

Shenzhen China Bicycle Company (Holdings) Limited

Annual Report 2022

April 2023

Annual Report 2022

Section I. Important Notice, Contents and Interpretation

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen China Bicycle Company (Holdings) Limited (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Wang Shenghong, Principal of the Company, Sun Longlong, person in charge of accounting works and She Hanxing, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of 2022 Annual Report is authentic, accurate and complete.

All directors are attended the Board Meeting for Report deliberation.

The Company plans not to distribute cash dividends, not to send bonus shares, and no reserve capitalizing.

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Documents Available for Reference

1. Accounting statement carrying the signatures and seals of the legal representative, person in charge of accounting and person in charge of accounting organ.
2. Originals auditing report carried with the seal of accounting firm and signature & seal of the CPA.
3. Originals documents of the Company and manuscripts of public notices that disclosed in the newspaper designated by CSRC during the reporting period.
4. English version of the Annual Report 2022

Interpretation

Items	Refers to	Contents
Company, the Company, the listed company, CBC Group	Refers to	Shenzhen China Bicycle Company (Holdings)Limited
Wansheng Industrial	Refers to	Wansheng Industrial Holdings (Shenzhen) Co., Ltd.
Guosheng Energy	Refers to	Shenzhen Guosheng Energy Investment Development Co., Ltd.
CSRC	Refers to	China Securities Regulatory Commission
SSE	Refers to	Shenzhen Stock Exchange
SGE	Refers to	Shanghai Gold Exchange
SDE	Refers to	Shanghai Diamond Exchange
CNY	Refers to	RMB/CNY
Listing	Refers to	Stock of the Company listed on Stock Exchange

Section II. Company Profile and Main Financial Indexes

I. Company information

Short form of the stock	Zhonghua A, Zhonghua B	Stock Code	000017, 200017
Short form of the Stock before changed (if applicable)	N/A		
Stock Exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	深圳中华自行车(集团)股份有限公司		
Short form of the Company (in Chinese)	深中华		
Foreign name of the Company (if applicable)	Shenzhen China Bicycle Company (Holdings)Limited		
Short form of foreign name of the Company (if applicable)	CBC		
Legal representative	Wang Shenghong		
Registrations add.	No. 3008, Buxin Rd., Luohu District, Shenzhen		
Code for registrations add	518019		
Historical changes of registered address	N/A		
Offices add.	501 Zhongxin Technology Building, No.31 Bagua Rd., Bagualing, Futian District, Shenzhen		
Codes for office add.	518029		
Internet Web Site	www.szcbc.com		
E-mail	dmc@szcbc.com		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Sun Longlong	Yu Xiaomin, Zhong Xiaojin
Contact add.	501 Zhongxin Technology Building, No.31 Bagua Rd., Bagualing, Futian District, Shenzhen	501 Zhongxin Technology Building, No.31 Bagua Rd., Bagualing, Futian District, Shenzhen
Tel.	0755-25516998,28181666	0755-25516998,28181666
Fax.	0755-28181009	0755-28181009
E-mail	dmc@szcbc.com	dmc@szcbc.com

III. Information disclosure and preparation place

Website of the Stock Exchange where the annual report disclosed	Shenzhen Stock Exchange(http://www.szse.cn)
Media and Website where the annual report disclosed	<i>Securities Times</i> , Juchao Website (http://www.cninfo.com.cn)

Preparation place for annual report	501 Zhongxin Technology Building, No.31 Bagua Rd., Bagualing, Futian District, Shenzhen
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IV. Registration changes of the Company

Uniform Social Credit Code	914403006188304524
Changes of main business since listing (if applicable)	Main products or services provided at present: Emmelle bicycle, electric bicycle, lithium battery materials and gold jewelry.
Previous changes for controlling shareholders (if applicable)	<p>1. In March 1992, the Stock of the Company was listed in Shenzhen Stock Exchange, and 23.28% equity of the Company was held by Shenzhen Lionda Holding Co., Ltd. and Hong Kong Dahuan Bicycle Co., Ltd respectively. 2. In March 2002, legal shares 13.58% A-stock of the Company was obtained by China Huarong Asset Management Co., Ltd. through court auction, and became the first majority shareholder of the Company. 3. On 13 November 2006, the 65,098,412 legal shears of CBC held by Huarong Company was acquired by Shenzhen Guosheng Energy Investment Development Co., Ltd. via the “Equity Transfer Agreement” signed, and first majority of the Company comes to Guosheng Energy. Guosheng Energy is the wholly-owned subsidiary of National Investment, actual controller was Zhang Yanfeng. 4. In January 2011, controlling shareholder of Shenzhen Guosheng Energy Investment Development Co., Ltd.—Shenzhen National Investment Development Co., Ltd. entered into equity transfer agreement with Mr. Ji Hanfei, 100% equity of Guosheng Energy was transfer to Mr. Ji Hanfei with price of 70 million. Shenzhen Guosheng Energy Investment Development Co., Ltd. Shenzhen Guosheng Energy Investment Development Co., Ltd. holds 63,508,747 A-stock of the Company with 11.52% in total share capital of the Company. 5. On February 20, 2017, Ji Hanfei and Guosheng Energy made an “Explanation” to abandon the actual control of the Company, after Ji Hanfei made the declaration to abandon the actual control of the Company, the investment from CBC by Mr. Ji changed to general investment instead of actual controlling, and the actual controller of the Company changed from Ji Hanfei to no actual controller. 6. On November 7, 2022, the newly added non-public offering of shares of the company were listed on the Shenzhen Stock Exchange. Wansheng Industrial holds 137,836,986 shares of the company through the subscription of non-public offering of shares, accounting for 20% of the total share capital after the completion of the non-public offering. On November 28, 2022,</p>

	<p>the company held the second interim general meeting of shareholders in 2022 to review and approve the Proposal on Nominating Candidates for Non-Independent Director and the Proposal on Nominating Candidates for Independent Director, and the board of directors of the company completed the change of the term of office. Given that Wansheng Industrial holds 20% of the stock equity of the company and determines more than half of the seats on the board of directors of the company, Wansheng Industrial can therefore have a significant influence on the resolutions of the company's general meeting of shareholders and the board of directors. Therefore, the company was changed from a company without controlling shareholder and actual controller to a company with controlling shareholder and actual controller, the controlling shareholder of the company was changed to Wansheng Industrial, and the actual controller of the company was changed to Mr. Wang Shenghong.</p>
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V. Other relevant information

Accounting firm engaged by the Company

Name of the accounting firm	Baker Tilly China CPA (LLP)
Offices add. for CPA	A-1 and A-5 of No.68 Building, No.19 Chegongzhuang West Road, Haidian District Beijing
Signatory accountant	Qu Xianfu, Deng Jun

Sponsor engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

Sponsor	Office address of the sponsor	Sponsor representatives	Continuing supervision period
Sinolink Securities Co., Ltd.	23/F Zizhu International Building, No. 1088, Fangdian Rd., Pudong New Area, Shanghai	Li Hong, Xu Juan	7 November 2022-31 December 2023

Financial consultant engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	2022	2021	Changes in the current year over the previous year (+,-)	2020
Operation revenue(RMB)	444,762,238.25	165,246,577.95	169.15%	117,857,480.17
Net profit attributable	-7,616,378.75	-1,986,692.82	-283.37%	3,785,834.68

to shareholders of the listed company (RMB)				
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	-7,644,167.31	-4,548,872.83	-68.05%	3,071,751.90
Net cash flow arising from operating activities(RMB)	-261,419,066.03	15,673,932.87	-1,767.86%	3,942,228.96
Basic EPS(RMB/Share)	-0.013	-0.004	-225.00%	0.0069
Diluted EPS(RMB/Share)	-0.013	-0.004	-225.00%	0.0069
Weighted average ROE	-14.30%	-20.04%	5.74%	42.01%
	Year-end of 2022	Year-end of 2021	Changes at end of the current year compared with the end of previous year (+,-)	Year-end of 2020
Total assets(RMB)	397,253,487.93	97,363,437.22	308.01%	91,742,769.99
Net assets attributable to shareholder of listed company (RMB)	290,129,318.51	8,918,538.16	3,153.10%	10,905,230.98

The lower of the company's net profit before or after deduction of non-recurring profit (gain)/loss for the last three financial years is negative, and the audit report for the latest year indicates that there is uncertainty about the company's ability to continue as a going concern

Yes No

The lower of the net profit before or after deduction of non-recurring profit (gain)/loss is negative

Yes No

VII. Difference of the accounting data under accounting rules in and out of China

1. Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either IAS (International Accounting Standards) or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

2. Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

VIII. Quarterly main financial index

Unit: RMB/CNY

	Q 1	Q 2	Q 3	Q 4
Operation revenue	50,246,951.40	56,418,495.18	42,497,879.73	295,598,911.94
Net profit attributable to shareholders of the listed company	-903,991.16	-579,373.26	2,695,178.23	-8,828,192.56
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-1,190,923.81	-1,084,990.33	2,327,827.29	-7,696,080.46
Net cash flow arising from operating activities	-8,930,326.51	-349,150.01	-5,918,237.69	-246,221,351.82

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the company's quarterly report and semi-annual report

Yes No

IX. Items and amounts of extraordinary(non-recurring) profit (gains)/loss

Applicable Not applicable

The Company has no non-recurring gain/loss in the reporting period

Section III Management Discussion and Analysis

I. Industry of the Company during the reporting period

The Company shall comply with the disclosure requirement of jewelry-related industries in the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3- Industry Disclosure”

(1) Industry development

China is one of the most important jewelry producer and consumer in the world at present. With the growth of national economy and the accumulation of residents' wealth, people gradually increase their consumption of high-end consumer goods after meeting the basic living needs. Jewelry with the property of preserving value and showing personality has become the consumption hotspots of Chinese residents. At the same time, with the rise of young consumers and emerging middle class, the demand for quality personal consumption is gradually upgrading, and the young generation's consumption of jewelry tends to be more routine, which can improve the repurchase rate of jewelry products under various occasions, providing greater development space for the jewelry industry.

Jewelry can be divided into gold, diamond, jade, colored jewelry and others. Under the background of China's cultural tradition of advocating gold jewelry and the Investment real estate of gold, gold products occupies a relatively high proportion in the domestic jewelry market in 2022, reaching 57.02%. Diamond and jade are also the main categories of jewelry in China, accounting for 11.40% and 20.45%. From the international market, the jewelry markets of developed countries such as the United States, Japan, and Europe are all dominated by diamond jewelry. Compared with the international market, the main categories of China's jewelry market are more abundant, and the proportion of various jewelry markets is more balanced, the categories of products are more rich.

In 2022, China's consumer market continued to maintain its recovery momentum and remain resilient. According to the data of the National Bureau of Statistics, in 2022, the total retail sales of consumer goods reached 43.97 trillion yuan, among which, the retail sales of gold, silver and jewelry by units above the quota reached 301.4 billion yuan, and the total retail sales remained above 300 billion yuan. According to the *2022 China Jewelry Industry Development Report* released by GEMS & Jewelry Trade Association of China, in terms of sales volume, China's jewelry and jade jewelry industry market scale was about 719 billion yuan in 2022, which basically remained unchanged from the previous year. The market scale of gold products was about 410 billion yuan, and the market scale of diamond products was about 82 billion yuan. China has been the world's largest gold consumer since 2013. According to historical data, from 1992 to 2022, the average annual growth rate of China's demand for gold jewelry was 5%. In 2022, the Chinese market accounted for more than 27% of the total global demand for gold jewelry.

(2) Industry development trend analysis

1. The increased industry concentration has become the mainstream trend

For the past few years, consumers' brand awareness has been increasing. In addition, at the end of 2014, the National Jewelry Standards Technical Committee revised the mandatory national standard “Regulations on the Purity of Precious Metals in Jewelry and Naming” (GB11887-2012), which deleted the “pure gold” and other titles, guided consumers to pay more attention to jewelry design, craftsmanship, style and brand value, and no longer be attracted by the words “pure gold” in the slogan and pay more attention to product quality, prompting small jewelry enterprises to move closer to large jewelry enterprises. The increasing concentration of the jewelry industry has become the mainstream trend. In contrast, some regional branded or unbranded small jewelry companies are at a disadvantage in terms of scale, capital, cost, etc., coupled with their own lack of ability in brand operation management, product marketing design, and enterprise operation, in the case of consumers paying more and more attention to brand,

they will have to choose to rely on the development of jewelry brands with larger brand awareness, which will further promote the improvement of the industry concentration, and the national jewelry brands will gain an opportunity for vigorous development.

2. The development trend of industrial clustering is more obvious

The cluster development of the jewelry industry has now become an important direction for China's jewelry industry to improve its comprehensive competitiveness and promote the extension and upgrade of the characteristic industry chain of the regional jewelry. At present, there are more than ten jewelry industry bases in China, all of which have distinctive characteristics and outstanding advantages. Whether it is pearl cultivation, jade carving or jewelry processing, they all add charm to the city and also bring vitality to the prosperity of the jewelry industry. Special jewelry industry bases such as Shenzhen Luohu, Guangzhou Panyu mainly focus on precious metal jewelry inlay processing, diamond cutting, and supporting products, forming a series of leading enterprises and many small and medium-sized enterprises. At the same time, with the strong support of the local government, the supporting system such as logistics services, information services and technical services have been continuously improved.

3. The Third- and fourth-tier cities become important consumer markets for the jewelry industry

In recent years, the pace of urbanization in China has gradually accelerated, and the urbanization rate has continued to grow. Residents in rural areas are gradually relocating and settling in nearby third- and fourth-tier cities, which steadily deliver new vitality to the third- and fourth-tier cities. In the future, the third- and fourth-tier cities will have broad market space and show huge growth potential. With the sinking trend of the jewelry consumption market, the third- and fourth-tier cities will become the main markets for the growth of jewelry companies in the future.

4. Channel strength will be regarded as the core competitiveness of enterprises for a long time

The internal competition in the jewelry industry is relatively large, and the fierce market competition makes the construction and control of sales channels for jewelry companies crucial. At the same time, due to the high value of jewelry, consumers are often worried about the quality of the product and the reasonableness of the price when purchasing, which often prompts them to purchase through physical channels. There is a certain scarcity of high-quality physical channels, and the number of high-quality shops in a region's high-quality business districts is scarce. Such high-quality shops can not only provide higher traffic, improve the retail performance of jewelry, but also have the important value of brand promotion. Therefore, in the fierce market competition, it is very important for jewelry enterprises to control high-quality physical channels, which reflects the core competitiveness of enterprises on the other side.

5. Brand and design capabilities will become a new driving force for the development of the industry

With the change of consumer demographic structure and the increase of per capita income, the middle and upper middle class and wealthy people have gradually become the main force of consumption, and the mainstream consumption concept has also quietly changed. Compared with traditional consumers, emerging consumer groups pay more attention to the design, craftsmanship, style and brand value of jewelry products, hoping to meet their needs to show their taste and personality. In addition, the National Jewelry Standards Technical Committee has removed titles such as "pure gold from the national standards, further prompting consumers to pay attention to the design, craftsmanship, style and brand value of jewelry, rather than overemphasizing purity.

6. There is large space for improving the penetration rate of diamond jewelry

In China, different jewellery products have different market maturity levels. Among them, gold jewelry has a relatively deep foundation in Chinese culture, and it is still the main jewelry consumption type so far. The diamond jewelry is small in volume but is growing rapidly, and has a broad space for industry development in the future. With the further reduction of diamond inventory and promotion of the resume dynamic between international contact and trading cooperation, China's diamond imports and consumption is expected to recover rapidly.

