leader: 陈泽印

Accounting firm director: 陈泽印

Consolidated Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Amount last year												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owners' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preference shares	Perpetual debts	Other									
I. Balance at the end of last year	200,000,000.00				32,294,670,365.10		717,934.37		317,983,784.62	5,436,030,855.68	38,249,403,049.77	1,946,272,319.23	40,195,675,369.00
Plus: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	200,000,000.00				32,294,670,365.10		717,934.37		317,983,784.62	5,436,030,855.68	38,249,403,049.77	1,946,272,319.23	40,195,675,369.00
III. Increased or decreased amount in the current period (decrease marked with "-")					155,652,603.92		-3,734,039.90			388,544,859.04	540,463,223.06	-267,641,349.28	272,821,873.78
(I) Total comprehensive incomes							-3,734,039.90			491,886,203.77	487,852,163.87	-372,216,136.30	115,636,027.57
(II) Capital increase or decrease from the owner					155,652,603.92						155,652,603.92	104,574,787.02	260,227,390.94
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					155,652,603.92						155,652,603.92	104,574,787.02	260,227,390.94
(III) Profit distribution										-103,430,000.00	-103,430,000.00		-103,430,000.00
1. Withdrawal of the surplus reserves													
2. Withdrawal of the general risk reserves													
3. Distribution to owners										-103,430,000.00	-103,430,000.00		-103,430,000.00
4. Others													
(IV) Internal transfer of shareholders' equity										388,455.27	388,455.27		388,455.27
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										388,455.27	388,455.27		388,455.27
(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				32,450,322,969.02		-3,016,105.53		317,983,784.62	5,824,575,614.72	38,789,866,272.83	1,678,630,969.95	40,468,497,242.78

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

Legal representative: 洪锋 321181197704?

Accounting leader: 陈泽印

Accounting firm director: 陈泽印

Balance Sheet

31 December 2021

Prepared by: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Note XIII	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand		517,127,993.40	2,357,500,240.72	2,357,500,240.72
Financial assets held for trading			206,809,428.90	Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	
Derivative financial assets				
Notes receivable				12,520,000.00
Accounts receivable	1	385,913,647.35		
Receivables financing		3,766,165.02	12,520,000.00	Inapplicable
Advances to suppliers		596,005,894.56	681,424,535.56	681,424,535.56
Other receivables	2	8,646,535,021.23	7,190,930,562.33	7,190,930,562.33
Inventory		34,359,001,178.44	33,404,741,922.84	33,404,741,922.84
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year				
Other current assets				206,809,428.90
Total current assets		**44,408,349,900.00**	**43,853,926,690.35**	**43,853,926,690.35**
Non-current assets				
Creditor's rights investment				Inapplicable
Available for sale financial assets		Inapplicable	Inapplicable	2,074,391,683.50
Other debt investments				Inapplicable
Held to maturity investments		Inapplicable	Inapplicable	
Long-term receivables		42,700,000.00	15,000,000.00	15,000,000.00
Long-term equity investments	3	2,631,673,213.24	2,555,865,225.60	2,555,865,225.60
Other equity instrument investments				Inapplicable
Other non-current financial assets		2,030,382,762.55	2,050,950,847.50	Inapplicable
Investment properties				
Fixed assets		7,596,600,905.34	7,299,682,721.04	7,299,682,721.04
Construction in progress		11,844,976,004.83	11,973,220,294.42	11,973,220,294.42
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets		1,433,100.06	726,923.41	726,923.41
Development expenditure				
Goodwill				
Long-term prepaid expense				
Deferred tax assets		18,214,232.89	11,437,643.92	11,437,643.92
Other non-current assets		9,876,836.00	23,440,835.00	
Total non-current assets		**24,177,857,054.91**	**23,930,324,492.09**	**23,930,324,492.09**
Total assets		**68,586,206,954.91**	**67,784,251,182.44**	**67,784,251,182.44**

(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: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Note XIII	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings		79,224,761.39	49,900,000.00	49,900,000.00
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				
Trade payables		8,614,681.08	229,353,507.98	229,353,507.98
Advances from customers		1,393,654.00		1,086,661,527.00
Contract liabilities		2,569,617,000.00	1,086,661,527.00	Inapplicable
Employee benefits payable		1,040,400.00	998,957.44	998,957.44
Taxes payable		415,847,421.90	328,503,847.38	328,503,847.38
Other payables		11,698,074,436.27	12,351,133,813.24	12,543,312,113.24
Liabilities held for sale				
Non-current liabilities due within one year		4,772,527,434.41	2,784,624,833.33	2,650,463,333.33
Other current liabilities		1,756,825,300.00	3,130,000,000.00	3,130,000,000.00
Total current liabilities		21,303,265,089.05	20,019,193,286.37	20,019,193,286.37
Non-current liabilities:				
Long-term borrowing		3,783,613,600.00	4,968,573,600.00	4,968,573,600.00
Bonds payable		4,190,686,374.47	4,384,228,697.71	4,384,228,697.71
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables		520,100,665.03	158,600,000.01	158,600,000.01
Long-term employee remuneration payable				
Provisions				
Deferred incomes				
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		8,494,379,639.50	9,511,402,297.72	9,511,402,297.72
Total liabilities		29,797,644,728.55	29,530,595,584.09	29,530,595,584.09
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		31,296,903,887.70	31,256,903,887.70	31,256,903,887.70
Less: treasury stock				
Other comprehensive income				
Special reserve				
Surplus reserve		317,983,794.62	317,983,794.62	317,983,794.62
Undistributed profits		6,973,674,544.04	6,478,767,916.03	6,478,767,916.03
Total owners' equity		38,788,562,226.36	38,253,655,598.35	38,253,655,598.35
Total liabilities and owners' equity		68,586,206,954.91	67,784,251,182.44	67,784,251,182.44

(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: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Note XIII	Amount this year	Amount last year
I. Operating income	4	2,595,885,444.12	1,904,346,973.68
Less: operating costs	4	2,036,168,943.61	1,356,507,846.98
Taxes and surcharges		64,279,171.14	101,834,327.55
Selling expenses		901,206.29	933,700.94
Administrative expenses		80,894,161.67	59,476,421.16
R&D expenses			
Financial expenses		207,164,469.32	202,005,547.65
Including: Interest expense		755,333,088.84	676,706,563.09
Interest incomes		548,883,663.35	474,561,742.78
Add: other incomes		327,761,890.63	364,592,260.34
Investment income (losses expressed with "-")	5	61,881,274.68	110,721,014.47
Of which: Investment income from associates and joint ventures		-192,012.56	-1,103,466.24
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 "-")		-27,108,355.88	
Asset impairment losses (losses marked with "-")			-28,355,935.50
Gains on disposal of assets (losses expressed with "-")			-182,408.91
II. Operating profits (losses marked with "-")		589,024,304.52	630,564,958.80
Add: non-operating income		70,640.02	294,926.95
Less: Non-operating expenses		2,644,914.50	9,448,172.23
III. Total profits (total losses marked with "-")		586,450,039.04	621,410,816.52
Less: income tax expenses		-6,778,588.97	-7,088,983.88
IV. Net profits (net losses marked with "-")		593,228,628.01	628,499,800.40
(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			
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		593,228,628.01	628,499,800.40

(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: Danyang Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Note XIII	Amount this year	Amount last year
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		3,570,423,180.83	1,301,357,458.61
Tax refunds received			
Other cash received related to operating activities		4,229,699,780.95	3,394,343,232.54
Subtotal cash inflow from operating activities		**7,800,122,961.78**	**4,695,700,691.15**
Cash paid to buy goods and receive labor service		3,107,760,690.02	836,961,547.57
Cash paid to and for employees		23,714,418.42	18,985,265.07
Taxes paid		17,296,482.79	53,050,707.57
Other cash paid to operating-related activities		173,979,850.55	1,738,148,774.53
Subtotal cash outflow from operating activities		**3,322,751,441.78**	**2,647,146,294.74**
Net cash flow from operating activities		**4,477,371,520.00**	**2,048,554,396.41**
II. Cash flow from investing activities			
Cash received from investment withdrawal		291,377,513.85	187,471,425.00
Cash received from investment income		67,171,207.24	113,804,930.96
Net cash received from disposal of fixed assets, intangible assets and other long-term investments			220,800.00
Other cash received from investing activities			
Subtotal cash inflow from investing activities		**358,548,721.09**	**301,497,155.96**
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		823,516,595.82	1,064,827,422.38
Cash paid for investment		64,000,000.00	735,809,433.90
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		**887,516,595.82**	**1,800,636,856.28**
Net cash flow from investment activities		**-528,967,874.73**	**-1,499,139,700.32**
III. Cash flow from financing activities:			
Cash received from absorbing investments		40,000,000.00	
Cash received from borrowings		6,152,500,000.00	8,255,390,000.00
Other cash received from financing-related activities		2,115,315,950.00	5,261,529,750.00
Subtotal of cash inflow from financing activities		**8,307,815,950.00**	**13,516,919,750.00**
Cash paid for repayment of debt		6,943,063,333.32	8,229,725,906.66
Cash paid for distributing dividends, profits or settling interests		3,624,076,559.27	3,569,466,174.54
Other cash paid to financing-related activities		2,652,200,000.00	1,698,781,700.00
Subtotal cash outflow from financing activities		**13,219,339,892.59**	**13,497,973,781.20**
Net cash flow from financing activities		**-4,911,523,942.59**	**18,945,968.80**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents		-963,120,297.32	568,360,664.89
Add: opening balance of cash and cash equivalents		1,286,158,290.72	717,797,625.83
VI. Closing balance of cash and cash equivalents		**323,037,993.40**	**1,286,158,290.72**

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

Legal representative: 洪锋 321181077047

Accounting director: 陈泽 洪印

Accounting firm director: 陈泽 洪印

Owner's Equity Change Statement

the year 2021

Prepared by: Danyang Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Amount this year										
	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	200,000,000.00				31,256,903,887.70				317,983,794.62	6,478,767,916.03	**38,253,655,598.35**
Plus: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	200,000,000.00				31,256,903,887.70				317,983,794.62	6,478,767,916.03	**38,253,655,598.35**
III. Increased or decreased amount in the current period (decrease marked with "-")					40,000,000.00					494,906,628.01	**534,906,628.01**
(I) Total comprehensive incomes										593,226,628.01	**593,226,628.01**
(II) Capital increase or decrease from the owner					40,000,000.00						**40,000,000.00**
1. Invested capital by the owner					40,000,000.00						**40,000,000.00**
2. Other equity instruments owner invested capital											
3. Amount of stock payment included in owner's equity											
4. Others											
(III) Profit distribution										-98,320,000.00	**-98,320,000.00**
1. Withdrawal of the surplus reserves											
2. Withdrawal of the general risk reserves											
3. Distribution to owners										-98,320,000.00	**-98,320,000.00**
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				31,296,903,887.70				317,983,794.62	6,973,674,544.04	**38,788,562,226.36**

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

Legal representative 洪锋

Accounting leader: 陈泽

Accounting firm director:

Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Danyang Investment Group Co., Ltd. Amount Unit: RMB yuan

Items	Amount last year										
	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	200,000,000.00				31,106,418,523.53				317,983,794.62	5,953,898,115.63	37,578,180,433.78
Plus: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	200,000,000.00				31,106,418,523.53				317,983,794.62	5,953,898,115.63	37,578,180,433.78
III. Increased or decreased amount in the current period (decrease marked with "-")					150,485,364.17					525,068,800.40	675,554,164.57
(I) Total comprehensive income										628,498,800.40	628,498,800.40
(II) Capital increase or decrease from the owner					150,485,364.17						150,485,364.17
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					150,485,364.17						150,485,364.17
(III) Profit distribution										-103,430,000.00	-103,430,000.00
1. Withdrawal of the surplus reserves											
2. Withdrawal of the general risk reserves											
3. Distribution to owners										-103,430,000.00	-103,430,000.00
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				31,256,903,887.70				317,983,794.62	6,478,757,916.03	38,253,655,598.35

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

Legal representative: 洪锋 32118110770047

Accounting leader: 陈泽 洪印

Accounting firm director: 陈泽 洪印

Danyang Investment Group Co., Ltd.

2021 Financial Statement Notes

(Unless otherwise specified, the amount unit is RMB)

I. Company profile

(I) Company Profile

Danyang Investment Group Co., Ltd. (hereinafter referred to as "company" or "the company") formerly known as Danyang Urban Construction Investment Corporation, was approved for establishment by Danyang Municipal People's Government Document Danzhengfa [2004] No.3 on 30 January 2004, and obtained the Business Institution Legal Entity Certificate No.132118100630 issued by the Danyang Municipal Administration for Registration of Business Institutions. The organizer is the Danyang Municipal People's Government.

On 4 April 2005, Danyang Municipal People's Government Document Danzhengfa [2005] No.46 approved to rename as Danyang Urban Construction Transportation Investment Corporation.

On 28 November 2007, it was changed to a limited company upon the approval of Danyang Finance Bureau Document Dan Finance [2007] No.170, with shareholder Danyang State-owned Assets Management Co., Ltd, and obtained the Business License for Enterprise as Legal Person issued by Danyang Administration for Industry and Commerce on 28 November 2007. After the integration of three certificates in 2016, the unified social credit code was: 91321181669640472N.

On 16 November 2009, it was renamed as Danyang Investment Group Co., Ltd.

On 15 September 2017, the company's shareholder was changed to Danyang Municipal People's Government State-owned Assets Supervision and Management Office.

Enterprise type: limited liability company (solely-funded by legal person, invested or controlled by non-natural person)

Registered address: No.999 Qiliang Road, Development Zone, Danyang City

Legal representative: Hong Feng

Registered capital: RMB 200 million

Operation term until: 28 November 2058

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

The company is an urban investment enterprise, with main business scope: state-owned land asset investment and development (entrusted by the municipal government), investment in urban infrastructure, old city reconstruction, demolition project, preliminary land development and arrangement, capital and asset management (entrusted by the municipal government), project investment, project management, state-owned housing operational lease (entrusted by the municipal government), water conservancy facility investment, construction, property management and information consultation (financial services such as public deposit absorption, investment guarantee, fund pool establishment, financial management agent, etc are prohibited).

(III) Name of parent company and group headquarter

The sole investor and ultimate controller of the company is the Danyang Municipal People's Government State-owned Assets Supervision and Management Office.

The company sets a total of 12 departments, including Finance Department, Financing Department I, Financing Department II, Project Management Department, Investment Department, Risk Control Department, Audit Department, Asset Operation Management Department, Property Ownership Management Department, Bidding Management Office, Party & Mass Discipline Inspection Department and General Office.

As of the end of December 2021, the company had 17 first-level subsidiaries (Jiangsu Danhua Group Co., Ltd, Danyang Danjian Rehabilitation Nursing Center Co., Ltd, Fengmei International Investment Co., Ltd, Danyang Hongding Outdoor Media Service Co., Ltd, Zhenjiang Yitongda Cross-border Trade Service Co., Ltd, Danyang Tiansheng New City Construction Investment Development Co., Ltd, Danyang Tianrun Asset Management Co., Ltd, Danyang Fangyuan Planning Construction Co., Ltd, Danyang Water Group Co., Ltd, Danyang Agricultural Comprehensive Development Co., Ltd, Jiangsu Shengyu Dansheng Venture Capital Co., Ltd, Jiangsu Qiliang Cultural Tourism Development Co., Ltd, Danyang New Rural Construction Development Co., Ltd, Danyang Dansheng Logistics Industry Development Co., Ltd, Danyang Lianhu Ecological New District Investment Development Co., Ltd, Danyang Tianxin Venture Capital Management Co., Ltd (newly added in 2021) and Danyang Public Utility Industry Development Co., Ltd (newly added in 2021)). The former Danyang Lianhu Ecotourism Construction Development Co., Ltd was cancelled in 2021.

The company sets up a board of directors which manages and controls major decision-making and daily task implementation of the group company.

(IV) Approval of financial report

This financial statement was reported on 21 April 2022, upon approval by the Board of Directors of the company.

(V) Scope of consolidated statement

For changes of the consolidated financial statement scope in the current period, please refer to Note VII "Changes of consolidation scope" and Note VIII "Equity in other entities".

II. Preparation basis of the financial statements

1. Preparation basis

The company prepares financial statements pursuant 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 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 are computed on the basis of historical costs. 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

The company and its subsidiaries are engaged in production and operation. Considering the characteristics of actual production and operation, as well as the accounting standards for relevant enterprises, the company and its subsidiaries have established certain specific accounting policies and accounting estimates for transactions and events, such as determination of revenues or the completed percentage of construction contracts. For details, please refer to Note IV. 28 Descriptions of "income". For the description on major accounting judgments and estimates made by the management level, please refer to Note IV 33 "Other major accounting policies and accounting 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.

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

The company and its domestic subsidiaries use RMB as the accounting standard currency and their currency in main economic environment. The currency used by the company in preparing the financial statement is RMB.

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 combing 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. 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 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 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. 15 "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 15 (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 15 (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, the same below), 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;②exchange difference of hedging instrument used for effective net overseas operation investment hedging (such difference is included in other comprehensive income, and recognized as current profits and losses until net investment is disposed); and ③ 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 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 Profit Statement are converted by using the current average 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 entirely 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

Due to change of holding intention or ability, or fair value not reliably measured, or in accordance with Article 16 of the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments, the held-to-maturity investments are reclassified as available-for-sale financial assets with the term that has exceeded two full fiscal years, so that when the financial assets are no longer suitable for measurement at fair value, the company measures the available-for-sale financial assets at cost or amortized cost. On the reclassification date, the cost or amortized cost of such financial assets is the fair value or book value on that date.

If such financial assets have a fixed maturity date, the gains or losses related to such financial assets and originally included in other comprehensive incomes are amortized by the effective interest rate method during the remaining period of such financial assets, and included in current profits and losses; the difference between amortized cost of such financial assets and amount on the maturity date is

amortized by effective interest rate method during the remaining period of such financial assets, and included in current profits and losses. If such financial assets have no fixed maturity date, the gains or losses originally included in other comprehensive incomes are still retained in the shareholder's equity, transferred out when such financial assets are disposed, and included in current profits and losses.

(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, and the continuous decline period is determined based on continuous decline of fair value more than 6 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

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 entirely 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.

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 Notes receivable and receivables financing

The company believes that the held notes receivable with banks, state-owned enterprises and listed companies of relatively high credit rating as the acceptor have no significant credit risk and loss reserve is not accrued; for notes receivable beyond that, the expected credit loss determination method and accounting treatment method of notes receivable are consistent with the expected credit loss determination method and accounting treatment method of accounts receivable.

Items	Basis of determining the portfolio
Bank acceptance bill	Bank of relatively high credit rating as the acceptor

Items	Basis of determining the portfolio
Commercial acceptance bill	According to credit risk division of the acceptor, it is the same as the division of "accounts receivable" portfolio

The method for determining credit loss of receivables financing is consistent with notes receivable.

② Accounts receivable, contract assets

For receivables excluding significant financing component, the company measures loss provision based on the amount equivalent to expected credit losses throughout the existence period.

For receivables including significant financing component, the company chooses to always measure loss provision based on the amount equivalent to expected credit losses throughout the existence period.

In addition to accounts receivable with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Portfolio determination basis	
Aging portfolio	Receivables with the same aging have similar credit risk
Other combinations	Receivables with government and its relevant entities and departments, related party receivables

③ Other receivables

The company measures impairment loss based on whether the credit risk of other receivables have increased significantly since initial recognition,
by using the amount equivalent to expected credit loss within the next 12 months or in the entire duration. If objective evidence indicates they are credit-impaired, e.g.: other receivables in dispute with the other party or involved in litigation and arbitration, other receivables with obvious indication that the debtor is probably unable to perform repayment obligations, etc., the company regards such other receivables as credit-impaired other receivables and measures loss reserve based on the expected credit loss of an individual instrument in the entire duration. In addition to other receivables with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Portfolio determination basis	
Aging portfolio	Receivables with the same aging have similar credit risk
Other combinations	Current accounts with government and its relevant entities and departments, current accounts of related parties, security deposit

Regarding other receivables of aging portfolio, as a portfolio with similar credit risk characteristics, the company calculates the expected credit loss based on historical actual credit loss rate, and considers economic conditions during the historical data collection period, current economic conditions and prediction of future economic conditions.

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
Rating not downgraded	Bond rating has not been downgraded since initial purchase
Rating downgraded	Bond rating has been downgraded since initial purchase

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
Rating not downgraded	Bond rating has not been downgraded since initial purchase
Rating downgraded	Bond rating has been downgraded since initial purchase

⑧ Long-term receivables (except for receivables including significant financing component and lease 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
Long-term financial leasing security deposit	Security deposit such as long-term financial leasing incurred by corporate financing, regardless of risk
Other long-term current accounts	As to long-term current accounts other than security deposit, impairment risk shall refer to other receivables

The following financial asset impairment accounting policy is applicable to 2020:

Receivables include notes receivable, account receivables and other receivables etc.

(1) Bad debt preparation confirmation standards

The company inspects book value of receivables on the balance sheet date; if the following objective evidences indicate impairment of receivables, provision for impairment is made: ① the debtor has serious financial difficulties; ② the debtor breaches the contract terms (e.g. payment of interest or principal is breach of contract or overdue, etc.); ③ the debtor is likely to close down or conduct other financial restructuring; ④ other objective basis to indicate impairment of receivables.

(2) Bad debt provision method

① The confirmation standard and accrual method of bad debt provision for account receivables with single significant amount and single provision for bad debts

The company recognizes account receivable of RMB 20 million and above as the account receivable with significant amount of single item.

The Company conducts the individual impairment tests on individual significant receivables, and the

individual test financial assets without impairment are included in the financial assets portfolio with similar characteristics of credit risk to perform the impairment tests. The receivables that have been confirmed for impairment losses in individual tests are no longer included in the portfolio of accounts receivable with similar credit risk characteristics for impairment testing.

② The basis to determine the receivables of bad debt provision according to the credit risk portfolio and the method for bad debt provision

A. The basis of determining the combination of credit risk characteristics

The company classifies the financial assets based on the similarity and correlation of credit risk characteristics for receivables with single insignificant and significant amounts without impairment of individual tests. These credit risks reflect generally the ability of the debtor to repay all amounts due according to the contractual terms of the assets, which are related to the measurement of the future cash flows of the assets inspected.

The basis to determine the different combinations:

Items	Basis of determining the portfolio
Aging portfolio	The portfolio is divided with the aging of receivables as credit risk characteristics
Government unit and associated party combination	A combination with the trading object and credit as credit risk characteristic

B. Bad debt provision method based on credit risk feature combination

When the impairment test is conducted in a combined manner, the amount of bad debts provision is determined on the basis of the loss assessment existing in the portfolio of historical loss experience, current economic conditions and expected receivables according to the portfolio structure of accounts receivable and similar credit risk characteristics (ability of the debtor to repay arrears according to the terms of the contract).

Different types of accruals for provision of bad debts:

Items	Withdrawal method
Aging portfolio	Bad debt provision according to aging analysis method
Government unit and associated party combination	No provision for bad debts

In the portfolio, the provision method of bad debt with the aging analysis method to calculate

Aging	Accounts receivable ratio (%)	Accrual ratio of other receivables (%)
Within 1 year (including 1 year, the same below)	1	5
1-2 years	1	5
2-3 years	1	5
over 3 years	100	100

③ Receivables with individual insignificant amounts and single provision for bad debts

For the accounts receivable with single insignificant amount but the following characteristics, the company shall perform impairment test separately: if objective evidence shows occurrence of impairment, impairment losses are recognized as per the difference of the future cash flow present value lower than

the book value, and provision for bad debts of receivables from associated parties is made; there are accounts receivable in dispute with the other party or involved in litigation and arbitration; obvious indication shows the debtor is probably unable to perform repayment obligations for accounts receivable.

(3) Reversal of bad debt provision

If objective evidence shows the value of such receivables has been recovered and it is objectively related to the matters occurred after the loss has been recognized, the previously recognized impairment losses are reversed and charged to the current profits and losses. However, the book value after the reversal does not exceed the assumed amortized cost of such receivables on the reversal date without provision for impairment.

If the company transfers the receivables to the financial institution without recourse, the difference between the transaction amount after deducting the book value of the receivables that have been written off and the related tax expenses should be recorded in the current profit or loss.

11. Receivables financing

Notes 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 production costs, material procurements, raw materials, low-value consumables, land and development costs, engineering construction, inventory goods, forest assets, 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. In case of acquisition and delivery, the price is weighted according to the weighted average 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. 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.

(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.

13. Contract assets

The contract asset accounting policy 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. Held-for-sale assets and disposal group

If the company recovers its book value mainly through sale (including non-monetary asset exchange with commercial substance, the same below) instead of continuing usage a non-current asset or disposal group, it should be classified as held for sale. The specific criteria are to meet the following conditions at the same time: a non-current asset or disposal group can be sold immediately under current conditions based on the convention of selling such assets or disposal groups in similar transactions; the company has already made a resolution on the sale plan and the purchase promise; the expected sales would be completed within one year. Among them, the disposal group refers to a group of assets that are disposed of as a whole through sale or other means in a transaction, and the liabilities direct related to these assets transferred in the transaction. If the asset group or asset portfolio of disposal group shares the goodwill obtained in enterprise consolidation according to the Accounting Standards for Business Enterprises No.8 – Impairment of assets, such disposal group shall include the goodwill allocated to the disposal group.

When the company measures initially or re-measures the non-current assets and disposal groups held for sale on the balance sheet date, if its book value is higher than the fair value minus the net amount after the sale expenses, the book value should be reduced to the net amount of fair value less costs to sell, the amount to write-down is recognized as asset impairment loss, included in the current profit or loss, and make the provision for impairment of held-for-sale assets at the same time. For the disposal group, the recognized asset impairment losses firstly deducts the book value of goodwill in the disposal group, and then proportionally deducts the book value of all non-current assets in such disposal group as specified in the applicable measurement provisions of the Accounting Standards for Business Enterprises No.42 - Held-for-sale Non-current Assets, Disposal Team & Discontinued Operations (hereinafter referred to as the "Held-for-sale Standards"). If the fair value of the disposal group held for

sale on the follow-up balance sheet day minus the net amount after the sale expense is increased, the amount of the previous write-down should be restored, which is classified for holding the sale and reversed within the amount of impairment loss of assets confirmed by the measurement of non-current assets as held for sale. The reversed amount should be recorded in the current profit or loss, and the book value of various non-current assets should be increased according to the proportion stipulated as the standard held for sale in addition to goodwill in the disposal group; the book value of the goodwill that has been written off, and the confirmed amount of impairment loss of assets of the non-current assets subject to the holding measurement criteria are not allowed to be reversed before classified as held for sale.

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

When the non-current asset or disposal group no longer meets the classification criteria for the held-for-sale category, the company should no longer classify it as a held-for-sale category or remove the non-current assets from the disposal group held for sale. It is calculated as the lower of following two measures: (1) The book value before classified as held for sale is the amount adjusted according to the depreciation, amortization or impairment that should be confirmed if it is assumed not to be classified as held for sale; (2) Recoverable amount.

15. 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 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. 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 long-term equity investment to associated enterprises and joint ventures which had been held by the company prior to first implementation of new accounting standards on 1 January 2010, if there is equity investment debit difference related to such investment, it shall be included in current profits and losses as per the directly amortized amount based on original remaining period.

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.

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.

16. 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.

For the details of impairment test method and withdrawal method of impairment provision of investment real estate, please refer to Note IV. 23 "Long-term asset impairment".

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 m 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.

17. 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

Corporate fixed assets are mainly divided into: houses and buildings, machinery equipment, office and electronic equipment, transportation equipment, municipal engineering facilities, water pipeline facilities, etc.; the depreciation method is subject to straight-line method. According to the nature and usage of various fixed assets, determine the service life and estimated net residual value of fixed assets. And review the service life, estimated net residual value and depreciation method of fixed assets at the end of year, and make the corresponding adjustment, in case of discrepancies from the original estimated number. Apart from fixed assets with depreciation accrued fully and still in use, the company makes provision for depreciation of all fixed assets.

Category	Depreciation method	Estimated service life (year)	Net residual value rate (%)	Yearly depreciation rate (%)
Houses and buildings	Straight-line method	16—40	4/5/10	2.40/2.38/2.25--6.00/5.94/5.63
Machinery equipment	Straight-line method	5—30	4/5/10	3.20/3.17/3.00—19.20/19.00/18.00
Office and electronic devices	Straight-line method	5	4/5/10	19.20/19.00/18.00
Transportation equipment	Straight-line method	5—8	4/5/10	12.00/11.88/11.25—19.20/19.00/18.00
Municipal engineering facility	Straight-line method	16	0	6.25
Water pipeline facility	Straight-line method	20	5	4.75
Other	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. 23 "Long-term Asset Impairment".

(4) 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.

18. Biologic assets

(1) Consumable biological assets

Consumable biological assets refer to biological assets held for sale or harvested as agricultural products in the future, including growing field crops, vegetables, timber forests, and livestock for sale, etc. Consumable biological assets are initially measured at cost. The costs of consumable biological assets with self-cultivation, creation, propagation or breeding are necessary expenditures directly attributable to such assets occurred before harvest of such assets, including borrowing costs eligible for capitalization. Subsequent expenses of consumable biological assets such as maintenance management and feeding expenses after harvest are included in current profits and losses.

When consumable biological assets are harvested or sold, the costs are carried forward as per book value using the weighted average method.

On the balance sheet date, consumable biological assets are measured at the lower of cost and net realizable value, and depreciation reserve of consumable biological assets is calculated and recognized by the method consistent with the recognition of inventory depreciation reserve. If factors affecting impairment have disappeared, the written-down amount shall be recovered and reversed within the original accrued depreciation reserve amount. The reversed amount is included in current profits and losses.

If consumable biological assets change the purpose of use, as productive biological assets, the costs after changing the purpose of use are determined according to book value when changing the purpose of use. If consumable biological assets change the purpose of use, as non-profit biological assets, consider whether impairment has occurred in accordance with the provisions of Accounting Standards for Business Enterprises No.8——Asset Impairment, first make the provision for impairment reserve when impairment occurs, and then determine according to book value after making provision for impairment reserve.

(2) Bearer biological assets

Productive biological assets refer to biological assets held for the purpose of producing agricultural products, providing labor services or lease, including economic forests, fuelwood forests, productive livestock and draught animals, etc. Productive biological assets are initially measured at cost. The costs of productive biological assets with self-creation or propagation are necessary expenditures directly attributable to such assets occurred before reaching the expected production operation purpose, including borrowing costs eligible for capitalization.

For productive biological assets, the depreciation is accrued within service life on a straight-line basis after reaching the expected production operation purpose.

The company reviews the service life, estimated net residual value and depreciation method of

productive biological assets at least at the end of year, and in case of change, it is treated as accounting estimate change.

The difference of disposal income from the sale, inventory loss, death or damage of productive biological assets after deducting the book value and relevant taxes is included in current profits and losses.

The company checks whether there are signs of possible impairment for productive biological assets on each balance sheet date. If there is a sign of impairment for such assets, the recoverable amount is estimated. The estimated recoverable amount of assets is based on individual assets. If the recoverable amount of individual assets is difficult to estimate, the recoverable amount of asset group is determined based on the asset group to which such assets belong. If the recoverable amount of assets is lower than the book value, provision for asset impairment reserve is made according to the difference and included in current profits and losses.

Once the above asset impairment loss is confirmed, it will not be transferred back in the subsequent accounting period.

If productive biological assets change the purpose of use, as consumable biological assets, the costs after changing the purpose of use are determined according to book value when changing the purpose of use; if productive biological assets change the purpose of use, as non-profit biological assets, consider whether impairment has occurred in accordance with the provisions of Accounting Standards for Business Enterprises No.8——Asset Impairment, first make the provision for impairment reserve when impairment occurs, and then determine according to book value after making provision for impairment reserve.

(3) Non-profit biological assets

Non-profit biological assets refer to biological assets with main purpose of safeguarding and environmental protection, including shelter forests against wind and for fixing sand, soil and water conservation forests and water source conservation forests. Non-profit biological assets are initially measured at cost. The costs of self-created non-profit biological assets are necessary expenditures directly attributable to such assets occurred before closure of such assets, including borrowing costs eligible for capitalization.

Subsequent expenditures of non-profit biological assets such as maintenance management and feeding expenses after closure are included in current profits and losses.

Non-profit biological assets are subsequently measured at cost. No provision for asset impairment is made for non-profit biological assets.

The difference of disposal income from the sale, inventory loss, death or damage of non-profit biological assets after deducting the book value and relevant taxes is included in current profits and losses.

If non-profit biological assets change the purpose of use, as productive biological assets, the costs after changing the purpose of use are determined according to book value when changing the purpose of use.

19. 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. 23 "Long-term Asset Impairment".

20. 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.

21. 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.

For an intangible asset with limited service life, the original value is amortized averagely and periodically over its estimated service life by using the straight-line method. 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. 23 "Long-term asset impairment".

22. 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 company's long-term deferred expenses mainly include financing lease fees and underwriting fees for issuing bonds. Long-term expenses to be apportioned are amortized on a straight-line basis over the expected benefit period.

23. 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.

24. Contract liabilities

The contract liability accounting policy 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.

25. 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 and unemployment insurance. 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 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.

26. 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. For recombination obligations with partial business sold, its obligations relating to reorganization is recognized only when the company promises to sell partial business (i.e. upon signing of binding sales agreement).

27. Share-based payment

(1) Accounting treatment method of share-based payment

Share-based payment is a transaction in which an enterprise grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employee or other parties. The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

① Equity-settled share-based payment

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. When the service in vesting period is completed or the specified performance conditions are met for exercisable right, based on the best estimate of the quantity of exercisable right equity instruments in vesting period, the fair value amount is included in relevant costs or expenses by straight-line method calculation/in case of immediately exercising the right after granting, it is included in relevant costs or expenses on the grant date, and capital reserve is increased accordingly.

On each balance sheet date during the vesting period, the company makes the best estimate based on the latest information of exercisable right, staff number change and other subsequent information, and modifies the expected number of exercisable right equity instruments. The impact of aforesaid estimates is included in the current relevant costs or expenses, and the capital reserve is adjusted accordingly.

As for equity-settled share-based payment in exchange for other party's service, if the fair value of other party's service can be reliably measured, it is measured as per the fair value of other party's service on the acquisition date; if the fair value of other party's service cannot be reliably measured, but the fair value of equity instruments can be reliably measured, it is measured as per the fair value of equity instruments on the service acquisition date, and included in relevant cost or expense, which increases the shareholder's equity accordingly.

When the fair value of granted equity instruments cannot be reliably measured, it shall be measured as per the inner value of equity instruments on the service acquisition date, subsequent each balance sheet date and settlement date, and the inner value changes are included in current profits and losses.

② Cash-settled share-based payment

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the company. In case of immediately exercising the right after granting, it is included in relevant costs or expenses on the granting date, and liabilities are increased accordingly; if the right may not be exercised until the service in vesting period is completed or the specified performance conditions are met, on each balance sheet date within the vesting period, based on the best estimate of exercisable right status, the service obtained in the current period shall be included in costs or expenses, as per the fair value of liabilities undertaken by the enterprise, and liabilities are increased accordingly.

The company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the current profits and losses.

(2) Relevant accounting treatment of share-based payment plan modification and termination

When the company modifies the share-based payment plan, if the modification increases the fair value of granted equity instruments, the increase of service is recognized according to increased fair value of equity instruments. The increased fair value of equity instruments refers to the difference between fair value of equity instruments on the modification date before and after the modification. If the modification reduces total fair value of share-based payment or adopts other methods unfavorable to employees, accounting treatment will continuously be carried out on the obtained service, and such change is deemed as never occurred, unless the company has canceled a part or all of the granted equity instruments.

During the vesting period, if the granted equity instruments are cancelled, the company makes acceleration of exercisable right on the canceled and granted equity instruments, the amount that shall be recognized in the remaining vesting period will be immediately included in the current profits and losses, and the capital reserve is simultaneously recognized. If employees or other party can choose to meet non-vesting conditions but fails to meet in the vesting period, the company will treat it as cancellation of equity instruments.

(3) Accounting treatment of share-based payment transaction involving the company and its shareholders or actual controllers

For share-based payment transaction involving the company and its shareholders or actual controllers, if either the settlement enterprise or the service-accepting enterprise is inside the company, and the other is outside the company, accounting treatment shall be performed in the consolidated financial statement of the company according to the following regulations:

① If the settlement enterprise settles by its own equity instruments, the share-based payment transaction shall be treated as equity-settled share-based payment; otherwise, it is treated as cash-settled share-based payment.

If the settlement enterprise is an investor of the service-accepting enterprise, it shall recognize long-term equity investment of the service-accepting enterprise as per fair value of equity instruments on the grant date or fair value of liabilities borne, and simultaneously recognize capital reserve (other capital reserves) or liabilities.

② If the service-accepting enterprise has no settlement obligation or grants its own equity instruments to the company employees, such share-based payment transaction shall be treated as equity-settled share-based payment; if the service-accepting enterprise has settlement obligation and does not grant its own equity instruments to the company employees, such share-based payment transaction shall be treated as cash-settled share-based payment.

For share-based payment transaction between enterprises inside the company, if the service-accepting enterprise and the settlement enterprise are not the same enterprise, the recognition and measurement of such share-based payment transaction is treated by the above principle in the respective individual financial statement of the service-accepting enterprise and the settlement enterprise.

28. Incomes

The following accounting policy of income is applicable to 2021 and beyond:

(1) General principle

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.

(2) Specific method

For corporate land transfer business income, the income is recognized according to the settlement price with the company in the state-owned land use right transfer settlement sheet received from Danyang Finance Bureau.

For sales income, sales income is recognized as realization when the company has delivered products to the customer according to the contract and the customer has accepted, statutory ownership of such commodities has been transferred, physical objects have been transferred, main risk in the commodity ownership has been transferred, cargo payment has been collected or charging right voucher is obtained and relevant economic benefits are likely to flow in.

For engineering construction income, the income is recognized when receiving the engineering confirmation report confirmed by the customer or supervision engineering payment sheet.

For royalty income, the income is recognized on an accrual basis according to relevant contracts or agreements.

For rental income, the income is recognized on an accrual basis according to the time and amount agreed in the lease contract.

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 as per the proportion of incurred labor cost to the estimated total cost.

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 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. Contract completion progress is determined according to the percentage of cumulative contract cost actually incurred to estimated total cost of contract/the percentage of completed contract workload to the estimated total workload of contract.

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.

In case of providing build-operate-transfer (BOT) to participate in public infrastructure construction business, the company shall recognize relevant incomes 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 incomes 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.

(5) Interest incomes

It is determined based on the time for other's use of the company monetary assets and actual interest rate.

29. 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.

30. 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) .

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.

31. 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.

32. 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 types of corporate leasing assets are mainly houses and buildings.

① Initial Measurement

On the lease start date, the company recognizes the right to use the leasing assets during the lease term as right-of-use assets, and the present value of unpaid lease payment amount as leasing liabilities. 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 following lease accounting policy was applicable for 2020:

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.

33. Other important accounting policies and accounting estimates

(1) Discontinued operation

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 managing and preparing financial statement: ① this integral part represents an independent main business or a main operating area; ② this integral part is a part of a plan intended to dispose of an independent main business or a main operating area; ③ this integral part is subsidiary acquired solely for resale.

For the accounting treatment method of discontinued operations, please refer to relevant description in Note IV. 14 "Held-for-sale assets and disposal group".

34. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

① 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 on 31 December 2020, the company began to implement the aforesaid new income standards from 1 January 2021. Please refer to Note IV 28 "Income".

For the retained earnings at the beginning of current period of initial execution from adjustment of cumulative impact amount of first execution (i.e. January 1, 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.

The impact under the implementation of new income standards to financial statement on 1 January 2021 is as follows:

Statement item	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Advances from customers	1,195,862,616.64	444,517.11	1,086,661,527.00	
Contract liabilities		1,219,182,126.31		1,086,661,527.00
Other non-current liabilities		118,446,592.34		
Deferred incomes	173,070,153.00	30,857,533.88		

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 on 31 December 2020, the company began to implement the aforesaid new financial instrument standards from 1 January 2021. Please refer to Note IV 9 "Financial instruments" for financial instruments and Note IV 10 "Impairment of financial assets" for impairment of financial assets.

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:

Statement item	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Financial liabilities measured at fair value with changes included in current profit and loss	10,463.20			
Financial assets held for trading		544,269,892.10		206,809,428.90
Notes receivable	30,952,183.21	2,834,590.59	12,520,000.00	
Receivables financing		28,117,592.62		12,520,000.00
Other current assets	568,836,132.26	24,576,703.38	206,809,428.90	
Creditor's rights investment		255,141,912.83		
Available for sale financial assets	2,958,948,788.07		2,074,391,683.50	
Held to maturity investments	255,141,912.83			
Other equity instrument investments		20,000,000.00		
Other non-current financial assets		2,903,874,952.07		2,050,950,847.50
Other non-current assets	305,800,562.50	340,874,398.50		23,440,836.00
Short-term borrowings	2,354,505,191.46	2,356,578,564.86		
Other payables	8,213,718,207.86	8,005,697,207.83	12,643,312,113.24	12,351,133,813.24
Non-current liabilities due within one year	3,766,990,479.33	3,914,921,305.96	2,650,463,333.33	2,784,624,833.33
Other current liabilities	3,138,235,378.08	3,196,252,178.08	3,130,000,000.00	3,188,016,800.00

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"). The company began to implement the aforesaid new lease standards from 1 January 2021, and changed relevant accounting policies according to new lease standards.

According to provisions of new lease standards, for the contracts existed before the first implementation date, the company chose not to reassess whether it was lease or included lease.

The company only chose to adjust cumulative impact number of lease contracts not completed on 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. January 1, 2021), as well as other relevant item amounts of financial statements, the comparable period information is not adjusted.

On the first implementation date of new lease standards (i.e. 1 January 2021), corporate specific connection treatment and the impact is as follows:

A. The company acts as a lessee

For financing lease of the first execution date, the Company as the lessee measures the right-of-use assets and lease liabilities respectively according to original book value of the assets acquired under finance lease and financial lease payable; for operating lease of the first execution date, as the lessee, it measures lease liabilities as per the present value of discounted incremental loan interest rate on the first execution date according to the remaining lease payment amount; the unpaid rental fee payable accrued as per the accrual-basis accounting is included in remaining lease payment amount.

In terms of operating lease prior to the first implementation date, the company makes necessary adjustment and measurement of right-of-use assets as per the amount equivalent to leasing liabilities according to the prepaid rental fee. The company performs impairment test on the right-of-use assets on the first implementation date, without adjusting the book value of right-of-use assets.

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

- The lease that will complete within 12 months after the first execution date is treated as short-term lease;
- When measuring lease liabilities, the leases with similar features follow the same discount rate;
- The measurement of right-of-use assets excludes initial direct cost;
- If there is a renewal option or lease termination option, the company shall determine the lease term according to actual implementation of the option prior to the first implementation date and other latest circumstances;

In case of lease change before the first implementation date, the company shall conduct accounting treatment according to final arrangement of lease change.

B. Main changes and impacts of the implementation of new lease standards are as follows:

Statement item	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Right-of-use assets		725,869.92		
Non-current liabilities due within one year		347,456.87		
Lease liabilities		378,413.05		

(2) Accounting estimate change

The company's important accounting estimates have not changed during this reporting period.

35. Significant Accounting Judgments and Estimates

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 company conducts periodic review on the foregoing judgments, estimates and assumptions on the basis of sustainable operation; if changes in accounting estimates only affect the current period of changes, the affected amount is recognized in the current period of changes; if it affects both current period of changes and future period, the affected amount is recognized in the current period of changes and future period.

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

(1) Income recognition

As stated in Note IV 28 "Income", the company involves the following major accounting judgments and estimates in terms of income recognition: identify customer contracts; estimate recoverability of the consideration that is entitled to obtain due to the transfer of commodities to customers; identify performance obligations in the contract; estimate variable consideration in contract and amount of cumulative recognized income that is most likely not to incur significant reversal when relevant uncertainty is eliminated; whether there is significant financing element in contract; estimate separate sales price of individual performance obligation in contract; determine whether performance obligation is conducted within a certain period of time or at a certain point in time; determine performance progress, etc.

(2) Classification of lease

The following lease-related significant accounting judgement and estimate are applicable to 2021:

① Lease identification

When the Group identifies whether a contract is for lease or contains lease, it must evaluate whether there is an identified asset and the customer has controlled the right of using this asset in a certain period. During evaluation, it is required to consider the nature of asset, substantive right of replacement, and whether the customer has the right to obtain almost all economic benefits arising from the use of this asset during this period and can dominate the use of this asset.

② Lease classification

When the group is the lessor, the lease is classified as operating lease and financial lease. When classifying, the management needs to analyze and judge whether all risks and rewards pertaining to the ownership of rented assets have been transferred to the lessee in substance.

③ Lease liabilities

When the group is the lessee, leasing liabilities are initially measured at the present value of unpaid

lease payment amount on the lease term start date. When measuring the present value of lease payment amount, the company estimates the discount rate used and the lease term of lease contract with lease renewal option right or termination option right. When assessing lease term, the group comprehensively considers all relevant facts and circumstances of economic benefits brought by its exercise of the option, including expected changes in facts and circumstances between lease term start date and option exercise date, etc. Different judgments and estimates may affect the recognition of lease liabilities and right-of-use assets, and will affect the profits and losses of subsequent periods.

The following lease-related significant accounting judgment and estimate are applicable to 2020:

The company classifies lease as operating lease and financing lease pursuant to provisions in the Accounting Standards for Enterprises No.21-Lease; during classification, the executives need to make analysis and judgment on whether all risks and benefits associated with ownership of the leased asset have been substantially transferred to the lessee, or whether the company has substantially assumed all risks and benefits associated with ownership of the leased asset.

(3) Impairment of financial assets

When the company adopts the expected credit loss model to evaluate impairment of financial instruments, the application of expected credit loss model requires major judgments and estimates, and all reasonable and reference information must be considered, including forward-looking information. When making such judgments and estimates, the company infers the expected changes in the debtor's credit risk based on historical data in conjunction with economic policies, macroeconomic indicators, industrial risks, external market environment, technological environment, customer condition changes and other factors.

(4) Inventory falling price reserves

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

(5) Fair value of financial instruments

For the financial instruments unavailable on active trading market, the company determines its fair value through various valuation methods. These valuation methods include discounted cash flow model analysis, etc. During valuation, the Company needs to evaluate future cash flow, credit risks, market volatility and relevance etc., and select appropriate discount rate. Such relevance assumption has uncertainty and its changes may affect fair value of financial instruments. In case of equity instrument investment or publicly quoted contract, the company does not use cost as the best estimate of its fair value.

(6) Provision for long-term asset impairment

The company judges if there is possible sign of impairment on the non-current assets other than financial assets on the balance sheet date. For intangible assets with uncertain service life, in addition to annual impairment test, when there is sign of impairment, impairment test shall be conducted as well. For non-current assets other than financial assets, when there is sign showing the book amount unretrieved, impairment test shall be conducted.

When the book value of asset or asset group is higher than the recoverable amount, which is the higher of net amount after fair value deducting disposal expense and present value of estimated future cash flow, it indicates occurrence of impairment.

The net amount of fair value deducting disposal expense is determined by reducing the incremental cost that can be directly attributed to such asset disposal, with reference to sales agreement price of similar assets in fair trade or observable market price.

When estimating the present value of future cash flow, major judgments are required on the asset (or asset group) output, selling price, related operating cost, discount rate used when calculating the present value, etc. When estimating recoverable amount, the company may use all relevant information available, including forecasts of output, selling price and related operating cost which are made based on reasonable and supportable assumptions.

The company tests whether goodwill is impaired at least every year. This requires estimation on the present value of future cash flow of asset group or asset group portfolio with goodwill allocated. When estimating the present value of future cash flow, the company needs to estimate the future cash flow generated by asset group or asset group portfolio, and concurrently select appropriate discount rate to determine the present value of future cash flow.

(7) Depreciation and amortization

After considering residual value of investment real estate, fixed assets, right-of-use assets and intangible assets, the company makes provision for depreciation and amortization on a straight-line basis within the service life. The company regularly reviews the service life, to determine the amount of depreciation and amortization expenses included in each reporting period. The service life is determined by the company based on past experience of similar assets and combined with expected technical updates. In case of significant change in previous estimates, the depreciation and amortization expenses will be adjusted in the future period.

(8) Deferred tax assets

Insofar as it is highly probable to offset losses with sufficient taxable profits, the company recognizes deferred income tax assets with all unused tax losses. This requires the company executives to use a large number of judgments to estimate the time and amount of future taxable profits, and combine the tax planning strategy, to determine the amount of deferred income tax assets that shall be recognized.

(9) Income tax

In normal operating activities of the company, final tax treatment and calculation of some transactions have certain uncertainties. Whether some items can be listed as pre-tax shall gain approval of the tax authority. If there is difference between the final recognized result of these taxation matters and the originally estimated amount, such difference will have an impact on the current income tax and deferred

income tax during the period of final recognition.

(10) Provisions

Based on contractual terms, existing knowledge and historical experience, the company estimates product quality assurance, expected contract losses, liquidated damages of delayed delivery, etc. and makes corresponding provision. In the event that such contingencies have become a current obligation, and the performance of such current obligation is likely to cause economic benefits flowing out of the company, the company recognizes the contingencies as estimated liabilities, as per the best estimates to spend in fulfilling relevant current obligation. The recognition and measurement of estimated liabilities largely depend on judgment of the management level. In the process of making judgment, the company needs to assess the risks, uncertainties, time value of currency and other factors related to these contingencies.

Among them, the company provides customers with after-sales quality repair commitments on the sale, repair and modification of the products sold, as estimated liabilities. During estimated liabilities, the company has taken into account recent repair experience data, whereas the recent repair experience may not reflect future repair circumstances. Any increase or decrease in this preparation may affect the profits and losses in the future years.

V. Tax items

1. Main tax categories and tax rates

Tax category	Specific tax rate
VAT	As for the taxable income, output tax is calculated at the tax rate of 13%, 6%, 5%, 3% and 1%, and the VAT is calculated and paid as per the difference after deducting the deductable input tax amount in the current period.
Urban maintenance and construction tax	Calculation and payment are made at 7%, 5% and 1% of the payable turnover tax.
Education surcharge	Calculation and payment is made at 3% of the payable turnover tax
Local education surcharge	Calculation and payment is made at 2% of the payable turnover tax
Corporate income tax	Calculation and payment is made at 25% of the taxable incomes

2. Tax benefit and approval document

Tongliao Jinmei Chemical Co., Ltd., a subsidiary of the company, obtained the High-Tech Enterprise Certificate No.GR201915000223 on 4 December 2019, with validity term of three years, and entitled to preferential policy of levying corporate income tax at a reduced tax rate of 15%.

Pursuant to relevant provisions in Financial Tax No.70 Notice of Ministry of Finance and State Administration of Taxation on Relevant Corporate Income Tax Handling Issues of Special-Purpose Fiscal Funds, State Council Decree No.512 Law of the People's Republic of China on Enterprise Income Tax and Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China, where fiscal funds that the enterprise obtains from financial departments and other departments of people's governments above county level from 1 January 2011 and shall be included in total income meet the following conditions simultaneously, they can be regarded as non-taxable income and deducted from total income.

A. The enterprise can provide fund allocation document that stipulates the special purpose of funds;

B. Financial department or other government departments that allocate funds have special fund

management measures or specific management requirements for such funds;

C. The enterprise separately conducts accounting for such funds and expenditures incurred by such funds.

The expenses arising from the above non-taxable income used for expenditure shall not be deducted when calculating taxable income amount; regarding the assets arising from the use for expenditure, the calculated depreciation and amortization shall not be deducted when calculating the taxable income amount.

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

(1) Monetary fund balance

Items	Closing balance	Previous year ending balance
Cash on hand	625,138.46	425,799.49
Bank savings	1,068,694,047.95	2,329,421,253.56
Other monetary funds	518,944,752.72	2,751,662,804.40
Total	1,588,263,939.13	5,081,509,857.45

(2) Restricted use of monetary funds

Items	Closing Amount	Reasons for restricted use
Other monetary funds	40,568,500.00	Security deposit for issuing letter of guarantee and letter of credit
Other monetary funds	150,000,000.00	Security deposit for issuing bank acceptance draft
Other monetary funds	324,090,000.00	Providing pledge for bank loan
Total	514,658,500.00	

2. Financial assets held for trading

Items	Closing balance
Financial liabilities measured at fair value with changes included in current profit and loss	
Of which: debt instrument investment	
Equity instrument investment	
Finance products	90,621,065.00
Financial assets measured at fair value with changes included in current profits and losses	
Of which: debt instrument investment	
Other	
Total	90,621,065.00

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

Items	Previous year ending balance	
	Cost	Fair value
Financial assets held for trading	7,065.66	10,463.20

Items	Previous year ending balance	
	Cost	Fair value
Of which: debt instrument investment		
Equity instrument investment	7,065.66	10,463.20
Other		
Financial assets measured at fair value with changes included in current profits and losses		
Of which: debt instrument investment		
Equity instrument investment		
Other		
Other financial assets measured at fair value with changes charged to current profits and losses		
Total	7,065.66	10,463.20

4. Notes receivable

Items	Closing balance	Previous year ending balance
Bank acceptance bill	10,743,227.36	29,485,879.21
Commercial acceptance bill	5,094,871.20	1,466,304.00
Subtotal	15,838,098.56	30,952,183.21
Less: bad debt provision		
Total	15,838,098.56	30,952,183.21

5. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	695,408,447.63	340,737,008.40
1-2 years	35,908,514.17	602,550,337.64
2-3 years	585,039,438.35	160,559,179.19
over 3 years	169,023,277.90	12,456,396.18
Subtotal	1,485,377,678.05	1,116,302,921.41
Less: bad debt provision	60,092,367.23	15,782,255.49
Total	1,425,285,310.82	1,100,520,665.92

(2) Classified and presented by bad debt provision method

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve	27,711,999.92	1.87	27,711,999.92	100.00	
Receivables with bad debt provision as per credit risk characteristic combinations	1,457,665,678.13	98.13	32,380,367.31	2.22	1,425,285,310.82
Of which: combination of account age	706,777,833.03	47.58	32,380,367.31	4.58	674,397,465.72
Government unit and associated party combination	750,887,845.10	50.55			750,887,845.10

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Total	1,485,377,678.05	100.00	60,092,367.23	4.05	1,425,285,310.82

(Continued)

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivable with significant amount of single item and separate provision for bad debts	183,104,096.51	16.40			183,104,096.51
Receivables with bad debt provision as per credit risk characteristic combinations	933,198,824.90	83.60	15,782,255.49	1.69	917,416,569.41
Of which: combination of account age	161,895,165.00	14.50	15,782,255.49	9.75	146,113,909.51
Government unit and associated party combination	771,302,659.90	69.10			771,302,659.90
Account receivable with insignificant amount of single item but separate provision for bad debts					
Total	1,116,302,921.41	100.00	15,782,255.49	1.41	1,100,520,665.92

1) Accounts receivable with single provision for bad debt reserve at the end of period

Accounts receivable (by entity)	Closing balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual reasons
Xinxiang Yongjin Chemical Co., Ltd.	20,026,313.52	20,026,313.52	100.00%	Financial difficulties of the other party
Anyang Yongjin Chemical Co., Ltd.	7,685,686.40	7,685,686.40	100.00%	Financial difficulties of the other party
Total	27,711,999.92	27,711,999.92	——	——

(Continued)

Accounts receivable (by entity)	Previous year ending balance		
	Book balance	Bad debt provision	Accrual ratio (%)
DLS Aluminum Holding Co., Ltd.	147,346,263.07		
Jiangsu DLS Technology Holding Co., Ltd	35,757,833.44		
Total	183,104,096.51		

2) In the portfolio, accounts receivable with bad debt provision using expected credit loss rate

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	665,632,576.56	9,743,982.31	1.46
1-2 years	12,612,110.18	1,840,559.21	14.59
2-3 years	10,933,909.60	3,396,569.10	31.06

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
over 3 years	17,399,236.69	17,399,236.69	100.00
Total	706,777,833.03	32,380,367.31	4.58

(Continued)

Aging	Previous year ending balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	103,711,278.88	2,986,711.06	2.88
1-2 years	12,144,074.11	394,333.60	3.25
2-3 years	34,820,258.77	1,180,657.59	3.39
over 3 years	11,220,553.24	11,220,553.24	100.00
Total	161,896,165.00	15,782,255.49	9.75

3) Accounts receivable of bad debt provision by other methods

Other	Closing balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Business of government unit, etc.	102,939,368.45		
Associated party business	647,948,476.65		
Total	750,887,845.10		

(Continued)

Other	Previous year ending balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Business of government unit, etc.	109,070,623.17		
Associated party business	662,232,036.73		
Total	771,302,659.90		

(3) Bad debt reserve status

Category	Previous year ending 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	15,782,255.49	44,337,057.98		26,946.24	60,092,367.23
Total	15,782,255.49	44,337,057.98		26,946.24	60,092,367.23

(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
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	647,089,272.87	43.56	
Jiangsu Jinchang Property Management Co., Ltd	322,930,000.00	21.74	3,229,300.00

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Jiangsu DLS Technology Holding Co., Ltd	193,843,051.12	13.05	1,938,430.51
Danyang Municipal Finance Bureau	85,891,049.97	5.76	
Xinxiang Yongjin Chemical Co., Ltd.	20,026,313.52	1.35	20,026,313.52
Total	1,269,779,687.48	85.48	25,194,044.03

6. Receivables financing

Items	Closing balance
Notes receivable	18,185,644.02
Accounts receivable	
Total	18,185,644.02

7. Advances to suppliers

(1) Advance payment is listed by age

Aging	Closing balance		Previous year ending balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	179,277,060.46	21.40	228,207,586.08	27.52
1-2 years	101,971,867.85	12.18	356,563,233.14	43.00
2-3 years	331,086,567.20	39.54	40,290,230.37	4.86
over 3 years	225,081,623.25	26.88	204,126,605.01	24.62
Total	837,417,118.76	100.00	829,187,634.60	100.00

(2) Advance payment of Top 5 closing balance classified by advance payment objects

The total advance payment of the Top 5 closing balance classified by advance payment recipients is RMB 747,503,793.23, accounting for 89.26% of the total closing balance of advance payment.

Name of entity	Closing balance	Proportion to the total closing balance of advance payments (%)
Danyang New District Housing Demolition and Resettlement Firm	379,967,675.00	45.37
Danyang Zhendan Expressway Construction Command Post (Zhendan Expressway Danyang Section)	168,004,513.00	20.06
Hengmei Optoelectronic Co., Ltd	122,500,000.00	14.63
Sewage Pipeline Construction Account	60,031,605.23	7.17
Danyang Tongtai Real Estate Development Co., Ltd	17,000,000.00	2.03
Total	747,503,793.23	89.26

8. Other receivables

Items	Closing balance	Previous year ending balance
Interests receivable		
Dividends receivable		
Other receivables	7,168,117,379.56	6,611,947,484.37

Items	Closing balance	Previous year ending balance
Total	7,168,117,379.56	6,611,947,484.37

(1) Other receivables

1) Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year (including 1 year)	3,802,623,415.63	2,405,535,957.65
1-2 years	405,773,193.70	526,333,826.00
2-3 years	255,362,828.27	807,610,305.25
over 3 years	2,961,949,092.97	2,842,384,077.16
Subtotal	7,425,708,530.57	6,881,864,168.06
Less: bad debt provision	257,591,151.01	269,916,683.69
Total	7,168,117,379.56	6,611,947,484.37

2) Classification by fund nature

Nature of funds	Closing balance	Previous year ending balance
Transaction accounts	7,386,744,656.62	6,822,608,280.48
Short-term margin and deposit	8,855,809.00	27,130,947.15
Reserve fund	130,616.47	120,717.11
Employee social security and income tax advances	1,041,916.77	962,950.43
Suspense payment	23,853.00	22,045.19
Pending payment	6,878,875.77	6,355,496.01
Advance payment transferred into long aging	1,905,413.08	1,761,002.79
Operating advance funds	1,633,220.43	5,509,439.48
Engineering advances	12,459,700.69	11,515,386.30
Asset transfer funds	3,941,844.96	3,941,844.96
Other	2,094,823.78	1,936,058.16
Subtotal	7,425,708,530.57	6,881,864,168.06
Less: bad debt provision	257,591,151.01	269,916,683.69
Total	7,168,117,379.56	6,611,947,484.37

3) 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)	
Balance as of 1 January 2021	154,190,000.50		115,726,683.19	269,916,683.69
1 January 2021 balance in the current period:				
——Transfer in Phase II				
——Transfer in Phase III				
——Transfer back to Phase II				

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)	
——Transfer back to Phase I				
Provision in the current period				
Reversal in the current period	12,325,532.68			12,325,532.68
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	141,864,467.82		115,726,683.19	257,591,151.01

4) Bad debt reserve status

Category	Previous year ending balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Other receivables in the first stage	154,190,000.50		12,325,532.68		141,864,467.82
Other receivables in the second stage					
Other receivables in the third stage	115,726,683.19				115,726,683.19
Total	269,916,683.69		12,325,532.68		257,591,151.01

5) Other receivables actually written-off in this period

6) 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
Danyang Municipal Finance Bureau	Transaction accounts	1,279,765,140.44	Within 1 year	17.23	
Danyang Municipal People's Government State-owned Assets Supervision and Management Office	Transaction accounts	1,113,191,096.00	over 3 years	14.99	
Danyang Tiansheng Investment Co., Ltd.	Transaction accounts	492,903,340.28	Within 1 year	6.64	
Danbei Government	Transaction accounts	433,781,567.26	Within 1 year, 1-2 years, 2-3 years, over 3 years	5.84	
Jiepai Government	Transaction accounts	396,880,529.96	Less than 1 year /1-2 years /2-3 years	5.34	
Total	—	3,716,521,673.94		50.04	

9. Inventory

(1) Inventory classification

Items	Closing balance		
	Book balance	Provision for depreciation	Book value
Raw materials	137,332,694.13	14,861,994.94	122,450,699.19
Turnover material	157,881.77		157,881.77
Low-value consumables	2,036,743.60	681,644.25	1,355,099.35
Product delivered	19,398,555.84	5,330,849.92	14,067,705.92
Commodity stocks	659,370,660.41	2,582,703.88	656,787,956.53
Forest assets	114,409,330.00		114,409,330.00
Contract performance cost	34,113,050,828.85		34,113,050,828.85
Engineering construction	87,062,666.34		87,062,666.34
Production cost	4,603,544.06		4,603,544.06
Total	35,137,422,905.00	23,477,192.99	35,113,945,712.01

(Continued)

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Raw materials	147,158,603.85	16,109,194.37	131,049,409.48
Low-value consumables	2,569,974.65	681,644.25	1,888,330.40
Product delivered	31,994,972.67	11,142,995.84	20,851,976.83
Commodity stocks	457,481,843.29	3,173,646.41	454,308,196.88
Forest assets	114,409,330.00		114,409,330.00
Land and development costs	33,405,221,021.92		33,405,221,021.92
Engineering construction	85,615,159.33		85,615,159.33
Production cost	3,503,245.23		3,503,245.23
Total	34,247,954,150.94	31,107,480.87	34,216,846,670.07

10. Other current assets

Items	Closing balance	Previous year ending balance
Finance products		544,259,428.90
Tax to be deducted	26,913,945.45	24,573,108.08
Prepaid income tax	130,328.14	3,595.30
Total	27,044,273.59	568,836,132.28

11. Creditor's rights investment

Items	Closing balance
Creditor's rights investment	255,141,912.83
Total	255,141,912.83

12. Available for sale financial assets

(1) Available-for-sale financial assets are as follows

Items	Previous year ending balance		
	Book balance	Provision for impairment	Book value
Available-for-sale liability tool	687,481,287.00		687,481,287.00
Available-for-sale equity tool	2,291,467,501.07	20,000,000.00	2,271,467,501.07
Including: Measured at fair value			
Measured by costs	2,291,467,501.07	20,000,000.00	2,271,467,501.07
Other			
Total	2,978,948,788.07	20,000,000.00	2,958,948,788.07

13. Held to maturity investments

Items	Previous year ending balance
Creditor's rights investment	255,141,912.83
Total	255,141,912.83

14. Long-term receivables

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Financial leasing deposit	88,200,000.00		88,200,000.00	15,000,000.00		15,000,000.00
Total	88,200,000.00		88,200,000.00	15,000,000.00		15,000,000.00

15. Long-term equity investments

Investee	Previous year ending 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
I. Joint ventures	524,829.97					
Shanghai Hero Golden Pen Factory Taopu United Management Second Factory	524,829.97					
Danyang Anju Property Management Co., Ltd.						
II. Associated enterprises	236,598,709.89	35,000,000.00		-12,486,072.22		
Luoyang Yonglin Chemical Co., Ltd.						
Jining Jindan Chemical Co., Ltd.	49,366,201.28			-1,613,422.87		
Shanghai Dansheng New Material Technology Center (Limited Partnership)						
Jining Danjia Environmental Service Co., Ltd.	12,581,194.49			-11,082,619.00		

Investee	Previous year ending 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
Jiangsu Xingang Park Development Co., Ltd.	1,364,413.50			-192,012.56		
Zhengda Engineering Cost Consulting Co., Ltd.	2,930,133.33			-176,359.22		
Khorgos Danke Information Technology Co., Ltd.	1,938,922.91			-341,593.16		
Inner Mongolia Yilin Chemical Co., Ltd.	96,014,974.60					
Inner Mongolia Yilin Jupeng New Energy Co., Ltd.	24,617,574.33					
Jiangsu Global Base Supply Chain Co., Ltd	47,763,295.45			889,072.00		
Fuzhou Danlian Supply Chain Co., Ltd		35,000,000.00		31,062.59		
Total	237,123,539.86	35,000,000.00		-12,486,072.22		

(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 decreases		
I. Joint ventures				524,829.97	524,829.97
Shanghai Hero Golden Pen Factory Taopu United Management Second Factory				524,829.97	524,829.97
Danyang Anju Property Management Co., Ltd.					
II. Associated enterprises				259,112,637.67	121,453,432.35
Luoyang Yongjin Chemical Co., Ltd.					
Jining Jindan Chemical Co., Ltd.				47,774,778.41	11,599,103.42
Shanghai Dansheng New Material Technology Center (Limited Partnership)					
Jining Danjia Environmental Service Co., Ltd.				1,498,375.49	
Jiangsu Xingang Park Development Co., Ltd.				1,172,400.94	
Zhengda Engineering Cost Consulting Co., Ltd.				2,763,774.11	

Investee	Increases and decreases in current period			Closing balance	Closing balance of impairment provision
	Declaration of cash dividends or profits	Provision for impairment	Other decreases		
Khorgos Danke Information Technology Co., Ltd.				1,597,329.75	
Inner Mongolia Yilin Chemical Co., Ltd.				96,014,974.60	96,014,974.60
Inner Mongolia Yilin Jupeng New Energy Co., Ltd.				24,617,574.33	13,839,354.33
Jiangsu Global Base Supply Chain Co., Ltd				48,652,367.45	
Fuzhou Danlian Supply Chain Co., Ltd				35,031,062.59	
Total				259,637,467.64	121,978,262.32

16. Other equity instrument investments

Items	Closing balance
Fenyi Chuanliu Changfeng New Material Investment Partnership Corporation (Limited Partnership)	34,233,871.32
Total	34,233,871.32

17. Other non-current financial assets

Items	Closing balance
Financial assets classified as measuring at fair value with change recorded in current profits and losses	2,816,547,860.11
Of which: debt instrument investment	560,482,627.00
Equity instrument investment	2,256,065,233.11
Derivative financial assets	
Mixed instrument investment	
Other	
Financial assets measured at fair value with changes included in current profits and losses	
Of which: debt instrument investment	
Mixed instrument investment	
Other	
Total	2,816,547,860.11

18. Investment properties

Investment real estate measured at cost

Items	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
Total original book value	8,901,104.36			8,901,104.36
1. Houses, buildings	8,901,104.36			8,901,104.36
2. Land use right				
Accumulated depreciation (amortization) total	1,497,793.27	407,724.78		1,905,518.05

Items	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
1. Houses, buildings	1,497,793.27	407,724.78		1,905,518.05
2. Land use right				
Total net book value	7,403,311.09		407,724.78	6,995,586.31
1. Houses, buildings	7,403,311.09		407,724.78	6,995,586.31
2. Land use right				
Total provisions for impairment				
1. Houses, buildings				
2. Land use right				
Total book values	7,403,311.09		407,724.78	6,995,586.31
1. Houses, buildings	7,403,311.09		407,724.78	6,995,586.31
2. Land use right				

19. Fixed assets

Items	Closing balance	Previous year ending balance
Fixed assets	10,414,075,681.89	10,186,871,187.17
Fixed asset liquidation	5,522,013.75	5,068,246.68
Total	10,419,597,695.64	10,191,959,433.85

(1) Fixed assets

1) Fixed assets are as follows

Items	Houses and buildings	Office and electronic devices	Transportation equipment	Machinery equipment	Municipal engineering facility	Water pipeline facility	Other	Total
I. Original book value								
1. Previous year ending balance	8,823,724,341.78	61,419,055.81	55,314,427.54	3,494,981,197.75	4,313,738,476.70	676,255,556.42	6,199,508.93	17,431,632,564.93
2. Increased amount in current period	159,503,625.27	4,042,040.40	2,293,815.58	167,691,529.80	737,308,003.90	-	103,994.45	1,070,943,009.40
(1) Purchase	61,023,705.50	2,851,040.40	2,293,815.58	58,572,118.42			103,994.45	124,844,674.35
(2) Transfer of engineering under construction	5,599,487.93	1,191,000.00		105,858,860.48	737,308,003.90			849,957,352.31
(3) Other increases	92,880,431.84			3,260,550.90				96,140,982.74
3. Decreased amount in current period	25,454,960.45	545,333.32	3,227,930.47	17,862,045.78	58,067,754.93	-	259,059.00	105,217,083.95
(1) Disposal or scraping	12,609,247.32	545,333.32	3,227,930.47	14,499,693.89			259,059.00	31,141,464.00
(2) Other decreases	12,845,713.13			3,162,151.89	58,067,754.93			74,075,619.95
4. Closing balance	8,957,773,006.60	64,915,762.89	54,380,312.65	3,645,010,681.77	4,992,978,725.67	676,255,556.42	6,044,444.38	18,397,358,490.38
II. Cumulative depreciation								-
1. Previous year ending balance	2,353,141,661.77	47,349,777.19	38,383,156.06	2,059,803,045.68	1,913,544,842.43	598,855,224.58	4,718,696.88	7,015,776,404.59
2. Increased amount in current period	345,570,915.97	5,127,976.25	4,482,816.74	165,846,758.94	265,898,043.38	23,893,298.38	748,977.18	811,568,786.84
(1) Provision	296,867,906.35	5,127,976.25	4,482,816.74	165,846,758.94	265,898,043.38	23,893,298.38	748,977.18	762,865,777.22
(2) Other increases	48,703,009.62							48,703,009.62
3. Decreased amount in current period	9,609,216.77	466,187.03	2,925,478.52	11,097,558.03	48,703,009.62	-	246,106.14	73,047,556.11
(1) Disposal or scraping	9,609,216.77	466,187.03	2,925,478.52	11,097,558.03			246,106.14	24,344,546.49

Items	Houses and buildings	Office and electronic devices	Transportation equipment	Machinery equipment	Municipal engineering facility	Water pipeline facility	Other	Total
(2) Other decreases					48,703,009.62			48,703,009.62
4. Closing balance	2,689,103,360.97	52,011,566.41	39,920,494.28	2,214,552,246.59	2,130,739,876.19	622,748,522.96	5,221,567.92	7,754,297,635.32
III. Provision for impairment								-
1. Previous year ending balance				228,984,973.17				228,984,973.17
2. Increased amount in current period								-
3. Decreased amount in current period								-
4. Closing balance				228,984,973.17				228,984,973.17
IV. Book value								-
1. Period-end book value	6,268,669,645.63	12,904,196.48	14,459,818.37	1,201,473,462.01	2,662,238,849.48	53,507,033.46	822,676.46	10,414,075,881.89
2. Opening book value	6,470,582,680.01	14,069,276.62	18,951,271.48	1,206,193,178.90	2,400,193,634.27	77,400,331.84	1,480,812.05	10,186,871,187.17

2) Fixed asset liquidation

Items	Closing balance	Previous year ending balance
Houses and buildings	5,418,092.11	5,088,246.68
Transportation	103,921.64	
Total	5,522,013.75	5,088,246.68

20. Construction in progress

Items	Closing balance	Previous year ending balance
Construction in progress	12,269,650,178.30	12,456,206,048.36
Total	12,269,650,178.30	12,456,206,048.36

(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
Dantou Headquarter construction in progress	11,844,976,004.83		11,844,976,004.83	11,973,220,294.42		11,973,220,294.42
Nongfa Company construction in progress	19,342,038.29		19,342,038.29	19,342,038.29		19,342,038.29
Water Company construction in progress	8,697,472.18		8,697,472.18	13,137,220.77		13,137,220.77
Qiliang Cultural construction in progress	329,837,679.73		329,837,679.73	329,837,679.73		329,837,679.73
Danjian Medical construction in progress	25,290,800.00		25,290,800.00	23,000,000.00		23,000,000.00
Hongding construction in progress				20,500.00		20,500.00
Danke construction in progress	13,787,284.33		13,787,284.33	87,663,020.04		87,663,020.04
Security construction in progress	19,432,575.21		19,432,575.21	3,056,522.38		3,056,522.38
Jiajie sanitation service construction in progress	775,019.00		775,019.00	476,400.00		476,400.00
Lianhu Ecological New District	7,511,304.73		7,511,304.73	6,452,370.73		6,452,370.73

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
construction in progress						
Total	12,269,650,178.30		12,269,650,178.30	12,456,206,046.36		12,456,206,046.36

21. Right-of-use assets

Items	Houses and buildings	Land	Total
I. Original book value			
1. Opening balance	444,320.99	281,548.93	725,869.92
2. Increased amount this year	941,909.55		941,909.55
(1) Newly added lease	941,909.55		941,909.55
3. Decreased amount this year			
(1) Disposal			
4. Closing balance	1,386,230.54	281,548.93	1,667,779.47
II. Cumulative depreciation			
1. Opening balance			
2. Increased amount this year	724,852.49	93,849.64	818,702.13
(1) Provision	724,852.49	93,849.64	818,702.13
3. Decreased amount this year			
(1) Disposal			
4. Closing balance	724,852.49	93,849.64	818,702.13
III. Provision for impairment			
1. Opening balance			
2. Increased amount this year			
(1) Provision			
3. Decreased amount this year			
(1) Disposal			
4. Closing balance			
IV. Book value			
1. Period-end book value	661,378.05	187,699.29	849,077.34
2. Opening book value	444,320.99	281,548.93	725,869.92

22. Intangible assets

(1) Intangible assets

Items	Software use fee	Land use right	Forest land use right	Reservoir water area use right	Patented and non-patented technology	Total
I. Original book value						
1. Previous year	6,102,095.35	352,001,992.63	77,387,040.00	162,000,000.00	81,167,300.00	678,658,427.98