7. The rapid development of e-commerce market creates omni-channel marketing model

The Internet has provided more convenient and more widely spread way of information sharing, guiding the consumers' demands and choices. In recent years, jewelry retail enterprises have further strengthened online layout, built new media matrix through various social communication platforms, formed multi-channel customer sources, realized rapid spread of online brands and drainage and sales of offline stores, and created a new mode of omni-channel marketing. The development of sharing platforms and e-commerce platforms has changed the consumption habits of consumers, especially the young generation.

Online consumers can more conveniently understand product features and share user experience, which has become an important trend of product promotion and future sales. Especially with the rise of live streaming platforms of e-commerce and social contact, the market share of live streaming e-commerce is increasing rapidly.

8. Supply chain management has become an important business method for jewelry enterprises

From the perspective of supply chain in the jewelry industry, it mainly involves raw material mining, processing and smelting, blank processing, jewelry production, warehousing, distribution and sales. The jewelry enterprise continue to optimize their supply chain management in order to shorten the supplying cycle and lower operating costs while guarantee the quality. More and more well-known domestic jewelry brands have outsourced part or all of the intermediate processing links with low gross profit and large investment over recent years, focusing on premium front-end design, brand operation and back-end marketing network construction. Supply chain management has become a major means for jewelry enterprise to improving their operational efficiency.

(3) Competitive advantages of the company to engage in the jewelry and gold business

1. Superior quality of upstream supplier system

As things are at the moment, the company has established relatively stable cooperative relationships with major diamond suppliers and processors at home and abroad, and has advantages in raw material procurement cost, order production cycle and product quality control, which can continuously reduce supply cost and improve operational efficiency.

2. Diversified downstream market channels and customer resources

The company is actively expanding its gold jewelry customers now. In addition to customers with clear orders, it is currently negotiating business cooperation with a number of domestic jewelry brands. The above customers include three types of customers, of which Class A customers are national well-known brand customers, with more than 500 retail stores; Class B customers are small and medium-sized/regional/segmented brands, with 300-500 retail stores; Class C customers are small and medium-sized brands, with 50-100 retail stores.

3. Improve the industrial chain of production and design

The company has a one-stop industrial chain of design, production, processing, testing, and wholesale. Brand owners can rely on our jewelry processing resources to hand over lower value-added links such as manufacturing and distribution to the company, so as to focus on the higher value-added brand operation and sales links. Outsourcing in the production and design process can improve the homogenization of gold jewelry products.

4. Closed-loop business process and risk control system

The company has formulated strict business internal control processes such as supplier admittance standards, customer evaluation system, full-process order tracking system, and procurement price comparison system, and has realized the closed-loop control of capital flow, information flow and logistics and the multi-level risk control through the integrated service platform of supply system and the integrated solution of capital management.

In the bicycle and new-energy lithium battery materials industry, as a traditional manufacturing industry, the bicycle industry

continues the dilemma of rising labor costs, manufacturing costs, capital costs, and material costs. The new national standard of safety technical specifications for electric bicycles implemented in April 2019 accelerated the industry reshuffle and formed a new round of industry shock. The market share showed a trend of concentration to large-scale enterprises, leading enterprises and brand enterprises, and the industry order was accelerated and optimized, and the market concentration degree was continuously improved. China is the world's largest country in the production and sales of electric bicycles. After years of development, electric bicycles have gradually become an important means of transportation for consumers' daily short-distance trips. At present, there are about 200 million vehicles in the whole society. Under the macro background of economic transformation, information technology and carbon dioxide emission and carbon neutrality policy, the consumer market of two-wheeled electric vehicles gradually presents three trends, namely the consumption upgrading and personalized consumption demand, the consumer awareness of environmental protection, and the consumer pursuit of convenience and intelligence. Structural body, motor, power battery, and control system, as the core components of electric bicycles, Shenzhen China Bicycle has closely followed up and studied their technological development, application development and commercial value for a long time, and determined the list of qualified suppliers for core components year by year. As one of the core components of electric bicycle, lead-acid batteries have been mainly used as the power batteries in the past ten or twenty years. With the development and popularization of new energy technologies and new energy materials, it is expected that they will be replaced by lithium batteries on a large scale in the future. The implementation of the new national standards for safety technical specifications of electric bicycle has comprehensively improved the safety performance of electric bicycles, adjusted and improved technical indicators such as speed limit, vehicle quality, and pedaling ability. The new standards that are close to the people's livelihood and serve the people's livelihood have increased the application space of lithium battery energy storage, and lithium battery electric bicycles will usher in a new stage of development.

II. Main businesses of the Company during the reporting period

The Company shall comply with the disclosure requirement of jewelry-related industries in the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3- Industry Disclosure”

During the reporting period, the company mainly engaged in jewelry gold business, bicycle and new-energy lithium battery material business: (1) Gold jewelry business -The company connected with downstream gold jewelry brands, purchased gold and diamonds according to their product needs, and then entrusted gold jewelry processing plants for processing, and delivered the inspected and qualified finished products to downstream customers after making product certificate for them. Through the integration of upstream supplier resources and downstream customer resources, the turnover speed of gold jewelry products in upstream and downstream has been improved, the cost of circulation has been reduced, and the overall competitive advantage of upstream and downstream has formed. (2) Bicycle and new-energy lithium battery material business includes production, assembly, procurement, and sales of bicycles and electric bicycles, and procurement, sales, and consigned processing of lithium batteries materials, etc.

As the operation revenue from jewelry-related business for year of 2022 accounts for more than 30% of the Company's audited operation revenue for the most recent fiscal year, the Company is required to comply with the disclosure requirement of jewelry-related industries in the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3- Industry Disclosure”, specific disclosures are as follow:

(1) Main business models during the reporting period

1. Sales model

According to the annual order planning and regular procurement requirements of brand retailers, the company provided B-end customers with various forms of supply chain management services such as spot procurement, order production, and customized development, so as to minimize product inventory and improve the supply chain effectiveness for customers.

Spot procurement: Organized the goods through the integration of upstream factories and exhibition halls and suppliers' product

styles and spot resources, and provided corresponding product structure according to the customer's brand characteristics and terminal market needs;

Order production: Customers placed orders to the company according to their own needs, and the company purchased raw materials and subcontracted processing to form finished products and sell them to customers;

Customized development: According to the characteristics of their own brands and future development needs, customers entrusted the company to develop and design the product styles, and produce finished products to sell to customers.

2. Procurement model

The upstream raw material suppliers of the company's gold jewelry supply chain business were mainly diamonds and gold, of which the diamond suppliers were mainly source producers or wholesalers from India or Hong Kong, and domestic mature diamond wholesalers (generally members of the Shanghai Diamond Exchange), gold was mainly purchased from the Shanghai Gold Exchange through the company's membership qualifications at Shanghai Gold Exchange. The company has established professional procurement department and team to be responsible for the procurement of diamond products and jewellery. The specific procurement models varied according to customer needs.

3. Production model

By integrating upstream commissioned processing plants, the company outsourced the production of products ordered by customers to professional jewelry manufacturers to give full play to their professional and scale effect. In view of the current situation and characteristics of domestic jewelry processing enterprises, the company established a set of effective supplier management mechanisms and evaluation standards to achieve a benign interaction between the production system of outsourced manufacturers and the company's business development.

(2) Operation of the physical store during the reporting period

During the reporting period, gold and jewelry business of the Company mainly provides supply chain management and services in the vertical field of gold and jewelry, it connects with the downstream gold jewelry brand and does not have the physical stores.

(3) Operation of the on-line sales in reporting period

The Company does not have on-line sales in the Period

(4) Inventory in the reporting period

Unit: RMB/CNY

Item	Types	Amount	Proportion
Finished goods	Jewelry	1,607,746.86	3.42%
	Gold jewelry	21,711,885.06	46.12%
	Other	2,287.90	0.00%
	Total	23,321,919.82	49.55%
Raw materials	Gold	21,309,167.26	45.27%
	Platinum	-	-
	Diamond	1,259,273.89	2.68%
	Total	22,568,441.15	47.94%
Wrapping		105,670.36	0.22%
Goods in process		1,075,997.14	2.29%
Total		47,072,028.47	100.00%

III. Core Competitiveness Analysis

In 2022, based on its own poor economic conditions after the reorganization, the company continued to adhere to the business of bicycle and electric bicycles, strive to carry out new product research and development, and carried out online and offline sales and

brand management; Meanwhile, based on the long-term process of the electric bicycle business, correspondingly carried out follow-up research on related industrial projects and technical applications in the upstream and downstream of the industrial chain. On the basis of extensive commercial contacts and previous businesses, the company continued to follow the new energy development and conduct business. On the one hand, the company continued to promote the jewelry and gold business to expand business dimension. In August 2019, the Company and Shenzhen Zuankinson Jewelry Co., Ltd jointly established a Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd with contribution of 6.5 million yuan. Of which, the Company holds 65% equity, and is the controlling shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd, while 35% equity held by Zuankinson Jewelry. In the first half of 2020, the investment parties increased the capital to Xinsen Company in the same proportion to 20 million yuan; In August 2020, the two investment parties signed another capital increase contract to increasing the capital to Xinsen Company in the same proportion, the registered capital increased to 200 million yuan from 20 million yuan. Among them, the company has contributed 117 million yuan, which will be invested one after another according to the self-owned funds and funds raised from the non-public offering of A shares. On the other hand, making more efforts to promote the selection of restructuring party and planning for the non-public offering of shares in the hope of improving the business strength and development momentum of the Company.

From October to November 2022, the company successfully made a non-public offering of 138 million shares, raising funds of 294 million yuan, all of which is to be used to supplement the working capital after deducting issuance expenses. Through internal development, jewelry and gold business has gradually become the core business of the company. Competitive advantages of the company in jewelry and gold business:

1. High-quality upstream supplier system

At present, the company has established stable cooperative relations with major diamond suppliers and processors at home and abroad, and has advantages in raw material purchase cost, order production cycle and product quality control, which can continuously reduce the supply cost and operation efficiency.

2. Diversified downstream market channels and customer resources

At present, the company is actively developing gold and jewelry customers. In addition to customers placed orders, the company is negotiating business cooperation with many domestic jewelry brands. There are three types of customers, type A customers are national well-known brand customers with more than 500 retail stores; type B customers are small and medium-sized/regional/segmented brands with 300-500 retail stores; type C customers are small and medium-sized brands with 50-100 retail stores.

3. Industrial chain improvement of production and design links

The company has an industrial chain process coordinating design, production, processing, inspection and wholesale. Brand owners can rely on our jewelry processing resource advantages and hand over low value-added links such as manufacturing and distribution to the company, so as to focus on the brand operation and sales links with higher added value. Outsourcing of production and design can improve the homogeneity of gold and jewelry products.

4. Closed-loop business process and risk control system

The company has developed strict internal business control processes such as supplier admittance criterion, customer evaluation system, whole-process order tracking system and purchase price comparison system. Through integrated service platform of supply system and integrated solution of fund management, the company has realized closed-loop control of capital flow, information flow and logistics, and realized multi-level risk control.

IV. Main business analysis

1. Overview

In 2022, based on its own poor economic conditions after the reorganization, the company continued to adhere to the business of bicycle and electric bicycles, strive to carry out new product research and development, and carried out online and offline sales and brand management; Meanwhile, based on the long-term process of the electric bicycle business, correspondingly carried out follow-up research on related industrial projects and technical applications in the upstream and downstream of the industrial chain. On the basis of extensive commercial contacts and previous businesses, the company continued to follow the new energy development and conduct business. On the one hand, the company continued to promote the jewelry and gold business to expand business dimension. In August 2019, the Company and Shenzhen Zuankinson Jewelry Co., Ltd jointly established a Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd with contribution of 6.5 million yuan. Of which, the Company holds 65% equity, and is the controlling shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd, while 35% equity held by Zuankinson Jewelry. In the first half of 2020, the investment parties increased the capital to Xinsen Company in the same proportion to 20 million yuan; In August 2020, the two investment parties signed another capital increase contract to increasing the capital to Xinsen Company in the same proportion, the registered capital increased to 200 million yuan from 20 million yuan. Among them, the company has contributed 117 million yuan, which will be invested one after another according to the self-owned funds and funds raised from the non-public offering of A shares. On the other hand, making more efforts to promote the selection of restructuring party and planning for the non-public offering of shares in the hope of improving the business strength and development momentum of the Company.

From October to November 2022, the company successfully made a non-public offering of 138 million shares, raising funds of 294 million yuan, all of which is to be used to supplement the working capital after deducting issuance expenses. Share capital of the Company increased to 689 million yuan and completed the general election of Board. Wansheng Industrial Holdings (Shenzhen) Co., Ltd comes to the controlling shareholder of the Company and Mr. Wang Shenghong is the actual controller of the Company

The fund raised this time should be mainly used to supplement the working capital for the development of jewelry and gold business. Through internal development, jewelry and gold business has gradually become the core business of the company. After the raised fund was fully funded in the fourth quarter of 2022, the company further planned to expand the jewelry and gold business, and further planned to develop the bicycle, electric bicycle and new energy lithium battery material business. Through various efforts, the company achieved an operating revenue of 444.76 million yuan in 2022, with a significant increase in both revenue and gross profit compared with the same period last year. In addition, as the business condition of Guangshui Jiayu Company, one customer of the company's lithium battery material business, turned bad and stopped production, the company increased the provision for bad debts of its accounts receivable of 21.86 million yuan, resulting in a loss this year, and the net profit attributable to the shareholders of the listed company in 2022 was -7.62 million yuan.

2. Revenue(income) and cost

(1) Constitute of operation revenue

Unit: RMB/CNY

	2022		2021		Y-o-y changes (+,-))
	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue	

Total operation revenue	444,762,238.25	100%	165,246,577.95	100%	169.15%
According to industries					
Sales of bicycles and spare parts	4,778,433.29	1.07%	9,629,736.29	5.83%	-50.38%
Lithium battery material	12,258,681.61	2.76%	19,745,299.24	11.95%	-37.92%
Jewelry and gold	427,725,123.35	96.17%	132,915,435.90	80.43%	221.80%
Other			2,956,106.52	1.79%	
According to products					
Sales of bicycles and spare parts	4,778,433.29	1.07%	9,629,736.29	5.83%	-50.38%
Lithium battery material	12,258,681.61	2.76%	19,745,299.24	11.95%	-37.92%
Jewelry and gold	427,725,123.35	96.17%	132,915,435.90	80.43%	221.80%
Other			2,956,106.52	1.79%	
According to region					
Domestic	444,762,238.25	100.00%	165,246,577.95	100.00%	169.15%
According to sale model					
Direct sales	444,762,238.25	100.00%	165,246,577.95	100.00%	169.15%

(2) Industries, products, regions and sales model that account for more than 10% of the operating revenue or operating profit of the Company

Applicable Not applicable

Unit: RMB/CNY

	Operation revenue	Operation cost	Gross profit ratio	Change of operation revenue y-o-y(+,-)	Change of operation cost y-o-y(+,-)	Change of gross profit ratio y-o-y(+,-)
According to industries						
Sales of bicycles and spare parts	4,778,433.29	1,485,365.25	68.92%	-50.38%	-71.20%	22.47%
Lithium battery material	12,258,681.61	12,117,531.87	1.15%	-37.92%	-38.44%	0.84%
Jewelry and gold	427,725,123.35	403,281,856.05	5.71%	221.80%	222.79%	-0.29%
Other						
According to products						
Sales of bicycles and spare parts	4,778,433.29	1,485,365.25	68.92%	-50.38%	-71.20%	22.47%
Lithium battery material	12,258,681.61	12,117,531.87	1.15%	-37.92%	-38.44%	0.84%
Jewelry and gold	427,725,123.35	403,281,856.05	5.71%	221.80%	222.79%	-0.29%
Other						
According to region						
Domestic	444,762,238.25	416,884,753.17	6.27%	169.15%	173.18%	1.38%

According to sale model						
Direct sales	444,762,238.25	416,884,753.17	6.27%	169.15%	173.18%	1.38%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest one year's scope of period-end

Applicable Not applicable

(3) Income from physical sales larger than income from labors

Yes No

Industries	Item	Unit	2022	2021	Y-o-y changes (+, -)
Bicycle, electric bicycle	Sales volume	In 10 thousand	6.32	10.83	-41.64%
	Output	In 10 thousand		10.83	
	Inventory	In 10 thousand	6.32	0.02	
Lithium battery material	Sales volume	Ton	152.59913	538.38666	-71.66%
	Output				
	Inventory		9.6278		
	Purchasing volume	Ton	162.22693	538.38666	-69.87%
Lithium battery material	Sales volume	10,000 sets	603	1,930	-68.76%
	Output				
	Inventory				
	Purchasing volume	10,000 sets	603	1,930	-68.76%
Lithium battery material	Sales volume	10,000 M ²	40	136.3	-70.65%
	Output				
	Inventory				
	Purchasing volume	10,000 M ²	40	136.3	-70.65%
Lithium battery material	Sales volume	In 10 thousand	31.04	34.585	-10.25%
	Output				
	Inventory				
	Purchasing volume	In 10 thousand	31.04	34.585	-10.25%
Jewelry and gold	Sales volume	Piece	42,270	73,628	-42.59%
	Output				
	Inventory	Piece	2,137	3,803	-43.81%
	Purchasing volume	Piece	40,604	74,412	-45.43%

Reasons for y-o-y relevant data with over 30% changes

Applicable Not applicable

1. Decline of the electric vehicle lithium battery material business and down in physical sales;
2. Growth of the jewelry and gold business, the physical sales goes up.