Items	Software use fee	Land use right	Forest land use right	Reservoir water area use right	Patented and non-patented technology	Total
ending balance						
2. Increased amount in current period	1,971,345.77	15,597.98				1,986,943.75
(1) Purchase	1,971,345.77	1,550.00				1,972,895.77
(2) Internal R&D						
(3) Increase In business combination						
(4) Other increases		14,047.98				14,047.98
3. Decreased amount in current period						
(1) Disposal						
4. Closing balance	8,073,441.12	352,017,590.61	77,387,040.00	162,000,000.00	81,167,300.00	680,645,371.73
II. Accumulated amortization						
1. Previous year ending balance	3,258,196.81	56,679,691.25	20,637,948.00	47,126,730.12	64,978,814.34	192,681,380.52
2. Increased amount in current period	1,710,359.82	7,304,849.13	2,444,688.00	3,240,000.00	7,478,438.68	22,178,335.63
(1) Amortization number in the current period	1,710,359.82	7,290,801.15	2,444,688.00	3,240,000.00	7,478,438.68	22,164,287.65
(2) Other increases		14,047.98				14,047.98
3. Decreased amount in current period						
(1) Disposal						
4. Closing balance	4,968,556.63	63,984,540.38	23,082,636.00	50,366,730.12	72,457,253.02	214,859,716.15
III. Provision for						

Items	Software use fee	Land use right	Forest land use right	Reservoir water area use right	Patented and non-patented technology	Total
impairmen t						
1. Previou s year ending balance						
2. Increas ed amount in current period						
(1) Provisi on						
3. Decreas ed amount in current period						
(1) Dispos al						
4. Closing balance						
IV. Book value						
1. Period-end book value	3,104,884.49	288,033,050.23	54,304,404.00	111,633,269.88	8,710,046.98	465,785,655.58
2. Openin g book value	2,843,898.54	295,322,301.38	56,749,092.00	114,873,269.88	16,188,485.66	485,977,047.46

23. Goodwill

(1) Goodwill book value

Name of invested companies or goodwill formation	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
Jiangsu Danhua Acetic Anhydride Co., Ltd.	128,628,990.41			128,628,990.41
Suzhou Shizuan Environmental Protection Industrial Co., Ltd.	166,016,289.25			166,016,289.25
Danhua Chemical Technology Co., Ltd.	274,697,976.92			274,697,976.92
Danyang Tiansheng New City Construction Investment Development Co., Ltd.	165,208.88			165,208.88
Total	569,508,465.46			569,508,465.46

(2) Provision for goodwill impairment

Name of invested companies or goodwill formation	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
Jiangsu Danhua Acetic	128,628,990.41			128,628,990.41

Name of invested companies or goodwill formation	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
Anhydride Co., Ltd.				
Suzhou Shizuan Environmental Protection Industrial Co., Ltd.	166,016,289.25			166,016,289.25
Danhua Chemical Technology Co., Ltd.		48,935,590.73		48,935,590.73
Total	294,645,279.66	48,935,590.73		343,580,870.39

24. Long-term prepaid expense

Items	Previous year ending balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Improvement expenditure of fixed assets	6,542,273.84	296,846.90	1,432,075.71		5,407,045.03
Decoration fees	1,784,609.19	195,433.47	579,078.83		1,400,963.83
Catalyst	127,766,302.54	16,529,013.15	36,525,428.52	38,268,526.25	69,501,360.92
Issuance fee	35,220,734.16		18,529,898.86		16,690,835.30
Other	9,257.23		3,650.73		5,606.50
Total	171,323,176.96	17,021,293.52	57,070,132.65	38,268,526.25	93,005,811.58

25. 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 losses	185,317,695.38	46,074,721.71		
Asset impairment reserve	276,975,742.01	43,649,398.64	411,873,013.42	77,120,921.94
Accrued expense			13,074,256.67	1,961,138.50
Unrealized profits of internal transaction	8,053,535.45	1,208,030.32	1,486,019.89	222,902.99
Accumulated depreciation time difference	153,010,618.32	22,951,592.75	182,201,255.75	27,330,188.36
Deferred incomes	24,102,595.53	3,778,538.87	27,497,643.81	4,252,979.91
Deductible loss	761,794,617.77	118,899,120.84	664,450,381.67	100,136,244.03
Total	1,409,254,804.46	237,561,403.13	1,300,582,571.21	211,024,375.73

(2) Details of non-offset deferred tax liabilities

Items	Closing balance		Previous year ending balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Fair value changes of other equity instrument investments	14,233,871.32	3,558,467.83		

Items	Closing balance		Previous year ending balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Fair value changes			3,397.56	849.39
Asset assessment appreciation for consolidation of enterprises under different control	754,843.33	113,226.50	867,459.53	130,118.93
Total	14,988,714.65	3,671,694.33	870,857.09	130,968.32

26. Other non-current assets

Items	Closing balance	Previous year ending balance
Forest assets	145,801,786.50	145,801,786.50
Stone carving and other cultural assets	158,269,505.00	158,269,505.00
Prepaid engineering and equipment fund	1,090,587.65	1,729,271.00
Trust Protection Fund	22,951,781.83	
Long-term borrowings between enterprises	35,000,000.00	
Total	363,113,660.98	305,800,562.50

27. Short-term borrowings

(1) Short-term loan classification

Items	Closing balance	Previous year ending balance
Credit borrowings	44,800,000.00	
Security borrowings	1,387,000,000.00	1,405,010,000.00
Mortgage borrowings	127,400,000.00	212,637,766.46
Pledge borrowings	327,764,060.75	736,857,425.00
Payable interests of short-term loan	21,295,181.09	
Total	1,908,259,241.84	2,354,505,191.46

28. Notes payable

Category	Closing balance	Previous year ending balance
Bank acceptance bill	130,000,000.00	623,000,000.00
Commercial acceptance bill		39,900,000.00
Letter of credit	80,000,000.00	
Total	210,000,000.00	662,900,000.00

29. Trade payables

(1) List of payables:

Items	Closing balance	Previous year ending balance
Loan	141,502,630.81	276,175,038.11
Engineering funds and equipment funds	125,348,084.18	242,357,686.51
Labor costs	321,306.78	
Expenses payable	2,351,470.34	5,636,225.27
Other	22,144,400.04	39,453,576.87
Total	291,667,892.15	563,622,526.76

(2) Top five amount of accounts payable:

Name of entity	Closing balance	Aging	Proportion among total number of ending balance of accounts payable (%)
China Petroleum Group Engineering Design Co., Ltd Liaoyang Branch	11,653,409.50	over 3 years	4.00
Danyang Danhua Jinmei Chemical Co., Ltd.	7,826,668.00	over 3 years	2.68
Jiangsu Yongda Chemical Machinery Co., Ltd	6,900,000.00	over 3 years	2.37
Danyang Yunyang Town Gelin Construction and Decoration Garbage Removal and Transportation Service Division	6,286,140.30	Within 1 year/1-2 years	2.16
Jiangsu Huana Petrochemical Engineering Co., Ltd.	5,378,475.65	over 3 years	1.84
Total	38,044,693.45		13.05

30. Advances from customers

(1) Advance receipts

Items	Closing balance	Previous year ending balance
Advance receipt of cargo funds		1,162,146,770.08
Advance payment of housing expenses		630,000.00
Advance receipts of project funds		31,995,115.45
Advance receipts of service expenses		587,714.00
Advance receipts of advances		58,500.00
Advance receipt of rental fee	2,088,154.08	444,517.11
Total	2,088,154.08	1,195,862,616.64

31. Employee benefits payable

(1) Presentation of employee remuneration payable

Items	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
I. Short-term remuneration	29,586,217.37	433,711,856.18	430,186,649.78	33,111,425.77
II. Post-employment welfare - defined contribution plan	83,564.27	43,740,976.86	43,667,757.72	156,783.41
III. Dismissal benefits				
IV. Other benefits due within one year				
Total	29,669,781.64	477,452,835.04	473,854,407.50	33,268,209.18

(2) Presentation of short-term remuneration

Items	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
1. Wages, bonuses, allowances and subsidies	27,736,995.65	368,063,871.82	364,046,303.93	31,754,563.54
2. Employee services and benefits		24,078,159.24	24,078,159.24	-
3. Social insurance premiums	2,508.74	21,735,282.82	21,735,863.68	1,927.90
Of which: medical insurance premium	2,279.50	20,148,969.39	20,149,530.84	1,718.05
Work-related injury insurance premium	6.74	1,023,046.37	1,023,024.11	29.00
Birth insurance premium	222.50	502,127.06	502,168.71	180.85

Items	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
Other		61,140.00	61,140.00	
4. Housing fund	1,946.00	16,203,220.01	16,203,902.01	1,266.00
5. Trade union funds and staff education funds	1,844,764.98	3,631,324.29	4,122,420.94	1,353,668.33
6. Short-term paid absences				
7. Short-term profit sharing plan				
8. Other short-term compensation				
Total	29,586,217.37	433,711,858.18	430,186,649.78	33,111,425.77

(3) Presentation of defined contribution plan

Items	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
1. Basic endowment insurance	83,547.43	39,026,927.42	38,953,781.94	156,692.91
2. Unemployment insurance premium	16.84	1,074,741.72	1,074,668.06	90.50
3. Payment of enterprise annuity		3,639,307.72	3,639,307.72	-
Total	83,564.27	43,740,976.86	43,667,757.72	156,783.41

32. Contract liabilities

(1) Contract liability

Items	Closing balance
Advance receipt of cargo funds	2,600,745,835.77
Advance payment of housing expenses	442,224.77
Advance receipts of project funds	58,676,164.73
Advance receipts of service expenses	4,941,496.25
Advance receipts of advances	63,200.00
Total	2,664,868,921.52

33. Taxes payable

Items	Closing balance	Previous year ending balance
VAT	204,344,294.69	162,848,841.86
Urban maintenance and construction tax	17,559,090.08	16,210,116.58
Corporate income tax	19,762,624.37	16,082,835.14
Individual income tax	102,444.74	91,836.81
Housing tax	162,420,497.45	150,378,989.33
Land use tax	3,897,737.72	3,950,382.86
Stamp duty	473,097.90	511,960.03
Increment tax on land value	11,520.46	11,520.46
Business tax	36,251,154.51	36,251,154.51
Resource Tax	499,329.60	690,107.60
Education surcharge	13,355,496.36	12,368,931.96
Dike maintenance fee	696,862.24	568,567.85
Other funds	5,825,999.96	5,892,572.88

Items	Closing balance	Previous year ending balance
Other taxes	971,750.90	959,881.20
Total	466,171,900.98	406,815,698.89

34. Other payables

Items	Closing balance	Previous year ending balance
Interest payable	39,493,055.55	233,573,083.36
Dividends payable	575,392.79	575,392.79
Other payables	5,252,697,967.95	7,979,569,731.71
Total	5,292,766,416.29	8,213,718,207.86

(1) Interest payable

Items	Closing balance	Previous year ending balance
Short-term borrowings		2,073,373.40
Interests on long-term loan with installment interests and principal repayment at maturity		25,552,083.33
Bonds payable with interest payment in installment and principal repayment at maturity		147,930,826.63
Short-term financing coupon interests		48,850,200.00
Short-term corporate bond interest		9,166,600.00
Interest on borrowings	39,493,055.55	
Total	39,493,055.55	233,573,083.36

(2) Dividends payable

Items	Closing balance	Previous year ending balance
Ordinary stock dividends	575,392.79	575,392.79
Total	575,392.79	575,392.79

(3) Other payables

1) Other payables presented by nature of funds

Aging	Closing balance	Previous year ending balance
Transaction accounts	4,080,642,441.00	6,199,056,390.98
Short-term margin and deposit	37,632,697.57	57,169,236.89
Withholding and paying employee social security funds	2,819,247.73	4,282,824.56
Receipts under custody	1,007,264,281.15	1,530,172,802.38
Prepaid fee	61,335,427.87	93,176,940.06
Outstanding expense	39,262,377.32	59,644,944.29
Asset transfer funds	14,074,925.99	21,381,745.93
Other	9,666,569.32	14,684,846.62
Total	5,252,697,967.95	7,979,569,731.71

2) Conditions of top five largest amounts in the other account payable

Name of entity	Closing balance	Aging	Proportion to total closing balance of other payables (%)
Danyang Chengtai Urbanization No.1 Fund (Limited Partnership)	823,040,000.00	over 3 years	15.67

Name of entity	Closing balance	Aging	Proportion to total closing balance of other payables (%)
Jiangsu Changhong Heavy Industry Co., Ltd	557,821,204.06	Within 1 year	10.62
Regional water supply	372,023,250.43	over 3 years	7.08
Jiangsu Urban and Rural Construction Investment Co., Ltd.	309,200,000.00	over 3 years	5.89
Danyang Chengming Real Estate Brokerage Co., Ltd	300,000,000.00	Within 1 year	5.71
Total	2,362,084,454.49		44.97

35. Non-current liabilities due within one year

Items	Closing balance	Previous year ending balance
Long-term loans due within 1 year	3,008,970,000.00	2,860,740,000.00
Long-term borrowings due within 1 year-interest payable	28,746,097.19	
Bonds payable due within 1 year	3,939,882,477.08	620,000,000.00
Bonds payable due within 1 year-interest payable	190,716,173.75	
Leasing liabilities due within 1 year	647,753.09	
Long-term payable due within 1 year	817,155,579.94	286,250,479.33
Total	7,986,118,081.05	3,766,990,479.33

36. Other current liabilities

Items	Closing balance	Previous year ending balance
Short-term financing bonds	1,200,000,000.00	2,130,000,000.00
Accrued expense	125,000.00	180,000.00
Substituted money on VAT to be transferred	4,111,536.68	8,055,378.08
Short-term corporate bonds	500,000,000.00	1,000,000,000.00
Short-term financing bills-interest payable	49,950,300.00	
Short-term corporate bonds-interest payable	6,875,000.00	
Total	1,761,061,836.68	3,138,235,378.08

37. Long-term borrowing

Items	Closing balance	Previous year ending balance
Credit borrowings	183,400,000.00	
Security borrowings	4,104,635,000.00	4,932,145,000.00
Mortgage borrowings	3,201,573,600.00	3,995,653,600.00
Pledge borrowings	2,065,800,000.00	1,943,500,000.00
Interests payable on long-term borrowings	28,746,097.19	
Less: long-term borrowings due within one year	3,008,970,000.00	2,860,740,000.00
Long-term borrowings due within one year-interest payable	28,746,097.19	
Total	6,546,438,600.00	6,010,558,600.00

38. Bonds payable

(1) Bonds payable

Items	Closing balance	Previous year ending balance
20 Su Danyang Investment ZR001	300,000,000.00	300,000,000.00
21 Dan Investment MTN002 Medium-term Notes	448,474,272.60	
16 Dantou Debt	639,104,963.98	957,538,438.72
20 Dan Investment MTN001 Medium-term Notes	496,011,344.37	494,890,829.96
20 Su Danyang Investment ZR002	200,000,000.00	200,000,000.00
17 Danyang Investment MTN001	1,366,564,977.08	1,361,645,198.51
17 Danyang Investment Green Bond	897,347,933.05	1,195,365,285.06
21 Dan Investment MTN001 Medium-term Notes	538,260,464.90	
2021 Non-public Corporate Bonds (Phase I)	498,331,203.90	
2021 Non-public Corporate Bonds (Phase II)	497,242,331.69	
19 Overseas Debt	1,753,317,500.00	1,794,347,500.00
20 Dan Investment MTN002 Medium-term Notes	495,892,859.98	494,788,945.46
Less: partial ending balance due within one year	3,939,882,477.08	620,000,000.00
Total	4,190,665,374.47	6,178,576,197.71

(2) Increase and decrease of bond payable

Bond name	Face value	Issue date	Bond maturity	Issue amount	Previous year ending balance
20 Su Danyang Investment ZR001	300,000,000.00	2020/11/30	2	300,000,000.00	300,000,000.00
21 Dan Investment MTN002 Medium-term Notes	450,000,000.00	2021/8/16	2	450,000,000.00	
16 Dantou Debt	1,600,000,000.00	2016/1/27	7	1,600,000,000.00	957,538,438.72
20 Dan Investment MTN001 Medium-term Notes	500,000,000.00	2020/3/2	5	500,000,000.00	494,890,829.96
20 Su Danyang Investment ZR002	200,000,000.00	2020/12/18	2	200,000,000.00	200,000,000.00
17 Danyang Investment MTN001	1,500,000,000.00	2017/9/12	5	1,500,000,000.00	1,361,645,198.51
17 Danyang Investment Green Bond	1,500,000,000.00	2017/7/18	7	1,500,000,000.00	1,195,365,285.06
21 Dan Investment MTN001 Medium-term Notes	540,000,000.00	2021/6/25	2	540,000,000.00	
2021 Non-public Corporate Bonds (Phase I)	500,000,000.00	2021/1/20	2	500,000,000.00	
2021 Non-public Corporate Bonds (Phase II)	500,000,000.00	2021/10/28	2	500,000,000.00	
19 Overseas Debt	1,918,455,000.00	2019/11/13	3	1,918,455,000.00	1,794,347,500.00
20 Dan Investment MTN002 Medium-term Notes	500,000,000.00	2020/3/20	5	500,000,000.00	494,788,945.46
Interest payable of bonds					147,930,826.63
Less: partial ending balance due within one year					620,000,000.00
Interest payable of bonds due within one year					147,930,826.63
Total	10,008,455,000.00			10,008,455,000.00	6,178,576,197.71

(Continued)

Bond name	Issue in current period	Premium discount amortization	Accrued interests	Repayment in the current period	Closing balance
20 Su Danyang Investment ZR001					300,000,000.00
21 Dan Investment MTN002 Medium-term Notes	450,000,000.00	-1,525,727.40			448,474,272.60
16 Dantou Debt		1,566,525.26		320,000,000.00	639,104,963.98
20 Dan Investment MTN001 Medium-term Notes		1,120,514.41			496,011,344.37
20 Su Danyang Investment ZR002					200,000,000.00
17 Danyang Investment MTN001		4,919,778.57			1,366,564,977.08
17 Danyang Investment Green Bond		1,982,647.99		300,000,000.00	897,347,933.05
21 Dan Investment MTN001 Medium-term Notes	540,000,000.00	-1,739,535.10			538,260,464.90
2021 Non-public Corporate Bonds (Phase I)	500,000,000.00	-1,668,796.10			498,331,203.90
2021 Non-public Corporate Bonds (Phase II)	500,000,000.00	-2,757,668.31			497,242,331.69
19 Overseas Debt					1,753,317,500.00
20 Dan Investment MTN002 Medium-term Notes		1,103,914.52			495,692,859.98
Interest payable of bonds					190,716,173.75
Less: partial ending balance due within one year					3,939,882,477.08
Interest payable of bonds due within one year					190,716,173.75
Total	1,990,000,000.00	3,001,653.84		620,000,000.00	4,190,665,374.47

39. Lease liabilities

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Lease payment amount	773,926.69	979,200.00	981,086.68	772,040.01
Less: unrecognized financing fee	46,056.77	37,290.45	59,069.87	26,277.35
Less: Leasing liabilities due within one year	347,456.87	—	—	647,753.09
Total	378,413.05	—	—	96,009.57

40. Long-term payables

Items	Closing balance	Previous year ending balance
Long-term payable balance	1,667,364,764.79	592,806,581.07
Special payable balance	57,050,251.23	146,484,140.08
Total	1,724,415,016.02	739,290,721.15

(1) Long-term payables

Items	Closing balance	Previous year ending balance	Note
Financial leasing	2,447,186,873.58	635,123,589.26	
Security fee	3,733,471.15	3,733,471.15	
China Nongfa Key Construction Fund Co., Ltd. – financing fund	33,600,000.00	40,200,000.00	
Subtotal	2,484,520,344.73	879,057,060.40	
Less: long-term payables due within one year	817,155,579.94	286,250,479.33	
Total	1,667,364,764.79	592,806,581.07	

(2) Special accounts payable

Items	Closing balance	Previous year ending balance
Special fund for phosphorus and nitrogen removal project	30,476,340.00	30,476,340.00
Special fund for sewage discharge project	1,019,500.00	1,019,500.00
Special fund for reclaimed water reuse project	128,200.00	128,200.00
Special fund for film expansion project		86,920,808.08
Special fund for recycled water utilization project	280,900.00	280,900.00
Relocation compensation fee	11,980,859.23	14,493,940.00
Sci-tech achievement transformation fund	13,084,452.00	13,084,452.00
Postdoctoral Introduction Project	80,000.00	80,000.00
Total	57,050,251.23	146,484,140.08

41. Deferred Incomes

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance	Cause of formation
Government Grants	30,857,533.88	112,059,959.77	14,877,261.54	128,040,232.11	Asset-related government subsidy
Total	30,857,533.88	112,059,959.77	14,877,261.54	128,040,232.11	

Among them, project involving government grants:

Subsidy item	Category	Opening balance	Increase in current period	Decrease in current period				Closing balance
				Recorded in non-operating income	Recorded in other incomes	Offsetting cost	Other decreases	
Development Zone	Financial allocation	15,283,333.34			1,400,000.00			13,883,333.34

Subsidy item	Category	Opening balance	Increase in current period	Decrease in current period				Closing balance
				Recorded in non-operating income	Recorded in other incomes	Offsetting cost	Other decreases	
Finance Bureau Support Fund								
Budget funds for domestic demand expansion of National Development and Reform Commission	Financial allocation	5,422,118.49			1,102,803.72			4,319,314.77
Major scientific and technological fund	Financial allocation	533,333.10			66,666.72			466,666.38
Special fund for environmental protection	Financial allocation	1,637,500.00			150,000.00			1,487,500.00
Relocation subsidy	Financial allocation	4,190,772.78			207,720.68			3,983,052.10
Special funds for ecological civilization construction	Financial allocation	2,507,142.84			192,857.16			2,314,285.68
Deferred income-updated special operation vehicle project	Financial allocation	1,283,333.33			275,000.00			1,008,333.33
Shicheng sewage asset investment funds	Financial allocation		112,059,959.77		11,482,213.26			100,577,746.51
Total		30,857,533.88	112,059,959.77		14,977,261.54			128,040,232.11

42. Other non-current liabilities

Items	Closing balance	Previous year ending balance
Contract liabilities of more than one year	142,212,619.12	

Items	Closing balance	Previous year ending balance
Total	142,212,619.12	

43. Paid-in capital

Name of Investors	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
Danyang Municipal People's Government State-owned Assets Supervision and Management Office	200,000,000.00			200,000,000.00
Total	200,000,000.00			200,000,000.00

44. Capital reserve

Items	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
Transfer of funds	16,886,006,623.00	40,000,000.00		16,926,006,623.00
Other	13,564,316,346.02	354,893.85	311,884,816.03	13,252,786,423.84
Total	32,450,322,969.02	40,354,893.85	311,884,816.03	32,178,793,046.84

Note: The increase of RMB 40,000,000.00 in the current period is transfer in of appropriation accepted by the company.

The increase of RMB 354,893.85 in the current period is arising from the transfer of Danyang Xindan Hotel Co., Ltd accepted by first-level subsidiary Danyang Tianrun Asset Management Co., Ltd.

The decrease of RMB 311,884,816.03 in the current period is caused by the difference of minority shareholder's equity of second-level subsidiary Danhua Chemical Technology Co., Ltd purchased by first-level subsidiary Jiangsu Danhua Group Co., Ltd.

45. Other comprehensive income

Items	Previous year ending balance	Amount incurred in current period					Closing balance
		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	
Fair value changes of other equity instrument investments		2,816,372.88		704,093.22	2,112,279.66		2,112,279.66
Converted difference in foreign currency	-3,016,105.53	-1,636,267.25			-1,636,267.25		-4,652,372.78

Items	Previous year ending balance	Amount incurred in current period					Closing balance
		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	
statements							
Total	-3,016,105.53	1,180,105.63		704,093.22	476,012.41		-2,540,093.12

46. Surplus reserve

Items	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	279,747,794.62			279,747,794.62
Reserve for Business Development	38,236,000.00			38,236,000.00
Total	317,983,794.62			317,983,794.62

47. Undistributed profits

Items	Current amount	Previous amount
Undistributed profits before adjustment at the end of last period	5,824,575,614.72	5,436,030,955.68
Total beginning undistributed profits adjusted (increase +, decrease -)		
Undistributed profits after adjustment at the beginning of period	5,824,575,614.72	5,436,030,955.68
Add: Net profit attributable to shareholders of parent company in current period	413,414,514.55	491,586,203.77
Less: withdrawal of statutory surplus reserve		
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk reserve		
Common stock dividends payable	98,320,000.00	103,430,000.00
Common stock dividends converted into capital stock		
Other	1,466,638.04	-388,455.27
Undistributed profits at the end of period	6,138,183,491.23	5,824,575,614.72

Note: Other decreases of undistributed profits are caused by the withdrawal of minority shareholders of third-level subsidiary Danyang Danhua New Material Co., Ltd.

48. Operating incomes and operating costs

Items	Current amount		Previous amount	
	Operating income	Operating costs	Operating income	Operating costs
Main business	4,512,420,192.71	3,611,802,329.54	3,780,536,190.39	3,240,509,616.11
Other businesses	842,024,321.97	901,486,210.22	280,967,417.22	148,785,449.73
Total	5,354,444,514.68	4,513,288,539.76	4,061,503,607.61	3,389,295,065.84

(1) Main business (by items)

Items	Current amount		Previous amount	
	Main business incomes	Main business costs	Main business incomes	Main business costs
Land transfer business	1,670,662,538.00	1,236,898,589.92	1,607,934,870.58	1,209,967,481.47
Chemical products	1,111,573,279.59	978,214,575.89	950,006,510.73	1,122,369,920.00
Transportation service and relevant business	407,122.01	276,611.36	579,788.37	430,090.63
Tap water sales and relevant business	174,162,322.54	90,535,159.90	163,239,656.07	127,742,937.61
Sewage treatment and relevant business	23,563,416.78	27,082,138.79	24,240,477.70	22,908,216.79
Advertising service and relevant business	2,682,246.75	3,751,105.36	1,477,691.53	2,713,742.53
"Stone Carving Garden" ticket and relevant business	153,794.17	6,060.69	131,895.43	7,148.16
Housing rental	314,198,536.21	147,255,858.66	286,753,302.14	142,724,467.86
Other labor and service	167,856,279.33	131,812,149.93	191,217,615.66	85,443,727.67
Other commodity sales income	725.66	1,418.01	9,444.27	16,152.09
Project revenue and relevant business	135,899,835.73	98,992,778.41	141,862,242.80	118,921,243.27
Sales material income	911,260,095.94	895,975,882.42	413,082,895.11	407,264,468.03
Total	4,512,420,192.71	3,611,802,329.54	3,780,536,190.39	3,240,509,616.11

(2) Other businesses (by items)

Items	Current amount		Previous amount	
	Other business incomes	Other operating costs	Other business incomes	Other operating costs
Project installation income	52,548,059.94	61,321,976.17	67,525,677.52	66,168,170.61
Rental fee	5,647,301.12	36,961,520.10	3,609,177.06	572,984.04
Repair labor service			2,406,668.08	445,421.60
Water, electricity, steam and others	62,012,046.60	46,234,202.71	168,371,564.29	47,226,192.43
Interest incomes	6,510,741.17		4,800,000.00	
Housing sales	709,813,637.60	756,893,216.13	34,254,330.27	34,372,681.05

Items	Current amount		Previous amount	
	Other business incomes	Other operating costs	Other business incomes	Other operating costs
Waste material sales	3,492,535.54	55,295.11		
Total	842,024,321.97	901,466,210.22	280,967,417.22	148,785,449.73

49. Taxes and surcharges

Items	Current amount	Amount last year
Urban maintenance and construction tax	6,555,427.39	4,263,863.92
Education surcharge	4,267,788.01	2,833,855.86
Local education surcharge	373,857.50	209,077.67
Housing tax	62,222,192.06	57,822,926.30
Land use tax	20,537,316.09	61,330,862.71
Stamp duty	3,589,744.23	1,265,968.23
Vehicle and vessel use tax	57,113.09	62,937.09
Flood Control Security Fund		906,862.95
Other funds	2,399,579.26	598,643.64
Increment tax on land value	1,107,088.57	353,472.11
Other	4,172,384.79	4,337,720.88
Total	105,282,490.99	134,005,991.34

50. R&D expenses

Items	Current amount	Previous amount
Raw materials	21,556,049.86	17,906,975.07
Electricity	3,676,660.20	4,281,263.96
Water fee	330,324.96	300,785.70
Wage	19,684,671.93	17,147,505.33
Traveling expenses	629,087.72	409,914.56
Entertainment expenses	5,604.00	12,346.00
Office expenses	813.64	1,547.42
Depreciation	1,256,463.91	1,238,113.19
Other	125,606.18	175,042.29
Total	47,265,282.40	41,473,493.52

51. Financial expenses

Items	Current amount	Previous amount
Interest expenses	795,948,405.54	725,203,868.62
Less: interest income	534,217,096.50	465,370,896.08
Add: bank handling fee	1,394,779.01	1,378,387.06
Less: exchange gains	-3,210.79	-13,313.74
Total	263,129,298.84	261,224,673.34

52. Other revenues

Items	Current amount	Previous amount
Project income	378,267,157.92	304,030,900.00
Development Zone Finance Bureau Support Fund	1,400,000.00	1,400,000.00
Financial subsidy		436,556.92
Budget funds for domestic demand expansion of National Development and Reform Commission	1,102,803.72	1,102,803.72
Sci-tech achievement transformation fund	66,666.72	66,666.72
Relocation subsidy	207,720.68	207,720.68
Special fund for environmental protection	150,000.00	150,000.00
Special operation vehicle updating project	275,000.00	91,666.67
Deferred amortization of Shicheng sewage asset investment funds	11,482,213.26	
High-tech enterprise incentive funds		500,000.00
Former Danhua Group and former Changhe Chemical land plot soil restoration phase I engineering		5,000,000.00
Advanced treatment renovation engineering of Taihu Changwan Water Plant		22,610,000.00
Sewage treatment and garbage treatment pipeline engineering		36,940,000.00
Scientific research funding subsidy of high-tech enterprise		100,000.00
Reserve talent funds and personnel medical examination expense subsidy		35,200.00
Jiangsu Province Innovation and Entrepreneurship Program Talents		128,000.00
Human Resources and Social Security Bureau talent work service station establishment subsidy		5,000.00
Funds of Municipal Party Committee Organization Department 312 Project		30,000.00
Special funds for ecological civilization construction		192,857.16
Refund of the withheld personal income tax handling fee		24,899.53
VAT refunded upon collection	72,733.87	232,820.76
Other subsidies	2,425,212.95	964,135.36
Total	395,449,509.12	374,249,227.52

53. Investment income

Items	Current amount	Previous amount
Long-term equity investment incomes by equity methods	-12,486,072.22	-11,143,172.16
Investment income obtained during the period of holding other non-current financial assets	105,550,197.14	
Investment income gained during holding the available-for-sale financial assets		150,583,520.24
Gains and losses from disposal of trading financial assets	702,561.38	

Items	Current amount	Previous amount
Gains and losses from disposing financial assets measured at fair value with changes charged to current profits and losses		1,194,340.34
Gains and losses from disposing available-for-sale financial assets		-5,918,919.22
Income from wealth management product	12,232,229.95	19,341,720.26
Total	105,998,916.25	154,057,469.44

54. Proceed from fair value variance

Source of profit from fluctuation of fair value	Current amount	Previous amount
Financial assets held for trading		3,397.54
Total		3,397.54

55. Credit impairment losses

Items	Current amount
Bad debt losses of accounts receivable	-44,337,057.98
Bad debt losses of other receivables	12,323,216.16
Total	-32,013,841.82

56. Asset impairment losses

Items	Current amount	Previous amount
Bad debt losses		-12,041,265.32
Inventory depreciation losses	-10,232,552.20	-23,032,034.08
Fixed asset impairment loss		-228,984,973.17
Impairment loss of long-term equity investment	-13,839,354.33	
Long-term deferred expense impairment losses	-11,259,838.55	
Goodwill impairment losses	-48,935,590.73	
Available-for-sale financial asset impairment loss		-20,000,000.00
Total	-84,267,335.81	-284,058,272.57

57. Asset disposal gains

Items	Current amount	Previous amount
Fixed asset disposal gains or losses	1,171,643.04	55,511,857.13
TOTAL	1,171,643.04	55,511,857.13

58. Non-operating income

Items	Current amount	Previous amount
Non-current asset scraping gains	363,924.27	9,436.94
Business retiree subsidy and business personnel expense	13,689,741.65	25,147,902.12
Water fee overdue fine		174,826.43
Debt gains		162,466.56
Gains on physical inventory	501,263.31	
Liquidated damages, compensation fee	397,521.75	155,073.00
Payables indeed unable to pay due to creditors	119,886.78	
Government grants irrelevant to daily activities of the enterprise	503,534.98	2,246,113.86

Items	Current amount	Previous amount
Fine income	742,438.34	830,146.93
Tax deduction and exemption	42,186.59	74,436.18
Other	1,126,950.21	1,646,737.55
Total	17,477,449.88	30,447,141.57

59. Non-operating expenses

Items	Current amount	Previous amount
Non-current asset scraping losses	852,147.67	5,111,878.95
Debt restructuring losses		33,500.00
Donation expenditure	3,109,913.00	3,885,238.00
Extraordinary losses	724,626.77	
Work suspension losses	37,344.00	43,488.00
Administrative fine	378,939.99	100.94
Tax delay charge	17,656,529.83	1,611,243.43
Expenditures of liquidated damages	6,277,714.45	
Damages	451,330.00	1,548,706.25
Inventory losses	906,164.65	718,597.71
Other	326,868.59	4,980,886.42
Total	30,721,578.95	17,933,639.70

60. Income tax expenses

Items	Current amount	Previous amount
Current income tax expense	15,208,266.98	6,775,295.44
Deferred income tax expenses	-26,554,769.22	-89,283,917.60
Total	-11,346,502.24	-82,508,622.16

61. Supplementary Information of Cash Flow Statement

(1) Supplementary Information of Cash Flow Statement

Supplementary Information	Current amount	Previous amount
1. Net profits adjusted to cash flow from operating activities:		
Net profits	312,766,036.03	119,370,067.47
Add: Credit impairment reserve	32,013,841.82	
Asset impairment reserve	64,267,335.81	284,058,272.57
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	498,200,444.06	594,948,058.65
Amortization of intangible assets	22,164,287.65	21,854,913.44
Amortization of long-term prepaid expenses	18,624,950.63	1,330,850.36
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "-")	-1,171,843.04	-55,511,857.13
Losses of fixed asset scrapping (revenues marked with "-")	498,223.40	5,102,442.01
Fair value change losses (revenues marked with "-")		-3,397.54
Financial costs (revenues marked with "-")	795,951,616.33	743,487,750.49
Investment losses (revenues marked with "-")	-105,998,916.25	-154,057,489.44

Supplementary information	Current amount	Previous amount
Decrease of deferred income tax assets (increase marked with "-")	-26,537,027.40	-88,279,220.10
Increase of deferred income tax liabilities (decrease marked with "-")	-17,741.82	-1,004,697.50
Decrease of inventory (increase marked with "-")	-873,260,567.19	672,091,898.09
Decrease of operational receivables (increase marked with "-")	231,324,177.16	-1,357,435,921.41
Increase of operational payables (decrease marked with "-")	1,277,061,730.03	1,260,062,035.69
Other		
Net cash flow from operating activities	2,265,886,547.22	2,046,013,705.65
2. Major investing and financing activities uninvolving 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	1,073,605,439.13	2,330,613,774.82
Less: cash balance at the end of last year	2,330,613,774.82	1,249,173,312.57
Add: Ending balance of cash equivalents		
Less: cash equivalent balance at the end of last year		
Net increase of cash and cash equivalents	-1,257,008,335.69	1,081,440,462.25

(2) Composition of cash and cash equivalents

Items	Closing balance	Previous year ending balance
I. Cash	1,073,605,439.13	2,330,613,774.82
Of which: cash on hand	625,138.48	425,799.49
Bank deposits for payment at any time	1,068,694,047.95	2,329,421,253.56
Other monetary assets for payment at any time	4,286,252.72	766,721.77
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	1,073,605,439.13	2,330,613,774.82
Of which: cash and cash equivalents with restricted use by the parent company or group subsidiaries		

Notes: Cash and cash equivalents exclude the cash and cash equivalents with restricted use of parent company or subsidiaries in the group.

62. Assets with limited ownership or right of use

Items	Period-end book value	Limited reasons
Cash at bank and on hand	514,658,500.00	Security deposit for issuing acceptance draft/certificates of deposit and security deposit for borrowing pledge/security deposit for issuing letters of guarantee and letters of credit
Inventory	10,229,064,093.51	For mortgage loan

Items	Period-end book value	Limited reasons
Fixed assets	3,641,301,415.78	For mortgage loan
Intangible assets	45,058,166.72	For mortgage loan
Total	14,430,082,176.01	

VII. Consolidation scope changes

The company purchased 100% equity of Danyang Tianxin Venture Capital Management Co., Ltd from Danyang Financial Holding Group Co., Ltd in 2021, and included it into the consolidation scope.

The company established a new first-level subsidiary Danyang Public Utility Industry Development Co., Ltd in 2021 (not operated temporarily in 2021, without financial data), and included it in the consolidation scope.

The company's first-level subsidiary Danyang Tianrun Asset Management Co., Ltd accepted Danyang Xindan Hotel Co., Ltd transferred in 2021 and included it in the consolidation scope.

The company's first-level subsidiary Danyang Tiansheng New City Construction Investment Development Co., Ltd and external company Jiangsu Handing Hantian Construction Co., Ltd jointly funded to establish Zhenjiang Hua'ao Ruidan Environmental Engineering Technology Co., Ltd in 2021 (not operated temporarily in 2021, without financial data). Danyang Tiansheng New City Construction Investment Development Co., Ltd held 51% shares, with substantial control over it, and included it in the consolidation scope.

The company's first-level subsidiary Danyang Public Utility Industry Development Co., Ltd and external company Jiangsu Ganghua Transportation Technology Co., Ltd and Danyang Ganghua Energy Co., Ltd jointly funded to establish Zhenjiang Ganghua Transportation Technology Co., Ltd (not operated temporarily in 2021, without financial data). Danyang Public Utility Industry Development Co., Ltd held 45% shares, with substantial control over it, and included it in the consolidation scope.

The company's former first-level subsidiary Danyang Lianhu Ecotourism Construction Development Co., Ltd was cancelled in 2021 and no longer included in the consolidation scope.

VIII. Equity in other entities

1. Equity in subsidiaries

(1) Composition of corporate group

No.	Name of subsidiaries	Main business place	Business nature	Shareholding ratio (%)		Acquisition mode	Registered capital (ten thousand Yuan)
				Direct	Indirect		
1	Jiangsu Danhua Group Co., Ltd.	Danyang City	Production and sales of nitrogen fertilizer, carbide, hydrocarbon & its halide, derivative, polyolefin resin and ion exchange resin	100.00		Establishment	27,907.63
2	Danyang Jinsheng Chemical Co., Ltd.	Danyang City	Hazardous chemical wholesale		71.20	Establishment	60.00
3	Danyang Donglei	Danyang City	Chemical material distribution		100.00	Establishment	60.00

No.	Name of subsidiaries	Main business place	Business nature	Shareholding ratio (%)		Acquisition mode	Registered capital (ten thousand Yuan)
				Direct	Indirect		
	Petroleum Product Co., Ltd.						
4	Danyang Danhua Transportation Co., Ltd.	Danyang City	Road cargo transportation		100.00	Establishment	470.00
5	Danyang Huifeng Import & Export Trade Co., Ltd.	Danyang City	Self-operated and agency import and export of various goods and technologies		100.00	Establishment	100.00
6	Danyang Danhua Labor Service Co., Ltd.	Danyang City	Labor service		100.00	Establishment	50.00
7	Jiangsu Danhua Coal Chemical Engineering Technology Co., Ltd.	Danyang City	Technological R&D of coal chemicals		100.00	Establishment	1,500.00
8	Danyang Danhua New Material Co., Ltd	Danyang City	Eco-friendly new composite material R&D and production		100.00	Establishment	500.00
9	Jiangsu Danhua Import & Export Co., Ltd	Danyang City	Self-operated and agency import and export business of various commodities and technologies		66.00	Establishment	500.00
10	Danyang Auto Home Catering Service Co., Ltd	Danyang City	Catering services		100.00	Establishment	5.00
11	Danyang Chiyijia Auto Repair and Maintenance Service Co., Ltd	Danyang City	Motor vehicle repair and maintenance; automobile decoration product sales		100.00	Establishment	5.00
12	Danyang Jindan Electric Installation Co., Ltd	Danyang City	Electrical, instrument, meter and mechanical equipment installation, preservation and maintenance		100.00	Establishment	300.00
13	Danhua Chemical Technology Co., Ltd.	Shanghai City	Coal chemical product and petrochemical product technology development and technology transfer		23.72	Establishment	101,652.424
14	Shanghai Danhua Chemical Technology Development Co., Ltd.	China (Shanghai) Pilot Free Trade Zone	Technical development, transfer and consultation in the specialized energy and chemical field		100.00	Establishment	4,500.00

No.	Name of subsidiaries	Main business place	Business nature	Shareholding ratio (%)		Acquisition mode	Registered capital (ten thousand Yuan)
				Direct	Indirect		
15	Jiangsu Danhua Acetic Anhydride Co., Ltd.	Danyang City	Acetic anhydride and derivative production		75.00	Business combination under different control	USD 14.80 million
16	Tongliao Jinmei Chemical Co., Ltd.	Tongliao City	Oxalic acid, oxalate, carbonic ester, ethylene glycol, methyl glycolate, glycolic acid and its derivative, sulfur, oxygen, hydrogen and nitrogen production operation		76.77	Business combination under the same control	245,301.73
17	Jiangsu G. Poly Alloy Material Co., Ltd.	Danyang City	Copper-palladium powder alloy production and sales		76.77	Establishment	4,000.00
18	Danyang Danmao Chemical Technology Center (Limited Partnership) {Former name: Shanghai Danmao Chemical Technology Center (Limited Partnership)}	Danyang City	Engaged in technical development, transfer, consulting and service in the field of chemical technology		100.00	Establishment	
19	Jiangsu Jinzhihong New Material Co., Ltd.	Danyang City	Plastic product production and sales		86.00	Establishment	10,000.00
20	Shanghai Dansheng New Material Technology Center (Limited Partnership)	Shanghai City	Technical development, transfer, consultation and service, etc of new chemical material		96.463	Establishment	
21	Zhangjiagang Free Trade Zone Jintong Chemical Co., Ltd.	Zhangjiagang Free Trade Zone	Self-operated and agency import and export business of various commodities		60.00	Establishment	170.00
22	Suzhou Shizuan Environmental Protection Industrial Co., Ltd.	Kunshan City	Centralized disposal of hazardous wastes		55.004	Business combination under different control	10,000.00
23	Danyang Danjian Rehabilitation Nursing Center Co., Ltd (former name Danyang Danjian Medical and Health Business	Danyang City	Medical project investment	100.00		Establishment	5,000.00

No.	Name of subsidiaries	Main business place	Business nature	Shareholding ratio (%)		Acquisition mode	Registered capital (ten thousand Yuan)
				Direct	Indirect		
	Investment Development Co., Ltd)						
24	Fengmei International Investment Co., Ltd.	Hong Kong	Investment, capital management	100.00		Establishment	HKD 20 million
25	Danyang Hongding Outdoor Media Service Co., Ltd.	Danyang City	Outdoor media design, production and release	100.00		Appropriation	20.00
26	Zhenjiang Yitongda Cross-Border Trade Service Co., Ltd.	Danyang City	Cross-border trade parcel testing service	100.00		Establishment	600.00
27	Danyang Tiansheng New City Construction Investment Development Co., Ltd.	Danyang City	New urbanization construction	100.00		Establishment	54,643.00
28	Zhenjiang Hua'ao Ruidan Environmental Engineering Technology Co., Ltd	Danyang City	Construction engineering construction, urban construction waste disposal (removal and transportation), environmental testing, etc.		51.00	Establishment	4,100.00
29	Danyang Tianrun Asset Management Co., Ltd.	Danyang City	Asset management service	100.00		Appropriation	20,000.00
30	Danyang New Energy Development Co., Ltd.	Danyang City	Solar water heater, biogas and mechanical equipment distribution, etc.		100.00	Appropriation	550.00
31	Danyang Security Service Co., Ltd.	Danyang City	Provide property and personal safety protection service for companies and all walks of life.		100.00	Appropriation	1,000.00
32	Danyang Ruiyu Water Conservancy Engineering Co., Ltd.	Danyang City	Water conservancy and hydropower engineering, earthwork engineering, drainage engineering construction and repair		100.00	Appropriation	600.00
33	Danyang Chaoyang Urban Management Maintenance Co., Ltd.	Danyang City	Municipal engineering, landscaping engineering		100.00	Appropriation	500.00

No.	Name of subsidiaries	Main business place	Business nature	Shareholding ratio (%)		Acquisition mode	Registered capital (ten thousand Yuan)
				Direct	Indirect		
34	Danyang Lianzhong Road Lighting Co., Ltd.	Danyang City	Street lighting engineering design, construction, installation, maintenance		100.00	Appropriation	1,000.00
35	Danyang Xindan Hotel Co., Ltd	Danyang City	Hotel project preparation, parking lot service		100.00	Appropriation	50.00
36	Danyang Jiacheng Gardan Engineering Co., Ltd.	Danyang City	Rockery, sculpture and fountain engineering construction.		100.00	Appropriation	2,000.00
37	Danyang Jiajie Environmental Sanitation Service Co., Ltd.	Danyang City	Urban street sweeping and cleaning		100.00	Appropriation	500.00
38	Danyang Sanchuang Environmental Sanitation Service Co., Ltd.	Danyang City	New combined septic tank technology promotion; septic tank construction, installation and other new technology development, promotion and service		100.00	Appropriation	100.00
39	Danyang Environmental Sanitation Equipment Repair Co., Ltd.	Danyang City	Three-level automobile maintenance, assembly overhaul, fecal truck transformation, etc.		100.00	Appropriation	8,700
40	Danyang Xinchuang Industrial Investment Development Co., Ltd.	Danyang City	New rural and new town investment, construction, development and management; rural environmental control		60.00	Appropriation	20,000.00
41	Danyang Water Group Co., Ltd.	Danyang City	Water supply and installation, repair retail	39.78		Establishment	6,675.048951
42	Danyang Shulyun Real Estate Development Co., Ltd.	Danyang City	Housing development and sales		90.00	Establishment	800.00
43	Danyang Shulrun Installation Engineering Co., Ltd.	Danyang City	Water supply and drainage installation, repair and sales		100.00	Establishment	800.000001
44	Danyang Shicheng Sewage Treatment Co., Ltd.	Danyang City	Sewage treatment		100.00	Establishment	6,250.23

No.	Name of subsidiaries	Main business place	Business nature	Shareholding ratio (%)		Acquisition mode	Registered capital (ten thousand Yuan)
				Direct	Indirect		
45	Danyang Agricultural Comprehensive Development Co., Ltd.	Danyang City	Agricultural infrastructure construction, operation and management	100.00		Establishment	5,000.00
46	Jiangsu Shengyu Dansheng Venture Capital Co., Ltd.	Danyang City	Venture capital investment	43.33	20.00	Establishment	21,000.00
47	Jiangsu Qiliang Cultural Tourism Development Co., Ltd.	Danyang City	Cultural tourism project development	100.00		Establishment	10,000.00
48	Danyang New Rural Construction Development Co., Ltd.	Danyang City	New rural and new town project investment, development, management and construction	100.00		Establishment	20,000.00
49	Danyang Gaosheng New Material Co., Ltd	Danyang City	Aluminum and aluminum alloy, galvanized sheet, aluminum-plated galvanized sheet, color-coated sheet, cold-rolled sheet, optical lenses, glass block material, lighting ball material, glass product, building material, hardware and electromechanical product sales		50.00	Establishment	20,000.00
50	Danyang Dansheng Logistics Industrial Development Co., Ltd.	Danyang City	Logistics Industrial Park project development	100.00		Establishment	42,000.00
51	Danyang Fangyuan Planning and Construction Co., Ltd.	Danyang City	Land planning service	51.00		Establishment	1,000.00
52	Danyang Lianhu Ecological New District Investment Development Co., Ltd	Danyang City	Comprehensive park development, infrastructure construction, industrial investment, operation and service.	100.00		Appropriation	16,000.00
53	Jiangsu Lianhu Ecological Culture Technology	Danyang City	Ecological environment construction technology R&D,		100.00	Appropriation	5,000.00

No.	Name of subsidiaries	Main business place	Business nature	Shareholding ratio (%)		Acquisition mode	Registered capital (ten thousand Yuan)
				Direct	Indirect		
	Development Co., Ltd		consultation and development (ecological restoration project, water environment control project), garden design and maintenance, cultural tourism creativity, Various construction activities				
54	Danyang Tianxin Venture Capital Management Co., Ltd	Danyang City	Equity investment, consultation service, fund management service	100.00		Holding consolidation under different control	10,000.00
55	Danyang Public Utility Industry Development Co., Ltd	Danyang City	Power generation, transmission and supply business; various engineering construction activities	100.00		Establishment	4,800.00
56	Zhenjiang Ganghua Transportation Technology Co., Ltd	Danyang City	Technical service, technical development, technical consultation, technical exchange, technical transfer, technical promotion, etc.		45.00	Establishment	1,000.00

Note: Second-level subsidiary Danyang Xinchuang Industrial Investment Development Co., Ltd subscribed 60.00% of registered capital, but for this company, only Danyang Tianrun Asset Management Co., Ltd has paid in the registered capital now, so that profits and losses are calculated as per 100%.

It holds 23.72% shares of the listed company Danhua Chemical Technology Co., Ltd, as the largest shareholder of this company, and actually controls this company; therefore although shareholding ratio is less than 50.00%, the company still includes it in the consolidation scope.

(2) Important non-wholly owned subsidiaries

None.

2. Equity in joint ventures or associated enterprises

No important joint venture or associated enterprise

3. Equity in structured entities excluded in the scope of consolidated financial statement

None.

IX. Associated parties and associated transactions

1. Parent company of the company

Name of parent company	Entity nature	Registered place	Business nature	Shareholding ratio of parent company to the company (%)	Voting right ratio of parent company to the company (%)
Danyang Municipal People's Government State-owned Assets Supervision and Management Office	Business legal entity	Danyang City	Perform obligations of state-owned asset investor at the same level on behalf of Danyang Municipal Government	100.00	100.00

2. Subsidiaries of the Company

See Note VIII. 1. Equity in subsidiaries.

3. Joint ventures and associated enterprises of the company

Name of joint ventures or associated enterprises	Relationship with the company
Shanghai Hero Golden Pen Factory Taopu United Management Second Factory	Joint ventures
Danyang Anju Property Management Co., Ltd.	Joint ventures
Jining Danjia Environmental Service Co., Ltd.	Associated enterprises
Jiangsu Xingang Park Development Co., Ltd.	Associated enterprises
Danyang Zhengda Engineering Cost Consultation Co., Ltd	Associated enterprises
Jining Jindan Chemical Co., Ltd.	Associated enterprises
Khorgos Danke Information Technology Co., Ltd.	Associated enterprises
Inner Mongolia Yilin Chemical Co., Ltd.	Associated enterprises
Inner Mongolia Yilin Jupeng New Energy Co., Ltd.	Associated enterprises
Jiangsu Global Base Supply Chain Co., Ltd	Associated enterprises
Fuzhou Danlian Supply Chain Co., Ltd	Associated enterprises

4. Other associated parties

Name of other associated parties	Other related party name and relationship with the company
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	Controlled by the same parent company
Danyang Anju Engineering Construction Investment Co., Ltd.	Key management personnel
Danyang Tianhui Investment Development Co., Ltd.	Key management personnel
Danyang Chengtai Town Construction Co., Ltd.	Key management personnel
Danyang Chengtai Construction Development Co., Ltd.	Controlled by the same parent company
Danyang Dansheng Agricultural By-Product Development Co., Ltd.	Key management personnel
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	Controlled by the same parent company
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	Key management personnel
Danyang Dansheng New Town Construction Development Co., Ltd.	Controlled by the same parent company
Danyang Xinnong Town Construction and Development Co., Ltd.	Key management personnel
Danyang Tiansheng Investment Co., Ltd.	Key management personnel
Danyang Tiangong Huinong Rural Micro-credit Co., Ltd	Key management personnel

Name of other associated parties	Other related party name and relationship with the company
Danyang Chengtai Hardware Trading Co., Ltd	Key management personnel
Danyang Chengtai Hotel Management Co., Ltd	Key management personnel
Danyang Danhua Jinmei Chemical Co., Ltd.	Wholly-owned subsidiary of associated enterprise of subsidiary
Danyang Jiasheng Agricultural Comprehensive Development Co., Ltd	Key management personnel
Danyang Jiarun Traffic Engineering Co., Ltd.	Key management personnel
Danyang Huicun Technology Partnership Enterprise (General Partnership)	Key management personnel
Danyang Huinong Technology Partnership Enterprise (Limited Partnership)	Key management personnel
Danyang Hegu Modern Agriculture Co., Ltd	Key management personnel
Danyang Jingcai Green Agriculture Co., Ltd	Key management personnel
Danyang Panjv Urban Comprehensive Pipeline Construction Co., Ltd	Key management personnel
Danyang Lvshuo Ecological Agriculture Co., Ltd	Key management personnel
Danyang Yingxing Agricultural Ecological Tourism Development Co., Ltd	Key management personnel

5. Conditions of associated party transactions

(1) Associated transaction for purchasing and selling commodities, providing and accepting labor service

None.

6. Receivables and payables of related parties

(1) Receivables

Name of projects	Closing balance		Previous year ending balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable:	**647,162,982.87**	**73,710.00**	**662,305,746.73**	**73,710.00**
Jining Jindan Chemical Co., Ltd.	73,710.00	73,710.00	73,710.00	73,710.00
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	647,089,272.87		662,232,036.73	
Other receivables:	**2,613,913,448.65**	**2,034,727.93**	**2,067,423,267.24**	**23,034,727.93**
Jining Jindan Chemical Co., Ltd.	48,869.88		48,869.88	
Hong Kong Hua Sheng Corporation	50,587.00		44,757.00	
Danyang Danhua Jinmei Chemical Co., Ltd.			1,084,698.00	
Zheng Hubin			52,796.01	
Shi Guoping	700,000.00		700,000.00	
Danyang Tianhui Investment Development Co., Ltd.	275,333,791.75		420,000,000.00	21,000,000.00
Shanghai Shengyu Equity Investment Fund Management Co., Ltd.	21,000,000.00		33,117,200.00	

Name of projects	Closing balance		Previous year ending balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Danyang Geochuang Technology Development Co., Ltd.	14,000,000.00		16,297,333.00	
Jiangsu Tiangong Group Co., Ltd.	14,000,000.00		16,297,333.00	
Danyang Power Station Boiler Fittings Factory	14,000,000.00		16,297,333.00	
Danyang Municipal People's Government State-owned Assets Supervision and Management Office	1,113,191,096.00		1,113,191,096.00	
Danyang Tiansheng Investment Co., Ltd.	492,903,340.28		288,256,923.42	
Danyang Anju Engineering Construction Investment Co., Ltd.	345,548,898.40			
Danyang Chengtai Town Construction Co., Ltd.	321,080,137.41			
Danyang Hegu Modern Agriculture Co., Ltd	10,000.00			
Danyang Jingcai Green Agriculture Co., Ltd	10,000.00			
Danyang Panjv Urban Comprehensive Pipeline Construction Co., Ltd	1,000.00			
Danyang Lvshuo Ecological Agriculture Co., Ltd	1,000.00			
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.			160,000,000.00	
Shanghai Hero Golden Pen Factory Taopu United Management Second Factory	2,034,727.93	2,034,727.93	2,034,727.93	2,034,727.93
Total	**3,261,076,431.52**	**2,108,437.93**	**2,729,729,013.97**	**23,108,437.93**

(2) Payables

Name of projects	Closing balance	Previous year ending balance
Accounts payable:	**7,826,668.00**	**7,826,668.00**
Danyang Danhua Jinmei Chemical Co., Ltd.	7,826,668.00	7,826,668.00
Other payables:	**60,886,766.28**	**2,528,561,770.90**
Danyang Danhua Jinmei Chemical Co., Ltd.	16,099,279.51	17,945,177.51
Danyang Tiangong Huinong Rural Micro-credit Co., Ltd	300,000.00	300,000.00
Jiangsu Global Base Supply Chain Co., Ltd		336,952,580.09
Danyang Dansheng New Town Construction Development Co., Ltd.		311,887,104.03
Danyang Dansheng Agricultural By-Product Development Co., Ltd.		306,794,620.20

Name of projects	Closing balance	Previous year ending balance
Danyang Chengtai Construction Development Co., Ltd.		148,021,491.54
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.		268,287,227.22
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.		265,921,884.98
Danyang Xinnong Town Construction and Development Co., Ltd.		259,011,646.08
Danyang Chengtai Hardware Trading Co., Ltd		209,168,636.55
Danyang Huinong Technology Partnership Enterprise (Limited Partnership)		178,500,000.00
Danyang Jiasheng Agricultural Comprehensive Development Co., Ltd		110,159,467.80
Danyang Jiarun Traffic Engineering Co., Ltd.		66,179,682.70
Danyang Huicun Technology Partnership Enterprise (General Partnership)		43,569,600.00
Danyang Chengtai Hotel Management Co., Ltd		4,892,652.20
Danyang Yingxing Agricultural Ecological Tourism Development Co., Ltd	43,397,486.77	
Danyang Sunshine Corporate Management Co., Ltd	1,070,000.00	1,070,000.00
Total	**68,693,434.28**	**2,536,368,438.90**

X. Commitments and contingencies

1. Major commitments

None.

2. Contingencies

(1) Contingent liabilities arising from pending litigation arbitration and the financial impact

None.

(2) Contingent liabilities formed by provision of debt guarantee for other entities and its financial impact

None.

(3) Contingent liabilities related to joint venture or associated enterprise investments

None.

(4) Other contingencies

As of 31 December 2021, the company's external guarantees are as follows:

Guaranteed party	Guarantee balance (RMB ten thousand)	Guarantee start date	Guarantee due date
DLS Aluminum Holding Co., Ltd.	94,922.33	2013.1.31	2027.2.1
Jiangsu Hengshen Fiber Material Co., Ltd.	30,000.00	2015.2.13	2025.2.13
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	24,000.00	2015.9.25	2028.9.17
Danyang Dansheng New Rural Construction Development Co., Ltd.	17,500.00	2015.10.29	2027.10.26
Danyang Development Zone High-Tech	90,000.00	2016.3.4	2024.10.16

Guaranteed party	Guarantee balance (RMB ten thousand)	Guarantee start date	Guarantee due date
Industrial Development Co., Ltd.			
Danyang Education Investment Development Co., Ltd.	1,000.00	2016.1.25	2023.1.24
Danyang Qiliang Agricultural Development Co., Ltd.	41,669.00	2016.3.18	2031.3.17
Danyang Dansheng Urbanization Construction Development Co., Ltd.	21,795.00	2016.5.27	2026.5.27
Danyang Education Investment Development Co., Ltd.	108,000.00	2016.7.29	2038.7.28
Danyang Education Investment Development Co., Ltd.	26,870.00	2016.8.1	2028.8.1
Danyang Chengtai Environmental Technology Development Co., Ltd.	52,000.00	2016.6.12	2026.6.12
Danyang Chengtai Environmental Technology Development Co., Ltd.	72,344.00	2016.9.30	2028.9.20
Danyang Huanong Water Conservancy Construction Development Co., Ltd.	3,500.00	2016.10.14	2023.6.30
Danyang Huanong Water Conservancy Construction Development Co., Ltd.	18,500.00	2016.12.9	2025.12.31
Danyang Jiarun Environmental Governance Development Co., Ltd.	15,000.00	2017.3.1	2028.12.20
Danyang Dansheng New Rural Construction Development Co., Ltd.	32,000.00	2017.12.19	2023.12.12
Danyang Jiarun Environmental Governance Development Co., Ltd.	88,900.00	2018.3.30	2025.3.30
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	8,000.00	2021.8.9	2023.4.10
Danyang Dansheng New Rural Construction Development Co., Ltd.	8,000.00	2021.8.9	2023.4.10
Danyang Chengtai Town Construction Co., Ltd.	10,000.00	2021.9.2	2023.3.15
Danyang Chengtai Environmental Technology Development Co., Ltd.	10,000.00	2021.9.13	2023.3.18
Danyang Dansheng New Town Construction Development Co., Ltd.	10,000.00	2021.9.6	2023.3.15
Danyang Dansheng Urbanization Construction Development Co., Ltd.	10,000.00	2021.9.6	2023.3.15
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	10,000.00	2021.9.10	2023.4.10
Danyang Huanong Water Conservancy Construction Development Co., Ltd.	10,000.00	2021.9.6	2024.7.25
Danyang Jiarun Traffic Engineering Co., Ltd.	10,000.00	2021.9.7	2024.8.2
Danyang Green City Water Conservancy Construction Development Co., Ltd.	10,000.00	2021.9.14	2024.8.3
Danyang Tiansheng Water Conservancy Construction Development Co., Ltd.	10,000.00	2021.9.14	2024.8.3
Danyang Xinnong Town Construction and Development Co., Ltd.	10,000.00	2021.8.16	2023.4.10
Danyang Jiarun Environmental Governance Development Co., Ltd.	10,000.00	2021.9.2	2024.7.25

Guaranteed party	Guarantee balance (RMB ten thousand)	Guarantee start date	Guarantee due date
Danyang Agricultural Development Co., Ltd.	8,774.19	2018.10.24	2023.10.10
Danyang Jiacheng Agricultural By-Product Development Co., Ltd.	13,117.13	2019.1.2	2023.5.20
Danyang Dansheng Agricultural By-Product Development Co., Ltd.	8,774.19	2019.1.3	2024.1.20
Danyang Jiasheng Agricultural Comprehensive Development Co., Ltd	10,000.00	2019.1.22	2022.1.15
Danyang Jiacheng Agricultural By-Product Development Co., Ltd.	10,000.00	2019.1.25	2022.1.15
Danyang Jintai Water Conservancy Construction Development Co., Ltd	10,000.00	2019.1.22	2022.1.15
Danyang Optical Center Co., Ltd	10,000.00	2019.1.22	2022.1.15
Danyang Qiliang Water Conservancy Construction Development Co., Ltd	1,000.00	2019.2.3	2022.2.3
Danyang Qiliang Agricultural Development Co., Ltd.	10,000.00	2019.1.22	2022.1.16
Danyang Development Zone High-Tech Industrial Development Co., Ltd.	17,000.00	2019.1.30	2025.12.23
Danyang Optical Center Co., Ltd	4,349.02	2018.12.25	2024.1.8
Jiangsu Danyang Glasses Market Development Co., Ltd	10,000.00	2019.1.22	2022.1.16
Danyang Dadi Construction Investment Development Co., Ltd.	4,999.00	2019.1.14	2024.1.14
Danyang Qiliang Investment Development Co., Ltd	4,999.00	2019.1.14	2024.1.14
Danyang Riverside Equipment Manufacturing Industrial Park Investment Development Co., Ltd	4,999.00	2019.1.14	2024.1.14
Danyang Xinnong Town Construction and Development Co., Ltd.	35,940.00	2020.12.29	2022.12.29
Danyang Anju Engineering Construction Investment Co., Ltd.	44,206.00	2019.6.12	2026.5.11
Danyang Development Zone High-Tech Industrial Development Co., Ltd.	23,000.00	2019.4.15	2024.3.24
Danyang Qiliang Agricultural Development Co., Ltd.	8,909.56	2019.3.20	2026.3.10
Danyang Huanong Water Conservancy Construction Development Co., Ltd.	5,306.81	2019.7.24	2026.7.10
Danyang Jiasheng Agricultural Comprehensive Development Co., Ltd	6,899.32	2019.7.31	2026.7.10
Danyang Haorun Environmental Control Development Co., Ltd	5,442.06	2019.4.28	2024.4.29
Danyang Dansheng New Town Construction Development Co., Ltd.	10,840.00	2019.9.5	2026.8.4
Danyang Hongsen New Rural Agriculture Development Co., Ltd	15,000.00	2019.7.31	2024.7.30
Danyang Chengtai Environmental Technology Development Co., Ltd.	10,606.71	2019.12.26	2026.12.10
Danyang Dansheng Agricultural By-Product Development Co., Ltd.	47,140.00	2019.12.12	2024.12.27

Guaranteed party	Guarantee balance (RMB ten thousand)	Guarantee start date	Guarantee due date
Danyang Qiliang Agricultural Development Co., Ltd.	6,467.55	2019.10.14	2025.10.14
Danyang Development Zone High-Tech Industrial Development Co., Ltd.	6,500.00	2019.12.12	2025.1.2
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	9,250.00	2020.1.2	2025.12.31
Danyang Chengtai Town Construction Co., Ltd.	3,600.00	2020.1.21	2025.12.31
Danyang Dansheng Urbanization Construction Development Co., Ltd.	4,920.00	2020.1.20	2026.12.31
Danyang Situ Vanilla Modern Agriculture Park Development Co., Ltd.	10,200.00	2020.1.14	2027.12.31
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	18,000.00	2020.3.19	2024.12.15
Danyang Anju Engineering Construction Investment Co., Ltd.	30,000.00	2019.12.30	2028.1.1
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	39,970.00	2020.1.21	2025.1.21
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	15,500.00	2020.3.30	2024.3.30
Danyang Dadi Construction Investment Development Co., Ltd.	4,600.00	2020.8.11	2024.8.10
Danyang Development Zone High-Tech Industrial Development Co., Ltd.	20,000.00	2019.7.12	2025.1.20
Danyang Qiliang Investment Development Co., Ltd	4,750.00	2020.8.11	2024.8.10
Danyang Riverside Equipment Manufacturing Industrial Park Investment Development Co., Ltd	4,850.00	2020.8.11	2024.8.10
Danyang Dantuo Building Material Trading Co., Ltd.	20,000.00	2020.4.16	2025.4.10
Danyang Chengtai Hardware Trading Co., Ltd	20,000.00	2020.4.16	2025.4.10
Danyang Qiliang Agricultural Development Co., Ltd.	11,046.32	2020.4.7	2028.4.7
Danyang Dansheng Agricultural By-Product Development Co., Ltd.	5,248.96	2020.4.7	2023.4.7
Danyang Dansheng Agricultural By-Product Development Co., Ltd.	5,265.07	2020.5.25	2026.5.25
Danyang Dansheng New Rural Construction Development Co., Ltd.	12,000.00	2020.4.16	2025.4.10
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	12,000.00	2020.4.9	2025.3.4
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	10,000.00	2020.4.16	2025.4.10
Danyang Dansheng New Town Construction Development Co., Ltd.	10,000.00	2020.3.30	2025.3.15
Danyang Chengtai Town Construction Co., Ltd.	10,000.00	2020.3.30	2025.3.15
Danyang Dansheng Urbanization Construction Development Co., Ltd.	10,000.00	2020.4.1	2025.3.15

Guaranteed party	Guarantee balance (RMB ten thousand)	Guarantee start date	Guarantee due date
Danyang Xinnong Town Construction and Development Co., Ltd.	6,000.00	2020.4.16	2025.4.10
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	19,404.00	2020.4.3	2025.4.29
Danyang Chengtai Environmental Technology Development Co., Ltd.	25,000.00	2020.6.12	2024.6.12
Danyang Chengtai Environmental Technology Development Co., Ltd.	10,000.00	2020.4.2	2025.3.18
Danyang Xinnong Town Construction and Development Co., Ltd.	5,907.15	2020.6.9	2031.6.10
Danyang Chengtai Construction Development Co., Ltd.	29,960.00	2020.6.12	2025.6.28
Danyang Xinnong Town Construction and Development Co., Ltd.	25,000.00	2020.5.15	2024.6.22
Danyang Anju Engineering Construction Investment Co., Ltd.	27,000.00	2020.5.29	2024.6.4
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	23,500.00	2020.6.30	2023.12.23
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	12,000.00	2020.6.8	2024.6.8
Danyang High-tech District Agricultural Technology Development Co., Ltd	12,000.00	2020.4.22	2025.4.10
Danyang Danyue Construction Development Co., Ltd	11,000.00	2020.4.22	2025.4.10
Danyang High-tech District Health Industry Development Co., Ltd	10,000.00	2020.4.24	2025.4.10
Danyang Agricultural Development Co., Ltd.	9,843.00	2020.5.14	2024.6.19
Danyang Development Zone New Rural Development Construction Co., Ltd	49,985.00	2020.8.17	2025.8.17
Danyang Dansheng Agricultural By-Product Development Co., Ltd.	39,985.00	2020.8.17	2025.8.17
Danyang Xinnong Town Construction and Development Co., Ltd.	39,998.50	2020.9.17	2027.9.17
Danyang Jiasheng Agricultural Comprehensive Development Co., Ltd	2,361.36	2020.9.28	2025.9.28
Danyang Dansheng New Rural Construction Development Co., Ltd.	18,500.00	2020.7.31	2025.12.15
Danyang Chengtai Construction Development Co., Ltd.	38,000.00	2020.9.27	2025.9.27
Danyang High-Tech Zone Investment Development Co., Ltd.	33,000.00	2020.9.29	2028.9.29
Danyang Qilang Agricultural Development Co., Ltd.	10,659.47	2020.9.1	2024.9.1
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	4,980.00	2020.12.23	2023.12.23
Danyang Jiarun Traffic Engineering Co., Ltd.	3,760.00	2021.6.16	2024.6.16
Danyang Chengtai Environmental Technology Development Co., Ltd.	10,339.12	2020.12.18	2023.12.20
Danyang Dansheng Water Conservancy	6,000.00	2020.3.19	2024.12.15

Guaranteed party	Guarantee balance (RMB ten thousand)	Guarantee start date	Guarantee due date
Construction Development Co., Ltd.			
Danyang Development Zone High-Tech Industrial Development Co., Ltd.	21,000.00	2020.11.4	2025.11.4
Danyang Qiliang Agricultural Development Co., Ltd.	49,999.00	2021.02.23	2026.02.23
Danyang High-Tech Zone Investment Development Co., Ltd.	25,000.00	2021.01.28	2031.12.25
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	12,000.00	2021.1.25	2025.4.10
Danyang Chengtai Construction Development Co., Ltd.	8,000.00	2021.8.11	2024.7.25
Danyang Xinnong Town Construction and Development Co., Ltd.	21,300.00	2021.3.16	2024.9.11
Danyang Xinnong Town Construction and Development Co., Ltd.	11,800.00	2021.3.24	2025.3.23
Danyang Dansheng Urbanization Construction Development Co., Ltd.	10,800.00	2021.3.10	2025.3.9
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	5,000.00	2021.3.9	2025.3.8
Danyang Dansheng New Town Construction Development Co., Ltd.	26,000.00	2021.1.5	2031.11.25
Danyang Jiarun Traffic Engineering Co., Ltd.	19,500.00	2021.2.8	2031.2.8
Danyang Tiansheng Water Conservancy Construction Development Co., Ltd.	7,684.99	2021.1.25	2026.1.22
Danyang Jiarun Traffic Engineering Co., Ltd.	3,970.00	2021.4.27	2024.4.27
Danyang Chengtai Environmental Technology Development Co., Ltd.	3,000.00	2021.4.28	2022.4.27
Danyang Chengtai Hardware Trading Co., Ltd	990.00	2021.4.29	2022.4.28
Danyang Dansheng New Town Construction Development Co., Ltd.	41,465.00	2021.4.29	2028.10.22
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	16,666.67	2021.5.7	2024.5.6
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	6,077.73	2021.4.30	2023.4.18
Danyang Peace Tool Trading Co., Ltd.	2,600.00	2021.5.13	2022.5.12
Danyang Jiangbin Precision Machinery Manufacturing Co., Ltd.	3,400.00	2021.5.25	2022.5.24
Danyang Development Zone High-Tech Industrial Development Co., Ltd.	24,950.00	2021.4.23	2023.05.14
Danyang Development Zone New Rural Development Construction Co., Ltd	35,000.00	2021.4.21	2027.12.19
Danyang Development Zone High-Tech Industrial Development Co., Ltd.	49,410.00	2021.03.26	2022.5.28
Danyang Jintai Water Conservancy Construction Development Co., Ltd	495.00	2021.8.31	2024.8.14
Danyang Jiacheng Agricultural By-Product Development Co., Ltd.	495.00	2021.8.31	2024.8.14

Guaranteed party	Guarantee balance (RMB ten thousand)	Guarantee start date	Guarantee due date
Danyang Dantuo Building Material Trading Co., Ltd.	495.00	2021.8.31	2024.8.14
Danyang Yingxing Agricultural Ecological Tourism Development Co., Ltd	495.00	2021.9.14	2024.9.13
Danyang Chengtai Hardware Trading Co., Ltd	900.00	2021.7.8	2022.7.7
Danyang Jiasheng Agricultural Comprehensive Development Co., Ltd	15,000.00	2021.2.7	2029.2.6
Danyang Education Investment Development Co., Ltd.	13,859.58	2021.8.31	2024.8.27
Danyang Agricultural Development Co., Ltd.	7,000.00	2021.7.3	2022.7.12
Danyang Optical Center Co., Ltd	6,500.00	2021.7.13	2022.7.12
Danyang Chengtai Town Construction Co., Ltd.	4,500.00	2021.9.26	2022.9.25
Jiangsu Wuben Modern Agriculture Development Co., Ltd	4,000.00	2021.7.21	2022.7.21
Danyang Dansheng Agricultural By-Product Development Co., Ltd.	7,500.00	2021.3.1	2028.10.27
Danyang Dansheng Urbanization Construction Development Co., Ltd.	20,000.00	2021.8.3	2026.8.10
Jiangsu Global Base Supply Chain Co., Ltd	4,900.00	2021.2.1	2022.2.1
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	900.00	2021.7.23	2022.1.22
Danyang Agricultural Development Co., Ltd.	4,000.00	2021.9.7	2022.9.7
Danyang Xinnong Town Construction and Development Co., Ltd.	39,000.00	2021.8.31	2028.8.25
Danyang Jiacheng Agricultural By-Product Development Co., Ltd.	19,153.04	2021.9.23	2026.9.20
Danyang Dansheng New Town Construction Development Co., Ltd.	59,900.00	2021.7.16	2023.7.14
Danyang Anju Engineering Construction Investment Co., Ltd.	50,000.00	2021.9.10	2029.9.10
Danyang Chengtai Town Construction Co., Ltd.	59,000.00	2021.11.8	2027.6.25
Danyang Xinnong Town Construction and Development Co., Ltd.	17,600.00	2021.10.29	2022.2.26
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	12,000.00	2021.11.11	2022.11.10
Danyang Education Investment Development Co., Ltd.	5,000.00	2021.10.29	2024.10.29
Jiangsu Danyang Food Co., Ltd	2,000.00	2021.11.30	2023.5.29
Danyang Leqi Cultural Tourism Industrial Development Co., Ltd	12,000.00	2021.6.24	2026.5.11
Danyang Riverside Equipment Manufacturing Industrial Park Investment Development Co., Ltd	6,500.00	2021.9.2	2022.9.1
Danyang Xinnong Town Construction and Development Co., Ltd.	15,000.00	2021.12.16	2023.12.16

Guaranteed party	Guarantee balance (RMB ten thousand)	Guarantee start date	Guarantee due date
Danyang Dansheng New Rural Construction Development Co., Ltd.	16,699.00	2021.12.24	2023.12.24
Danyang Jiacheng Agricultural By-Product Development Co., Ltd.	15,000.00	2021.12.28	2022.12.28
Danyang Dansheng New Town Construction Development Co., Ltd.	13,000.00	2021.10.26	2022.10.26
Danyang Dansheng New Rural Construction Development Co., Ltd.	14,000.00	2021.10.26	2022.10.26
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	9,600.00	2021.12.20	2022.12.20
Danyang Lianhu Shuicheng Investment Construction Co., Ltd.	900.00	2021.12.28	2022.12.27
Jiangsu Global Base Supply Chain Co., Ltd	4,000.00	2021.12.24	2022.12.22
Danyang Binjiang New Town Construction Development Co., Ltd.	20,000.00	2021.12.30	2022.12.29
Danyang Dansheng Agricultural By-Product Development Co., Ltd.	3,000.00	2021.12.30	2022.12.29
Danyang Jiarun Traffic Engineering Co., Ltd.	15,000.00	2021.12.28	2026.12.28
Danyang Dadi Construction Investment Development Co., Ltd.	3,000.00	2021.12.3	2022.12.2
Danyang Nancheng New Rural Development Co., Ltd	7,000.00	2021.12.30	2024.12.30
Danyang High-tech District Construction Operation Service Co., Ltd	2,000.00	2021.12.30	2026.12.30
Danyang Dansheng Water Conservancy Construction Development Co., Ltd.	30,000.00	2021.11.29	2024.11.29
Total	2,940,877.85		

As of 31 December 2021, the company's subordinate subsidiary Jiangsu Danhua Group Co., Ltd had obtained borrowings of RMB 39,264,060.75 from Shanghai Everbright Securities Asset Management Co., Ltd, with equity pledge of 100 million shares of Danhua Chemical Technology Co., Ltd held by it.