(4) Performance of significant sales contracts, major procurement contract entered into by the company up to the current reporting period

Applicable Not applicable

(5) Constitute of operation cost

Classification of industries

Unit: RMB/CNY

Industries	Item	2022		2021		Y-o-y changes (+,-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Sales of bicycles and spare parts	Sales of bicycles and spare parts	4,778,433.29	0.36%	5,156,724.06	3.38%	-71.20%
Lithium battery material	Lithium battery material	12,117,531.87	2.90%	19,684,264.57	12.90%	-38.44%
Jewelry and gold	Jewelry and gold	403,281,856.05	96.74%	124,935,947.83	81.87%	227.79%
Other	IT business	0	0	2,830,050.13	1.85%	

Explanation

Nil

(6) Whether the changes in the scope of consolidation in Reporting Period

Yes No

(7) Major changes or adjustment in business, product or service of the Company in Reporting Period

Applicable Not applicable

(8) Major sales and main suppliers

Major sales client of the Company

Total top five clients in sales (RMB)	337,536,027.69
Proportion in total annual sales volume for top five clients	75.89%
Ratio of related parties in annual total sales among the top five clients	21.77%

Information of top five clients of the Company

Serial	Name	Sales (RMB)	Proportion in total annual sales
1	Client 1	126,045,889.28	28.34%
2	Client 2	96,810,724.94	21.77%
3	Client 3	45,015,802.21	10.12%
4	Client 4	43,576,834.56	5.87%
5	Client 5	26,086,776.71	9.80%
Total	--	337,536,027.70	75.89%

Other notes of main clients

Applicable Not applicable

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	43,385,829,361.06
Proportion in total annual purchase amount for top five suppliers	94.98%
Ratio of related parties in annual total sales among the top five suppliers	0.00%

Information of top five suppliers of the Company

Serial	Name	Purchase (RMB)	Proportion in total annual purchase
1	Shanghai Gold Exchange	279,994,024.80	61.30%
2	Supplier 2	105,239,983.50	23.04%
3	Supplier 3	40,948,456.55	8.96%
4	Supplier 4	4,312,416.64	0.94%
5	Supplier 5	3,363,412.17	0.74%
Total	--	433,858,293.66	94.98%

Other notes of main suppliers

Applicable Not applicable

Shanghai Gold Exchange is the only legal trading market of precious metals in China. The gold materials required during the reporting period were mainly purchased through Shanghai Gold Exchange, and there is no affiliation between the Company and top five suppliers.

3. Expenses

Unit: RMB/CNY

	2022	2021	Y-o-y changes (+,-)	Note of major changes
Sales expenses	5,688,257.68	3,303,956.30	72.17%	The sale expenses increased due to the growth of revenue
Administrative expenses	7,525,176.16	6,154,605.29	22.27%	
Financial expenses	-196,347.38	10,640.11	-1,945.35%	
R&D expenses	924,567.70	2,037,197.58	-54.62%	

4. R&D investment

Applicable Not applicable

Name of Main R&D Projects	Project Purpose	Project Progress	Goal to Achieve	Estimated Impact on the Company's Future Development
Research and development on drum brake control technology of electric vehicles with heat radiation structure	The technical level and quality level of electric vehicle products have great improvement. Improving the drum brake control performance of electric vehicles can further improve the performance of electric	Completed check before acceptance	Improve the drum brake control performance of electric vehicles	Improving the drum brake control performance of electric vehicles to improve customer experience and create more revenue for the company.

	vehicle products.			
Research and development on leakage protection technology of the battery of U-shaped electric vehicles	Prevent battery leakage of electric vehicles, and strengthen the safety of electric vehicles	Completed check before acceptance	Further improve the leakage protection effect of the battery of electric vehicles	Improving the safety performance of electric vehicle products to ensure the safety of customers and create more revenue for the company.
Research and development on component force and shock-absorbing technology of mountain bike	The special environment of mountain has high requirements for mountain bike in component force and shock-absorbing	Completed check before acceptance	Further improve the overall performance of mountain bikes	Improving the component force and shock-absorbing ability of mountain bikes to improve customer experience and create more revenue for the company.
Research and development on anti-detachment variable speed technology of rear wheel of mountain bike	A professional mountain bike is often ridden on the mountains, the bike keeps bouncing during riding, so that the rear wheel is easy to fall off from the slot, causing injury to the rider	Completed check before acceptance	Avoid the rear wheel to fall off, ensure the safety of rider	Improving the safety performance of mountain bikes to ensure the safety of customers and riders and create more revenue for the company.
Research and development on anti-shock technology of graphene lead-acid batteries for electric bicycles	It solves the problem that lead-acid batteries with graphene composite electrodes are difficult to apply to electric bicycles due to collisions	Completed check before acceptance	Improve the strength of the graphene composite electrode by the improvement of battery case	Improving the anti-shock performance of the batteries of electric bicycles to increase the battery life, improve customer experience and create more revenue for the company.
Research and development on anti-theft technology of hydraulic disc brake of mountain bikes	Anti-theft design for hydraulic disc brake effectively protects the safety of hydraulic disc brake	Completed check before acceptance	Improve the anti-theft performance of mountain bikes	Improving the anti-theft performance of mountain bikes to improve customer experience and create more revenue for the company.
Research and development on jewelry inlay and	The gems need to be pressed after inlaying to improve the strength	Under check before acceptance	Replacement of manual pressing in the jewelry pressing and inlaying	Improve the efficiency of jewelry inlaying, save the production

pressing technology	of inlaying and the adhesion degree of glue, which requires manual pressing. This process increases the labor intensity of workers and affects the overall processing efficiency due to the instability of workers' force		process can closely fit the jewelry and bracket	cost of jewelry, improve the company's profit
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Personnel of R&D

	2022	2021	Change ratio(+,-)
Number of R&D (people)	14	19	-26.32%
Ratio of number of R&D	22.22%	31.15%	-8.93%
Educational background			
Undergraduate	7	6	66.67%
Master	0	0	0%
Below bachelor's degree	7	13	-46.15%
Age composition			
Under 30	2	2	-
30~40	4	1	400.00%
Over 40	8	16	-50%

Investment of R&D

	2022	2021	Change ratio(+,-)
R&D investment (RMB)	924,576.70	2,037,197.58	-54.62%
R&D investment/Operation revenue	0.21%	1.23%	-1.02%
Capitalization of R&D investment (RMB)	0.00	0.00	0.00%
Capitalization of R&D investment/R&D investment	0.00%	0.00%	0.00%

Reasons and effects of significant changes in composition of the R&D personnel

Applicable Not applicable

The reason of great changes in the proportion of total R&D investment accounted for operation revenue than last year

Applicable Not applicable

Reason for the great change in R&D investment capitalization rate and rational description

Applicable Not applicable

5. Cash flow

Unit: RMB/CNY

Item	2022	2021	Y-o-y changes (+,-)
Subtotal of cash in-flow arising from operation activity	290,169,218.26	208,259,853.20	39.33%
Subtotal of cash out-flow arising from operation activity	551,588,284.29	192,585,920.33	186.41%
Net cash flow arising from operating activities	-261,419,066.03	15,673,932.87	-1,767.86%
Subtotal of cash in-flow arising from investment activity	50,000.00		100.00%
Subtotal of cash out-flow arising from investment activity	40,164.10	18,890.56	112.61%
Net cash flow arising from investment activities	9,835.90	-18,890.56	-152.07%
Subtotal of cash in-flow arising from financing activity	299,292,780.18		
Subtotal of cash out-flow arising from financing activity	20,207,638.62	2,296,062.44	780.10%
Net cash flow arising from financing activities	279,085,141.56	-2,296,062.44	-12,254.95%
Net increased amount of cash and cash equivalent	17,675,911.43	13,358,979.87	32.31%

Main reasons for y-o-y major changes in aspect of relevant data

Applicable Not applicable

Mainly due to the funding of private placement in the Period, business expansion and return of sales.

Reasons of major difference between the cash flow of operation activity in report period and net profit of the Company

Applicable Not applicable

Mainly due to the business expansion during the Period.

V. Analysis of the non-main business

Applicable Not applicable

VI. Analysis of assets and liability

1. Major changes of assets composition

Unit: RMB/CNY

	Year-end of 2022		Year-begin of 2022		Ratio changes(+,-)	Note of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		

Monetary fund	54,699,491.18	13.77%	33,246,957.92	34.15%	-20.38%	Mainly due to the jewelry & gold business that with the replenishment of working capital from non-public offering in the Period
Account receivable	250,069,301.93	62.95%	46,850,083.59	48.12%	14.83%	Mainly due to the jewelry & gold business that with the replenishment of working capital from non-public offering in the Period
Inventory	48,206,866.81	12.14%	8,248,573.77	8.47%	3.67%	
Fix assets	2,304,402.38	0.58%	3,439,212.00	3.53%	-2.95%	
Right-of-use assets	173,936.71	0.04%	1,505,258.90	1.55%	-1.51%	
Contractual liability	791,762.84	0.20%	124,328.07	0.13%	0.07%	
Lease liability			228,302.37	0.23%	-0.23%	

Foreign assets account for a relatively high proportion

Applicable Not applicable

2. Assets and liability measured by fair value

Applicable Not applicable

3. The assets rights restricted till end of the period

1. Among the closing monetary funds, there has 3,776,621.83 yuan bank deposits were judicially frozen due to case litigation.

2. At the end of the current period, the total fixed output value included six suites of house properties at Lianxin JiaYuan, Luohu District, Shenzhen purchased in 2016, with original value of 2,959,824.00 Yuan, which were affordable housing purchased from the Housing and Construction Bureau of Luohu District to provide to enterprise talents for living. The contract stipulated that the purchasing enterprise is not allowed to conduct any form of property rights transaction with any units or individual other than the government.

VII. Investment analysis

1. Overall situation

Applicable Not applicable

2. The major equity investment obtained in the reporting period

Applicable Not applicable

3. The major non-equity investment doing in the reporting period

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

The company had no securities investment in the Period.

(2) Derivative investment

Applicable Not applicable

The Company had no derivatives investment in the Period

5. Application of raised proceeds

Applicable Not applicable

(1) General application of raised proceeds

Applicable Not applicable

Unit: 10,000 Yuan

Raising year	Way	Total raised capitals	Total raised capital used in Period	Total accumulative raised capitals used	Total raised capital has purpose of uses changed in Period	Cumulative raised capitals has purpose of uses changed in total	Ratio of cumulative raised capitals has purpose of uses changed	Total accumulative raised capitals unused	Usage of the retained raised capitals and what is expected to invested with those capitals	Raised capitals idle for more than two years
2022	Non-public offering of RMB ordinary shares (A	28,882.72	28,424.35	28,424.35	0	0	0.00%	463.57	Deposited in special account for fund	0

	stock)								raising	
Total	--	28,882.7 2	28,424.3 5	28,424.3 5	0	0	0.00%	463.57	--	0
Explanation										
<p>1. According to the <i>Official Reply on Approval of Non-Public Offering of Shares of Shenzhen China Bicycle Company(Holdings) Limited</i> (ZJXK [2021] No.3552) approved by China Securities Regulatory Commission, agreed that the Company shall issue 137,836,986 RMB ordinary shares (A shares) to a specific object, Wansheng Industrial, through a private offering at 2.13 yuan a share, with total raised funds of 293,592,780.18 yuan. After deducting the expenses of 4,765,621.08 yuan (excluding tax) related to the issuance, the actual net funds raised amounted to 288,827,159.10 yuan. Baker Tilly China Certified Public Accountants (LLP) has conducted an examination on the fund allocation of the company's non-public offering on October 21, 2022, and issued the <i>Capital Verification Report on the Fund Allocation of Non-Public Offering of A Shares of Shenzhen China Bicycle Company (Holdings) Limited</i> TZYZ[2022] No.42018. As of December 31, 2022, the company had raised funds of 284,243,500 yuan to supplement the working capital, and the unused raised funds deposited in the special fund-raising account was 4,635,700 yuan(including interest income). The use of the raised funds is detailed in the following table - Conditions of Fund-Raising Projects.</p> <p>2. During the reporting period, the company neither changed the fund-raising investment projects, nor changed the location and method of implementing the fund-raising investment projects.</p> <p>3. During the reporting period, the company deposited, used and managed the raised funds in strict accordance with the <i>Three-party Supervision Agreement on the Deposit of Special Accounts for Raised Funds</i> and performed relevant obligations in accordance with relevant laws and regulations, and timely, truly, accurately and completely disclosed information related to the use of raised funds. There is no violation of the <i>Management System for Raised Funds</i> and relevant laws and regulations.</p>										

(2) Committed projects of the raised proceed

Applicable Not applicable

Unit: 10,000 Yuan

Committed investment projects and over-raised fund investment	Change the project (Y/N) (including partially changed)	Total raised-fund commitment	Investment after adjustment (1)	Invested in the period	Cumulative investment amount till end of Period-end (2)	Investment progress till end of period-end (3) = (2)/(1)	Date of reach a predetermined state of use	Benefit achieved in the Period	Achieved expected benefits (Y/N)	Major changes of project feasibility (Y/N)
Committed investment project										
Supplemental working capital	N	28,882.7 2	28,882.7 2	28,424.3 5	28,424.3 5	98.41%		0	Not applicable	N
Subtotal of committed investment	--	28,882.7 2	28,882.7 2	28,424.3 5	28,424.3 5	--	--	0	--	--

nt project										
Investment of the over-raised fund										
Not applicable										
Payment of bank loans (if applicable)	--	0	0	0	0	0.00%	--	--	--	--
Supplementary the working capital (if applicable)	--	0	0	0	0	0.00%	--	--	--	--
Subtotal of over-raised fund investment	--	0	0	0	0	--	--	0	--	--
Total	--	28,882.72	28,882.72	28,424.35	28,424.35	--	--	0	--	--
Conditions and reasons of failure to meet schedule or predicted income (by specific projects) (including the reasons for selecting "Not applicable" for "Achieved expected benefits (Y/N)")	Not applicable									
Descripti	Not applicable									

on of major changes in project feasibility	
Amount, use of purpose and usage progress of the excessive raised fund	Not applicable
Change of the implementation location of project with investment of raised fund	Not applicable
Adjustment of the implementation ways of project with investment of raised fund	Not applicable
Early investment and replacement with the raised fund	Not applicable
Temporary replacement	Not applicable

ent of the working capital with idle raised funds	
Amount and reasons of cash surplus in raised funds during implementing the project	Not applicable
Use purpose and destination of the raised funds un-used	As of 31 December 2022, balance of previous proceeds was 4,635,700 yuan, all of which are demand deposit. The unused funds are deposited in the special account for fully supplementing the working capital.
Problems or other circumstances in the use of raised funds and its disclosure	Not applicable

Change of fund raised projects

Applicable Not applicable

The Company had no change of fund raised projects in the Period

VIII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

The Company had no major assets sold in the Period.

2. Sales of major equity

Applicable Not applicable

IX. Analysis of main holding company and stock-jointly companies

Applicable Not applicable

Particular about main subsidiaries and stock-jointly companies net profit over 10%

Unit: RMB/CNY

Company name	Type	Main business	Register capital	Total assets	Net assets	Operation revenue	Operation profit	Net profit
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	Subsidiary	Supply chain business of jewelry and gold	200,000,000	43,904,659.26	39,255,440.47	456,655,370.37	2,711,497.40	2,539,293.18
Shenzhen Emmelle Industrial Co., Ltd.	Subsidiary	Distribution of bicycles and spare parts	5,000,000	11,104,098.26	-423,219.19	11,615,189.72	4,092,575.69	-4,098,820.35

Particular about subsidiaries obtained or disposed in report period

Applicable Not applicable

Notes of holding and shareholding companies

1.The Company holds 65 percent equity of the Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd, the balance of minority equity at period-end amounting to 14,181,927.65 Yuan.

X. Structured vehicle controlled by the Company

Applicable Not applicable

XI. Future Development Prospects

From October to November 2022, the company successfully made a non-public offering of 138 million shares, raising funds of 294 million yuan, all of which is to be used to supplement the working capital after deducting issuance expenses. Share capital of the Company increased to 689 million yuan and completed the general election of Board. Wansheng Industrial Holdings (Shenzhen) Co., Ltd comes to the controlling shareholder of the Company and Mr. Wang Shenghong is the actual controller of the Company

The fund raised this time should be mainly used to supplement the working capital for the development of jewelry and gold business. Through internal development, jewelry and gold business has gradually become the core business of the company. After the raised fund was fully funded in the fourth quarter of 2022, the company further planned to expand the jewelry and gold business, and further planned to develop the bicycle, electric bicycle and new energy lithium battery material business.

ii. Operation plan for the new year:

On the basis of business work over the past few years, the business plan of the Company for 2023 is:

1. Continue to actively cooperate with shareholders and the board of directors to promote the reorganization of the company
2. Enhancing corporate governance, standardize operations, further reform and improve the internal operation management system, assessment mechanism, strengthen the construction of management teams, business teams and technical teams. Perfected the development plan of the Company.
3. In terms of gold and jewelry business, further establish supplier systems and expand customer resources, the business cooperation between the well-known brands and listed company in particular, expanding international business, improve internal business processes and internal control system construction, promote the construction of a supply chain system platform to improve operational quality and efficiency, and strive to achieve greater growth in operating income.
4. In terms of bicycle business, the company negotiated and promoted the business cooperation on EMMELLE with big dealers in order to maintain the brand and expand the national market as the goal. In terms of electric bicycles, the company organized source control, quality coordination, transportation and improvement of after-sales service order by order in Shandong, Henan, Hebei, Jiangsu and other key and mature regions to ensure the stability and improvement of order and business. For other regions, the company strengthened communication and cooperation with ODM factories, utilized their existing sales network for distribution and cooperation, and promoted the growth of order and business.
5. The company has been tracking the new energy and lithium electric new materials fields for many years. Benefiting from policy promotion, technological progress and popularization of supporting facilities, and under the guidance of the goal of carbon peaking and carbon neutrality, the global new energy industry has developed rapidly and the market has a sustainable growth. In 2023, the company will further explore and make overall arrangements in the fields of new energy and new materials to seek new breakthroughs.
6. The company continued to complete the rights and interests maintenance of the Guangshui Jiayu lawsuit and the lawsuit concerning the termination of the cooperation contract of the Urban Renewal and Reconstruction Project for the Second Phase of Zhonghua Garden, and continued to cooperate with the manager to carry out assets escrow business and deal with relevant litigation, so as to ensure the safety of assets and safeguard the rights and interests of relevant parties.
7. Strengthen the background management and office automation, and improve the support degree of background departments to front desk business.

iii. Risks for the Company:

(1) Price fluctuation risk of major raw materials

The main raw materials of the company are gold, diamonds, etc. In recent years, affected by changes in the international and domestic economic situation, the listed price of gold at the gold exchange fluctuates greatly. The market price of platinum is

generally positively correlated with the market price of gold. In the long run, the market price of diamond is in a moderate rising trend. The selling price of the company's gold products calculated by gram is linked with the listed price of gold and platinum at the gold exchange. If the market prices of gold, platinum, diamonds and other raw materials fall significantly during the inventory turnover period of the company, on the one hand, the company has the risk of gross profit margin decline due to the decline in product selling price; on the other hand, the company will also face the risk of decline in operating performance due to the provision for inventory write down. At the same time, the rise in selling price caused by the sharp rise in the market price of raw materials such as gold and diamonds may lead to the decrease of consumers' willingness and the decline of sales volume, thus adversely affecting the business performance.

(2) The risk of intensifying market competition

In recent years, the jewelry market in China has been developing continuously, and the consumption demand of jewelry has been developing in the direction of individuation and diversification. At present, China's jewelry industry has presented diversified competitions. Excellent enterprises in the industry have formed competitive advantages in a certain segment by deeply exploring the consumption preferences of specific groups. The market competition has gradually changed from price competition to comprehensive competition among brand, business model, marketing channel, product design and quality, the competition tends to be fierce. In the future development, if the company cannot continue to give full play to its advantages, there will be a risk of profitability decline due to intensified competition in the industry.

(3) Risk of market demand decline

As an optional consumption, jewelry is especially sensitive to market demand, economic outlook and consumer preference. China has become one of the countries with the most obvious growth in the jewelry and jade jewelry industry in the world. If the economic growth rate declines in the future, the growth of market consumption demand may slow down accordingly, which will adversely affect the company's business condition.

XII. Reception of research, communication and interview during the reporting period

Applicable Not applicable

Time	Reception location	Way	Reception type	Object	Main content and information provided	Basic situation index of investigation
Jan.-Mar. 2022	The Company	Telephone communication	Individual	Individual investor	Consulting company restructuring problem	N/A
April- June 2022	The Company	Telephone communication	Individual	Individual investor	Inquiry progress of the private placement	N/A
July - September 2022	The Company	Telephone communication	Individual	Individual investor	Inquiry litigation of the Company	N/A
October - December 2022	The Company	Telephone communication	Individual	Individual investor	Consulting the general election of the Company	N/A
2022-05-19	The on-line platform of "Value On-Line" (www.ir-online.cn)	Other	Other	The investors participated in the online performance briefing for year of 2021 through the internet	Operation of the Company and progress of the private placement	Found more in "Investors Relations Activities Sheet"(No.: 2022-001) released on

						Juchao Website (www.cninfo.com.cn) dated 19 May 2022
2022-11-09	The “Interactive Platform for Investor Relations” on (https://ir.p5w.net)	Other	Other	The investors participated in group reception day for investors of the listed companies in Shenzhen for year of 2022 through (https://ir.p5w.net)	The general election of the Board and reorganization of the Company	Found more in “Investors Relations Activities Sheet”(No.: 2022-002) released on Juchao Website (www.cninfo.com.cn) dated 9 November 2022

Section IV Corporate Governance

I. Corporate governance of the Company

During the reporting period, the company strictly complied with the Company Law, the Securities Law, the Governance Code for Listed Companies, the Rules for Listing Stocks of Shenzhen Stock Exchange, the Guidelines for the Self-Regulation of Listed Companies of Shenzhen Stock Exchange No. 1 -- Standardized Operation of Listed Companies on the Main Board, and other relevant laws and regulations, constantly improved the corporate governance structure, improved the enterprise management and internal control system, deeply and meticulously carried out corporate governance activities, and constantly improved the corporate governance level. The general meeting of shareholders, the board meeting and the meeting of supervisors of the company were held in strict accordance with relevant rules and regulations, and the directors and supervisors can diligently perform their duties. During the reporting period, the actual situation of corporate governance met the requirements of the regulatory documents on corporate governance issued by China Securities Regulatory Commission and Shenzhen Stock Exchange.

1. Shareholders and general meeting of shareholders

The company convened and held the general meeting of shareholders in strict accordance with the Company Law, the Securities Law and other laws and regulations, and the stipulations of the Articles of Association and the Rules of Procedure of the General Meeting of shareholders, sent out meeting notice at the prescribed time before the general meeting of shareholders, and employed lawyers to witness the meeting and give legal opinions on the convening and holding of the meeting and the validity of the resolution, ensured that all shareholders, especially minority shareholders, enjoy equal status and fully exercise their rights. During the reporting period, the company held three general meetings of shareholders and considered 11 proposals.

2. Controlling shareholders and the listed company

The company's controlling shareholders exercised their rights and undertook corresponding obligations in accordance with the law, there was no direct or indirect interference in the company's decision-making and business activities beyond the company's general meeting of shareholders. The company had an independent and complete operating system and independent operating ability, and was independent and separated from the controlling shareholders, actual controllers and other enterprises controlled by them in terms of business, personnel, assets, institutions and finance. The company's board of directors, board of supervisors and other internal organs operated independently, and major decisions were made by the general meeting of shareholders and the board of directors in accordance with the law.

3. Directors and the board of directors

The board of directors of the company has 9 members, including 3 independent directors. The number and composition of the board of directors meet the relevant laws and regulations and the requirements of the Articles of Association. During the reporting period, all directors of the company performed their duties diligently and responsibly in strict accordance with relevant laws and regulations, the Articles of Association, Rules of Procedure of the Board of Directors and other relevant provisions, attended the board meetings and the general meeting of shareholders on time, carefully deliberated various proposals, and ensured the standard, efficient operation and prudent and scientific decision-making of the board of directors. In order to further improve the corporate governance structure, the board of directors of the company has set up four special committees, namely strategy, audit, nomination, compensation and assessment, to provide scientific and professional opinions for the decision-making of the board of directors. During the reporting period, the board of directors held 9 meetings and deliberated 26 proposals.

4. Supervisors and the board of supervisors

The company's board of supervisors has 3 members, including 1 employee representative supervisor. The number and composition of the board of supervisors meet the relevant laws and regulations and the requirements of the Articles of Association. During the reporting period, the board of supervisors of the Company convened meetings in strict accordance with the Articles of Association, the Rules of Procedure of the Board of Supervisors and other relevant provisions. All supervisors attended meetings on time, earnestly performed their duties, independently and effectively exercised the right to supervise and examine the financial affairs of the company and the legal compliance of the duties performed by directors and senior managers in a responsible attitude towards all shareholders, supervised and expressed their opinions on major matters, related transactions and financial conditions of the company, and effectively safeguarded the legitimate rights and interests of the company and shareholders. During the reporting period, the board of supervisors held 6 meetings and deliberated 11 proposals.

5. Performance appraisal and incentive and constraint mechanism

The company has gradually established and improved the fair and transparent performance appraisal standards and incentive and restraint mechanisms for directors, supervisors and senior managers, and the appointment of senior managers of the company is open and transparent, and in line with the provisions of laws and regulations.

6. Stakeholders

The company fully respected the legitimate rights and interests of stakeholders, treated suppliers and customers in good faith, carefully cultivated every employee, strengthened the communication and exchange among all parties, jointly promoted the sustainable and healthy development of the company, and achieved the coordination and balance of the interests of shareholders, employees and the society while maximizing the profits of the company.

7. Information disclosure and transparency

The company attached great importance to information disclosure and investor relationship management, strictly implemented the Information Disclosure Management System, and designated Securities Times and <http://www.cninfo.com.cn> as the company's legal information disclosure media and website, fairly treated all investors, and truly, accurately, completely and timely made information disclosure, improved the transparency of the company, and protected the legitimate rights and interests of all shareholders.

8. Investor relations

The Company lays great stress on maintaining the good communication with investors. During the reporting period, by means of the performance communication meeting and various means such as online group reception days for listed companies, the Company introduce the development strategy and business development to the investors; the Company actively uses the investor relations interactive platform as an important channel of communication with investors, especially small and medium-sized investors, and answers investor's questions on the platform in a timely and serious manner.

Is there any difference between the actual condition of corporate governance and relevant regulations about corporate governance for listed company from CSRC?

Yes No

There are no differences between the actual condition of corporate governance and relevant regulations about corporate governance for listed company from CSRC.

II. Independence of the Company relative to controlling shareholder and the actual controller in ensuring the Company's assets, personnel, finance, organization and businesses

The company has an independent supply and marketing system, and is independent and separated from the controlling shareholders, actual controllers and other enterprises controlled by them in terms of business, personnel, assets, institutions and finance, and has the independent and complete business system and the ability to operate independently in the market.

1. Independent business

The company has an independent supply and marketing system, and has the ability to operate independently and directly to the market. There is no other situation that needs to rely on the controlling shareholders for production and operation activities. There is no horizontal competition between the company and the controlling shareholders, and the controlling shareholders do not directly or indirectly interfere in the operation of the company.

2. Independent personnel

The company is independent of the controlling shareholders in labor, personnel and salary management. The general manager, deputy general manager, chief financial officer, secretary of the board and other senior executives of the company neither hold other positions except directors and supervisors in the controlling shareholders, actual controllers and other enterprises controlled by them, nor receive salary from the controlling shareholders, actual controllers and other enterprises controlled by them; The company's directors, supervisors, general manager and other senior executives are selected through legal procedures, and there is no controlling shareholder, any other unit, department or person violating the relevant provisions of the Articles of Association to interfere in the appointment and removal of the company's personnel.

3. Independent assets

The company has a complete supply, production and marketing system and supporting facilities required for production and operation, and legally owns land use rights, housing property rights, ownership of trademark and other assets related to production and operation, and does not rely on the assets of controlling shareholders for production and operation. The company has registered, established accounts, checked and calculated and managed all assets, and the property rights of all assets are clearly defined and the ownership is clear.

4. Independent institutions

The company has set up necessary functional departments in line with its own characteristics, and each department operates according to the company's management system and under the leadership of the company management. There is no confusion with the controlling shareholders, the actual controllers and other enterprises controlled by them, and there is no subordinate relationship with the controlling shareholders.

5. Independent finance

The company has set up an independent finance department, allocated full-time financial personnel, and established a complete accounting system, which enable it to make financial decisions independently, possess normative financial and accounting system and financial management system for subsidiaries. The company has independent bank accounts and pays taxes independently in accordance with the law. There is no situation of sharing bank accounts or tax payments with the controlling shareholders.