XI. Events after the balance sheet date

As of the approval date of financial statement, the company has no other significant events after the balance sheet date.

XII. Other important matters

1. Correction of previous-period accounting errors

None.

XIII. 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	389,811,765.00	
1-2 years		
2-3 years		

Aging	Closing balance	Previous year ending balance
over 3 years		
Subtotal	389,811,765.00	
Less: bad debt provision	3,898,117.65	
Total	385,913,647.35	

(2) Disclosure of receivable classification

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve					
Receivables with bad debt provision as per credit risk characteristic combinations	389,811,765.00	100.00	3,898,117.65	1.00	385,913,647.35
Of which: combination of account age	389,811,765.00	100.00	3,898,117.65	1.00	385,913,647.35
Government unit and associated party combination					
Total	389,811,765.00	100.00	3,898,117.65	1.00	385,913,647.35

1) In the portfolio, accounts receivable for which the provision for bad debts is made by the aging analysis method:

Aging	Closing balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Within 1 year	389,811,765.00	3,898,117.65	1.00
Total	389,811,765.00	3,898,117.65	1.00

(3) Bad debt reserve status

Category	Previous year ending balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Aging portfolio		3,898,117.65			3,898,117.65
Total		3,898,117.65			3,898,117.65

(4) The accounts receivable with large ending balance categorized by debtors

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Jiangsu Jinchang Property Management Co., Ltd	322,930,000.00	82.84	3,229,300.00
Total	322,930,000.00	82.84	3,229,300.00

2. Other receivables

Items	Closing balance	Previous year ending balance
Interests receivable		
Dividends receivable		

Items	Closing balance	Previous year ending balance
Other receivables	8,546,535,021.23	7,190,930,562.33
Total	8,546,535,021.23	7,190,930,562.33

(1) Other receivables

1) Disclosure by age

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	5,228,206,845.44	2,532,232,216.96
1-2 years	431,989,513.99	613,740,534.66
2-3 years	234,273,220.85	583,347,229.85
over 3 years	2,701,024,254.84	3,487,361,156.52
Subtotal	8,595,493,835.12	7,216,681,137.99
Less: bad debt provision	48,958,813.89	25,750,575.66
Total	8,546,535,021.23	7,190,930,562.33

2) Classification by fund nature

Nature of funds	Closing balance	Opening balance
Associated party business	2,548,079,263.84	1,561,446,019.42
Related party transactions within the consolidation scope	1,796,777,586.08	1,428,213,299.69
Third-party transaction accounts	4,241,445,330.44	4,214,287,498.79
Short-term margin and deposit	3,185,900.00	3,185,900.00
Employee social security and income tax advances	658,627.80	400,162.80
Pending payment	583,092.52	584,667.56
Operating advance funds	822,189.70	4,619,744.77
Asset transfer funds	3,941,844.96	3,941,844.96
Subtotal	8,595,493,835.12	7,216,681,137.99
Less: bad debt provision	48,958,813.89	25,750,575.66
Total	8,546,535,021.23	7,190,930,562.33

3) 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)	
Balance as of 1 January 2021	25,750,575.66			25,750,575.66
Book balance of other receivables as of 1 January 2021 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	23,208,238.23			23,208,238.23

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)	
Reversal in the current period				
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	48,958,813.89			48,958,813.89

4) 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	
Other receivables in the first stage	25,750,575.66	23,208,238.23			48,958,813.89
Other receivables in the second stage					
Other receivables in the third stage					
Total	25,750,575.66	23,208,238.23			48,958,813.89

5) Other receivables actually written-off in this period

6) 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
Danyang Tianrun Asset Management Co., Ltd.	Transaction accounts	1,314,770,476.99	Within 1 year/1-2 years	15.30	
Danyang Municipal Finance Bureau	Transaction accounts	1,279,765,140.44	Within 1 year	14.89	
Danyang Municipal People's Government State-owned Assets Supervision and Management Office	Transaction accounts	1,113,191,096.00	over 3 years	12.95	
Danyang Tiansheng Investment Co., Ltd.	Transaction accounts	492,903,340.28	Within 1 year	5.73	
Danbei Government	Transaction accounts	433,781,567.26	Within 1 year, 1-2 years, 2-3 years, over 3 years	5.05	
Total		4,634,411,620.97		53.92	

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	2,630,500,812.30		2,630,500,812.30	2,554,500,812.30		2,554,500,812.30
Investment in associated enterprises and joint ventures	1,172,400.94		1,172,400.94	1,364,413.50		1,364,413.50
Total	2,631,673,213.24		2,631,673,213.24	2,555,865,225.80		2,555,865,225.80

(2) Investment in subsidiaries

Investee	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Danyang Water Group Co., Ltd.	86,199,378.91			86,199,378.91		
Danyang Agricultural Comprehensive Development Co., Ltd.	50,000,000.00			50,000,000.00		
Jiangsu Shengyu Dansheng Venture Capital Co., Ltd.	91,000,000.00			91,000,000.00		
Jiangsu Danhua Group Co., Ltd.	519,273,241.40			519,273,241.40		
Danyang Hongding Outdoor Media Service Co., Ltd.	1,423,741.31			1,423,741.31		
Jiangsu Qilang Cultural Tourism Development Co., Ltd.	100,000,000.00			100,000,000.00		
Danyang New Rural Construction Development Co., Ltd.	200,000,000.00			200,000,000.00		
Danyang Dansheng Logistics Industrial Development Co., Ltd.	420,000,000.00			420,000,000.00		
Fengmei International Investment Co., Ltd.	17,792,000.00			17,792,000.00		
Danyang	546,290,667.88			546,290,667.88		

Investee	Previous year ending balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Tiansheng New City Construction Investment Development Co., Ltd.						
Zhenjiang Yitongda Cross-Border Trade Service Co., Ltd.	6,000,000.00			6,000,000.00		
Danyang Tianrun Asset Management Co., Ltd.	366,036,418.63			366,036,418.63		
Danyang Lianhu Ecological New District Investment Development Co., Ltd	150,485,364.17			150,485,364.17		
Danyang Tianxin Venture Capital Management Co., Ltd		76,000,000.00		76,000,000.00		
Total	2,554,500,812.30	76,000,000.00		2,630,500,812.30		

(3) Investment in joint ventures and associated enterprises

Investee	Previous year ending 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
I. Joint ventures						
Danyang Anju Property Management Co., Ltd.						
II. Associated enterprises	1,364,413.50			-192,012.56		
Jiangsu Xingang Park Development Co., Ltd.	1,364,413.50			-192,012.56		
Total	1,364,413.50			-192,012.56		

(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 decreases		
I. Joint ventures					

Investee	Increases and decreases in current period			Closing balance	Closing balance of impairment provision
	Declaration of cash dividends or profits	Provision for impairment	Other decreases		
Danyang Anju Property Management Co., Ltd.					
II. Associated enterprises				1,172,400.94	
Jiangsu Xingang Park Development Co., Ltd.				1,172,400.94	
Total				1,172,400.94	

4. Operating incomes and operating costs

(1) Classification of operating income and operating cost

Items	Current amount		Previous amount	
	Operating income	Operating costs	Operating income	Operating costs
Main business	1,984,861,074.21	1,384,154,448.58	1,894,688,172.72	1,352,691,949.33
Other businesses	611,024,369.91	652,004,495.03	9,658,800.96	3,815,897.65
Total	2,595,885,444.12	2,036,158,943.61	1,904,346,973.68	1,356,507,846.98

(2) Basic information on main business income and main business cost

Items	Current amount		Previous amount	
	Main business incomes	Main business costs	Main business incomes	Main business costs
Land transfer business	1,670,662,536.00	1,236,898,589.92	1,607,934,870.58	1,209,967,481.47
Housing rental	314,198,536.21	147,255,858.66	286,753,302.14	142,724,467.86
Total	1,984,861,074.21	1,384,154,448.58	1,894,688,172.72	1,352,691,949.33

(3) Basic information on other business incomes and other business costs

Items	Current amount		Previous amount	
	Other business incomes	Other operating costs	Other business incomes	Other operating costs
Housing sales	610,783,009.98	652,004,495.03	5,510,250.45	3,815,897.65
Other incomes	241,359.93		4,148,550.51	
Total	611,024,369.91	652,004,495.03	9,658,800.96	3,815,897.65

5. Investment Income

Items	Current amount	Previous amount
Long-term equity investment returns accounted for by the cost method	18,303,100.00	
Long-term equity investment incomes by equity methods	-192,012.56	-1,103,466.24
Investment income obtained during the period of holding other non-current financial assets	63,377,527.57	
Investment income gained during holding the available-for-sale financial assets		117,038,841.02
Gains and losses from disposing available-for-sale financial assets		-5,418,919.22
Income from wealth management product	392,659.67	204,558.91

Items	Current amount	Previous amount
Total	81,861,274.66	110,721,014.47

Danyang Investment Group Co., Ltd.

21 April 2022

Legal representative: Accounting director: Accounting firm director:

营业执照

统一社会信用代码

91110102082881146K

(副本)

(5-5)

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）

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。）

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 年 04 月 20 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

仅作为报告附件使用

会计师事务所
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

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》。

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

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	027-86781250
74	中天运会计师事务所（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	010-88395878
75	中喜会计师事务所（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	010-67085758
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	0311-66027137
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	010-62212900
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	010-68358126
80	众华会计师事务所（特殊普通合伙）	嘉定工业区沪宜路叶城路 1630 号 5 幢 1088 室	021-63525500

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

中国注册会计师协会

姓　　名
Full name　孙裕操

性　　别
Sex　男

出生日期
Date of birth　1970-05-08

工作单位
Working unit　中兴华富华会计师事务所有限责任公司

身份证号码
Identity card No.　32108119700508[illegible]

证书编号：
No. of Certificate　110001670152

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　年 y　二〇一二　月 m　三　日 d　三十

中兴华会计师事务所（特殊普通合伙）
11010201736[illegible]

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.

孙裕操(110001670152)
您已通过2020年年检
江苏省注册会计师协会

孙裕操(110001670152)
您已通过2021年年检
江苏省注册会计师协会

5

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 y　月 m　日 d

同意调入
Agree the holder to be transferred to 备案

中兴华会计师事务所（特殊普通合伙）江苏分所 事务所 CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs
2021年 6月 2日

江苏省注册会计师协会 JICPA 转所专用章

10

姓　　名 Full name	缪雯
性　　别 Sex	女
出生日期 Date of birth	1993-06-12
工作单位 Working unit	中兴华会计师事务所（特殊普通合伙）江苏分所
身份证号码 Identity card No.	320481199306124827

中兴华会计师事务所（特殊普通合伙）
11010201736899

年度检验登记
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This certificate is valid for another year after this renewal.

证书编号：110001670513
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 12 月 30 日
Date of Issuance　y　m　d

年　月　日
y　m　d

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5

Gaoyou City Construction Investment Development Group Co., Ltd.

Audit Report

00002022040023475362
Report file no.: Zhongxinghua Audit [2022] no. 020622

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Gaoyou City Construction Investment Development Group Co., Ltd.

2021 Consolidated & Parent Company Financial Statement

Auditor's Report

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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

Postcode: 100073

Contents

I. Audit Report

II. Audit Report Attachment

1. CONSOLIDATED BALANCE SHEET

2. CONSOLIDATED INCOME STATEMENT

3. Consolidated Cash Flow Statement

4. Consolidated Owner's Equity Change Statement

5. Parent Company Balance Sheet

6. Parent Company Income Statement

7. Cash Flow Statement of Parent Company

8. Owner's Equity Change Statement of Parent Company

9. Notes on Financial Statement

III. Audit Report Annex

1. Zhongxinghua Certified Public Accountants LLP Business License Copy

2. Zhongxinghua Certified Public Accountants LLP Practice Certificate Copy

3. Zhongxinghua Certified Public Accountants LLP Securities & Futures Business Permit Copy

4. Certified Public Accountants Practice Certificate Copy

Review Report

Zhongxinghua Audit (2022) No.020622

Gaoyou City Construction Investment Development Group Co., Ltd.:

I. Audit opinions

We have audited the financial statement of Gaoyou City Construction Investment Development Group Co., Ltd. (hereinafter referred to as "Gaoyou Construction Investment Group"), including the Consolidated & Parent Company Balance Sheet as of 31 December 2021, the 2021 Consolidated & Parent Company Income Statement, the Consolidated & Parent Company Cash Flow Statement, the Consolidated & Parent Company Owner's Equity Change Statement and relevant Financial Statement Notes.

We deem that the attached financial statements are formulated in all material respects in accordance with the enterprise accounting standards, which fairly reflects the financial status of the merger and parent company of Gaoyou Construction Investment Group as of 31 December 2021, and the operating results and cash flow in 2021 of the merger and 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 from Gaoyou Construction Investment 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 Gaoyou 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 the financial statement, the management level is responsible for assessing sustainable operation capabilities of Gaoyou Construction Investment Group, disclosing matters related to sustainable operation (if applicable), and adopting the assumption of sustainable operation, unless the management level plans to liquidate Gaoyou Construction Investment Group, terminate the operation, or there is no other practical option.

The governance level is responsible for supervising the financial report process of Gaoyou Construction Investment 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:

(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 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 Gaoyou Construction Investment 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 events or circumstances may lead to the inability of Gaoyou Construction Investment Group 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) Acquire sufficient and appropriate audit evidences on the financial information of Gaoyou Construction Investment 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:
(Project partner)

Chinese CPA:

10 April 2022

CONSOLIDATED BALANCE SHEET

31 December 2021

Prepared by: Gaoyou City Construction Investment Development Group Co., Ltd. Amount Unit: RMB yuan

Items	Note VI	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand	1	3,934,173,319.67	2,958,026,999.66	2,958,026,999.66
Financial assets held for trading	2	10,000.00	90,000,000.00	Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	
Derivative financial assets				
Notes receivable				
Accounts receivable	3	580,147,241.06	522,422,752.03	522,422,752.03
Receivables financing	4	3,100,000.00		Inapplicable
Advances to suppliers	5	1,663,200,808.83	2,156,678,521.22	2,156,678,521.22
Other receivables	6	1,885,931,150.18	1,787,524,957.51	1,787,524,957.51
Inventory	7	24,685,073,733.14	22,130,534,349.07	22,130,534,349.07
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year				
Other current assets	8	15,086,973.05	3,765,426.78	93,765,426.78
Total current assets		32,766,723,225.93	29,648,953,006.27	29,648,953,006.27
Non-current assets:				
Creditor's rights investment				Inapplicable
Available for sale financial assets	9	Inapplicable	Inapplicable	51,400,000.00
Other debt investments				Inapplicable
Held to maturity investments	10	Inapplicable	Inapplicable	3,500,000.00
Long-term receivables	11	92,699,500.00	106,949,500.00	106,949,500.00
Long-term equity investments	12	89,098,233.17	92,321,852.07	92,321,852.07
Other equity instrument investments				Inapplicable
Other non-current financial assets	13	141,400,000.00	54,900,000.00	Inapplicable
Investment properties	14	558,166,501.81	569,643,497.94	569,643,497.94
Fixed assets	15	587,817,118.31	533,086,889.76	533,086,889.76
Construction in progress	16	84,322,983.66	120,843,604.07	120,843,604.07
Bearer biological assets	17	3,964,285.69	923,709.00	923,709.00
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets	18	132,487,317.74	133,408,983.57	133,408,983.57
Development expenditure				
Goodwill	19	27,041,665.00	27,041,665.00	27,041,665.00
Long-term prepaid expense	20	7,767,400.99	5,767,204.69	5,767,204.69
Deferred tax assets	21	5,640,234.29	5,404,153.94	5,404,153.94
Other non-current assets				
Total non-current assets		**1,730,405,240.66**	**1,650,291,060.04**	**1,650,291,060.04**
Total assets		**34,497,128,466.59**	**31,299,244,066.31**	**31,299,244,066.31**

(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: Gaoyou City Construction Investment Development Group Co., Ltd. Amount Unit: RMB yuan

Items	Note VI	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings	22	1,306,336,534.73	965,300,000.00	965,300,000.00
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	23	650,500,000.00	1,216,000,000.00	1,216,000,000.00
Trade payables	24	229,085,662.22	192,231,409.69	192,231,409.69
Advances from customers				189,912,329.31
Employee benefits payable	25	15,129,601.26	13,698,580.50	13,698,580.50
Contract liabilities	26	233,870,613.48	235,028,592.69	Inapplicable
Taxes payable	27	163,504,784.15	143,742,266.70	143,742,266.70
Other payables	28	6,163,328,374.46	6,598,364,466.67	6,671,802,387.49
Liabilities held for sale				
Non-current liabilities due within one year	29	1,641,969,340.69	1,899,451,207.90	1,826,013,287.08
Other current liabilities	30	367,381,593.51	7,050,857.78	
Total current liabilities		**10,771,106,504.50**	**11,270,867,381.93**	**11,218,700,260.77**
Non-current liabilities:				
Long-term borrowing	31	2,292,784,230.00	1,758,910,000.00	1,758,910,000.00
Bonds payable	32	6,096,365,821.64	2,585,854,913.07	2,585,854,913.07
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables	33	1,042,093,406.64	1,636,639,140.39	1,636,639,140.39
Long-term employee remuneration payable				
Provisions				
Deferred incomes	34	163,426,994.45	166,222,998.74	218,390,119.90
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		**9,594,670,452.73**	**6,147,627,052.20**	**6,199,794,173.36**
Total liabilities		**20,365,776,957.23**	**17,418,494,434.13**	**17,418,494,434.13**
Owner's equity:				
Paid-in capital	35	2,500,000,000.00	2,500,000,000.00	2,500,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve	36	9,476,145,019.40	9,486,027,519.40	9,486,027,519.40
Less: treasury stock				
Other comprehensive income				
Special reserve				
Surplus reserve	37	182,668,674.83	159,785,490.57	159,785,490.57
Undistributed profits	38	1,924,332,758.67	1,713,919,621.71	1,713,919,621.71
Total owners' equity attributable to the parent		14,083,146,452.90	13,859,732,631.68	13,859,732,631.68
Minority shareholder's equity		48,205,056.46	21,017,000.50	21,017,000.50
Total owners' equity		**14,131,351,509.36**	**13,880,749,632.18**	**13,880,749,632.18**
Total liabilities and owners' equity		**34,497,128,466.59**	**31,299,244,066.31**	**31,299,244,066.31**

(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: Gaoyou City Construction Investment Development Group Co., Ltd. Amount Unit: RMB yuan

Item	Note VI	Amount this year	Amount last year
I. Total operating incomes		**1,372,595,356.12**	**1,110,699,153.04**
Including: Operating revenue	39	1,372,595,356.12	1,110,699,153.04
II. Total operating costs		**1,400,799,956.26**	**1,152,457,239.58**
Of which: operating costs	39	1,259,187,451.84	1,018,138,562.49
Taxes and surcharges	40	16,482,607.19	12,668,680.38
Selling expenses		633,517.32	382,594.03
Administrative expenses		77,462,081.65	55,416,992.25
R&D expenses			
Financial expenses	41	47,034,298.26	65,850,410.43
Including: Interest expense	41	70,871,070.75	78,853,536.29
Interest incomes	41	24,465,682.29	14,718,280.41
Add: other incomes	42	319,188,584.97	276,575,098.98
Investment income (losses expressed with "-")	43	16,482,146.49	18,706,026.84
Including: Investment income from associates and joint ventures	43	16,358,837.83	18,696,985.74
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 "-")	44	-944,321.36	
Asset impairment losses (losses marked with "-")	45		-7,018,241.57
Gains on disposal of assets (losses expressed with "-")	46	-176,970.69	-3,118,901.03
III. Operating profits (losses marked with "-")		306,344,839.27	243,385,896.68
Add: non-operating income	47	589,369.60	2,871,195.56
Less: Non-operating expenses	48	3,072,326.91	1,170,694.47
IV. Total profits (total losses marked with "-")		303,861,881.96	245,086,397.77
Less: Income tax expenses	49	26,416,504.78	17,507,619.96
V. Net profits (net losses marked with "-")		**277,445,377.18**	**227,578,777.81**
(I) Classified by business continuity:			
1. Net profits from sustainable operation (net losses marked with "-")		277,445,377.18	
2. Net profits from discontinued operation (net losses marked with "-")			227,578,777.81
(II) Classified by ownership:			
1. Net profits attributable to parent company shareholders (net losses marked with "-")		282,156,321.22	227,967,711.35
2. Minority shareholders' profits and losses (net losses marked with "-")		-4,710,944.04	-388,933.54
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			
(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			
(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			
(9) Others			
(II) Net other comprehensive incomes after tax attributable to minority shareholders			
VII. Total comprehensive incomes		**277,445,377.18**	**227,578,777.81**
(I) Total comprehensive incomes attributable to owners of parent company		**282,156,321.22**	**227,967,711.35**
(II) Total comprehensive incomes attributable to minority shareholders		**-4,710,944.04**	**-388,933.54**

(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: Gaoyou City Construction Investment Development Group Co., Ltd. Amount Unit: RMB yuan

Items	Note VI	Amount this year	Amount last year
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		1,467,726,516.21	1,159,613,537.67
Tax refunds received		734,855.96	702,646.92
Other cash received related to operating activities		4,157,543,402.30	3,179,968,185.23
Subtotal cash inflow from operating activities		**5,626,004,774.47**	**4,340,284,369.82**
Cash paid to buy goods and receive labor service		3,441,951,336.56	3,231,997,901.11
Cash paid to and for employees		74,814,308.21	73,369,231.26
Taxes paid		68,871,246.55	60,125,661.89
Other cash paid to operating-related activities		3,497,345,904.93	1,705,941,342.15
Subtotal cash outflow from operating activities		**7,082,982,796.25**	**5,071,434,136.41**
Net cash flow from operating activities	50	**-1,456,978,021.78**	**-731,149,766.59**
II. Cash flow from investing activities			
Cash received from investment withdrawal		90,000,000.00	195,000,000.00
Cash received from investment income		7,144,309.27	1,383,831.25
Net cash received from disposal of fixed assets, intangible assets and other long-term investments			119,123.89
Net cash received from disposal of subsidiaries and other business units			-
Other cash received from investing activities			3,552,220.15
Subtotal cash inflow from investing activities		**97,144,309.27**	**200,055,175.29**
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		53,480,046.32	169,346,811.80
Cash paid for investment		90,010,000.00	248,175,126.00
Net cash paid by subsidiaries and other business units			-
Other cash paid to investing-related activities		516,500,000.00	420,000,000.00
Subtotal cash outflow from investing activities		**659,990,046.32**	**837,521,937.80**
Net cash flow from investment activities		**-562,845,737.05**	**-637,466,762.51**
III. Cash flow from financing activities:			
Cash received from absorbing investments		541,909,000.00	42,000,000.00
Of which: cash received from absorbing investments from minority shareholders by the subsidiary		31,899,000.00	-
Cash received from borrowings		7,325,642,230.00	6,206,200,000.00
Other cash received from financing-related activities		2,156,100,000.00	328,000,000.00
Subtotal of cash inflow from financing activities		**10,023,651,230.00**	**6,576,200,000.00**
Cash paid for repayment of debt		3,599,533,496.07	2,588,754,786.03
Cash paid for distributing dividends, profits or settling interests		672,047,655.09	628,697,628.75
Of which: dividends and profits paid to minority shareholders by the subsidiary			-
Other cash paid to financing-related activities		2,127,600,000.00	1,345,700,000.00
Subtotal cash outflow from financing activities		**6,399,181,151.16**	**4,563,152,414.78**
Net cash flow from financing activities		**3,624,470,078.84**	**2,013,047,585.22**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents	50	1,604,646,320.01	644,431,056.12
Add: opening balance of cash and cash equivalents	50	1,612,199,999.66	967,768,943.54
VI. Closing balance of cash and cash equivalents	50	**3,216,846,319.67**	**1,612,199,999.66**

(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: Gaozou City Construction Investment Development Group Co., Ltd.

Amount Unit: RMB yuan

Items	Amount this year												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owners' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preference shares	Perpetual debts	Other									
I. Balance at the end of last year	2,500,000,000.00				9,486,027,519.40				159,785,490.57	1,713,919,621.71	13,859,732,631.68	21,017,000.50	13,880,749,632.18
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	2,500,000,000.00				9,486,027,519.40				159,785,490.57	1,713,919,621.71	13,859,732,631.68	21,017,000.50	13,880,749,632.18
III. Increased or decreased amount in the current period (decrease marked with "-")					-9,882,500.00				22,883,184.26	210,413,136.96	223,413,821.22	27,188,055.96	250,601,877.18
(I) Total comprehensive incomes										282,156,321.22	282,156,321.22	-4,710,944.04	277,445,377.18
(II) Capital increase or decrease from the owner					-9,882,500.00						-9,882,500.00	31,899,000.00	22,016,500.00
1. Invested capital by the owner					510,010,000.00						510,010,000.00	31,899,000.00	541,909,000.00
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others					-519,892,500.00						-519,892,500.00		-519,892,500.00
(III) Profit distribution									22,883,184.26	-71,743,184.26	-48,860,000.00		-48,860,000.00
1. Withdrawal of the surplus reserves									22,883,184.26	-22,883,184.26			
2. Withdrawal of the general risk reserves													
3. Distribution to owners										-48,860,000.00	-48,860,000.00		-48,860,000.00
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	2,500,000,000.00				9,476,145,019.40				182,668,674.83	1,924,332,758.67	14,083,146,452.90	48,205,056.46	14,131,351,509.36

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

Legal representative **Accounting leader:** **Accounting firm director:**

Consolidated Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Gaoyou City Construction Investment Development Group Co., Ltd.

Amount Unit: RMB yuan

Items	Amount last year												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owners' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preference shares	Perpetual debts	Other									
I. Balance at the end of last year	2,500,000,000.00				7,658,474,492.17				141,687,677.69	1,553,319,723.24	11,853,481,893.10	15,929,953.35	11,869,411,846.45
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	2,500,000,000.00				7,658,474,492.17				141,687,677.69	1,553,319,723.24	11,853,481,893.10	15,929,953.35	11,869,411,846.45
III. Increased or decreased amount in the current period (decrease marked with "-")					1,827,553,027.23				18,097,812.88	160,599,898.47	2,006,250,738.58	5,087,047.15	2,011,337,785.73
(I) Total comprehensive incomes										227,967,711.35	227,967,711.35	-388,933.54	227,578,777.81
(II) Capital increase or decrease from the owner					1,827,553,027.23						1,827,553,027.23		1,827,553,027.23
1. Invested capital by the owner					42,000,000.00						42,000,000.00		42,000,000.00
2. Other equity instruments owner invested capital					-								
3. Amount of stock payment included in owner's equity					-								
4. Others					1,785,553,027.23						1,785,553,027.23		1,785,553,027.23
(III) Profit distribution									18,097,812.88	-67,367,812.88	-49,270,000.00		-49,270,000.00
1. Withdrawal of the surplus reserves									18,097,812.88	-18,097,812.88			
2. Withdrawal of the general risk reserves										-49,270,000.00	-49,270,000.00		-49,270,000.00
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												5,475,980.69	5,475,980.69
IV. Balance at the end of current year	2,500,000,000.00				9,486,027,519.40				159,785,490.57	1,713,919,621.71	13,859,732,631.68	21,017,000.50	13,880,749,632.18

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

Legal representative: [illegible]

Accounting leader: 赵刚

Accounting firm director: [illegible]

Balance Sheet

31 December 2021

Prepared by: Gaoyou City Construction Investment Development Group Co., Ltd. Amount Unit: RMB yuan

Items	Note XIII	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand		1,731,530,029.16	748,685,148.78	748,685,148.78
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		217,761,751.00	959,671,128.22	959,671,128.22
Other receivables	1	955,056,880.49	939,970,663.74	939,970,663.74
Inventory		13,020,329,241.52	12,017,025,086.85	12,017,025,086.85
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year				
Other current assets		3,032,781.35		
Total current assets		**15,927,710,683.52**	**14,665,352,027.59**	**14,665,352,027.59**
Non-current assets:				
Creditor's rights investment				Inapplicable
Available for sale financial assets		Inapplicable	Inapplicable	24,000,000.00
Other debt investments				Inapplicable
Held to maturity investments		Inapplicable	Inapplicable	3,500,000.00
Long-term receivables		17,880,000.00	17,880,000.00	17,880,000.00
Long-term equity investments	2	2,971,988,978.35	2,352,555,645.02	2,352,555,645.02
Other equity instrument investments				Inapplicable
Other non-current financial assets		94,000,000.00	27,500,000.00	Inapplicable
Investment properties		558,166,501.81	569,643,497.94	569,643,497.94
Fixed assets		12,102,827.52	197,809.06	197,809.06
Construction in progress		12,500,000.00		
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets		91,721.06	183,442.13	183,442.13
Development expenditure				
Goodwill				
Long-term prepaid expense				
Deferred tax assets		2,919,411.77	2,217,060.28	2,217,060.28
Other non-current assets				
Total non-current assets		**3,669,649,440.51**	**2,970,177,454.43**	**2,970,177,454.43**
Total assets		**19,597,360,124.03**	**17,635,529,482.02**	**17,635,529,482.02**

(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: Gaoyou City Construction Investment Development Group Co., Ltd. Amount Unit: RMB yuan

Items	Note XIII	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings				
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		198,500,000.00		
Trade payables		20,350,103.00	20,438,206.80	20,438,206.80
Advances from customers				177,229,858.16
Contract liabilities		220,986,769.12	222,715,513.90	Inapplicable
Employee benefits payable		5,513,551.39	4,016,879.01	4,016,879.01
Taxes payable		120,449,773.46	112,482,050.57	112,482,050.57
Other payables		5,619,232,882.01	6,827,226,555.41	6,846,301,459.52
Liabilities held for sale				
Non-current liabilities due within one year		596,482,588.68	640,057,688.11	620,982,784.00
Other current liabilities		366,628,908.63	6,681,465.42	
Total current liabilities		**7,148,144,576.29**	**7,833,618,359.22**	**7,781,451,238.06**
Non-current liabilities:				
Long-term borrowing		490,000,000.00		
Bonds payable		3,414,224,254.48	1,393,737,744.11	1,393,737,744.11
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables		254,545,788.00	287,817,216.00	287,817,216.00
Long-term employee remuneration payable				
Provisions				
Deferred incomes				52,167,121.16
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		**4,158,770,042.48**	**1,681,554,960.11**	**1,733,722,081.27**
Total liabilities		**11,306,914,618.77**	**9,515,173,319.33**	**9,515,173,319.33**
Owner's equity:				
Paid-in capital		2,500,000,000.00	2,500,000,000.00	2,500,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve		4,052,382,527.15	4,062,265,027.15	4,062,265,027.15
Less: treasury stock				
Other comprehensive income				
Special reserve				
Surplus reserve		182,668,674.83	159,785,490.57	159,785,490.57
Undistributed profits		1,555,394,303.28	1,398,305,644.97	1,398,305,644.97
Total owners' equity		**8,290,445,505.26**	**8,120,356,162.69**	**8,120,356,162.69**
Total liabilities and owners' equity		**19,597,360,124.03**	**17,635,529,482.02**	**17,635,529,482.02**

(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: Gaoyou City Construction Investment Development Group Co., Ltd. Amount Unit: RMB yuan

Items	Note XIII	Amount this year	Amount last year
I. Operating income	3	289,903,198.71	255,794,748.41
Less: operating costs	3	215,477,829.43	213,364,326.06
Taxes and surcharges		9,093,811.48	6,115,130.96
Selling expenses		228,623.79	300,406.75
Administrative expenses		16,674,860.97	10,789,005.48
R&D expenses			-
Financial expenses		-9,662,473.54	-8,236,975.51
Including: Interest expense			
Interest incomes		9,922,914.25	9,195,588.57
Add: other incomes		190,000,000.00	160,000,000.00
Investment income (losses expressed with "-")	4	68,551.67	
Including: 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 "-")		-2,809,405.94	
Asset impairment losses (losses marked with "-")			-5,062,001.27
Gains on disposal of assets (losses expressed with "-")			
II. Operating profits (losses marked with "-")		**245,349,692.31**	**188,400,853.40**
Add: non-operating income		14,419.82	400,300.00
Less: Non-operating expenses		2,815,320.80	755,925.00
III. Total profits (total losses marked with "-")		**242,548,791.33**	**188,045,228.40**
Less: Income tax expenses		13,716,948.76	7,067,099.61
IV. Net profits (net losses marked with "-")		**228,831,842.57**	**180,978,128.79**
(I) Net profits from sustainable operation (net losses marked with "-")			**180,978,128.79**
(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		**228,831,842.57**	**180,978,128.79**

(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: Gaoyou City Construction Investment Development Group Co., Ltd. Amount Unit: RMB yuan

Items	Note XIII	Amount this year	Amount last year
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		308,641,089.58	246,397,831.46
Tax refunds received			-
Other cash received related to operating activities		2,100,059,792.52	2,923,568,125.41
Subtotal cash inflow from operating activities		**2,408,700,882.10**	**3,169,965,956.87**
Cash paid to buy goods and receive labor service		1,326,824,061.07	920,457,956.54
Cash paid to and for employees		8,984,764.14	5,811,616.68
Taxes paid		10,168,194.36	5,614,886.53
Other cash paid to operating-related activities		1,217,107,111.26	1,326,617,273.95
Subtotal cash outflow from operating activities		**2,563,084,130.83**	**2,258,501,733.70**
Net cash flow from operating activities		**-154,383,248.73**	**911,464,223.17**
II. Cash flow from investing activities			
Cash received from investment withdrawal			
Cash received from investment income		68,551.67	
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		**68,551.67**	
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		24,437,228.57	101,977.36
Cash paid for investment		689,433,333.33	659,760,000.00
Net cash paid by subsidiaries and other business units			-
Other cash paid to investing-related activities		516,500,000.00	420,000,000.00
Subtotal cash outflow from investing activities		**1,230,370,561.90**	**1,079,861,977.36**
Net cash flow from investment activities		**-1,230,302,010.23**	**-1,079,861,977.36**
III. Cash flow from financing activities:			
Cash received from absorbing investments		510,010,000.00	42,000,000.00
Cash received from borrowings		3,300,000,000.00	1,434,500,000.00
Other cash received from financing-related activities			
Subtotal of cash inflow from financing activities		**3,810,010,000.00**	**1,476,500,000.00**
Cash paid for repayment of debt		620,982,784.00	667,500,000.00
Cash paid for distributing dividends, profits or settling interests		221,497,076.66	206,603,668.59
Other cash paid to financing-related activities		798,500,000.00	
Subtotal cash outflow from financing activities		**1,640,979,860.66**	**874,103,668.59**
Net cash flow from financing activities		**2,169,030,139.34**	**602,396,331.41**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents		784,344,880.38	433,998,577.22
Add: opening balance of cash and cash equivalents		748,685,148.78	314,686,571.56
VI. Closing balance of cash and cash equivalents		**1,533,030,029.16**	**748,685,148.78**

(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: Gaoyou City Construction Investment Development Group Co., Ltd.

Amount Unit: RMB yuan

Items	Amount this year										
	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	2,500,000,000.00				4,062,265,027.15				159,785,490.57	1,398,305,644.97	**8,120,356,162.69**
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	2,500,000,000.00				4,062,265,027.15				159,785,490.57	1,398,305,644.97	**8,120,356,162.69**
III. Increased or decreased amount in the current period (decrease marked with "-")					-9,882,500.00				22,883,184.26	205,948,658.31	**218,949,342.57**
(I) Total comprehensive incomes										228,831,842.57	**228,831,842.57**
(II) Capital increase or decrease from the owner					-9,882,500.00						**-9,882,500.00**
1. Invested capital by the owner					510,010,000.00						**510,010,000.00**
2. Other equity instruments owner invested capital											
3. Amount of stock payment included in owner's equity											
4. Others					-519,892,500.00						**-519,892,500.00**
(III) Profit distribution									22,883,184.26	-22,883,184.26	
1. Withdrawal of the surplus reserves									22,883,184.26	-22,883,184.26	
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	2,500,000,000.00				4,052,382,527.15				182,668,674.83	1,604,254,303.28	**8,339,305,505.26**

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

Legal representative **Accounting leader:** **Accounting firm director:**

Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Gaoyou City Construction Investment Development Group Co., Ltd.

Amount Unit: RMB yuan

Items	Amount last year										
	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	2,500,000,000.00				4,020,265,027.15				141,687,677.69	1,284,695,329.06	**7,946,648,033.90**
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	2,500,000,000.00				4,020,265,027.15				141,687,677.69	1,284,695,329.06	**7,946,648,033.90**
III. Increased or decreased amount in the current period (decrease marked with "-")					42,000,000.00				18,097,812.88	113,610,315.91	**173,708,128.79**
(I) Total comprehensive incomes										180,978,128.79	**180,978,128.79**
(II) Capital increase or decrease from the owner					42,000,000.00						**42,000,000.00**
1. Invested capital by the owner					42,000,000.00						**42,000,000.00**
2. Other equity instruments owner invested capital											
3. Amount of stock payment included in owner's equity											
4. Others											
(III) Profit distribution									18,097,812.88	-67,367,812.88	**-49,270,000.00**
1. Withdrawal of the surplus reserves									18,097,812.88	-18,097,812.88	
2. Withdrawal of the general risk reserves											
3. Distribution to owners										-49,270,000.00	**-49,270,000.00**
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	2,500,000,000.00				4,062,265,027.15				159,785,490.57	1,398,305,644.97	**8,120,356,162.69**

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

Legal representative **Accounting leader:** **Accounting firm director:**

Gaoyou City Construction Investment Development Group Co., Ltd.

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

Gaoyou Construction Investment Development Group Co., Ltd. (hereinafter referred to as corporate or the company) is limited liability company (legal person sole proprietorship of non-natural person investment or holding). Founded on 20 June 2006, corporate unified social credit code is 913210847890944029. Legal representative is Lin Xuebin. Corporate registered capital is RMB 2,500,000,000. Corporate registered address is 98 Mid Wenyou Road, Gaoyou City. Corporate business period starts from 20 June 2006, without ending period.

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

The company is an urban investment enterprise, and business scope mainly includes: real estate development, urban land assets, resource investment, urban underground pipeline investment, ground structure lease, urban construction project decision-making consultation, urban municipal engineering infrastructure construction, property management, information consultation service, farmland land consolidation, agriculture, rural infrastructure construction, investment, agricultural asset management service.

(III) Name of parent company and group headquarter

The company's parent company is Gaoyou State-owned Assets Management Center.

The company sets up a board of directors which manages and controls major decision-making and daily task implementation of the group company.

(IV) Approval of financial report

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

(V) Scope of consolidated statement

In 2021, the company included 12 first-level subsidiaries in the consolidation scope, increasing 2 subsidiaries compared with the last year, namely Gaoyou Youyun Urban Development Construction Co., Ltd and Gaoyou Youfeng Urbanization Construction Development Co., Ltd founded this year; 14 second-level subsidiaries, unchanged compared with the last year; 12 third-level subsidiaries, increasing 4 subsidiaries compared with the last year, namely Yangzhou Longxing Jiayuan Property Co., Ltd, Jiangsu Gaoyou Duck Group Food Processing Co., Ltd, Jiangsu Gaoyou Duck Group Food Sales Co., Ltd and Jiangsu Gaoyou Shrimp Industry Development Co., Ltd founded this year. For subsidiaries, please refer to Note VIII "Equity in other entities".

II. Preparation basis of the financial statements

1. Preparation basis

The company prepares financial statements pursuant 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 February 15, 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 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 are computed on the basis of historical costs. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with the relevant provisions.

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

The company and its subsidiaries are engaged in production and operation. Considering the characteristics of actual production and operation, as well as the accounting standards for relevant enterprises, the company and its subsidiaries have established certain specific accounting policies and accounting estimates for transactions and events, such as determination of revenues or the completed percentage of construction contracts. For details, please refer to Note IV. 28 Descriptions of "income". For the description on major accounting judgments and estimates made by the management level, please refer to Note IV 33 "Other major accounting policies and accounting 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.

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

The company and its domestic subsidiaries use RMB as the accounting standard currency and their currency in main economic environment. The currency used by the company in preparing the financial statement is RMB.

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 combing 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. 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 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 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. 15 "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 15 (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 15 (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, the same below), 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 exchange difference of hedging instrument used for effective net overseas operation investment hedging (such difference is included in other comprehensive incomes, and recognized as current profits and losses until net investment is disposed); and ③ 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 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 Profit Statement are converted by using the current average 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 entirely 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

Due to change of holding intention or ability, or fair value not reliably measured, or in accordance with Article 16 of the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments, the held-to-maturity investments are reclassified as available-for-sale financial assets with the term that has exceeded two full fiscal years, so that when the financial assets are no longer suitable for measurement at fair value, the company measures the available-for-

sale financial assets at cost or amortized cost. On the reclassification date, the cost or amortized cost of such financial assets is the fair value or book value on that date.

If such financial assets have a fixed maturity date, the gains or losses related to such financial assets and originally included in other comprehensive incomes are amortized by the effective interest rate method during the remaining period of such financial assets, and included in current profits and losses; the difference between amortized cost of such financial assets and amount on the maturity date is amortized by effective interest rate method during the remaining period of such financial assets, and included in current profits and losses. If such financial assets have no fixed maturity date, the gains or losses originally included in other comprehensive incomes are still retained in the shareholder's equity, transferred out when such financial assets are disposed, and included in current profits and losses.

(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, and the continuous decline period is determined based on continuous decline of fair value more than 6 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 entirely 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 entirely 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.

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 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:

Basis for determining the portfolio of items

Items	Basis of determining the portfolio
Bank acceptance bill	Acceptors are banks with low credit risks
Commercial acceptance bill	Classify by credit risk of acceptor

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 portfolio	The portfolio is divided with the aging of receivables as credit risk characteristics
Government unit and associated party combination	A combination with the trading object and credit as credit risk characteristic

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 portfolio	The portfolio is divided with the aging of receivables as credit risk characteristics
Government unit and associated party combination	A combination with the trading object and credit as credit risk characteristic

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.

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.

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.

The following financial asset impairment accounting policy is applicable to 2020:

Receivables include notes receivable, account receivables and other receivables etc.

(1) Bad debt preparation confirmation standards

The company inspects book value of receivables on the balance sheet date; if the following objective evidences indicate impairment of receivables, provision for impairment is made: ① the debtor has serious financial difficulties; ② the debtor breaches the contract terms (e.g. payment of interest or principal is breach of contract or overdue, etc.); ③ the debtor is likely to close down or conduct other financial restructuring; ④ other objective basis to indicate impairment of receivables.

(2) Bad debt provision method

① The confirmation standard and accrual method of bad debt provision for account receivables with single significant amount and single provision for bad debts

The company recognizes account receivable of RMB 20 million and above as the account receivable with significant amount of single item.

The Company conducts the individual impairment tests on individual significant receivables, and the individual test financial assets without impairment are included in the financial assets portfolio with similar characteristics of credit risk to perform the impairment tests. The receivables that have been confirmed for impairment losses in individual tests are no longer included in the portfolio of accounts receivable with similar credit risk characteristics for impairment testing.

② The basis to determine the receivables of bad debt provision according to the credit risk portfolio and the method for bad debt provision

A. The basis of determining the combination of credit risk characteristics

The company classifies the financial assets based on the similarity and correlation of credit risk characteristics for receivables with single insignificant and significant amounts without impairment of individual tests. These credit risks reflect generally the ability of the debtor to repay all amounts due according to the contractual terms of the assets, which are related to the measurement of the future cash flows of the assets inspected.

The basis to determine the different combinations:

Items	Basis of determining the portfolio
Aging portfolio	The portfolio is divided with the aging of receivables as credit risk characteristics
Government unit and associated party combination	A combination with the trading object and credit as credit risk characteristic

B. Bad debt provision method based on credit risk feature combination

When the impairment test is conducted in a combined manner, the amount of bad debts provision is determined on the basis of the loss assessment existing in the portfolio of historical loss experience, current economic conditions and expected receivables according to the portfolio structure of accounts

receivable and similar credit risk characteristics (ability of the debtor to repay arrears according to the terms of the contract).

Different types of accruals for provision of bad debts:

Items	Withdrawal method
Aging portfolio	Bad debt provision according to aging analysis method
Government unit and associated party combination	No provision for bad debts

In the portfolio, the provision method of bad debt with the aging analysis method to calculate

Aging	Accounts receivable ratio (%)	Accrual ratio of other receivables (%)
Within 1 year (including 1 year, the same below)	0	0
1-2 years	5	5
2-3 years	10	10
over 3 years	15	15

③ Receivables with individual insignificant amounts and single provision for bad debts

For the accounts receivable with single insignificant amount but the following characteristics, the company shall perform impairment test separately: if objective evidence shows occurrence of impairment, impairment losses are recognized as per the difference of the future cash flow present value lower than the book value, and provision for bad debts of receivables from associated parties is made; there are accounts receivable in dispute with the other party or involved in litigation and arbitration; obvious indication shows the debtor is probably unable to perform repayment obligations for accounts receivable.

(3) Reversal of bad debt provision

If objective evidence shows the value of such receivables has been recovered and it is objectively related to the matters occurred after the loss has been recognized, the previously recognized impairment losses are reversed and charged to the current profits and losses. However, the book value after the reversal does not exceed the assumed amortized cost of such receivables on the reversal date without provision for impairment.

If the company transfers the receivables to the financial institution without recourse, the difference between the transaction amount after deducting the book value of the receivables that have been written off and the related tax expenses should be recorded in the current profit or loss.

11. Financing of accounts receivable

Notes receivable 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 use right of lands to be developed, development costs, engineering

construction, raw materials, low-value consumables, raw materials, 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. In case of acquisition and delivery, the price is weighted according to the weighted average 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. 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.

(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.

13. Contract assets

The contract asset accounting policy 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. Held-for-sale assets and disposal group

If the company recovers its book value mainly through sale (including non-monetary asset exchange with commercial substance, the same below) instead of continuing usage a non-current asset or disposal group, it should be classified as held for sale. The specific criteria are to meet the following conditions at

the same time: a non-current asset or disposal group can be sold immediately under current conditions based on the convention of selling such assets or disposal groups in similar transactions; the company has already made a resolution on the sale plan and the purchase promise; the expected sales would be completed within one year. Among them, the disposal group refers to a group of assets that are disposed of as a whole through sale or other means in a transaction, and the liabilities direct related to these assets transferred in the transaction. If the asset group or asset portfolio of disposal group shares the goodwill obtained in enterprise consolidation according to the Accounting Standards for Business Enterprises No.8 – Impairment of assets, such disposal group shall include the goodwill allocated to the disposal group.

When the company measures initially or re-measures the non-current assets and disposal groups held for sale on the balance sheet date, if its book value is higher than the fair value minus the net amount after the sale expenses, the book value should be reduced to the net amount of fair value less costs to sell, the amount to write-down is recognized as asset impairment loss, included in the current profit or loss, and make the provision for impairment of held-for-sale assets at the same time. For the disposal group, the recognized asset impairment losses firstly deducts the book value of goodwill in the disposal group, and then proportionally deducts the book value of all non-current assets in such disposal group as specified in the applicable measurement provisions of the Accounting Standards for Business Enterprises No.42 - Held-for-sale Non-current Assets, Disposal Team & Discontinued Operations (hereinafter referred to as the "Held-for-sale Standards"). If the fair value of the disposal group held for sale on the follow-up balance sheet day minus the net amount after the sale expense is increased, the amount of the previous write-down should be restored, which is classified for holding the sale and reversed within the amount of impairment loss of assets confirmed by the measurement of non-current assets as held for sale. The reversed amount should be recorded in the current profit or loss, and the book value of various non-current assets should be increased according to the proportion stipulated as the standard held for sale in addition to goodwill in the disposal group; the book value of the goodwill that has been written off, and the confirmed amount of impairment loss of assets of the non-current assets subject to the holding measurement criteria are not allowed to be reversed before classified as held for sale.

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

When the non-current asset or disposal group no longer meets the classification criteria for the held-for-sale category, the company should no longer classify it as a held-for-sale category or remove the non-current assets from the disposal group held for sale. It is calculated as the lower of following two measures: (1) The book value before classified as held for sale is the amount adjusted according to the depreciation, amortization or impairment that should be confirmed if it is assumed not to be classified as held for sale; (2) Recoverable amount.

15. 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 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. 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 long-term equity investment to associated enterprises and joint ventures which had been held by the company prior to first implementation of new accounting standards on 1 January 2016, if there is equity investment debit difference related to such investment, it shall be included in current profits and

losses as per the directly amortized amount based on original remaining period.

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.

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.

16. 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.

For the details of impairment test method and withdrawal method of impairment provision of

investment real estate, please refer to Note IV. 23 "Long-term asset impairment".

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 m 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.

17. 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	0-10	3.00-5.00
Transportation equipment	Straight-line method	5-8	0-5	11.875-20.00
Machinery equipment	Straight-line method	5-10	0-5	9.50-20.00
Office and electronic devices	Straight-line method	5-10	0-5	9.50-20.00
Other devices	Straight-line method	5-10	0-5	9.50-20.00

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. 23 "Long-term Asset Impairment".

(4) 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.

18. Biologic assets

(1) Consumable biological assets

Consumable biological assets refer to biological assets held for sale or harvested as agricultural products in the future, including growing field crops, vegetables, timber forests, and livestock for sale, etc. Consumable biological assets are initially measured at cost. The costs of consumable biological assets with self-cultivation, creation, propagation or breeding are necessary expenditures directly attributable to such assets occurred before harvest of such assets, including borrowing costs eligible for capitalization. Subsequent expenses of consumable biological assets such as maintenance management and feeding expenses after harvest are included in current profits and losses.

When consumable biological assets are harvested or sold, the costs are carried forward as per book value using the weighted average method.

On the balance sheet date, consumable biological assets are measured at the lower of cost and net realizable value, and depreciation reserve of consumable biological assets is calculated and recognized by the method consistent with the recognition of inventory depreciation reserve. If factors affecting impairment have disappeared, the written-down amount shall be recovered and reversed within the original accrued depreciation reserve amount. The reversed amount is included in current profits and losses.

If consumable biological assets change the purpose of use, as productive biological assets, the costs after changing the purpose of use are determined according to book value when changing the purpose of use. If consumable biological assets change the purpose of use, as non-profit biological assets, consider whether impairment has occurred in accordance with the provisions of Accounting Standards for Business Enterprises No.8——Asset Impairment, first make the provision for impairment reserve when impairment occurs, and then determine according to book value after making provision for impairment reserve.

(2) Bearer biological assets

Productive biological assets refer to biological assets held for the purpose of producing agricultural products, providing labor services or lease, including economic forests, fuelwood forests, productive

livestock and draught animals, etc. Productive biological assets are initially measured at cost. The costs of productive biological assets with self-creation or propagation are necessary expenditures directly attributable to such assets occurred before reaching the expected production operation purpose, including borrowing costs eligible for capitalization.

For productive biological assets, the depreciation is accrued within service life on a straight-line basis after reaching the expected production operation purpose.

The company reviews the service life, estimated net residual value and depreciation method of productive biological assets at least at the end of year, and in case of change, it is treated as accounting estimate change.

The difference of disposal income from the sale, inventory loss, death or damage of productive biological assets after deducting the book value and relevant taxes is included in current profits and losses.

The company checks whether there are signs of possible impairment for productive biological assets on each balance sheet date. If there is a sign of impairment for such assets, the recoverable amount is estimated. The estimated recoverable amount of assets is based on individual assets. If the recoverable amount of individual assets is difficult to estimate, the recoverable amount of asset group is determined based on the asset group to which such assets belong. If the recoverable amount of assets is lower than the book value, provision for asset impairment reserve is made according to the difference and included in current profits and losses.

Once the above asset impairment loss is confirmed, it will not be transferred back in the subsequent accounting period.

If productive biological assets change the purpose of use, as consumable biological assets, the costs after changing the purpose of use are determined according to book value when changing the purpose of use; if productive biological assets change the purpose of use, as non-profit biological assets, consider whether impairment has occurred in accordance with the provisions of Accounting Standards for Business Enterprises No.8——Asset Impairment, first make the provision for impairment reserve when impairment occurs, and then determine according to book value after making provision for impairment reserve.

(3) Non-profit biological assets

Non-profit biological assets refer to biological assets with main purpose of safeguarding and environmental protection, including shelter forests against wind and for fixing sand, soil and water conservation forests and water source conservation forests. Non-profit biological assets are initially measured at cost. The costs of self-created non-profit biological assets are necessary expenditures directly attributable to such assets occurred before closure of such assets, including borrowing costs eligible for capitalization.

Subsequent expenditures of non-profit biological assets such as maintenance management and feeding expenses after closure are included in current profits and losses.

Non-profit biological assets are subsequently measured at cost. No provision for asset impairment is made for non-profit biological assets.

The difference of disposal income from the sale, inventory loss, death or damage of non-profit

biological assets after deducting the book value and relevant taxes is included in current profits and losses.

If non-profit biological assets change the purpose of use, as productive biological assets, the costs after changing the purpose of use are determined according to book value when changing the purpose of use.

19. 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. 23 "Long-term Asset Impairment".

20. 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.

21. 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.

For an intangible asset with limited service life, the original value is amortized averagely and periodically over its estimated service life by using the straight-line method. 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. 23 "Long-term asset impairment".

22. 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 company's long-term deferred expenses mainly include financing lease fees and underwriting fees for issuing bonds. Long-term expenses to be apportioned are amortized on a straight-line basis over the expected benefit period.

23. 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.

24. Contract liabilities

The contract liability accounting policy 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.

25. 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 and unemployment insurance. 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 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.

26. 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. For recombination obligations with partial business sold, its obligations relating to reorganization is recognized only when the company promises to sell partial business (i.e. upon signing of binding sales agreement).

27. Share-based payment

(1) Accounting treatment method of share-based payment

Share-based payment is a transaction in which an enterprise grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employee or other parties. The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

① Equity-settled share-based payment

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. When the service in vesting period is completed or the specified performance conditions are met for exercisable right, based on the best estimate of the quantity of exercisable right equity instruments in vesting period, the fair value amount is included in relevant costs or expenses by straight-line method calculation/in case of immediately exercising the right after granting, it is included in relevant costs or expenses on the grant date, and capital reserve is increased accordingly.

On each balance sheet date during the vesting period, the company makes the best estimate based on the latest information of exercisable right, staff number change and other subsequent information, and modifies the expected number of exercisable right equity instruments. The impact of aforesaid estimates

is included in the current relevant costs or expenses, and the capital reserve is adjusted accordingly.

As for equity-settled share-based payment in exchange for other party's service, if the fair value of other party's service can be reliably measured, it is measured as per the fair value of other party's service on the acquisition date; if the fair value of other party's service cannot be reliably measured, but the fair value of equity instruments can be reliably measured, it is measured as per the fair value of equity instruments on the service acquisition date, and included in relevant cost or expense, which increases the shareholder's equity accordingly.

When the fair value of granted equity instruments cannot be reliably measured, it shall be measured as per the inner value of equity instruments on the service acquisition date, subsequent each balance sheet date and settlement date, and the inner value changes are included in current profits and losses.

② Cash-settled share-based payment

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the company. In case of immediately exercising the right after granting, it is included in relevant costs or expenses on the granting date, and liabilities are increased accordingly; if the right may not be exercised until the service in vesting period is completed or the specified performance conditions are met, on each balance sheet date within the vesting period, based on the best estimate of exercisable right status, the service obtained in the current period shall be included in costs or expenses, as per the fair value of liabilities undertaken by the enterprise, and liabilities are increased accordingly.

The company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the current profits and losses.

(2) Relevant accounting treatment of share-based payment plan modification and termination

When the company modifies the share-based payment plan, if the modification increases the fair value of granted equity instruments, the increase of service is recognized according to increased fair value of equity instruments. The increased fair value of equity instruments refers to the difference between fair value of equity instruments on the modification date before and after the modification. If the modification reduces total fair value of share-based payment or adopts other methods unfavorable to employees, accounting treatment will continuously be carried out on the obtained service, and such change is deemed as never occurred, unless the company has canceled a part or all of the granted equity instruments.

During the vesting period, if the granted equity instruments are cancelled, the company makes acceleration of exercisable right on the canceled and granted equity instruments, the amount that shall be recognized in the remaining vesting period will be immediately included in the current profits and losses, and the capital reserve is simultaneously recognized. If employees or other party can choose to meet non-vesting conditions but fails to meet in the vesting period, the company will treat it as cancellation of equity instruments.

(3) Accounting treatment of share-based payment transaction involving the company and its shareholders or actual controllers

For share-based payment transaction involving the company and its shareholders or actual controllers, if either the settlement enterprise or the service-accepting enterprise is inside the company, and the other is outside the company, accounting treatment shall be performed in the consolidated financial statement of the company according to the following regulations:

① If the settlement enterprise settles by its own equity instruments, the share-based payment transaction shall be treated as equity-settled share-based payment; otherwise, it is treated as cash-settled share-based payment.

If the settlement enterprise is an investor of the service-accepting enterprise, it shall recognize long-term equity investment of the service-accepting enterprise as per fair value of equity instruments on the grant date or fair value of liabilities borne, and simultaneously recognize capital reserve (other capital reserves) or liabilities.

② If the service-accepting enterprise has no settlement obligation or grants its own equity instruments to the company employees, such share-based payment transaction shall be treated as equity-settled share-based payment; if the service-accepting enterprise has settlement obligation and does not grant its own equity instruments to the company employees, such share-based payment transaction shall be treated as cash-settled share-based payment.

For share-based payment transaction between enterprises inside the company, if the service-accepting enterprise and the settlement enterprise are not the same enterprise, the recognition and measurement of such share-based payment transaction is treated by the above principle in the respective individual financial statement of the service-accepting enterprise and the settlement enterprise.

28. Incomes

The following income accounting policy 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 company provides water conservancy construction service to customers. Because while the company is performing the contract, customers can control the commodities under construction in the process of its contract performance, the income is recognized within a certain period of time based on the progress of contract performance, and the method for determining the progress of contract performance is input method, specifically determined as per the proportion of cumulatively incurred cost to estimated total installation cost.

The company provides logistics service to customers, and this business generally only includes the contract performance obligation of providing logistics transportation platform. When the service has been provided and customer's order confirmation is received, the service is completed, and the company recognizes the realization of income at this time.

The company provides resettlement housing construction agency service to customers. Because while the company is performing the contract, customers can control the commodities under construction in the process of its contract performance, the income is recognized within a certain period of time based on the progress of contract performance, and the method for determining the progress of contract performance is input method, specifically determined as per the proportion of cumulatively incurred cost to estimated total installation cost.

The following accounting policy of income is applicable to 2020:

(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 as per the proportion of incurred labor cost to the estimated total cost.

The result of labor service provision transaction can be reliably estimated meaning to simultaneously satisfy: ① income amount can be reliably measured; ② relevant economic benefits are likely to flow into the enterprise; ③ transaction completion degree can be reliably determined; ④ the cost that has incurred and will incur in 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 the total incomes 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 the 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.

In case of providing build-operate-transfer (BOT) to participate in public infrastructure construction business, the company shall recognize relevant incomes 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 incomes 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.

(5) Interest incomes

It is calculated and determined according to the time and agreed interest rate of using the company's monetary fund by others.

29. Contract costs

The contract liability accounting policy is applicable to 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. 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.

30. 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) .

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.

31. 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.

32. 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 types of corporate leasing assets are mainly houses and buildings.

① Initial Measurement

On the lease start date, the company recognizes the right to use the leasing assets during the lease term as right-of-use assets, and the present value of unpaid lease payment amount as leasing liabilities. 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 following lease accounting policy was applicable for 2020:

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.

33. Other important accounting policies and accounting estimates

(1) Discontinued operation

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 separately classified during operation and preparation of financial statement: ① this integral part represents an independent main business or a main operating area; ② this integral part is a part of plan intended to dispose of an independent main business or a main operating area; ③ this integral part is a subsidiary acquired solely for resale.

For the accounting treatment method of discontinued operations, please refer to relevant description in Note IV. 14 "Held-for-sale assets and disposal group".

34. 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 on 31 December 2020, the company began to implement the aforesaid new financial instrument standards from 1 January 2021. Please refer to Note IV 9 "Financial instruments" for financial instruments and Note IV 10 "Impairment of financial assets" for impairment of financial assets.

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 end 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	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Financial assets held for trading		90,000,000.00		
Other current assets	93,765,426.78	3,765,426.78		
Available for sale financial assets	51,400,000.00		24,000,000.00	
Held to maturity investments	3,500,000.00		3,500,000.00	
Other non-current financial assets		54,900,000.00		27,500,000.00
Other payables	6,671,802,387.49	6,598,364,466.67	6,846,301,459.52	6,827,226,555.41
Non-current liabilities due within one year	1,826,013,287.08	1,899,451,207.90	620,982,784.00	640,057,688.11

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 on 31 December 2020, the company began to implement the aforesaid new income standards from 1 January 2021. Please refer to Note IV 28 "Income".

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.

The impact under the implementation of new income 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
Deposit received in advance	189,912,329.31		177,229,858.16	
Contract liabilities		235,028,592.69		222,715,513.90
Deferred incomes	218,390,119.90	166,222,998.74	52,167,121.16	
Other current liabilities		7,050,857.78		6,681,465.42

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 on 31 December 2020, 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. Please refer to Note IV 32 "Lease".

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 impact of implementing the accounting policy of new lease standards on financial statement of 1 January 2021 is as follows:

None.

35. Description on major previous error correction.

No major previous error correction during the reporting period.

V. Tax items

1. Main tax categories and tax rates

Tax category	Specific tax rate
VAT	As for the taxable income, output tax is calculated at the tax rate of 1%, 3%, 5% (simple collection), 6%, 9% and 13%, and the VAT is calculated and paid as per the difference after deducting the deductible input tax amount in the current period.
Urban maintenance and construction tax	Calculation and payment is made at 5%, 7% of the payable turnover tax
Education surcharge	Calculation and payment is made at 3% of the payable turnover tax
Local education surcharge	Calculation and payment is made at 2% of the payable turnover tax
Corporate income tax	Calculation and payment is made at 25% of the taxable income, and fiscal funds in accordance with Document Finance Tax (2011) No.70 are deemed as non-taxable income

2. Tax benefit and approval document

1). Pursuant to relevant provisions in Financial Tax No.70 Notice of Ministry of Finance and State Administration of Taxation on Relevant Corporate Income Tax Handling Issues of Special-Purpose Fiscal Funds, State Council Decree No.512 Law of the People's Republic of China on Enterprise Income Tax and Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China, where fiscal funds that the enterprise obtains from financial departments and other departments of people's governments above county level from 1 January 2011 and shall be included in total income meet the following conditions simultaneously, they can be regarded as non-taxable income and deducted from total income.

A. The enterprise can provide fund allocation document that stipulates the special purpose of funds;

B. Financial department or other government departments that allocate funds have special fund management measures or specific management requirements for such funds;

C. The enterprise separately conducts accounting for such funds and expenditures incurred by such funds.

The expenses arising from the above non-taxable income used for expenditure shall not be deducted when calculating taxable income amount; regarding the assets arising from the use for expenditure, the calculated depreciation and amortization shall not be deducted when calculating the taxable income amount.

2). Pursuant to the Notice of the State Administration of Taxation on Printing and Distributing the Catalogue on VAT Preference for Products and Labor Services with Comprehensive Utilization of Resources (Financial Tax [2015] No.78), since 1 July 2015, "sewage treatment labor services" would be fully levied with VAT, afterwards 70% refunded upon collection. The company's subsidiary Gaoyou

Haichao Sewage Treatment Co., Ltd is entitled to this policy.

VI. Notes on consolidated financial statement items

Unless otherwise specified, in the following items of notes (including main item notes of corporate financial statement), beginning of year refers to 1 January 2021, end of year refers to 31 December 2021, end of last year refers to 31 December 2020, this year refers to 2021, and last year refers to 2020.

1. Cash at bank and on hand

(1) Monetary fund balance

Items	Closing balance	Previous year ending balance
Cash on hand	20,314.10	31,514.24
Bank savings	3,216,045,412.51	1,611,458,484.32
Other monetary funds	718,107,593.06	1,346,537,001.10
Total	3,934,173,319.67	2,958,026,999.66

(2) Restrictions of monetary fund use at the end of the year

Items	Year-end Amount	Reasons for restricted use
Other monetary funds	650,500,000.00	Deposits of bank's acceptance bill
Other monetary funds	21,100,000.00	Bank deposit providing mortgage and pledge security for corporate loans
Other monetary funds	45,000,000.00	Bank deposit providing mortgage and pledge security for financing of other companies
Other monetary funds	727,000.00	Bank deposit for other purposes
Total	717,327,000.00	

2. Financial assets held for trading

Items	Closing balance	Opening balance
Financial liabilities measured at fair value with changes included in current profit and loss		
Of which: debt instrument investment		
Others—wealth management products	10,000.00	90,000,000.00
Total	10,000.00	90,000,000.00
Of which: the part reclassified to other non-current financial assets		

3. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Closing balance last year
Within 1 year	253,617,610.02	179,705,713.70
1-2 years	6,871,539.70	19,291,726.16
2-3 years	11,781,986.34	100,828,554.34
over 3 years	309,521,487.09	226,157,083.08
Subtotal	581,792,623.15	525,983,077.28
Less: bad debt provision	1,645,382.09	3,560,325.25
Total	580,147,241.06	522,422,752.03

(2) Classified and presented by bad debt provision method

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	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	581,792,623.15	100.00	1,645,382.09	0.28	580,147,241.06
Of which: combination of account age	217,202,783.08	37.33	1,645,382.09	0.76	215,557,400.99
Government unit and associated party combination	364,589,840.07	62.67			364,589,840.07
Total	581,792,623.15	100.00	1,645,382.09	0.28	580,147,241.06

(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					
Accounts receivable for which bad debt provision has been assessed by portfolios	525,983,077.28	100.00	3,560,325.25	0.68	522,422,752.03
Of which: combination of account age	169,269,009.57	32.18	3,560,325.25	2.10	165,708,684.32
Government unit and associated party combination	356,714,067.71	67.82			356,714,067.71
Total	525,983,077.28	100.00	3,560,325.25	0.68	522,422,752.03

① In the portfolio, accounts receivable for which the provision for bad debts is made by the aging analysis method:

Aging	Closing balance			
	Book balance of accounts receivable	Bad debt provision	Accrual ratio (%)	Book value of accounts receivable
Within 1 year	202,526,020.92			202,526,020.92
1-2 years	4,876,208.72	243,810.43	5.00	4,632,398.29
2-3 years	1,370,227.36	137,022.74	10.00	1,233,204.62
over 3 years	8,430,326.08	1,264,548.92	15.00	7,165,777.16
Total	217,202,783.08	1,645,382.09	0.76	215,557,400.99

(Continued)

Aging	Previous year ending balance			
	Book balance of accounts receivable	Bad debt provision	Accrual ratio (%)	Book value of accounts receivable
Within 1 year	141,806,926.14			141,806,926.14
1-2 years	3,532,230.53	176,611.52	5.00	3,355,619.01

Aging	Previous year ending balance			
	Book balance of accounts receivable	Bad debt provision	Accrual ratio (%)	Book value of accounts receivable
2-3 years	4,115,284.42	411,528.45	10.00	3,703,755.97
over 3 years	19,814,568.48	2,972,185.28	15.00	16,842,383.20
Total	169,269,009.57	3,560,325.25	2.10	165,708,684.32

② Accounts receivable of bad debt provision by other methods

Other	Closing balance			Previous year ending balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)	Accounts receivable	Bad debt provision	Accrual ratio (%)
Associated party business	17,405,578.53			21,457,412.25		
Business of government unit, etc.	347,184,261.54			335,256,655.46		
Total	364,589,840.07			356,714,067.71		

(3) Bad debt reserve status

Category	Previous year ending balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Aging portfolio	3,560,325.25	-1,914,943.16			1,645,382.09
Total	3,560,325.25	-1,914,943.16			1,645,382.09

(4) Accounts receivable of the Top 5 closing balance classified by the overdue party

The company's total amount of closing balance of top 5 accounts receivable classified by the overdue party was RMB 466,035,933.09, accounting for 80.10% of the total closing balance of accounts receivable, without corresponding provision for bad debts.

Name of debtors	Closing balance of receivables	Aging of other receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Gaoyou Finance Bureau	300,904,431.33	over 3 years	51.72	
Gaoyou Xinyuan Water Construction Co., Ltd.	102,000,000.00	Within 1 year	17.53	
Wujiang Shengze Water Treatment Development Co., Ltd.	26,848,965.21	Within 1 year	4.61	
Wujiang Shengze Urban Investment Development Co., Ltd.	18,903,059.22	Within 1 year	3.25	
Gaoyou Yuehai Water Co., Ltd.	17,379,477.33	Within 1 year	2.99	
Total	466,035,933.09		80.10	

4. Financing of accounts receivable

Items	Closing balance		
	Cost	Fair value changes	Fair value
Notes receivable	3,100,000.00		3,100,000.00
Accounts receivable			
Total	3,100,000.00		3,100,000.00

5. Advances to suppliers

(1) Advance payment is listed by age

Aging	Closing balance		Previous year ending balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,226,666,180.25	73.75	1,577,788,174.37	73.16
1-2 years	385,856,929.71	23.20	187,925,598.51	8.71
2-3 years	8,318,805.60	0.50	389,085,215.96	18.04
over 3 years	42,358,893.27	2.55	1,879,532.38	0.09
Total	1,663,200,808.83	100.00	2,156,678,521.22	100.00

(2) Advance payment of Top 5 closing balance classified by advance payment objects

The total advance payment of the Top 5 closing balance classified by advance payment recipients is RMB 1,493,351,271.93, accounting for 89.79% of the total closing balance of advance payment.

Name of entity	Closing balance	Aging of advance payment	Proportion to the total closing balance of advance payments (%)
Gaoyou Jinao Real Estate Development Co., Ltd.	645,412,590.93	Within 1 year	38.81
Jiangsu Youyuan Construction Development Co., Ltd.	400,000,000.00	Within 1 year	24.05
Jiangsu Ruiwo Construction Group Co., Ltd.	191,407,881.00	Within 1 year, 1-2 years, over 3 years	11.51
Yangzhou Kejia Construction Engineering Co., Ltd.	185,800,000.00	Within 1 year/1-2 years	11.17
Guo Shiwen	70,730,800.00	1-2 years	4.25
Total	1,493,351,271.93		89.79

6. Other receivables

Items	Closing balance	Previous year ending balance
Interests receivable		
Dividends receivable	12,561,456.12	
Other receivables	1,873,369,694.06	1,787,524,957.51
Total	1,885,931,150.18	1,787,524,957.51

(1) Dividends receivable

① Dividends receivable

Projects (or investee companies)	Closing balance	Closing balance last year
Gaoyou Yuehai Water Co., Ltd.	12,561,456.12	
Subtotal	12,561,456.12	
Less: bad debt provision		

Projects (or investee companies)	Closing balance	Closing balance last year
Total	12,561,456.12	

(2) Other receivables

① Disclosure by age

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	1,079,020,595.66	1,276,062,066.64
1-2 years	415,132,741.33	303,361,999.91
2-3 years	243,135,391.56	60,246,985.26
over 3 years	156,996,520.31	165,910,195.98
Subtotal	1,894,285,248.86	1,805,581,247.79
Less: bad debt provision	20,915,554.80	18,056,290.28
Total	1,873,369,694.06	1,787,524,957.51

② Classification by fund nature

Nature of funds	Closing balance	Opening balance
Associated party business	122,473,926.35	107,712,090.00
Third-party transaction accounts	883,743,737.98	1,075,630,762.2
Short-term margin and deposit	23,448,655.08	26,252,119.50
Reserve fund	1,543,420.63	1,469,022.02
Employee social security and income tax advances	601,299.42	515,084.02
Suspense payment	63,274,244.06	98,900,000.00
Pending payment	11,400,990.79	10,600,980.18
Advance payment transferred into long aging	150,000.00	150,000.00
Engineering advances	6,937,846.32	4,351,189.87
Temporary debit	780,711,128.23	480,000,000.00
Subtotal	1,894,285,248.86	1,805,581,247.79
Less: bad debt provision	20,915,554.80	18,056,290.28
Total	1,873,369,694.06	1,787,524,957.51

③ 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)	
Balance as of 1 January 2021	17,083,952.28		972,338.00	18,056,290.28
Book balance of other receivables as of 1 January 2021 in the current period:				
——Transfer in Phase II				
——Transfer in Phase III				
——Transfer back to Phase II				

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)	
——Transfer back to Phase I				
Provision in the current period	2,859,264.52			2,859,264.52
Reversal in the current period				
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	19,943,216.80		972,338.00	20,915,554.80

④ 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	
Other receivables in the first stage	17,083,952.28	2,859,264.52			19,943,216.80
Other receivables in the second stage					
Other receivables in the third stage	972,338.00				972,338.00
Total	18,056,290.28	2,859,264.52			20,915,554.80

⑤ Other receivables actually written-off in this period

⑥ 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
Gaoyou Finance Bureau	Transaction accounts	411,815,210.93	Within 1 year, 1-2 years, over 3 years	21.74	
Yangzhou Kefeng High-tech Industry Investment and Development Group Co., Ltd.	Transaction accounts	210,000,000.00	Within 1 year/1-2 years	11.09	6,500,000.00
Gaoyou Water Conservancy Bureau	Transaction accounts	168,708,778.00	Less than 1 year /1-2 years /2-3 years	8.91	
Gaoyou Economic Development Group Co., Ltd.	Transaction accounts	120,000,000.00	Within 1 year	6.33	
Baohua Real Estate (Jiangsu) Co., Ltd.	Transaction accounts	107,360,250.00	2-3 years/over 3 years	5.66	

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Total		1,017,884,238.93		53.73	6,500,000.00

7. Inventory

(1) Inventory classification

Items	Closing balance		
	Book balance	Provision for depreciation	Book value
Raw materials	13,215,460.08		13,215,460.08
Low-value consumables	561,823.58		561,823.58
Production cost	616,114.80		616,114.80
Commodity stocks	63,809,243.89		63,809,243.89
Unfinished products	5,028,551.90		5,028,551.90
Development cost	44,682,135.88		44,682,135.88
Engineering project construction cost	212,917,966.15		212,917,966.15
Agency construction cost	12,887,347,796.86		12,887,347,796.86
To-be-developed land	11,456,894,640.00		11,456,894,640.00
Total	24,685,073,733.14		24,685,073,733.14

(Continued)

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Raw materials	10,951,718.57		10,951,718.57
Low-value consumables	65,277.18		65,277.18
Production cost			
Commodity stocks	56,230,485.62		56,230,485.62
Unfinished products	6,814,963.67		6,814,963.67
Development cost	18,638,929.70		18,638,929.70
Engineering project construction cost	175,147,358.51		175,147,358.51
Agency construction cost	11,504,467,593.82		11,504,467,593.82
To-be-developed land	10,358,218,022.00		10,358,218,022.00
Total	22,130,534,349.07		22,130,534,349.07

Note 1: In the closing book value of inventories, RMB 5,327,426,120.73 has been used for mortgage. Please refer to Note VI 51 "Assets with restricted ownership or use right".