III. Horizontal competition

Applicable Not applicable

IV. In the reporting period, the Company held annual shareholders' general meeting and extraordinary shareholders' general meeting

1. Annual Shareholders' General Meeting in the reporting period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Resolutions
Annual General Meeting of 2021	AGM	11.60%	29 June 2022	30 June 2022	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of Annual General Meeting 2021 (No.: 2022017)
First Extraordinary shareholders general meeting 2022	Extraordinary shareholders general meeting	11.68%	17 October 2022	18 October 2022	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of First Extraordinary shareholders general meeting 2022 (No.: 2022026)
Second Extraordinary shareholders general meeting 2022	Extraordinary shareholders general meeting	29.54%	28 November 2022	29 November 2022	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of Second Extraordinary shareholders general meeting 2022 (No.: 2022041)

2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

V. Directors, supervisors and senior executives

1. Basic information

Name	Title	Working status	Sex	Age	Start dated of office term	End date of office term	Shares held at period-begin (Share)	Amount of shares increased in this period (Share)	Amount of shares decreased in this period (Share)	Other changes (share)	Shares held at period-end (Share)	Reasons for increase or decrease of shares
Wang Shenghong	Chairman	Currently in office	Male	41	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Li Hai	Director	Current	Male	54	2010-	2025-	0	0	0	0	0	Not

		ntly in office	e		08-26	11-27						applicable
	President	Currently in office	Male	54	2013-09-26	2025-11-27	0	0	0	0	0	Not applicable
Sun Longlong	Director	Currently in office	Male	50	2017-06-29	2025-11-27	0	0	0	0	0	Not applicable
	Secretary of the Board	Currently in office	Male	50	2012-05-17	2025-11-27	0	0	0	0	0	Not applicable
	CFO	Currently in office	Male	50	2017-05-22	2025-11-27	0	0	0	0	0	Not applicable
Yao Zhengwang	Director	Currently in office	Male	48	2010-08-26	2025-11-27	0	0	0	0	0	Not applicable
Yuan Kang	Director	Currently in office	Male	44	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Wang Guoxiang	Director	Currently in office	Male	69	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Guo Qiuquan	Independent director	Currently in office	Male	40	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Zhan Qiyong	Independent director	Currently in office	Male	41	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Yuan Qinghui	Independent director	Currently in office	Male	44	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Guo Yong	The convener of the board of supervisors	Currently in office	Male	48	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Li Niansheng	Supervisor	Currently in office	Male	39	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Yi Wenzhi	Staff Supervisor	Currently in office	Male	53	2022-11-28	2025-11-27	0	0	0	0	0	Not applicable
Yang Fenbo	Director	Outgoing	Male	66	2006-06-30	2022-11-28	0	0	0	0	0	Not applicable
Cao Fang	Director	Outgoing	Male	49	2010-08-26	2022-11-28	0	0	0	0	0	Not applicable
Zhong Hua	Director	Outgoing	Male	59	2017-06-29	2022-11-28	0	0	0	0	0	Not applicable
Yang Lang	Independent director	Outgoing	Female	54	2017-06-29	2022-11-28	0	0	0	0	0	Not applicable
Song	Independent	Outgo	Mal	60	2017-	2022-	0	0	0	0	0	Not

Xishun	Independent director	Outgoing	Male		06-29	11-28						applicable
Zhang Zhigao	Independent director	Outgoing	Male	58	2017-06-29	2022-11-28	0	0	0	0	0	Not applicable
Li Xiang	The convener of the board of supervisors	Outgoing	Male	49	2014-06-27	2022-11-28	0	0	0	0	0	Not applicable
Li Jialin	Staff Supervisor	Outgoing	Male	62	2014-05-22	2022-11-28	0	0	0	0	0	Not applicable
Zheng Zhonghua	Supervisor	Outgoing	Male	61	2011-06-27	2022-11-28	5,276	0	0	0	5,276	Not applicable
Total	--	--	--	--	--	--	5,276	0	0	0	5,276	--

During the reporting period, whether there was any departure of directors and supervisors and dismissal of Senior executives

Yes No

During the reporting period, the general election of the BOD and Supervisory has completed on 28 November 2022, relevant information found more in the “Change of the Director, Supervisor and Senior Executives” in this Section

Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Position	Type	Date	Cause
Wang Shenghong	Chairman	Election	2022-11-28	General election of BOD
Yuan Kang	Director	Election	2022-11-28	General election of BOD
Wang Guoxiang	Director	Election	2022-11-28	General election of BOD
Guo Qiuquan	Independent director	Election	2022-11-28	General election of BOD
Zhan Qiyong	Independent director	Election	2022-11-28	General election of BOD
Yuan Qinghui	Independent director	Election	2022-11-28	General election of BOD
Guo Yong	The convener of the BOS	Election	2022-11-28	General election of BOS
Li Niansheng	Supervisor	Election	2022-11-28	General election of BOS
Yi Wenzhi	Staff Supervisor	Election	2022-11-28	General election of BOS
Li Hai	President	Engagement	2022-11-28	Re-engagement
Sun Longlong	Secretary of the Board	Engagement	2022-11-28	Re-engagement
Sun Longlong	CFO	Engagement	2022-11-28	Re-engagement
Li Hai	Chairman	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired
Yang Fenbo	Director	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired
Cao Fang	Director	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired

Zhong Hua	Director	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired
Yang Lang	Independent director	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired
Song Xishun	Independent director	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired
Zhang Zhigao	Independent director	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired
Li Xiang	The convener of the BOS	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired
Zheng Zhonghuan	Supervisor	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired
Li Jialin	Staff Supervisor	Outgoing for the office term expired	2022-11-28	Outgoing for the office term expired

2. Post-holding

Professional background, major working experience and present main responsibilities in Company of directors, supervisors and senior executive

Mr. Wang Shenghong, born in 1982, is a Chinese national without the right of permanent residence abroad. Mr. Wang Shenghong is currently an executive director and general manager of Wansheng Industrial Holdings (Shenzhen) Co., Ltd., an executive director and general manager of Shenzhen Wansheng Kejiao Holding Co., Ltd., an executive director and general manager of Shenzhen Huaxia Juanyong Cultural Tech. Co., Ltd., and the Chairman of the Company.

Mr. Li Hai, born in 1969, graduated from Economic department of Shenzhen University in major of accounting; Mr. Li took the turns of deputy manager of finance department, assistant CFO, secretary of the Board and vice president, etc. of the Company, and now he serves as President of the Company.

Mr. Sun Longlong, born in 1973, graduated from Shanghai University of Finance and Economics in 1995 with a bachelor degree, a bachelor of Economics. Mr. Sun successively worked as financial affairs in Shenzhen Qiongjiao Industry Co., Ltd. and Shenzhen Solar Pipe Co., Ltd.; he worked in the Company since May 1999, and successively served as Deputy Manager of financial department, Manager, manager of comprehensive management department, manager of enterprise management department, now he serves as Director, secretary of the Board and CFO of the Company.

Mr. Yao Zhengwang, born in 1975, received a Bachelor of Law degree. Mr. Yao Zhengwang is currently a director of Shenzhen China Bicycle Company (Holdings) Limited, the general manager of Jilin Fude Investment Holding Co., Ltd., a director of Jiaying Zhishifang Food Technology Co., Ltd., a supervisor of Le Shan City Commercial Bank Co., Ltd., and a Director of the Company.

Mr. Yuan Kang, born in 1979, graduated from Seneca College in Toronto, Canada, served as a supervisor of Fujian Fenghe Group Co., Ltd., and now serves as a director of the Company.

Mr. Wang Guoxiang, born in 1954, is a Chinese national without the right of permanent residence abroad. He is currently a supervisor of Wansheng Industrial Holdings (Shenzhen) Co., Ltd., a supervisor of Shenzhen Wansheng Kejiao Holdings Co., Ltd., a supervisor of Shenzhen Huaxia Juanyong Cultural Tech. Co., Ltd., and a director of the Company.

Mr. Guo Qiuquan, born in 1983, is a member of the Communist Party of China and a Chinese national, a PhD of Biomedical Engineering, the University of Western Ontario, Canada, a bachelor of Engineering Mechanics and a master of Physical Electronics from Beijing Institute of Technology, and he belongs to Class-C in the peacock plan of recruiting high-level overseas talents of Shenzhen. In 2016, he was sponsored by the Ministry of Human Resources and Social Security for overseas students. So far, he has published more than 70 papers in international advanced journals, and has 12 authorized invention patents and 12 authorized utility model patents. Some of his patented technologies won the technology transformation award of WorldDiscovery of the University of Western Ontario. Mr. Guo Qiuquan is currently an associate researcher of the Institute for Advanced Study of University of Electronic Science and Technology of China (Shenzhen), general manager of Jiangsu Xinchengrui Material Technology Co., Ltd., the president and general manager of Shenzhen Topmembranes Technology Co., Ltd., and an independent director of the Company.

Mr. Zhan Qiyong, born in 1982, is a member of the Communist Party of China and a Chinese national. He has a master's degree in accounting from Jiangxi University of Finance and Economics. He is a certified public accountant and a certified tax agent. Mr. Zhan Qiyong once served successively as an accountant of Finance Department of Shenzhen Wang Xin Linkage Technology Co., Ltd., an accountant and an assistant manager of Finance Department of Shenzhen Gold Coin Co., Ltd.. Now he is the deputy manager of Finance Department of Shenzhen Gold Coin Co., Ltd., and an independent director of the Company.

Mr. Yuan Qinghui, born in 1979, is a Chinese national, has a bachelor 's degree in law, and is a lawyer. He passed the China Judicial Examination in 2002 and began practicing law in 2003. Now he is the director of Fujian Luyuan Laws Firm and an independent director of the Company.

Mr. Guo Yong, born in 1975, graduated as a major in economy and trade from Henan Agricultural University in 1995. He is a master of Arts and Crafts in Henan Province and a representative inheritor of national intangible cultural heritage (jun porcelain firing technique). Mr. Guo Yong successively served as the general manager of the First Branch of Henan Provincial Wood Corporation, the general manager of Yuzhou Longyu Tungsten & Molybdenum Material Co., Ltd., and the chairman of Huangshi Wanjun International Art (Shenzhen) Co., Ltd. Currently, he is the chairman and general manager of Henan Wanjuntang Porcelain Culture Development Co., Ltd., an executive director and general manager of Yuzhou Wanjuntang Culture Development Co., Ltd., an executive director and general manager of Zhengzhou Baoshang Jewelry Co., Ltd., director of Intangible Cultural Heritage Committee of Chinese Traditional Culture Promotion Association, and convener of the Board of Supervisors of the Company.

Mr. Li Niansheng, born in 1984, Chinese nationality, has a bachelor degree in biological engineering from Tianjin University of Science and Technology. He successively served as the investment director and general manager of Shenzhen Runjing Asset Management Co., Ltd.. Currently, he is the general manager of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., and a supervisor of the Company.

Mr. Yi Wenzhi, born in 1970, has a college degree. He joined the Company in 1992 and successively served as a member of the life management committee of Longhua Plant #2, an equipment manager of painting workshop, a production dispatcher of painting workshop, the chairman of the labor union of painting workshop, and a member of Youth League Committee of Longhua Plant #2. He is currently the deputy director of the company's general affairs office, the chairman of the company's labor union, a member of the company's party committee and the secretary of the second branch, a member of the trade union committee of Shenzhen Yuanling Street, and an employee representative supervisor of the Company.

Post-holding in shareholder's unit

Applicable Not applicable

Name	Name of shareholder's unit	Position in shareholder's unit	Start dated of office term	End date of office term	Received remuneration from shareholder's unit (Y/N)
Wang Shenghong	Wansheng Industrial Holdings (Shenzhen) Co., Ltd.	Executive Director and GM	2017-06-13	-	N
Wang Guoxiang	Wansheng Industrial Holdings (Shenzhen) Co., Ltd.	Supervisor	2018-08-13	-	N
Explanation	N/A				

Post-holding in other unit

Applicable Not applicable

Name	Name of other units	Position in other unit	Start dated of office term	End date of office term	Received remuneration from other unit (Y/N)
Wang Shenghong	Shenzhen Huaxia Junyong Cultural Tech. Co., Ltd.	Executive Director and GM	2020-5-9	-	N
Wang Shenghong	Shenzhen Wansheng Kejiao Holding Co., Ltd.	Executive Director and GM	2019-6-6	-	N
Wang Shenghong	Shenzhen Chanjuan Holding Development Co., Ltd.	Executive Director and GM	2020-1-7	-	N
Wang Shenghong	Shenzhen Chanjuan Industrial Co., Ltd.	Executive Director and GM	2017-12-21	-	N
Wang Shenghong	Shenzhen Chanjuan Jewelry Co., Ltd.	Director	2022-8-22	-	N
Li Hai	Shenzhen Huhui Alliance E-Commerce Co., Ltd.	Director	2015-4-10	-	Y
Sun Longlong	Huizhou Daya Bay Longzhen Trading Firm	Merchant in charge	2021-11-10		Y
Yao Zhengwang	Jilin Fude Investment Holding Co., Ltd.	GM	2014-11-21		Y
Yao Zhengwang	Jiaying Zhishifang Food Tech. Co., Ltd.	Director	2012-12-24		Y
Yao Zhengwang	Le Shan City Commercial Bank	Supervisor	2019-06-21		Y
Yao Zhengwang	Zhengda Energy Development (China) Co., Ltd.	Supervisor	2017-02-09		Y

Yao Zhengwang	Shenzhen Guosheng Energy Investment Development Co., Ltd.	Supervisor	2006-10-12		Y
Yao Zhengwang	Shenzhen Longpeng Investment Co., Ltd.	Supervisor	2009-07-21		Y
Yao Zhengwang	Shenzhen Zhengrui Energy Tech. Co., Ltd.	Supervisor	2016-02-25		Y
Yao Zhengwang	Shenzhen Longgang Henggang Zhengwang Store Co., Ltd.	Merchant in charge	2000-02-17		Y
Yuan Kang	Fujian Chanjuan Jewelry Co., Ltd.	Executive Director and GM	2020-12-22		N
Wang Guoxiang	Shenzhen Huaxia Junyong Cultural Tech. Co., Ltd.	Executive Director and GM	2020-5-9	-	N
Wang Guoxiang	Shenzhen Wansheng Kejiao Holding Co., Ltd.	Executive Director and GM	2019-6-6	-	N
Guo Qiuquan	Shenzhen Topmembranes Tech. Co., Ltd.	Chairman	2015-08-25		Y
Guo Qiuquan	Jiangsu Xinchengrui Material Tech. Co., Ltd.	GM	2019-10-24		Y
Guo Qiuquan	Nanjing Jusixing IntelligentTech. Co., Ltd.	GM	2022-8-9		Y
Guo Qiuquan	Shensi Laifu (Shenzhen) Tech. Co., Ltd.	Supervisor	2022-10-19		Y
Zhan Qiyong	Shenzhen Gold Coin Co., Ltd.	Deputy financial manager	May 2015		Y
Yuan Qinghui	Fujian Luyuan Laws Firm	Chief lawyer	September 2008		Y
Guo Yong	Henan Wanjuntang Porcelain Culture Development Co., Ltd.	Executive Director and GM	2016-01-12		Y
Guo Yong	Yuzhou Wanjuntang Culture Development Co., Ltd.	Executive Director and GM	2019-11-14		Y
Guo Yong	Zhengzhou Baoshang Jewelry Co., Ltd.	Executive Director and GM	2015-07-23		Y
Guo Yong	Henan Jianhe Traditional Chinese Medicine	Supervisor	2019-7-31		Y

	Hospital Co., Ltd.				
Guo Yong	Henan Jianhe Pharmacy Co., Ltd.	Supervisor	2020-10-26		Y
Li Niansheng	Shenzhen Runjing Assets Management Co., Ltd.	GM	2016-09-19		Y
Yi Wenzhi	Shenzhen Bochuangke Information Consulting Co., Ltd.	Supervisor	2011-05-11		Y
Explanation	N/A				

Punishment of securities regulatory authority in recent three years to the company's current and outgoing directors, supervisors and senior management during the reporting period

Applicable Not applicable

3. Remuneration for directors, supervisors and senior executives

Decision-making procedures, recognition basis and payment for directors, supervisors and senior executives

Decision procedure of remuneration of directors, supervisors, senior management	According to relevant rules of the Article of Association, the general meeting of shareholders decides remuneration of directors and supervisors. The Board of Directors decides senior management's.
Confirmation basis of remuneration of directors, supervisors and senior management	The Company refers to the position rank and comprehensive industry level. And then general meeting of shareholders approves compensation standard and allowance of independent directors. According to the "Interim Measures to Annual Performance Assessment of Executives" and performance evaluation standards the Company issues annual performance salary.
Actual payment of remuneration of directors, supervisors and senior management	The Company strictly paid remuneration of directors, supervisors and senior management accordingly with decision procedure and confirmation basis. Total payment for remuneration of directors, supervisors and supervisors amounted to 1.3951 million yuan from January to December in 2022.

Remuneration for directors, supervisors and senior executives in reporting period

Unit: 10,000 Yuan

Name	Title	Sex	Age	Post-holding status	Total remuneration obtained from the Company (before taxes)	Whether remuneration obtained from related party of the Company
Li Hai	Director	Male	54	Currently in office	62.07	N
Sun Longlong	Director	Male	50	Currently in office	23.9	N
Li Niansheng	Supervisor	Male	39	Currently in office	1.8	N
Yi Wenzhi	Supervisor	Male	53	Currently in office	1.01	N
Zhong Hua	Director	Male	59	Outgoing	16.58	N

Zheng Zhonghuan	Supervisor	Male	61	Outgoing	10.06	N
Li Jialin	Staff Supervisor	Male	62	Outgoing	9.81	N
Yang Lang	Independent director	Female	54	Outgoing	4.76	N
Song Xishun	Independent director	Male	60	Outgoing	4.76	N
Zhang Zhigao	Independent director	Male	58	Outgoing	4.76	N
Total	--	--	--	--	139.51	--

VI. Responsibility performance of directors during the reporting period

1. The board of directors during the reporting period

Session of meeting	Date of meeting	Disclosure date	Meeting resolutions
The 37 th Session of 10 th BOD	2022-04-22	2022-04-26	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of the 37 th Session of 10 th BOD (No.: 2022003)
The 38 th Session (interim) of 10 th BOD	2022-04-28	2022-04-29	Deliberated only one proposal as the Q1 Report of 2022, which was disclosed on April 29, 2022
The 39 th Session (interim) of 10 th BOD	2022-06-06	2022-06-07	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of 39 th Session of 10 th BOD (No.: 2022011)
The 40 th Session of 10 th BOD	2022-08-24	2022-08-26	Deliberated only one proposal as the Semi-Annual Report of 2022, which was disclosed on August 26, 2022
The 41 st Session (interim) of 10 th BOD	2022-09-29	2022-09-30	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of 41 st Session (interim) of 10 th BOD (No.: 2022022)
The 42 nd Session (interim) of 10 th BOD	2022-10-25	2022-10-26	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of 42 nd Session (interim) of 10 th BOD (No.: 2022027)
The 43 rd Session (interim) of 10 th BOD	2022-10-27	2022-10-28	Deliberated only one proposal as the Q3 Report of 2022, which was disclosed on October 28, 2022
The 44 th Session (interim) of 10 th BOD	2022-11-10	2022-11-11	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of 44 th Session (interim) of 10 th BOD (No.: 2022035)
The 1 st Session of 11 th BOD	2022-11-28	2022-11-29	Refer to the Juchao Website (www.cninfo.com.cn): Resolution of 1 st Session of 11 th BOD (No.: 2022042)

2. The attending of directors to Board meetings and shareholders general meeting

The attending of directors to Board Meeting and Shareholders General Meeting							
Director	Times of Board meeting supposed to attend in the report period	Times of Presence	Times of attending the Board Meeting by communication	Times of entrusted presence	Times of Absence	Absent the Meeting for the second time in a row (Y/N)	Times of attend the general meeting
Wang Shenghong	1	1	0	0	0	N	0
Li Hai	9	9	0	0	0	N	3
Sun Longlong	9	9	0	0	0	N	3
Yao Zhengwang	9	4	5	0	0	N	3
Yuan Kang	1	0	1	0	0	N	0
Wang Guoxiang	1	0	1	0	0	N	0
Guo Qiuquan	1	0	1	0	0	N	0
Zhan Qiyong	1	0	1	0	0	N	0
Yuan Qinghui	1	0	1	0	0	N	0
Yang Fenbo	8	5	3	0	0	N	1
Cao Fang	8	1	7	0	0	N	1
Zhong Hua	8	8	0	0	0	N	3
Yang Lang	8	0	8	0	0	N	1
Song Xishun	8	0	8	0	0	N	1
Zhang Zhigao	8	0	8	0	0	N	1

Explanation of absent the Board Meeting for the second time in a row

Nil

3. Objection for relevant events from directors

Directors come up with objection about Company's relevant matters

Yes No

No directors come up with objection about Company's relevant matters in the Period

4. Other explanation about responsibility performance of directors

The opinions from directors have been adopted

Yes No

Director's statement to the Company that a proposal has been or has not been adopted

During the reporting period, the directors carefully deliberated all proposals submitted to the BOD and voted in favor of the proposals that required voting, without any opposition or abstention, and raised no objection to the proposals of the Board for the year.

VII. Performance of Duties by Specialized Committees under the Board Meeting in the Reporting Period

Committee name	Members	Number of meetings held	Date of meeting	Meeting content	Important comments and suggestions made	Other performance of duties	Specific circumstances of the objection (if applicable)
Audit committee	Yang Lang, Zhang Zhigao and Cao Fang	2	2022-04-19	Deliberation of the Annual Report 2021 and related internal control reports	Draws management's attention on relevant proposals	N/A	N/A
			2022-06-02	Renewal of the accounting firms	N/A	N/A	N/A
Nomination Committee	Guo Qiuquan, Wang Shenghong and Yuan Qinghui	1	2022-11-28	Nominated and approval the candidate of senior executives of the Company	N/A	N/A	N/A

VIII. Works from Supervisory Committee

The Company has risks in reporting period that found in supervisory activity from supervisory committee

Yes No

Supervisory committee has no objection about supervision events in reporting period

IX. Particulars of workforce

1. Number of Employees, Professional composition, Education background

Employee in-post of the parent Company at period-end (people)	36
Employee in-post of main Subsidiaries at period-end (people)	27
The total number of current employees at period-end (people)	63
The total number of current employees to receive pay (people)	63
Retired employee's expenses borne by the parent Company and main Subsidiaries (people)	0
Professional composition	
Category of professional composition	Numbers of professional composition (people)
Production personnel	8
Salesperson	16
Technicians	18
Financial personnel	7
Administrative personnel	14

Total	63
Education background	
Type of Education	Numbers (people)
Postgraduate	1
Undergraduate	23
Junior college	21
Below junior college	18
Total	63

2. Remuneration Policy

Formulated the remuneration policy according to the position title and comprehensive industry salary standards

3. Training programs

In order to improve the quality of staff, the company has planned and targeted training activities every year. The training activities for administrative personnel and technical staff mainly to improve their professional skills, management quality and ability

4. Labor outsourcing

Applicable Not applicable

X. Profit distribution plan and capitalizing of common reserves plan

Formulation, Implementation and Adjustment of common stock Profit Distribution Policy Especially Cash Dividend policy during the Reporting Period

Applicable Not applicable

The company is profitable during the reporting period and the parent company has positive profit available for distribution to shareholders but no cash dividend distribution plan has been proposed

Applicable Not applicable

Profit distribution plan and capitalizing of reserves for the Period

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the year.

XI. Implementation of the Company's stock incentive plan, employee stock ownership plan or other employee incentives

Applicable Not applicable

During the reporting period, the Company has no stock incentive plan, employee stock ownership plan or other employee incentives that have not been implemented.

XII. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

In accordance with the provision of Basic Standards for Enterprise Internal Control and its supporting guidelines, the Company renewed and improved the internal control system of the Company during the reporting period. Established a set of internal control system with scientific design, simple application and effective operation. Regularly, the Company carried out special work of system combing and optimization every year, and the work is effectively integrated with the internal control assessment of the Company. Through the system evaluation, achieved the improvement of the system, standardization of the effectiveness of the establishment and optimization of the process, and full implementation.

2. Details of major defects in internal control identified during the reporting period

Yes No

XIII. Management and controls on the subsidiary during reporting period

Name	Integration plans	Integration progress	Problems encountered in integration	Measures taken to resolve	Progress in solution	Follow-up solution plan
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

XIV. Internal control self-appraisal report or internal control audit report

1. Self-appraisal Report of Internal Control

Disclosure date of full internal control evaluation report	25 April 2023	
Disclosure index of full internal control evaluation report	Self-Appraisal Report of Internal Control 2022 of CBC released on Juchao website	
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	100.00%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	100.00%	
Defects Evaluation Standards		
Category	Financial Reports	Non-financial Reports
Qualitative criteria	Material defect: (1) inefficiency of environment control; (2) inefficiency of internal supervision; (3) direct impact on major mistakes of investment decisions; (4) directly make the significant error in the financial statements; (5) violation of the laws, regulations, rules and other normative documents, resulting in investigation of the central government and regulatory agencies, and being	Material defect: (1) inefficiency of environment control; (2) inefficiency of internal supervision; (3) direct impact on major mistakes of investment decisions; (4) directly make the significant error in the financial statements; (5) violation of the laws, regulations, rules and other normative documents, resulting in investigation of the central government and regulatory agencies, and being

	sentenced to a fine or penalty, being restricted industry exit, canceling business license and being forced the closure of etc. Major defect: (1) indirect impact on major mistakes of investment decisions; (2) indirectly make the significant error in the financial statements; (3) Lack of important system; (4) violation of the laws, regulations, rules and other normative documents, resulting in investigation of the local government and regulatory agencies, and being sentenced to a fine or penalty, and being ordered to suspend business for rectification and cause the Company's business stop of etc. General defect: other control defect besides material defect and major defect.	sentenced to a fine or penalty, being restricted industry exit, canceling business license and being forced the closure of etc. Major defect: (1) indirect impact on major mistakes of investment decisions; (2) indirectly make the significant error in the financial statements; (3) Lack of important system; (4) violation of the laws, regulations, rules and other normative documents, resulting in investigation of the local government and regulatory agencies, and being sentenced to a fine or penalty, and being ordered to suspend business for rectification and cause the Company's business stop of etc. General defect: other control defect besides material defect and major defect.
Quantitative standard	1. Potential loss or potential error of total profit: (1) General defect: less than or equal to pre-tax total profit of 3%, (2) Major defect: more than pre-tax total profit of 3%(and absolute amount more than RMB 0.5 million), (3) Material defect:: more than 5% of pre-tax total profit and absolute amount more than RMB 1 million; 2. Potential loss or potential error of operating income: (1) General defect: less than or equal to operating income of 1%, (2) Major defect: more than 1% of operating income and less than or equal to 3% of operation income, (3) Material defect:: more than 3% of operating income; 3. Potential loss or potential error of total assets: (1) General defect: less than or equal to 1% of total assets, (2) Major defect: more than 1% of total profit and less than or equal to 3% of total profit, (3) Material defect:: more than 3% of total profit	1. Potential loss or potential error of total profit: (1) General defect: less than or equal to pre-tax total profit of 3%, (2) Major defect: more than pre-tax total profit of 3%(and absolute amount more than RMB 0.5 million), (3) Material defect:: more than 5% of pre-tax total profit and absolute amount more than RMB 1 million; 2. Potential loss or potential error of operating income: (1) General defect: less than or equal to operating income of 1%, (2) Major defect: more than 1% of operating income and less than or equal to 3% of operation income, (3) Material defect:: more than 3% of operating income; 3. Potential loss or potential error of total assets: (1) General defect: less than or equal to 1% of total assets, (2) Major defect: more than 1% of total profit and less than or equal to 3% of total profit, (3) Material defect:: more than 3% of total profit
Amount of significant defects in financial reports		0
Amount of significant defects in non-financial reports		0
Amount of important defects in financial reports		0
Amount of important defects in non-financial reports		0

2. Auditing report of internal control

Applicable Not applicable

Deliberations in Audit Report of Internal Control	
We considers that China Bicycle Company (Holdings) Limited, in line with Basic Norms of Internal Control and relevant regulations, shows an effectiveness internal control of financial report in all major aspects dated 31 December 2022.	
Disclosure details of audit report of internal control	Disclosed
Disclosure date of audit report of internal control (full-text)	25 April 2023
Index of audit report of internal control (full-text)	Juchao Website- Audit Report of Internal Control of Shenzhen China Bicycle Company (Holdings) Limited (TZY Zi[2023] No.11694-2
Opinion type of auditing report of IC	Standard unqualified
Whether the non-financial report had major defects	No

Carried out modified opinion for internal control audit report from CPA

Yes No

The internal control audit report, issued by CPA, has concerted opinion with self-evaluation report, issued from the Board

Yes No

XV. Rectification of Self-examination Problems in Special Governance Actions in Listed Company

Not applicable

Section V. Environmental and Social Responsibility

I. Major environmental

The listed Company and its subsidiary whether belongs to the key sewage units released from environmental protection department

Yes No

Administrative punishment for environmental problems during the reporting period

Company name or subsidiary name	Reason for punishment	Violation	Punishment result	Impact on the production and operation of listed company	The company's rectification measures
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Other environmental information disclosed refer to key polluters

Not applicable

Measures taken to reducing the carbon emissions during the reporting period and their effectiveness

Applicable Not applicable

Reasons for not disclosing other environmental information

Not applicable

II. Social responsibility

During the reporting period, the company conscientiously fulfilled its corporate social responsibility, paid attention to protecting the interests of shareholders, especially minority shareholders; Treated suppliers, customers and consumers with integrity; Earnestly fulfilled the responsibilities and obligations to the society, shareholders, employees and other stakeholders, created a harmonious environment for enterprise development, and realized the common development of the enterprise and stakeholders.

1. Protection of shareholders' rights and interests

The company strictly complies with the provisions of relevant laws and regulations such as the Company Law, the Securities Law and the Governance Code for Listed Companies, continuously improves the corporate governance structure, adheres to handing over the important matters to the resolutions of the shareholders' meeting, provides convenience for medium and small investors to participate in the shareholders' meeting, fully listens to the small and medium-sized investors' reasonable advice on the company's development and governance, and safeguards the legitimate rights and interests of shareholders.

In 2022, the board of directors of the company convened 3 shareholders' meetings, the meeting adopted the combination of on-site voting and online voting, the votes of small and medium investors were counted separately, provided convenience for the majority of investors to participate in the voting at the shareholders' meeting, and ensured the participation right and supervision right of the small and medium-sized investors.

In 2022, the company strengthened communication with investors, especially investors from the public, answered questions about which the public and investors concerned, and ensured the investors' right to know in line with the Information Disclosure Affairs Management System and Reception and Promotion Work System and by means of various forms such as the interactive platform of Shenzhen Stock Exchange, hotline of the company's securities affairs department, and so on.

On May 19, 2022, the company held the 2021 annual performance briefing, in which the company made online communication with investors on the company's performance, operating conditions, development prospects and other issues of interest to investors. A total of 11 questions were raised by investors during the briefing, which were answered by directors and senior management personnel.