Note 2: The capitalized interest amount included in the inventory—construction agency cost in the current period is RMB 449,070,953.99.

Note 3: As of 31 December 2021, two pieces of land with book value of RMB 132,370,000.00 in inventory—land to be developed had not yet handled property ownership certificate.

8. Other current assets

Items	Closing balance	Opening balance
Deductible input tax	15,086,973.05	3,765,426.78
Total	15,086,973.05	3,765,426.78

9. Available for sale financial assets

(1) Available-for-sale financial assets are as follows

Items	Opening balance		
	Book balance	Provision for impairment	Book value
Available-for-sale liability tool			
Available-for-sale equity tool	51,400,000.00		51,400,000.00
Including: Measured at fair value			
Measured by costs	51,400,000.00		51,400,000.00
Other			
Total	51,400,000.00		51,400,000.00

10. Held to maturity investments

Items	Opening Amount of the Year		
	Book balance	Provision for impairment	Book value
CITIC Trust-Jiangsu Gaoyou City Gaoyou Construction Investment and Financing Integration Fund Trust Plan	3,500,000.00		3,500,000.00
Total	3,500,000.00		3,500,000.00

11. Long-term receivables

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Financial leasing deposit	92,699,500.00		92,699,500.00	106,949,500.00		106,949,500.00
Total	92,699,500.00		92,699,500.00	106,949,500.00		106,949,500.00

12. Long-term equity investments

Investee	Previous year ending balance	Increase and decrease of this year				
		Increase in the current year	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
I. Joint ventures						
II. Associated enterprises						
Gaoyou Gangyou Engineering Co., Ltd.	12,106,117.82			4,654,961.27		
Gaoyou Yuehai Water Co., Ltd.	51,963,347.30			1,642,496.08		

Investee	Previous year ending balance	Increase and decrease of this year				
		Increase in the current year	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
Gaoyou Xinpeng Property Co., Ltd.	28,252,386.95			10,061,380.48		
Total	92,321,852.07			16,358,837.83		

(Continued)

Investee	Increase and decrease of this year			Closing balance	Closing balance of impairment provision
	Declaration of cash dividends or profits	Provision for impairment	Other		
I. Joint ventures					
II. Associated enterprises					
Gaoyou Gangyou Engineering Co., Ltd.	7,021,000.61			9,740,078.48	
Gaoyou Yuehai Water Co., Ltd.	12,561,456.12			41,044,387.26	
Gaoyou Xinpeng Property Co., Ltd.				38,313,767.43	
Total	19,582,456.73			89,098,233.17	

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	141,400,000.00
Of which: debt instrument investment	
Equity instrument investment	91,400,000.00
Derivative financial assets	
Mixed instrument investment	
Other	50,000,000.00
Financial assets measured at fair value with changes included in current profits and losses	
Of which: debt instrument investment	
Mixed instrument investment	
Other	
Total	141,400,000.00

(1) The equity instrument investment details are as follows

Items	Closing balance		
	Book balance	Provision for impairment	Book value
Gaoyou Ludang Fishery Village Tourism Development Co., Ltd.	18,000,000.00		18,000,000.00

Items	Closing balance		
	Book balance	Provision for impairment	Book value
Gaoyou Youjian Industrial Investment Partnership Enterprise (Limited Partnership)	40,000,000.00		40,000,000.00
Gaoyou Hairun Environmental Protection Technology Co., Ltd.	17,400,000.00		17,400,000.00
Jiangsu Gaoyou Lake Hairy Crab Industry Development Co., Ltd.	1,000,000.00		1,000,000.00
Baohua Real Estate (Jiangsu) Co., Ltd.	15,000,000.00		15,000,000.00
Total	91,400,000.00		91,400,000.00

14. Investment properties

Investment real estate with the model of cost measurement

Items	Houses, buildings	Total
I. Original book value		
1. Previous year ending balance	604,052,427.74	604,052,427.74
2. Increased amount in current period		
(1) Outsourcing		
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. Closing balance	604,052,427.74	604,052,427.74
II. Cumulative depreciation and amortization		
1. Previous year ending balance	34,408,929.80	34,408,929.80
2. Increased amount in current period	11,476,996.13	11,476,996.13
(1) Provision or amortization	11,476,996.13	11,476,996.13
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. Closing balance	45,885,925.93	45,885,925.93
III. Provision for impairment		
1. Previous year ending balance		
2. Increased amount in current period		
(1) Provision		
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. Closing balance		
IV. Book value		
1. Period-end book value	558,166,501.81	558,166,501.81
2. Book value at the beginning of year	569,643,497.94	569,643,497.94

Note: As of 31 December 2021, the investment real estate with closing book value of 366,828,658.12 had not yet handled property ownership certificate.

15. Fixed assets

Items	Closing balance	Previous year ending balance
Fixed assets	587,817,118.31	533,086,889.76
Fixed asset liquidation		
Total	587,817,118.31	533,086,889.76

Fixed assets are as follows

Items	Houses and buildings	Machinery equipment	Office and electronic devices	Transportation equipment	Total
I. Original book value					
1. Previous year ending balance	270,955,705.43	475,872,558.25	11,209,068.84	6,415,118.73	764,452,451.25
2. Increased amount this year	58,798,990.36	24,944,381.31	2,038,218.15	577,407.44	86,358,997.26
(1) Purchase	14,232,553.28	4,653,046.56	2,038,218.15	577,407.44	21,501,225.43
(2) Transfer of engineering under construction	44,566,437.08	20,291,334.75			64,857,771.83
(3) Other increases					
3. Decreased amount this year	1,832,224.00	3,328,569.91	2,309,362.01	84,161.39	7,554,317.31
(1) Disposal or scraping	1,832,224.00	3,328,569.91	2,309,362.01	84,161.39	7,554,317.31
(2) Other transfer-out					
4. Closing balance	327,922,471.79	497,488,369.65	10,937,924.98	6,908,364.78	843,257,131.20
II. Cumulative depreciation					
1. Previous year ending balance	50,174,224.76	171,668,122.52	6,078,839.31	3,444,374.90	231,365,561.49
2. Increased amount this year	9,048,125.39	16,099,938.71	1,213,834.11	593,936.13	26,955,834.34
(1) Provision	9,048,125.39	16,099,938.71	1,213,834.11	593,936.13	26,955,834.34
(2) Increase in business combination					
(3) Other increases					
3. Decreased amount this year		983,165.30	1,833,255.74	64,961.90	2,881,382.94
(1) Disposal or scraping		983,165.30	1,833,255.74	64,961.90	2,881,382.94
(2) Other transfer-out					
4. Closing balance	59,222,350.15	186,784,895.93	5,459,417.68	3,973,349.13	255,440,012.89
III. Provision for impairment					
1. Previous year ending balance					
2. Increased amount this year					
(1) Provision					
3. Decreased amount this year					

Items	Houses and buildings	Machinery equipment	Office and electronic devices	Transportation equipment	Total
(1) Disposal or scraping					
4. Closing balance					
IV. Book value					
1. Year-end book value	268,700,121.64	310,703,473.72	5,478,507.30	2,935,015.65	587,817,118.31
2. Book value at the beginning of year	220,781,480.67	304,204,435.73	5,130,229.53	2,970,743.83	533,086,889.76

Note 1. In the closing book value of fixed assets, RMB 25,513,196.97 has been used for mortgage. Please refer to Note VI 51 "Assets with restricted ownership or use right".

Note 2. As of 31 December 2021, the company still had houses and buildings for business with book value of RMB 6,877,486.97 that had not yet handled certificate.

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
Business house				681,175.86		681,175.86
Gaoyou western dike canal sewage treatment project	5,737,739.05		5,737,739.05	5,287,595.22		5,287,595.22
Phase I sewage plant renovation and expansion engineering				41,392,551.07		41,392,551.07
Guoji office building	50,000.00		50,000.00	160,000.00		160,000.00
Gaoyou duck breeding center relocation engineering phase I	14,781,694.99		14,781,694.99	40,660,756.34		40,660,756.34
Lingtang management house				1,601,166.25		1,601,166.25
Enclosure engineering				141,250.00		141,250.00
240 ton cement ship decoration	51,220.00		51,220.00	51,220.00		51,220.00
North gate vegetable market engineering	14,936,455.48		14,936,455.48	1,225,230.24		1,225,230.24
Wenyou farmer's market	30,388,464.09		30,388,464.09	29,285,420.09		29,285,420.09
2020 northeastern township water supply pipeline renovation engineering (Jieshou area)	4,619,602.66		4,619,602.66	357,239.00		357,239.00
2021 municipal modern agricultural development project (agricultural machinery equipment and technology demonstration promotion)	154,100.00		154,100.00			
Gaoyou Luoshi Macrobrachium Industrial Park (Core Area) breeding tail water eco-purification system reconstruction project	511,416.80		511,416.80			
Gaoyou fishery technology demonstration base construction project	155,700.00		155,700.00			

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Agricultural industry town reinforcement funds—breeding demonstration engineering	4,943,050.00		4,943,050.00			
Net bed	1,590,000.00		1,590,000.00			
Gaoyou Duck Breeding Center Phase II	2,499,500.00		2,499,500.00			
2021 northeastern township water supply pipeline renovation project (Linze area)	3,904,040.59		3,904,040.59			
Total	84,322,983.66		84,322,983.66	120,843,604.07		120,843,604.07

(2) Changes of important construction in progress in current period

Name of projects	Previous year ending balance	Increased amount in current period	Current transfer in of fixed assets	Other current reductions	Closing balance
Business house	681,175.86	513,173.97	1,194,349.83		
Gaoyou western dike canal sewage treatment project	5,287,595.22	450,143.83			5,737,739.05
Phase I sewage plant renovation and expansion engineering	41,392,551.07	290,243.87	36,707,122.51	4,975,672.43	
Guoji office building	160,000.00	50,000.00		160,000.00	50,000.00
Gaoyou duck breeding center relocation engineering phase I	40,660,756.34	4,668,363.15	25,375,133.24	5,172,291.26	14,781,694.99
Lingtang management house	1,601,166.25		1,581,166.25	20,000.00	
Enclosure engineering	141,250.00			141,250.00	
240 ton cement ship decoration	51,220.00				51,220.00
2020 northeastern township water supply pipeline renovation engineering (Jieshou area)	357,239.00	4,262,363.66			4,619,602.66
North gate vegetable market engineering	1,225,230.24	13,711,225.24			14,936,455.48
Wenyou farmer's market	29,285,420.09	1,103,044.00			30,388,464.09
2021 municipal modern agricultural development project (agricultural machinery equipment and technology demonstration promotion)		154,100.00			154,100.00
Gaoyou Luoshi Macrobrachium Industrial Park (Core Area) breeding tail water eco-purification system reconstruction project		511,416.80			511,416.80
Gaoyou fishery technology demonstration base construction project		155,700.00			155,700.00
Agricultural industry town reinforcement funds—breeding demonstration engineering		4,943,050.00			4,943,050.00

Name of projects	Previous year ending balance	Increased amount in current period	Current transfer in of fixed assets	Other current reductions	Closing balance
Net bed		1,590,000.00			1,590,000.00
Gaoyou Duck Breeding Center Phase II		2,499,500.00			2,499,500.00
2021 northeastern township water supply pipeline renovation project (Linze area)		3,904,040.59			3,904,040.59
Total	120,843,604.07	38,806,365.11	64,857,771.83	10,469,213.69	84,322,983.66

17. Bearer biological assets

(1) Adopt cost measurement model

Items	Stockbreeding	Total
	Productive livestock duck	
I. Original book value		
1. Previous year ending balance	923,709.00	923,709.00
2. Increased amount in current period	15,142,310.29	15,142,310.29
(1) Outsourcing	15,142,310.29	15,142,310.29
3. Decreased amount in current period		
(1) Disposal		
4. Closing balance	16,066,019.29	16,066,019.29
II. Cumulative depreciation		
1. Previous year ending balance		
2. Increased amount in current period	12,101,733.60	12,101,733.60
(1) Provision	12,101,733.60	12,101,733.60
3. Decreased amount in current period		
(1) Disposal		
4. Closing balance	12,101,733.60	12,101,733.60
III. Provision for impairment		
1. Previous year ending 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	3,964,285.69	3,964,285.69
2. Book value at the beginning of year	923,709.00	923,709.00

Note: Poultry ducks are ducks used for laying eggs, and the enterprise amortizes according to the

cycle of laying eggs.

18. Intangible assets

Intangible assets

Items	Land use right	Software	Total
I. Original book value			
1. Previous year ending balance	138,700,735.32	675,902.62	139,376,637.94
2. Increased amount this year	1,978,080.00	96,878.91	2,074,958.91
(1) Purchase	1,978,080.00	96,878.91	2,074,958.91
(2) Internal R&D			
(3) Other increases			
3. Decreased amount this year			
(1) Disposal			
4. Closing balance	140,678,815.32	772,781.53	141,451,596.85
II. Accumulated amortization			
1. Previous year ending balance	5,747,416.95	220,237.42	5,967,654.37
2. Increased amount this year	2,770,192.29	226,432.45	2,996,624.74
(1) Amortization this year	2,770,192.29	226,432.45	2,996,624.74
3. Decreased amount this year			
(1) Disposal			
4. Closing balance	8,517,609.24	446,669.87	8,964,279.11
III. Provision for impairment			
1. Previous year ending balance			
2. Increased amount this year			
(1) Provision			
3. Decreased amount this year			
(1) Disposal			
4. Closing balance			
IV. Book value			
1. Year-end book value	132,161,206.08	326,111.66	132,487,317.74
2. Book value at the beginning of year	132,953,318.37	455,665.20	133,408,983.57

Note: At the end of period, in the land use right of intangible assets, the land with a book value of 27,820,578.32 has not handled ownership certificate.

Note 2: At the end of period, the book value of RMB 95,779,276.98 in the land use right of intangible assets had been mortgaged. Please refer to Note VI 51 "Assets with restricted ownership or use right".

19. Goodwill

Name of the invested entity	Closing balance	Previous year ending balance
Suzhou Xiangsheng Construction Engineering Co., Ltd.	23,995,777.10	23,995,777.10
Jiangsu Gaoyou Lake Ecological Fishery Development Co., Ltd.	3,045,887.90	3,045,887.90

Name of the invested entity	Closing balance	Previous year ending balance
Total	27,041,665.00	27,041,665.00

Note: Impairment calculation was conducted on goodwill this year, and no sign of impairment was found.

20. Long-term prepaid expense

Items	Previous year ending balance	Increase in the current year	Amortization this year	Decrease in the current year	Closing balance
Decoration fees	295,297.30	1,822,839.71	510,878.13		1,607,258.88
Intelligent control system	54,370.39		54,370.39		
Lighting project					
Grade II qualification of general contracting for water conservancy and hydropower construction	3,766,669.00		399,996.00		3,366,673.00
Circulating land use fee	1,650,868.00	3,688,675.06	2,546,073.95		2,793,469.11
Total	5,767,204.69	5,511,514.77	3,511,318.47		7,767,400.99

21. Deferred tax assets

(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
Bad debt reserves of account receivables	1,645,382.09	411,345.53	3,560,325.28	890,081.32
Bad debt reserves of other receivables	20,915,554.80	5,228,888.76	18,056,290.48	4,514,072.62
Total	22,560,936.89	5,640,234.29	21,616,615.76	5,404,153.94

22. Short-term borrowings

(1) Short-term loan classification

Items	Closing balance	Previous year ending balance
Security borrowings	1,009,000,000.00	835,300,000.00
Mortgage borrowings	210,000,000.00	5,000,000.00
Pledge borrowings	84,053,000.00	125,000,000.00
Payable interests of short-term loan	3,283,534.73	
Total	1,306,336,534.73	965,300,000.00

23. Notes payable

Category	Closing balance	Previous year ending balance
Bank acceptance bill	618,500,000.00	1,216,000,000.00
Commercial acceptance bill	32,000,000.00	
Total	650,500,000.00	1,216,000,000.00

Note: The amount of due and unpaid notes payable at the end of year was RMB 0.00.

24. Trade payables

(1) List of payables:

Items	Closing balance	Previous year ending balance
Inventory-related	226,274,071.23	185,271,657.89
Construction in progress, fixed assets and other equipment payment	2,811,590.99	6,959,751.80
Total	229,085,662.22	192,231,409.69

(2) Top five amount of accounts payable:

Name of entity	Closing balance	Aging	Proportion among total number of ending balance of accounts payable (%)
Gaoyou State-owned Assets Management Center	20,350,103.00	over 3 years	8.88
Suzhou Yuanrun Labor Service Co., Ltd.	6,807,700.00	Within 1 year	2.97
Wujiang Tenglong Commercial Concrete Co., Ltd.	3,588,867.66	Within 1 year	1.57
Xiangcheng District Huangdai Town Dongqiao Xianghui Building Material Business Division	3,394,750.00	Within 1 year	1.48
Macheng Yuansheng Stone Co., Ltd.	3,200,000.00	Within 1 year	1.40
Total	37,341,420.66		16.30

25. Employee benefits payable

(1) Presentation of employee remuneration payable

Items	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance
I. Short-term remuneration	13,601,303.24	74,117,271.77	72,643,635.17	15,074,939.84
II. Post-employment welfare - defined contribution plan	97,277.26	2,128,057.20	2,170,673.04	54,661.42
III. Dismissal benefits				
IV. Other benefits due within one year				
V. Other				
Total	13,698,580.50	76,245,328.97	74,814,308.21	15,129,601.26

(2) Presentation of short-term remuneration

Items	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance
1. Wages, bonuses, allowances and subsidies	13,381,538.52	58,181,640.97	56,770,313.77	14,792,865.72
2. Employee services and benefits	-2,279.80	4,161,711.17	4,159,431.37	
3. Social insurance premiums	11,779.58	6,499,035.68	6,458,033.08	52,782.18
Of which: medical insurance premium	11,779.58	6,399,954.41	6,402,664.39	9,069.60
Work-related injury insurance premium		54,036.99	54,036.99	
Birth insurance premium		45,044.28	1,331.70	43,712.58

Items	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance
Supplementary Medical Insurance				
4. Housing fund	104,275.00	3,866,797.88	3,892,111.88	78,961.00
5. Labor union fund	105,989.94	1,074,188.93	1,029,847.93	150,330.94
6. Staff education funds		333,897.14	333,897.14	
7. Short-term profit sharing plan				
8. Other short-term compensation				
Total	13,601,303.24	74,117,271.77	72,643,635.17	15,074,939.84

(3) Presentation of defined contribution plan

Items	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance
1. Basic endowment insurance	96,649.22	2,060,857.47	2,102,845.27	54,661.42
2. Unemployment insurance premium	628.04	67,199.73	67,827.77	
3. Payment of enterprise annuity				
Total	97,277.26	2,128,057.20	2,170,673.04	54,661.42

26. Contract liabilities

(1) Contract liability:

Items	Closing balance	Opening balance
Advance receipt of cargo funds	11,583,245.45	10,140,254.79
Advance payment of housing expenses	176,559,189.78	177,229,858.16
Advance receipts of project funds	2,053,283.79	1,982,689.79
Advance receipt of rental fee	51,057,182.41	52,726,647.73
Less: included in other current liabilities (Note VI. 30)	7,382,287.95	7,050,857.78
Total	233,870,613.48	235,028,592.69

27. Taxes payable

Items	Closing balance	Previous year ending balance
VAT	28,635,691.31	24,904,144.86
Corporate income tax	124,965,914.28	110,172,608.63
Urban construction tax	5,365,592.61	4,709,715.16
Education surcharge	2,400,796.07	2,125,083.22
Local education surcharge	1,261,635.51	1,066,795.39
Individual income tax	117,725.85	86,501.88
Housing tax	597,388.33	597,828.70
Land use tax	70,446.47	71,052.63
Stamp duty	89,593.72	8,536.23
Total	163,504,784.15	143,742,266.70

28. Other payables

Items	Closing balance	Opening balance
Interest payable		
Dividends payable	4,661,605.27	5,149,895.27
Other payables	6,158,666,769.19	6,593,214,571.40
Total	6,163,328,374.46	6,598,364,466.67

(1) Dividends payable

Name of entity	Closing balance	Opening balance
Gaoyou Global Real Estate Development Co., Ltd.	4,661,605.27	5,149,895.27
Total	4,661,605.27	5,149,895.27

(2) Other payables

1) Other payables presented by nature of funds

Items	Closing balance	Opening balance
Transaction accounts of related parties	6,250.00	45,583,125.42
Third-party transaction accounts	5,286,550,198.61	5,067,842,507.33
Short-term margin and deposit	6,209,333.80	4,294,200.00
Withholding and paying employee social security funds	729,520.41	659,016.16
Receipts under custody	92,228,002.23	96,558,110.18
Prepaid fee	566,256.00	
Temporary debit	642,897,595.13	1,242,897,595.13
Outstanding expense	129,479,613.01	135,380,017.18
Total	6,158,666,769.19	6,593,214,571.40

2) Conditions of top five largest amounts in the other account payable

Name of entity	Closing balance	Aging	Proportion to total closing balance of other payables (%)
Gaoyou Xingyun Urbanization Construction and Operation Co., Ltd.	1,743,658,791.33	Within 1 year, 1-2 years, over 3 years	28.31
Gaoyou City Gaoyou Town Housing Expropriation Service Center	1,530,634,020.00	Within 1 year, 1-2 years, 2-3 years, over 3 years	24.85
Gaoyou Zetong Material Trading Co., Ltd.	855,940,602.36	Within 1 year/1-2 years	13.90
Gaoyou Xinyuan Water Construction Co., Ltd.	640,000,000.00	1-2 years / 2-3 years	10.39
Gaoyou Dongtai Construction Co., Ltd.	609,486,900.00	Within 1 year/	9.90
Total	5,379,720,313.69		87.35

29. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year—principal	325,000,000.00	854,500,000.00
Long-term borrowings due within 1 year—interest	25,448,811.65	
Bonds payable due within 1 year—principal	374,467,196.79	353,873,899.47
Bonds payable due within 1 year—interest	129,696,113.03	63,055,920.82

Items	Closing balance	Opening balance
Long-term payables due within 1 year—minimum lease payment of financing lease	494,506,383.08	731,315,397.47
Long-term payables due within 1 year—unrecognized financing expense of financing lease	-70,811,805.53	-113,676,009.86
Long-term payables due within 1 year—other borrowing principal	345,000,000.00	
Long-term payables due within 1 year—other borrowing interest	18,662,641.67	10,382,000.00
Total	1,641,969,340.69	1,899,451,207.90

30. Other current liabilities

Items	Closing balance	Opening balance
Short-term bonds payable—principal	350,000,000.00	
Short-term bond interest payable	9,999,305.56	
Tax to be output	7,382,287.95	7,050,857.78
Total	367,381,593.51	7,050,857.78

Including: increases and decreases of short-term bonds payable

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
21 Su Gaoyou Construction Investment ZR001	350,000,000.00	2021/6/28	1 year	350,000,000.00	
Total	350,000,000.00			350,000,000.00	

(Continued)

Bond name	Issue in current period	Accrued interest at face value	Premium discount amortization	Repayment in the current period	Closing balance
21 Su Gaoyou Construction Investment ZR001	350,000,000.00	9,999,305.56			359,999,305.56
Total	350,000,000.00	9,999,305.56			359,999,305.56

31. Long-term borrowing

Items	Closing balance	Previous year ending balance
Security borrowings	1,452,284,230.00	950,410,000.00
Mortgage borrowings	1,028,500,000.00	1,616,000,000.00
Pledge borrowings	137,000,000.00	47,000,000.00
Interests payable on long-term borrowings	25,448,811.65	
Less: long-term borrowings due within one year	350,448,811.65	854,500,000.00
Of which: long-term borrowing principal	325,000,000.00	854,500,000.00
Long-term borrowing interest	25,448,811.65	
Total	2,292,784,230.00	1,758,910,000.00

32. Bonds payable

(1) Bonds payable

Items	Closing balance	Previous year ending balance
2015 Corporate Bonds		198,606,946.07

Items	Closing balance	Previous year ending balance
2017 Debt Financing Plan Phase I		99,829,388.21
2017 Debt Financing Plan Phase II		74,862,456.77
20 Su Gaoyou Construction Investment ZR001	197,148,150.54	195,438,953.06
20 Su Gaoyou Construction Investment ZR002	200,000,000.00	200,000,000.00
20 Su Gaoyou Construction Investment ZR003	125,000,000.00	125,000,000.00
20 Gaoyou Construction Investment PPN001	500,000,000.00	500,000,000.00
20 Gaoyou 01 Debt	696,489,971.08	695,550,637.36
20 Gaoyou 02 Debt	497,224,698.40	496,566,531.60
21 Gaoyou 01 Debt	794,918,512.52	
21 Su Water ZRGN001	195,592,041.96	
21 Gaoyou Water PPN001	497,916,343.20	
21 Gaoyou Construction Investment PPN001	500,000,000.00	
21 Gaoyou Urban Investment PPN002	500,000,000.00	
21 Gaoyou Construction Investment MTN001	200,000,000.00	
21 Youjian 01	397,469,413.03	
21 Gao Youjian Investment Bond 01	794,606,690.91	
Total	6,096,365,821.64	2,585,854,913.07

(2) Increase and decrease of bond payable

Bond name	Face value	Issue date	Bond maturity	Issue amount	Previous year ending balance
2015 Corporate Bonds	1,000,000,000.00	15 September 2015	7 years	1,000,000,000.00	398,606,946.07
2017 Debt Financing Plan Phase I	100,000,000.00	18 July 2017	3+2 years	100,000,000.00	99,829,388.21
2017 Debt Financing Plan Phase II	75,000,000.00	31 August 2017	3+2 years	75,000,000.00	74,862,456.77
Non-public directional financing instruments	108,420,000.00	6 March 2018	3 years	108,420,000.00	108,303,899.47
Qingdao United Credit Assets Center Private Equity Bond Phase II	100,000,000.00	15 February 2019	1-2 years	100,000,000.00	45,570,000.00
20 Su Gaoyou Construction Investment ZR001	200,000,000.00	22 July 2020	3 years	200,000,000.00	195,438,953.06
20 Su Gaoyou Construction Investment ZR002	200,000,000.00	23 October 2020	3 years	200,000,000.00	200,000,000.00
20 Su Gaoyou Construction Investment ZR003	125,000,000.00	27 November 2020	3 years	125,000,000.00	125,000,000.00
20 Gaoyou Construction	500,000,000.00	24 December 2020	3 years	500,000,000.00	500,000,000.00

Bond name	Face value	Issue date	Bond maturity	Issue amount	Previous year ending balance
Investment PPN001					
20 Gaoyou 01 Debt	700,000,000.00	23 April 2020	5 years	700,000,000.00	695,550,637.36
20 Gaoyou 02 Debt	500,000,000.00	14 September 2020	5 years	500,000,000.00	496,566,531.60
21 Gaoyou 01 Debt	800,000,000.00	24 June 2021	5 years	800,000,000.00	
21 Su Water ZRGN001	200,000,000.00	26 July 2021	3 years	200,000,000.00	
21 Gaoyou Water PPN001	500,000,000.00	26 November 2021	5 years	500,000,000.00	
21 Gaoyou Construction Investment PPN001	500,000,000.00	4 February 2021	2 years	500,000,000.00	
21 Gaoyou Urban Investment PPN002	500,000,000.00	28 June 2021	2 years	500,000,000.00	
21 Gaoyou Construction Investment MTN001	200,000,000.00	23 June 2021	3 years	200,000,000.00	
21 Youjian 01	400,000,000.00	18 November 2021	5 years	400,000,000.00	
21 Gao Youjian Investment Bond 01	800,000,000.00	3 December 2021	7 years	800,000,000.00	
Subtotal:	7,508,420,000.00			7,508,420,000.00	2,939,728,812.54
Less: bonds payable due within one year					353,873,899.47
Of which: 2015 Corporate Bonds					200,000,000.00
Non-public directional financing instruments					108,303,899.47
Qingdao United Credit Assets Center Private Equity Bond Phase II					45,570,000.00
Total					2,585,854,913.07

(Continued)

Bond name	Issuing in this year	Premium discount amortization	Accrued interests	Repayment in this year	Closing balance
2015 Corporate Bonds		978,088.33		200,000,000.00	199,585,034.40
2017 Debt Financing Plan Phase I		109,104.42			99,938,492.63

Bond name	Issuing in this year	Premium discount amortization	Accrued interests	Repayment in this year	Closing balance
2017 Debt Financing Plan Phase II		81,212.99			74,943,669.76
Non-public directional financing instruments		116,100.53		108,420,000.00	0.00
Qingdao United Credit Assets Center Private Equity Bond Phase II				45,570,000.00	0.00
20 Su Gaoyou Construction Investment ZR001		1,709,197.48			197,148,150.54
20 Su Gaoyou Construction Investment ZR002					200,000,000.00
20 Su Gaoyou Construction Investment ZR003					125,000,000.00
20 Gaoyou Construction Investment PPN001					500,000,000.00
20 Gaoyou 01 Debt		939,333.72			696,489,971.08
20 Gaoyou 02 Debt		658,166.80			497,224,698.40
21 Gaoyou 01 Debt	800,000,000.00	-5,081,487.48			794,918,512.52
21 Su Water ZRGN001	200,000,000.00	-4,407,958.04			195,592,041.96
21 Gaoyou Water PPN001	500,000,000.00	-2,083,656.80			497,916,343.20
21 Gaoyou Construction Investment PPN001	500,000,000.00				500,000,000.00
21 Gaoyou Urban Investment PPN002	500,000,000.00				500,000,000.00
21 Gaoyou Construction Investment MTN001	200,000,000.00				200,000,000.00
21 Youjian 01	400,000,000.00	-2,530,586.97			397,469,413.03
21 Gao Youjian Investment Bond 01	800,000,000.00	-5,393,309.09			794,606,690.91
Subtotal:	3,900,000,000.00	-14,905,794.11		353,990,000.00	6,470,833,018.43
Less: bonds payable due within one year					374,467,196.79

Bond name	Issuing in this year	Premium discount amortization	Accrued interests	Repayment in this year	Closing balance
Of which: 2015 Corporate Bonds					199,585,034.40
2017 Debt Financing Plan Phase I					99,938,492.63
2017 Debt Financing Plan Phase II					74,943,669.76
Total	3,900,000,000.00	-14,905,794.11		353,990,000.00	6,096,365,821.64

33. Long-term payables

Items	Closing balance	Previous year ending balance
Long-term payables	978,449,584.60	1,628,533,270.61
Special accounts payable	63,643,822.04	8,105,869.78
Total	1,042,093,406.64	1,636,639,140.39

(1) Long-term payables

Items	Closing balance	Previous year ending balance	Note
Financing lease borrowing—minimum lease payment	1,453,455,556.59	2,327,925,590.15	
Financing lease borrowings—unrecognized financing expense	-151,311,394.44	-276,752,931.93	
Anhui Province Financial Assets Exchange Co., Ltd.	100,000,000.00	100,000,000.00	
Dalian Financial Assets Exchange Co., Ltd.	95,000,000.00	95,000,000.00	
Bank of Jiangsu—2021 Phase I Direct Financing of Wealth Management	100,000,000.00		
Bank of Jiangsu—2021 Phase II Direct Financing of Wealth Management	50,000,000.00		
Bank of Nanjing—2021 Phase III Direct Financing of Wealth Management	100,000,000.00		
Long-term payables—other borrowing interest	18,662,641.67	10,382,000.00	
Subtotal	1,765,806,803.82	2,256,554,658.22	
Less: long-term payables due within one year			
Financing lease borrowing—minimum lease payment	494,506,383.08	731,315,397.47	
Financing lease borrowings—unrecognized financing expense	-70,811,805.53	-113,676,009.86	
Anhui Province Financial Assets Exchange Co., Ltd.	100,000,000.00		
Dalian Financial Assets Exchange Co., Ltd.	95,000,000.00		
Bank of Jiangsu—2021 Phase II Direct Financing of Wealth Management	50,000,000.00		
Bank of Nanjing—2021 Phase III Direct Financing of Wealth Management	100,000,000.00		
Long-term payables—other borrowing interest	18,662,641.67	10,382,000.00	
Subtotal	787,357,219.22	628,021,387.61	
Book value	978,449,584.60	1,628,533,270.61	
Of which: financing lease borrowings—minimum lease payment	958,949,173.51	1,596,610,192.68	

Items	Closing balance	Previous year ending balance	Note
Financing lease borrowings—unrecognized financing expense	-80,499,588.91	-163,076,922.07	
Anhui Province Financial Assets Exchange Co., Ltd.		100,000,000.00	
Dalian Financial Assets Exchange Co., Ltd.		95,000,000.00	
Bank of Jiangsu—2021 Phase I Direct Financing of Wealth Management	100,000,000.00		

(2) Special accounts payable

Items	Closing balance	Previous year ending balance
Sewage pipeline construction fee	26,387,122.04	7,955,869.78
Social development project finance of Gaoyou Science and Technology Bureau—Gaoyou Lake Fishery		150,000.00
Gaoyou Housing and Urban-Rural Development Bureau—Old Community Renovation Project	37,256,700.00	
Total	63,643,822.04	8,105,869.78

34. Deferred incomes

Item/category	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
Asset-related government subsidy	166,222,998.74	8,000,000.00	10,796,004.29	163,426,994.45
Total	166,222,998.74	8,000,000.00	10,796,004.29	163,426,994.45

Among them, project involving government grants:

Subsidy item	Category	Previous year ending balance	Increase in current period	Decrease in current period				Closing balance
				Recorded in non-operating income	Recorded in other incomes	Offsetting cost	Other decreases	
Fixed assets of water supply	Financial allocation	99,554,288.67			6,222,143.05			93,332,145.62
Sewage disposal assets	Financial allocation	66,668,710.07			4,040,527.88			62,628,182.19
Facility construction of Gaoyou Duck Breeding Center	Financial allocation		8,000,000.00		533,333.36			7,466,666.64
Total		166,222,998.74	8,000,000.00		10,796,004.29			163,426,994.45

35. Paid-in capital

Name of investors	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance
Gaoyou State-owned Assets Management Center	2,500,000,000.00			2,500,000,000.00
Total	2,500,000,000.00			2,500,000,000.00

36. Capital reserve

Items	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance
Other capital reserves	9,486,027,519.40	510,010,000.00	519,892,500.00	9,476,145,019.40
Total	9,486,027,519.40	510,010,000.00	519,892,500.00	9,476,145,019.40

Note: Among the increased capital reserve in the current period, RMB 510,010,000.00 is the funds allocated by Gaoyou Finance Bureau as capital investment; among the decrease in the current period, RMB 519,892,500.00 is the cancellation of three lands taken back by government, including Jiangsu (2020) Gaoyou Immovable Property No.0001560 and Jiangsu (2020) Gaoyou Immovable Property No.0006099 and Jiangsu (2020) Gaoyou Immovable Property No.0006100.

37. Surplus reserve

Items	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance
Statutory surplus reserve	159,785,490.57	22,883,184.26		182,668,674.83
Total	159,785,490.57	22,883,184.26		182,668,674.83

38. Undistributed profits

Items	Amount this year	Amount last year
Undistributed profit at the end of the prior year before adjustment	1,713,919,621.71	1,553,319,723.24
Total adjusted undistributed profits at the beginning of year (increase +, decrease -)		
Year-beginning undistributed profit after adjustment	1,713,919,621.71	1,553,319,723.24
Add: net profits attributable to shareholders of parent company this year	282,156,321.22	227,967,711.35
Less: surplus reserve withdrawal this year	22,883,184.26	18,097,812.88
Withdrawal of general risk reserve		
Common stock dividends payable	48,860,000.00	49,270,000.00
Common stock dividends converted into capital stock		
Year-end undistributed profits	1,924,332,758.67	1,713,919,621.71

39. Operating incomes and operating costs

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Main business	1,317,432,832.10	1,237,947,742.58	1,087,171,997.77	1,002,581,566.39
Other businesses	55,162,524.02	21,239,709.26	23,527,155.27	15,556,996.10
Total	1,372,595,356.12	1,259,187,451.84	1,110,699,153.04	1,018,138,562.49

(1) Main business presented by business

Items	Amount this year		Amount last year	
	Incomes	Cost	Incomes	Cost
Engineering project construction	886,149,544.22	837,106,105.23	690,032,212.13	640,272,602.18

Items	Amount this year		Amount last year	
	Incomes	Cost	Incomes	Cost
Construction agency income	336,226,415.09	285,000,000.00	322,960,751.77	273,881,997.40
Maintenance management and greening	12,979,037.04	11,617,844.75	11,795,459.14	10,090,087.63
Housing sales	4,479,362.86	4,000,833.30	13,019,144.59	12,551,167.77
Sewage treatment	24,546,892.61	25,511,333.81	18,400,151.48	24,465,149.33
Rural tap water fee income	20,478,197.88	28,481,515.66	17,495,386.38	26,744,258.76
Urban service	2,173,229.85	2,479,471.73	1,455,748.16	2,309,315.90
Agricultural product sales	25,722,219.90	39,741,538.02	12,013,144.12	12,266,987.42
Merchandising	4,677,932.65	4,009,100.08		
Total	1,317,432,832.10	1,237,947,742.58	1,087,171,997.77	1,002,581,566.39

(2) Presentation of other businesses

Items	Amount this year		Amount last year	
	Incomes	Cost	Incomes	Cost
Leasing business	9,769,945.35	12,592,954.13	3,844,419.21	11,566,686.75
Providing labor services	4,004,197.89	415,226.86	4,489,597.23	591,906.79
Security income	6,722,591.59		8,113,204.54	
Material sales	63,093.35	55,661.99		
Fund lending interest income	32,932,090.25	6,847,817.66	7,079,934.29	3,398,402.56
Water investment commodity house sales	1,670,605.59	1,328,048.62		
Total	55,162,524.02	21,239,709.26	23,527,155.27	15,556,996.10

40. Taxes and surcharges

Items	Amount this year	Amount last year
Urban maintenance and construction tax	3,367,992.06	4,176,185.60
Education surcharge	1,453,677.21	1,828,365.99
Local education surcharge	965,568.57	1,162,228.77
Housing tax	2,196,464.55	2,079,396.27
Land use tax	3,005,425.31	2,403,666.26
Vehicle and vessel use tax	271,315.69	1,020.00
Stamp duty	4,979,274.10	693,762.03
Increment tax on land value	140,982.33	212,143.32
Other funds	101,907.37	111,912.14
Total	16,482,607.19	12,668,680.38

41. Financial expenses

Items	Amount this year	Amount last year
Interest expenses	70,871,070.75	78,853,536.29
Less: interest income	24,465,682.29	14,718,280.41

Items	Amount this year	Amount last year
Financial fees	628,909.80	1,715,154.55
Total	47,034,298.26	65,850,410.43

42. Other revenues

Items	Amount this year	Amount last year
Government subsidy for income-related corporate daily activities	308,392,580.68	266,312,428.04
Government subsidy for asset-related corporate daily activities	10,796,004.29	10,262,670.94
Total	319,188,584.97	276,575,098.98

(1) Government subsidy for income-related corporate daily activities

Items	Amount this year	Amount last year
Water supply pipe maintenance and renovation compensation funds		120,000.00
Talent reward of Human Resources and Social Security Bureau	34,997.00	
VAT return after collection	935,050.69	718,319.55
Daily operating subsidy	300,000,000.00	265,000,000.00
Reward for reaching standard of creating Grade 2 safety production standardization enterprise	25,000.00	30,000.00
Stable post subsidy	52,325.82	55,248.82
Anti-epidemic subsidy		264,643.67
Subsidy for training while working	62,000.00	3,000.00
Fishing boat oil subsidy	88,216.00	88,216.00
Reward of Gaoyou Hairy Crab Industry Association		10,000.00
2019 service industry support reward funds		5,000.00
Yangzhou municipal-level service industry development funds		10,000.00
Advanced construction enterprise reward		8,000.00
Fiscal discount of rural investment	6,656,000.00	
Project of Gaoyou Science and Technology Bureau	150,000.00	
High-quality development bonus	20,000.00	
2020 greening and afforestation award subsidy funds	22,140.00	
Financial subsidy for compliant water source land construction	70,000.00	
Tax deduction and exemption	6,851.17	
Landscaping rental subsidy	270,000.00	
Total	308,392,580.68	266,312,428.04

(2) Government subsidy for asset-related corporate daily activities

Items	Amount this year	Amount last year
Governmental free inbound appropriation of fixed assets for water supply	6,222,143.05	6,222,143.05
Governmental free outbound appropriation of fixed assets for sewage treatment	4,040,527.88	4,040,527.89

Items	Amount this year	Amount last year
Gaoyou duck breeding base construction subsidy	533,333.36	
Total	10,796,004.29	10,262,670.94

43. Investment income

Items	Amount this year	Amount last year
Long-term equity investment incomes by equity methods	16,358,837.83	18,696,985.74
Income arising from purchasing wealth management products	54,756.99	9,041.10
Trust security fund holding revenue	68,551.67	
Total	16,482,146.49	18,706,026.84

44. Credit impairment losses

Items	Amount this year
Bad debt reserves of account receivables	1,911,943.16
Bad debt reserves of other receivables	-2,856,264.52
Total	-944,321.36

45. Asset impairment losses

Items	Amount this year	Amount last year
Bad debt losses of accounts receivable		-392,393.20
Bad debt losses of other receivables		-6,625,848.37
Total		-7,018,241.57

46. Asset disposal gains

ITEMS	AMOUNT THIS YEAR	AMOUNT LAST YEAR
TOTAL REVENUE OF NON-CURRENT ASSET DISPOSAL	-176,970.69	-3,118,901.03
TOTAL	-176,970.69	-3,118,901.03

47. Non-operating income

Items	Amount this year	Amount last year
Payables without need for payment	304,100.00	2,088,300.00
Abandoned profits from damage of non-current assets	27,419.82	
VAT reduction and exemption		19,539.84
Penalty income		36,288.00
Net income from fines	200.00	500.00
Xiangsheng rental fee refund		166,665.72
Insurance claim payment		2,800.00
Seedling damage compensation	165,715.88	
Other	91,933.90	557,102.00
Total	589,369.60	2,871,195.56

48. Non-operating expenses

Items	Amount this year	Amount last year
Public welfare donation expenses	548,927.60	974,057.20
Tax delay charge	2,163,130.64	134,219.49
Administrative fine	500.00	
Compensation		62,000.00
Other	359,768.67	417.78
Total	3,072,326.91	1,170,694.47

49. Income tax expenses

Income Tax Expense Statement

Items	Amount this year	Amount last year
Income tax expense for the current year	26,652,585.13	19,262,180.37
Deferred income tax expenses	-236,080.35	-1,754,560.41
Total	26,416,504.78	17,507,619.96

50. Supplementary information of Cash Flow Statement

(1) Supplementary information of Cash Flow Statement

Supplementary information	Amount this year	Amount last year
1. Net profits adjusted to cash flow from operating activities:		
Net profits	277,445,377.18	227,578,777.81
Add: credit impairment losses	944,321.36	
Asset impairment reserve		7,018,241.57
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	39,057,567.94	23,644,250.20
Amortization of intangible assets	2,996,624.74	2,969,842.99
Investment real estate cost amortization	11,476,996.13	11,476,996.13
Amortization of long-term prepaid expenses	3,511,318.47	455,602.38
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "-")	176,970.69	3,118,901.03
Losses of fixed asset scrapping (revenues marked with "-")	-27,219.82	
Fair value change losses (revenues marked with "-")		
Financial costs (revenues marked with "-")	70,871,070.75	78,853,536.29
Investment losses (revenues marked with "-")	-16,482,146.49	-18,706,026.84
Decrease of deferred income tax assets (increase marked with "-")	-236,080.35	-1,754,560.41
Increase of deferred income tax liabilities (decrease marked with "-")		
Decrease of inventory (increase marked with "-")	-2,607,464,910.85	-619,922,713.64
Decrease of operational receivables (increase marked with "-")	-1,255,719,228.21	-37,231,362.77
Increase of operational payables (decrease marked with "-")	2,016,471,316.68	-408,651,251.33
Other		
Net cash flow from operating activities	-1,456,978,021.78	-731,149,766.59
2. Major investing and financing activities uninvolving cash receipts and expenditures:		

Supplementary information	Amount this year	Amount last year
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	3,216,846,319.67	1,612,199,999.66
Less: cash balance at the end of last year	1,612,199,999.66	967,768,943.54
Add: Ending balance of cash equivalents		
Less: cash equivalent balance at the end of last year		
Net increase of cash and cash equivalents	1,604,646,320.01	644,431,056.12

(2) Composition of cash and cash equivalents

Items	Closing balance	Previous year ending balance
I. Cash	3,216,846,319.67	1,612,199,999.66
Of which: cash on hand	20,314.10	31,514.24
Bank deposits for payment at any time	3,216,045,412.51	1,611,458,484.32
Other monetary assets for payment at any time	780,593.06	710,001.10
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. Year-end cash and cash equivalent balance	3,216,846,319.67	1,612,199,999.66
Of which: cash and cash equivalents with restricted use by the parent company or group subsidiaries		

Notes: Cash and cash equivalents exclude the cash and cash equivalents with restricted use of parent company or subsidiaries in the group.

51. Assets with limited ownership or right of use

Items	Year-end book value	Limited reasons
Cash at bank and on hand	717,327,000.00	Bank acceptance draft margin for pledge in other monetary funds, loan margin and margin for handling housing sales loan
Inventory	5,327,426,120.73	For bank mortgage loan
Long-term equity investment—80% equity of Suzhou Xiangsheng Construction Engineering Co., Ltd.	88,368,000.00	Pledge of rights
Fixed assets	25,513,196.97	For bank mortgage loan
Intangible assets	95,779,276.98	For bank mortgage loan
Total	6,254,413,594.68	

As of 31 December 2021, corporate asset mortgage was as follows:

Mortgagor	Mortgage property ownership certificate No.	Book value	Note
Gaoyou City Construction Investment	Jiangsu (2017) Gaoyou City	129,162,000.00	Inventory

Mortgagor	Mortgage property ownership certificate No.	Book value	Note
Development Group Co., Ltd.	Immovable Property Ownership No. 0008329		
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2017) Gaoyou City Immovable Property Ownership No. 0009247	23,154,400.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2018) Gaoyou City Immovable Property Ownership No.0016599	300,210,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2018) Gaoyou City Immovable Property Ownership No.0017219	194,840,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2018) Gaoyou City Immovable Property Ownership No.0017220	237,510,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2018) Gaoyou City Immovable Property Ownership No.0017195	465,630,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2018) Gaoyou City Immovable Property Ownership No.0020502	305,628,969.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2018) Gaoyou City Immovable Property Ownership No. 0017196	74,500,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2018) Gaoyou City Immovable Property Ownership No. 0017192	96,990,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2020) Gaoyou City Immovable Property No.0001504	515,103,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2019) Gaoyou City Immovable Property Ownership No. 0007293	211,000,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2020) Gaoyou City Immovable Property Ownership No.0019391	176,872,127.41	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2020) Gaoyou City Immovable Property Ownership No.0019392	247,254,290.04	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2020) Gaoyou City Immovable Property Ownership No.0019393	175,873,582.55	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Jiangsu (2019) Gaoyou City Immovable Property Ownership No.0007280	888,000,000.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Su 2021 Gaoyou Immovable Property Ownership No.0001355	213,694,100.00	Inventory
Gaoyou City Construction Investment Development Group Co., Ltd.	Su 2021 Gaoyou Immovable Property Ownership No.0001726	185,873,800.00	Inventory
Gaoyou Water Conservancy Industry Investment Co., Ltd.	Jiangsu 2018 Gaoyou City Immovable Property Ownership No.0010872	136,803,150.13	Inventory
Gaoyou Water Industry Investment Group Co., Ltd.	Su 2021 Gaoyou Immovable Property Ownership No.0203668	7,244,130.08	Inventory
Gaoyou Hongrui Water Conservancy Construction Co., Ltd.	Jiangsu (2018) Gaoyou Immovable Property Ownership No.0018045 Original (You State Use (2015)	61,495,834.90	Inventory

Mortgagor	Mortgage property ownership certificate No.	Book value	Note
	No.11611)		
Gaoyou Hongrui Water Conservancy Construction Co., Ltd.	Jiangsu (2018) Gaoyou Immovable Property Ownership No.0018046 Original You State Use (2015) No.11615	41,013,211.96	Inventory
Gaoyou Hongrui Water Conservancy Construction Co., Ltd.	Jiangsu (2016) Gaoyou City Immovable Property Ownership No.0000554	95,047,642.16	Inventory
Gaoyou Hongrui Water Conservancy Construction Co., Ltd.	Su (2021) Gaoyou City Immovable Property Ownership No.0003168	123,183,239.51	Inventory
Gaoyou Hongrui Water Conservancy Construction Co., Ltd.	Su (2021) Gaoyou City Immovable Property Ownership No.0003169	118,386,760.49	Inventory
Gaoyou Hongrui Water Conservancy Construction Co., Ltd.	Jiangsu (2017) Gaoyou City Immovable Property Ownership No. 0008366	295,360,000.00	Inventory
Yangzhou Longxing Jiayuan Property Co., Ltd.	Su (2021) Gaoyou City Immovable Property Ownership No.0005161	7,595,882.50	Inventory
Gaoyou Youmao Farmer's Market Operation Management Co., Ltd.	Jiangsu (2019) Gaoyou City Immovable Property Ownership No.0016043	43,208,219.13	Intangible assets/fixed assets
Gaoyou Youmao Farmer's Market Operation Management Co., Ltd.	Jiangsu (2019) Gaoyou City Immovable Property Ownership No.0014727	30,438,935.54	Intangible assets/fixed assets
Gaoyou Youmao Farmer's Market Operation Management Co., Ltd.	Jiangsu (2019) Gaoyou City Immovable Property Ownership No.0015041	45,420,946.52	Intangible assets
Gaoyou Water Conservancy Construction and Installation Engineering Corporation	Yang Property Ownership Certificate Guangzi No.2014004980	2,224,372.76	Fixed assets
Gaoyou Water Conservancy Construction and Installation Engineering Corporation	Yang State Use 2014Z No.006170		Fixed assets
Gaoyou Water Conservancy Construction and Installation Engineering Corporation	Yang Property Ownership Certificate Guangzi No.2014004979		Fixed assets
Gaoyou Water Conservancy Construction and Installation Engineering Corporation	Yang State Use 2014Z No.006169		Fixed assets
Total		5,448,718,594.68	

VII. Consolidation scope changes

In 2021, the company included 12 first-level subsidiaries in the consolidation scope, increasing 2 subsidiaries compared with the last year, namely Gaoyou Youyun Urban Development Construction Co., Ltd and Gaoyou Youfeng Urbanization Construction Development Co., Ltd founded this year; 14 second-level subsidiaries, unchanged compared with the last year; 12 third-level subsidiaries, increasing 4 subsidiaries compared with the last year, namely Yangzhou Longxing Jiayuan Property Co., Ltd, Jiangsu Gaoyou Duck Group Food Processing Co., Ltd, Jiangsu Gaoyou Duck Group Food Sales Co., Ltd and Jiangsu Gaoyou Shrimp Industry Development Co., Ltd founded this year. For subsidiaries, please refer to Note VIII "Equity in other entities".

1. Consolidation of enterprises under different control during the reporting period including subsidiaries newly included in consolidation scope this year, structured entities or other businesses that form control right in other manners

No.	Name of company	Acquisition mode
1	Gaoyou Youyun Urban Development Construction Co., Ltd.	Newly-established
2	Gaoyou Youfeng Urbanization Construction Development Co., Ltd.	Newly-established
3	Yangzhou Longxing Jiayuan Property Co., Ltd.	Newly-established
4	Jiangsu Gaoyou Duck Group Food Processing Co., Ltd.	Newly-established
5	Jiangsu Gaoyou Duck Group Food Sales Co., Ltd.	Newly-established
6	Jiangsu Gaoyou Shrimp Industry Development Co., Ltd.	Newly-established

2. Consolidation of enterprises under the same control during the reporting period

None.

VIII. Equity in other entities

1. Equity in subsidiaries

(1) Composition of corporate group

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Gaoyou Youdi Industrial Investment Co., Ltd.	Gaoyou City	Gaoyou City	Industrial investment, land development, land consolidation, house demolition, water conservancy construction, property service, asset management and material trade, tourism development, seedling planting and sales, aquatic product breeding, landscaping engineering construction. Public utility management service; asset management service of proprietary fund investment	100.00		Free transfer
Gaoyou Landscaping Engineering Company	Gaoyou City	Gaoyou City	Landscaping engineering construction, bonsai, flower lease and sales.	100.00		Free transfer
Gaoyou Xingsheng Construction Co., Ltd.	Gaoyou City	Gaoyou City	Urban municipal engineering infrastructure construction, urban land assets, resource construction, urban underground pipeline network construction, ground structure lease, urban construction project decision-making consultation, property management, information consultation service, cultural and sport facility construction and operation.	100.00		Free transfer
Gaoyou Yicheng New Town Investment Construction Development Co., Ltd.	Gaoyou City	Gaoyou City	Urbanized construction investment, scenic area project investment and development, integrated development of historical and cultural blocks, cultural and artistic exchange service, exhibition planning and sponsoring, information consultation, urban village renovation project, shanty town renovation project, rural infrastructure project and agricultural project investment. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	100.00		Free transfer

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Yangzhou Fukang Construction Engineering Co., Ltd.	Gaoyou City	Gaoyou City	General contracting for housing engineering construction (Grade 2), housing rental, building material sales, steel mold, steel pipe, fastener and equipment lease. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	100.00		Free transfer
Gaoyou Jiajiafu Housing Sales Co., Ltd.	Gaoyou City	Gaoyou City	Housing sales, planning consultation, agency and exchange. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	100.00		Free transfer
Gaoyou Urban Transport Infrastructure Service Co., Ltd.	Gaoyou City	Gaoyou City	Municipal facility maintenance service, landscaping, cleaning service, property management, construction labor subcontracting, parking lot management service.	100.00		Establishment by investment
Gaoyou Xinhua Farmer's Market Management Co., Ltd.	Gaoyou City	Gaoyou City	General items: bazaar management service; commercial complex management service; marketing planning; property management		100.00	Establishment by investment
Gaoyou Youmao Farmer's Market Business Management Co., Ltd.	Gaoyou City	Gaoyou City	Farmer's market management and service, market facility, stall, housing lease, property management service.	100.00		Establishment by investment
Gaoyou Youye Property Management Co., Ltd.	Gaoyou City	Gaoyou City	General items: property management; property service evaluation; professional cleaning, washing and disinfection service; housekeeping service; landscaping engineering construction; flower and green plant rental and agency management; marketing planning	100.00		Establishment by investment
Gaoyou Youyun Urban Development Construction Co., Ltd.	Gaoyou City	Gaoyou City	General items: landscaping engineering construction; earthwork engineering construction; municipal facility management; urban greening management; land consolidation service; house demolition service; technical, information, facility construction and operation service pertaining to agricultural production operation; metal structure sales; building material sales; forest product sales; conference and exhibition service; non-residential real estate lease; property management; personal business service	100.00		Establishment by investment
Gaoyou Youfeng Urbanization Construction Development Co., Ltd.	Gaoyou City	Gaoyou City	Licensed items: various engineering construction activities; general contracting for housing construction and municipal infrastructure projects General items: technical service, technical development, technical consultation, technical exchange, technical transfer, technical promotion; landscaping engineering construction; earthwork engineering construction;	51.00		Establishment by investment

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
			municipal facility management; urban greening management; land consolidation service; house demolition service; technology, information, facility construction and operation service pertaining to agricultural production operation; metal structure sales; building material sales; forestry product sales; conference and exhibition service; non-residential real estate lease; property management; personal business service"			
Gaoyou Water Industry Investment Group Co., Ltd.	Gaoyou City	Gaoyou City	Sewage collection, treatment and investment, centralized water supply, water supply technology consultation service, tap water pipeline installation and repair, water and soil resource development and utilization, proprietary asset investment, river dredging, bridge and gate construction, irrigation area construction, water conservancy technology promotion and service, water conservancy survey, design and construction, general contracting for water conservancy and hydropower engineering construction, general contracting for housing engineering construction, professional contracting for foundation and basic engineering, professional contracting for dike engineering, general contracting for municipal public engineering construction, professional contracting for bridge engineering, real estate development, urban garden design and construction, urban greening engineering construction, flower, seedling and tree planting and sales. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	100.00		Establishment by investment
Gaoyou Jianghuai Water Engineering Co., Ltd.	Gaoyou City	Gaoyou City	Water supply and sewage treatment engineering design, construction, installation and repair, characteristic town construction, pastoral complex construction, comprehensive agricultural development, land development and reclamation, greening engineering construction, flower, seedling and tree planting and sales, building material, hardware and general merchandise wholesale and retail, contracted construction of municipal public engineering, river maintenance management and ancillary building maintenance operation; various engineering construction activities; construction labor subcontracting; landscaping engineering construction		100.00	Establishment by investment
Gaoyou Runming Pipeline Construction	Gaoyou City	Gaoyou City	General contracting for sewage and tap water pipeline engineering construction,		100.00	Business

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Engineering Co., Ltd.			repair and maintenance, general contracting for landscaping engineering construction and municipal public engineering construction, professional contracting for bridge engineering, general contracting for water conservancy and hydropower engineering, general contracting for housing engineering construction, professional contracting for dike engineering.			combination under different control
Gaoyou Xiyuan Landscaping Co., Ltd.	Gaoyou City	Gaoyou City	Landscaping, maintenance, seedling, flower, bonsai and lawn cultivation, planting and sales; various engineering construction activities; construction labor subcontracting; landscaping engineering construction		100.00	Establishment by investment
Gaoyou Canal Tourism Culture Investment Co., Ltd.	Gaoyou City	Gaoyou City	Development and utilization of land assets on both sides of canal, resource investment, scenic area development, utilization and operation, hotel investment construction and management consultation, urban underground pipeline investment, ground structure and building lease, urban municipal engineering infrastructure construction, property service, information consultation service, real estate development, water conservancy construction.		100.00	Business combination under the same control
Gaoyou Haichao Sewage Treatment Co., Ltd.	Gaoyou City	Gaoyou City	Urban sewage collection and treatment. Regional water supply pipe construction.		100.00	Business combination under the same control
Gaoyou Hongrui Water Conservancy Construction Co., Ltd.	Gaoyou City	Gaoyou City	River dredging, water conservancy infrastructure construction, bridge and gate construction, survey design, irrigation area construction, water conservancy technology promotion service, urban garden design and construction, urban greening engineering construction, flower, seedling and tree planting and sales.		100.00	Free transfer
Gaoyou Runyou Water Supply Co., Ltd.	Gaoyou City	Gaoyou City	Centralized water supply, water supply technology consultation service, tap water pipe installation and repair.		100.00	Free transfer
Gaoyou Qincheng Construction Investment Co., Ltd.	Gaoyou City	Gaoyou City	Urban municipal engineering infrastructure construction, urban land asset and resource investment, urban underground pipeline investment, ground structure lease, urban construction project decision-making consultation, property service,		100.00	Business combination under the

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
			information consultation service, environmental control, farmland consolidation, agriculture and rural infrastructure construction and investment, agricultural asset business management service, water conservancy construction.			same control
Suzhou Xiangsheng Construction Engineering Co., Ltd.	Suzhou City	Suzhou City	Municipal public engineering, construction engineering, highway engineering, water conservancy engineering, port and waterway facility engineering, electromechanical installation engineering, electronic and intelligent engineering, hydropower engineering (excluding undertaking installation, repair and testing of power facilities), highway pavement engineering, highway subgrade engineering, highway traffic engineering, environmental protection engineering, earthwork engineering, municipal maintenance repair engineering, sport venue facility engineering, landscaping engineering; pipe inspection, pipe dredging and construction labor subcontracting; machinery equipment lease; commercial cement stabilized macadam, building material, street lighting equipment, landscape lighting and traffic light sales.		80.00	Acquisition
Gaoyou Water Supply Co., Ltd.	Gaoyou City	Gaoyou City	Water treatment technology development and relevant technology consultation and service, construction engineering cost consultation, construction engineering technology consultation, electromechanical equipment, plumbing appliance, pipe material and water purification material sales. Various engineering construction activities; professional operation of construction.		100.00	Free transfer
Gaoyou Bishui Landscaping Engineering Co., Ltd.	Gaoyou City	Gaoyou City	Urban garden design and construction (Grade 3), urban greening engineering construction, flower, seedling and tree planting and sales, building materials, hardware Hardware and general merchandise wholesale and retail.		100.00	Free transfer
Jiangsu Runyou Water Conservancy Construction Group Co., Ltd.	Gaoyou City	Gaoyou City	General contracting for water conservancy and hydropower engineering construction, general contracting for housing engineering construction, professional contracting for foundation and basic engineering, professional contracting for river and lake renovation engineering, general contracting for municipal public engineering construction, professional contracting for bridge engineering, general contracting for landscaping engineering construction and highway		100.00	Business combination under the same control

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
			engineering construction, machinery lease, labor subcontracting.			
Gaoyou Jinli Real Estate Development Co., Ltd.	Gaoyou City	Gaoyou City	Real estate development and sales, building material sales, housing rental.		100.00	Business combination under the same control
Gaoyou Yurun Trading Co., Ltd.	Gaoyou City	Gaoyou City	Labor protection product, building material, tool, steel, daily necessity and general merchandise sales.		100.00	Establishment by investment
Yangzhou Liyuan Real Estate Development Co., Ltd.	Gaoyou City	Gaoyou City	Licensed items: real estate development operation; general contracting for housing architecture and municipal infrastructure projects; construction engineering design; residential interior decoration		100.00	Establishment by investment
Yangzhou Longxing Jiayuan Property Co., Ltd.	Gaoyou City	Gaoyou City	Licensed items: real estate development operation; various engineering construction activities; cultural relics protection engineering construction. General items: foreign contracting engineering; landscaping engineering construction; earthwork engineering construction; engineering management service; property management; property service evaluation; house demolition service; soil environment pollution prevention and control service; environmental emergency treatment service; business agent agency service; purchasing agent service; network technology service		100.00	Establishment by investment
Jiangsu Gaoyou Duck Development Group Co., Ltd.	Gaoyou City	Gaoyou City	Duck feeding, hatching, variety improvement and slaughtering, food R&D, primary agricultural product processing and sales, duck breed, food and general merchandise wholesale and retail, demonstration and exhibition service, packaging service, self-owned housing lease, agricultural technology promotion. Licensed items: aquaculture. General items: aquatic product acquisition; aquatic product retail; aquatic product wholesale; fresh egg wholesale		100.00	Establishment by investment
Gaoyou Lake Duck Ecological Breeding Co., Ltd.	Gaoyou City	Gaoyou City	Duck feeding, hatching, variety improvement and slaughtering, primary agricultural product processing and sales, duck breed, general merchandise wholesale and retail, packaging service, self-owned housing lease, agricultural technology promotion.		100.00	Establishment

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Yangzhou Gaoyou Duck Breeding Co., Ltd.	Gaoyou City	Gaoyou City	Duck feeding, hatching, variety improvement and slaughtering, primary agricultural product processing and sales, duck breed, general merchandise wholesale and retail, self-owned housing lease, agricultural technology promotion.		100.00	Establishment
Gaoyou Wanqing Lake Special Aquaculture Co., Ltd.	Gaoyou City	Gaoyou City	Aquatic product breeding; aquatic product acquisition; aquatic product wholesale; aquatic product retail; packaging service; professional fishery and auxiliary activities; animal husbandry and fishery feed sales; fishery material sales; agricultural scientific research and experimental development; technical service, technical development, technical consultation, technical exchange, technical transfer and technical promotion		100.00	Establishment
Jiangsu Gaoyou Duck Group Food Processing Co., Ltd.	Gaoyou City	Gaoyou City	Licensed items: food business; food business (bulk food sales); online food sales (prepackaged food sales); online food sales; grain-processed food production; food production. General items: edible agricultural product wholesale; frozen processing of aquatic products; aquatic product acquisition; aquatic product wholesale; aquatic product retail; primary agricultural product acquisition; agricultural and sideline product sales; fresh meat retail; livestock sales; livestock and poultry acquisition.		65.00	Establishment
Jiangsu Gaoyou Duck Group Food Sales Co., Ltd.	Gaoyou City	Gaoyou City	Licensed items: food business; food business (bulk food sales); online food sales (prepackaged food sales); online food sales. General items: edible agricultural product wholesale; aquatic product acquisition; aquatic product wholesale; aquatic product retail; primary agricultural product acquisition; agricultural and sideline product sales; fresh meat retail; livestock sales (excluding dogs); livestock and poultry acquisition; sales agent		90.00	Establishment
Jiangsu Gaoyou Lake Ecological Fishery Development Co., Ltd.	Gaoyou City	Gaoyou City	Fishery resource development and utilization, aquatic product breeding, purchase and sales, fishery material operation, fishery industrialization development and operation, fishery technology promotion and service, fishery technology experiment demonstration, fishery information service, self-operation and agency for import and export business of commodities and technologies		51.00	Business combination under different control
Gaoyou Rural Investment Development Group Co., Ltd.	Gaoyou City	Gaoyou City	Licensed items: various engineering construction activities; general items of real estate development operation: venture capital; agricultural scientific		51.00	Establishment

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
			research and experimental development; technology, information, facility construction operation and more services regarding agricultural production operation; information technology consultation service; technical service, technical development, technical consultation, technical exchange, technical transfer, technical promotion; rural folk craft and product, leisure agriculture and rural tourism resource development operation; park management service; conference and exhibition service; leisure and sightseeing activities; scenic area management; hotel management; stationery wholesale; stationery retail; sport product and apparatus wholesale; sport product and apparatus retail; land consolidation service; landscaping engineering; planning and design management; environmental protection consultation service; municipal facility management; professional agriculture and auxiliary activities; property management; non-residential real estate lease			
Jiangsu Gaoyou Shrimp Industry Development Co., Ltd.	Gaoyou City	Gaoyou City	Licensed items: aquaculture; food production; food business; transgenic aquatic seedling production; cargo import and export; technological import and export. General items: aquatic product wholesale; aquatic product retail; aquatic product acquisition; frozen processing of aquatic products; dry-cured processing of minced fish products and aquatic products (except frozen minced sea fish production line); primary processing of edible agricultural products; edible agricultural product wholesale; edible agricultural product retail; primary agricultural product acquisition; primary processing of non-edible agricultural products; agricultural product production, sales, processing, transportation, storage and other relevant services		100.00	Establishment

Note: The registered capital of Gaoyou Xingsheng Construction Co., Ltd is RMB 250 million, and RMB 30 million has been paid; the registered capital of Yangzhou Fukang Construction Engineering Co., Ltd is RMB 20.09 million, and RMB 10.3299 million has been paid; the registered capital of Gaoyou Xinhua Farmer's Market Management Co., Ltd is RMB 2 million which has not been paid; the registered capital of Gaoyou Youye Property Management Co., Ltd is RMB 2 million which has not been paid; the registered capital of Gaoyou Youfeng Urbanized Construction Development Co., Ltd is RMB 10 million, and RMB 26.8323 million has been paid; the registered capital of Gaoyou Water Industrial Investment Group Co., Ltd is RMB 2 billion, and RMB 1.4 billion has been paid; the registered capital of Gaoyou Jianghuai Water Engineering Co., Ltd is RMB 12 million, and RMB 1 million has been paid; the registered

capital of Gaoyou Runming Pipe Construction Engineering Co., Ltd is RMB 10 million, and RMB 5 million has been paid; the registered capital of Gaoyou Xiyuan Landscaping Co., Ltd is RMB 2 million which has not been paid; the registered capital of Gaoyou Hongrui Water Conservancy Construction Co., Ltd is RMB 80 million which has not been paid; the registered capital of Gaoyou Yurun Trading Co., Ltd is RMB 41 million, and RMB 40.50 million has been paid; the registered capital of Jiangsu Gaoyou Duck Development Group Co., Ltd is RMB 100 million, and RMB 40 million has been paid; the registered capital of Gaoyou Lake Duck Ecological Breeding Co., Ltd is RMB 20 million which has not been paid; the registered capital of Yangzhou Gaoyou Duck Breeding Co., Ltd is RMB 10 million which has not been paid; the registered capital of Gaoyou Wanqing Lake Special Aquaculture Co., Ltd is RMB 30 million, and RMB 4 million has been paid; the registered capital of Jiangsu Gaoyou Duck Food Processing Co., Ltd is RMB 50 million, and RMB 4 million has been paid; the registered capital of Jiangsu Gaoyou Duck Group Food Sales Co., Ltd is RMB 20 million, and RMB 2 million has been paid; the registered capital of Gaoyou Rural Investment Development Co., Ltd is RMB 100 million, and RMB 51 million has been paid; the registered capital of Jiangsu Gaoyou Shrimp Industry Development Co., Ltd is RMB 30 million which has not been paid.

(2) Important non-wholly owned subsidiaries

Name of subsidiaries	Minority shareholder's shareholding ratio (%)	Profits and losses attributable to minority shareholders this year	Dividends distributed to minority shareholders this year	Balance of minority shareholders' equity at the end of year
Gaoyou Youfeng Urbanization Construction Development Co., Ltd.	49.00	-111.87		7,398,888.13
Suzhou Xiangsheng Construction Engineering Co., Ltd.	20.00	783,615.57		17,246,325.04
Jiangsu Gaoyou Lake Ecological Fishery Development Co., Ltd.	49.00	-4,175,902.75		389,726.36
Yangzhou Liyuan Real Estate Development Co., Ltd.	49.00	352.35		352.35
Jiangsu Gaoyou Duck Group Food Processing Co., Ltd.	35.00	-450,974.44		-450,974.44
Jiangsu Gaoyou Duck Group Food Sales Co., Ltd.	10.00	-43,451.00		-43,451.00
Gaoyou Rural Investment Development Co., Ltd.	49.00	-824,471.90		-835,809.98

(3) Main financial information of important non-wholly-owned subsidiary

Name of subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Gaoyou Youfeng Urbanization Construction Development Co., Ltd.	26,832,105.03		26,832,105.03			
Suzhou Xiangsheng	338,181,380.03	5,220,062.64	343,401,442.67	257,169,817.50		257,169,817.50

Name of subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Construction Engineering Co., Ltd.						
Jiangsu Gaoyou Lake Ecological Fishery Development Co., Ltd.	4,653,611.39	8,682,105.67	13,335,717.06	12,540,357.16		12,540,357.16
Yangzhou Liyuan Real Estate Development Co., Ltd.	50,001,040.09		50,001,040.09	321.00		321.00
Jiangsu Gaoyou Duck Group Food Processing Co., Ltd.	12,984,793.28	1,319,753.10	14,304,546.38	11,593,044.77		11,593,044.77
Jiangsu Gaoyou Duck Group Food Sales Co., Ltd.	2,392,716.40	62,599.73	2,455,316.13	889,826.11		889,826.11
Gaoyou Rural Investment Development Co., Ltd.	313,940,074.59	8,243,152.79	322,183,227.38	271,923,531.60		271,923,531.60

2. Transactions of still controlling subsidiary with changes in subsidiary's owner equity share

None.

3. Equity in 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	
Gaoyou Gangyou Engineering Co., Ltd.	Gaoyou Jiangsu	Gaoyou Jiangsu	Water supply and sewage treatment engineering design, construction, installation and repair, municipal public engineering contracting and construction, earthwork engineering construction, plumbing appliance, pipe material and water purification material sales, water supply equipment purchasing and sales.		40.00	Equity method
Gaoyou Yuehai Water Co., Ltd.	Gaoyou Jiangsu	Gaoyou Jiangsu	Centralized water supply; self-produced product sales and customer service, water facility installation and repair.		40.00	Equity method
Gaoyou Xinpeng Property Co., Ltd.	Gaoyou Jiangsu	Gaoyou Jiangsu	Real estate development and sales; housing lease; hardware and building material sales; machinery equipment lease.		49.00	Equity method

4. Important joint management

None.

5. Equity in structured entities excluded in the scope of consolidated financial statement

None.

IX. Associated parties and associated transactions

1. Parent company of the company

Name of parent company	Entity nature	Shareholding ratio of the company (%)	Voting right ratio of the company (%)	Ultimate controller of the company
Gaoyou State-owned Assets Management Center	Business legal entity	100.00	100.00	Gaoyou State-owned Assets Management Center

2. Subsidiaries of the Company

See Note VIII. 1. "Equity in subsidiaries".

3. Joint ventures and associated enterprises of the company

For important joint ventures and associated enterprises of the company, see Note VIII 3. "Equity in joint ventures and associated enterprises".