On November 9, 2022, the company participated in the collective reception day for investors of listed companies in Shenzhen in 2022, and conducted online communication with investors on corporate reorganization, change of office term of the board and other issues concerned by investors. During the reception day, the directors and senior management at the meeting responded to all questions raised by investors.

The company is committed to protecting the rights and interests of investors by improving the corporate governance structure, improving the level of information disclosure and investor relationship management, and carrying out investor education, and guiding investors to form value investment concept through real and effective communication. In order to effectively ensure smooth service channels for investors, the company has arranged full-time personnel to answer investors' hotline calls and answer questions on the interactive platform, and relevant staff has patiently analyzed the announcement information for investors to help investors understand the company's situation in time.

2. Protection of workers' rights and interests

The company adheres to the people-oriented, comprehensively implements the Labor Law and Labor Contract Law, attaches great importance to guarantee of the employees' rights and interests, at the same time, establishes good communication channels throughout the whole process of staff management and care, pays attention to staff growth, improves the staff overall quality, cultivates excellent internal training culture system, creates a good learning environment. Meanwhile, the company pays attention to enriching the spiritual life of employees, regularly carries out staff activities, and improves team cohesion. In accordance with the Labor Contract Law of the People's Republic of China and other relevant national and local labor laws and regulations, the company signs labor contracts with employees to protect their rights and interests. The company and its subsidiaries strictly implement the national employment system, labor protection system, social security system and medical security system, and pay the housing provident fund, medical insurance, endowment insurance, unemployment insurance, work-related injury insurance and maternity insurance for employees according to the state regulations. The company adheres to corporate culture of efficient coordination, people-oriented, on-demand training, training by level, and echelon training. The company establishes internal knowledge sharing system, promotes information and knowledge exchange among various modules of the company, and improves team coordination ability. It encourages employees to participate in continuing education and enhances the knowledge structure optimization and professional quality promotion of workers at various positions.

3. Protection of rights and interests of suppliers, customers and consumers

The company actively organizes and carries out customer management, takes measures to ensure the rights and interests of customers and actively promotes customer satisfaction and service excellence. It makes full use of the rich social resources in the market, and establishes a good partnership with suppliers. The company promises not to abuse or misuse consumer information for the protection of rights and interests of consumers.

III. Consolidating and expanding the achievements of poverty alleviation and rural revitalization

Not applicable

Section VI. Important Events

I. Implementation of commitment

1. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

Applicable Not applicable

Commitment	Commitment party	Type	Content	Date	Term	Implementation
Commitments made in acquisition report or report on changes in equity	Wansheng Industrial Holdings (Shenzhen) Co., Ltd. and Wang Shenghong	Commitment to maintain the independence of listed company	<p>After the completion of the non-public offering, within the scope of shareholder rights that can be exercised by Wansheng Industrial \ I myself, the independence of the listed company in terms of personnel, assets, finance, organization and business will be guaranteed as follows:</p> <p>I Personnel independence</p> <p>1. Ensure that the general manager, deputy general manager, chief financial officer, secretary of the board and other senior executives of the listed company work full-time in the listed company and do not hold other positions except director and supervisor in other enterprises controlled by Wansheng Industrial \ I myself and do not receive salary in other enterprises controlled by Wansheng Industrial \ I myself.</p> <p>2. Ensure that the financial personnel of the listed company are independent and do not take part-time jobs or receive remuneration in other enterprises controlled by Wansheng Industrial \ I myself.</p> <p>3. Ensure that the listed company has a complete and independent labor, personnel and salary management system, which is completely independent from other enterprises controlled by Wansheng Industrial \ I myself.</p> <p>II Assets independence</p> <p>1. Ensure that the listed company has independent and complete assets, all assets of the listed company are under the control of the listed company, and are independently owned and operated by</p>	7 November 2022	Valid for long term	Normal performance

		<p>the listed company. Ensure that other enterprises controlled by Wansheng Industrial \I myself shall not occupy the funds and assets of the listed company in any illegal way.</p> <p>2. Ensure that the assets of the listed company will not be used to illegally guarantee the debts of other enterprises controlled by Wansheng Industrial \I myself .</p> <p>III Financial independence</p> <p>1. Ensure that the listed company establishes independent financial departments and independent financial accounting systems.</p> <p>2. Ensure that the listed company has a normative and independent financial accounting system and a financial management system for its subsidiaries.</p> <p>3. Ensure that the listed company opens bank accounts independently and does not share bank accounts with Wansheng Industrial \ I myself and other enterprises under my control.</p> <p>4. Ensure that the listed company can make independent financial decisions, and Wansheng Industrial \ I myself and other enterprises under my control do not interfere in the use and procurement of funds of the listed company through illegal means.</p> <p>5. Ensure that the listed company pays taxes independently according to law.</p> <p>IV Business independence</p> <p>1. Ensure that the listed company has the assets, personnel, qualifications and ability to carry out business activities independently, and has the ability to operate independently and sustainably in the market.</p> <p>2. Guarantee to minimize related transactions between Wansheng Industrial \ I myself and other enterprises controlled by myself and the listed company. Related transactions that cannot be avoided or have reasonable reasons shall be conducted in accordance with the the law and the principle of openness, fairness and justice.</p> <p>V Institutional independence</p> <p>1. Ensure that the listed company establishes and improves the corporate governance structure of the joint-stock company in accordance with the law and has an independent and complete organizational structure.</p> <p>2. Ensure that the shareholders' meeting, board of directors, independent directors, board of supervisors and senior executives of the listed company independently exercise their functions and powers in accordance with laws, regulations and the company's articles of association.</p>			
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			<p>3. Ensure that the listed company has an independent and complete organizational structure, and there is no confusion between the listed company and other enterprises controlled by Wansheng Industrial \ I myself .</p> <p>VI Ensure that the listed Company is otherwise independent from Wansheng Industrial \ I myself and other enterprises under my control</p> <p>In case of any breach of the above commitments, thus causing economic losses to the listed company, Wansheng Industrial \ I myself will indemnify the listed company.</p>			
Commitments made in acquisition report or report on changes in equity	Wansheng Industrial Holdings (Shenzhen) Co., Ltd and Wang Shenghong	Commitment to avoid competition in the same industry	<p>1. Wansheng Industrial \ I myself do not, and will not, directly or indirectly engage in any business or activity at home and abroad which is the same, or similar to the existing business of the listed company and which constitutes or may constitute direct or indirect competition to the existing business of the listed company in any aspect in any way (including but not limited to sole proprietorship, joint venture, cooperation and joint venture), nor provides any assistance in fund, business and management or provides any technical information, business operation, sales channels and other trade secrets to enterprises, institutions or other economic organizations competing with the listed company's existing business in any way;</p> <p>2. Wansheng Industrial \ I myself do not establish or acquire any business entity that is engaged in the same or similar business as the listed company's existing business, or any company, enterprise or other institution or organization that competes with the listed company's existing business in any aspect;</p> <p>3. From the date of issuance of this letter of commitment, if any business opportunity obtained by Wansheng Industrial \ I myself from any third party constitutes or may constitute material competition with the existing business of the listed company, Wansheng Industrial \ I myself will immediately notify the listed company and try its best to transfer such business opportunity to the listed company;</p> <p>4. This letter of commitment takes effect from the date of issuance and remains valid and irrevocable during the period when Wansheng Industrial \ I myself am a shareholder holding more than 5% equity of the list company.</p> <p>5. In case of direct or indirect economic losses caused to the listed company due to its failure to fulfill the above commitments, Wansheng Industrial \ I myself shall compensate the listed company for all the losses suffered thereby.</p>	7 November 2022	Valid for long term	Normal performance

<p>Commitments made in acquisition report or report on changes in equity</p>	<p>Wansheng Industrial Holdings (Shenzhen) Co., Ltd and Wang Shenghong</p>	<p>Commitment on regulating the related transactions</p>	<p>1. As of the date of issuance of this letter of commitment, there was no related transaction between Wansheng Industrial/I myself and other companies controlled by Wansheng Industrial/I myself and the listed company or any related transaction that should be disclosed in accordance with laws and regulations but not disclosed .</p> <p>1. Upon completion of the transaction, Wansheng Industrial/I myself and other companies controlled by Wansheng Industrial/I myself will avoid and reduce related transactions with the listed company as far as possible in accordance with laws, regulations and other normative documents. For related transactions that cannot be avoided or occur for reasonable reasons, Wansheng Industrial/I myself and other companies controlled by Wansheng Industrial/I myself will follow the market principles of justice, fairness and openness, sign agreements with the listed company according to law, perform legal procedures, comply with relevant laws, regulations, other normative documents and the articles of association of the listed company, and perform relevant internal decision-making procedures in accordance with the law and timely fulfill the obligations of information disclosure, ensure that the pricing of related transactions is fair and reasonable and the trade terms are fair, guarantee not to use related transactions to illegally transfer the funds and profits of the listed company nor to use such transactions to engage in any behavior that damages the legitimate rights and interests of the listed company and other shareholders.</p> <p>3. This Commitment shall remain valid during the period when Wansheng Industrial/I myself serve as the direct/indirect controlling shareholder/actual controller of the listed company. Wansheng Industrial/I myself guarantee to strictly fulfill all commitments in this letter of commitment. If any loss is caused to the listed company due to violation of such commitments, Wansheng Industrial/I myself will bear the corresponding liability for compensation.</p>	<p>7 November 2022</p>	<p>Valid for long term</p>	<p>Normal performance</p>
<p>Commitments made at IPO or refinancing</p>	<p>Wansheng Industrial Holdings (Shenzhen) Co., Ltd and Wang Shenghong</p>	<p>Commitment on shares restriction</p>	<p>After the completion of this non-public offering, the shares subscribed by Wansheng Industrial is not allowed to be transferred within 36 months from the date of listing of this stock issue. The non-public offering of shares of the company acquired by the issuing object and the shares acquired as a result of the company's allocation of stock dividends and the capital reserve converted into share capital shall also comply with the above share lock-in arrangement. After the expiration of the restriction period, it will be subject to the relevant regulations of China Securities Regulatory Commission and Shenzhen Stock Exchange.</p>	<p>7 November 2022</p>	<p>36 months</p>	<p>Normal performance</p>

<p>Commitments made at IPO or refinancing</p>	<p>Wansheng Industrial Holdings (Shenzhen) Co., Ltd and Wang Shenghong</p>	<p>Performance compensation commitment</p>	<p>For the next three years after the completion of the non-public offering of shares and the completion of the adjustment of the board of directors and the board of supervisors of Shenzhen China Bicycle by Wansheng Industrial, the net profit of the listed company shall be no less than 30 million yuan, 35 million yuan and 40 million yuan respectively, that is, the cumulative net profits shall be 105 million yuan.</p> <p>If the actual cumulative net profits of the listed company fails to reach the cumulative net profits of the listed company in any year within the performance commitment period, Wansheng Industrial shall compensate the listed company in cash within ten working days after the issuance of audit report of the listed company in the current year within the performance commitment period.</p> <p>The amount of compensation for the current year shall be calculated as follows: Amount payable in the current year = Cumulative net profit committed by the end of the current period - Cumulative net profit realized by the end of the current period - Cumulative amount compensated (if any)</p>	<p>7 November 2022</p>	<p>1 Jan. 2023-31 December 2025</p>	<p>Normal performance</p>
<p>Commitments made at IPO or refinancing</p>	<p>Wansheng Industrial Holdings (Shenzhen) Co., Ltd and Wang Shenghong</p>	<p>Commitment on dilution of the immediate return on non-public offering of A share and measures to be taken</p>	<ol style="list-style-type: none"> 1. Do not interfere with the company's operation and management activities beyond its authority, and do not occupy the company's interests; 2. Effectively perform the relevant measures formulated by the company to fill out the returns and fulfill any commitments made to fill out the returns. 3. From the issuance date of this Commitment to the completion of the non-public offering of shares of the company, if the China Securities Regulatory Commission makes other new regulations on filling out the return measures and commitments, and the above-mentioned commitments cannot meet such regulations of the China Securities Regulatory Commission, I myself promise to issue supplementary commitments in accordance with the latest regulations of the China Securities Regulatory Commission at that time; 4. As one of the subjects responsible for filling out the return measures, if I myself violate the above commitments or refuse to perform the above commitments, I myself agree that China Securities Regulatory Commission, Shenzhen Stock Exchange and other securities regulatory authorities punish me or take relevant management measures according to the relevant regulations and rules formulated or issued by them. 	<p>7 November 2022</p>	<p>Valid for long term</p>	<p>Normal performance</p>

Commitments made at IPO or refinancing	Wansheng Industrial Holdings (Shenzhen) Co., Ltd and Wang Shenghong	Commitment not to initiate major assets reorganization or assets acquisition	Within 12 months after the completion of this issuance, Wansheng Industrial did not plan to launch major asset reorganization, asset acquisition and other major matters affecting the stock price of the listed company, and there was no plan to realize the reorganization and listing step by step through cash subscription and asset acquisition.	7 November 2022	12 months	Normal performance
Commitments made at IPO or refinancing	Wansheng Industrial Holdings (Shenzhen) Co., Ltd and Wang Shenghong	Commitment on business of the Company and business of the core enterprises of the controlling shareholder and actual controller	The Company and its actual controller, Wang Shenghong, do not hold or control more than 5% of the issued shares of other domestic and overseas listed companies, nor hold more than 5% of the shares of banks, trust companies, securities companies, insurance companies and other financial institutions.	2 November 2022	-	Performed
Commitments made at IPO or refinancing	Wansheng Industrial Holdings (Shenzhen) Co., Ltd.	Commitment on absence of administrative penalty	As of the date of signing this Commitment, the Company (Wansheng Industrial Holdings (Shenzhen) Co., Ltd.) has not been subject to administrative penalties from the relevant authorities such as banking, customs, taxation, environmental protection, industry and commerce, social security, and production safety since the date of establishment.	2 November 2022	-	Performed
Commitments made at IPO or refinancing	Wansheng Industrial Holdings (Shenzhen) Co., Ltd.	Commitment on litigation and guarantees	As of the date of signing this Commitment, the Company (Wansheng Industrial Holdings (Shenzhen) Co., Ltd.) has not had any litigation, guarantee and other matters since the date of establishment.	2 November 2022	-	Performed
Commitments made at IPO or refinancing	Shenzhen China Bicycle Company (Holdings) Limited	Commitment not to initiate major assets reorganization or assets acquisition	Within 12 months after the completion of this issuance, there was no plan to launch major assets reorganization, asset acquisition and other major matters affecting the Company's stock price, nor is there any plan to realize the reorganization and listing step by step through cash subscription and asset acquisition.	7 November 2022	12 months	Normal performance
Commitments made at IPO or refinancing	Director and senior executive of the Company	Commitment on dilution of the immediate return on non-public	<ol style="list-style-type: none"> 1. Promise not to transfer benefits to other units or individuals free of charge or under unfair conditions, and not to damage the interests of the company by other means; 2. Promise to restrict my position-related consumption behavior; 3. Promise not to use the company's assets to engage in investment and consumption activities 	7 November 2022	Valid for long term	Normal performance

		<p>offering of A share and measures to be taken</p>	<p>unrelated to the performance of duties;</p> <p>4. Promise that the remuneration system formulated by the board of directors or the compensation committee will be linked to the implementation of the company's measures to fill out the returns;</p> <p>5. Promise that the venting conditions of the future equity incentive plan will be linked to the implementation of the company's measures to fill out the returns if the company implements the equity incentive plan in the future, ;</p> <p>6. From the issuance date of this Commitment to the completion of the non-public offering of shares of the company, if the China Securities Regulatory Commission makes other new regulations on filling out the return measures and commitments, and the above-mentioned commitments cannot meet such regulations of the China Securities Regulatory Commission, I myself promise to issue supplementary commitments in accordance with the latest regulations of the China Securities Regulatory Commission at that time;</p> <p>7. As one of the subjects responsible for filling out the return measures, if I myself violate the above commitments or refuse to perform the above commitments, I myself agree that China Securities Regulatory Commission, Shenzhen Stock Exchange and other securities regulatory authorities punish me or take relevant management measures according to the relevant regulations and rules formulated or issued by them.</p>			
<p>Whether commitments are fulfilled on time</p>	<p>Yes</p>					

2. Concerning assets or project of the Company, which has profit forecast, and reporting period still in forecasting period, explain reasons of reaching the original profit forecast

Applicable Not applicable

II. Non-operational fund occupation from controlling shareholders and its related party

Applicable Not applicable

No non-operational fund occupation from controlling shareholders and its related party in period.