4. Other associated parties

Name of other associated parties	Relationship with the company
Baohua Real Estate (Jiangsu) Co., Ltd.	Investment enterprise
Gaoyou Ludang Fishery Village Tourism Development Co., Ltd.	Investment enterprise
Gaoyou Hairun Environmental Protection Technology Co., Ltd.	Investment enterprise
Jiangsu Gaoyou Lake Hairy Crab Industry Development Co., Ltd.	Investment enterprise

5. Conditions of associated party transactions

(1) Associated transaction for purchasing and selling commodities, providing and accepting labor service

Purchasing party	Seller	Transaction amount this year	Transaction amount last year
Gaoyou Water Supply Company	Gaoyou Gangyou Engineering Co., Ltd.	9,142,480.00	5,395,080.00
Gaoyou Yuehai Water Co., Ltd.	Suzhou Xiangsheng Construction Engineering Co., Ltd Yangzhou Branch	32,925,913.55	68,818,581.88
Gaoyou Xinpeng Property Co., Ltd.	Jiangsu Runyou Water Conservancy Construction Group Co., Ltd.	28,580,111.41	12,304,239.27
Total		70,648,504.96	86,517,901.15

(2) Related entrusted management/entrusting management

None.

(3) Related contracting

None.

(4) Associated lease

None.

(5) Associated party fund borrowing

None.

(6) Associated party asset transfer and debt restructuring

None.

(7) Other associated transactions

None.

6. Receivables and payables of related parties

(1) Receivables

Name of projects	Closing balance	Previous year ending balance
Accounts receivable:		
Gaoyou Yuehai Water Co., Ltd.	17,379,477.33	21,457,412.25
Subtotal	17,379,477.33	21,457,412.25
Other receivables:		
Gaoyou Yuehai Water Co., Ltd.	149,200.00	149,200.00
Gaoyou State-owned Assets Management Center		20,808,835.00
Baohua Real Estate (Jiangsu) Co., Ltd.	107,360,250.00	107,360,250.00
Gaoyou Xinpeng Property Co., Ltd.	14,964,476.35	
Subtotal	122,473,926.35	128,318,285.00
Total	139,853,403.68	149,775,697.25

(2) Payables

Name of projects	Closing balance	Previous year ending balance
Accounts payable:		
Gaoyou State-owned Assets Management Center	20,350,103.00	20,350,103.00
Subtotal	20,350,103.00	20,350,103.00
Other payables:		
Gaoyou Xinpeng Property Co., Ltd.	6,250.00	22,791,562.71
Gaoyou State-owned Assets Management Center	458,732.00	238,404.10
Subtotal	464,982.00	23,029,966.81
Total	20,815,085.00	43,380,069.81

7. Related party commitment

None.

X. Commitments and contingencies

1. Major commitments

None.

2. Contingencies

(1) Contingent liabilities arising from pending litigation arbitration and the financial impact

None.

(2) Contingent liabilities formed by provision of debt guarantee for other entities and its financial impact

None.

(3) Contingent liabilities related to joint venture or associated enterprise investments

None.

(4) Other contingencies

As of 31 December 2021, the company's external guarantees are as follows:

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Jiangsu Hongsheng Construction Engineering Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,200.00
Yangzhou Xinmanyuan Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	52,000.00
Gaoyou Honghua New Town Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	35,000.00
Gaoyou Xingqu Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	30,000.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	19,500.00
Gaoyou Xingqu Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	16,500.00
Gaoyou Lvshui Ecological Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	14,800.00
Gaoyou Zhicheng Construction Management Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	13,912.50
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	12,768.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	12,372.92
Gaoyou Road Passenger Transport Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	12,336.18
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	12,000.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	11,664.00
Gaoyou Siji Ruge Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	10,292.05
Gaoyou Transportation Industry Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	10,000.00
Gaoyou Fengcheng Agricultural Development Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	10,000.00
Gaoyou Agricultural Aid Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	7,306.35
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	7,000.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	7,000.00
Jiangsu Youyuan Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	7,000.00
Yangzhou Photoelectric Garden Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,931.26
Yangzhou Keyuan Modern Agriculture Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,931.26

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,600.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,219.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,100.00
Yangzhou Photoelectric Garden Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,000.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,000.00
Gaoyou Rongmanyuan Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,000.00
Gaoyou Youtong Water Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,000.00
Gaoyou State-owned Enterprise Investment and Operation Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	6,000.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,967.94
Yangzhou Kefeng High-tech Industry Investment and Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,920.00
Yangzhou Keyuan Modern Agriculture Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,885.26
Yangzhou Youyi Heating Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,878.42
Yangzhou Kefeng High-tech Industry Investment and Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,700.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,698.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,500.00
Gaoyou Siji Ruge Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,474.14
Gaoyou Siji Ruge Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,474.14
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,468.00
Gaoyou Runyuan Water Supply Service Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,756.79
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,400.00
Gaoyou Guyi Mingcheng Cultural Tourism Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,292.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,214.26
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,200.00
Yangzhou Keyuan Modern Agriculture	Securit	Gaoyou City Construction Investment	5,200.00

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Development Co., Ltd.	y	Development Group Co., Ltd.	
Gaoyou Agricultural Aid Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,200.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,047.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,040.00
Gaoyou Danquan Greening Engineering Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Gaoyou Siji Ruge Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Yangzhou Xiangrong Industrial Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Yangzhou Photoelectric Garden Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Gaoyou Nachuan Material Trading Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Gaoyou Maoyou New Rural Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	5,000.00
Gaoyou Runjiao Greening Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,950.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,942.18
Gaoyou Jiaotou Industrial Investment Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,900.00
Gaoyou Jiaotou Industrial Investment Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,900.00
Gaoyou Chengnan Water Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,781.88
Yangzhou Kefeng High-tech Industry Investment and Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,780.19
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,750.00
Gaoyou Dongrong Trading Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,680.00
Gaoyou Zhicheng Construction Management Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,637.50
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,500.00
Gaoyou Park Economic Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,250.60

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Jiangsu Xinyou Investment Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,250.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,050.00
Gaoyou Zhenyi New Rural Construction Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,000.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,000.00
Gaoyou Rongmanyuan Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,000.00
Gaoyou Qinyou Tourism Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	4,000.00
Gaoyou Jiaotou Industrial Investment Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,900.00
Gaoyou Road Passenger Transport Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,812.05
Yangzhou Tianciyuan Building Material Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,800.00
Jiangsu Xinyou Investment Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,750.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,600.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,600.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,600.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,600.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,539.34
Gaoyou Lvnong Ecological Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,500.00
Gaoyou Lvnong Ecological Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,500.00
Gaoyou Qinyou Tourism Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,500.00
Jiangsu Xinyou Investment Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,400.00
Gaoyou Zhenyi New Rural Construction Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,334.00
Jiangsu Xinyou Investment Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,212.93
Gaoyou Road Passenger Transport Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,041.13
Gaoyou No.1 Middle School	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Yangzhou Jinyiyuan Material Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Jiangsu Province Gaoyou Middle School	Security	Gaoyou City Construction Investment	3,000.00

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
	y	Development Group Co., Ltd.	
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Jingya Trading Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Linze Middle School	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Jiangsu Province Gaoyou Specialized Secondary School	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Yangzhou Kejia Construction Engineering Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Wang Zengqi School	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Huajin Building Material Trading Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Donghuang Building Material Trading Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Siji Ruge Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou No.2 Middle School	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Qinyou Tourism Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	3,000.00
Gaoyou Chengnan Water Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,988.68
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,950.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,945.00
Gaoyou Yufeng Asset Management Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,900.00
Gaoyou Qingshuitan Economic and Trade Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,800.00
Gaoyou Dongshi Tourist Resort Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,800.00
Gaoyou Road Passenger Transport Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,721.76
Gaoyou Runjiao Greening Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,700.00
Gaoyou Siji Ruge Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,700.00
Gaoyou Baqiao Modern Industrial Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,700.00
Gaoyou Dongrong Trading Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,700.00

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Gaoyou Rongmanyuan Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,700.00
Gaoyou Road Passenger Transport Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,641.46
Gaoyou Zhenyi New Rural Construction Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,640.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,581.06
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,432.00
Gaoyou Agricultural Aid Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,340.00
Gaoyou Runyuan Water Supply Service Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,429.12
Gaoyou Xingkai Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,250.00
Gaoyou Qinyou Tourism Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Lvnong Ecological Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Nachuan Material Trading Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Danquan Greening Engineering Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Lvnong Ecological Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Lvnong Ecological Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Siji Ruge Agricultural Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Dashun Material Trading Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Lvnong Ecological Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	2,000.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,800.00
Yangzhou Kefeng High-tech Industry Investment and Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,778.12
Yangzhou Kefeng High-tech Industry Investment and Development Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,778.12
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,500.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,400.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,377.00
Gaoyou Agricultural Aid Construction Development	Security	Gaoyou City Construction Investment	1,368.00

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Co., Ltd.	y	Development Group Co., Ltd.	
Gaoyou Yufeng Asset Management Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,300.00
Yangzhou Keyuan Modern Agriculture Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,300.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,262.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,167.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,000.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,000.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,000.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,000.00
Gaoyou Zhenyi New Rural Construction Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,000.00
Gaoyou Lvnong Ecological Construction Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	1,000.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	999.87
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	999.74
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	999.61
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	999.49
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	999.38
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	999.25
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	999.13
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	999.01
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	998.93
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	998.79
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	998.68
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	998.57
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	998.51
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	998.35

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	980.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	960.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	800.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	750.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	560.00
Gaoyou Yidu New Rural Construction Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	500.00
Gaoyou Yufeng Assets Management Center	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	490.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	455.88
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	450.00
Yangzhou Jialian Automobile Industry Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	400.00
Gaoyou Jiaotou Industrial Investment Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	100.00
Gaoyou Jiaotou Industrial Investment Group Co.,	Securit	Gaoyou City Construction Investment	100.00

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Ltd.	y	Development Group Co., Ltd.	
Gaoyou Jiaotou Industrial Investment Group Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	100.00
Gaoyou Zhenyi New Rural Construction Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	34.00
Gaoyou Zhenyi New Rural Construction Investment Development Co., Ltd.	Security	Gaoyou City Construction Investment Development Group Co., Ltd.	26.67
Gaoyou Qinyou Tourism Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	7,500.00
Gaoyou Qinyou Tourism Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	2,000.00
Gaoyou Guyi Mingcheng Cultural Tourism Development Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	800.00
Gaoyou Guyi Mingcheng Cultural Tourism Development Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	2,900.00
Gaoyou Zhenyi New Rural Construction Investment Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	48,000.00
Gaoyou Zhenyi New Rural Construction Investment Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	76,000.00
Gaoyou Economic Development Corporation	Security	Gaoyou Water Industry Investment Group Co., Ltd.	58,000.00
Yangzhou Kefeng Industrial Investment Development Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	13,700.00
Yangzhou Kefeng Industrial Investment Development Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	19,426.35
Yangzhou Kefeng Industrial Investment Development Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	9,000.00
Gaoyou Guorong Building Material Trading Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	4,680.00
Yangzhou Keyuan Modern Agriculture Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	3,500.00
Yangzhou Keyuan Water Engineering Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	2,750.00
Yangzhou Muling Industrial Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	2,000.00
Gaoyou Yongkun Construction Investment Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	9,140.00
Jiangsu Xinyou Investment Development Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	7,977.00
Jiangsu Xinyou Investment Development Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	12,000.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	8,500.00
Yangzhou Xingnong High-tech Industry Investment Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	12,500.00
Jiangsu Hongsheng Construction Engineering Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	2,900.00
Jiangsu Hongsheng Construction Engineering Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	2,945.00

Guaranteed person	Guaranteed content	Guarantor	Guaranteed balance (RMB ten thousand)
Jiangsu Hongsheng Construction Engineering Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	3,000.00
Jiangsu Hongsheng Construction Engineering Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	600.00
Jiangsu Hongsheng Construction Engineering Group Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	2,850.00
Gaoyou Qiangling Road Construction Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	500.00
Jiangsu Youyuan Construction Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	8,000.00
Jiangsu Youyuan Construction Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	6,000.00
Jiangsu Youyuan Construction Development Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	6,000.00
Gaoyou Yufeng Asset Management Co., Ltd.	Security	Gaoyou Water Industry Investment Group Co., Ltd.	27,500.00
Total			1,196,622.80

XI. Events after the balance sheet date

The company has no other significant event after balance sheet date.

XII. Other important matters

The company has no other important matters that need to be disclosed.

XIII. Notes on major items of parent company's financial statement

1. Other receivables

Items	Closing balance	Previous year ending balance
Interests receivable		
Dividends receivable		
Other receivables	955,056,880.49	939,970,663.74
Total	955,056,880.49	939,970,663.74

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	664,712,544.05	660,569,903.78
1-2 years	173,600,002.42	117,386,129.81
2-3 years	6,084,800.00	45,644,006.52
over 3 years	122,337,181.11	125,238,864.78
Subtotal	966,734,527.58	948,838,904.89
Less: bad debt provision	11,677,647.09	8,868,241.15
Total	955,056,880.49	939,970,663.74

② Classification by fund nature

Nature of funds	Closing balance	Opening balance
Associated party business	368,175,640.14	164,778,778.18
Third-party transaction accounts	72,185,720.84	183,815,323.91
Short-term margin and deposit	40,000.00	84,000.00
Reserve fund	31,050.00	20,100.00
Employee social security and income tax advances	77,390.39	77,390.39
Suspense payment	40,192,121.42	98,900,000.00
Pending payment	6,032,604.79	7,363,312.41
Temporary debit	480,000,000.00	493,800,000.00
Subtotal	966,734,527.58	948,838,904.89
Less: bad debt provision	11,677,647.09	8,868,241.15
Total	955,056,880.49	939,970,663.74

③ 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)	
Balance as of 1 January 2021	7,895,903.15		972,338.00	8,868,241.15
Book balance of other receivables as of 1 January 2021 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	2,809,405.94			2,809,405.94
Reversal in the current period				
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	10,705,309.09		972,338.00	11,677,647.09

④ 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	
Other receivables in the first stage	7,895,903.15	2,809,405.94			10,705,309.09
Other receivables in the second stage					
Other receivables in the third stage	972,338.00				972,338.00

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Total	8,868,241.15	2,809,405.94			11,677,647.09

⑤ Other receivables actually written-off in this period

⑥ 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
Gaoyou Youdi Industrial Investment Co., Ltd.	Transaction accounts	227,728,374.82	Within 1 year/2-3 years	23.56	
Yangzhou Kefeng High-tech Industry Investment and Development Group Co., Ltd.	Temporary debit	130,000,000.00	1-2 years	13.45	6,500,000.00
Gaoyou Economic Development Group Co., Ltd.	Temporary debit	120,000,000.00	Within 1 year	12.41	
Baohua Real Estate (Jiangsu) Co., Ltd.	Transaction accounts	107,360,250.00	2-3 years/over 3 years	11.11	
Gaoyou Transportation Industry Investment Group Co., Ltd.	Temporary debit	70,000,000.00	Within 1 year	7.24	
Total		655,088,624.82		67.77	6,500,000.00

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	2,971,988,978.35		2,971,988,978.35	2,352,555,645.02		2,352,555,645.02
Total	2,971,988,978.35		2,971,988,978.35	2,352,555,645.02		2,352,555,645.02

(2) Investment in subsidiaries

Investee	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance	Impairment provision this year	Closing balance of impairment provision
Gaoyou Landscaping Engineering Company	11,896,345.75			11,896,345.75		
Gaoyou Water Industry	1,000,000,000.00	400,000,000.00		1,400,000,000.00		

Investee	Previous year ending balance	Increase in the current year	Decrease in the current year	Closing balance	Impairment provision this year	Closing balance of impairment provision
Investment Group Co., Ltd.						
Gaoyou Youdi Industrial Investment Co., Ltd.	829,726,763.51			829,726,763.51		
Gaoyou Xingsheng Construction Co., Ltd.	29,999,876.30			29,999,876.30		
Gaoyou Jiajiafu Housing Sales Co., Ltd.	1,004,181.46			1,004,181.46		
Gaoyou Yicheng New Town Investment Construction Development Co., Ltd.	200,000,000.00			200,000,000.00		
Yangzhou Fukang Construction Engineering Co., Ltd.	8,832,979.18			8,832,979.18		
Gaoyou Youmao Farmer's Market Business Management Co., Ltd.	269,095,498.82			269,095,498.82		
Gaoyou Urban Transport Infrastructure Service Co., Ltd.	2,000,000.00			2,000,000.00		
Gaoyou Youfeng Urbanization Construction Development Co., Ltd.		19,433,333.33		19,433,333.33		
Gaoyou Youyun Urban Development Construction Co., Ltd.		200,000,000.00		200,000,000.00		
Total	2,352,555,645.02	619,433,333.33		2,971,988,978.35		

3. Operating income, operating cost

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Main business	244,479,362.86	204,000,833.30	240,844,930.31	201,887,329.93
Other businesses	45,423,835.85	11,476,996.13	14,949,818.10	11,476,996.13
Total	289,903,198.71	215,477,829.43	255,794,748.41	213,364,326.06

(1) Main business presented by business

Items	Amount this year		Amount last year	
	Incomes	Cost	Incomes	Cost
Construction agency income	240,000,000.00	200,000,000.00	228,000,000.00	190,000,000.00
Housing sales	4,479,362.86	4,000,833.30	12,844,930.31	11,887,329.93
Total	244,479,362.86	204,000,833.30	240,844,930.31	201,887,329.93

(2) Other businesses presented by business

Items	Amount this year		Amount last year	
	Incomes	Cost	Incomes	Cost
Rental incomes	7,589,380.43	11,476,996.13	3,382,922.99	11,476,996.13
Security fee income	6,722,591.59		8,113,204.54	
Fund lending interest income	31,111,863.83		3,453,690.57	
Total	45,423,835.85	11,476,996.13	14,949,818.10	11,476,996.13

4. Investment income

Items	Amount this year	Amount last year
Trust security fund holding revenue	68,551.67	
Income arising from purchasing wealth management products		
Total	68,551.67	

Gaoyou City Construction Investment Development Group Co., Ltd.

10 April 2021

Legal representative: Accounting director: Accounting firm director:

统一社会信用代码

91110102082881146K

营业执照

（副 本）(5-1)

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）

类　　型　特殊普通合伙企业

执行事务合伙人　李尊农

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。）

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）

报告审讫章（1）

登记机关

北京市丰台区市场监督管理局

2022 年 03 月 04 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

仅作为报告附件使用

会计师事务所

执业证书

中兴华会计师事务所（特殊普通合伙）
报告专用章（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

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》。

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

中兴华会计师事务所（特殊普通合伙）
报告审验章（1）

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	中审众环会计师事务所（特殊普通合伙）	武汉市武昌区车规路 169 号 2-9 层	027-86781250
74	中天运会计师事务所（特殊普通合伙）	北京市西城区车公庄大街 9 号院五栋大楼 B1 座 1 七、八层	010-88395676
75	中喜会计师事务所（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）	嘉定工业区沪宜路叶城路 1630 号 5 幢 1088 室	021-63525500

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

中国注册会计师协会

姓　　名
Full name　孙裕强

性　　别
Sex　男

出生日期
Date of birth　1978-05-08

工作单位
Working unit　中兴华会计师事务所（特殊普通合伙）有限责任公司

身份证号码
Identity card No.　32108119780508[illegible]

证书编号：
No. of Certificate　110001670152

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

发证日期：　年 /y　月 /m　日 /d
Date of Issuance　二〇一二　三　三十

中兴华会计师事务所（特殊普通合伙）
1101020173683

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.

孙裕强(110001670152)
您已通过2020年年检
江苏省注册会计师协会

孙裕强(110001670152)
您已通过2021年年检
江苏省注册会计师协会

5

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 /y　月 /m　日 /d

同意调入
Agree the holder to be transferred to 变更备案

中兴华会计师事务所（特殊普通合伙）江苏分所　事务所
CPAs

江苏省注册会计师协会
JICPA
转所专用章

转入协会盖章
Stamp of the transfer-in Institute of CPAs
2014 年 6 月 2 日
/y /m /d

10

姓　　名 Full name	周鹏
性　　别 Sex	男
出生日期 Date of birth	1992-09-19
工作单位 Working unit	中兴华会计师事务所（特殊普通合伙）江苏分所
身份证号码 Identity card No.	320981199209190494

中兴华会计师事务所（特殊普通合伙）
110102017****

证书编号：
No. of Certificate
110001670358

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
2020 年 /y 05 月 /m 29 日 /d

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.

周鹏(110001670358)
您已通过2021年年检
江苏省注册会计师协会

年 /y 月 /m 日 /d

Wuxi Chengkai Industrial Development Group Co., Ltd

Audit Report

00002022030068394377
Report file no.: Zhongxinghua Audit [2022] no. 020435

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS
LLP(Special General Partnership)

Wuxi Chengkai Industrial Development Group Co., Ltd
2021 Consolidated & Parent Company Financial Statement
Auditor's Report

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Location: 20/F, Tower B, Lize SOHO, 20 Lize Road, Fengtai District, Beijing PR China
Postcode: 100073

Tel: (010) 51423818
Fax: (010) 51423816

Contents

I. Audit Report

II. Audit Report Attachment

1. Consolidated Balance Sheet

2. Consolidated Income Statement

3. Consolidated Cash Flow Statement

4. Consolidated Owner's Equity Change Statement

5. Parent Company Balance Sheet

6. Parent Company Income Statement

7. Cash Flow Statement of Parent Company

8. Owner's Equity Change Statement of Parent Company

9. Notes on Financial Statement

III. Audit Report Annex

1. Zhongxinghua Certified Public Accountants LLP (Special General Partnership) Business License Copy

2. Zhongxinghua Certified Public Accountants LLP (Special General Partnership) Practice Certificate Copy

3. Certified Public Accountants Practice Certificate Copy

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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

Audit Report

Zhongxinghua Audit (2022) No.020435

All shareholders of Wuxi Chengkai Industrial Development Group Co., Ltd:

I. Audit opinions

We have audited the financial statement of Wuxi Chengkai Industrial Development Group Co., Ltd (hereinafter referred to as "Wuxi Chengkai"), including Consolidated & Parent Company Balance Sheet as of 31 December 2021, Consolidated & Parent Company Income Statement, Consolidated & Parent Company Cash Flow Statement, Consolidated & Parent Company Owner's Equity Change Statement and relevant Financial Statement Notes in 2021.

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 Wuxi Chengkai's financial conditions of consolidated and parent company as of 31 December 2021, as well as operation achievement and cash flow of consolidated and parent company in 2021.

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 Wuxi Chengkai, 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 Wuxi Chengkai (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 Wuxi Chengkai capabilities of sustainable operation, disclosing matters related to sustainable operation (if applicable), and adopting the assumption of sustainable operation, unless the management plans to liquidate Wuxi Chengkai, terminate the operation, or there is no other practical option.

The governance level is responsible for supervising the financial report process of Wuxi Chengkai.

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 evidences acquired, it may lead to conclusions on whether there are significant uncertainties in the matters or circumstances causing major doubts about Wuxi Chengkai capabilities of 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 Wuxi Chengkai 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 evidences on the financial information of Wuxi Chengkai 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.

(No text on this page, as the signature and seal page for the 2021 Financial Statement Audit Report Zhongxinghua Audit (2022) No.020435 of Wuxi Chengkai Industrial Development Group Co., Ltd)

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Beijing·China

Chinese CPA:

Chinese CPA:

30 March 2022

Consolidated Balance Sheet

31 December 2021

Prepared by: Wuxi Chengkai Industrial Development Group Co., Ltd | Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Monetary fund	VI. 1	2,854,336,315.15	2,772,937,765.70	2,768,720,265.70
Transactional financial assets				
Financial assets measured at fair value with changes charged to current profits and losses				
Derivative financial assets				
Bills receivable	VI. 2			3,677,634.64
Accounts receivable	VI. 3	3,239,186,234.90	2,982,930,578.11	2,982,930,578.11
Receivables financing	VI. 4	1,755,000.00	3,677,634.64	
Advance payment	VI. 5	62,646,101.37	110,510,916.78	110,510,916.78
Other receivables	VI. 6	7,065,402,182.99	7,130,933,798.37	7,135,151,298.37
Inventory	VI. 7	14,116,155,544.16	12,700,630,334.73	12,700,630,334.73
Contract assets				
Held-for-sale assets				
Non-current assets due within one year				
Other current assets	VI. 8	2,660,280.76	280,896,728.88	280,896,728.88
Total current assets		**27,342,141,659.33**	**25,982,517,757.21**	**25,982,517,757.21**
Non-current assets:				
Creditor's rights investment				
Available-for-sale financial assets	VI. 9			674,649,530.49
Other debt investments				
Held-to-maturity investments				
Long-term accounts receivable				
Long-term equity investment	VI. 10	677,323,183.26	683,741,575.29	683,741,575.29
Other equity instrument investments	VI. 11	7,000,000.00	7,557,000.00	
Other non-current financial assets	VI. 12	50,340,478.24	667,092,530.49	
Investment real estate	VI. 13	4,522,253,500.00	4,495,352,900.00	4,495,352,900.00
Fixed assets	VI. 14	823,200,561.92	588,099,308.90	588,099,308.90
Construction in process	VI. 15	33,536,040.04	308,552,740.04	308,552,740.04
Productive biological assets				
Oil and gas assets				
Right-of-use assets				
Intangible assets	VI. 16	30,468,482.15	51,499,094.89	51,499,094.89
Development expenditure				
Goodwill				
Long-term prepaid expense	VI. 17	2,722,136.97	3,850,634.75	3,850,634.75
Deferred income tax assets	VI. 18	32,173,226.84	36,436,277.62	36,436,277.62
Other non-current assets				
Total non-current assets		**6,179,017,609.42**	**6,842,182,061.98**	**6,842,182,061.98**
Total assets		**33,521,159,268.75**	**32,824,699,819.19**	**32,824,699,819.19**

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

Legal representative: 印姚鉴华 | Accounting director: 印朱鉴颖 | Accounting firm director: 印朱鉴颖

(Cont.)

Consolidated Balance Sheet (Continued)

31 December 2021

Prepared by: Wuxi Chengkai Industrial Development Group Co., Ltd | Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings	VI. 19	1,445,500,000.00	1,218,050,000.00	1,218,050,000.00
Transactional financial liabilities				
Financial liabilities measured at fair value with changes charged to current profits and losses				
Derivative financial liabilities				
Bills payable	VI. 20	1,207,600,000.00	1,050,000,000.00	1,050,000,000.00
Accounts payable	VI. 21	290,806,173.27	276,030,190.83	276,030,190.83
Advance receipt	VI. 22	2,948,777.45	2,662,381.14	38,211,976.57
Contract liabilities	VI. 23	22,171,313.59	32,725,292.84	
Payroll payable	VI. 24	1,684,013.00	1,508,138.50	1,508,138.50
Taxes payable	VI. 25	492,419,242.42	440,228,731.44	440,228,731.44
Other payables	VI. 26	992,247,212.45	977,926,643.74	1,058,585,952.18
Held-for-sale liabilities				
Non-current liabilities due within one year	VI. 27	2,356,809,519.76	1,943,824,169.13	1,863,164,860.69
Other current liabilities	VI. 28	1,801,913.11	2,824,302.59	
Total current liabilities		**6,813,988,165.05**	**5,945,779,850.21**	**5,945,779,850.21**
Non-current liabilities:				
Long-term borrowing	VI. 29	6,362,400,000.00	7,037,690,000.00	7,037,690,000.00
Bonds payable	VI. 30	3,157,100,216.36	2,742,542,266.86	2,742,542,266.86
Of which: Preferred Stock				
Perpetual debt				
Lease liabilities				
Long-term accounts payable	VI. 31	45,333,430.53	193,058,831.22	193,058,831.22
Estimated liabilities				
Deferred incomes				
Deferred income tax liabilities	VI. 18	446,060,470.06	437,680,333.94	437,680,333.94
Other non-current liabilities				
Total non-current liabilities		**10,010,894,116.95**	**10,410,971,432.02**	**10,410,971,432.02**
Total liabilities		**16,824,882,282.00**	**16,356,751,282.23**	**16,356,751,282.23**
Owner's equity:				
Paid-in capital	VI. 32	2,235,000,000.00	1,152,000,000.00	1,152,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debt				
Capital reserve	VI. 33	9,627,177,223.17	10,590,702,902.47	10,590,702,902.47
Less: treasury stock				
Other comprehensive incomes	VI. 34	974,502,261.78	974,920,011.78	974,920,011.78
Special reserve				
Surplus reserve	VI. 35	3,104,623.42	3,104,623.42	3,104,623.42
General risk reserve				
Undistributed profits	VI. 36	1,811,932,628.13	1,572,146,932.47	1,572,146,932.47
Total owner's equity attributable to the parent company		14,651,716,736.50	14,292,874,470.14	14,292,874,470.14
Minority shareholder's equity		2,044,560,250.25	2,175,074,066.82	2,175,074,066.82
Total owner's equity		**16,696,276,986.75**	**16,467,948,536.96**	**16,467,948,536.96**
Total liabilities and owner's equity		**33,521,159,268.75**	**32,824,699,819.19**	**32,824,699,819.19**

(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: Wuxi Chengkai Industrial Development Group Co., Ltd

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Total operating incomes		**1,562,192,935.40**	**1,694,571,212.83**
Of which: operating incomes	VI. 37	1,562,192,935.40	1,694,571,212.83
II. Total operating costs		**1,417,417,863.45**	**1,525,333,110.28**
Of which: operating costs	VI. 37	1,261,017,613.36	1,382,208,916.57
Taxes and surcharges	VI. 38	15,748,291.34	11,728,009.22
Sales expenses		16,678,499.39	13,013,731.08
Management expenses		109,598,886.36	97,895,806.34
R&D expenses			
Financial expenses	VI. 39	14,374,573.00	20,486,647.07
Of which: interest expenses		17,907,414.83	18,597,569.62
Interest incomes		4,112,966.33	2,786,965.56
Add: other incomes	VI. 40	68,851,096.46	52,056,202.14
Investment incomes (losses marked with "-")	VI. 41	39,578,591.75	3,487,983.22
Of which: incomes from investment in associated enterprises and joint ventures		177,392.34	272,021.72
Derecognized incomes of financial assets measured at amortized cost			
Fair value change incomes (losses marked with "-")	VI. 42	33,520,544.49	48,502,544.82
Credit impairment losses (losses marked with "-")	VI. 43	-7,994,564.25	
Asset impairment losses (losses marked with "-")	VI. 44		9,380,045.91
Asset disposal incomes (losses marked with "-")	VI. 45	22,530,549.73	41,626.22
III. Operating profits (losses marked with "-")		**301,261,290.13**	**282,706,504.86**
Add: non-operating income	VI. 46	341,871.66	201,123.06
Less: non-operating expense	VI. 47	165,445.57	146,104.93
IV. Total profits (total losses marked with "-")		**301,437,716.22**	**282,761,522.99**
Less: income tax expenses	VI. 48	42,165,837.13	57,109,089.22
V. Net profits (net losses marked with "-")		**259,271,879.09**	**225,652,433.77**
(I) Classified by business continuity:			
1. Net profits from sustainable operation (net losses marked with "-")		259,271,879.09	225,652,433.77
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 "-")		239,785,695.66	225,604,306.02
2. Minority shareholders' profits and losses (net losses marked with "-")		19,486,183.43	48,127.75
VI. After-tax net amount of other comprehensive incomes		**-417,750.00**	
(I) Net other comprehensive incomes after tax attributable to owners of parent company		**-417,750.00**	
1. Other comprehensive incomes not to be reclassified into profits and losses		**-417,750.00**	
(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		**-417,750.00**	
(4) Fair value changes of corporate credit risks			
(5) Others			
2. 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			
(3) Fair value changes of available-for-sale financial asset investments			
(4) Amount of financial assets reclassified into other comprehensive incomes			
(5) Profits and losses from held-to-maturity investments reclassified into available-for-sale financial assets			
(6) Other debt investment credit impairment provisions			
(7) Cash flow hedge reserve			
(8) Converted difference in foreign currency statements			
(9) Others			
(II) Net other comprehensive incomes after tax attributable to minority shareholders			
VII. Total comprehensive incomes		**258,854,129.09**	**225,652,433.77**
(I) Total comprehensive incomes attributable to owners of parent company		**239,367,945.66**	**225,604,306.02**
(II) Total comprehensive incomes attributable to minority shareholders		**19,486,183.43**	**48,127.75**

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

Legal representative: 印姚鉴华

Accounting director: 印朱鉴颖

Accounting firm director: 印朱鉴颖

Consolidated Cash Flow Statement

the year 2021

Prepared by: Wuxi Chengkai Industrial Development Group 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		1,329,537,591.15	1,256,115,469.54
Tax refunds received		46,439.86	937.12
Other cash received related to operating activities		5,497,114,571.79	5,821,104,670.21
Subtotal cash inflow from operating activities		**6,826,698,602.80**	**7,077,221,076.87**
Cash paid to buy goods and receive labor service		2,305,493,936.35	422,718,624.10
Cash paid to and for employees		51,692,717.65	40,137,884.97
Taxes paid		22,138,772.57	19,291,633.84
Other cash paid to operating-related activities		4,722,932,582.21	8,036,859,492.91
Subtotal cash outflow from operating activities		**7,102,258,008.78**	**8,519,007,635.82**
Net cash flow from operating activities		**-275,559,405.98**	**-1,441,786,558.95**
II. Cash flow from investing activities			
Cash received from investment withdrawal		121,241,578.95	1,212,996.59
Cash received from investment income		56,556,983.78	3,222,902.89
Net cash received from disposal of fixed assets, intangible assets and other long-term investments		3,664,937.00	
Net cash received from disposal of subsidiaries and other business units			352,899.89
Other cash received from investing activities		280,000,000.00	855,860,000.00
Subtotal cash inflow from investing activities		**461,463,499.73**	**860,648,799.37**
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		11,728,823.03	41,972,952.60
Cash paid for investment		265,320,533.75	329,320,000.00
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities		17,517,949.65	329,574,325.52
Subtotal cash outflow from investing activities		**294,567,306.43**	**700,867,278.12**
Net cash flow from investment activities		**166,896,193.30**	**159,781,521.25**
III. Cash flow from financing activities:			
Cash received from absorbing investments		1,083,000,000.00	1,024,000,000.00
Of which: cash received from absorbing investments from minority shareholders by the subsidiary			
Cash received from borrowings		3,644,160,000.00	7,139,500,000.00
Other cash received from financing-related activities		393,000,000.00	1,569,724,875.11
Subtotal of cash inflow from financing activities		**5,120,160,000.00**	**9,733,224,875.11**
Cash paid for repayment of debt		3,244,782,767.41	5,614,095,500.23
Cash paid for distributing dividends, profits or settling interests		709,715,612.58	584,964,148.94
Of which: dividends and profits paid to minority shareholders by the subsidiary			
Other cash paid to financing-related activities		1,091,382,357.88	1,336,816,294.05
Subtotal cash outflow from financing activities		**5,045,880,737.87**	**7,535,875,943.22**
Net cash flow from financing activities		**74,279,262.13**	**2,197,348,931.89**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents		-34,383,950.55	915,343,894.19
Add: opening balance of cash and cash equivalents		2,022,720,265.70	1,107,376,371.51
VI. Closing balance of cash and cash equivalents		**1,988,336,315.15**	**2,022,720,265.70**

(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: Wuxi Chengkai Industrial Development Group Co., Ltd

Amount Unit: RMB yuan

Items	Current amount											
	Owner's equity attributable to the parent company										Minority shareholder's equity	Total owner's equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Special reserve	Surplus reserve	Undistributed profits	Subtotal	
		Preferred stock	Perpetual debt	Other								
I. Balance at the end of last year	1,152,000,000.00				10,590,702,902.47	-	974,920,011.78	-	3,104,623.42	1,572,146,932.47	14,292,874,470.14	2,175,074,066.82	16,467,948,536.96
Add: accounting policy changes													
Correction of previous-period accounting errors													
Business combination under the same control													
Other													
II. Balance at the beginning of this year	1,152,000,000.00				10,590,702,902.47		974,920,011.78		3,104,623.42	1,572,146,932.47	14,292,874,470.14	2,175,074,066.82	16,467,948,536.96
III. Increased or decreased amount in the current period (decrease marked with "-")	1,083,000,000.00				-963,525,679.30		-417,750.00			239,785,695.66	358,842,266.36	-130,513,816.57	228,328,449.79
(I) Total comprehensive incomes							-417,750.00			239,785,695.66	239,367,945.66	19,486,183.43	258,854,129.09
(II) Capital increase or decrease from the owner	1,083,000,000.00										1,083,000,000.00	-150,000,000.00	933,000,000.00
1. Invested capital by the owner	1,083,000,000.00										1,083,000,000.00		1,083,000,000.00
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others												-150,000,000.00	-150,000,000.00
(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					-963,525,679.30						-963,525,679.30		-963,525,679.30
IV. Balance at the end of current year	2,235,000,000.00	-	-		9,627,177,223.17		974,502,261.78		3,104,623.42	1,811,932,628.13	14,651,716,736.50	2,044,560,250.25	16,696,276,986.75

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

Legal representative 印 姚鉴华

Accounting leader: 印 朱鉴颖

Accounting firm director: 印 朱鉴颖

Consolidated Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Wuxi Chengkai Industrial Development Group Co., Ltd

Amount Unit: RMB yuan

Items	Previous amount												
	Owner's equity attributable to the parent company											Minority shareholder's equity	Total owner's equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
		Preferred stock	Perpetual debt	Other									
I. Balance at the end of last year	703,000,000.00				3,387,055,500.00		520,915,520.70		3,104,623.42	637,874,861.72	5,251,950,505.84	763,611,536.77	6,015,562,042.61
Add: accounting policy changes													
Correction of previous-period accounting errors													
Business combination under the same control					6,983,828,006.37		454,004,491.08			708,667,764.73	8,146,500,262.18	1,413,680,132.17	9,560,180,394.35
Other													
II. Balance at the beginning of this year	703,000,000.00				10,370,883,506.37		974,920,011.78		3,104,623.42	1,346,542,626.45	13,398,450,768.02	2,177,291,668.94	15,575,742,436.96
III. Increased or decreased amount in the current period (decrease marked with "-")	449,000,000.00				219,819,396.10					225,604,306.02	894,423,702.12	-2,217,602.12	892,205,100.00
(I) Total comprehensive incomes										225,604,306.02	225,604,306.02	48,127.75	225,652,433.77
(II) Capital increase or decrease from the owner	449,000,000.00										449,000,000.00		449,000,000.00
1. Invested capital by the owner	449,000,000.00										449,000,000.00		449,000,000.00
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					219,819,396.10						219,819,396.10	-2,265,729.87	217,553,666.23
IV. Balance at the end of current year	1,152,000,000.00				10,590,702,902.47		974,920,011.78		3,104,623.42	1,572,146,932.47	14,292,874,470.14	2,175,074,066.82	16,467,948,536.96

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

Legal representative

Accounting leader:

Accounting firm director:

Balance Sheet

31 December 2021

Prepared by: Wuxi Chengkai Industrial Development Group Co., Ltd | Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Monetary fund		47,118,139.58	247,581,758.57	247,581,758.57
Transactional financial assets				
Financial assets measured at fair value with changes charged to current profits and losses				
Derivative financial assets				
Bills receivable				
Accounts receivable				
Receivables financing				
Advance payment				
Other receivables	XIII. 1	3,190,517,899.92	2,525,022,842.44	2,525,022,842.44
Inventory		1,092,321,326.67	2,302,496.74	2,302,496.74
Contract assets				
Held-for-sale assets				
Non-current assets due within one year				
Other current assets				
Total current assets		**4,329,957,366.17**	**2,774,907,097.75**	**2,774,907,097.75**
Non-current assets:				
Creditor's rights investment				
Available-for-sale financial assets				30,000,000.00
Other debt investments				
Held-to-maturity investments				
Long-term accounts receivable				
Long-term equity investment	XIII. 2	9,345,972,930.92	9,195,796,304.86	9,195,796,304.86
Other equity instrument investments				
Other non-current financial assets		30,000,000.00	30,000,000.00	
Investment real estate				
Fixed assets		277,927,284.47	11,263,530.04	11,263,530.04
Construction in process				
Productive biological assets				
Oil and gas assets				
Right-of-use assets				
Intangible assets				
Development expenditure				
Goodwill				
Long-term prepaid expense				
Deferred income tax assets			4,963.35	4,963.35
Other non-current assets				
Total non-current assets		**9,653,900,215.39**	**9,237,064,798.25**	**9,237,064,798.25**
Total assets		**13,983,857,581.56**	**12,011,971,896.00**	**12,011,971,896.00**

(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: Wuxi Chengkai Industrial Development Group Co., Ltd | Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings		100,000,000.00		
Transactional financial liabilities				
Financial liabilities measured at fair value with changes charged to current profits and losses				
Derivative financial liabilities				
Bills payable			120,000,000.00	120,000,000.00
Accounts payable				
Advance receipt				
Contract liabilities		45,000.50		
Payroll payable				
Taxes payable		4,883,138.27	3,706,295.57	3,706,295.57
Other payables		856,911,490.36	132,277,659.66	149,650,947.33
Held-for-sale liabilities				
Non-current liabilities due within one year		103,465,068.49	229,842,268.67	212,468,981.00
Other current liabilities				
Total current liabilities		**1,065,304,697.62**	**485,826,223.90**	**485,826,223.90**
Non-current liabilities:				
Long-term borrowing		1,040,200,000.00	875,000,000.00	875,000,000.00
Bonds payable		498,483,130.58	497,745,474.33	497,745,474.33
Of which: Preferred Stock				
Perpetual debt				
Lease liabilities				
Long-term accounts payable			61,489,228.35	61,489,228.35
Estimated liabilities				
Deferred incomes				
Deferred income tax liabilities				
Other non-current liabilities				
Total non-current liabilities		**1,538,683,130.58**	**1,434,234,702.68**	**1,434,234,702.68**
Total liabilities		**2,603,987,828.20**	**1,920,060,926.58**	**1,920,060,926.58**
Owner's equity:				
Paid-in capital		2,235,000,000.00	1,152,000,000.00	1,152,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debt				
Capital reserve		9,198,710,370.34	8,965,796,304.86	8,965,796,304.86
Less: treasury stock				
Other comprehensive incomes				
Special reserve				
Surplus reserve		3,104,623.42	3,104,623.42	3,104,623.42
Undistributed profits		-56,945,240.40	-28,989,958.86	-28,989,958.86
Total owner's equity		**11,379,869,753.36**	**10,091,910,969.42**	**10,091,910,969.42**
Total liabilities and owner's equity		**13,983,857,581.56**	**12,011,971,896.00**	**12,011,971,896.00**

(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: Wuxi Chengkai Industrial Development Group Co., Ltd

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Operating income	XIII. 3	**20,323,892.56**	**2,951,271.43**
Less: operating costs	XIII. 3	14,543,792.50	1,581,902.60
Taxes and surcharges		3,060,330.93	643,447.85
Sales expenses			
Management expenses		31,354,539.49	10,922,827.56
R&D expenses			
Financial expenses		-588,856.26	-308,016.35
Of which: interest expenses			
Interest incomes		615,398.84	341,524.51
Add: other incomes		24,708.71	29,279.00
Investment incomes (losses marked with "-")			
Of which: incomes from investment in associated enterprises and joint ventures			
Derecognized incomes of financial assets measured at amortized cost			
Fair value change incomes (losses marked with "-")			
Credit impairment losses (losses marked with "-")		14,992.00	
Asset impairment losses (losses marked with "-")			-6,445.20
Asset disposal incomes (losses marked with "-")			
II. Operating profits (losses marked with "-")		**-28,006,213.39**	**-9,866,056.43**
Add: non-operating income		55,895.20	4,646.12
Less: non-operating expense			
III. Total profits (total losses marked with "-")		**-27,950,318.19**	**-9,861,410.31**
Less: income tax expenses		4,963.35	-1,611.30
IV. Net profits (net losses marked with "-")		**-27,955,281.54**	**-9,859,799.01**
(I) Net profits from sustainable operation (net losses marked with "-")		**-27,955,281.54**	**-9,859,799.01**
(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			
4. Fair value changes of corporate own credit risks			
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			
3. Fair value changes of available-for-sale financial asset investments			
4. Amount of financial assets reclassified into other comprehensive incomes			
5. Held-to-maturity investments reclassified into profits and losses of available-for-sale financial assets			
6. Other debt investment credit impairment provisions			
7. Cash flow hedge reserve			
8. Converted difference in foreign currency statements			
9. Others			
VI. Total comprehensive incomes		**-27,955,281.54**	**-9,859,799.01**

(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: Wuxi Chengkai Industrial Development Group 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		161,097,333.30	141,083,200.22
Tax refunds received			
Other cash received related to operating activities		1,015,450,150.25	708,160,775.95
Subtotal cash inflow from operating activities		**1,176,547,483.55**	**849,243,976.17**
Cash paid to buy goods and receive labor service		1,089,704,322.10	138,798.02
Cash paid to and for employees		8,442,079.72	6,922,123.88
Taxes paid		3,320,693.66	492,285.54
Other cash paid to operating-related activities		1,184,948,136.60	1,355,099,794.55
Subtotal cash outflow from operating activities		**2,286,415,232.08**	**1,362,653,001.99**
Net cash flow from operating activities		**-1,109,867,748.53**	**-513,409,025.82**
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			
Net cash received from disposal of subsidiaries and other business units			
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		30,860.00	32,060.00
Cash paid for investment			
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		**30,860.00**	**32,060.00**
Net cash flow from investment activities		**-30,860.00**	**-32,060.00**
III. Cash flow from financing activities:			
Cash received from absorbing investments		1,083,000,000.00	449,000,000.00
Cash received from borrowings		340,500,000.00	1,143,000,000.00
Other cash received from financing-related activities		123,000,000.00	
Subtotal of cash inflow from financing activities		**1,546,500,000.00**	**1,592,000,000.00**
Cash paid for repayment of debt		244,032,767.41	827,245,500.23
Cash paid for distributing dividends, profits or settling interests		107,515,576.38	111,592,457.97
Other cash paid to financing-related activities		165,516,666.67	100,000,000.00
Subtotal cash outflow from financing activities		**517,065,010.46**	**1,038,837,958.20**
Net cash flow from financing activities		**1,029,434,989.54**	**553,162,041.80**
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents		-80,463,618.99	39,720,955.98
Add: opening balance of cash and cash equivalents		127,581,758.57	87,860,802.59
VI. Closing balance of cash and cash equivalents		**47,118,139.58**	**127,581,758.57**

(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: Wuxi Chengkai Industrial Development Group Co., Ltd

Amount Unit: RMB yuan

Items	Current amount										
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Special reserve	Surplus reserve	Undistributed profits	Total owner's equity
		Preferred stock	Perpetual debt	Other							
I. Balance at the end of last year	1,152,000,000.00				8,965,796,304.86				3,104,623.42	-28,989,958.86	10,091,910,969.42
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	1,152,000,000.00				8,965,796,304.86				3,104,623.42	-28,989,958.86	10,091,910,969.42
III. Increased or decreased amount in the current period (decrease marked with "-")	1,083,000,000.00				232,914,065.48					-27,955,281.54	1,287,958,783.94
(I) Total comprehensive incomes										-27,955,281.54	-27,955,281.54
(II) Capital increase or decrease from the owner	1,083,000,000.00										1,083,000,000.00
1. Invested capital by the owner	1,083,000,000.00										1,083,000,000.00
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					232,914,065.48						232,914,065.48
IV. Balance at the end of current year	2,235,000,000.00				9,198,710,370.34				3,104,623.42	-56,945,240.40	11,379,869,753.36

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

Legal representative **Accounting leader:** **Accounting firm director:**

Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Wuxi Chengkai Industrial Development Group Co., Ltd

Amount Unit: RMB yuan

Items	Previous amount										
	Paid-in capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Special reserve	Surplus reserve	Undistributed profits	Total owner's equity
		Preferred stock	Perpetual debt	Other							
I. Balance at the end of last year	703,000,000.00				1,798,470,000.00				3,104,623.42	-19,130,159.85	2,485,444,463.57
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	703,000,000.00				1,798,470,000.00				3,104,623.42	-19,130,159.85	2,485,444,463.57
III. Increased or decreased amount in the current period (decrease marked with "-")	449,000,000.00				7,167,326,304.86					-9,859,799.01	7,606,466,505.85
(I) Total comprehensive incomes										-9,859,799.01	-9,859,799.01
(II) Capital increase or decrease from the owner	449,000,000.00										449,000,000.00
1. Invested capital by the owner	449,000,000.00										449,000,000.00
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 (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					7,167,326,304.86						7,167,326,304.86
IV. Balance at the end of current year	1,152,000,000.00				8,965,796,304.86				3,104,623.42	-28,989,958.86	10,091,910,969.42

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

Legal representative 印 姚华 鉴

Accounting leader: 印 朱颖 鉴

Accounting firm director: 印 朱颖 鉴

Wuxi Chengkai Industrial Development Group 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

Wuxi Chengkai Industrial Development Group Co., Ltd (hereinafter referred to as "the company") was formerly a limited liability company funded by Wuxi Binhu District Urban Construction Assets Management and Investment Company and Wuxi Binhu District Urban Construction and Demolition Co., Ltd, and Wuxi Binhu District State-owned Capital Investment Co., Ltd holds 100.00% equity of the company now. The company was established on 11 August 2005, name: Wuxi Binhu Construction Industry Development Co., Ltd at the time of establishment. The company now has a registered capital of RMB 2,500,000,000, unified social credit code: 91320211778038843K. Corporate registered address: Room 2111, 21F 879 Hongqiao Road, Wuxi City.

In 2005, according to the approved articles of association, the company applied for registered capital of RMB 3,000,000. As of 4 August 2005, the company had received total registered capital of RMB 3,000,000 paid by all shareholders, of which: Wuxi Binhu District Urban Construction Assets Management and Investment Company subscribed capital contribution of RMB 2,850,000, and paid-in capital contribution was RMB 2,850,000, accounting for 95% of registered capital; Wuxi Binhu District Urban Construction and Demolition Co., Ltd subscribed capital contribution of RMB 150,000, and paid-in capital contribution was RMB 150,000, accounting for 5% of registered capital, all contributed in currency. This capital contribution event was verified by Wuxi Xinda Accounting Firm on 4 August 2005, and capital verification report of "Xi Xin Accounting Firm Internal Verification [2005] No.079" was issued.

In 2008, Wuxi Urban Construction and Housing Demolition Co., Ltd (former name: Wuxi Binhu District Urban Construction and Demolition Co., Ltd) signed an equity transfer agreement with Wuxi Jinzheng Assets Service Co., Ltd, and upon negotiation, both parties agreed to transfer 5% equity RMB 150,000 of Wuxi Urban Construction and Housing Demolition Co., Ltd in the company to Wuxi Jinzheng Assets Service Co., Ltd.

In August 2008, according to Wuxi Binhu District People's Government Document Decision on Comprehensive Integration of District-owned Assets (Xi Bin Government Release [2008] No.42), Wuxi Chengkai Investment Development Company and Wuxi Binhu District Urban Construction Assets Management and Investment Company signed a merger agreement. Wuxi Chengkai Investment Development Company shall absorb and merge Wuxi Binhu District Urban Construction Assets Management and Investment Company, and bear its creditor rights and debts. The shareholder of Wuxi Binhu Construction Industry Development Co., Ltd was changed to Wuxi Chengkai Investment Development Company, and the equity of RMB 2,850,000 was held by Wuxi Chengkai Investment Development Company. After change, paid-in capital was RMB 3,000,000, of which: Wuxi Chengkai Investment Development Company contributed RMB 2,850,000, accounting for 95% of registered capital after change; Wuxi Jinzheng Assets Service Co., Ltd contributed RMB 150,000, accounting for 5% of registered capital after change.

In 2014, according to corporate shareholder's meeting resolution and the amended articles of association, the company applied for increasing registered capital of RMB 200,000,000, to be fully paid in a lump sum by Wuxi Jinzheng Assets Service Co., Ltd on 14 January 2014. After change, the registered capital was RMB 203,000,000. As of 14 January 2014, the company had received newly increased registered capital (paid-in capital) totaling RMB 200,000,000 paid by Wuxi Jinzheng Assets Service Co., Ltd. After change, cumulative paid-in capital was RMB 203,000,000, of which: Wuxi Chengkai Investment Development Company contributed RMB 2,850,000, accounting for 1.40% of registered capital after change; Wuxi Jinzheng Assets Service Co., Ltd contributed RMB 200,150,000, accounting for 98.60% of registered capital after change. In January 2015, according to corporate shareholder's meeting resolution, it agreed Wuxi Chengkai Investment Development Co., Ltd to transfer 1.40% equity RMB 2,850,000 to Wuxi Binhu District Operation Management Station.

In January 2015, according to corporate shareholder's meeting resolution and the amended articles of association, it agreed Wuxi Jinzheng Assets Service Co., Ltd to transfer 98.60% equity RMB 200,150,000 to Wuxi Binhu District Finance Bureau.

On 20 July 2016, according to Wuxi Binhu District Market Supervision Administration Document (2016) No.07200011: approved the company to change registration notice, agreed the company to change name from Wuxi Binhu Construction Industry Development Co., Ltd to Wuxi Chengkai Industrial Development Co., Ltd, and agreed the company to change former business scope (foreign investment using proprietary funds; self-owned real estate lease service; property management; architectural and municipal engineering construction drawing and seismic design service; water pollution control; water resource management; ecological restoration of water; municipal facility management; engineering project management; greening management; social and economic consultation (excluding securities and futures, excluding medical nature, excluding overseas study and intermediary service); decoration service; household product, metal material, metal product, building material, hardware product and dedicated construction equipment sales.) to: foreign investment using proprietary funds; self-owned real estate lease service; property management; architectural and municipal engineering construction drawing and seismic design service; water pollution control; water resource management; ecological restoration of water; municipal facility management; engineering project management; greening management; trade consultation service; decoration service; household product, metal material, metal product, building material, hardware product and dedicated construction equipment sales; hardware processing. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)

On 19 August 2016, according to Wuxi Binhu District Market Supervision Administration Document (2016) No.08190010: approved the company to change registration notice, agreed the company to change name from Wuxi Chengkai Industrial Development Co., Ltd to Wuxi City Chengkai Industrial Development Group Co., Ltd.

In September 2016, according to Wuxi Binhu District People's Government Document: Decision on Entrusting Capital Increase, Wuxi Binhu District People's Government entrusted Wuxi Binhu District Finance Bureau to increase investment of RMB 500,000,000 to Wuxi Binhu District Construction

Industry Development Co., Ltd. After this capital increase was completed, corporate registered capital was changed to RMB 703,000,000, of which Wuxi Binhu District Finance Bureau contributed RMB 700,150,000 holding 99.59% equity of company, and Wuxi Binhu District Operation Management Station contributed RMB 2,850,000 holding 0.41% equity of company.

On 15 December 2020, former shareholder Wuxi Binhu District Finance Bureau and Wuxi Binhu District Operation Management Station transferred their shares of the company free of charge to Wuxi Binhu State-owned Capital Investment Co., Ltd according to the Document Xi Bin Government Reply [2020] No.23 issued by Wuxi Binhu District People's Government on 10 December 2020, and Wuxi Binhu State-owned Capital Investment Co., Ltd held 100.00% shares of the company after this transfer. On the same day, market entity type of limited liability company was changed to limited liability company (legal person sole proprietorship of non-natural person investment or holding), corporate registered capital was changed from RMB 703,000,000 to RMB 2,500,000,000, and paid-in capital was increased by RMB 449,000,000 on 30 December 2020, fully paid in two installments by Wuxi Binhu District State-owned Capital Investment Co., Ltd. This capital contribution event was verified by Wuxi Xinda Accounting Firm on 30 December 2020, and capital verification reports of "Xi Xin Accounting Firm Internal Verification [2020] No.005" and "Xi Xin Accounting Firm Internal Verification [2020] No.006" were issued. After this capital increase event was completed, Wuxi Binhu District State-owned Capital Investment Co., Ltd subscribed capital contribution of RMB 2,500,000,000, and paid-in capital contribution was RMB 1,152,000,000.

On 1 April 2021, paid-in capital was increased by RMB 70,000,000, and on 9 April 2021, paid-in capital was increased by RMB 65,000,000. This capital increase totaled RMB 135,000,000, fully paid in two installments by Wuxi Binhu District State-owned Capital Investment Co., Ltd. This capital contribution event was verified by Wuxi Xinda Accounting Firm on 12 April 2021, and capital verification report of "Xi Xin Accounting Firm Internal Verification [2021] No.003" was issued. After this capital increase was completed, Wuxi Binhu District State-owned Capital Investment Co., Ltd subscribed capital contribution of RMB 2,500,000,000, and paid-in capital contribution was RMB 1,287,000,000.

On 28 October 2021, paid-in capital was increased by RMB 248,000,000. This capital contribution event was verified by Wuxi Yuheng Accounting Firm (General Partnership) on 29 October 2021, and capital verification report of "Yuheng Verification [2021] No.5120" was issued. After this capital increase event was completed, Wuxi Binhu District State-owned Capital Investment Co., Ltd subscribed capital contribution of RMB 2,500,000,000, and paid-in capital contribution was RMB 1,535,000,000.

On 23 November 2021, corporate registered capital was changed from RMB 2,500,000,000 to RMB 5,000,000,000, and on 24 November 2021, paid-in capital was increased by RMB 700,000,000. This capital contribution event was verified by Wuxi Yuheng Accounting Firm (General Partnership) on 25 November 2021, and capital verification report of "Yuheng Verification [2021] No.5126" was issued. After this capital increase event was completed, Wuxi Binhu District State-owned Capital Investment Co., Ltd subscribed capital contribution of RMB 5,000,000,000, and paid-in capital contribution was RMB 2,235,000,000.

2. Business nature and main operating activities of the company

The company and subsidiaries are primarily specialized in foreign investment using proprietary funds; housing lease service; property management; architectural and municipal engineering construction drawing and seismic design service; water pollution control; water resource management; ecological restoration of water; municipal facility management; engineering project management; greening management; trade consultation service; decoration service; household product, metal material, metal product, building material, hardware product and dedicated construction equipment sales; hardware processing. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)

3. Approval of financial report

The financial statement was approved for report by executive directors of the company on 30 March 2022.

4. Scope of consolidated statement

A total of 25 subsidiaries were included in the consolidation scope in 2021; see Note VIII "Equities in Other Entities". Compared with the last period, corporate current consolidation scope increased 0 subsidiary and reduced 3 subsidiaries. Please refer to the Note VII "Changes of consolidation scope".

II. Preparation basis of the financial statements

1. Preparation basis

The company prepares financial statements pursuant 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 February 15, 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 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 Friday, December 31, 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

The company and its domestic subsidiaries use RMB as the accounting standard currency and their currency in main economic environment. The currency used by the company in preparing the financial statement is RMB.

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 combing 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. 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 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 usually indicates that multiple transactions shall be accounted for 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.

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.

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.

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 assets measured at fair value with changes charged to current profits and losses

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 entirely 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 assets measured at fair value with changes charged to current profits and losses

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 entirely 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

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 entirely 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/does not choose a simplified processing method, 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.

(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	Aging portfolio, other portfolios

(Reminder: Whether to accrue bills receivable is optional, e.g.: bad debt provision is generally not considered for bank acceptance draft with excellent credit. Please formulate depending on actual circumstances of the auditee.)

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 portfolio	This portfolio takes the aging of receivables as credit risk characteristics
Other combinations	Receivables of associated party, government department, financing platform under government department, individual reserve fund, security deposit, fund collected and paid by construction agent, guarantee payment uninvolving litigation, etc are other portfolios.

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 portfolio	This portfolio takes the aging of receivables as credit risk characteristics

Items	Basis of determining the portfolio
Other combinations	This portfolio includes receivables from related parties, government departments, related financing platforms under government departments, deposits receivable in daily activities, advances, quality margins and guarantee funds uninvolving litigation.

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.

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.

⑥ Long-term accounts receivable

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:

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 raw materials, low-value consumables, turnover materials, finished products, inventory goods, contract performance 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. In case of acquisition and delivery, the price is weighted according to the weighted average 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) 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.

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 investment

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 incomes 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 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. The equity investments held before the consolidation date due to using equity method of accounting or other comprehensive incomes recognized as financial assets measured at fair value with changes included in other comprehensive incomes, 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 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.

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. 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, 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.

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 real estate

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 does not withdraw depreciation or make amortization on the investment real estate, adjust the book value based on fair value of investment real estate on the balance sheet date, and record the difference between fair value and original book value in current profits and losses.

When determining fair value of investment real estate, refer to the prevailing price for same category or similar real estate on active market; where the prevailing price for same category or similar real estate is unavailable, refer to the latest transaction price for same category or similar real estate on active market, and considering such factors as transaction condition, transaction date, location, etc, so as to make reasonable estimate on fair value of the investment real estate; or determine the fair value based on expected future rental income and present value of relevant cash flow.

When the self-use real estate or inventory is converted to investment real estate, make valuation based on fair value on the day of conversion; if the fair value on the day of conversion is less than original book value, the difference is included in current profits and losses; if the fair value on the day of conversion is larger than original book value, the difference is recognized as other comprehensive

income. When the investment real estate is converted to self-use real estate, the fair value on the day of conversion is taken as book value of self-use real estate, and the difference between fair value and original book value is included in current profits and losses.

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	20-50	5	1.90-4.75
Transportation equipment	Straight-line method	4-5	5	19.00-23.75
Office and electronic devices	Straight-line method	3-10	5	9.5-31.67
Machinery equipment	Straight-line method	4-10	5	9.50-23.75
Other devices	Straight-line method	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. 21 "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.

17. Construction in process

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. 21 "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.

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. 21 "Long-term asset impairment".

20. 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. Long-term expenses to be apportioned are amortized on a straight-line basis over the expected benefit period.

21. 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.

22. 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.

23. Employee remuneration

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.

24. Estimated liabilities

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. For recombination obligations with partial business sold, its obligations relating to reorganization is recognized only when the company promises to sell partial business (i.e. upon signing of binding sales agreement).

25. Share-based payment

(1) Accounting treatment method of share-based payment

Share-based payment is a transaction in which an enterprise grants equity instruments or

undertakes equity-instrument-based liabilities in return for services from employee or other parties. The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

① Equity-settled share-based payment

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. When the service in vesting period is completed or the specified performance conditions are met for exercisable right, based on the best estimate of the quantity of exercisable right equity instruments in vesting period, the fair value amount is included in relevant costs or expenses by straight-line method calculation/in case of immediately exercising the right after granting, it is included in relevant costs or expenses on the grant date, and capital reserve is increased accordingly.

On each balance sheet date during the vesting period, the company makes the best estimate based on the latest information of exercisable right, staff number change and other subsequent information, and modifies the expected number of exercisable right equity instruments. The impact of aforesaid estimates is included in the current relevant costs or expenses, and the capital reserve is adjusted accordingly.

As for equity-settled share-based payment in exchange for other party's service, if the fair value of other party's service can be reliably measured, it is measured as per the fair value of other party's service on the acquisition date; if the fair value of other party's service cannot be reliably measured, but the fair value of equity instruments can be reliably measured, it is measured as per the fair value of equity instruments on the service acquisition date, and included in relevant cost or expense, which increases the shareholder's equity accordingly.

② Cash-settled share-based payment

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the company. In case of immediately exercising the right after granting, it is included in relevant costs or expenses on the granting date, and liabilities are increased accordingly; if the right may not be exercised until the service in vesting period is completed or the specified performance conditions are met, on each balance sheet date within the vesting period, based on the best estimate of exercisable right status, the service obtained in the current period shall be included in costs or expenses, as per the fair value of liabilities undertaken by the enterprise, and liabilities are increased accordingly.

The company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the current profits and losses.

(2) Relevant accounting treatment of share-based payment plan modification and termination

When the company modifies the share-based payment plan, if the modification increases the fair value of granted equity instruments, the increase of service is recognized according to increased fair value of equity instruments. The increased fair value of equity instruments refers to the difference between fair value of equity instruments on the modification date before and after the modification. If the

under potentially adverse conditions;

② If such financial instruments must or may be settled by using the company's own equity instruments in the future, and if such financial instruments are non-derivative instruments, they exclude the contractual obligations to deliver variable number of own equity instruments for settlement; if they are derivative instruments, the company can only settle such financial instruments by exchanging fixed amount of cash or other financial assets with fixed number of own equity instruments.

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

If the financial instrument issued by the company is compound financial instrument, it shall be recognized as a liability as per the fair value of liability component, and the amount after the actually received amount deducting the fair value of liability component shall be recognized as "other equity instrument". The transaction costs incurred for issuing compound financial instrument are apportioned between liability component and equity component as per their respective proportion to the total issuance price.

(2) Accounting method for perpetual bond and preferred stock

Financial instruments such as perpetual bonds and preferred stocks categorized as financial liabilities, their relevant interests, dividends (or stock dividends), gains or losses, as well as gains or losses arising from redemption or refinancing, etc, except for the borrowing cost eligible for capitalization (see Note IV 18 "Borrowing cost"), are included in the current profits and losses.

For the financial instruments of perpetual bond, preferred stock, etc classified as equity instruments, during their issuance (including refinancing), repurchase, sale or cancellation, the company handles as equity changes, and related transaction costs are also deducted from equity. The company's distribution to holders of equity instruments is regarded as profit distribution.

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

27. 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

modification reduces total fair value of share-based payment or adopts other methods unfavorable to employees, accounting treatment will continuously be carried out on the obtained service, and such change is deemed as never occurred, unless the company has canceled a part or all of the granted equity instruments.

During the vesting period, if the granted equity instruments are cancelled, the company makes acceleration of exercisable right on the canceled and granted equity instruments, the amount that shall be recognized in the remaining vesting period will be immediately included in the current profits and losses, and the capital reserve is simultaneously recognized. If employees or other party can choose to meet non-vesting conditions but fails to meet in the vesting period, the company will treat it as cancellation of equity instruments.

(3) Accounting treatment of share-based payment transaction involving the company and its shareholders or actual controllers

If share payment transaction between the company and corporate shareholders or actual controllers is involved, either settlement company or service-receiving company falls within corporate consolidation scope, and the other is beyond corporate consolidation scope, accounting treatment is conducted in corporate consolidated financial statements according to the following regulations.

① If the settlement enterprise settles by its own equity instruments, the share-based payment transaction shall be treated as equity-settled share-based payment; otherwise, it is treated as cash-settled share-based payment.

If the settlement enterprise is an investor of the service-accepting enterprise, it shall recognize long-term equity investment of the service-accepting enterprise as per fair value of equity instruments on the grant date or fair value of liabilities borne, and simultaneously recognize capital reserve (other capital reserves) or liabilities.

② If the service-accepting enterprise has no settlement obligation or grants its own equity instruments to the company employees, such share-based payment transaction shall be treated as equity-settled share-based payment; if the service-accepting enterprise has settlement obligation and does not grant its own equity instruments to the company employees, such share-based payment transaction shall be treated as cash-settled share-based payment.

For share-based payment transaction between enterprises within the scope of the merger of the enterprise, if the service-accepting enterprise and the settlement enterprise are not the same enterprise, the recognition and measurement of such share-based payment transaction is treated by the above principle in the respective individual financial statement of the service-accepting enterprise and the settlement enterprise.

26. Preferred stock, perpetual bond and other financial instruments

(1) Distinction between perpetual bond and preferred stock

The financial instruments issued by the company, such as perpetual bond and preferred stock that meet the following conditions are regarded as equity instruments:

① Such financial instruments do not include contractual obligations to deliver cash or other financial assets to the other party or exchange financial assets or financial liabilities with other parties

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 result of labor rendering 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 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 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.

28. 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. 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.

29. 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).

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.

30. 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.

31. 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.

For lease liabilities, the company calculates its interest expenses during each period of the lease term in accordance with fixed periodic interest rate, and includes them in current profits and losses. Variable lease payments excluded from measurement of lease liabilities are included in current profits and losses at the time of actual occurrence.

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.

㈠ 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.

㈡ 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.

㈢ 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 removing original rental fee payment obligation, relevant asset costs or expenses are offset as per the undiscounted amount, and lease liabilities are adjusted accordingly; in case of delayed payment of rental fee, lease 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.

32. Other important accounting policies and accounting estimates

(1) Discontinued operation

Discontinued operation refers to the integral part that meets one of the following conditions, and has been disposed of or classified as held-for-sale by the company: ① this integral part represents an independent main business or a separate main operating area; ② this integral part is a part of a related plan intended to dispose of an independent main business or a separate main operating area; ③ this integral part is a subsidiary acquired solely for resale.

33. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

① Accounting policy changes due to implementation of new financial instrument standards

The Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.22——Recognition & Measurement of Financial Instruments (2017 Amendment) (Accounting [2017] No.7), the Accounting Standards for Business Enterprises No.23——Transfer of Financial Assets (2017 Amendment) (Accounting [2017] No.8), the Accounting Standards for Business Enterprises No.24——Hedging Accounting (2017 Amendment) (Accounting [2017] No.9) respectively on 31 March 2017, and promulgated the Accounting Standards for Business Enterprises No.37——Presentation of Financial Instruments (2017 Amendment) (Accounting [2017] No.14) on 2 May 2017 (the above standards collectively referred to as "new financial instrument standards"), and the company started to implement 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	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Monetary fund	2,768,720,265.70	2,772,937,765.70		
Bills receivable	3,677,634.64			
Receivables financing		3,677,634.64		
Other receivables	7,135,151,298.37	7,130,933,798.37		
Available-for-sale financial assets	674,649,530.49		30,000,000.00	
Other equity instrument investments		7,557,000.00		
Other non-current financial assets		667,092,530.49		30,000,000.00
Other payables	1,058,585,952.18	977,926,643.74	149,650,947.33	132,277,659.66

Items	Consolidated Balance Sheet		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Non-current liabilities due within one year	1,863,164,860.69	1,943,824,169.13	212,468,981.00	229,842,268.67

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"). The company started to implement the aforesaid new income standards since 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.

The impact under the implementation of new income 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
Deposit received in advance	38,211,976.57	2,662,381.14		
Contract liabilities		32,725,292.84		
Other current liabilities		2,824,302.59		

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"). 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

None.

V. Tax items

1. Main tax categories and tax rates

Tax category	Specific tax rate
VAT	As for the taxable income, output tax is calculated at the tax rate of 3%, 5%, 6% and 13%, and the VAT is calculated and paid as per the difference after deducting the deductable input tax amount in the current period.
Urban maintenance and construction tax	Calculated as per 7% of turnover tax actually paid.
Corporate income tax	Calculation and payment is made at 25% of the taxable income.
Education surcharge	Calculation and payment is made at 3% of the payable turnover tax.
Local education surcharge	Calculation and payment is made at 2% of the payable turnover tax.

As regards VAT-payable sales acts or imported goods of the company, the applicable tax rate was adjusted to 13%/9% from 1 April 2019, in accordance with the Announcement on Relevant Policies for Deepening VAT Reform of Ministry of Finance, State Taxation Administration and General Administration of Customs (Ministry of Finance, State Taxation Administration, General Administration of Customs Announcement 2019 No.39). Meanwhile, as a taxpayer of production and life service industry, the company may offset and deduct payable tax amount as per the deductible input tax amount of the current period plus 10% from 1 April 2019 to 31 December 2021.

2. Tax benefit and approval document

Where fiscal funds that the enterprise obtains from financial departments and other departments of people's governments above county level and shall be included in total income meet the following conditions simultaneously, they can be regarded as non-taxable income, and deducted from total income when calculating taxable income: (1) the enterprise can provide fund allocation document specifying specific application of the fund; (2) financial department or other government department of fund allocation has set forth special fund management measures or specific management requirements for such fund; (3) the enterprise conducts separate accounting for such fund and expenditure incurred by such fund.

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. Monetary fund

Items	Closing balance	Previous year ending balance
Cash on hand	73,261.36	74,987.51
Bank savings	1,987,288,586.61	2,022,645,278.19

Items	Closing balance	Previous year ending balance
Other monetary funds	866,974,467.18	746,000,000.00
Interest receivable on bank deposit		
Total	2,854,336,315.15	2,768,720,265.70

(1) Conditions of restricted closing usage of monetary fund

Items	Closing balance	Reasons for restricted use
Other monetary funds	866,000,000.00	Bank draft margin
Total	866,000,000.00	

2. Bills receivable

(1) List of bills receivable

Items	Closing balance	Previous year ending balance
Bank acceptance bill		3,677,634.64
Total		3,677,634.64

3. Accounts receivable

(1) Classified and presented by bad debt provision method

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	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	3,239,552,650.09	100.00	366,415.19	0.01	3,239,186,234.90
Of which: combination of account age	23,504,728.97	0.73	366,415.19	1.56	23,138,313.78
Other combinations	3,216,047,921.12	99.27			3,216,047,921.12
Total	3,239,552,650.09	100.00	366,415.19	0.01	3,239,186,234.90

(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	2,983,132,214.05	100.00	196,774.54	0.01	2,982,935,439.51
Of which: combination of account age	11,075,279.05	0.37	196,774.54	1.78	10,878,504.51
Other combinations	2,972,052,073.60	99.63			2,972,052,073.60
Account receivables with single insignificant amount but separate bad debt provision	4,861.40	Micro	4,861.40	100.00	

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Total	2,983,132,214.05	100.00	201,635.94	0.01	2,982,930,578.11

① Among portfolios, accounts receivable with bad debt provision by aging portfolio

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	20,075,031.06		
1-2 years	2,237,205.72	111,860.29	5.00
2-3 years	552,883.81	55,288.38	10.00
3-4 years	401,792.24	80,358.45	20.00
4-5 years	237,816.14	118,908.07	50.00
Over 5 years			
Total	23,504,728.97	366,415.19	

② Among portfolios, accounts receivable with bad debt provision by aging portfolio

Items	Previous year ending balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	9,195,253.06		
1-2 years	652,635.08	32,631.75	5.00
2-3 years	813,353.91	81,335.39	10.00
3-4 years	414,037.00	82,807.40	20.00
4-5 years			
Over 5 years			
Total	11,075,279.05	196,774.54	

(2) 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	201,635.94	169,640.65		4,861.40	366,415.19
Total	201,635.94	169,640.65		4,861.40	366,415.19

(3) Receivables actually written-off in the current period

Items	Write-off amount
Accounts receivable actually written off	4,861.40

(4) Accounts receivable of the Top 5 closing balance classified by the overdue party

The total accounts receivable of the Top 5 closing balance classified by the overdue party is RMB 3,233,590,761.12, accounting for 99.82% of the total closing balance of accounts receivable, and the total closing balance of corresponding bad debt provision is RMB 48,750.00.

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Wuxi Jiulong Bay Construction Development Co., Ltd	2,385,064,611.52	73.62	
Wuxi Binhu District Finance Bureau	830,885,523.60	25.65	
Wuxi Huaerui Supply Chain Service Co., Ltd	11,695,500.00	0.36	
Wuxi Huitai Metal Product Co., Ltd	4,970,126.00	0.15	
Wuxi Boiler Energy Technology Co., Ltd	975,000.00	0.03	48,750.00
Total	3,233,590,761.12	99.82	48,750.00

4. Receivables financing

Items	Closing balance		
	Cost	Fair value changes	Fair value
Bills receivable	1,755,000.00		1,755,000.00
Accounts receivable			
Total	1,755,000.00		1,755,000.00

(1) List of bills receivable

Items	Closing balance	Opening balance
Bank acceptance bill	1,755,000.00	3,677,634.64
Total	1,755,000.00	3,677,634.64

5. Advance payment

(1) Advance payment is listed by age

Aging	Closing balance		Previous year ending balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	11,032,935.99	17.61	38,813,614.18	35.12
1-2 years	15,685,228.17	25.04	26,821,830.17	24.27
2-3 years	20,774,309.37	33.16	27,429,589.75	24.82
Over 3 years	15,153,627.84	24.19	17,445,882.68	15.79
Total	62,646,101.37	100.00	110,510,916.78	100.00

(2) Advance payment of Top 5 closing balance classified by advance payment objects

The total advance payment of the Top 5 closing balance classified by advance payment recipients is RMB 43,293,273.99, accounting for 69.11% of the total closing balance of advance payment.

Name of debtors	Amount in arrear	Business nature	Proportion to the total closing balance of advance payments (%)
Jiangsu Lutong Infrastructure Investment Co., Ltd	17,401,946.00	Project funds	27.78
Longhai Construction Group Co., Ltd	8,730,703.00	Project funds	13.94
Wuxi Binhu District Hudai Town Community Health Service Center	6,346,396.39	Project funds	10.13
Wuxi Xinerhan Machinery Manufacturing Co., Ltd	6,306,973.60	Project funds	10.07
Wuxi Shida Construction Co., Ltd	4,507,255.00	Project funds	7.19

Name of debtors	Amount in arrear	Business nature	Proportion to the total closing balance of advance payments (%)
Total	43,293,273.99		69.11

6. Other receivables

Items	Closing balance	Previous year ending balance
Interests receivable		4,217,500.00
Dividends receivable		
Other receivables	7,065,402,182.99	7,130,933,798.37
Total	7,065,402,182.99	7,135,151,298.37

(1) Interests receivable

① Classification of interest receivable

Items	Closing balance	Previous year ending balance
Time deposit interest		4,217,500.00
Total		4,217,500.00

(2) Other receivables

① Disclosure of other receivable classification

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with single provision for bad debt reserve					
Other accounts receivable for which the provision for bad debts is made by combination	7,214,069,040.20	100.00	148,666,857.21	2.06	7,065,402,182.99
Of which: combination of account age	231,399,258.09	3.21	148,666,857.21	64.25	82,732,400.88
Other combinations	6,982,669,782.11	96.79			6,982,669,782.11
Total	7,214,069,040.20	100.00	148,666,857.21	2.06	7,065,402,182.99

(Continued)

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with significant amount of single item and separate provision for bad debts					
Other receivables with bad debt provision as per credit risk characteristic combinations	7,297,317,331.98	100.00	166,383,533.61	2.28	7,130,933,798.37
Of which: combination of account age	777,538,355.55	10.66	166,383,533.61	21.40	611,154,821.94
Other combinations	6,519,778,976.43	89.34			6,519,778,976.43
Other receivables with insignificant					

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
amount of single item but separate provision for bad debts					
Total	7,297,317,331.98	100.00	166,383,533.61	2.28	7,130,933,798.37

② In the portfolio, other receivables with bad debt provision according to the aging portfolio

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	4,641,911.85		
1-2 years	3,514,177.27	175,708.87	5.00
2-3 years	15,217,805.70	1,521,780.57	10.00
3-4 years	75,281,469.16	15,056,293.83	20.00
4-5 years	1,661,640.34	830,820.17	50.00
Over 5 years	131,082,253.77	131,082,253.77	100.00
Total	231,399,258.09	148,666,857.21	

(Continued)

Items	Previous year ending balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	515,127,960.22		
1-2 years	15,423,765.96	771,188.30	5.00
2-3 years	88,488,041.81	8,848,804.18	10.00
3-4 years	1,740,011.79	348,002.36	20.00
4-5 years	686,074.00	343,037.00	50.00
Over 5 years	156,072,501.77	156,072,501.77	100.00
Total	777,538,355.55	166,383,533.61	

③ 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	10,311,031.84	156,072,501.77		166,383,533.61
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	7,273,571.60			7,273,571.60

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)	
Reversal in the current period		24,990,248.00		24,990,248.00
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	17,584,603.44	131,082,253.77		148,666,857.21

④ 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	166,383,533.61	7,273,571.60	24,990,248.00		148,666,857.21
Total	166,383,533.61	7,273,571.60	24,990,248.00		148,666,857.21

⑤ 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
Wuxi Binhu District Hudai Town Finance Office	Transaction accounts	1,239,520,031.89	Within 1 year, 1-2 years, 2-3 years, over 3 years	17.18	
Wuxi Binhu Jianwu Development Co., Ltd	Transaction accounts	1,176,609,068.76	Within 1 year, 1-2 years, 2-3 years, over 3 years	16.31	
Wuxi Binhu District Economic Development Management Center	Transaction accounts	744,982,106.55	Within 1 year, 1-2 years, over 3 years	10.33	
Wuxi Chengkai Property Management Co., Ltd	Transaction accounts	761,565,537.37	Within 1 year, more than 3 years	10.56	
Wuxi Shanshui Town Management Committee	Land funds, transaction funds	555,055,734.40	Within 1 year, 1-2 years, 2-3 years	7.69	
Total	——	4,477,732,478.97	——	62.07	

7. Inventory

(1) Inventory classification

Items	Closing balance		
	Book balance	Inventory depreciation reserve/contract performance cost impairment reserve	Book value
Raw materials	1,765,082.81		1,765,082.81

Items	Closing balance		
	Book balance	Inventory depreciation reserve/contract performance cost impairment reserve	Book value
Commodity stocks	278,045,480.04		278,045,480.04
Low-value consumables	443,208.56		443,208.56
Developed products	1,739,443,255.25		1,739,443,255.25
Development cost	1,960,324,195.05		1,960,324,195.05
Contract performance cost	10,136,134,322.45		10,136,134,322.45
Total	14,116,155,544.16		14,116,155,544.16

(Continued)

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Development cost	11,874,121,341.58		11,874,121,341.58
Land use right	531,055,734.40		531,055,734.40
Raw materials	1,475,626.80		1,475,626.80
Low-value consumables	459,642.61		459,642.61
Commodity stocks	293,517,989.34		293,517,989.34
Total	12,700,630,334.73		12,700,630,334.73

(2) In closing balance of inventories, the capitalized amount of borrowing cost is RMB 515,192,988.85.

8. Other current assets

Items	Closing balance	Previous year ending balance
Prepaid tax and input tax to be deducted	2,660,280.76	896,728.88
Finance products		280,000,000.00
Total	2,660,280.76	280,896,728.88

9. Available-for-sale financial assets

Items	Previous year ending balance		
	Book balance	Provision for impairment	Book value
Available-for-sale liability tool			
Available-for-sale equity tool	674,649,530.49		674,649,530.49
Including: Measured at fair value			
Measured by costs	674,649,530.49		674,649,530.49
Other			
Total	674,649,530.49		674,649,530.49

10. Long-term equity investment

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
I. Joint ventures						
Wuxi Hubin Construction Investment Development Co., Ltd	533,329,794.73			-2,919.61		
Wuxi Jinyuan Property Management Co., Ltd	676,626.06			380,958.27		
Subtotal	534,006,420.79			378,038.66		
II. Associated enterprises						
Wuxi Fangjia Material Co., Ltd	9,939,370.13			-58,227.33		
Wuxi Economic Development Golden Bay Technology Pioneering Industrial Park Co., Ltd	139,795,784.37		139,795,784.37			
Wuxi Chengkai Construction Co., Ltd		133,200,000.00		-142,418.99		
Subtotal	149,735,154.50	133,200,000.00	139,795,784.37	-200,646.32		
Total	683,741,575.29	133,200,000.00	139,795,784.37	177,392.34		

(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		
I. Joint ventures					
Wuxi Hubin Construction Investment Development Co., Ltd				533,326,875.12	
Wuxi Jinyuan Property Management Co., Ltd				1,057,584.33	
Subtotal				534,384,459.45	
II. Associated enterprises					
Wuxi Fangjia Material Co., Ltd				9,881,142.80	
Wuxi Economic Development Golden Bay Technology Pioneering Industrial Park Co., Ltd					
Wuxi Chengkai				133,057,581.01	

Investee	Increases and decreases in current period			Closing balance	Closing balance of impairment provision
	Declaration of cash dividends or profits	Provision for impairment	Other		
Construction Co., Ltd					
Subtotal				142,938,723.81	
Total				677,323,183.26	

Note: According to Document Xi Bin State Assets Office Release [2021] No.2 Reply for Agreeing Chengkai Company to Transfer Relevant Equity Matters of Wuxi Economic Development Golden Bay Technology Pioneering Park Co., Ltd issued by the Wuxi Binhu District People's Government State-owned Assets Supervision and Administration Office on 8 August 2021, it agreed the company's subsidiary Wuxi Chengkai Investment Development Co., Ltd to transfer its 46.67% equity (paid-in capital contribution RMB 140 million), parity (RMB 140 million) of Wuxi Economic Development Golden Bay Technology Pioneering Industrial Park Co., Ltd to Jiangsu Wuxi Economic Development Zone Finance Bureau.

11. Other equity instrument investments

(1) Investment of other equity instruments

Items	Closing balance
Wuxi Binhu Xingfu Community Bank Co., Ltd	5,000,000.00
Wuxi Pakesi Decoration Product Co., Ltd	
Wuxi Xinghu Environmental Cleaning Co., Ltd	2,000,000.00
Total	7,000,000.00

(2) Investment of non-transactional equity instruments

Items	Dividend income recognized in the current period	Cumulative gains	Cumulative losses	Amount of other comprehensive income transferred to retained earnings	Reasons for designating to measure at fair value with changes included in other comprehensive income	Reasons for other comprehensive income transferred to retained earnings
Wuxi Binhu Xingfu Community Bank Co., Ltd						
Wuxi Pakesi Decoration Product Co., Ltd						
Wuxi Xinghu Environmental Cleaning Co., Ltd						
Total						

Note: The company's subsidiary Wuxi Chengkai Investment Development Co., Ltd (hereinafter referred to as "Chengkai Investment Company") held 14.0425% equity of Wuxi Pakesi Decoration Product Co., Ltd (hereinafter referred to as "Pakesi Company"), with a cost of USD 66,000, equivalent to RMB 557,000.00. Due to poor management, policy change and other reasons, Pakesi Company gradually stopped business activities, unable to hold shareholder's meeting in accordance with the

articles of association. The company came to a serious business deadlock, and Chengkai Investment Company filed a lawsuit against Pakesi Company in July 2021, requesting to dissolve Pakesi Company and bearing the expense of lawsuit. Due to the estimated low recoverability of this investment, fair value of this investment on the balance sheet date was set at RMB 0.00, and gains and losses from changes in fair value were recognized.

12. Other non-current financial assets

Items	Closing balance
Financial assets classified as measuring at fair value with change recorded in current profits and losses	50,340,478.24
Of which: debt instrument investment	
Equity instrument investment	50,340,478.24
Derivative financial assets	
Mixed instrument investment	
Other	
Financial assets measured at fair value with changes included in current profits and losses	
Of which: debt instrument investment	
Mixed instrument investment	
Other	
Total	50,340,478.24

(1) Other non-current financial asset investment

Investee		Book balance				
	Opening balance	Increase in current period	Fair value changes	Decrease in current period	Merge reduction	Closing balance
Wuxi Jinfengyu Investment Partnership Enterprise (Limited Partnership)	30,000,000.00					30,000,000.00
Huaruan Emerging Venture Capital Wuxi Partnership Enterprise (Limited Partnership)	6,457,530.49				6,457,530.49	
Huaruan Growth Venture Capital Wuxi Partnership Enterprise (Limited Partnership)	10,000,000.00				10,000,000.00	
Wuxi Jinkong Yuanyue Investment Enterprise (Limited Partnership)	24,000,000.00			3,600,000.00	20,400,000.00	
Wuxi Huallywood Cultural Industry Investment Enterprise (Limited Partnership)	6,895,000.00				6,895,000.00	
Maide Intelligent Technology (Wuxi)	20,000,000.00				20,000,000.00	

Investee		Book balance				
	Opening balance	Increase in current period	Fair value changes	Decrease in current period	Merge reduction	Closing balance
Co., Ltd						
Wuxi Yuantian Consulting Management Partnership Enterprise (Limited Partnership)	66,000,000.00			66,000,000.00		
Jiangsu Quanying Intelligent Medical Technology Co., Ltd	20,000,000.00				20,000,000.00	
Wuxi Guolian Guokang Health Industry Investment Center (Limited Partnership)	150,000,000.00	100,000,000.00			250,000,000.00	
Jiangsu Yuanqing Power Technology Co., Ltd	5,000,000.00				5,000,000.00	
Wuxi Jinling Medical Care Venture Capital Partnership Enterprise (Limited Partnership)	40,000,000.00				40,000,000.00	
Fengjia (Wuxi) Technology Development Investment Fund (Limited Partnership)	20,000,000.00				20,000,000.00	
Wuxi Jinyuan Rongxin Investment Partnership Enterprise (Limited Partnership)	51,100,000.00			51,100,000.00		
Wuxi Jincheng Venture Capital Binhu Enterprise (Limited Partnership)	25,000,000.00				25,000,000.00	
Wuxi Jinyuan Rongda Investment Partnership Enterprise (Limited Partnership)	115,000,000.00	30,000,000.00			145,000,000.00	
Wuxi Digital Film Industry Co., Ltd	65,000,000.00				65,000,000.00	
Wuxi Jinkong Yuanyue Investment Enterprise (Limited Partnership)	2,000,000.00			300,000.00	1,700,000.00	
Wuxi Jinyuan Rongxin Industrial Investment Enterprise (Limited Partnership)	9,020,000.00				9,020,000.00	
Wuxi Jinyuan	20,000.00				20,000.00	

Investee		Book balance				
	Opening balance	Increase in current period	Fair value changes	Decrease in current period	Merge reduction	Closing balance
Rongda Investment Partnership Enterprise (Limited Partnership)						
Wuxi Dingqi Ronghui Investment Partnership Enterprise (Limited Partnership)		1,000,000.00				1,000,000.00
Shanghai Petrochemical Co., Ltd	1,050,000.00		1,139,250.00			2,189,250.00
Bank of Jiangsu	550,000.00	1,120,533.75	5,480,694.49			7,151,228.24
Investment funds of Wuxi Jinyuan Keyuan Investment Partnership Enterprise (Limited Partnership)		10,000,000.00				10,000,000.00
Total	667,092,530.49	142,120,533.75	6,619,944.49	121,000,000.00	644,492,530.49	50,340,478.24

13. Investment real estate

(1) Investment real estate measured at fair value

Items	Houses, buildings	Land use right	Total
I. Opening balance	4,495,352,900.00		4,495,352,900.00
II. Changes in current period			
Add: outsourced			
Inventory\fixed assets\construction in progress transfer-in			
Increase in business combination			
Less: disposal			
Other transfer-out			
Fair value changes	26,900,600.00		26,900,600.00
III. Closing balance	4,522,253,500.00		4,522,253,500.00

(2) The company had no investment real estate without handling property ownership certificate.

(3) According to the Asset Appraisal Report of Su Hua Appraisal Report [2022] No.H015 issued by the Jiangsu Huaxin Asset Appraisal Co., Ltd on 23 March 2022, the company's subsidiary Wuxi Binhu Urban Construction Investment Co., Ltd recognized that the fair value of investment real estate on the appraisal benchmark date of 31 December 2021 was RMB 2,427,453,500.00 and the added value of appraisal was RMB 18,700,600.00.

According to the Asset Appraisal Report of Wanlong Appraisal Report (2022) No.10069 issued by the Wanlong (Shanghai) Asset Appraisal Co., Ltd on 4 March 2022, the company's subsidiary Wuxi Xixi New Town Industrial Development Group Co., Ltd recognized that the fair value of investment real estate on the appraisal benchmark date of 31 December 2021 was RMB 2,094,800,000.00 and the added

value of appraisal was RMB 8,200,000.00.

(4) The book value of corporate investment real estate used for mortgage borrowings at the end of period was RMB 3,255,614,000.00.

14. Fixed assets

Items	Closing balance	Previous year ending balance
Fixed assets	823,195,062.52	588,099,308.90
Fixed asset liquidation	5,499.40	
Total	823,200,561.92	588,099,308.90

(1) Fixed assets

① Fixed assets are as follows:

Items	Houses and buildings	Transportation equipment	Office and electronic devices	Machinery equipment	Other devices	Total
I. Original book value						
1. Opening balance	861,924,788.45	5,432,504.22	33,258,653.00	15,860,003.85	1,779,085.27	918,255,034.79
2. Increased amount in current period	366,697,838.03	633,044.12	4,125,646.00	112,000.00	71,810.90	371,640,339.05
(1) Purchase	87,086,183.54	633,044.12	3,502,546.00	112,000.00	71,810.90	91,405,584.56
(2) Allocation increase	265,936,185.53		623,100.00			266,559,285.53
(3) Transfer of engineering under construction	13,675,468.96					13,675,468.96
3. Decreased amount in current period	66,857,275.05	109,988.00	20,400.00	15,000.00		67,002,663.05
(1) Disposal or scraping	61,717,831.25	109,988.00	20,400.00	15,000.00		61,863,219.25
(2) Other decrease	5,139,443.80		2,787.00			5,142,230.80
4. Closing balance	1,161,765,351.43	5,955,560.34	37,363,899.00	15,957,003.85	1,850,896.17	1,222,892,710.79
II. Cumulative depreciation						
1. Opening balance	285,556,141.47	4,494,648.02	25,757,290.31	13,254,992.73	1,092,653.36	330,155,725.89
2. Increased amount in current period	88,057,602.35	300,361.54	2,842,830.49	598,762.56	145,624.03	91,945,180.97
(1) Provision	54,711,630.41	300,361.54	2,366,956.32	598,762.56	145,624.03	58,123,334.86
(2) Allocation increase	33,345,971.94		475,874.17			33,821,846.11
3. Decreased amount in current period	22,286,168.39	104,488.60	2,626.60	9,975.00		22,403,258.59
(1) Disposal or scraping	21,777,577.60	104,488.60	2,626.60	9,975.00		21,894,667.80
(2) Transfer to construction in progress	508,590.79		2,787.00			511,377.79
4. Closing balance	351,327,575.43	4,690,520.96	28,597,494.20	13,843,780.29	1,238,277.39	399,697,648.27

Items	Houses and buildings	Transportation equipment	Office and electronic devices	Machinery equipment	Other devices	Total
III. Provision for impairment						
1. Opening balance						
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. Period-end book value	810,437,776.00	1,265,039.38	8,766,404.80	2,113,223.56	612,618.78	823,195,062.52
2. Book value at the beginning of year	576,368,646.98	937,856.20	7,501,362.69	2,605,011.12	686,431.91	588,099,308.90

② At the end of period, the book value of fixed assets without handling property ownership certificate was RMB 376,575,472.09.

③ No house building with restricted mortgage at the end of period.

(2) Fixed asset liquidation

Items	Closing balance	Previous year ending balance
Transportation equipment	5,499.40	
Total	5,499.40	

15. Construction in process

Items	Closing balance	Previous year ending balance
Construction in process	33,536,040.04	308,552,740.04
Engineering materials		
Total	33,536,040.04	308,552,740.04

(1) Construction in process

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
Banquet hall and computer room renovation	18,418,596.47		18,418,596.47	17,494,941.65		17,494,941.65
Changguangxi Hotel Project	4,214,748.82	4,214,748.82		4,214,748.82	4,214,748.82	

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Lingli Center Mall decoration engineering	15,117,443.57		15,117,443.57	13,766,142.71		13,766,142.71
Organic Ecological (Tea) Industry Upgrade Project				277,291,655.68		277,291,655.68
Total	37,750,788.86	4,214,748.82	33,536,040.04	312,767,488.86	4,214,748.82	308,552,740.04

② Changes of important construction in progress in current period

Name of projects	Opening balance	Increased amount in current period	Current transfer in of fixed assets	Other current reductions	Closing balance
Banquet hall and computer room renovation	17,494,941.65	14,599,123.78	13,675,468.96		18,418,596.47
Lingli Center Mall decoration engineering	13,766,142.71	1,351,300.86			15,117,443.57
Organic Ecological (Tea) Industry Upgrade Project	277,291,655.68			277,291,655.68	
Total	308,552,740.04	15,950,424.64	13,675,468.96	277,291,655.68	33,536,040.04

16. Intangible assets

(1) Intangible assets

Items	Land use right	Trademark	Software	Total
I. Original book value				
1. Opening balance	70,320,048.93	41,100.00	10,000.00	70,371,148.93
2. Increased amount in current period			37,200.00	37,200.00
(1) Purchase			37,200.00	37,200.00
(2) Increase in business combination				
(3) Other increases				
3. Decreased amount in current period	27,293,392.46			27,293,392.46
(1) Disposal	27,293,392.46			27,293,392.46
(2) Decrease of enterprise consolidation				
(3) Other decreases				
4. Closing balance	43,026,656.47	41,100.00	47,200.00	43,114,956.47
II. Accumulated amortization				
1. Opening balance	18,820,954.04	41,100.00	10,000.00	18,872,054.04
2. Increased amount in current period	1,075,666.41		3,750.00	1,079,416.41
(1) Provision	1,075,666.41		3,750.00	1,079,416.41
(2) Other increases				
3. Decreased amount in current	7,304,996.13			7,304,996.13

Items	Land use right	Trademark	Software	Total
period				
(1) Disposal	7,304,996.13			7,304,996.13
(2) Decrease of enterprise consolidation				
(3) Other decreases				
4. Closing balance	12,591,624.32	41,100.00	13,750.00	12,646,474.32
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	30,435,032.15		33,450.00	30,468,482.15
2. Book value at the beginning of year	51,499,094.89			51,499,094.89

(2) No land use right without handling property ownership certificate at the end of period.

(3) No intangible asset with restricted ownership or use right at the end of period.

17. Long-term prepaid expense

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Decoration fees	3,850,634.75		1,128,497.78		2,722,136.97
Total	3,850,634.75		1,128,497.78		2,722,136.97

18. 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 income tax assets	Deductible temporary difference	Deferred income tax assets
Asset impairment reserve	128,135,907.31	32,033,976.84	145,745,110.45	36,436,277.62
Fair value changes of other equity instrument investments	557,000.00	139,250.00		
Total	128,692,907.31	32,173,226.84	145,745,110.45	36,436,277.62

(2) Details of non-offset deferred tax liabilities

Items	Closing balance		Previous year ending balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Increase and decrease in fair value of investment properties	1,777,621,935.74	444,405,483.94	1,750,721,335.74	437,680,333.94

Items	Closing balance		Previous year ending balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Increase and decrease in fair value of tradable financial assets	6,619,944.49	1,654,986.12		
Total	1,784,241,880.23	446,060,470.06	1,750,721,335.74	437,680,333.94

(3) Unrecognized deferred income tax assets

Items	Closing balance	Previous year ending balance
Deductible temporary difference	25,112,113.91	25,054,807.92
Total	25,112,113.91	25,054,807.92

Note: Given uncertainty of whether to obtain sufficient taxable income amount in the future, there was no deductible temporary difference recognized as deferred income tax assets.

19. Short-term borrowings

(1) Short-term loan classification

Items	Closing balance	Previous year ending balance
Security borrowings	1,445,500,000.00	1,218,050,000.00
Payable interests of short-term loan		
Total	1,445,500,000.00	1,218,050,000.00

20. Bills payable

Category	Closing balance	Previous year ending balance
Commercial acceptance bill	200,000,000.00	950,000,000.00
Bank acceptance bill	912,600,000.00	100,000,000.00
Letter of credit	95,000,000.00	
Total	1,207,600,000.00	1,050,000,000.00

21. Accounts payable

(1) List of payables

Items	Closing balance	Previous year ending balance
Land fund	49,677,360.00	49,677,360.00
Project funds	228,088,029.18	213,281,657.21
Loan	8,203,429.16	8,233,818.69
Other	4,837,354.93	4,837,354.93
Total	290,806,173.27	276,030,190.83

(2) Major payables aged over 1 year

Items	Closing balance	Reasons for outstanding or carrying over
Taihu Digital Animation Development Co., Ltd	49,677,360.00	Land funds unsettled
Wuxi Jinsheng Greening Co., Ltd	65,084,450.23	Not settled
Wuxi Metro Jiu'an Concrete Industry Co., Ltd	38,459,897.50	Not settled

Items	Closing balance	Reasons for outstanding or carrying over
Wuxi Shida Construction Co., Ltd	15,427,755.07	Not settled
Jinhui Construction Group Co., Ltd	9,320,393.00	Not settled
Total	177,969,855.80	

22. Advance receipt

(1) List of advance receipts

Items	Closing balance	Previous year ending balance
Advance collection of housing sales		31,275,189.00
Advance receipts of rental fee and property expense	2,948,777.45	2,662,381.14
Advance receipts of catering expense		4,274,406.43
Total	2,948,777.45	38,211,976.57

(2) Major advance receipts aged over 1 year

None.

23. Contract liabilities

(1) Contract liability

Items	Closing balance
House sale contract	15,721,143.12
Catering funds	6,450,170.47
Less: Included in other non-current liabilities	
Total	22,171,313.59

24. Payroll payable

(1) Presentation of employee remuneration payable

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Short-term remuneration	1,508,138.50	48,219,004.42	48,043,129.92	1,684,013.00
II. Post-employment welfare - defined contribution plan		3,649,587.73	3,649,587.73	
III. Dismissal benefits				
IV. Other benefits due within one year				
Total	1,508,138.50	51,868,592.15	51,692,717.65	1,684,013.00

(2) Presentation of short-term remuneration

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
1. Wages, bonuses, allowances and subsidies	1,508,138.50	42,338,843.14	42,162,968.64	1,684,013.00
2. Employee services and benefits		1,050,439.02	1,050,439.02	
3. Social insurance premiums		2,317,437.58	2,317,437.58	
Of which: medical insurance premium		2,073,015.89	2,073,015.89	
Work-related injury insurance		15,847.92	15,847.92	

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
premium				
Birth insurance premium		228,573.77	228,573.77	
4. Housing fund		2,191,573.00	2,191,573.00	
5. Trade union funds and staff education funds		320,711.68	320,711.68	
6. Short-term paid absences				
7. Short-term profit sharing plan				
Total	1,508,138.50	48,219,004.42	48,043,129.92	1,684,013.00

(3) Presentation of defined contribution plan

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
1. Basic endowment insurance		3,608,452.32	3,608,452.32	
2. Unemployment insurance premium		41,135.41	41,135.41	
3. Payment of enterprise annuity				
Total		3,649,587.73	3,649,587.73	

25. Taxes payable

Items	Closing balance	Previous year ending balance
VAT	104,531,730.25	90,577,056.79
Stamp duty	1,045,036.63	1,093,749.51
Urban maintenance and construction tax	7,620,572.51	6,605,898.57
Housing tax	43,544,893.45	42,578,670.56
Corporate income tax	330,022,289.28	294,721,945.16
Land use tax	290,441.88	3,425.19
Education surcharge	5,363,458.42	4,638,629.02
Flood Control Security Fund		8,536.64
Individual income tax	820.00	820.00
Total	492,419,242.42	440,228,731.44

26. Other payables

Items	Closing balance	Previous year ending balance
Interest payable		80,659,308.44
Dividends payable		
Other payables	992,247,212.45	977,926,643.74
Total	992,247,212.45	1,058,585,952.18

(1) Interest payable

Items	Closing balance	Previous year ending balance
Bond interest payable		79,209,876.71
Financial lease borrowing interest		1,449,431.73
Total		80,659,308.44

(2) Other payables

① Presented by fund nature

Items	Closing balance	Previous year ending balance
Margin deposit	27,874,676.70	7,938,957.49
Expense collected and paid on behalf	43,987,794.51	34,593,619.22
Transaction accounts	910,985,735.45	923,768,383.38
Other	9,399,005.79	11,625,683.65
Total	992,247,212.45	977,926,643.74

② Important other payables aging over 1 year

Items	Closing balance	Reasons for outstanding or carrying over
Wuxi Binhu Business Travel Culture Development Co., Ltd	210,200,000.00	Not settled
Jiangsu Fu'an Investment Group Co., Ltd	84,542,898.08	Not settled
Wuxi Aidi Real Estate Development Co., Ltd	17,506,061.03	Not settled
Wuxi Hudai Culture Entertainment Town	15,000,000.00	Not settled
Wuxi Huahuiyuan Flower Management Division	15,000,000.00	Not settled
Total	342,248,959.11	

③ Other payables of the Top 5 closing balance classified by the overdue party:

Name of entity	Nature of funds	Relationship with the Company	Closing balance	Aging	Proportion to total closing balance of other payables (%)
Wuxi Chengkai Construction Co., Ltd	Transaction accounts	Associated party	199,400,000.00	Within 1 year	20.10
Wuxi Jinsheng Greening Co., Ltd	Transaction accounts	Unassociated party	182,694,178.60	Within 1 year	18.41
Jiangsu Fu'an Investment Group Co., Ltd	Transaction accounts	Unassociated party	84,542,898.08	2-3 years, over 3 years	8.52
Jiangsu Province Wuxi Liyuan Economic Development Zone Management Committee	Transaction accounts	Unassociated party	75,000,000.00	Over 5 years	7.56
Wuxi Hubin Construction Investment Development Co., Ltd	Transaction accounts	Associated party	75,000,000.00	Over 5 years	7.56
Total			616,637,076.68		62.15

27. Non-current liabilities due within one year

Items	Closing balance	Previous year ending balance
Long-term loans due within 1 year (Note VI. 29)	1,994,000,000.00	1,636,350,000.00
Bonds payable due within 1 year (Note VI. 30)	190,000,000.00	
Long-term payables due within 1 year (Note VI. 31)	90,076,138.76	226,814,860.69
Interest payable on bonds payable due within one year (Note VI 30)	81,930,753.42	
Interest payable on long-term payables due within one year (Note VI 31)	802,627.58	

Items	Closing balance	Previous year ending balance
Total	2,356,809,519.76	1,863,164,860.69

28. Other current liabilities

Items	Closing balance	Previous year ending balance
Substituted money on VAT to be transferred	1,801,913.11	
Total	1,801,913.11	

29. Long-term borrowing

Items	Closing balance	Previous year ending balance
Credit borrowings	900,000,000.00	1,250,000,000.00
Mortgage borrowings	697,000,000.00	619,000,000.00
Pledge borrowings	420,000,000.00	368,500,000.00
Security borrowings	5,594,400,000.00	5,541,540,000.00
Guarantee + mortgage loan	430,000,000.00	555,000,000.00
Guarantee + pledge loan	315,000,000.00	340,000,000.00
Interests payable on long-term borrowings		
Less: long-term borrowings due within 1 year (Notes VI. 27)	1,994,000,000.00	1,636,350,000.00
Total	6,362,400,000.00	7,037,690,000.00

30. Bonds payable

(1) Bonds payable

Items	Closing balance	Previous year ending balance
20 Xi Development 01	498,483,130.58	497,745,474.33
19 Xixi Special Debt	942,747,429.32	939,656,615.51
20 Xixi 01	498,348,795.94	497,371,042.47
20 Xixi 02	498,841,827.01	498,228,793.26
20 Su Xixi New Town ZR001	9,994,031.11	9,986,572.96
20 Su Xixi New Town ZR002	299,756,367.50	299,553,768.33
21 Xixi New Town PPN001	299,468,130.74	
21 Xixi New Town PPN002	299,460,504.16	
Interest payable on bonds payable	81,930,753.42	
Less: bonds payable due within one year (Note VI. 27)	190,000,000.00	
Less: Interest payable on bonds payable due within one year (Note VI 27)	81,930,753.42	
Total	3,157,100,216.36	2,742,542,266.86

(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
20 Xi Development 01	500,000,000.00	2020/3/21	3	500,000,000.00	497,745,474.33
19 Xixi Special Debt	950,000,000.00	2019/4/25	7	950,000,000.00	939,656,615.51

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
20 Xixi 01	500,000,000.00	2020/8/12	3	500,000,000.00	497,371,042.47
20 Xixi 02	500,000,000.00	2020/9/14	3	500,000,000.00	498,228,793.26
20 Su Xixi New Town ZR001	10,000,000.00	2020/1/21	3	10,000,000.00	9,986,572.96
20 Su Xixi New Town ZR002	300,000,000.00	2020/3/18	3	300,000,000.00	299,553,768.33
21 Xixi New Town PPN001	300,000,000.00	2021/8/19	3	300,000,000.00	
21 Xixi New Town PPN002	300,000,000.00	2021/9/3	3	300,000,000.00	
Subtotal	3,360,000,000.00			3,360,000,000.00	2,742,542,266.86
Less: partial ending balance due within one year (Note VI. 27)					
Total	3,360,000,000.00			3,360,000,000.00	2,742,542,266.86

(Continued)

Bond name	Issue in current period	Accrued interest at face value	Premium discount amortization	Repayment in the current period	Closing balance
20 Xi Development 01		11,765,068.49	737,656.25		498,483,130.58
19 Xixi Special Debt		34,030,821.92	3,090,813.81		942,747,429.32
20 Xixi 01		8,556,575.34	977,753.47		498,348,795.94
20 Xixi 02		7,056,986.30	613,033.75		498,841,827.01
20 Su Xixi New Town ZR001		498,068.49	7,458.15		9,994,031.11
20 Su Xixi New Town ZR002		11,705,424.66	202,599.17		299,756,367.50
21 Xixi New Town PPN001	300,000,000.00	4,405,479.45	-531,869.26		299,468,130.74
21 Xixi New Town PPN002	300,000,000.00	3,912,328.77	-539,495.84		299,460,504.16
Subtotal	600,000,000.00	81,930,753.42	4,557,949.50		3,347,100,216.36
Less: partial ending balance due within one year (Note VI. 27)		81,930,753.42			190,000,000.00
Total	600,000,000.00		4,557,949.50		3,157,100,216.36

31. Long-term accounts payable

Items	Closing balance	Previous year ending balance
Long-term accounts payable	45,333,430.53	193,058,831.22
Special accounts payable		
Total	45,333,430.53	193,058,831.22

(1) Long-term accounts payable

Items	Closing balance	Previous year ending balance
Shanghai Yuansheng Financial Leasing Co., Ltd	17,564,309.76	68,599,280.04
Huaxia Financial Leasing Co., Ltd.	78,426,826.36	117,278,865.31
CITIC Financial Leasing Co., Ltd.		41,265,251.94
Suyin Financial Leasing Co., Ltd.	39,418,433.17	68,772,085.27
Far East Financial Leasing Co., Ltd		123,958,209.35
Interest payable on long-term payable	802,627.58	
Less: long-term payables due within one year (Note VI, 27)	90,076,138.76	226,814,860.69
Less: Interest payable on long-term payables due within one year (Note VI 27)	802,627.58	
Total	45,333,430.53	193,058,831.22

32. Paid-in capital

Name of investors	Opening balance	Increase in current period	Decrease in current period	Closing balance
Wuxi Binhu State-owned Capital Investment Co., Ltd	1,152,000,000.00	1,083,000,000.00		2,235,000,000.00
Total	1,152,000,000.00	1,083,000,000.00		2,235,000,000.00

Note: On 1 April 2021, paid-in capital was increased by RMB 70,000,000, and on 9 April 2021, paid-in capital was increased by RMB 65,000,000. This capital increase totaled RMB 135,000,000, fully paid in two installments by Wuxi Binhu District State-owned Capital Investment Co., Ltd. This capital contribution event was verified by Wuxi Xinda Accounting Firm on 12 April 2021, and capital verification report of "Xi Xin Accounting Firm Internal Verification [2021] No.003" was issued.

On 28 October 2021, paid-in capital was increased by RMB 248,000,000. This capital contribution event was verified by Wuxi Yuheng Accounting Firm (General Partnership) on 29 October 2021, and capital verification report of "Yuheng Verification [2021] No.5120" was issued.

On 24 November 2021, paid-in capital was increased by RMB 700,000,000. This capital contribution event was verified by Wuxi Yuheng Accounting Firm (General Partnership) on 25 November 2021, and capital verification report of "Yuheng Verification [2021] No.5126" was issued. After the capital increase event was completed this year, Wuxi Binhu District State-owned Capital Investment Co., Ltd subscribed capital contribution of RMB 5,000,000,000, and paid-in capital contribution was RMB 2,235,000,000.

33. Capital reserve

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Capital stock premium				
Other capital reserves	10,590,702,902.47	232,737,439.42	1,196,263,118.72	9,627,177,223.17
Total	10,590,702,902.47	232,737,439.42	1,196,263,118.72	9,627,177,223.17

Note: The capital reserve increased by RMB 232,737,439.42 this year, of which RMB 206,074,834.13 was the assets transferred in according to the Document Xi Bin District Assets Committee Release [2020] No.26 Notice on Allocating District-level Assets at 43 Places Including 512 Liangqing Road to District Chengkai Company issued by Wuxi Binhu District State-owned Assets

Management Committee, and RMB 26,662,605.29 was the real estate at 33 Shungeng Road Hudai Industrial Park transferred in by Wuxi Binhu District Transportation Bureau in 2021. The capital reserve decreased by RMB 1,196,263,118.72 this year, of which RMB 1,176,263,118.72 was free transfer of 100.00% equity of Wuxi Liangxi Venture Capital, 100.00% equity of Wuxi Jinyuan Venture Capital Co., Ltd and 100.00% equity of Wuxi Yuanyue Investment Management Co., Ltd held by the company's subsidiary Wuxi Chengkai Investment Development Co., Ltd to Wuxi Binhai Investment Holding Co., Ltd (current name: Wuxi Binhu Science and Technology Venture Capital Group Co., Ltd) according to the Document Xi Bin Finance [2021] No.76 Reply for Agreeing Free Transfer Matters of the Equity Held by Wuxi Chengkai Investment Development Co., Ltd issued by Wuxi Binhu District Finance Bureau on 29 December 2021, and additionally, RMB 20,000,000.00 was the equity investment funds receivable of Wuxi Binhu District Finance Bureau originally transferred out from equity of Wuxi Shibawan Agricultural Eco-tourism Development Co., Ltd, to offset capital reserve in 2021.

34. Other comprehensive incomes

Items	Balance at the end of last year	Amount incurred in current period					Closing balance
		Actual amounts incurred before income tax for the current period	Less: included in other comprehensive incomes in previous period transferred into profits and losses (or retained earnings) in current period	Less: income tax expenses	After-tax parent company' s attributable share	After-tax minority shareholders' attributable share	
I. Other comprehensive incomes not to be reclassified into profits and losses		-557,000.00		-139,250.00	-417,750.00		-417,750.00
Of which: fair value changes of other equity instrument investments		-557,000.00		-139,250.00	-417,750.00		-417,750.00
Fair value changes of corporate credit risks							
II. Other comprehensive income reclassified into profit and loss	974,920,011.78						974,920,011.78
Of which: other comprehensive incomes of transferable profits and losses under the equity method							
Initial measurement of	974,920,011.78						974,920,011.78

Items	Balance at the end of last year	Amount incurred in current period					Closing balance
		Actual amounts incurred before income tax for the current period	Less: included in other comprehensive incomes in previous period transferred into profits and losses (or retained earnings) in current period	Less: income tax expenses	After-tax parent company' s attributable share	After-tax minority shareholders' attributable share	
investment real estate							
Total	974,920,011.78	-557,000.00		-139,250.00	-417,750.00		974,502,261.78

35. Surplus reserve

Items	Previous year ending balance	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	3,104,623.42				3,104,623.42
Discretionary surplus reserve					
Total	3,104,623.42				3,104,623.42

Note: Pursuant to provisions of the Company Law and articles of association, the company withdraws the statutory surplus reserve as per 10% of net profits. If the cumulative amount of statutory surplus reserve reaches more than 50% of the corporate registered capital, it shall no longer be withdrawn.

After the company has drawn the statutory surplus reserve fund, it may draw discretionary surplus reserve fund. Upon approval, the discretionary surplus reserve fund may be used to compensate for losses in previous years or increase capital stock.

36. Undistributed profits

Items	The current period	Last period
Undistributed profit at the end of the prior year before adjustment	1,572,146,932.47	1,346,542,626.45
Total adjusted undistributed profits at the beginning of year (increase +, decrease -)		
Year-beginning undistributed profit after adjustment	1,572,146,932.47	1,346,542,626.45
Plus: Net profit attributable to shareholders of parent company in current period	239,785,695.66	225,604,306.02
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	1,811,932,628.13	1,572,146,932.47

37. Operating incomes and operating costs

(1) Operating income and operating cost

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Main business	1,533,897,772.11	1,239,277,829.93	1,673,772,202.96	1,366,436,084.46
Other businesses	28,295,163.29	21,739,783.43	20,799,009.87	15,772,832.11
Total	1,562,192,935.40	1,261,017,613.36	1,694,571,212.83	1,382,208,916.57

(1) Main business

Name of business	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Rental fee and venue rental fee income	156,716,733.81	15,184,486.24	139,848,202.21	14,765,168.32
Engineering construction incomes	484,061,159.55	433,095,377.33	533,833,373.02	478,503,307.28
Hotel income	37,386,140.43	12,935,623.73	29,863,308.20	10,999,623.25
Property expense income	24,181,744.02	39,814,801.65	9,533,638.35	15,160,445.11
Primary land consolidation development	337,926,440.97	307,205,855.42	397,560,518.78	361,418,653.44
Resettlement house income	407,314,653.85	370,286,048.96	479,193,710.41	435,630,645.83
Property and lease	47,998,306.59	34,092,049.60	32,004,130.87	16,828,636.15
Commodity house income	37,575,692.64	26,663,587.00	50,804,003.66	33,129,605.08
Management fee income	736,900.25		1,131,317.46	
Total	1,533,897,772.11	1,239,277,829.93	1,673,772,202.96	1,366,436,084.46

(2) Other businesses

Name of product	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Other incomes	28,003,901.15	21,739,783.43	19,604,042.88	15,772,832.11
Capital occupancy expense	291,262.14		1,194,966.99	
Total	28,295,163.29	21,739,783.43	20,799,009.87	15,772,832.11

38. Taxes and surcharges

Items	Current amount	Amount last year
Urban maintenance and construction tax	1,506,899.30	1,401,819.19
Education surcharge	1,066,939.44	1,001,631.38
Increment tax on land value	3,359,632.68	4,549,162.55
Housing tax	7,002,081.93	3,184,494.58
Land use tax	1,841,084.23	1,157,759.57
Stamp duty	950,258.41	401,128.28
Environmental tax	12,558.00	32,013.67
Other	8,837.35	
Total	15,748,291.34	11,728,009.22

Notes: As for the payment standard of taxes and fees, please refer to Note V Tax Items.

39. Financial expenses

Items	Current amount	Previous amount
Interest expenses	17,907,414.83	18,597,569.62
Less: interest income	4,112,966.33	2,786,965.56
Bank handling fee	580,124.50	1,872,570.79
Other financing costs		2,803,472.22
Total	14,374,573.00	20,486,647.07

40. Other revenues

Items	Current amount	Previous amount
Government grants related to daily business activities	68,850,854.49	52,056,202.14
Refund of the withheld personal income tax handling fee	241.97	
Total	68,851,096.46	52,056,202.14

Among them, government grants are as follows:

Subsidy item	Current amount	Previous amount
Financial subsidy such as resettlement house, engineering construction, etc.	59,346,400.00	50,000,000.00
Subsidy for quality and efficiency improvement of farmland in Hudai Town Binhu District		831,970.81
Subsidies for keeping employment stable	274,064.28	848,373.26
Subsidy for construction of municipal and district-level qualified district with beautiful environment		315,000.00
Long-term subsidy for river and home pond	100,000.00	60,858.07
Special subsidy for old residential quarters	7,989,552.00	
Anti-epidemic national debt (subsidy for shops)	844,059.00	
Additional deduction of taxes and surcharges	143,806.48	
Other	152,972.73	
Total	68,850,854.49	52,056,202.14

41. Investment income

Items	Current amount	Previous amount
Long-term equity investment incomes by equity methods	177,392.34	272,021.72
Investment incomes generated by the disposal of long-term equity investments	204,215.63	-6,941.39
Investment income earned from available-for-sale financial assets		3,222,902.89
Investment income obtained when holding other non-current financial assets	39,196,983.78	
Total	39,578,591.75	3,487,983.22

42. Proceed from fair value variance

Source of profit from fluctuation of fair value	Current amount	Previous amount
Changes in fair value of other non-current financial assets	6,619,944.49	
Investment real estate measured at fair value	26,900,600.00	48,502,544.82
Total	33,520,544.49	48,502,544.82

43. Credit impairment losses

Items	Current amount
Bad debt losses of accounts receivable	-169,640.65
Bad debt losses of other receivables	-7,824,923.60
Total	-7,994,564.25

44. Asset impairment losses

Items	Current amount	Previous amount
Bad debt losses	——	9,380,045.91
Total		9,380,045.91

45. Asset disposal gains

Items	Current amount	Previous amount
Fixed asset disposal gains or losses	16,216,946.35	41,626.22
Gains or losses on disposal of intangible assets	6,313,603.38	
Total	22,530,549.73	41,626.22

46. Non-operating income

Items	Current amount	Previous amount
Other	341,871.66	201,123.06
Total	341,871.66	201,123.06

Note: Others mainly include the charged supplementary employee card, washing expense, parking income, etc.

47. Non-operating expenses

Items	Current amount	Previous amount
Donation expenditure	40,000.00	
Fine expenditures	68,462.29	1,048.62
Compensation expense	30,000.00	50,000.00
Other	26,983.28	95,056.31
Total	165,445.57	146,104.93

48. Income tax expenses

(1) Income Tax Expense Statement

Items	Current amount	Previous amount
Current income tax expense	35,768,800.23	52,391,881.98
Deferred income tax expenses	6,397,036.90	4,717,207.24
Total	42,165,837.13	57,109,089.22

49. Supplementary information of Cash Flow Statement

(1) Supplementary information of Cash Flow Statement

Supplementary information	Current amount	Previous amount
1. Net profits adjusted to cash flow from operating activities:		
Net profits	259,271,879.09	225,652,433.77
Add: provision for impairment of assets		-9,380,045.91
Credit impairment losses	7,994,564.25	
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	58,123,334.86	40,973,728.12
Amortization of intangible assets	1,079,416.41	4,136,473.47
Amortization of long-term prepaid expenses	1,128,497.78	1,325,557.57
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "-")	-22,530,549.73	-41,626.22
Losses of fixed asset scrapping (revenues marked with "-")		
Fair value change losses (revenues marked with "-")	-33,520,544.49	-48,502,544.82
Financial costs (revenues marked with "-")	17,907,414.83	21,401,041.84
Investment losses (revenues marked with "-")	-39,578,591.75	-3,487,983.22
Decrease of deferred income tax assets (increase marked with "-")	-1,983,099.22	-7,408,428.97
Increase of deferred income tax liabilities (decrease marked with "-")	8,380,136.12	12,125,636.21
Decrease of inventory (increase marked with "-")	-900,332,220.58	444,848,818.48
Decrease of operational receivables (increase marked with "-")	152,929,119.27	-1,966,862,902.50
Increase of operational payables (decrease marked with "-")	215,571,237.18	-156,566,716.77
Other		
Net cash flow from operating activities	-275,559,405.98	-1,441,786,558.95
2. Major investing and financing activities uninvolving 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	1,988,336,315.15	2,022,720,265.70
Less: opening balance of cash	2,022,720,265.70	1,107,376,371.51
Add: Ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase of cash and cash equivalents	-34,383,950.55	915,343,894.19

(2) Composition of cash and cash equivalents

Items	Closing balance	Opening balance
I. Cash	1,988,336,315.15	2,022,720,265.70
Of which: cash on hand	73,261.36	74,987.51
Bank deposits for payment at any time	1,987,288,586.61	2,022,645,278.19
Other monetary assets for payment at any time	974,467.18	

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	1,988,336,315.15	2,022,720,265.70
Of which: cash and cash equivalents with restricted use by the parent company or group subsidiaries		

Notes: Cash and cash equivalents exclude the cash and cash equivalents with restricted use of parent company or subsidiaries in the group.

50. Assets with limited ownership or right of use

Items	Period-end book value	Limited reasons
Monetary fund	866,000,000.00	Note deposit
Investment real estate	3,255,614,000.00	Mortgage for borrowings
Total	4,121,614,000.00	

VII. Consolidation scope changes

1. Business combination under different control

(1) Business combination under different control in current period

None.

2. Business combination under the same control

(1) Business combination under different control in current period

None.

3. Disposal of the subsidiaries

None.

4. Changes in consolidation scope for other reasons

(1) Subsidiaries, structural entities or other controlling business entities excluded in consolidation scope in 2021.

Name of enterprise	Reason for non-merge
Wuxi Liangxi Venture Capital Co., Ltd	Transfer out
Wuxi Jinyuan Venture Capital Co., Ltd	Transfer out
Wuxi Yuanyue Investment Management Co., Ltd	Transfer out

Note: According to the Document Xi Bin Finance [2021] No.76 Reply for Agreeing Free Transfer Matters of the Equity Held by Wuxi Chengkai Investment Development Co., Ltd issued by Wuxi Binhu District Finance Bureau on 29 December 2021, 100.00% equity of Wuxi Liangxi Venture Capital, 100.00% equity of Wuxi Jinyuan Venture Capital Co., Ltd and 100.00% equity of Wuxi Yuanyue Investment Management Co., Ltd held by the company's subsidiary Wuxi Chengkai Investment Development Co., Ltd were transferred free of charge to Wuxi Binhai Investment Holding Co., Ltd (current name: Wuxi Binhu Science and Technology Venture Capital Group Co., Ltd).

VIII. Equity in other entities

1. Equity in subsidiaries

(1) Composition of corporate group

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Wuxi Binhu Urban Construction Investment Co., Ltd	Wuxi	Wuxi	Commercial service industry	100		Appropriation
Wuxi Binhu Business Travel Culture Development Co., Ltd	Wuxi	Wuxi	Commercial service industry	100		Appropriation
Wuxi Binhu Tourism Development Center Co., Ltd	Wuxi	Wuxi	Commercial service industry		100	Establishment
Wuxi Chengkai Tourism Development Co., Ltd	Wuxi	Wuxi	Public facility management industry		100	Appropriation
Wuxi Binhu State-owned Assets Joint Investment Co., Ltd	Wuxi	Wuxi	Commercial service industry	100		Appropriation
Wuxi Lakeview Hotel Co., Ltd	Wuxi	Wuxi	Catering industry		100	Appropriation
Wuxi Jinxinyuan Property Co., Ltd	Wuxi	Wuxi	Real estate industry		100	Appropriation
Wuxi Binhu Industry Operation Management Co., Ltd	Wuxi	Wuxi	Commercial service industry		100	Appropriation
Wuxi Binhu District Fangguan Property Management Co., Ltd	Wuxi	Wuxi	Real estate industry		100	Appropriation
Wuxi Xixi New Town Industrial Development Group Co., Ltd	Wuxi	Wuxi	Commercial service industry	80		Appropriation
Wuxi Hudai Industrial Park Co., Ltd	Wuxi	Wuxi	Resident service industry		80	Appropriation
Wuxi Hudai Logistics Park Co., Ltd	Wuxi	Wuxi	Road transport industry		80	Appropriation
Jiangsu Wuxi Economic Development Zone Development Co., Ltd	Wuxi	Wuxi	Commercial service industry		80	Appropriation
Wuxi Xixi New Town Urban-rural Integrated Development Co., Ltd	Wuxi	Wuxi	Commercial service industry		80	Appropriation
Wuxi Yongchang Assets Management Co., Ltd	Wuxi	Wuxi	Commercial service industry		80	Appropriation
Wuxi Hengfeng Logistics Co., Ltd	Wuxi	Wuxi	Road transport industry		80	Appropriation
Wuxi Fuyue Economic and Trade Co., Ltd	Wuxi	Wuxi	Wholesale industry		80	Appropriation
Wuxi Shibawan Agricultural Eco-tourism Development Co., Ltd	Wuxi	Wuxi	Public facility management industry		80	Appropriation
Wuxi Taihu Huadu Flower Market Management Co., Ltd	Wuxi	Wuxi	Leasing and business service industry		60	Appropriation
Wuxi Huxing Property Management Co., Ltd	Wuxi	Wuxi	Real estate industry		80	Appropriation

Name of subsidiaries	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Wuxi Huanhu Construction Development Co., Ltd	Wuxi	Wuxi	Commercial service industry		80	Appropriation
Wuxi Jiu'an Real Estate Co., Ltd	Wuxi	Wuxi	Real estate industry		80	Appropriation
Wuxi Hudai Industrial Park Property Management Co., Ltd	Wuxi	Wuxi	Real estate industry		80	Appropriation
Wuxi Huanhu Property Service Co., Ltd	Wuxi	Wuxi	Real estate industry		80	Appropriation
Wuxi Chengkai Investment Development Co., Ltd	Wuxi	Wuxi	Commercial service industry	100		Appropriation

Note: The company's sub-subsidiary Wuxi Chengkai Commercial Operation Management Co., Ltd changed name to Wuxi Binhu Industry Operation Management Co., Ltd on 17 February 2022.

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	
Wuxi Hubin Construction Investment Development Co., Ltd	Wuxi	Wuxi	Commercial service industry		50.00	Equity method
Wuxi Jinyuan Property Management Co., Ltd	Wuxi	Wuxi	Real estate industry		50.00	Equity method
Wuxi Fangjia Material Co., Ltd	Wuxi	Wuxi	Metal product industry		48.94	Equity method
Wuxi Chengkai Construction Co., Ltd	Wuxi	Wuxi	Housing construction industry		40.00	Equity method

3. Equity in structured entities excluded in the scope of consolidated financial statement

None.

IX. 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 (%)
Wuxi Binhu State-owned Capital Investment Co., Ltd	Wuxi	Capital market service	1,000,000.00	100.00	100.00

Note: On 9 December 2021, the registered capital of the company's parent company was changed from RMB 5,000,000,000 to RMB 10,000,000,000. Ultimate controller of the company was Wuxi Binhu District Finance Bureau.

2. Subsidiaries of the Company

See Note VIII. 1. Equity in subsidiaries.

3. Joint ventures and associated enterprises of the company

For important joint ventures and associated enterprises of the company, see Note VIII 2. Equity in joint ventures and associated enterprises.

4. Other associated parties

Name of other associated parties	Relationships between other associated parties and the company
Wuxi Binhu Urban Investment Development Group Co., Ltd	Same parent company
Wuxi Binhu Smart City Science and Technology Group Co., Ltd	Same parent company
Wuxi Binhu Culture and Business Travel Group Co., Ltd	Same parent company
Wuxi Binhu Urban Construction Group Co., Ltd	Same parent company
Wuxi Binhu Science and Technology Venture Capital Group Co., Ltd	Same parent company
Wuxi Binhu Wujia Talent Settlement Group Co., Ltd	Same parent company

5. Conditions of associated party transactions

(1) Associated guarantee

① The company as guarantor (Unit: RMB ten thousand)

Guarantor	Guaranteed party	Guarantee start date	Guarantee due date	Guarantee d Balance
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Jinyuan Property Management Co., Ltd	2021/9/14	2022/9/13	5,000.00
Total				5,000.00

② The Company as the guaranteed

None.

6. Receivables and payables of related parties

(1) Payables

Name of projects	Closing balance	Previous year ending balance
Other payables:		
Wuxi Chengkai Construction Co., Ltd	199,400,000.00	
Wuxi Hubin Construction Investment Development Co., Ltd	75,000,000.00	75,000,000.00
Wuxi Binhu State-owned Capital Investment Co., Ltd	8,000,000.00	
Wuxi Fangjia Material Co., Ltd	1,250,000.00	1,250,000.00
Total	283,650,000.00	76,250,000.00

7. Related party commitment

None.

X. Commitments and contingencies

1. Major commitments

None.

2. Contingencies

(1) Contingent liabilities arising from pending litigation arbitration and the financial impact

① The company's subsidiary Wuxi Chengkai Investment Development Co., Ltd (hereinafter

referred to as "Chengkai Investment Company") held 14.0425% equity of Wuxi Pakesi Decoration Product Co., Ltd (hereinafter referred to as "Pakesi Company"), with a cost of USD 66,000, equivalent to RMB 557,000.00. Due to poor management, policy change and other reasons, Pakesi Company gradually stopped business activities, unable to hold shareholder's meeting in accordance with the articles of association. The company came to a serious business deadlock, and Chengkai Investment Company filed a lawsuit against Pakesi Company in July 2021, requesting to dissolve Pakesi Company and bearing the expense of lawsuit. Wuxi Binhu District People's Court opened a court session for this case on 4 January 2022. As of the date when financial statement was approved for report, the company had been conducting liquidation.

(2) In addition to Note IX 5 related party security, contingent liabilities arising from the company providing debt security for other companies and the financial impact (Unit: RMB ten thousand)

Guarantor units	Secured units	Security start date	Guarantee due date	Guaranteed Balance
Wuxi Chengkai Investment Development Co., Ltd	Jiangsu Wuxi Liyuan Economic Development Zone Development Corporation	2017/3/16	2024/3/15	23,804.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Mashan International Tourism Island Construction Development Co., Ltd	2016/9/27	2025/6/17	7,500.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Mashan International Tourism Island Construction Development Co., Ltd	2016/9/27	2024/6/18	5,000.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Mashan International Tourism Island Construction Development Co., Ltd	2016/9/27	2025/12/16	3,850.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Mashan International Tourism Island Construction Development Co., Ltd	2016/9/27	2025/12/16	2,800.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Mashan International Tourism Island Construction Development Co., Ltd	2016/9/27	2025/12/16	600.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Mashan International Tourism Island Construction Development Co., Ltd	2016/9/27	2025/12/16	250.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Binhu Economic and Technological Development Zone Co., Ltd	2016/2/26	2024/2/25	17,645.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Binhu Economic and Technological Development Zone Co., Ltd	2016/2/26	2024/2/25	11,768.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Binhu Economic and Technological Development Zone Co., Ltd	2016/11/29	2024/2/25	8,710.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Binhu Economic and Technological Development Zone Co., Ltd	2016/7/25	2024/2/25	2,942.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Liyuan Integrated Circuit Design Center Co., Ltd	2021/1/19	2022/1/19	19,700.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi National Industrial Design Park Industry Group	2016/6/8	2023/6/8	26,860.00

Guarantor units	Secured units	Security start date	Guarantee due date	Guaranteed Balance
	Co., Ltd			
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Hubin Xingdao Economic Development Co., Ltd	2016/6/23	2024/6/18	8,535.22
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Xuelang Mountain Ecological Landscape Development Co., Ltd	2019/6/17	2024/6/14	27,499.95
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Landscape Industry Investment Development Group Co., Ltd	2016/9/21	2022/9/21	10,000.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Landscape Industry Investment Development Group Co., Ltd	2017/6/1	2024/12/21	16,362.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Yinrui Oil Pump Co., Ltd	2020/1/19	2022/12/31	4,300.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Kaiensi Precision Machinery Co., Ltd	2020/1/19	2023/1/4	4,300.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Jinling Internal Combustion Engine Parts Co., Ltd	2021/1/19	2022/1/18	15,000.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Jinyuan Yuanli Construction Engineering Co., Ltd	2020/4/28	2023/4/27	3,850.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Kaiensi Precision Machinery Co., Ltd	2020/7/23	2023/7/21	4,400.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Wohongyuan Agricultural Development Co., Ltd	2021/3/2	2022/3/1	10,000.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Jinling Internal Combustion Engine Parts Co., Ltd	2021/6/28	2022/6/28	2,000.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Mingtongxin Machinery Manufacturing Co., Ltd	2021/7/27	2022/7/27	5,000.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Shangmengde Machinery Equipment Co., Ltd	2021/7/9	2022/7/8	5,000.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Jinyuan Information Technology Co., Ltd	2021/11/17	2022/11/16	5,000.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Lianghu Urban Construction Development Co., Ltd	2021/11/4	2031/9/27	1,000.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Yinrui Oil Pump Co., Ltd	2021/12/22	2022/12/16	10,000.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Jinling Internal Combustion Engine Parts Co., Ltd	2021/7/9	2022/7/8	3,000.00
Wuxi Binhu Business Travel Culture Development Co., Ltd	Wuxi Industrial Design Park Development Co., Ltd	2019/12/6	2026/12/4	58,000.00
Wuxi Binhu Business Travel Culture Development Co., Ltd	Wuxi Honghuixing Technology Industry Development Co., Ltd	2021/11/11	2022/11/11	20,000.00
Wuxi Binhu Urban Construction Investment Co., Ltd	Wuxi Hudai Sewage Treatment Co., Ltd	2016/4/19	2025/10/18	26,100.00

Guarantor units	Secured units	Security start date	Guarantee due date	Guaranteed Balance
Wuxi Binhu Urban Construction Investment Co., Ltd	Wuxi Mashan International Tourism Island Construction Development Co., Ltd	2016/2/16	2023/12/31	11,240.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Jinzheng Assets Service Co., Ltd	2017/5/26	2023/5/25	2,000.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Chengkai Property Management Co., Ltd	2017/5/25	2023/5/16	2,000.00
Wuxi Chengkai Investment Development Co., Ltd	Wuxi Binhu Jianwu Development Co., Ltd	2017/1/10	2022/1/9	9,461.00
Wuxi Chengkai Industrial Development Group Co., Ltd	Wuxi Binhu District Chengkai Material Co., Ltd	2021/9/1	2022/8/26	5,000.00
Jiangsu Wuxi Economic Development Zone Development Co., Ltd	Wuxi Jinyuan Yuanli Construction Engineering Co., Ltd	2016/6/29	2025/6/27	39,000.00
Jiangsu Wuxi Economic Development Zone Development Co., Ltd	Wuxi Jinyuan Industrial Investment Development Group Co., Ltd	2016/9/28	2023/9/27	20,000.00
Wuxi Xixi New Town Industrial Development Group Co., Ltd	Wuxi Landscape Industry Investment Development Group Co., Ltd	2016/1/15	2028/1/14	23,400.00
Wuxi Xixi New Town Urban-rural Integrated Development Co., Ltd	Wuxi Rongxiang Historic Block Investment Management Co., Ltd	2015/12/23	2023/12/22	6,950.00
Wuxi Xixi New Town Industrial Development Group Co., Ltd	Wuxi Kaiensi Precision Machinery Co., Ltd	2020/6/12	2021/6/12	8,000.00
Wuxi Xixi New Town Industrial Development Group Co., Ltd	Wuxi Kaiensi Precision Machinery Co., Ltd	2020/9/2	2023/9/2	5,000.00
Wuxi Yongchang Assets Management Co., Ltd	Wuxi Hudai Sewage Treatment Co., Ltd	2021/10/28	2022/10/28	7,000.00
Wuxi Xixi New Town Industrial Development Group Co., Ltd	Wuxi Shibawan Taihu Huadu Development Co., Ltd	2019/12/2	2022/12/2	10,000.00
Wuxi Xixi New Town Industrial Development Group Co., Ltd	Wuxi Jiulong Bay Construction Development Co., Ltd	2020/1/8	2023/1/8	10,000.00
Wuxi Xixi New Town Urban-rural Integrated Development Co., Ltd	Wuxi Jiulong Bay Construction Development Co., Ltd	2020/8/24	2028/8/30	5,700.00
Wuxi Xixi New Town Urban-rural Integrated Development Co., Ltd	Wuxi Jiulong Bay Construction Development Co., Ltd	2021/9/26	2035/12/31	112,465.00
Total				647,992.17

(3) Contingent liabilities related to joint venture or associated enterprise investments

None.

(4) Other contingent liabilities and the financial impact

None.

XI. Events after the balance sheet date

(1) On 14 March 2022, the company received paid-in capital of RMB 860,000,000. This event was verified by Wuxi Yuheng Accounting Firm (General Partnership) on 15 March 2022, and capital verification report of "Yuheng Verification [2022] No.5113" was issued. After this capital increase event was completed, Wuxi Binhu District State-owned Capital Investment Co., Ltd subscribed capital contribution of RMB 5,000,000,000, and paid-in capital contribution was RMB 3,095,000,000.

XII. Other important matters

None.

XIII. Notes on major items of parent company's financial statement

1. Other receivables

Items	Closing balance	Previous year ending balance
Interests receivable		
Dividends receivable		
Other receivables	3,190,517,899.92	2,525,022,842.44
Total	3,190,517,899.92	2,525,022,842.44

(1) Other receivables

① Disclosure of other receivable classification

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with single provision for bad debt reserve					
Other accounts receivable for which the provision for bad debts is made by combination	3,190,517,899.92	100.00			3,190,517,899.92
Of which: combination of account age	10,354.77	Micro			
Other combinations	3,190,507,545.15	100.00			3,190,517,899.92
Total	3,190,517,899.92	100.00			3,190,517,899.92

(Continued)

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with significant amount of single item and separate provision for bad debts					
Other receivables with bad debt provision as per credit risk characteristic combinations	2,525,037,834.44	100.00	14,992.00	Micro	2,525,022,842.44
Of which: combination of account age	529,298.00	0.02	14,992.00	2.83	514,306.00
Other combinations	2,524,508,536.44	99.98			2,524,508,536.44

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other receivables with insignificant amount of single item but separate provision for bad debts					
Total	2,525,037,834.44	100.00	14,992.00	Micro	2,525,022,842.44

② In the portfolio, other receivables with bad debt provision according to the aging portfolio

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	10,354.77		
1-2 years			
Total	10,354.77		

(Continued)

Items	Previous year ending balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	454,338.00		
3-4 years	74,960.00	14,992.00	20.00
Total	529,298.00	14,992.00	

③ 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)	
Balance as of 1 January 2021	14,992.00			14,992.00
Book balance of other receivables as of 1 January 2021 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	14,992.00			14,992.00
Write-off in the current period				
Written off in the current period				
Other changes				
Balance as of 31 December 2021				

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
Wuxi Chengkai Investment Development Co., Ltd	Transaction accounts	926,498,156.60	Within 1 year, 1-2 years, 2-3 years	29.04	
Wuxi Binhu Jianwu Development Co., Ltd	Transaction accounts	657,460,000.00	Within 1 year, 1-2 years	20.61	
Wuxi Chengkai Property Management Co., Ltd	Transaction accounts	513,350,000.00	Within 1 year	16.09	
Wuxi Rongxiang Historic Block Investment Management Co., Ltd	Transaction accounts	329,000,000.00	1-2 years	10.31	
Wuxi Binhu Urban Construction Investment Co., Ltd	Transaction accounts	304,508,750.00	Within 1 year, 1-2 years	9.54	
Total	——	2,730,816,906.60	——	85.59	

2. Long-term equity investment

(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	9,345,972,930.92		9,195,796,304.86	9,195,796,304.86		9,195,796,304.86
Total	9,345,972,930.92		9,195,796,304.86	9,195,796,304.86		9,195,796,304.86

(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
Wuxi Binhu Business Travel Culture Development Co., Ltd	400,000,000.00			400,000,000.00		
Wuxi Chengkai Investment Development Co., Ltd	913,470,000.00	150,000,000.00		1,063,470,000.00		
Wuxi Binhu Urban Construction Investment Co., Ltd	500,000,000.00			500,000,000.00		
Wuxi Xixi New Town Industrial Development Group Co., Ltd	7,320,634,983.70			7,320,634,983.70		
Wuxi Binhu State-owned Assets Joint Investment Co., Ltd	61,691,321.16	176,626.06		61,867,947.22		
Total	9,195,796,304.86	150,176,626.06		9,345,972,930.92		

3. Operating income, operating cost

Items	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Main business	20,323,892.56	14,543,792.50	2,951,271.43	1,581,902.60
Other businesses				
Total	20,323,892.56	14,543,792.50	2,951,271.43	1,581,902.60

Wuxi Chengkai Industrial Development Group Co., Ltd

30 March 2022

Legal representative: Accounting director: Accounting firm director:

统一社会信用代码

91110102082881146K

营业执照

（副 本）(5-1)

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）

类　　型　特殊普通合伙企业

执行事务合伙人　李尊农

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。）

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）

报告审验章（1）

登记机关

北京市丰台区市场监督管理局

2022 年 03 月 04 日

仅作为报告附件使用

会计师事务所

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

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》。

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

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

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 > 行政信息公开 > 主动公开目录 > 行业服务 > 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信息

发布机构　　成文日期 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）

中兴华会计师事务所（特殊普通合伙）
110102017368

中兴华会计师事务所（特殊普通合伙）
报告审计专用章（1）

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	027-86781250
74	中天运会计师事务所（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	010-88395676
75	中喜会计师事务所（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）	嘉定工业区沪宜路外延路 1630 号 5 幢 1088 室	021-63525500

姓　　名 Full name	赵海珊
性　　别 Sex	女
出生日期 Date of birth	1981-04-04
工作单位 Working unit	中兴华会计师事务所（特殊普通合伙）江苏分所
身份证号码 Identity card No.	430528198104048245

中兴华会计师事务所（特殊普通合伙）
1101020173689

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：110001673745
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：2013 年 /y 12 月 /m 30 日 /d
Date of Issuance

赵海珊(110001673745)
您已通过2021年年检
江苏省注册会计师协会

年 /y 月 /m 日 /d

姓　　名 Full name	张颖君
性　　别 Sex	女
出生日期 Date of birth	1990-01-13
工作单位 Working unit	中兴华会计师事务所（特殊普通合伙）江苏分所
身份证号码 Identity Card No.	321201199001131023

中兴华会计师事务所（特殊普通合伙）
1101020173689

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.

张颖君(110001673828)
您已通过2020年年检
江苏省注册会计师协会

张颖君(110001673828
您已通过2021年年检
江苏省注册会计师协会

证书编号：
No. of Certificate 110001673828

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 2015 年/y 02 月/m 28 日/d

1、此次统计上报的2022年度国际业务收入，指2022年1月1日至2023年12月31日开具发票的，委托方或审计范围、审计内容涉及境外（包括港澳台）的，均应统计上报。2、所需上报的资料包括：审计报告及附注、发票与合同（二者金额应一致）。3、上报截止时间：2023年6月28日。

部门	项目负责人	报告号	合同号	发票号	正文扫描件是否上交	合同扫描件是否上交	发票扫描件是否上交	金额
审计三部	樊晓军	中兴华审字（2021）第020430号、中兴华审字（2022）第021631号	中兴华(2022)第020943号	44811843；58628168	是	是	是	140,000.00

宿迁运河港

1、此次统计上报的2022年度国际业务收入，指2022年1月1日至2022年12月31日开具发票的，委托方或审计范围、审计内容涉及境外（包括港澳台）的，均应统计上报。2、所需上报的资料包括：审计报告及附注、发票与合同（二者金额应一致）。3、上报截止时间：2023年6月28日。

部门	项目负责人	报告号	合同号	发票号	正文扫描件是否上交	合同扫描件是否上交	发票扫描件是否上交	备注
审计三部	张颖君	中兴华审字（2022）第020910号	中兴华（2022）第020139号	71890205	是	是	是	
审计三部	张颖君	中兴华审字（2022）第020435号	中兴华（2022）第020910号		是	是	是	客户为香港公司，不需开具发票

1、此次统计上报的2022年度国际业务收入，指2022年1月1日至2022年12月31日开具发票的，委托方或审计范围、审计内容涉及境外（包括港澳台）的，均应统计上报。2、所需上报的资料包括：审计报告及附注、发票与合同（二者金额应一致）。3、上报截止时间：2023年6月28日。

部门	项目负责人	报告号	合同号	发票号	正文扫描件是否上交	合同扫描件是否上交	发票扫描件是否上交	备注
审计三部	胡迎庆	中兴华审字（2022）第020328号	中兴华(2022)第020906号	71890051	是	是	是	

1、此次统计上报的2022年度国际业务收入，指2022年1月1日至2022年12月31日开具发票的，委托方或审计范围、审计内容涉及境外（包括港澳台）的，均应统计上报。2、所需上报的资料包括：审计报告及附注、发票与合同（二者金额应一致）。3、上报截止时间：2023年6月28日。

部门	项目负责人	报告号	合同号	发票号	正文扫描件是否上交	合同扫描件是否上交	发票扫描件是否上交	备注
审计三部	孙裕强	中兴华审字（2022）第020625号	中兴华(2022)第020420号	58628094	是	是	是	丹投21年年报英文版
审计三部	孙裕强	中兴华审字（2022）第020625号	中兴华(2022)第020419号	58628095	是	是	是	丹投21年年报
审计三部	孙裕强	中兴华阅字（2021）第020010号	中兴华(2021)第021211号	58628093/44855498	是	是	是	丹投海外债
审计三部	孙裕强	中兴华审字（2022）第020622号	中兴华(2022)第020605号	25787289	是	是	是	建投

1、此次统计上报的2022年度国际业务收入，指2022年1月1日至2022年12月31日开具发票的，委托方或审计范围、审计内容涉及境外（包括港澳台）的，均应统计上报。2、所需上报的资料包括：审计报告及附注、发票与合同（二者金额应一致）。3、上报截止时间：2023年6月28日。

部门	项目负责人	报告号	合同号	发票号	正文扫描件是否上交	合同扫描件是否上交	发票扫描件是否上交	备注
审计三部	徐尚	中兴华审字（2021）第020795号、 中兴华审字（2022）第020661号	中兴华(2022)第021226号	25778113	是	是	是	

ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

SERVICE INVOICE

INV NO:2022006
DATE:2022-1-7

To:
ZTT DO BRASIL LTDA
中天科技巴西有限公司
ROD DIVALDO SURUAGY , S/N , KM 12 ,POLO MULTIFABRIL JOSE APRIGIO VILELA , MARECHAL DEODORO AL BRASIL

付款方式：2022 年 6 月 30 日之前电汇付款
PAYMENT TERM：100% PAYMENT BY T/T BEFORE 30.6.2022

Bank Details:
账户：中兴华会计师事务所（特殊普通合伙）江苏分所
A/C：ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)
纳税人识别号：913201003025692000
Tax Identification: No. 913201003025692000
开户行：中信银行南京建邺支行
Opening Bank: China CITIC Bank, Nanjing Branch, Jianye, sub-branch
账号/Account No.:8110501013500662506
银行地址：南京市建邺区江东中路 359 号国睿大厦 1 号楼
Bank Add: Building No.1, Guorui Building, 359 Jiangdong Middle Road, Jianye District, Nanjing
SWIFT CODE: CIBKCNBJ210 CNAPS CODE: 302301032920

联系人/Contact Person: ZI HAN WANG

DESCRIPTION OF GOODS AND/OR SERVICE
货物和/或服务的描述：

Item No.	Description	Unit	Quantity	Unit Price(CNY)	Total Price(CNY)
1.	2021 年审计服务费（service fee）		1	50000.00	50000.00
Total Amount-CNY					**50000.00**

SAY TOTAL CHINESE YUAN (FIFTY THOUSAND) ONLY

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)

ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

SERVICE INVOICE

INV NO:2022007
DATE:2022-1-7

To:
ZTT MAROC SARL AU
中天科技摩洛哥有限公司
Zone franche d'exportation, Route de Rabat, Tanger, Maroc

付款方式：2022 年 6 月 30 日之前电汇付款
PAYMENT TERM：100% PAYMENT BY T/T BEFORE 30.6.2022

Bank Details:
账户：中兴华会计师事务所（特殊普通合伙）江苏分所
A/C：ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)
纳税人识别号：913201003025692000
Tax Identification: No. 913201003025692000
开户行：中信银行南京建邺支行
Opening Bank: China CITIC Bank, Nanjing Branch, Jianye, sub-branch
账号/Account No.:8110501013500662506
银行地址：南京市建邺区江东中路 359 号国睿大厦 1 号楼
Bank Add: Building No.1, Guorui Building, 359 Jiangdong Middle Road, Jianye District, Nanjing
SWIFT CODE: CIBKCNBJ210 CNAPS CODE: 302301032920

联系人/Contact Person: ZI HAN WANG

DESCRIPTION OF GOODS AND/OR SERVICE
货物和/或服务的描述：

Item No.	Description	Unit	Quantity	Unit Price(EUR)	Total Price(EUR)
1.	2021 年审计服务费（service fee）		1	6900.00	6900.00
Total Amount-EUR					**6900.00**

SAY TOTAL EUR (SIX THOUSAND AND NINE HUNDRED) ONLY

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)

ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

SERVICE INVOICE

INV NO:2022008
DATE:2022-1-7

To:
DEMIRER KABLO TES. San.Ve TIC A.S.
土耳其得美电缆有限公司
Maslak Mah.Dereboyu Cd. Meydan Sk. BeybiGiz Plaza No:1 Kat:30
34398-Sariyer,istanbul TURKEY

付款方式：2022 年 5 月 31 日之前电汇付款
PAYMENT TERM：100% PAYMENT BY T/T BEFORE 31.5.2022

Bank Details:
账户：中兴华会计师事务所（特殊普通合伙）江苏分所
A/C：ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)
纳税人识别号：913201003025692000
Tax Identification: No. 913201003025692000
开户行：中信银行南京建邺支行
Opening Bank: China CITIC Bank, Nanjing Branch, Jianye, sub-branch
账号/Account No.:8110501013500662506
银行地址：南京市建邺区江东中路 359 号国睿大厦 1 号楼
Bank Add: Building No.1, Guorui Building, 359 Jiangdong Middle Road, Jianye District, Nanjing
SWIFT CODE: CIBKCNBJ210 CNAPS CODE: 302301032920

联系人/Contact Person: ZI HAN WANG

DESCRIPTION OF GOODS AND/OR SERVICE
货物和/或服务的描述：

Item No.	Description	Unit	Quantity	Unit Price(CNY)	Total Price(CNY)
1.	2021 年审计服务费（service fee）		1	50000.00	50000.00
Total Amount-CNY					**50000.00**
SAY TOTAL CHINESE YUAN (FIFTY THOUSAND) ONLY					

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)

ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

SERVICE INVOICE

INV NO:2022009
DATE:2022-1-7

To:
ZTT INDIA PRIVATE LIMITED
中天科技印度有限公司
956 Jeedi Drive, Sector 28, Sri City
Satyavedu Mandal, Chittoor District,
A.P.-517588, India

付款方式：2022 年 6 月 30 日之前电汇付款
PAYMENT TERM：100% PAYMENT BY T/T BEFORE 30.6.2022

Bank Details:
账户：中兴华会计师事务所（特殊普通合伙）江苏分所
A/C：ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)
纳税人识别号：913201003025692000
Tax Identification: No. 913201003025692000
开户行：中信银行南京建邺支行
Opening Bank: China CITIC Bank, Nanjing Branch, Jianye, sub-branch
账号/Account No.:8110501013500662506
银行地址：南京市建邺区江东中路 359 号国睿大厦 1 号楼
Bank Add: Building No.1, Guorui Building, 359 Jiangdong Middle Road, Jianye District, Nanjing
SWIFT CODE: CIBKCNBJ210 CNAPS CODE: 302301032920

联系人/Contact Person: ZI HAN WANG

DESCRIPTION OF GOODS AND/OR SERVICE
货物和/或服务的描述：

Item No.	Description	Unit	Quantity	Unit Price(CNY)	Total Price(CNY)
1.	2021 年审计服务费（service fee）		1	50000.00	50000.00
Total Amount-CNY					**50000.00**
SAY TOTAL CHINESE YUAN (FIFTY THOUSAND) ONLY					

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)

ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

SERVICE INVOICE

INV NO:2022010
DATE:2022-1-7

To:
PT ZTT CABLE INDONESIA
中天科技印尼有限公司
KAWASAN INDUSTRI SURYA CIPTA
JL. SURYA MADYA VII G1&G2 NO.1-66
MULYASARI, CIAMPEL, KAB. KARAWANG
JAWA BARAT - INDONESIA

付款方式：2022 年 6 月 30 日之前电汇付款
PAYMENT TERM：100% PAYMENT BY T/T BEFORE 30.6.2022

Bank Details:
账户：中兴华会计师事务所（特殊普通合伙）江苏分所
A/C：ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)
纳税人识别号：913201003025692000
Tax Identification: No. 913201003025692000
开户行：中信银行南京建邺支行
Opening Bank: China CITIC Bank, Nanjing Branch, Jianye, sub-branch
账号/Account No.:8110501013500662506
银行地址：南京市建邺区江东中路 359 号国睿大厦 1 号楼
Bank Add: Building No.1, Guorui Building, 359 Jiangdong Middle Road, Jianye District, Nanjing
SWIFT CODE: CIBKCNBJ210 CNAPS CODE: 302301032920

联系人/Contact Person: ZI HAN WANG

DESCRIPTION OF GOODS AND/OR SERVICE
货物和/或服务的描述：

Item No.	Description	Unit	Quantity	Unit Price(CNY)	Total Price(CNY)
1.	2021 年审计服务费（service fee）		1	50000.00	50000.00
Total Amount-CNY					**50000.00**
SAY TOTAL CHINESE YUAN (FIFTY THOUSAND) ONLY					

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)

2022年

审 计 业 务 约 定 书

甲方编号：

乙方编号：中兴华（2022）第 021524 号

年　月　日

审计业务约定书

甲方：江苏汇鸿国际集团股份有限公司

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 2022 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财务报表，包括 2022 年 12 月 31 日合并及母公司资产负债表，2022 年度合并及母公司利润表、合并及母公司现金流量表、合并及母公司股东权益变动表以及财务报表附注进行审计。

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 2022 年 12 月 31 日的财务状况以及 2022 年度的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，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。

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．审计工作涉及实施审计程序，以获取有关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，乙方会考虑与财务报表编制和公允列报相关

的内部控制，以设计恰当的审计程序。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及相关披露的合理性。

4．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。

5．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。

6．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。

7．乙方从与甲方治理层沟通过的事项中，确定对本期财务报表审计最为重要的事项（关键审计事项），并在审计报告中描述这些事项（如适用）。 这些事项的应对以对财务报表整体进行审计并形成审计意见为背景， 乙方不对这些事项单独发表意见。

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 4 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，未经甲方书面同意，不应向任何其他方披露，但符合以下情况而需要披露的各种信息资料除外（1）法律法规允许披露，并取得甲方的书面授权；（2）根据法律法规的规定，乙方为法律诉讼、仲裁准备文件或提供证据，以及向监管机构报告发现的违反法规的行为；（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，乙方期望甲方将乙方审计报告签发日至年度股东大会日期间所发生的可能影响财务报表的任何重要事项通知乙方。

四、审计收费

1. 本次审计服务的收费约定为人民币 贰佰陆拾陆 万元（¥266 万元）。

2. 甲方应于本约定书签署后，乙方安排相关人员开始现场预审工作时支付15%的服务费用人民币 肆拾 万元（¥40 万元），余额则于乙方按照甲方工作要求和时限完成审计工作，出具审计报告、专项审计报告和企业管理建议书等，经甲方审核履行批准程序后支付。付款前乙方应提供符合甲方要求的增值税专用发票。

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. 如果乙方违反有关审计规定和要求，审计报告和专项审计报告存在重大遗漏和偏差，审计发现甲方存在重大财会违规和风险事项未予披露，审计过程及建议调整事项未向甲方监事会报告，可在约定审计费用基础上酌情扣减 10%-30%。

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_____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、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。

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 xx 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：江苏汇鸿国际集团股份有限公司

（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）

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 (2023)JSFS0247号

年　　月　　日

审计业务约定书

甲方：开元股份（香港）有限公司

乙方：中兴华会计师事务所（特殊普通合伙）江苏分所

兹甲方委托乙方对 2022 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 2022 年 12 月 31 日的合并资产负债表，2022 年度的合并利润表、现金流量表和所有者权益（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。

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 2022 年 12 月 31 日的财务状况以及 2022 年度的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）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，并保证所提供资料的真实性和完整性。

5．确保乙方不受限制地接触其认为必要的甲方内部人员和其他相关人员。

6．甲方管理层对其作出的与审计有关的声明予以书面确认。

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

8．按照本约定书的约定及时足额支付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。

9．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. 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。

8. 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。

9. 按照约定时间完成审计工作，出具审计报告。乙方应于 2023 年　月　日前出具审计报告。

10. 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。

11. 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__1__万元。

2. 甲方应于审计报告草稿完成日结清。

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。

六、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___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。

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。但其中第三项第 10 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印章之日，以开始提供审计服务的时间作为本约定书生效日期。

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，或需要提前出具审计报告，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，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。

十、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。

十一、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____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。

十二、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。

甲方：开元股份（香港）有限公司　　乙方：中兴华会计师事务所（特殊普通合伙）江苏分所

授权代表：（签名并盖章）　　授权代表：（签名并盖章）

年　月　日　　年　月　日

2022年

审 计 业 务 约 定 书

甲方编号：

乙方编号：中兴华（2022）第 021524 号

年　月　日

审计业务约定书

甲方：江苏汇鸿国际集团股份有限公司

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 2022 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财务报表，包括 2022 年 12 月 31 日合并及母公司资产负债表，2022 年度合并及母公司利润表、合并及母公司现金流量表、合并及母公司股东权益变动表以及财务报表附注进行审计。

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 2022 年 12 月 31 日的财务状况以及 2022 年度的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，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。

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．审计工作涉及实施审计程序，以获取有关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，乙方会考虑与财务报表编制和公允列报相关

的内部控制，以设计恰当的审计程序。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及相关披露的合理性。

4．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。

5．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。

6．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。

7．乙方从与甲方治理层沟通过的事项中，确定对本期财务报表审计最为重要的事项（关键审计事项），并在审计报告中描述这些事项（如适用）。 这些事项的应对以对财务报表整体进行审计并形成审计意见为背景， 乙方不对这些事项单独发表意见。

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 4 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，未经甲方书面同意，不应向任何其他方披露，但符合以下情况而需要披露的各种信息资料除外（1）法律法规允许披露，并取得甲方的书面授权；（2）根据法律法规的规定，乙方为法律诉讼、仲裁准备文件或提供证据，以及向监管机构报告发现的违反法规的行为；（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，乙方期望甲方将乙方审计报告签发日至年度股东大会日期间所发生的可能影响财务报表的任何重要事项通知乙方。

四、审计收费

1. 本次审计服务的收费约定为人民币 贰佰陆拾陆 万元（¥266 万元）。

2. 甲方应于本约定书签署后，乙方安排相关人员开始现场预审工作时支付15%的服务费用人民币 肆拾 万元（¥40 万元），余额则于乙方按照甲方工作要求和时限完成审计工作，出具审计报告、专项审计报告和企业管理建议书等，经甲方审核履行批准程序后支付。付款前乙方应提供符合甲方要求的增值税专用发票。

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. 如果乙方违反有关审计规定和要求，审计报告和专项审计报告存在重大遗漏和偏差，审计发现甲方存在重大财会违规和风险事项未予披露，审计过程及建议调整事项未向甲方监事会报告，可在约定审计费用基础上酌情扣减 10%-30%。

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_____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、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。

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 xx 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：江苏汇鸿国际集团股份有限公司

（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）

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 (2023)JSFS 0246号

年　　月　　日

审计业务约定书

甲方：汇鸿（香港）有限公司

乙方：中兴华会计师事务所（特殊普通合伙）江苏分所

兹甲方委托乙方对2022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2022年12月31日的资产负债表，2022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2022年12月31日的财务状况以及2022年度的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）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，并保证所提供资料的真实性和完整性。

5．确保乙方不受限制地接触其认为必要的甲方内部人员和其他相关人员。

6．甲方管理层对其作出的与审计有关的声明予以书面确认。

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

8．按照本约定书的约定及时足额支付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。

9．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. 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。

8. 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。

9. 按照约定时间完成审计工作，出具审计报告。

10. 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。

11. 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 0.8 万元。

2. 甲方应于审计报告草稿完成日结清。

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。

六、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___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。

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。但其中第三项第 10 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印章之日，以开始提供审计服务的时间作为本约定书生效日期。

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，或需要提前出具审计报告，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，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。

十、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。

十一、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____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。

十二、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。

甲方：汇鸿（香港）有限公司　　乙方：中兴华会计师事务所（特殊普通合伙）江苏分所

授权代表：（签名并盖章）　　授权代表：（签名并盖章）

年　月　日　　年　月　日

Invoice

Address:南京市建邺区嘉陵江东街50号
Telephone:025-83206126
E-mail：jsfhjt@126.com

Bill To:
无锡市城开实业发展集团有限公司
Wuxi Chengkai Industrial Development
Group Co., Ltd.
16/F, 879 Hongqiao Road
Binhu District, Wuxi City, Jiangsu Province
People's Republic of China
Email: 1493600166@qq.com
Attention: Zhao Wenbo

Payable by:
TFI Securities and Futures Limited
Address: 11/F, Nexxus Building, 41
Connaught Road Central, Hong Kong
Phone: +852 3187-8753
Attention： DCM-Rose

Invoice Number:2023001

Time of order	Subject	currency	Total Price
15-Mar-23	Project Sapphire 3-Comfort Letter	USD	10,000.00
Total price according to exchange rate(6.8715)		CNY	68,715.00

Payment Details:
Beneficiary Name：中兴华会计师事务所（特殊普通合伙）江苏分所
Account No:811050103500662506
Taxpayer identification number:91301003025692941
Bank Name：中信银行南京建邺支行
Swift Code:CIBKCNBJ210
Bank Address:江苏省南京市建邺区江东中路359国睿大厦2号楼1楼

Invoice

Address:南京市建邺区嘉陵江东街50号
Telephone:025-83206126
E-mail：jsfhjt@126.com

Bill To:
无锡市城开实业发展集团有限公司
Wuxi Chengkai Industrial Development Group Co., Ltd.
16/F, 879 Hongqiao Road
Binhu District, Wuxi City, Jiangsu Province
People's Republic of China
Email: 1493600166@qq.com
Attention: Zhao Wenbo

Payable by:
TFI Securities and Futures Limited
Address: 11/F, Nexxus Building, 41 Connaught Road Central, Hong Kong
Phone: +852 3187-8753
Attention： DCM

August 17 2022

Invoice Number:2022001

Time of order	Subject	currency	Total Price
August 17 2022	Project Sapphire-Comfort Letter	USD	22,000.00
August 17 2022	Project Sapphire-Translation of audit report	CNY	40,000.00
Total price according to exchange rate(6.8182)		CNY	190,000.00

Payment Details:
Beneficiary Name：中兴华会计师事务所（特殊普通合伙）江苏分所
Account No:811050103500662506
Taxpayer identification number:91301003025692941
Bank Name：中信银行南京建邺支行
Swift Code:CIBKCNBJ210
Bank Address:江苏省南京市建邺区江东中路359国睿大厦2号楼1楼

中兴华会计师事务所（特殊普通合伙）江苏分所 91320100302569294l 发票专用章

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

南京市建邺区嘉陵江东街 50 号康缘智汇港 19 层

联系电话：025-82224969

INVOICE

NO:

Date:14-Nov-2022

Invoice to: Goldbridge Securities Limited

Address: Room 1002H Tower 1 Admiralty Centre 18

Harcourt Road , Admiralty, Hong Kong

Description	**Amount**
RE: Consulting Fee	CNY 175,000.00

Total : CNY 175,000.00

Bank Name: Bank of Ningbo Co.,Ltd Nanjing Wangfu Street Sub-branch
Bank No: **72120122000182267**
Company Name: **Zhongxinghua certified public accountants LLP Jiangsu Branch**
Swift Code: BKNBCN2N

- THANK YOU FOR YOUR BUSINESS -

Danyang Investment Group Co., Ltd.

Review Report

00002021110021542005

Report file no. : Zhongxinghua Review (2021) No. 020010

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Contents

I Audit Report

II Audit Report Notes

1. Consolidated Balance Sheet
2. Consolidated Income Statement
3. Consolidated Cash Flow Statement
4. Consolidated Statement of Changes in Shareholders' Equity
5. Balance Sheet
6. Income Statement
7. Cash Flow Statement
8. Statement of Changes in Shareholders' Equity
9. Financial Statement Notes

III Audit Report Annex

1. Zhongxinghua Certified Public Accountants LLP Business License Copy
2. Zhongxinghua Certified Public Accountants LLP Practice Certificate Copy
3. Zhongxinghua Certified Public Accountants LLP Securities & Futures Business Permit Copy
4. Certified Public Accountants Practice Certificate Copy

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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

Review Report

Zhongxinghua Review (2021) No.020010

To the shareholders of Danyang Investment Group Co., Ltd.:

We have reviewed the accompanying financial statements of Danyang Investment Group Co., Ltd. (hereinafter referred to as "Dantou Group"), which comprise: the consolidated and company balance sheets as at 30 June 2021; the consolidated and company income statements Six Months Ended 30 June 2021; the consolidated and company cash flow statements Six Months Ended 30 June 2021; the consolidated and company statements of changes in owners' equity Six Months Ended 30 June 2021;and notes to the financial statements. The preparation of these financial statements is the responsibility of the management of Dantou Group.Our responsibility is to issue a review report on these financial statements based on the implementation of the review work.

We conducted the review business in accordance with the provisions of the "Chinese Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements". The Code requires us to plan and implement a review to obtain a limited warranty on whether the financial statements are free from material misstatement. The review is mainly limited to inquiring about the company's personnel and the analysis of financial data, providing less assurance than auditing. We did not implement the audit and therefore did not issue an audit opinion.

Based on our review, we have not noticed any matters that have led us to believe that the financial statements have not been prepared in accordance with the "Accounting Standards for Business Enterprises No. 32 –Interim Financial Reporting" and have failed to fairly reflect the financial position, operating results and cash flows of the units being reviewed in all material respects.

(No text on this page, as the signature and seal page of the Six Months Ended 30 June 2021 Financial Statement Review Report for Danyang Investment Group Co., Ltd.)

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Signing CPA:

Beijing ,the People's Republic of China

Signing CPA:

September 25, 2021

Consolidated Balance Sheet

As at 30 June 2021

Prepared by: Danyang Investment Group Co., Ltd. **Expressed in RMB**

Item	Note VI	As at 30/6/2021	As at 1/1/2020	As at 31/12/2020
Current assets:				
Cash at bank and on hand	1	3,303,695,693.76	5,081,509,857.45	5,081,509,857.45
Financial assets held for trading	2	294,409,300.00	544,269,892.10	-
Financial assets at fair value through profit or loss		-	-	10,463.20
Derivative financial assets		-	-	-
Bills receivable	3	3,094,187.38	1,466,304.00	30,952,183.21
Accounts receivable	4	1,062,639,101.80	1,100,520,665.92	1,100,520,665.92
Factoring receivables	5	14,972,297.81	29,485,879.21	
Prepayments	6	854,547,548.31	829,187,834.60	829,187,834.60
Other receivables	7	6,608,702,480.59	6,611,947,484.37	6,611,947,484.37
Inventories	8	36,035,898,425.21	34,216,846,670.07	34,216,846,670.07
Contract assets				
Assets held for sale		-		-
Current portion of non-current assets		-	-	-
Other current assets	9	22,012,777.69	24,576,703.38	568,836,132.28
Total current assets		48,199,971,812.55	48,439,811,291.10	48,439,811,291.10
Non-current assets:				
Investments in debt instruments				
Other investments in debt instruments	10	255,141,912.83	255,141,912.83	
Available-for-sale financial assets				2,958,948,788.07
Held-to-maturity investments		-		255,141,912.83
Long-term receivables	11	58,121,085.00	15,000,000.00	15,000,000.00
Long-term equity investments	12	128,060,840.73	128,984,631.87	128,984,631.87
Investments in other equity instruments	13	20,000,000.00	20,000,000.00	
Other non-current financial assets	14	2,856,887,408.76	2,903,874,952.07	
Investment properties	15	7,199,448.70	7,403,311.09	7,403,311.09
Fixed assets	16	9,925,735,478.44	10,191,959,433.85	10,191,959,433.85
Construction in progress	17	12,485,979,396.30	12,456,206,046.36	12,456,206,046.36
Right-of-use assets		-	-	-
Productive biological assets		-	-	-
Oil and gas assets		-	-	-
Intangible assets	18	475,954,825.81	485,977,047.46	485,977,047.46
Development costs		-	-	-
Goodwill	19	274,863,185.80	274,863,185.80	274,863,185.80
Long-term deferred expenses	20	152,134,417.42	171,323,176.96	171,323,176.96
Deferred tax assets	21	217,057,404.16	211,024,375.73	211,024,375.73
Other non-current assets	22	334,846,623.33	340,874,398.50	305,800,562.50
Total non-current assets		**27,191,982,027.28**	**27,462,632,472.52**	**27,462,632,472.52**
Total assets		**75,391,953,839.83**	**75,902,443,763.62**	**75,902,443,763.62**

The accompanying notes form an integral part of these financial statements.

Legal reprensentative: 洪锋 321181107704?

The person in charge of accounting affairs: 陈泽印洪

The head of the accounting department: 陈泽印洪

Consolidated balance sheet (continued)

As at 30 June 2021

Prepared by: Danyang Investment Group Co., Ltd.

Expressed in RMB

Items	Note VI	As at 30/6/2021	As at 1/1/2020	As at 31/12/2020
Current liabilities:				
Short-term loan	23	2,255,630,475.26	2,354,505,191.46	2,354,505,191.46
Trading financial liability				
Financial liabilities measured at fair value and its changes included in current profits or losses		-		-
Derivative financial liabilities		-		-
Bills payable	24	100,000,000.00	662,900,000.00	662,900,000.00
Accounts payable	25	485,778,130.06	563,622,526.76	563,622,526.76
Advances from customers				1,195,862,616.64
Contract liabilities	26	1,288,136,073.17	1,195,862,616.64	
Employee benefits payable	27	17,804,468.20	29,669,781.64	29,669,781.64
Taxes and fees payable	28	407,317,847.56	406,815,698.89	406,815,698.89
Other payables	29	7,885,214,236.16	8,213,718,207.86	8,213,718,207.86
Liabilities held for sale		-		-
Non-current liabilities due within one year	30	4,454,813,961.73	3,766,990,479.33	3,766,990,479.33
Other current liabilities	31	3,257,037,900.00	3,138,235,378.08	3,138,235,378.08
Total current liabilities		**20,151,733,092.14**	**20,332,319,880.66**	**20,332,319,880.66**
Non-current liabilities:				
Long-term loan	32	6,626,663,600.00	8,010,558,600.00	8,010,558,600.00
Debentures payable	33	6,560,888,947.88	6,178,576,197.71	6,178,576,197.71
Including: preferred stock		-		-
Perpetual debt		-		-
Lease liabilities				
Long-term payables	34	1,346,913,505.07	739,290,721.15	739,290,721.15
Long-term employee benefits payable		-		-
Provisions		-		-
Deferred income	35	175,921,304.37	173,070,153.00	173,070,153.00
Deferred income tax liabilities	21	131,103.93	130,968.32	130,968.32
Other non-current liabilities		-		-
Total non-current liabilities		**14,710,518,461.25**	**15,101,626,640.18**	**15,101,626,640.18**
Total Liabilities		**34,862,251,553.39**	**35,433,946,520.84**	**35,433,946,520.84**
Owner's equity				
Paid-in capital	36	200,000,000.00	200,000,000.00	200,000,000.00
Other equity instruments		-		-
Of which: preferred stock		-		-
Perpetual debt		-		-
Capital reserve	37	32,450,322,969.02	32,450,322,969.02	32,450,322,969.02
Less: treasury stock		-	-	-
Other comprehensive income	38	-3,328,571.36	-3,016,105.53	-3,016,105.53
Special reserve		-	-	-
Surplus reserve	39	317,983,794.62	317,983,794.62	317,983,794.62
Undistributed profit	40	5,907,656,311.77	5,824,575,614.72	5,824,575,614.72
Total equity attributable to owners of parent company		38,872,634,504.05	38,789,866,272.83	38,789,866,272.83
* Minority shareholder's interest		1,657,067,782.39	1,678,630,969.95	1,678,630,969.95
Total owner's equity		**40,529,702,286.44**	**40,468,497,242.78**	**40,468,497,242.78**
Total liabilities and owner's equity		**75,391,953,839.83**	**75,902,443,763.62**	**75,902,443,763.62**

The accompanying notes form an integral part of these financial statements.

Legal reprensentative:

The person in charge of accounting affairs:

The head of the accounting department:

Consolidated Income Statement

For the six months ended 30 June 2021

Prepared by: Daoyang Investment Group Co., Ltd. Expressed in RMB

Item	Note VI	Six Months Ended 30/6/2021	Six Months Ended 30/6/2020
I.Operating income		**2,579,856,971.51**	**2,146,849,160.91**
Including: Main business income	41	2,579,856,971.51	2,146,849,160.91
II.Total operating costs		**2,673,381,767.14**	**2,205,422,551.81**
Including:operating costs	41	2,092,482,636.44	1,705,083,853.98
Taxes and surcharges	42	48,770,198.53	38,536,735.06
Selling and distribution expenses		85,017,945.97	67,184,102.86
General and administrative expenses		251,298,865.59	211,141,834.93
Research and development expenses	43	22,351,002.03	22,132,731.67
Financial expenses	44	173,461,118.58	161,343,293.31
Including: interest expense		360,942,525.87	322,703,653.70
Interest income		187,980,957.30	162,258,159.28
Add:Other income	45	223,443,522.34	230,215,178.03
Investment income ("-" for losses)	46	32,134,266.96	35,505,435.83
Including: Income from investment in associates and joint ventures		-923,791.14	-826,009.37
Derecognition income of financial assets measured at amortized cost		-	-
Net exposure hedge income("-" for losses)		-	-
Gains from changes in fair value ("-" for losses)	47	3,940.00	16,669.20
Credit impairment losses ("-" for losses)	48	-31,794,858.38	-
Impairment losses("-" for losses)	49	-	-81,987,362.23
Gains from assets disposal ("-" for losses)	50	2,683,677.01	-3,027,198.94
III.Operating profit ("-" for losses)		**132,945,752.30**	**122,149,330.99**
Add: Non-operating income	51	7,827,254.13	12,954,891.15
Less: Non-operating expenses	52	20,711,673.93	3,738,464.17
IV.Profit before income tax ("-" for losses)		120,061,332.50	131,365,757.97
Less: Income tax expenses	53	-456,176.99	-18,503,832.80
V.Net profit for the year ("-" for losses)		**120,517,509.49**	**149,869,590.77**
(1) Classification according to operation continuity			
Including: Net profit from continuing operations("-" for net loss)		120,517,509.49	149,869,590.77
Net profit from discontinuedoperations ("-" for net loss)		-	-
(2) Classification according to attibute			
Including: Shareholders of the company		142,080,697.05	297,798,331.47
Non-controlling interests		-21,563,187.56	-147,928,740.70
VI.Other comprehensive income, net of tax		-312,465.83	-
Other comprehensive income (net of tax) attributable to shareholders of the company		-312,465.83	-
A.Items that will not be reclassified to profit or loss		-	-
a.Remeasurement of defined benefit plan liability or asset		-	-
b.Share of other comprehensive income of the equity method investments		-	-
c.Changes in fair value of investments in other equity instruments			
d.Gains or losses arising from changes in fair value of credit risk		-	-
B. Items that may be reclassified to profit or loss		-312,465.83	-
a.Other comprehensive income that will be transferred subsequently to profit or loss under the equity method		-	-
b.Gains or losses arising from changes in fair value of other investments in debt instruments		-	-
c.Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		-	-
d.Provisions for credit impairment losses of other investments in debt instruments		-	-
e.Effective portion of gains or losses arising from cash flow hedging instruments			-
f.Translation differences arising from translation of foreign currency financial statements		-312,465.83	
g.Other		-	-
Other comprehensive income (net of tax) attributable to non-controlling interests		-	-
VII.Total comprehensive income for the year		**120,205,043.66**	**149,869,590.77**
Attributable to:Shareholders of the company		**141,768,231.22**	**297,798,331.47**
Non-controlling interests		**-21,563,187.56**	**-147,928,740.70**

The accompanying notes form an integral part of these financial statements.

Legal representative: The person in charge of accounting affairs: The head of the accounting depart

Consolidated Cash Flow Statement

For the six months ended 30 June 2021

Prepared by: Danyang Investment Group Co., Ltd.

Expressed in RMB

Item	Note	Six Months Ended 30/6/2021	Six Months Ended 30/6/2020
I.Cash flows from operating activities			
Proceeds from sales of goods or rendering of services		2,723,667,602.27	1,517,971,629.21
Refund of taxes		3,037,023.36	124,068.06
Proceeds from other operating activities		3,912,230,441.09	3,786,347,110.52
Sub-total of cash inflows		**6,638,935,066.72**	**5,304,442,807.79**
Payment for goods and services		3,840,867,239.28	1,054,937,411.13
Payment to and for employees		204,995,905.62	184,436,799.16
Payments of various taxes		73,339,672.87	33,517,162.83
Payment for other operating activities		1,622,607,058.42	1,269,502,509.04
Sub-total of cash outflows		**5,741,809,876.19**	**2,542,393,882.16**
Net cash flows from operating activities		**897,125,190.53**	**2,762,048,925.63**
II.Cash flows from investing activities			
Proceeds from disposal of investments		448,545,831.12	302,912,977.09
Investment returns received		20,696,978.42	46,574,190.57
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		248,635.21	50,788.66
Net proceeds from disposal of subsidiaries and other business units		-	-
Proceeds from other investing activities		-	1,510,000.00
Sub-total of cash inflows		**469,491,444.75**	**351,047,956.32**
Payment for acquisition of fixed assets, intangible assets and other long-term assets		49,394,226.69	297,260,393.04
Payment for acquisition of investments		151,158,957.93	378,761,895.34
Net payment for acquisition of subsidiaries and other business units		-	-
Payment for other investing activities		621,085.00	
Sub-total of cash outflows		**201,174,269.62**	**676,022,288.38**
Net cash flows from investing activities		**268,317,175.13**	**-324,974,332.06**
III.Cash flows from financing activities			
Proceeds from investors		-	
Including: Proceeds from non-controlling shareholders of subsidiaries		-	-
Proceeds from borrowings		6,290,300,000.00	5,556,800,000.00
Proceeds from other financing activities		1,953,287,702.80	2,512,858,374.15
Sub-total of cash inflows		**8,243,587,702.80**	**8,069,658,374.15**
Repayments of borrowings		6,532,404,578.87	6,526,696,140.00
Payment for dividends, profit distributions or interest		1,825,655,313.28	401,656,714.34
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		-	-
Repayments for other financing activities		1,814,794,000.00	1,905,517,510.66
Sub-total of cash outflows		**10,172,853,892.15**	**8,833,870,365.00**
Net cash flows from financing activities		**-1,929,266,189.35**	**-764,211,990.85**
IV.Effect of foreign exchange rate changes on cash and cash equivalents		-534,257.37	-
V.Net increase in cash and cash equivalents		**-764,358,081.06**	**1,672,862,602.72**
Add: Cash and cash equivalents as at the beginning of the period		2,330,613,774.82	1,249,173,312.57
VI.Cash and cash equivalent as at the end of the period		**1,566,255,693.76**	**2,922,035,915.29**

The accompanying notes form an integral part of these financial statements.

Legal representative: 洪锋 32118110770047

The person in charge of accounting affairs: 陈泽印 洪

The head of the accounting department: 陈泽印 洪

Consolidated Statement of Changes in Shareholders' Equity

Prepared by: Danyang Investment Group Co., Ltd.

Expressed in RMB

Item	For the six months ended 30 June 2021												
	Attributable to shareholders' equity of the parent company											Minority interests	Total equity
	Paid-in capital	Other equity instruments			Capital reserve	Less:treasury shares	Other comprehensive income	General risk preparation	Surplus reserve	Retained earnings	Subtotal		
		Preference shares	Perpetual loans	Others									
I.Balance at 31/12/2020	200,000,000.00				32,450,322,969.02		-3,016,105.53		317,983,794.62	5,824,575,614.72	38,789,866,272.83	1,678,630,969.95	40,468,497,242.78
Add: Changes in accounting policies													
Correction of prior period errors													
Business combination involving enterprises under common control													
Others													
II.Balance at 01/01/2021	200,000,000.00				32,450,322,969.02		-3,016,105.53		317,983,794.62	5,824,575,614.72	38,789,866,272.83	1,678,630,969.95	40,468,497,242.78
III.Changes in equity during the year("- "for decrease)							-312,465.83			83,080,697.05	82,768,231.22	-21,563,187.56	61,205,043.66
(I)Total comprehensive income							-312,465.83			142,080,697.05	141,768,231.22	-21,563,187.56	120,205,043.66
(II)Shareholders' contributions and decrease of capital													
1.Contribution by ordinary shareholders													
2. Capital contributed by other equity instruments holders													
3. Equity settled share-based payments													
4. Others													
(III) Appropriation of profits										-59,000,000.00	-59,000,000.00		-59,000,000.00
1. Appropriation for surplus reserves										-59,000,000.00	-59,000,000.00		-59,000,000.00
2. Distributions to shareholders													
3. Others													
(IV) Transfer within equity													
1.Share capital increased by capital reserves transfer													
2.Share capital increased by surplus reserves transfer													
3.Transfer of surplus reserve to offset losses													
4.Carry-over re-measurement of changes in net liabilities or net assets of defined benefit plans													
5.Others													
(V)Specific Reserve													
1. Appropriation during the year													
2.Utilisation during the year													
(VI)Others													
IV.Balance at 30/6/2021	200,000,000.00				32,450,322,969.02		-3,328,571.36		317,983,794.62	5,907,656,311.77	38,872,634,504.05	1,657,067,782.39	40,529,702,286.44

The accompanying notes form an integral part of these financial statements.

Legal representative: 洪锋 3211811077047

The person in charge of accounting affairs: 陈泽 洪印

The head of the accounting department: 陈泽 洪印

Consolidated Statement of Changes in Shareholders' Equity(continued)

Prepared by: Danyang Investment Group Co., Ltd.

Expressed in RMB

Item	For the six months ended 30 June 2020												
	Attributable to shareholders' equity of the parent company											Minority interests	Total equity
	Paid-in capital	Other equity instruments			Capital reserve	Less:treasury shares	Other comprehensive income	General risk preparation	Surplus reserve	Retained earnings	Subtotal		
		Preference shares	Perpetual loans	Others									
I.Balance at 31/12/2019	200,000,000.00				32,294,670,365.10		717,934.37		317,983,794.62	5,468,356,996.88	38,281,729,090.97	2,080,962,216.81	40,362,691,307.78
Add: Changes in accounting policies													
Correction of prior period errors										-32,326,041.20	-32,326,041.20	-134,689,897.58	-167,015,938.78
Business combination involving enterprises under common control													
Others													
II.Balance at 01/01/2020	200,000,000.00				32,294,670,365.10		717,934.37		317,983,794.62	5,436,030,955.68	38,249,403,049.77	1,946,272,319.23	40,195,675,369.00
III.Changes in equity during the year("- "for decrease)					21,692,458.09					260,998,331.47	282,690,789.56	-147,928,740.70	134,762,048.86
(I)Total comprehensive income										297,798,331.47	297,798,331.47	-147,928,740.70	149,869,590.77
(II)Shareholders' contributions and decrease of capital					21,692,458.09						21,692,458.09		21,692,458.09
1.Contribution by ordinary shareholders					21,692,458.09						21,692,458.09		21,692,458.09
2. Capital contributed by other equity instruments holders													
3. Equity settled share-based payments													
4. Others													
(III) Appropriation of profits										-36,800,000.00	-36,800,000.00		-36,800,000.00
1. Appropriation for surplus reserves										-36,800,000.00	-36,800,000.00		-36,800,000.00
2. Distributions to shareholders													
3. Others													
(IV) Transfer within equity													
1.Share capital increased by capital reserves transfer													
2.Share capital increased by surplus reserves transfer													
3.Transfer of surplus reserve to offset losses													
4.Carry-over re-measurement of changes in net liabilities or net assets of defined benefit plans													
5.Others													
(V)Specific Reserve													
1. Appropriation during the year													
2.Utilisation during the year													
(VI)Others													
IV.Balance at 30/6/2020	200,000,000.00				32,316,362,823.19		717,934.37		317,983,794.62	5,697,029,287.15	38,532,093,839.33	1,798,343,578.53	40,330,437,417.86

The accompanying notes form an integral part of these financial statements.

Legal representative: 洪锋 3211811077047

The person in charge of accounting affairs: 陈泽

The head of the accounting department: 陈泽

Balance Sheet

As at 30 June 2021

Prepared by: Danyang Investment Group Co., Ltd. **Expressed in RMB**

Item	Note XIII	As at 31/12/2020	As at 1/1/2020	As at 31/12/2019
Current assets:				
Cash at bank and on hand		2,185,555,153.82	2,357,500,240.72	2,357,500,240.72
Financial assets held for trading			206,809,428.90	
Financial assets at fair value through profit or loss				
Derivative financial assets				
Bills receivable				12,520,000.00
Accounts receivable				
Factoring receivables		1,500,000.00	12,520,000.00	
Prepayments		657,791,678.56	681,424,535.56	681,424,535.56
Other receivables	1	7,160,491,785.86	7,190,930,562.33	7,190,930,562.33
Inventories		35,308,427,281.78	33,404,741,922.84	33,404,741,922.84
Contract assets				
Assets held for sale				
Current portion of non-current assets				
Other current assets				206,809,428.90
Total current assets		**45,313,765,900.02**	**43,853,926,690.35**	**43,853,926,690.35**
Non-current assets:				
Debt investments				
Other debt investments				
Available-for-sale financial assets				2,074,391,683.50
Held-to-maturity investments				
Long-term receivables		22,200,000.00	15,000,000.00	15,000,000.00
Long-term equity investments	2	2,555,865,225.80	2,555,865,225.80	2,555,865,225.80
Investments in other equity instruments				
Other non-current financial assets		2,036,419,108.87	2,050,950,847.50	
Investment properties				
Fixed assets		7,080,270,934.29	7,299,682,721.04	7,299,682,721.04
Construction in progress		11,973,229,240.86	11,973,220,294.42	11,973,220,294.42
Productive biological assets				
Oil and gas assets				
Right-of-use assets				
Intangible assets		1,118,548.41	726,923.41	726,923.41
Development costs				
Goodwill				
Long-term deferred expenses				
Deferred tax assets		16,275,041.80	11,437,643.92	11,437,643.92
Other non-current assets		16,446,836.00	23,440,836.00	
Total non-current assets		**23,701,824,936.03**	**23,930,324,492.09**	**23,930,324,492.09**
Total assets		**69,015,590,836.05**	**67,784,251,182.44**	**67,784,251,182.44**

The accompanying notes form an integral part of these financial statements.

Legal representative: **The person in charge of accounting affairs:** **The head of the accounting department:**

Balance Sheet (continued)

As at 30 June 2021

Prepared by: Danyang Investment Group Co., Ltd. **Expressed in RMB**

Item	Note XIII	As at 31/12/2020	As at 1/1/2020	As at 31/12/2019
Current liabilities:				
Short-term loan		80,000,000.00	49,900,000.00	49,900,000.00
Trading financial liability				
Financial liabilities measured at fair value and its changes included in current profits or losses				
Derivative financial liabilities				
Bills payable				
Accounts payable		221,935,896.84	229,353,507.98	229,353,507.98
Advances from customers				1,086,661,527.00
Contract liabilities		1,185,358,320.00	1,086,661,527.00	-
Employee benefits payable		698,451.97	998,957.44	998,957.44
Taxes and fees payable		324,015,712.48	328,503,847.38	328,503,847.38
Other payables		13,609,068,531.98	12,543,312,113.24	12,543,312,113.24
Liabilities held for sale		-		-
Non-current liabilities due within one year		2,387,513,933.33	2,650,463,333.33	2,650,463,333.33
Other current liabilities		3,257,037,900.00	3,130,000,000.00	3,130,000,000.00
Total current liabilities		**21,065,628,746.60**	**20,019,193,286.37**	**20,019,193,286.37**
Non-current liabilities:				
Long-term loan		4,187,743,600.00	4,968,573,600.00	4,968,573,600.00
Debentures payable		5,107,366,447.88	4,384,228,697.71	4,384,228,697.71
Including: preferred stock				
Perpetual debt				
Lease liabilities				
Long-term payables		116,933,333.35	158,600,000.01	158,600,000.01
Long-term employee benefits payable				
Provisions				
Deferred income				
Deferred income tax liabilities				
Other non-current liabilities				
Total non-current liabilities		**9,412,043,381.23**	**9,511,402,297.72**	**9,511,402,297.72**
Total Liabilities		**30,477,672,127.83**	**29,530,595,584.09**	**29,530,595,584.09**
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 debt				
Capital reserve		31,256,903,887.70	31,256,903,887.70	31,256,903,887.70
Less: treasury stock				
Other comprehensive income				
Special reserve				
Surplus reserve		317,983,794.62	317,983,794.62	317,983,794.62
Undistributed profit		6,763,031,025.90	6,478,767,916.03	6,478,767,916.03
Total owner's equity		**38,537,918,708.22**	**38,253,655,598.35**	**38,253,655,598.35**
Total liabilities and owner's equity		**69,015,590,836.05**	**67,784,251,182.44**	**67,784,251,182.44**

The accompanying notes form an integral part of these financial statements.

Legal representative: **The person in charge of accounting affairs:** **The head of the accounting department:**

Income Statement

For the six months ended 30 June 2021

Prepared by: Danyang Investment Group Co., Ltd. **Expressed in RMB**

Item	Note XIII	Six Months Ended 30/6/2021	Six Months Ended 30/6/2020
I.Operating income	3	**1,146,788,919.65**	**1,361,192,144.41**
Less:operating costs	3	831,477,203.01	997,569,276.59
Taxes and surcharges		29,799,597.77	22,229,949.95
Selling and distribution expenses		866,852.49	
General and administrative expenses		19,583,213.40	16,205,469.47
Research and development expenses			
Financial expenses		120,286,856.91	128,678,938.95
Including: interest expense		267,114,540.28	298,913,398.45
Interest income		147,112,200.85	170,951,672.16
Add:Other income		208,965,745.63	226,403,121.32
Investment income ("-" for losses)	4	5,323,109.78	8,917,811.82
Including: Income from investment in associates and joint ventures			
Profit or loss arising from derecognition of financial assets measured at amortised costs			
Net exposure hedge income ("-" for losses)			
Gains from changes in fair value ("-" for losses)			
Credit impairment losses ("-" for losses)		-19,349,591.51	
Impairment losses("-" for losses)			-78,199,483.37
Gains from assets disposal ("-" for losses)			
II.Operating profit ("-" for losses)		**339,714,459.97**	**353,629,959.22**
Add: Non-operating income		48,323.02	304,065.65
Less: Non-operating expenses		1,337,071.00	1,852,278.93
III.Profit before income tax ("-" for losses)		**338,425,711.99**	**352,081,745.94**
Less: Income tax expenses		-4,837,397.88	-19,549,870.84
IV.Net profit for the year ("-" for losses)		**343,263,109.87**	**371,631,616.78**
A. Net profits from sustainable operation (net losses marked with "-")		**343,263,109.87**	**371,631,616.78**
B. Net profits from discontinued operations (net losses marked with "-")			
V.Other comprehensive income, net of tax			
A.Items that will not be reclassified to profit or loss			
a.Remeasurement of defined benefit plan liability or asset			
b.Share of other comprehensive income of the equity method investments			
c.Changes in fair value of investments in other equity instruments			
d.Gains or losses arising from changes in fair value of credit risk			
B. Items that may be reclassified to profit or loss			
a.Other comprehensive income that will be transferred subsequently to profit or loss under the equity method			
b.Gains or losses arising from changes in fair value of available-for-sale financial assets			
c.Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets			
d.Provisions for credit impairment losses of other investments in debt instruments			
e.Effective portion of gains or losses arising from cash flow hedging instruments			
f.Translation differences arising from translation of foreign currency financial statements			
g.Other			
VII.Total comprehensive income for the year		**343,263,109.87**	**371,631,616.78**

The accompanying notes form an integral part of these financial statements.

Legal representative: **The person in charge of accounting affairs:** **The head of the accounting department:**

Cash Flow Statement

For the six months ended 30 June 2021

Prepared by: Danyang Investment Group Co., Ltd. **Expressed in RMB**

Item	Note	Six Months Ended 30/6/2021	Six Months Ended 30/6/2020
I.Cash flows from operating activities			
Proceeds from sales of goods or rendering of services		1,116,486,733.92	643,885,048.55
Refund of taxes			
Proceeds from other operating activities		4,173,754,219.37	2,067,420,867.67
Sub-total of cash inflows		**5,290,240,953.29**	**2,711,305,916.22**
Payment for goods and services		2,681,132,940.24	516,446,746.77
Payment to and for employees		13,331,386.72	11,453,920.35
Payments of various taxes		8,839,356.21	668,893.55
Payment for other operating activities		8,144,293.40	111,296,970.62
Sub-total of cash outflows		**2,711,447,976.57**	**639,866,531.29**
Net cash flows from operating activities		**2,578,792,976.72**	**2,071,439,384.93**
II.Cash flows from investing activities			
Proceeds from disposal of investments		240,335,167.53	1,471,420.00
Investment returns received		2,192,659.67	26,175,537.60
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		**242,527,827.20**	**27,646,957.60**
Payment for acquisition of fixed assets, intangible assets and other long-term assets		602,634.05	248,401,200.02
Payment for acquisition of investments		12,000,000.00	
Net payment for acquisition of subsidiaries and other business units			
Payment for other investing activities			
Sub-total of cash outflows		**12,602,634.05**	**248,401,200.02**
Net cash flows from investing activities		**229,925,193.15**	**-220,754,242.42**
III.Cash flows from financing activities			
Proceeds from investors			
Proceeds from borrowings		3,220,100,000.00	4,280,400,000.00
Proceeds from other financing activities		526,901,950.00	1,000,000,000.00
Sub-total of cash inflows		**3,747,001,950.00**	**5,280,400,000.00**
Repayments of borrowings		4,490,806,666.66	5,051,661,140.00
Payment for dividends, profit distributions or interest		1,702,756,590.11	385,036,476.73
Repayments for other financing activities		797,200,000.00	513,400,000.00
Sub-total of cash outflows		**6,990,763,256.77**	**5,950,097,616.73**
Net cash flows from financing activities		**-3,243,761,306.77**	**-669,697,616.73**
IV.Effect of foreign exchange rate changes on cash and cash equivalents			
V.Net increase in cash and cash equivalents		**-435,043,136.90**	**1,180,987,525.78**
Add: Cash and cash equivalents as at the beginning of the period		1,286,158,290.72	717,797,625.83
VI.Cash and cash equivalent as at the end of the period		**851,115,153.82**	**1,898,785,151.61**

The accompanying notes form an integral part of these financial statements.

Legal representative: **The person in charge of accounting affairs:** **The head of the accounting department:**

Statement of Changes in Shareholders' Equity

Prepared by: Danyang Investment Group Co., Ltd.

Expressed in RMB

Item	For the six months ended 30 June 2021										
	Paid-in capital	Other equity instruments			Capital reserve	Less:treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
		Preference shares	Perpetual loans	Others							
I.Balance at 31/12/2020	200,000,000.00				31,256,903,887.70				317,983,794.62	6,478,767,916.03	**38,253,655,598.35**
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II.Balance at 01/01/2021	200,000,000.00				31,256,903,887.70				317,983,794.62	6,478,767,916.03	**38,253,655,598.35**
III.Changes in equity during the year("- "for decrease)										284,263,109.87	**284,263,109.87**
(I)Total comprehensive income										343,263,109.87	**343,263,109.87**
(II)Shareholders' contributions and decrease of capital											
1.Contribution by ordinary shareholders											
2. Capital contributed by other equity instruments holders											
3. Equity settled share-based payments											
4. Others											
(III) Appropriation of profits										-59,000,000.00	**-59,000,000.00**
1. Appropriation for surplus reserves											
2. Distributions to shareholders										-59,000,000.00	**-59,000,000.00**
3. Others											
(IV) Transfer within equity											
1.Share capital increased by capital reserves transfer											
2.Share capital increased by surplus reserves transfer											
3.Transfer of surplus reserve to offset losses											
4.Carry-over re-measurement of changes in net liabilities or net assets of defined benefit plans											
5.Others											
(V)Specific Reserve											
1. Appropriation during the year											
2.Utilisation during the year											
(VI)Others											
IV.Balance at 30/6/2021	200,000,000.00				31,256,903,887.70				317,983,794.62	6,763,031,025.90	**38,537,918,708.22**

The accompanying notes form an integral part of these financial statements.

Legal reprensentative: 洪锋 3211811077047

The person in charge of accounting affairs: 陈泽印

The head of the accounting department: 陈泽印

Statement of Changes in Shareholders' Equity(continued)

Prepared by: Danyang Investment Group Co., Ltd.

Expressed in RMB

Item	For the six months ended 30 June 2020										
	Paid-in capital	Other equity instruments			Capital reserve	Less:treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
		Preference shares	Perpetual loans	Others							
I.Balance at 31/12/2019	200,000,000.00				31,106,418,523.53				317,983,794.62	5,953,698,115.63	**37,578,100,433.78**
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II.Balance at 01/01/2020	200,000,000.00				31,106,418,523.53				317,983,794.62	5,953,698,115.63	**37,578,100,433.78**
III.Changes in equity during the year("- "for decrease)										334,831,616.78	**334,831,616.78**
(I)Total comprehensive income										371,631,616.78	**371,631,616.78**
(II)Shareholders' contributions and decrease of capital											
1.Contribution by ordinary shareholders											
2. Capital contributed by other equity instruments holders											
3. Equity settled share-based payments											
4. Others											
(III) Appropriation of profits										-36,800,000.00	**-36,800,000.00**
1. Appropriation for surplus reserves											
2. Distributions to shareholders										-36,800,000.00	**-36,800,000.00**
3. Others											
(IV) Transfer within equity											
1.Share capital increased by capital reserves transfer											
2.Share capital increased by surplus reserves transfer											
3.Transfer of surplus reserve to offset losses											
4.Carry-over re-measurement of changes in net liabilities or net assets of defined benefit plans											
5.Others											
(V)Specific Reserve											
1. Appropriation during the year											
2.Utilisation during the year											
(VI)Others											
IV.Balance at 30/6/2020	200,000,000.00				31,106,418,523.53				317,983,794.62	6,288,529,732.41	**37,912,932,050.56**

The accompanying notes form an integral part of these financial statements.

Legal reprensentative: 洪锋 3211811077047

The person in charge of accounting affairs: 陈泽 洪印

The head of the accounting department: 陈泽 洪印

Danyang Investment Group Co., Ltd.

Notes to the Financial Statements for the six months ended 30 June 2021

(All amounts in RMB unless otherwise stated)

I.Basic Information of the Company

(I)Company Profile

Danyang Investment Group Co., Ltd (hereinafter referred to as "company" or "the company") formerly known as Danyang Urban Construction Investment Corporation, was approved for establishment by Danyang Municipal People's Government Document Danzhengfa [2004] No.3 on January 30, 2004, and obtained the Business Institution Legal Entity Certificate No.132118100630 issued by the Danyang Municipal Administration for Registration of Business Institutions. The organizer is the Danyang Municipal People's Government.

On April 4, 2005, Danyang Municipal People's Government Document Danzhengfa [2005] No.46 approved to rename as Danyang Urban Construction Transportation Investment Corporation.

On November 28, 2007, Danyang Municipal Finance Bureau Document Dancai [2007] No.170 approved to rename as Co., Ltd, the shareholder shall be Danyang State-owned Assets Management Co., Ltd, and on November 28, 2007, it obtained the Business License for Enterprise as Legal Person No.3211811105424 issued by the Danyang Municipal Administration for Industry and Commerce, with Unified Social Credit Code/Registration No.91321181669640472N after integration of Three Certificates in 2016.

On November 16, 2009, it was renamed as Danyang Investment Group Co., Ltd.

On September 15, 2017, the company's shareholder was changed to Danyang Municipal People's Government State-owned Assets Supervision and Management Office.

Enterprise type: limited liability company (solely-funded by legal person, invested or controlled by non-natural person)

Registered address: No.999 Qiliang Road, Development Zone, Danyang City

Legal representative: Chen Yaoping

Registered capital: RMB 200 million

The company's business period is to November 28, 2058.

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

The company is an urban investment enterprise, with main business scope: state-owned land asset investment and development (entrusted by the municipal government), investment in urban infrastructure, old city reconstruction, demolition project, preliminary land development and arrangement, capital and asset management (entrusted by the municipal government), project investment, project management, state-owned housing operational lease (entrusted by the municipal government), water conservancy facility investment, construction, property management and information consultation (financial services such as public deposit absorption,

investment guarantee, fund pool establishment, financial management agent, etc are prohibited).

(III)Name of parent company and group headquarter

The sole investor and ultimate controller of the company is the Danyang Municipal People's Government State-owned Assets Supervision and Management Office.

The company consists of 10 departments including office, asset operation management department, finance department, audit department, financing department I, financing department II, project management department, risk prevention and control department, investment department, and discipline inspection team.

As of June 2021, the company has 16 first-level subsidiaries (Jiangsu Danhua Group Co., Ltd., Danyang Dan Health Recovery Care Center Co., Ltd. (formerly known as Danyang Danjian Medical and Health Care Investment Development Co., Ltd.), Fengmei International Investment Co., Ltd., Danyang Hongding Outdoor Media Service Co., Ltd., Zhenjiang Yitongda Cross-border Trade Service Co., Ltd., Danyang Tiansheng New City Construction Investment Development Co., Ltd., Danyang Tianrun Asset Management Co., Ltd., Danyang Fangyuan Planning and Construction Co., Ltd., Danyang Water Affairs Group Co., Ltd., Danyang Agricultural Comprehensive Development Co., Ltd., Jiangsu Shengyu Dansheng Venture Capital Co., Ltd., Jiangsu Qiliang Cultural Tourism Development Co., Ltd., Danyang New Countryside Construction Development Co., Ltd., Danyang Dansheng Logistics Industry Development Co., Ltd., Danyang Lianhu Ecological New District Investment and Development Co., Ltd., Danyang Lianhu Eco-tourism Construction and Development Co., Ltd.).

The company sets up a board of directors which manages and controls major decision-making and daily task implementation of the group company.

(IV)Approval of financial report

The financial statements were decided and approved by the board of directors of the Company for reporting on September 25, 2021.

(V)Scope of consolidated statement

For details of the changes in the scope of the consolidated financial statements of the current period, please refer to Note VIII "Equity in other entities" and Note.VII "Changes in the consolidation scope".

II.Basis for the Preparation of 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 are computed on the basis of historical costs. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with the relevant provisions.

2.Continuing 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 of Following the Accounting Standards for Enterprises

The company prepares for the financial statement in compliance with the Accounting Standards for Business Enterprises, to truly and completely reflect corporate financial status of consolidated and company as at 30 June 2021, operating achievement and cash flow of consolidated and company six months ended 30 June 2021, as well as other relevant information.

IV.Significant accounting policies and accounting estimate

The company determines specific accounting policies and accounting estimates based on the characteristics of production and operation, which are mainly reflected in the calculation method of bad debt provision for accounts receivable; the valuation method of inventory; depreciation and amortization of investment real estate; depreciation of fixed assets; amortization of intangible assets; Judgment criteria for impairment of long-term assets; recognition of income, etc.

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. A business cycle of the company is 12 months, which is the standard for dividing the liquidity of assets and liabilities.

3.Functional currency

The financial statements of the Company have been prepared in RMB.

4.Accounting treatment method of enterprise consolidation under and not under common control

Enterprise consolidation is defined as a transaction or event that at least two separate companies are combined to form a single reporting entity. Enterprise consolidation is divided as business combination under common control and business combination under different controls.

(1)Business combinations under common control

The enterprises participating in the consolidated are ultimately controlled by the same party or the same multiple parties before and after the consolidated, and the control is not temporary. It is a business combination under common control. In a business combination under common control, the party that obtains control of other participating companies on the consolidated day is the merging party, and the other companies participating in the consolidated are the merging party. The consolidated date refers to the date on which the combining party actually obtains control of the combined party.

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

The direct costs incurred by the merging party for the business combination shall be included in the current profit and loss when incurred.

(2)Business combinations involving enterprises not under common control

If the enterprises participating in the consolidated 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 combinations not under common control, the party that obtains control over other participating enterprises on the acquisition 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 acquire 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. The transaction costs of the marketable equity securities or debt securities issued by the acquirer as the combined consideration are included into the initial confirmation amount of marketable 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 combination costs generated by the acquirer and the identifiable net assets obtained during the combination process are computed based on the fair value on the acquisition date. 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 acquiree 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 acquiree in the combination, the difference shall be included into the current profits and losses.

When the deductible temporary difference obtained by the purchasing party from the purchased party is unrecognized due to incompliance with the deferred income tax asset recognition criteria on the purchasing date, within 12 months after the purchasing date, if new or further information shows relevant circumstances of the purchasing date have existed, and economic benefits of the purchased party brought by the deductible temporary

difference on the purchasing date is expected to realize, the relevant deferred 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 tax assets recognized in connection with enterprise consolidation are included in current profits and losses.

Business combination under different control realized step by step through multiple transactions, according to the "Notice of the Ministry of Finance on Issuing Interpretation of Accounting Standards for Enterprises No. 5" (Caikuai [2012] No. 19) and "Accounting Standards for Business Enterprises No. 33-Consolidated "Financial Statement" Article 51 on the "package deal" judgment criteria (refer to Note IV.5 (2)), to determine whether the multiple transactions belong to "package deal". If it belongs to a "package deal", refer to the previous paragraphs of this part and note IV.13 "Long-term equity investment" for accounting treatment; if it does not belong to a "package deal", distinguish between individual financial statements and consolidated financial statements for related accounting treatment:

In the individual financial statements, the sum of the book value of the equity investment held by the purchaser before the purchase date and the new investment cost of the purchase date is taken as the initial investment cost of the investment; the equity of the purchaser held before the purchase date If other comprehensive income is involved, the other comprehensive income related to the investment will be accounted for on the same basis as the purchaser 's direct disposal of related assets or liabilities (ie, except for Except for the corresponding share in the changes caused by the net liabilities or net assets of the defined benefit plan, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the purchased party held before the purchase date is remeasured according to the fair value of the equity at the purchase date, and the difference between the fair value and its book value is included in the current investment income; held before the purchase date If the equity of the purchased party involves other comprehensive income, the other comprehensive income related to it should be accounted for on the same basis as the purchaser 's direct disposal of related assets or liabilities (ie, except for Except for the corresponding share in the changes caused by the net liabilities or net assets of the defined benefit plan, the rest are converted into the current investment income of the purchase date).

(3)Transaction costs for business combination

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

5.Consolidated financial statements

(1)Scope of consolidated financial statements

The scope of consolidated financial statements is based on control. Control exists when the Company has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the

ability to affect its returns through its power over the investee. A subsidiary is an entity that is controlled by the Company (including enterprise, a portion of an investee as a deemed separate component, and structured entity controlled by the enterprise).

(2)Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intra-group balances and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary or business are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control.

The portion of a subsidiary's equity that is not attributable to the parent is treated as non-controlling interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented separately in the consolidated income statement below the "net profit" line item. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the book value of shareholder's equity attributed to the Company and to the non-controlling interest is adjusted to reflect the change in the Company's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

When the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity is re-measured at its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity minus the difference between the share of the original subsidiary's net assets that should be continuously calculated from the date of purchase based on the original shareholding ratio is included in the current period of loss of control Investment income. Other comprehensive income related to the original subsidiary's equity investment is accounted for on the same basis as the purchaser's direct disposal of related assets or liabilities when it loses control (ie, except for the remeasurement of the original subsidiary's defined benefit plan Except for changes due to net liabilities or net assets, the rest are also converted into current investment income). Afterwards, follow-up measurement of this part of the remaining equity in accordance with "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", please refer to Note IV. 13. "Long-term equity investment" or Note IV.9. "Finance Instruments".

If the company disposes of the equity investment in the subsidiary in stages through multiple transactions until it loses control, it is necessary to distinguish whether the transaction of equity investment in the subsidiary until the loss of control is a package transaction. The terms, conditions and economic impact of the disposal of various transactions on the subsidiary 's equity investment are consistent with one or more of the following conditions, usually indicating that multiple transactions should be accounted for as a package transaction: ① These transactions are simultaneous or under consideration Concluded under the influence of each other; 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 one other transaction; ④ a transaction alone is uneconomical, but and Other transactions are economic when considered together. If it does not belong to a package deal, for each of these transactions, according to the situation, the partial disposal of long-term equity investment in the subsidiary company without losing control rights and "The loss of control over the original subsidiary due to the disposal of part of the equity investment or other reasons" (please refer to Note IV.13.(2)④)is accounted for. Disposal of the equity investment in the subsidiary until the loss of control rights is a package transaction, the transactions are treated as a transaction that disposes of the subsidiary and loses control rights; however, each time the price is disposed before the loss of control rights The difference corresponding to the disposal of the investment and the share of the subsidiary 's net assets is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profit or loss of the current period when control is lost.

6.Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

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

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

A、its solely-held assets, and its share of any assets held jointly;

B、its solely-assumed liabilities, and its share of any liabilities assumed jointly;

C、its revenue from the sale of its share of the output arising from the joint operation;

D、its share of the revenue from the sale of the output by the joint operation; and

E、its solely-incurred expenses, and its share of any expenses incurred jointly.

(2)Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the

arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture. It is handled in accordance with the accounting policies described in Note IV. 13 (2) ② "Long-term equity investment accounted for by the equity method".

When the company invests or sells assets as a joint venture (the asset does not constitute a business, the same applies below), or purchases assets from the joint operation, before the assets are sold to a third party, the company only confirms that the transaction has occurred The part of the profit and loss that belongs to other parties that jointly operate. If any asset impairment loss that meets the requirements of "Accounting Standards for Business Enterprises No. 8-Asset Impairment", etc., the company confirms the loss in full for the case where the company invests or sells assets to the joint operation; When the company purchases assets from a joint operation, the company recognizes the loss according to the share assumed.

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 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, the same below), 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 (only applicable to the case of hedging by hedge accounting method) the exchange difference of hedging instrument used for effective net overseas operation investment hedging (such difference is included in other comprehensive revenue, and it is recognized as current profits and losses until net investment is disposed); ③ the available-for-sale foreign currency monetary items are included in current profits and losses, and exchange difference arising from book balance change is included in other comprehensive revenue, other than the amortized cost.

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)Conversion method of foreign currency financial statements

When the prepared consolidated financial statement involves overseas operation, if it substantially constitutes foreign currency item of net overseas operation investment, the exchange difference arising from exchange rate change is recognized as other comprehensive incomes as the "converted difference of foreign currency statement"; when disposing overseas operation, it is included in the disposal of current profits and losses.

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 Profit Statement are converted by using the current average 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 period 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

A financial asset or financial liability is recognized when the company becomes a party to a financial instrument contract.

(1) Classification, confirmation and measurement of financial assets

Based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the company divides financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with changes included in other comprehensive income; Financial assets measured at fair value and whose changes are included in the current profit and loss.

Financial assets are measured at fair value at the time of initial recognition. For financial assets that are measured at fair value and whose changes are included in the current profit and loss, the relevant transaction costs are directly included in the current profit and loss; for other types of financial assets, the relevant transaction costs are included in the initial recognition amount. For accounts receivable or bills receivable arising from the sale of products or the provision of labor services that do not contain or consider significant financing components, the amount of the consideration that the company is expected to be entitled to receive shall be the initial confirmation amount.

①Financial assets measured at amortized cost

The company's business model for managing financial assets measured at amortized cost is to collect contractual cash flow as the goal, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangement, that is, the cash flow generated on a specific date is only It is the payment of principal and interest based on the outstanding principal amount. For such financial assets, the company uses the actual interest rate method to perform subsequent measurement based on amortized costs, and the gains or losses resulting from amortization or impairment are included in the current profits and losses.

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

The company's business model for managing such financial assets is to both collect contractual cash flows and sell as the goal, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. The company measures such financial assets at fair value and their changes are included in other comprehensive income, but impairment losses or gains, exchange gains and losses, and interest income calculated in accordance with 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 that are measured at fair value and whose changes are included in other comprehensive income. The company records the relevant dividend income of such financial assets into the current profit and loss, and changes in fair value are included into other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained earnings, and not included in the current profit and loss.

③Financial assets that are measured at fair value and whose changes are included in the current profit and loss

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

(2) Classification, confirmation and measurement of financial liabilities

Financial liabilities are classified into financial liabilities and other financial liabilities that are measured at fair value and whose changes are included in the current profit and loss at the time of initial recognition. For financial liabilities that are measured at fair value and whose changes are included in the current profit and loss, the related transaction costs are directly included in the current profit and loss, and the related transaction costs of other financial liabilities are included in the initial recognition amount.

①Financial liabilities that are measured at fair value and whose changes are included in the current profit and loss

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

Transactional financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value. Except for hedge accounting, changes in fair value are included in the current profit and loss.

It is designated as a financial liability measured at fair value and whose changes are included in the current profit and loss. The change in the fair value of the liability caused by the company's own credit risk changes is included in other comprehensive income, and when the liability is terminated, it is included in other comprehensive income. The accumulated changes in fair value caused by changes in its own credit risk are transferred to retained earnings. The remaining changes in fair value are included in the current profit and loss. If

the impact of changes in the credit risk of such financial liabilities in the above manner will cause or enlarge the accounting mismatch in the profit and loss, the company shall have all the gains or losses of the financial liabilities (including the impact of changes in the company's own credit risk). Amount included in the current profit and loss.

②Other financial liabilities

Except for the transfer of financial assets that do not meet the conditions for termination of recognition or continue to be involved in the transferred financial assets, other financial liabilities other than financial liabilities and financial guarantee contracts are classified as financial liabilities measured at amortized cost, and subsequent measurement is performed at amortized cost. The gains or losses arising from derecognition or amortization shall be included in the current profits and losses.

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

A financial asset that meets one of the following conditions shall be derecognized: ① The contractual right to receive the cash flow of the financial asset is terminated; ② The financial asset has been transferred, and almost all risks and rewards in the ownership of the financial asset are transferred to the transferee; ③The financial asset has been transferred. Although the company neither transfers nor retains almost all the risks and rewards of the ownership of the financial asset, it has given up control of the financial asset.

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

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

If the partial transfer of financial assets meets the conditions for termination of confirmation, the book value of the transferred financial assets will be amortized between the derecognized and unterminated parts according to their relative fair value, and the consideration received as a result of the transfer shall be amortized to The difference between the sum of the cumulative amount of changes in fair value originally included in other comprehensive income and the amortized amount of the aforementioned book amount of the derecognized part is included in the current profit and loss.

The company must determine whether almost all the risks and rewards of the ownership of the financial assets have been transferred for the financial assets sold by the method of recourse, or the financial assets it holds for the transfer of endorsement. If almost all the risks and rewards of the ownership of the financial asset have been transferred to the transferee, the financial asset shall be terminated; if almost all the risks and rewards of the

ownership of the financial asset have been retained, the recognition of the financial asset shall not be terminated; neither has been transferred If almost all the risks and rewards related to the ownership of financial assets are not retained, then continue to determine whether the company retains control over the assets, and conduct accounting treatments in accordance with the principles described in the preceding paragraphs.

(4) Derecognition of financial liabilities

If the current obligation of the financial liability (or part of it) has been discharged, the company shall terminate the recognition of the financial liability (or this part of the financial liability). The company (the borrower) and the lender sign an agreement to replace the original financial liability by assuming a new financial liability, and if the contractual terms of the new financial liability and the original financial liability are substantially different, the original financial liability shall be terminated and confirmed at the same time. New financial liabilities. If the company makes a substantial modification to the contract terms of the original financial liability (or part of it), it shall terminate the recognition of the original financial liability and at the same time recognize a new financial liability in accordance with the revised terms.

When financial liabilities (or part of them) are derecognized, the company shall include 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) Offsetting of financial assets and financial liabilities

When the company has the statutory right to offset the confirmed amount of financial assets and financial liabilities, and the statutory rights are currently enforceable, and the company plans to settle the financial assets on a net basis or at the same time realize the financial assets and pay off the financial liabilities, Financial assets and financial liabilities are listed in the balance sheet at the net amount after offsetting each other. In addition, financial assets and financial liabilities are listed separately in the balance sheet and are not offset against each other.

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

Fair value refers to the price that market participants can receive for the sale of an asset or pay for the transfer of a liability in an orderly transaction that occurs on the measurement date. If there is an active market for a financial instrument, the company uses the quoted price in the active market to determine its fair value. The quotation in the active market refers to the price that can be easily obtained from exchanges, brokers, industry associations, and pricing service agencies on a regular basis, and represents the price of market transactions that actually occur in fair transactions. If there is no active market for a financial instrument, the company uses valuation techniques to determine its fair value. Valuation techniques include reference to the prices used in recent market transactions by parties familiar with the situation and voluntary transactions, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method and option pricing models, etc. At the time of valuation, the company adopts valuation techniques that are applicable under current circumstances and have sufficient available data and other information to support, and select those that are

consistent with the characteristics of the assets or liabilities considered by market participants in the transactions of related assets or liabilities. Enter the value, and prioritize the relevant observable input value as much as possible. When the relevant observable input value cannot be obtained or is not practicable, the non-input value is used.

(7) Equity instruments

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

If the company's equity instruments distribute dividends (including the "interest" generated by the instruments classified as equity instruments) during the existence period, they shall be treated as profit distribution.

10.Financial asset impairment

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

(1) Confirmation method of impairment provision

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

Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received by the company discounted at the original actual interest rate, that is, the present value of all cash shortages. Among them, for purchased or sourced financial assets that have been credit-impaired, the company discounts the financial assets at the credit-adjusted actual interest rate.

The general method of measuring expected credit losses means that the company assesses on each balance sheet date whether the credit risk of financial assets has increased significantly since the initial recognition. If the credit risk has increased significantly since the initial.The amount of expected credit losses during the entire duration measures the loss provision; if the credit risk has not increased significantly since the initial recognition, the company measures the loss provision at an amount equivalent to the expected credit loss in the next 12 months. The company considers all reasonable and supportable information, including forward-looking information, when assessing expected credit losses.

For financial instruments with lower credit risk on the balance sheet date, the company assumes that the credit risk has not increased significantly since the initial recognition, and chooses to measure the loss provision based on the expected credit losses in the next 12 months.

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

If the default probability of a certain financial asset within the expected duration determined on the balance sheet date is significantly higher than the default probability determined during the initial recognition, it indicates that the credit risk of the financial asset has increased significantly. Except for special circumstances, the company uses the change in default risk that occurs in the next 12 months as a reasonable estimate of the change in default risk during the entire duration to determine whether the credit risk has increased significantly since the initial confirmation.

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

1) Whether the actual or expected operating results of the debtor have changed significantly;

2) Whether the regulatory, economic or technological environment of the debtor has undergone significant adverse changes;

3) Whether there are significant changes in the value of the collateral used as debt collateral or the guarantee or credit enhancement quality provided by a third party. These changes are expected to reduce the debtor's economic motivation for repayment within the contract period or affect the probability of default;

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

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

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

(3) Judgment criteria for financial assets that have undergone credit impairment

When one or more events that have an adverse effect on the expected future cash flow of a financial asset occur, the financial asset becomes a financial asset that has been credit-impaired. Evidence of credit impairment of financial assets includes the following observable information:

1) The issuer or debtor has major financial difficulties;

2) The debtor breached the contract, such as default or overdue in repayment of interest or principal;

3) The creditor, out of economic or contractual considerations related to the debtor's financial difficulties, gives the debtor a concession that the debtor would not make under any other circumstances;

4) The debtor is likely to go bankrupt or other financial reorganization;

5) The issuer's or debtor's financial difficulties have led to the disappearance of the active market for the financial asset;

6) A financial asset is purchased or originated at a steep discount. The discount reflects the fact that credit losses have occurred.

The credit impairment of financial assets may be caused by a combination of multiple events, and may not be caused by a separately identifiable event.

(4) Combination method for evaluating expected credit risk based on combination

The company evaluates individual credit risks of financial assets with significantly different credit risks, such as: receivables from related parties; receivables that have disputes with the other party or are involved in litigation or arbitration; there are obvious signs that the debtor is likely to be unable to perform repayment Obligatory accounts receivable, etc.

In addition to financial assets that assess credit risk individually, the company divides financial assets into different groups based on common risk characteristics. Common credit risk characteristics used by the company include: financial instrument type, credit risk rating, aging portfolio, overdue accounts Age portfolio, contract settlement cycle, debtor's industry, etc., to assess credit risk on the basis of the group.

(5) Accounting treatment methods for impairment of financial assets

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

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

①Bills receivable and factoring receivables

The company measures the loss provision for the bills receivable at the amount equivalent to the expected credit loss during the entire duration. Based on the credit risk characteristics of bills receivable, divide them into different groups:

Classification	Basis for collective assessment
Bank acceptance bills	The acceptor is a bank with less credit risk
Commercial acceptance bills	According to the credit risk division of the acceptor, it is the same as the division of the "accounts receivable" portfolio

The method for determining the credit loss of the accounts receivable financing is the same as that of the bills receivable.

②Accounts receivable and contract assets

For accounts receivable and contract assets that do not contain significant financing components, the company measures the loss provision at the amount equivalent to the expected credit loss during the entire

duration.

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

Except for the accounts receivable whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into different groups:

Group of collective assessment	Basis for collective assessment
Ageing group	Use the ageing of receivables as credit risk characteristics to divide the group
Other group	For payments between the government and related units and departments, and payments between related parties

③Other receivables

Based on whether the credit risk of other receivables has increased significantly since initial recognition, the company uses an amount equivalent to expected credit losses in the next 12 months or the entire duration to measure the impairment loss. Except for other receivables whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into different groups:

Group of collective assessment	Method of provision for bad and doubtful debts collectively
Ageing group	Ageing analysis method
Other group	For payments between the government and related units and departments, and payments between related parties

④Debt investment

Debt investment mainly accounts for bond investment measured at amortized cost. The company uses an amount equivalent to the expected credit loss in the next 12 months or the entire duration to measure the impairment loss based on whether its credit risk has increased significantly since the initial confirmation.

Except for the debt investment that assesses the credit risk individually, based on its credit risk characteristics, it is divided into different combinations:

Group of collective assessment	Method of provision for bad and doubtful debts collectively
Not downgraded	The bond rating has not been downgraded since the initial purchase
Rating has been downgraded	The bond rating has been adjusted downwards since the initial purchase

⑤Other debt investment

Other debt investments are mainly accounted for bond investments that are measured at fair value and whose changes are included in other comprehensive income. The company uses an amount equivalent to the expected credit loss in the next 12 months or the entire duration to measure the impairment loss based on whether its credit risk has increased significantly since the initial confirmation.

In addition to other debt investments that individually assess credit risk, based on their credit risk characteristics, they are divided into different combinations:

Group of collective assessment	Method of provision for bad and doubtful debts collectively

Group of collective assessment	Method of provision for bad and doubtful debts collectively
Not downgraded	The bond rating has not been downgraded since the initial purchase
Rating has been downgraded	The bond rating has been adjusted downwards since the initial purchase

⑥Long-term receivables (except for receivables and lease receivables that contain significant financing components)

Based on whether its credit risk has increased significantly since its initial confirmation, the company uses an amount equivalent to expected credit losses in the next 12 months or the entire duration to measure long-term receivable impairment losses. In addition to the long-term receivables whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into different combinations:

Item	Determine the basis of the groups
Long-term financial lease deposit	Margin for long-term financial leases incurred by corporate financing, regardless of risk
Long-term other transactions	For long-term other current accounts except margin, the impairment risk refers to other receivables

11.Inventories

(1)Classification of inventory

Inventories mainly include production costs, material procurements, raw materials, low-value consumables, land and development costs, engineering construction, inventory goods, forest assets, etc.

(2)Mesurement method of cost of inventories

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.

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

On the balance sheet date, inventories are measured at the lower of cost and net realizable value.

The net realizable value of finished products, commodities and materials for sale that can be directly used for sale is determined by the estimated selling price of such inventory minus estimated selling expenses and related taxes; The net realizable value of materials and other inventories held is determined by the estimated selling price of the finished products produced minus the estimated cost, estimated sales expenses and related taxes and fees at the time of completion; for the execution of the sales contract or The net realizable value of the inventory held under a labor service contract is calculated on the basis of the contract price. If the amount of inventory held by the enterprise exceeds the quantity ordered by the sales contract, the net realizable value of the excess inventory is calculated on the basis of the general sales price.

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 Carrying amount, 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.

The company makes provision for inventory depreciation based on a single inventory item. However, if

certain inventory is related to product series produced and sold in the same region, has the same or similar end use or purpose, and is difficult to measure separately from other items, the measurement cost and net realizable value can be combined; for large quantities and low unit prices For inventory, the cost and net realizable value are measured according to the inventory category.

On the balance sheet date, if the cost of inventory is higher than its net realizable value, provision for inventory depreciation shall be made and included in the current profit and loss. If the factors affecting the previous write-down of the value of the inventory have disappeared, the amount of the write-down is restored and transferred back within the amount of the original inventory depreciation reserve that has been withdrawn, and the transferred amount is included in the current profit and loss.

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

(5)Amortization method for low-value consumables and packages

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

The contract asset accounting policy is applicable to 2021 and beyond.

The company considers that the customer has not yet paid the contract consideration, but the company has fulfilled its performance obligations in accordance with the contract, and is not unconditionally (that is, only depending on the passage of time) right to collect payments from the customer, which is listed as contract assets in the balance sheet. Contract assets and contract liabilities under the same contract are listed 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 losses of contract assets, please refer to Note IV. 10 Financial asset impairment.

13.Long-term equity investment

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

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

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

(2) Subsequent measurement and recognition of profit or loss

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

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

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

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

When the Company becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Company uses the fair value of the

previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method. The difference between the fair value and carrying amount of the previously-held equity investment, and the accumulated changes in fair value included in other comprehensive income, shall be transferred to profit or loss for the current period upon commencement of the equity method.

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

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

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

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

The company disposes of the equity investment in the subsidiary step by step through multiple transactions until it loses control. If the above transaction is a package transaction, each transaction is accounted for as a transaction to dispose of the equity investment in the subsidiary and lose control. Before the loss of control, the difference between the price of each disposal and the book value of the long-term equity investment

corresponding to the disposed equity is first recognized as other comprehensive income, and then transferred to the current loss or loss of control when the control is lost.

14.Investment properties

Investment properties refers to properties 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, if the board of directors (or similar organization) makes a written decision on the vacant building that the company holds for operating lease, it is clearly stated that it should be used for operating leases and that the intention is not to be changed in the short term. It is also listed as an investment of property.

Investment properties is initially measured at cost. Subsequent expenditures related to investment properties should be included in the cost of investment properties if the economic benefits associated with the asset are likely to flow in and its cost can be reliably measured. Other subsequent expenses are included in the current profit or loss when they occur.

The Company adopts a cost model for subsequent measurement of investment properties, and depreciates or amortizes in accordance with policies that are consistent with the use right of buildings or land.

For the details of impairment test method and withdrawal method of impairment provision of investment properties, please refer to Note IV.21 "Long-term asset impairment".

When the self-use properties or inventory is converted into investment properties or investment properties is converted into self-use properties, the Carrying amount before conversion should be taken as the converted entry value.

When the use of investment properties is changed to self-use, the investment properties should be converted into the fixed assets or intangible assets from the date of change. When the use of self-use properties is changed to earn rent or capital appreciation, the fixed assets or intangible assets should be converted into investment properties from the date of change. In the event of conversion, if it is converted to investment properties measured at the cost model, the Carrying amount before conversion is taken as the recorded value after conversion; if it is converted into investment properties measured at the fair value model, the fair value at the conversion date should be used as the converted entry value.

When the investment properties 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 properties should be terminated. The income from disposal of investment properties sold, transferred, scrapped or damaged is deducted for its Carrying amount and related tax expenses and charged to the current profit or loss.

15.Fixed assets

(1)Recognition of fixed assets

The term "fixed assets" refers 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 for various types of 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:

Categories	Depreciation method	Service life	Residual value rate %	Depreciation rate %
Buildings	straight-line method	16-40	4/5/10	6.00/5.94/5.63—2.40/2.38/2.25
Machinery equipment	straight-line method	530	4/5/10	19.20/19.00/18.00—3.20/3.17/3.00
Office and electronic equipment	straight-line method	5	4/5/10	19.20/19.00/18.00—19.20/19.00/18.00
Motor vehicles	straight-line method	58	4/5/10	19.20/19.00/18.00—12.00/11.88/11.25
Municipal engineering facility	straight-line method	16	0	6.25
Water pipeline facility	straight-line method	20	5	4.75
Others	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 of fixed assets and withdrawal method of impairment provision

As for fixed asset impairment test method and impairment provision method, please refer to Note IV 21 "Long-term asset impairment".

(4)Identification basis and pricing method of financing lease fixed assets

The finance lease is a lease that transfers substantially all the risks and rewards associated with the ownership of an asset. Ownership may or may not eventually be transferred. The fixed assets leased into with financial leasing mode shall make the depreciation of the leased assets in line with the policy 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 Carrying amount 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 Carrying amount 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 period, and if any change, it is recorded as a change in accounting estimates.

16.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.

As for construction in progress impairment test method and impairment provision method, please refer to Note IV 21 "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 properties, inventory, etc.

If the assets in accordance with capitalization criteria are interrupted abnormally during the construction or production process, and the interruption period continuously lasts for more than 3 months, capitalization of the borrowing cost is suspended, until asset construction or production activities resume.

18.Right-of-use assets

The right-to-use asset refers to the right of the company as the lessee to use the leased asset during the lease term. On the starting date of the lease term, the company, as the lessee, shall confirm the right-of-use assets and lease liabilities for the lease, except for short-term leases and low-value asset leases that are simplified. The start date of the lease term refers to the start date on which the lessor provides the leased assets to make it available to the lessee.

The company's right-of-use assets are initially measured at cost, which includes:

(1) The initial measurement amount of lease liabilities;

(2) If the lease payment is paid on or before the start of the lease term, if there is a lease incentive, the relevant amount of the lease incentive already enjoyed is deducted;

(3) The initial direct expenses incurred by the company as the lessee;

(4) The estimated cost incurred by the company for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state agreed upon in the lease terms.

The company depreciates the right-of-use assets in accordance with the relevant depreciation regulations of "Accounting Standards for Business Enterprises No. 4-Fixed Assets". If the company can reasonably determine that it will acquire the ownership of the leased asset when the lease term expires, it shall be depreciated during the remaining useful life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained when the lease term expires, the company shall accrue depreciation during the shorter period of the lease term and the remaining useful life of the leased asset.

In accordance with the "Accounting Standards for Business Enterprises No. 8-Asset Impairment", the company determines whether the right-of-use asset is impaired, and accounts for the identified impairment loss.

When the company remeasures the lease liability in accordance with the standards, it adjusts the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount shall be included in the current profit and loss.

If the lease change causes the scope of the lease to be narrowed or the lease period is shortened, the company will correspondingly reduce the book value of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in the current profit and loss. If other lease changes cause the lease liability to be remeasured, the company adjusts the book value of the right-of-use asset accordingly.

19.Intangible assets

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

(1)Intangible assets

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.

For an intangible asset with limited service life, the original value is amortized averagely and periodically over its estimated service life by using the straight-line method. 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)Impairment testing method of intangible assets and withdrawal method of impairment provision

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

20.Long-term deferred expenses

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 company's long-term deferred expenses mainly include financing lease fees and underwriting fees for issuing bonds. Long-term expenses to be apportioned are amortized on a straight-line basis over the expected benefit period.

21.Impairment of long-term assets

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, investment properties 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 day. 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 Carrying amount, 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 provision for impairment of assets is calculated and confirmed on the basis of individual assets. If it is difficult to estimate the recoverable amount of 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 Carrying amount 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 Carrying amount, it shall be recognized as the corresponding impairment loss. The amount of the impairment loss

shall first charge against the Carrying amount of the goodwill which are apportioned to the asset group or combination of asset groups, then charge it against the Carrying amount 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.

22.Contract liabilities

The contract liability accounting policy is applicable to 2021 and beyond.

Contract liabilities refer to the company's obligation 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 shall, at the earlier of the time between the actual payment by the customer and the payment due Receivables are listed as contract liabilities. Contract assets and contract liabilities under the same contract are listed in net amount, and contract assets and contract liabilities under different contracts are not offset.

23.Employee Benefits

The company's employee benefits mainly includes short-term employee benefits, post-employment benefits, dismissal benefits and other long-term employee benefits. Including:

Short-term benefits mainly includes wages, bonuses, allowances and subsidies, employee benefits, medical insurance premiums, maternity insurance premiums, work-related injury insurance premiums, housing provident fund, labor union funds and employee education funds, non-monetary benefits, etc. The company recognizes the actual short-term employee compensation as a liability during the accounting period during which employees provide services to the company, and includes it in the current profit and loss or the cost of related assets. Among them, non-monetary benefits are measured at fair value.

Post-employment benefits mainly include basic endowment insurance and unemployment insurance. The post-employment benefit plan includes a defined contribution plan. If a defined contribution plan is adopted, the corresponding deposit amount shall be included in the relevant asset cost or current profit and loss when incurred.

Before the expiration of the employee's labor contract, terminate the labor relationship with the employee, or propose compensation to encourage the employee to voluntarily accept the reduction. When the company cannot unilaterally withdraw the dismissal benefits provided by the termination of the labor relationship plan or the reduction proposal, Either the company confirms the cost related to the restructuring involving the payment of termination benefits, and confirms the employee compensation liabilities arising from the termination benefits and includes them in the current profit and loss. However, if the dismissal benefits are not expected to be fully paid twelve months after the end of the annual reporting period, it shall be treated as other long-term employee compensation.

The internal retirement plan of employees shall be handled according to the same principles as the above-mentioned dismissal benefits. The company will include the salaries and social insurance premiums paid by

the employees to be paid during the period from the day when the employees stop providing services to the normal retirement date, and include them in the current profit and loss (termination benefits) when they meet the conditions for the recognition of estimated liabilities.

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, except for the defined benefit plan.

24.Lease Liabilities

On the start date of the lease term, the company as the lessee confirms the right-of-use assets and lease liabilities for the lease. The company's lease liabilities are initially measured based on the present value of the lease payments that have not yet been paid on the date of the lease term.

When calculating the present value of lease payments, the company uses the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the company (ie the lessee) incremental borrowing interest rate is used as the discount rate.

The interest rate implicit in the lease refers to the interest rate that makes the sum of the present value of the lessor's lease receipts and the present value of the unguaranteed residual value equal to the sum of the fair value of the leased asset and the lessor's initial direct costs. The lessee's incremental borrowing interest rate refers to the interest rate that the lessee must pay for borrowing funds under similar mortgage conditions in a similar period in order to obtain assets with a value close to the right-of-use asset in a similar economic environment.

The company calculates the interest expense of the lease liability during each period of the lease term in accordance with a fixed periodic interest rate, and includes it in the current profit and loss or asset cost.

After the start of the lease term, if the evaluation result of the company's renewal option, termination option or purchase option changes, the lease payment shall be re-determined, and the current lease payment shall be calculated based on the changed lease payment and the revised discount rate. Value to remeasure the lease liability:

After the start of the lease term, if the expected amount payable based on the residual value of the guarantee changes, or the future lease payment changes due to changes in the index or ratio used to determine the lease payment, the company shall follow the change in the lease payment after the change. The present value remeasures the lease liability. Under these circumstances, the discount rate used by the company remains unchanged; however, if changes in lease payments originate from changes in floating interest rates, the revised discount rate will be used.

25.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.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken

into account as a whole in reaching the best estimate.Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Company reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

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

(1)Loss contract

A loss contract is a contract that inevitably costs more than expected economic benefits in fulfilling contractual obligations. If the contract to be executed becomes a loss contract, and the obligations arising from the loss contract meet the above-mentioned conditions for confirming the estimated liability, the portion of the contract 's estimated loss exceeding the confirmed impairment loss (if any) of the target asset of the contract is recognized as an estimated liability.

(2) Restructuring obligations

For a detailed, formal and publicly announced restructuring plan, when the aforementioned conditions for confirming the expected liabilities are met, the estimated liability amount is determined based on the direct expenditure related to the restructuring. Regarding the reorganization obligation to sell part of the business, only when the company promises to sell part of the business (that is, when the binding sale agreement is signed), the obligation related to the reorganization will be confirmed.

26.Share-based Payment

(1)Accounting treatment method of share-based payment

The term "share-based payment" refers to a transaction in which an enterprise grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employee or other parties. The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

① .Equity-settled share-based payment

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. When the service in vesting period is completed or the specified performance conditions are met for exercisable right, based on the best estimate of the quantity of exercisable right equity instruments in vesting period, the fair value amount is included in relevant costs or expenses by straight-line method calculation/in case of immediately exercising the right after granting, it is included in relevant costs or expenses on the grant date, and capital reserve is increased accordingly.

On each balance sheet date during the vesting period, the company makes the best estimate based on the latest information of exercisable right, staff number change and other subsequent information, and modifies the expected number of exercisable right equity instruments. The impact of aforesaid estimates is included in the current relevant costs or expenses, and the capital reserve is adjusted accordingly.

As for equity-settled share-based payment in exchange for other party's service, if the fair value of other

party's service can be reliably measured, it is measured as per the fair value of other party's service on the acquisition date; if the fair value of other party's service cannot be reliably measured, but the fair value of equity instruments can be reliably measured, it is measured as per the fair value of equity instruments on the service acquisition date, and included in relevant cost or expense, which increases the owner's equity accordingly.

When the fair value of granted equity instruments cannot be reliably measured, it shall be measured as per the inner value of equity instruments on the service acquisition date, subsequent each balance sheet date and settlement date, and the inner value changes are included in current profits and losses.

② .Cash-settled share-based payment

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the enterprise. . In case of immediately exercising the right after granting, it is included in relevant costs or expenses on the granting date, and liabilities are increased accordingly; if the right may not be exercised until the service in vesting period is completed or the specified performance conditions are met, on each balance sheet date within the vesting period, based on the best estimate of exercisable right status, the service obtained in the current period shall be included in costs or expenses, as per the fair value of liabilities undertaken by the enterprise, and liabilities are increased accordingly.

The company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the current profits and losses.

(2)Relevant accounting treatment of share-based payment plan modification and termination

When the company modifies the share-based payment plan, if the modification increases the fair value of granted equity instruments, the increase of service is recognized according to increased fair value of equity instruments. The increased fair value of equity instruments refers to the difference between fair value of equity instruments on the modification date before and after the modification. If the modification reduces total fair value of share-based payment or adopts other methods unfavorable to employees, accounting treatment will continuously be carried out on the obtained service, and such change is deemed as never occurred, unless the company has canceled a part or all of the granted equity instruments.

During the vesting period, if the granted equity instruments are cancelled, the company makes acceleration of exercisable right on the canceled and granted equity instruments, the amount that shall be recognized in the remaining vesting period will be immediately included in the current profits and losses, and the capital reserve is simultaneously recognized. If employees or other party can choose to meet non-vesting conditions but fails to meet in the vesting period, the company will treat it as cancellation of equity instruments.

(3)Accounting treatment of share-based payment transaction involving the company and its shareholders or actual controllers

For share-based payment transaction involving the company and its shareholders or actual controllers, if either the settlement enterprise or the service-accepting enterprise is inside the company, and the other is outside the company, accounting treatment shall be performed in the consolidated financial statement of the company according to the following regulations:

① .If the settlement enterprise settles by its own equity instruments, the share-based payment transaction shall be treated as equity-settled share-based payment; otherwise, it is treated as cash-settled share-based payment.

If the settlement enterprise is an investor of the service-accepting enterprise, it shall recognize long-term equity investment of the service-accepting enterprise as per fair value of equity instruments on the grant date or fair value of liabilities borne, and simultaneously recognize capital reserve (other capital reserves) or liabilities.

② .If the service-accepting enterprise has no settlement obligation or grants its own equity instruments to the company employees, such share-based payment transaction shall be treated as equity-settled share-based payment; if the service-accepting enterprise has settlement obligation and does not grant its own equity instruments to the company employees, such share-based payment transaction shall be treated as cash-settled share-based payment.

For share-based payment transaction between enterprises inside the company, if the service-accepting enterprise and the settlement enterprise are not the same enterprise, the recognition and measurement of such share-based payment transaction is treated by the above principle in the respective individual financial statement of the service-accepting enterprise and the settlement enterprise.

27.Revenue

The following revenue accounting policies are applicable to 2021 and beyond:

(1) General principles

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

On the starting date of the contract, the company identifies each individual performance obligation in the contract, and allocates the transaction price to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods promised by each individual performance obligation. When determining the transaction price, the influence of factors such as variable consideration, major financing components in the contract, non-cash consideration, and consideration payable to customers has been considered.

When any of the following conditions is met, the company is subject to performance obligations within a period of time; otherwise, at a point in time. (1) Customers obtain and consume economic benefits coming from

the company's performance of contract while the company performs the contract.(2) Customers can control goods under construction during the company's performance of contract.(3) Goods produced during the company's performance of contract are irreplaceable. During the whole contract period, the company is entitled to collect payments for those which have been accumulated up to now. The performance progress is determined by the input method or the output method according to the nature of the transferred goods. When the performance progress cannot be reasonably determined, the company's costs incurred are expected to be compensated, and the revenue is recognized according to the amount of costs incurred until the performance progress can be determined. Reasonably determined so far.

If one of the above conditions is not met, the company will allocate to the transaction price of the individual performance obligation to recognize revenue at the time when the customer obtains control of the relevant product. When judging whether the customer has obtained control of the product, the company considers the following signs: the company has the current right to receive payment for the product, that is, the customer has the current payment obligation for the product; the company has transferred the legal ownership of the product to the customer, that is, The customer already has the legal ownership of the product; the company has transferred the product to the customer in kind, that is, the customer has physically taken possession of the product; the company has transferred the major risks and rewards of the ownership of the product to the customer, that is, the customer has obtained the ownership of the product The main risks and rewards of the above; the customer has accepted the product; other signs that the customer has obtained control of the product.

(2) Specific method

The income of the company's land transfer business is recognized based on the settlement price with the company in the statement of the transfer of state-owned land use rights received from the Danyang Finance Bureau.

Sales revenue, the company has delivered the product to the customer according to the contract and the customer has accepted it, the legal ownership of the product has been transferred, the physical object has been transferred, the main risk of the ownership of the product has been transferred, the payment has been recovered or the receipt of rights certificate has been obtained and related When the economic benefits are likely to flow in, the realization of sales revenue is recognized.

Project construction revenue is recognized when the project confirmation report or supervision project payment order confirmed by the customer is obtained.

The income from royalties is recognized on the accrual basis in accordance with relevant contracts or agreements.

Rental income is recognized on an accrual basis based on the time and amount agreed in the lease contract.

The following revenue accounting policies are applicable to 2020:

(1)Sale of goods

Revenue is recognised when all the following conditions are satisfied: significant risks and rewards of

ownership of goods have been transferred to the buyer; the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; it is probable that the economic benefits will flow to the Company; and the revenue and costs can be measured reliably.

(2)Rendering of services

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognised by reference to the stage of completion.

The stage of completion is based on the proportion of costs incurred to date to the estimated total costs/the progress of work performed/the proportion of services performed to date to the total services to be performed.

Rendering of services can be estimated reliably when all the following conditions are satisfied:

A. The revenue can be measured reliably;

B. It is probable that the economic benefits will flow to the Company;

C. The stage of completion can be measured reliably;

D. The costs incurred and to be incurred in the transaction can be measured reliably.

Where the outcome cannot be estimated reliably, revenues are recognised to the extent of the costs incurred that are expected to be recoverable, and an equivalent amount is charged to profit or loss as service cost; otherwise, the costs incurred are recognised in profit or loss and no service revenue is recognised.

(3)Royalties from intangible assets

Revenue is recognized when it is probable that the economic benefits will flow to the Company, and the revenue can be measured reliably.

(4)Revenue from construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract expenses associated with the construction contract are recognised using the percentage of completion method. When the outcome of a construction contract cannot be estimated reliably, if the contract costs can be recovered, revenue is recognised to the extent of contract costs incurred that can be recovered, and the contract costs are recognised as contract expenses when incurred; otherwise, the contract costs are recognised as contract expenses immediately when incurred, and no contract revenue is recognised.

If the estimated total costs exceed contract revenue, the Company recognises estimated loss in profit or loss for the current period.

The stage of completion of a contract is determined based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs/ completion of a physical proportion of the contract work/surveys of the work performed.

The outcome of a construction contract can be estimated reliably when all the following conditions are satisfied:

A. The contract revenue can be measured reliably;

B. It is probable that the economic benefits will flow to the Company;

C. The actual contract costs incurred can be distinguished clearly and measured reliably;

D. The completion progress of the contract and the costs need to be incurred to complete the contract can be measured reliably.

(4) User fee income

According to relevant contracts or agreements, revenue is recognized on an accrual basis.

(5) Interest income

Calculated and determined according to the time when others use the company's currency funds and the agreed interest rate

28.Contract costs

The contract cost accounting policy is applicable to 2021 and beyond.

The incremental cost incurred by the company in order to obtain the contract is expected to be recovered, and it shall be recognized as an asset as the cost of obtaining the contract. However, if the amortization period of the asset does not exceed one year, it shall be included in the current profit and loss when it occurs.

If the cost incurred for the performance of the contract does not fall within the scope of the Accounting Standards for Business Enterprises No. 14-Revenue (Revised in 2017) and meets the following conditions at the same time, it shall be recognized as an asset as the contract performance cost: ①The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), clearly borne by the customer, and other costs incurred only due to the contract; ②The cost Increased the Group's future resources for fulfilling contract performance obligations; ③The cost is expected to be recovered.

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

29.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-government subsidy. If government grants are monetary assets, measure according to

received or receivable amount. If government grants are non-monetary assets, measure at fair value; if fair value cannot be obtained reliably, measure 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. The government subsidy measured as per the receivable amount shall simultaneously meet the following conditions: (1) the amount of receivable subsidy has been verified by the competent government department, or may be reasonably calculated according to the relevant provisions of officially promulgated Financial Fund Management Measures, and it is estimated that there is no major uncertainty in the amount; (2) it is based on the financial support project officially released by the local financial department and proactively disclosed in accordance with the Regulations on the Openness of Government Information and its financial fund management measures, and these management measures shall be general preferential (any enterprise that meets the specified conditions may apply), rather than specifically for a certain enterprise; (3) relevant subsidy approval document has expressly promised the payment period, and the payment of such fund is secured by corresponding financial budget, so as to reasonably guarantee receipt within the prescribed time limit; (4) other relevant conditions (if any) according to specific circumstances of the company and subsidy matter.

Asset-related government subsidy is 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 subsidy 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 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.

30.Deferred tax assets/deferred tax liabilities

(1)Current income tax

On the balance sheet date, the current 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 tax assets/deferred tax liabilities

For the gap between carrying amount of some assets and liabilities and their tax basis, as well as the temporary difference arising from the gap between Carrying amount 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 tax assets and deferred 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 consolidation, unaffecting accounting profit and taxable income (or deductible loss) when incurred, relevant deferred 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 tax liabilities are not recognized as well. Except for the above exceptions, the company recognizes deferred 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 consolidation, unaffecting accounting profit and taxable income (or deductible loss) when incurred, relevant deferred 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 tax assets are not recognized. Except for the above exceptions, the company recognizes deferred 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 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 tax assets and deferred 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 amount of deferred tax assets is reviewed; if it is likely not to obtain sufficient taxable income to offset the benefits of deferred tax assets in the future, the Carrying amount of deferred tax assets shall be written off. If it is likely to obtain sufficient taxable income, the write-off amount may be reversed.

(3)Income tax expenses

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

Except that the current income tax and defered 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 consolidation to adjust Carrying amount of goodwill, other current income tax and defered 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 tax assets and current tax liabilities shall be reported at the net amount after offsetting.

When having legitimate right of net settlement for current tax assets and current tax liabilities, and the deferred tax assets and deferred 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 tax assets and liabilities, the involved taxpayer intends to execute net settlement of current tax assets and liabilities or simultaneously obtains assets and settles liabilities, the company's deferred tax assets and deferred tax liabilities are reported at the net amount after offsetting.

31.Operating leases and finance leases

The following lease accounting policies will apply from January 1, 2021:

Lease refers to a contract in which the company assigns or obtains the right to control the use of one or more identified assets within a certain period of time in exchange for or payment of consideration. On the start date of a contract, the company assesses whether the contract is a lease or includes a lease.

(1) The company as the lessee

①Initial measurement

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

②Subsequent measurement

The company refers to the "Accounting Standards for Business Enterprises No. 4-Fixed Assets" related depreciation provisions for depreciation of the right-of-use assets (refer to Note.17 "Fixed Assets" for details), and can reasonably determine that it will acquire the ownership of the leased asset when the lease term expires. Yes, the company accrues depreciation during the remaining useful life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained when the lease term expires, the company shall accrue depreciation during the shorter period of the lease term and the remaining useful life of the leased asset.

For lease liabilities, the company calculates its interest expenses during each period of the lease term in

accordance with a fixed periodic interest rate, which is included in the current profit and loss. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when they actually occur.

After the start of the lease term, when the actual fixed payment changes, the expected amount payable of the guarantee residual value changes, the index or ratio used to determine the lease payment changes, the purchase option, the lease renewal option, or the evaluation of the termination option When the result or actual exercise situation changes, the company remeasures the lease liability according to the present value of the lease payment after the change, and adjusts the book value of the right-of-use asset accordingly. If the book value of the right-of-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 whose lease term does not exceed 12 months on the lease start date) and low-value asset leases, the company adopts a simplified approach, does not recognize the right-of-use assets and lease liabilities, and uses the straight-line method during each period of the lease term or other systematic and reasonable methods will include the lease payment in the current profit and loss.

(2) The company as the lessor

Based on the nature of the transaction, the company divides leases into financial leases and operating leases on the starting date of the lease. Finance lease refers to a lease that has substantially transferred almost all the risks and rewards related to the ownership of the leased asset. Operating leases refer to leases other than financial leases.

① Operating lease

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

② Finance lease

On the start date of the lease term, the company confirms the financial lease receivables and terminates the recognition of the financial lease assets. The financial lease receivables are initially measured on the basis of the net lease investment (the sum of the unguaranteed residual value and the present value of the lease payment not yet received at the beginning of the lease term, discounted at the interest rate included in the lease), and in accordance with a fixed cycle The interest rate calculation confirms the interest income during the lease term. The variable lease payments obtained by the company that are not included in the measurement of the net lease investment are included in the current profit and loss when they actually occur.

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)As a lessor

At the commencement of the lease term, the Company recognises the aggregate of the minimum lease receipts determined at the inception of a lease and the initial direct costs as finance lease receivable, and recognises unguaranteed residual value at the same time. The difference between the aggregate of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the aggregate of their present value is recognised as unearned finance income. Unearned finance income is allocated to each accounting period during the lease term using the effective interest method.

Income derived from operating leases is recognised in profit or loss using the straight-line method [or other method which is systematically more appropriate] over the lease term. Initial direct costs are charged to profit or loss immediately.

(2)As a lessee

When the Company acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is accounted for as unrecognised finance charges. Initial direct costs attributable to a finance lease that are incurred by the Company are added to the carrying amount of the leased asset. Unrecognised finance charges arising from a finance lease are recognised using an effective interest method over the lease term. Depreciation is accounted for in accordance with the accounting policies of fixed assets.

Rental payments under operating leases are recognised as part of the cost of another related asset or as expenses on a straight-line basis over the lease term. Initial direct costs are charged to profit or loss immediately.

32.Other important accounting policies and accounting estimates

(1)Discontinued operations

Discontinued operations refer 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 separately classified during operation and preparation of financial statement: ① this integral part represents an independent primary business or a major operating area; ② this integral part is an intended part of disposal plan on an independent primary business or a major operating area; ③ this integral part is a subsidiary acquired solely for resale.

33.Changes in significant accounting policies and accounting estimates

(1)Changes in accounting policies

①First adopted new revenue standard

The Ministry of Finance released the revised Accounting Standard for Business Enterprises No. 14 - Revenue ("new revenue standard") on 5July 2017. The financial statements from 1 January 2021 are prepared in accordance with the above standard and circular.

The new revenue standard establishes a new revenue recognition model for regulating revenue generated from contracts with customers. In order to implement the new revenue standards, the company reassessed the

recognition and measurement, accounting and presentation of main contract revenue. According to the provisions of the new revenue standards, the choice is only to adjust the cumulative impact of contracts that have not been completed on January 1, 2021. The amount of cumulative impact of the first implementation is adjusted. The amount of retained earnings and other related items in the financial statements at the beginning of the first implementation period (ie January 1, 2021) will not be adjusted for comparable period information.

This change in accounting policy was made by the company in accordance with the relevant regulations and requirements issued by the Ministry of Finance. After the change, the accounting policy can objectively and fairly reflect the company's financial status and operating results, and comply with relevant laws and regulations and the actual situation of the company.

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

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

Item	31 December 2020(Before adjustment)		1 January 2021(After adjustment)	
	Consolidated financial statements	The company's financial statements	Consolidated financial statements	The company's financial statements
Advances from customers	1,195,862,616.64	1,086,661,527.00		
Contract liabilities			1,195,862,616.64	1,086,661,527.00

Description of adjustments:

According to the new income standards, the amount of advance receipts at the beginning of the year excluding tax is adjusted to the contract liability, and the tax is adjusted to other current liabilities. In addition to the above items, the financial statements on December 31, 2020 and January 1, 2021 The balances of other items are the same.

B. Impact on June 30, 2021/ six months ended 30 June 2021

The items of the consolidated financial statements on June 30, 2021, the consolidated financial statements six months ended 30 June 2021, and the items of the company's income statement prepared using the accounting policy after the change are compared with those items prepared using the accounting policy before the change the comparison of affected projects is as follows:

Impact on the balance sheet as of June 30, 2021

Item	31 December 2020(New revenue standard)		1 January 2021(Old revenue standard)	
	Consolidated financial statements	The company's financial statements	Consolidated financial statements	The company's financial statements
Advances from customers			1,288,136,073.17	1,185,358,320.00

Item	31 December 2020(New revenue standard)		1 January 2021(Old revenue standard)	
	Consolidated financial statements	The company's financial statements	Consolidated financial statements	The company's financial statements
Contract liabilities	1,288,136,073.17	1,185,358,320.00		

②First adopted the new accounting standards governing financial instruments in 2021

The Ministry of Finance released the revised CAS 22 - Recognition and Measurement of Financial Instruments, CAS 23 - Transfer of Financial Assets, CAS 24 - Hedge Accounting and CAS 37 - Presentation of Financial Instruments (hereinafter collectively referred to as "the new financial instruments standards") in 2017, and released the Circular on the Amendment to the Formats of Corporate Financial Statements for the Year of 2019 (Cai Kuai [2019] No. 6), the revised CAS 7 - Exchange of Non-monetary Assets (hereinafter the "exchange of non-monetary assets standard") and the revised CAS 12 - Debt Restructuring (hereinafter the "debt restructuring standard") in 2019. The financial statements from 1 January 2021 are prepared in accordance with the above standards and circular. Under the new financial instrument standards, all confirmed financial assets are subsequently measured at amortized cost or fair value. On the implementation date of the new financial instrument standards, evaluate the business model of managing financial assets based on the existing facts and circumstances of the company at that date, and evaluate the contractual cash flow characteristics of the financial assets based on the facts and circumstances at the time of initial recognition of financial assets , Divide financial assets 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 profit and loss. Among them, for equity instrument investments that are measured at fair value and whose changes 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. Included in the current profit and loss.

Under the new financial instrument standards, the company uses expected credit losses as the basis for financial assets measured at amortized cost, investment in debt instruments measured at fair value with changes included in other comprehensive income, lease receivables, contract assets And financial guarantee contracts to make provision for impairment and confirm credit impairment losses.

The company retrospectively applies the new financial instrument standards, but for the classification and measurement (including impairment) involving the previous comparison of the financial statement data and the new financial instrument standards inconsistent, the company chooses not to restate it.

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

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

Item	31 December 2020(Before adjustment)		1 January 2021(After adjustment)	
	Consolidated financial statements	The company's financial statements	Consolidated financial statements	The company's financial statements
Financial assets held for trading	10,463.20		544,269,892.10	206,809,428.90
Bills receivable	30,952,183.21	12,520,000.00	1,466,304.00	
Factoring receivables	-		29,485,879.21	12,520,000.00
Other current assets	568,836,132.28	206,809,428.90	24,576,703.38	
Other investments in debt instruments	-		255,141,912.83	
Available-for-sale financial assets	2,958,948,788.07	2,074,391,683.50	-	-
Held-to-maturity investments	255,141,912.83		-	-
Other investments in debt instruments	-		20,000,000.00	-
Other non-current financial assets	-		2,903,874,952.07	2,050,950,847.50
Other non-current assets	305,800,562.50		340,874,398.50	23,440,836.00

③Accounting policy changes caused by the implementation of the new lease standard

The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 21-Leases (2018 Revision)" (Cai Kuai [2018] No. 35) (hereinafter referred to as the "New Lease Standards") on December 7, 2018. The aforementioned new lease standards will be implemented on January 1.

According to the provisions of the new lease standard, the company chooses not to reassess whether it is a lease or includes a lease for a contract that already exists before the first implementation date.

The company chose to adjust only the cumulative impact of lease contracts that have not yet been completed on January 1, 2021. The amount of cumulative impact of the first implementation is adjusted. The amount of retained earnings and other related items in the financial statements at the beginning of the first implementation period (ie January 1, 2021) will not be adjusted for comparable period information.

The implementation of the new lease standard has no impact on the company's financial statements.

(2)Changes in accounting estimates

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

34.Significant accounting judgments and estimates

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 Carrying amount 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 Carrying amount of affected assets or liabilities in the future.

The company conducts periodic review on the foregoing judgments, estimates and assumptions on the basis of continuous operation; if changes in accounting estimates only affect the current period of changes, the affected amount shall be recognized in the current period of changes; if it affects both current period of changes and future period, the affected amount shall be recognized in the current period of changes and future period.

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

(1)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 Carrying amount of inventory, as well as the reversal or accrued provision for inventory devaluation during the period of estimates changed.

(2)Fair value of financial instruments

For the financial instruments unavailable on active trading market, the company determines its fair value through various valuation methods. These valuation methods include discounted cash flow model analysis, etc. At the time of valuation, the company needs to estimate future cash flow, credit risk, market volatility rate, correlation, etc, and choose the appropriate discount rate. These relevant assumptions are uncertain and their changes will have an impact on the fair value of financial instruments.

(3)Impairment of Investments in other equity instruments

The company's determination of whether other equity instrument investments are impaired depends to a large extent on the judgment and assumptions of the management to determine whether it needs to be recognized for impairment. In the process of making judgments and making assumptions, the company needs to evaluate the extent and duration of the fair value of the investment below 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.

(4)Provision for long-term asset impairment

The company judges if there is possible sign of impairment on the non-current assets other than financial assets on the balance sheet date. For intangible assets with uncertain service life, in addition to annual impairment test, when there is sign of impairment, impairment test shall be conducted as well. For non-current assets other than financial assets, when there is sign showing the book amount unretrieved, impairment test shall be conducted.

When the Carrying amount of asset or asset group is higher than the recoverable amount, which is the higher of net amount after fair value deducting disposal expense and present value of estimated future cash flow, it indicates occurrence of impairment.

The net amount of fair value deducting disposal expense is determined by reducing the incremental cost that can be directly attributed to such asset disposal, with reference to sales agreement price of similar assets in fair trade or observable market price.

When estimating the present value of future cash flow, major judgments are required on the asset (or asset group) output, selling price, related operating cost, discount rate used when calculating the present value, etc. When estimating recoverable amount, the company may use all relevant information available, including forecasts of output, selling price and related operating cost which are made based on reasonable and supportable assumptions.

The company tests whether goodwill is impaired at least every year. This requires estimation on the present value of future cash flow of asset group or asset group portfolio with goodwill allocated. When estimating the present value of future cash flow, the company needs to estimate the future cash flow generated by asset group or asset group portfolio, and concurrently select appropriate discount rate to determine the present value of future cash flow.

(5)Depreciation and amortization

After considering the residue value of investing properties, fixed assets and intangible assets, the company uses straight line method for depreciation and amortization provision in the service life. The company regularly reviews the service life, to determine the amount of depreciation and amortization expenses included in each reporting period. The service life is determined by the company based on past experience of similar assets and combined with expected technical updates. In case of significant change in previous estimates, the depreciation and amortization expenses will be adjusted in the future.

(6)Deferred tax assets:

Insofar as it is highly probable to offset losses with sufficient taxable profits, the company recognizes deferred tax assets with all unused tax losses. This requires the company executives to use a large number of judgments to estimate the time and amount of future taxable profits, and combine the tax planning strategy, to determine the amount of deferred tax assets that shall be recognized.

(7)Income tax

In normal operating activities of the company, final tax treatment and calculation of some transactions have certain uncertainties. Whether some items can be listed as pre-tax shall gain approval of the tax authority. If there is difference between the final recognized result of these taxation matters and the originally estimated amount, such difference will have an impact on the current income tax and deferred income tax during the period of final recognition.

V.Taxation

1.Main tax categories and corresponding tax rates

Categories of taxes	Specific tax rate
Value-added tax	Taxable income is calculated at the tax rates of 13%, 6%, 5%, and 3%, and the value-added tax is calculated on the basis of the difference after deducting the input tax allowed to be deducted in the current period.
Urban maintenance and construction tax	Calculation and payment is made at 1%,5%, 7% of the payable turnover tax.
Education surcharge	Calculation and payment is made at 3% of the payable turnover tax.
Local education surcharge	Calculation and payment is made at 2% of the payable turnover tax.
Corporate income tax	Calculation and payment is made at 25% of the taxable income

2.Tax benefit and approval document

Tongliao Jinmei Chemical Co., Ltd, a subsidiary of the company, obtained the High-Tech Enterprise Certificate No.GR201615000111 on December 1, 2016, with validity term of three years, and entitled to preferential policy of levying corporate income tax at a reduced tax rate of 15%.

Jiangsu G. Poly Alloy Material Co., Ltd, a subsidiary of Tongliao Jinmei Chemical Co., Ltd, obtained the High-Tech Enterprise Certificate No.GR201832001612 on November 28, 2018, with validity term of three years, and entitled to preferential policy of levying corporate income tax at a reduced tax rate of 15%.

According to the Notice of the State Administration of Taxation of the Ministry of Finance on the Issues Concerning the Treatment of Corporate Income Tax for Special-purpose Financial Funds (Cai Shui [2011] No. 70), the company should obtain If the financial funds of the total income meet the conditions stipulated in the document, they shall be regarded as non-taxable income for the year, and shall be deducted from the total income when calculating the taxable income.

VI.Notes to the consolidated financial statements

1.Cash at bank and in hand

(1)Cash at bank and in hand balance

Items	As at 30/6/2021	As at 31/12/2020
Cash in hand	562,320.66	425,799.49
Deposits with banks	1,564,778,602.58	2,329,421,253.56
Other monetary funds	1,738,354,770.52	2,751,662,804.40
Total	3,303,695,693.76	5,081,509,857.45

(2)Restricted use of monetary funds at the end of the period:

Items	As at 30/6/2021	Reasons for being restricted
Other monetary funds	200,000,000.00	Margin for the Company's issuance of commercial acceptance bills
Other monetary funds	630,000,000.00	Deposit for the Company's issuance of bank acceptance bills
Other monetary funds	907,440,000.00	Pledge for bank loans
Total	1,737,440,000.00	

2.Financial assets held for trading

Items	As at 30/6/2021	As at 30/6/2020
Financial assets at fair value through profit or loss.	294,409,300.00	544,269,892.10
Including: debt instrument investment		
Equity instrument investment	9,300.00	10,463.20
Financial product	294,400,000.00	544,259,428.90
Financial assets designated at fair value through profit or loss		
Including: debt instrument investment		
Others		
Total	294,409,300.00	544,269,892.10

3.Bills receivable

Items	As at 30/6/2021	As at 31/12/2020
Commercial acceptance bills	3,094,187.38	1,466,304.00
Total	3,094,187.38	1,466,304.00

4.Accounts receivable

(1)Disclosure of receivable classification

Categories	As at 30/6/2021		
	Book balance	Provision for bad and doubtful debts	Carrying amount

	Amount	Proportion (%)	Amount	Percentage of provision(%)	
Individually significant and assessed for impairment individually					
Collectively assessed for impairment based on credit risk characteristics	1,086,722,406.84	100.00	24,083,305.04	2.22	1,062,639,101.80
Including: Ageing group	332,434,709.31	30.59	24,083,305.04	7.24	308,351,404.27
Government and related party group	754,287,697.53	69.41	-		754,287,697.53
Individually insignificant but assessed for impairment individually					
Total	1,086,722,406.84	100.00	24,083,305.04	2.22	1,062,639,101.80

(Continued)

Categories	As at 31/12/2020				
	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Percentage of provision(%)	
Individually significant and assessed for impairment individually	183,104,096.51	16.40			183,104,096.51
Collectively assessed for impairment based on credit risk characteristics	933,198,824.90	83.60	15,782,255.49	1.69	917,416,569.41
Including: Ageing group	161,896,165.00	14.50	15,782,255.49	9.75	146,113,909.51
Government and related party group	771,302,659.90	69.10			771,302,659.90
Individually insignificant but assessed for impairment individually					
Total	1,116,302,921.41	100.00	15,782,255.49	1.41	1,100,520,665.92

① .Accounts receivable which are collectively assessed for impairment using the ageing analysis method at

the end of the period:

Ageing	As at 30/6/2021			
	Book balance	Provision for bad and doubtful debts	Percentage of provision(%)	Carrying amount
Within 1 year	272,270,868.09	4,908,805.12	1.80	267,362,062.97
1 to 2 years	12,705,608.81	430,229.60	3.39	12,275,379.21
2 to 3 years	9,948,430.03	368,431.12	3.70	9,579,998.91
Over 3 years	37,509,802.38	18,375,839.20	48.99	19,133,963.18
Total	332,434,709.31	24,083,305.04	7.24	308,351,404.27

(Continued)

Ageing	As at 31/12/2020			
	Book balance	Provision for bad and doubtful debts	Percentage of provision(%)	Carrying amount
Within 1 year	103,711,278.88	2,986,711.06	2.88	100,724,567.82
1 to 2 years	12,144,074.11	394,333.60	3.25	11,749,740.51
2 to 3 years	34,820,258.77	1,180,657.59	3.39	33,639,601.18
Over 3 years	11,220,553.24	11,220,553.24	100.00	
Total	161,896,165.00	15,782,255.49	9.75	146,113,909.51

② .Accounts receivable of bad and doubtful debts provision by other methods

Other group	As at 30/6/2021		
	Book balance	Provision for bad and doubtful debts	Percentage of provision(%)
Accounts receivable from Government and other units	98,632,410.79		
Related party transactions	655,655,286.74		
Total	754,287,697.53		

(Continued)

Other group	As at 31/12/2020		
	Book balance	Provision for bad and doubtful debts	Percentage of provision(%)
Accounts receivable from Government and other units	109,070,623.17		
Related party transactions	662,232,036.73		
Total	771,302,659.90		

(2)As at 30 June 2021, the five largest accounts receivables aggregated by debtors were analysed as follows:

The total amount of the top five accounts receivable aggregated by debtors at the end of the period is RMB 939,659,546.38, accounting for 86.47% of accounts receivable. The balance of provision for bad and doubtful debts is RMB 4,989,957.32.

Debtors	As at 30/6/2021	Ageing	The proportion of the total accounts receivable (%)	Provision for bad and doubtful debts
Danyang Lianhu Water City Investment and Construction Co., Ltd.	655,655,286.74	1 to 2 years	60.34	
Hercules Aluminum Co., Ltd.	151,784,831.25	Within 1 year	13.97	1,517,848.31
Danyang City Finance Bureau	76,391,388.59	Within 1 year/1 to 2 years	7.03	
Jiangsu Hercules Technology Co., Ltd.	35,801,726.28	Within 1 year	3.29	358,017.26
Xinxiang Yongjin Chemical Co., Ltd.	20,026,313.52	Over 3 years	1.84	3,114,091.75
Total	939,659,546.38	—	86.47	4,989,957.32

5.Factoring receivables

Items	As at 30/6/2021	As at 31/12/2020
Bills receivable	14,972,297.81	29,485,879.21
Accounts receivable		
Total	14,972,297.81	29,485,879.21

6.Prepayments

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

Ageing	As at 30/6/2021		As at 31/12/2020	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	148,425,972.31	17.37	228,207,566.08	27.52
1 to 2 years	151,364,886.11	17.71	356,563,233.14	43.00
2 to 3 years	348,345,714.19	40.77	40,290,230.37	4.86
over 3 years	206,410,975.70	24.15	204,126,805.01	24.62
Total	854,547,548.31	100.00	829,187,834.60	100.00

(2)As at 30 June 2021, the five largest prepayment aggregated by debtors were analysed as follows:

The total amount of the top five prepayment aggregated by debtors according to the prepayment balance at the end of the period is RMB 737,908,968.14, accounting for 86.35% of the total prepayment balance at the end of the period.

Debtors	As at 30/6/2021	The proportion of the total prepayments (%)
Danyang New District Housing Demolition and Resettlement Office	397,000,000.00	46.46
Danyang Zhendan Expressway Construction Headquarters (Danyang Section of Zhendan Expressway)	168,004,513.00	19.66
Special account for sewage pipe network construction	60,483,853.34	7.08
Jiangsu Zhongke Sixiang Laser Technology Co., Ltd.	56,584,991.00	6.62
Danyang Tianyi Housing Construction Development Co., Ltd.	55,835,610.80	6.53
Total	737,908,968.14	86.35

7.Other receivables

Items	As at 30/6/2021	As at 31/12/2020
Interests receivable		
Dividends receivable		
Other receivables	6,608,702,480.59	6,611,947,484.37
Total	6,608,702,480.59	6,611,947,484.37

(1)Disclosure of other receivable classification

Categories	As at 30/6/2021				
	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Percentage of provision(%)	
Individually significant and assessed for impairment individually	71,618,923.00	1.04	71,618,923.00	100.00	-
Collectively assessed for impairment based on credit risk characteristics	6,819,184,258.50	98.80	210,481,777.91	3.09	6,608,702,480.59
Including: Ageing group	1,375,857,183.93	19.94	210,481,777.91	15.30	1,165,375,406.02
Government and related party	5,443,327,074.57	78.86	-	-	5,443,327,074.57

Categories	As at 30/6/2021				
	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Percentage of provision(%)	
group					
Individually insignificant but assessed for impairment individually	11,282,196.62	0.16	11,282,196.62	100.00	-
Total	6,902,085,378.12	100.00	293,382,897.53	4.25	6,608,702,480.59

(Continued)

Categories	As at 31/12/2020				
	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Percentage of provision(%)	
Individually significant and assessed for impairment individually	71,618,923.00	1.04	71,618,923.00	100.00	
Collectively assessed for impairment based on credit risk characteristics	6,798,963,048.44	98.80	187,015,564.07	2.75	6,611,947,484.37
Including: Ageing group	1,231,375,320.94	17.90	187,015,564.07	15.19	1,044,359,756.87
Government and related party group	5,567,587,727.50	80.90			5,567,587,727.50
Individually insignificant but assessed for impairment individually	11,282,196.62	0.16	11,282,196.62	100.00	
Total	6,881,864,168.06	100.00	269,916,683.69	3.92	6,611,947,484.37

① .Provision for bad and doubtful debts for other receivables which are individually significant and assessed for impairment individually

Debtor	As at 30/6/2021		
	Book balance	Provision for bad and doubtful debts	Percentage of provision %
Fuyou Securities Brokerage Co., Ltd	34,470,000.00	34,470,000.00	100.00
Lianyungang National Investment Co., Ltd.	15,148,923.00	15,148,923.00	100.00
Wanfang Mining Investment Co., Ltd.	22,000,000.00	22,000,000.00	100.00
Total	71,618,923.00	71,618,923.00	100.00

② .Other receivablse which are collectively assessed for impairment using the ageing analysis method at the end of the period:

Ageing	As at 30/6/2021		
	Book balance	Provision for bad and doubtful debts	Percentage of provision %
Within 1 year	292,942,580.87	13,940,534.26	4.76
1 to 2 years	146,098,934.69	6,803,844.65	4.66
2 to 3 years	785,950,856.37	39,296,792.81	5.00
over 3 years	150,864,812.00	150,440,606.19	99.72
Total	1,375,857,183.93	210,481,777.91	15.30

(Continued)

Ageing	As at 31/12/2020		
	Book balance	Provision for bad and doubtful debts	Percentage of provision %
Within 1 year	255,140,039.90	12,878,598.46	5.05
1 to 2 years	530,100,277.45	26,509,938.75	5.00
2 to 3 years	314,223,422.02	15,715,445.29	5.00
over 3 years	131,911,581.57	131,911,581.57	100.00
Total	1,231,375,320.94	187,015,564.07	15.19

③ .Other receivables which are collectively assessed for impairment using other methods at year end:

Others	As at 30/6/2021		
	Book balance	Provision for bad and doubtful debts	Percentage of provision %
Related party transactions	1,668,307,878.25		
Other receivable from Government and other units	3,775,019,196.32		
Total	5,443,327,074.57		

(Continued)

Others	As at 31/12/2020		
	Book balance	Provision for bad and doubtful debts	Percentage of provision %
Related party transactions	1,676,685,872.31		
Other receivable from Government and other units	3,890,901,855.19		
Total	5,567,587,727.50		

④ .Provision for bad and doubtful debts for other receivables which are individually insignificant but assessed for impairment individually:

Other receivables (by debtor)	As at 30/6/2021		
	Book balance	Provision for bad and doubtful debts	Percentage of provision %
Shanghai Feitian Investment Co., Ltd.	6,105,002.17	6,105,002.17	100.00
Nanjing Shicheng Stationery Co., Ltd.	5,177,194.45	5,177,194.45	100.00
Total	11,282,196.62	11,282,196.62	100.00

(2)Provision for bad and doubtful debts details:

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the following 12 months	Lifetime expected credit losses (not yet credit impaired)	Lifetime expected credit losses (credit impaired)	
As at 1/1/2021	187,015,564.07		82,901,119.62	269,916,683.69
The balance 1/1/2021 is in the current year:				
——Move to the stage 2				
——Move to the stage 3				
——Recover to the stage 2				
——Recover to the stage 2				
Additions during the period	23,466,213.84			23,466,213.84
Recoveries during the period				
Reversals during the period				
Written off during the period				
Other changes				
As at 30/6/2021	210,481,777.91		82,901,119.62	293,382,897.53

(3)As at 30 June 2021, the five largest other receivables by debtors were analysed as follows:

The total amount of the the five largest other receivables by debtors at the end of year is RMB 3,792,665,122.44, accounting for 54.95% of the total other receivables. The provision for bad and doubtful debts is RMB 21,000,000.00.

Debtor	The nature of payment	As at 30/6/2021	Ageing	The proportion of other total receivables (%))	Provision for bad and doubtful debts
Danyang City Finance Bureau	Current payment	1,301,330,943.47	1 to 2 years	18.85	
State-owned Assets Supervision and Administration Office of Danyang Municipal People's Government	Current payment	1,113,191,096.00	Over 3 years	16.13	
Danbei Government	Current payment	531,262,553.01	1 to 2 years/2 to 3 years/ over 3 years	7.70	
Jiepai government	Current payment	426,880,529.96	Within 1 year/1 to 2 years/2 to 3 years	6.18	
Danyang Tianhui Investment Development Co., Ltd.	Current payment	420,000,000.00	2 to 3 years	6.09	21,000,000.00
Total	—	3,792,665,122.44	—	54.95	21,000,000.00

8.Inventory

(1)Inventories by category

Category	As at 30/6/2021		
	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	138,805,574.87	15,500,275.21	123,305,299.66
Low-value consumables	2,441,316.04	681,644.25	1,759,671.79
Issuing goods	329,601.82	13,922.58	315,679.24
Finished goods	1,042,065,026.44	3,173,646.41	1,038,891,380.03
Forest assets	114,409,330.00		114,409,330.00
Land and development costs	34,666,280,622.57		34,666,280,622.57
Engineering construction	74,052,962.19		74,052,962.19
Cost of production	16,883,479.73		16,883,479.73

Category	As at 30/6/2021		
	Book balance	Provision for impairment of inventories	Carrying amount
Total	36,055,267,913.66	19,369,488.45	36,035,898,425.21

(Continued)

Items	As at 31/12/2020		
	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	147,158,603.85	16,109,194.37	131,049,409.48
Low-value consumables	2,569,974.65	681,644.25	1,888,330.40
Issuing goods	31,994,972.67	11,142,995.84	20,851,976.83
Finished goods	457,481,843.29	3,173,646.41	454,308,196.88
Forest assets	114,409,330.00		114,409,330.00
Land and development costs	33,405,221,021.92		33,405,221,021.92
Engineering construction	85,615,159.33		85,615,159.33
Cost of production	3,503,245.23		3,503,245.23
Total	34,247,954,150.94	31,107,480.87	34,216,846,670.07

9.Other current assets

Items	As at 30/6/2021	As at 31/12/2020
Deductible input VAT	22,003,776.58	24,573,108.08
Income tax prepaid	6,620.16	3,595.30
Other tax prepaid	2,380.95	
Total	22,012,777.69	24,576,703.38

10.Other investments in debt instruments

Item	As at 30/6/2021	As at 31/12/2020
Other debt investments	255,141,912.83	255,141,912.83
Total	255,141,912.83	255,141,912.83

11.Long-term receivables

Item	As at 30/6/2021	As at 31/12/2020
Finance lease deposit	57,500,000.00	15,000,000.00
Temporary payment and collection of interest for long-term deposit certificates	621,085.00	
Total	58,121,085.00	15,000,000.00

12.Long-term equity investment

Investee	As at 31/12/2020	Movements during the period				
		Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movements
1. joint ventures	524,829.97					
Shanghai Hero Golden Pen Factory Taopu Joint Venture No. 2 Factory	524,829.97					
Danyang Anju Property Management Co., Ltd.						
Danyang Huazhimeng Cultural Communication Co., Ltd.						
2. Associates	236,598,709.89			-923,791.14		
Luoyang Yongjin Chemical Co., Ltd.						
Jining Jindan Chemical Co., Ltd.	49,388,201.28			-807,863.14		
Shanghai Jinmei Chemical New Technology Co., Ltd.						
Jining Danjia Environmental Service Co., Ltd.	12,581,194.49					
Jiangsu Xingang Park Development Co., Ltd.	1,364,413.50					
Danyang Zhengda Engineering Cost Consulting Co., Ltd.	2,930,133.33					
Horgosdanke Information Technology Co., Ltd.	1,938,922.91			-90,000.00		
Inner Mongolia Yilin Chemical Co., Ltd.	96,014,974.60					
Inner Mongolia Yilin Jupeng New Energy Co., Ltd.	24,617,574.33			-25,928.00		
Jiangsu Global Library Supply	47,763,295.45					

Investee	As at 31/12/2020	Movements during the period				
		Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movements
Chain Co., Ltd.						
Total	237,123,539.86			-923,791.14		

(Continued)

Investee	Movements during the period			As at 30/6/2021	Balance of provision for impairment As at 30/6/2021
	Declared distribution of cash dividends or profits	Provision for impairment	Other		
1. joint ventures				524,829.97	524,829.97
Shanghai Hero Golden Pen Factory Taopu Joint Venture No. 2 Factory				524,829.97	524,829.97
Danyang Anju Property Management Co., Ltd.					
Danyang Huazhimeng Cultural Communication Co., Ltd.					
2. Associates				235,674,918.75	107,614,078.02
Luoyang Yongjin Chemical Co., Ltd.					
Jining Jindan Chemical Co., Ltd.				48,580,338.14	11,599,103.42
Shanghai Jinmei Chemical New Technology Co., Ltd.					
Jining Danjia Environmental Service Co., Ltd.				12,581,194.49	
Jiangsu Xingang Park Development Co., Ltd.				1,364,413.50	
Danyang Zhengda Engineering Cost Consulting Co., Ltd.				2,930,133.33	

Horgosdanke Information Technology Co., Ltd.				1,848,922.91	
Inner Mongolia Yilin Chemical Co., Ltd.				96,014,974.60	96,014,974.60
Inner Mongolia Yilin Jupeng New Energy Co., Ltd.				24,591,646.33	
Jiangsu Global Library Supply Chain Co., Ltd.				47,763,295.45	
Total				236,199,748.72	108,138,907.99

13.Investments in other equity instruments

Items	As at 30/6/2021	As at 31/12/2020
Fenyichuanliu Changfeng New Materials Investment Partnership	20,000,000.00	20,000,000.00
Total	20,000,000.00	20,000,000.00

14.Other non-current financial assets

Items	As at 30/6/2021	As at 31/12/2020
Shanghai Shengyu Equity Investment Center (Limited Partnership) Shengyu No. 21 Private Equity Fund	502,400,000.00	502,400,000.00
Tiangong International Equity Earning Rights Linked Notes	148,517,699.00	150,007,451.00
Jiangsu Danyang Suyin Village Bank Co., Ltd.	18,000,000.00	18,000,000.00
Shanghai Dansheng Investment Management Partnership (Limited Partnership)	100,000,000.00	100,000,000.00
Jiangsu Zhendan Expressway Co., Ltd.	60,560,000.00	60,560,000.00
Danyang Chengtai Urbanization One Fund (Limited Partnership)	250,420,000.00	250,420,000.00
Ronghui (Jiangsu) Financial Leasing Co., Ltd.	3,000,000.00	3,000,000.00
Shanghai Hengyu Investment Center (Limited Partnership)	175,468,261.37	200,000,000.00
Danyang Shengyu Dansheng Equity Investment Center (Limited Partnership)	55,094,400.00	55,094,400.00
Danyang Rural Commercial Bank	168,416,447.50	168,416,447.50
Nanjing Shengyu Yongxin Equity Investment Center (Limited Partnership)		6,000,000.00
Shanghai Dansheng Investment Management Partnership (Limited Partnership)		20,000,000.00
Hong Kong Huasheng Co., Ltd.	104,530.00	104,530.00
Zhenjiang Danyang Zhengtong Investment Fund (Limited Partnership)	117,033,000.00	117,033,000.00
China Huinong Capital Group Co., Ltd.	187,602,636.07	189,484,441.43
Danyang Xinnong Town Construction Development Co., Ltd.	307,477,562.75	310,561,810.07

Items	As at 30/6/2021	As at 31/12/2020
Jiangsu Huadian Yangzhou Power Generation Co., Ltd.	5,103,262.07	5,103,262.07
Jiangsu Huadian Qishuyan Power Generation Co., Ltd.	37,229,610.00	37,229,610.00
Jiangsu Shengyu Heike Medical Health Investment Fund (Limited Partnership)	210,000,000.00	210,000,000.00
Jiangsu Credit Re-guarantee Group Co., Ltd.	212,460,000.00	212,460,000.00
Jiangsu Xingtou Xinyuan Equity Investment Fund (Limited Partnership)	288,000,000.00	288,000,000.00
Zhenjiang Port Development Group Co., Ltd.	10,000,000.00	
Total	2,856,887,408.76	2,903,874,952.07

15.Investment properties

Investment properties measured at cost model

Items	As at 31/12/2020	Additions during the period	Reductions during the period	As at 30/6/2021
I.Cost	8,901,104.36			8,901,104.36
Including:Houses and buildings	8,901,104.36			8,901,104.36
Land use right				-
II.Accumulated depreciation or amortization	1,497,793.27	203,862.39		1,701,655.66
Including:Houses and buildings	1,497,793.27	203,862.39		1,701,655.66
Land use right				
III.Net book value	7,403,311.09		203,862.39	7,199,448.70
Including:Houses and buildings	7,403,311.09		203,862.39	7,199,448.70
Land use right				
IV.Provision for impairment				
Including:Houses and buildings				
Land use right				
V.Carrying amounts	7,403,311.09		203,862.39	7,199,448.70
Including:Houses and buildings	7,403,311.09		203,862.39	7,199,448.70
Land use right				

16.Fixed assets

Items	As at 30/6/2021	As at 31/12/2020
Fixed assets	9,920,647,231.76	10,186,871,187.17
Disposal of fixed assets	5,088,246.68	5,088,246.68
Total	9,925,735,478.44	10,191,959,433.85

1)Fixed assets

(1)Fixed assets

Items	Buildings	Office and electronic equipment	Motor vehicles	Machinery equipment	Municipal engineering facility	Water pipeline facility	Others	Total
I.Cost								
1. Balance as at 31/12/2020	8,823,724,341.78	61,419,055.81	55,314,427.54	3,494,981,197.75	4,313,738,476.70	676,255,556.42	6,199,508.93	17,431,632,564.93
2. Additions during the period	137,455,427.91	1,587,821.70	70,236.40	50,317,223.31	-	-	24,243.80	189,454,953.12
(1) Purchase	19,190.00	1,575,821.70	7,850.00	1,860,268.69			24,243.80	3,487,374.19
(2) Construction in progress transfer in	5,599,487.93							5,599,487.93
(3)Others	131,836,749.98	12,000.00	62,386.40	48,456,954.62				180,368,091.00
3. Decreased during the period	5,947,538.66	186,131.13	237,588.00	9,217,951.93	58,067,754.93	-	-	73,656,964.65
(1) Disposals or written-offs	5,947,538.66	186,131.13	237,588.00	9,025,505.53				15,396,763.32
(2) Others				192,446.40	58,067,754.93			58,260,201.33
4. Balance as at 30/6/2021	8,955,232,231.03	62,820,746.38	55,147,075.94	3,536,080,469.13	4,255,670,721.77	676,255,556.42	6,223,752.73	17,547,430,553.40
II.Accumulated depreciation								-
1. Balance as at 31/12/2020	2,353,141,661.77	47,349,777.19	38,363,156.06	2,059,803,045.68	1,913,544,842.43	598,855,224.58	4,718,696.88	7,015,776,404.59
2. Additions during the period	206,579,825.63	2,532,544.80	2,250,854.02	82,809,959.37	84,398,277.78	14,089,605.22	445,558.36	393,106,625.18
(1) Provision	206,579,825.63	2,532,544.80	2,250,854.02	82,809,959.37	84,398,277.78	14,089,605.22	445,558.36	393,106,625.18
3. Decreased during the period	3,542,424.93	121,407.33	397,950.81	7,016,614.92	-	6,283.31	-	11,084,681.30
(1) Disposals or written-offs	3,528,446.08	110,049.04	225,708.60	7,016,614.92				10,880,818.64
(2) Others	13,978.85	11,358.29	172,242.21			6,283.31		203,862.66

Items	Buildings	Office and electronic equipment	Motor vehicles	Machinery equipment	Municipal engineering facility	Water pipeline facility	Others	Total
4. Balance as at 30/6/2021	2,556,179,062.47	49,760,914.66	40,216,059.27	2,135,596,390.13	1,997,943,120.21	612,938,546.49	5,164,255.24	7,397,798,348.47
III.Provision for impairment								-
1. Balance as at 31/12/2020				228,984,973.17				228,984,973.17
2. Additions during the period								-
3. Decrease during the period								-
4. Balance as at 30/6/2021				228,984,973.17				228,984,973.17
IV.Carrying amount								-
1. Balance as at 30/6/2021	6,399,053,168.56	13,059,831.72	14,931,016.67	1,171,499,105.83	2,257,727,601.56	63,317,009.93	1,059,497.49	9,920,647,231.76
2. Balance as at 31/12/2020	6,470,582,680.01	14,069,278.62	16,951,271.43	1,206,193,178.90	2,400,193,634.27	77,400,331.84	1,480,812.05	10,186,871,187.17

2)Disposal of fixed assets

Items	As at 30/6/2021	As at 31/12/2020	Reason for transfer in disposal
Buildings	5,088,246.68	5,088,246.68	Debt restructuring
Total	5,088,246.68	5,088,246.68	

17.Construction in progress

Items	As at 30/6/2021	As at 31/12/2020
Construction in progress	12,485,979,396.30	12,456,206,046.36
Total	12,485,979,396.30	12,456,206,046.36

(1)Construction in process

Items	As at 30/6/2021			As at 31/12/2020		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Dantou Headquarters Construction in Progress	11,973,229,240.86		11,973,229,240.86	11,973,220,294.42		11,973,220,294.42
Agricultural Development Company's construction in progress	19,342,038.29		19,342,038.29	19,342,038.29		19,342,038.29
Water company construction in progress	8,585,626.64		8,585,626.64	13,137,220.77		13,137,220.77
Construction of Qiliang Culture	329,837,679.73		329,837,679.73	329,837,679.73		329,837,679.73
Danjian Medical's construction in progress	23,000,000.00		23,000,000.00	23,000,000.00		23,000,000.00
Hongding's construction in progress	920,500.00		920,500.00	20,500.00		20,500.00
Danke construction in progress	109,651,786.84		109,651,786.84	87,663,020.04		87,663,020.04
Security construction in progress	13,393,175.21		13,393,175.21	3,056,522.38		3,056,522.38
Construction in progress of Jiajie Sanitation	852,320.00		852,320.00	476,400.00		476,400.00

Items	As at 30/6/2021			As at 31/12/2020		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Service						
Construction in progress of Lianhu Ecological New Area	7,167,028.73		7,167,028.73	6,452,370.73		6,452,370.73
Total	12,485,979,396.30		12,485,979,396.30	12,456,206,046.36		12,456,206,046.36

18.Intangible assets

(1)Intangible assets

Items	Software use fee	Land use right	Forest land use right	Reservoir water area use right	Patented and non-patented technology	Total
I.Cost						
1. Balance as at 31/12/2020	6,102,095.35	352,001,992.63	77,387,040.00	162,000,000.00	81,167,300.00	678,658,427.98
2. Additions during the period	1,365,623.79	15,597.98	-	-	-	1,381,221.77
(1) Purchase	1,365,623.79	1,550.00				1,367,173.79
(2) Interal development						-
(3)Additions due to business combinations						-
(4)Others		14,047.98				14,047.98
3. Decrease during the period						
(1) Disposal	-	-	-	-	-	-
4. Balance as at 30/6/2021	7,467,719.14	352,017,590.61	77,387,040.00	162,000,000.00	81,167,300.00	680,039,649.75
II.Accumulative amortisation						
1. As at 31/12/2020	3,258,196.81	56,679,691.25	20,637,948.00	47,126,730.12	64,978,814.34	192,681,380.52
2. Additions during the period	873,318.10	3,629,416.23	1,222,344.00	1,620,000.00	4,058,365.09	11,403,443.42
(1) Provision	873,318.10	3,615,368.25	1,222,344.00	1,620,000.00	4,058,365.09	11,389,395.44
(2)Others		14,047.98				14,047.98
3. Decrease during the period						
(1) Disposals						

Items	Software use fee	Land use right	Forest land use right	Reservoir water area use right	Patented and non-patented technology	Total
4. Balance as at 30/6/2021	4,131,514.91	60,309,107.48	21,860,292.00	48,746,730.12	69,037,179.43	204,084,823.94
III.Provision for impairment						-
1. Balance as at 31/12/2020						
2. Additions during the period						-
(1) Provision						-
3. Decrease during the period						-
(1) Disposal						-
4. Balance as at 30/6/2021						-
IV.Carrying amount						-
1. Balance as at 30/6/2021	3,336,204.23	291,708,483.13	55,526,748.00	113,253,269.88	12,130,120.57	475,954,825.81
2. Balance as at 31/12/2020	2,843,898.54	295,322,301.38	56,749,092.00	114,873,269.88	16,188,485.66	485,977,047.46

19.Goodwill

(1)Original book value of goodwill

Name of investee or events from which goodwill arose	As at 31/12/2020	Increase during the period	Decrease during the period	As at 30/6/2021
Jiangsu Danhua Acetic Anhydride Co., Ltd.	128,628,990.41			128,628,990.41
Suzhou Shizuan Environmental Protection Industrial Co., Ltd.	166,016,289.25			166,016,289.25
Danhua Chemical Technology Co., Ltd.	274,697,976.92			274,697,976.92
Danyang Tiansheng New City Construction Investment Development Co., Ltd.	165,208.88			165,208.88
Total	569,508,465.46			569,508,465.46

(2)Provision for goodwill impairment

Name of invested companies or goodwill formation	As at 31/12/2020	Increase during the period	Decrease during the period	As at 30/6/2021
Jiangsu Danhua Acetic Anhydride Co., Ltd.	128,628,990.41			128,628,990.41
Suzhou Shizuan Environmental Protection Industrial Co., Ltd.	166,016,289.25			166,016,289.25
Total	294,645,279.66			294,645,279.66

20.Long-term deferred expenses

Items	As at 31/12/2020	Additions during the period	Amortisation for the year	Other decreases	As at 30/6/2021
Fixed asset improvement expenditure	6,542,273.84		699,546.36		5,842,727.48
Renovation costs	1,784,609.19	195,433.47	54,704.28	-	1,925,338.38
Catalyst	127,766,302.54	14,266,674.91	16,490,974.76	7,328,358.51	118,213,644.18
Issuance fee	35,220,734.16		9,329,366.62	-	25,891,367.54
Others	9,257.23	378,133.34	126,050.73	-	261,339.84
Total	171,323,176.96	14,840,241.72	26,700,642.75	7,328,358.51	152,134,417.42

21.Deferred tax assets/deferred tax liabilities

(1)Non-offset deferred income tax asset details

Items	As at 30/6/2021		As at 31/12/2020	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Preparation for the impairment of assets	436,794,259.79	83,351,233.55	411,873,013.42	77,120,921.94
Fair value of trading financial assets less than book value				
Accrued expenses	13,074,256.67	1,961,138.50	13,074,256.67	1,961,138.50
Unrealized profits of internal transaction	399,965.33	59,994.81	1,486,019.89	222,902.99
Accumulated depreciation time difference	182,201,255.75	27,330,188.36	182,201,255.75	27,330,188.36
Deferred income	27,360,143.80	4,218,604.91	27,497,643.81	4,252,979.91

Deductible loss	664,450,381.67	100,136,244.03	664,450,381.67	100,136,244.03
Total	1,324,280,263.01	217,057,404.16	1,300,582,571.21	211,024,375.73

(2)Details of non-offset deferred tax liabilities

Items	As at 30/6/2021		As at 31/12/2020	
	Taxable temporary difference	Deferred tax liabilities:	Taxable temporary difference	Deferred tax liabilities:
Fixed asset recognition time difference				
Increase or decrease of fair value	3,940.00	985.00	3,397.56	849.39
Asset assessment appreciation for consolidation of enterprises not under common control	867,459.53	130,118.93	867,459.53	130,118.93
Total	871,399.53	131,103.93	870,857.09	130,968.32

22.Other non-current assets

Items	As at 30/6/2021	As at 31/12/2020
Forest assets	145,801,786.50	145,801,786.50
Stone carving and other cultural assets	158,269,505.00	158,269,505.00
Prepaid engineering and equipment fund	1,253,550.00	1,729,271.00
Trust Guarantee Fund	29,521,781.83	35,073,836.00
Total	334,846,623.33	340,874,398.50

23.Short-term loans

(1)Short-term loans by category

Items	As at 30/6/2021	As at 31/12/2020
Unsecured loans		
Guaranteed loans	1,722,610,000.00	1,405,010,000.00
Loans secured by mortgages	271,793,212.40	212,637,766.46
Pledged loans	255,857,425.00	736,857,425.00
Short-term loans -interest payable	5,369,837.86	
Total	2,255,630,475.26	2,354,505,191.46

24.Bills payable

Items	As at 30/6/2021	As at 31/12/2020
Bank acceptance bills	100,000,000.00	623,000,000.00
Commercial acceptance bills		39,900,000.00
Guarantee		

Items	As at 30/6/2021	As at 31/12/2020
Letter of guarantee		
Total	100,000,000.00	623,000,000.00

25.Accounts payable

(1) The ageing analysis of accounts payable is as follows:

Ageing	As at 30/6/2021	As at 31/12/2020
Within 1 year (including 1 year)	159,096,792.45	217,122,910.94
1 to 2 years (including 2 years)	25,917,380.09	158,224,902.09
2 to 3 years (including 3 years)	140,243,054.55	116,031,762.33
Over 3 years	160,520,902.97	72,242,951.40
Total	485,778,130.06	563,622,526.76

(2)As at 30 June 2021, the five largest accounts payable aggregated by creditor were analysed as follows:

Creditor	As at 30/6/2021	Ageing	The proportion of total accounts payable (%)
Danyang Sanhang Transportation Investment and Construction Co., Ltd.	213,405,441.69	2-3years/ over 3 years	43.93
China Petroleum Engineering Design Co., Ltd. Liaoyang Branch	11,653,409.50	Over 3 years	2.40
Danyang Danhua Gold Coal Chemical Co., Ltd.	7,826,668.00	Over 3 years	1.61
Jiangsu Yongda Chemical Machinery Co., Ltd.	6,900,000.00	2 to 3 years	1.42
Jiangsu Warner Petrochemical Engineering Co., Ltd. (Jiangsu Warner Equipment Installation Engineering Co., Ltd.)	6,729,184.07	Within 1 year	1.39
Total	246,514,703.26		50.75

26.Contract liabilities

(1) Contract liabilities are listed by item

Items	As at 30/6/2021	As at 31/12/2020
Advances from customers	1,288,136,073.17	1,195,862,616.64
Total	1,288,136,073.17	1,195,862,616.64

27.Employee benefits payable

(1)Overall situation

Items	As at 31/12/2020	Increase of this year	Decrease of this year	As at 30/6/2021
I. Short-term employee benefits	29,586,217.37	179,746,806.85	191,701,566.16	17,631,458.06