III. External guarantee out of the regulations

Applicable Not applicable

No external guarantee out of the regulations occurred in the period.

IV. Statement on the latest “modified audit report” by BOD

Applicable Not applicable

On 11 May 2012, the largest shareholder and biggest creditor of the Company, Shenzhen Guosheng Energy Investment and Development Co., Ltd. applied to Shenzhen Municipal Intermediate People's Court for reforming the Company as the Company couldn't pay off the matured debts and was seriously insolvent. On 12th, Oct., 2012, Shenzhen Municipal Intermediate People's Court ruled to accept the application proposed by Guosheng Energy according to (2012) Shenzhen Intermediate Court Po Zi No. 30 civil ruling. In late October, 2012, Shenzhen Municipal Intermediate People's Court ruled to reform the Company since 25th, Oct., 2012 according to (2012) Shenzhen Intermediate Court Po Zi No. 30-1 civil ruling, appointed King & Wood (Shenzhen) Mallesons and Shenzhen ZhengYuan Liquidation Affairs Co., Ltd. as the custodians of the Company. At the same time, Shenzhen Municipal Intermediate People's Court made (2012) Shenzhen Intermediate Court Po Zi No. 30-1 written decision, and approved the Company to manage property and business affairs by itself under the supervision of custodians according to the law. On 5 November 2013, the Shenzhen Intermediate People's Court (2012) Shen Zhong Fa Po Zi No. 30-6 Civil Ruling Paper judged that approved the reorganization plan of the Company. On 27 December 2013, the Civil Ruling Paper Shenzhen Intermediate People's Court (2012) Shen Zhong Fa Po Zi No. 30-10 ruled that the reorganization plan of CBC was completed and bankruptcy procedures of CBC closed down.

The Company has solved the debt problem by reforming, realized the net assets with positive value, the main business of bicycle is able to be maintained and realizes the stable development. The Company has set up the conditions for introducing the recombination party in the reforming plan, and expects to restore the abilities of sustainable operation and sustained profitability by reorganization. The conditions of introducing the recombination party includes: the assessed value of net assets should be no less than 2 billion Yuan, the net assets in the same year for implementing the major reorganization should be no less than 200 million Yuan. The Company doesn't have the recombination party at the moment. The Company will continue to carry out vary related works actively and promote the reorganization work with all efforts.

V. Explanation from Board of Directors, Supervisory Committee and Independent Directors (if applicable) for “Qualified Opinion” that issued by CPA

Applicable Not applicable

VI. Explanation of the changes in accounting polices, accounting estimates or correction of significant accounting errors compared with the financial report of the previous year

Applicable Not applicable

1. Change of accounting policy

(1)After approved by the BOD, relevant regulations with “Explanation of the Accounting Standards for Business Enterprise No.15”(CK[2021]No.35) concerned are applicable since 1 January 2022, change of this accounting policy has no impact on the financial statement in the Period.

(2)After approved by the BOD, relevant regulations with “Explanation of the Accounting Standards for Business Enterprise No.16”(CK[2022]No.31) concerned are applicable since 1 January 2022, change of this accounting policy has no impact on the financial statement in the Period.

2. Changes in accounting estimates

There were no major changes in accounting estimates during the company's reporting period.

3. Correction of previous accounting errors

During the reporting period of the company, no major prior accounting errors were corrected.

4. The adjustment of financial statement at the beginning of the year when first implemented the new accounting standards or explanations since 2022

No effect

VII. Compare with last year’s financial report; explain changes in consolidation statement’s scope

Applicable Not applicable

There was no change in the scope of consolidated statements during the reporting period of the company.

VIII. Appointment and non-reappointment (dismissal) of CPA

Accounting firm appointed

Name of domestic accounting firm	Baker Tilly China CPA (LLP)
Remuneration for domestic accounting firm (in 10 thousand Yuan)	45
Continuous life of auditing service for domestic accounting firm	7
Name of domestic CPA	Qu Xianfu, Deng Jun
Continuous life of auditing service for domestic accounting firm	2

Re-appointed accounting firms in this period

Yes No

Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable

1. During the reporting period, the company engaged Baker Tilly China CPA (LLP) as the auditing organ for internal control of the Company, and it is expected to pay 150,000 yuan for internal control auditing.

2. During the reporting period, the company engaged Sinolink Securities as the sponsor for non-public offering of shares, sponsor fee amounting to 3.3 million yuan in total.

IX. Particular about delisting after annual report disclosed

Applicable Not applicable

X. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period

XI. Significant lawsuits and arbitration of the Company

Applicable Not applicable

Lawsuits (arbitration)	Amount involved (in 10 thousand Yuan)	Resulted an accrual liability (Y/N)	Progress	Trial result and influence	Execution of judgment	Disclosure date	Disclosure index
Contract dispute over the urban renewal project of Zhonghua Garden Phase II-Plaintiff(She n zhen Jianzhi Industrial Development Co., Ltd); Defendant (Shenzhen China Bicycle Company (Holdings) Limited)	3,085.9	Yes, the accrual liabilities of 890,000 yuan resulted from relevant interests	In the first instance, defendant returned 10 million yuan deposit and interest to the plaintiff; second trial has not been heard yet	The first trial will not have a material adverser effect on current profit or future profits of the Company	The second trial has not been heard till the date when the notice released	23 August 2022	Found more in “Notice on Lawsuits” Notice No.: 2022002 and “Progress of Lawsuits” Notice No.: 2022019 released on Juchao Website (www.cninfo.com.cn)
Counter-claim in the contract	600	No	The first judgment dismisses the	The first trial will not have a material	The second trial has not been heard	23 August 2022	Found more in “Progress of Lawsuits”

dispute on urban renewal project of Zhonghua Garden Phase II-Plaintiff(She n zhen China Bicycle Company (Holdings) Limited); Defendant (Shenzhen Jianzhi Industrial Development Co., Ltd)			plaintiff's claim; the second trial has not been heard yet	adverser effect on current profit or future profits of the Company	till the date when the notice released		Notice No.: 2022019 released on Juchao Website (www.cninfo.com.cn)
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XII. Penalty and rectification

Applicable Not applicable

The Company had no penalty and rectification in the Period

XIII. Integrity of the company and its controlling shareholders and actual controllers

Applicable Not applicable

XIV. Major related transaction

1. Related transaction with routine operation concerned

Applicable Not applicable

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price	Related transaction amount (in 10 thousand Yuan)	Proportion in similar transactions	Trading limit approved (in 10 thousand Yuan)	Whether over the approved limit or not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
Fuzhou Zuankinson Jewelry Co., Ltd.	The enterprises controlled by the controlling subsidiary of the	Related transaction with routine operation concerned	Sale of goods to related party	Pricing based on market price according to the principle of	Market pricing	2,313.77	5.20%	2,313.77	N	Settlement in cash	Not applicable	2023-4-25	Found more in the "Recognition of the Daily Related Trans

	Company with 35% stock participated			fairness and impartiality									actions for year of 2022 and Expected Daily Related Transactions for 2023” on Juchao Website (www.cninfo.com.cn)
Fuzhou Rongrun Jewelry Co., Ltd.	The enterprises controlled by the affiliates of the controlling subsidiary of the Company with 35% stock participated	Related transaction with routine operation concerned	Sale of goods to related party	Pricing based on market price according to the principle of fairness and impartiality	Market pricing	9,681.07	21.77%	9,681.07	N	Settlement in cash	Not applicable	2023-4-25	Found more in the “Recognition of the Daily Related Transactions for year of 2022 and Expected Daily Related Transactions for 2023” on Juchao Website (www.cninfo.com.cn)

													o.com .cn)
Total				--	--	11,99 4.84	--	11,99 4.84	--	--	--	--	--
Detail of sales return with major amount involved				Not applicable									
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period (if applicable)				Not applicable									
Reasons for major differences between trading price and market reference price (if applicable)				Not applicable									

2. Related transactions by assets acquisition and sold

Applicable Not applicable

No related transactions by assets acquisition and sold for the Company in reporting period.

3. Main related transactions of mutual investment outside

Applicable Not applicable

No main related transactions of mutual investment outside for the Company in reporting period.

4. Contact of related credit and debt

Applicable Not applicable

Whether exist non-operating contact of related credit and debt or not

Yes No

Claim receivable from related party

Related party	Relationship	Causes of formation	Whether has non-business capital occupying or not	Balance at period-begin(10 thousand Yuan)	Current amount increased(10 thousand Yuan)	Current recovery(10 thousand Yuan)	Interest rate	Current interest(10 thousand Yuan)	Balance at period-end(10 thousand Yuan)
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Debts payable to related party

Related party	Relationship	Causes of formation	Balance at period-begin(10 thousand Yuan)	Current amount increased(10 thousand Yuan)	Current amount returned (10 thousand Yuan)	Interest rate	Current interest(10 thousand Yuan)	Balance at period-end(10 thousand Yuan)
Shenzhen Guosheng Energy Investment Developme	Substantial shareholder	Subsidiary Emmelle loan	650	0	0	0.00%	0	650

nt Co., Ltd.								
Influence on operation result and financial statue of the Company from related debts	Not applicable							

5. Contact with the related finance companies

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the finance companies with associated relationship and related parties

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

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the finance companies controlled by the Company and related parties

7. Other material related transactions

Applicable Not applicable

The company had no other material related transactions in reporting period.

XV. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

No trusteeship occurred in reporting period.

(2) Contract

Applicable Not applicable

No contract occurred in reporting period.

(3) Leasing

Applicable Not applicable

No leasing occurred in reporting period.

2. Major guarantee

Applicable Not applicable

No major guarantee occurred in reporting period.

Not applicable

3. Entrust others to cash asset management

(1) Trust financing

Applicable Not applicable

No trust financing occurred in reporting period.

(2) Entrusted loans

Applicable Not applicable

No entrusted loans occurred in reporting period.

4. Other material contracts

Applicable Not applicable

No other material contracts occurred in reporting period.

XVI. Explanation on other significant events

Applicable Not applicable

1. Planning for non-public offering of shares

In November 2022, the company completed the non-public offering of A-shares, raising funds of 294 million yuan, the registered capital of the company increased from 551 million yuan to 689 million yuan, the overall net asset scale of the company was increased, enhancing the fund strength, comprehensive competitiveness and anti-risk ability of the company. Wansheng Industrial totally holds 137,836,986 shares of the company through the subscription of non-public offering of shares, accounting for 20% of the total share capital after the completion of the non-public offering. The newly increased shares by the company's non-public offering was listed on the Shenzhen Stock Exchange on November 7, 2022.

On November 28, 2022, the company completed the change of office term of the board of directors and the board of supervisors, and the company was changed from a company without controlling shareholder and actual controller to a company with controlling shareholder and actual controller, the controlling shareholder of the company was changed to Wansheng Industrial Holdings (Shenzhen) Co., Ltd., and the actual controller of the company was changed to Mr. Wang Shenghong.

2. litigation matters

On February 23, 2022, the company received the Subpoena (2022) Yue 0303 Min Chu No. 3787, Complaint, Notice of Response, Civil Ruling Paper (2020) Yue 0303 Zhi Bao No. 498 and other legal documents from Shenzhen Luohu District People's Court, which has accepted the lawsuit brought by the plaintiff Shenzhen Jianzhi Industrial Development Co., Ltd. against the company on the grounds of "joint venture and cooperative development of real estate contract disputes", the amount involved was 30.859 million

yuan. At the same time, the company also filed a countersuit against Shenzhen Jianzhi Industrial Development Co., Ltd., demanding that it pay 6 million yuan in return for the project. The above case was held in People's Court of Luohu District, Shenzhen on the morning of May 11, 2022. The countersuit and the suit were held at the same time, and no judgment was made in court. On August 19, 2022, the company received Civil Judgment (2022) Yue 0303 MC No. 3787 from the People's Court of Luohu District, Shenzhen, Guangdong Province. For details, please refer to the Announcement on the Progress of Litigation Matters (Announcement No. 2022-019) disclosed by the company at www.cninfo.com.cn on August 23, 2022. According to the first instance judgment of People's Court of Luohu District, this case will not have a material adverse impact on the company's current or future profits. As of the date of this announcement, the second trial has not been held, the company will timely fulfill the obligation of information disclosure according to the progress of the litigation, please pay attention to the investment risk.

XVII. Significant event of subsidiary of the Company

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

Unit: Share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Capitalization of public reserve	Others	Subtotal	Amount	Proportion
I. Restricted shares	3,957	0.00%	137,836,986	0	0	1,319	137,838,305	137,842,262	20.00%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person's shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic shares	3,957	0.00%	137,836,986	0	0	1,319	137,838,305	137,842,262	20.00%
Including: Domestic legal person's shares	0	0.00%	137,836,986	0	0		137,836,986	137,836,986	20.00%
Domestic natural person's shares	3,957	0.00%	0	0	0	1,319	1,319	5,276	0.00%
4. Foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: Foreign legal person's shares	0	0.00%	0	0	0	0	0	0	0.00%
Foreign natural person's shares	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted shares	551,343,990	100.00%	0	0	0	-1,319	-1,319	551,342,671	80.00%
1. RMB Ordinary shares	302,981,008	54.95%	0	0	0	-1,319	-1,319	302,979,689	43.96%
2. Domestically listed foreign shares	248,362,982	45.05%	0	0	0	0	0	248,362,982	36.04%
3. Overseas listed foreign	0	0.00%	0	0	0	0	0	0	0.00%

shares									
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	551,347,947	100.00%	137,836,986	0	0	0	137,836,986	689,184,933	100.00%

Reasons for share changed

Applicable Not applicable

1. During the reporting period, due to the non-public offering of 137,836,986 RMB ordinary shares (A stock), total share capital of the Company up to 689,184,933 shares from 551,347,947 shares.

2. During the reporting period, the general election of BOS was completed. Mr. Zheng Zhonghuan, the supervisor of 9th BOS was outgoing for the offer-term expired dated November 28, 2022. According to the Management Regulation of the Shares held by Director, Supervisor and Senior Executives of the Listed Companies and their Changes, the shares held by supervisor of the Company shall not be transferred within 6 months after their resignation, resulting in an increase of 1,319 shares with sales restriction.

Approval of share changed

Applicable Not applicable

According to the approval of *Official Reply on Approval of Non-Public Offering of Shares of Shenzhen China Bicycle Company(Holdings) Limited (ZJXX [2021] No.3552)* from CSRC, during the reporting period, the Company offering RMB ordinary A stock of 137,836,986 shares to Wansheng Industrial privately, the new shares were listed on Shenzhen Stock Exchange on 7 November 2022.

Ownership transfer of share changed

Applicable Not applicable

1. During the reporting period, the registration procedure for the new shares from non-publicly offering are completed, which are listed on Shenzhen Stock Exchange on 7 November 2022.

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose for the Company or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

Unit: Share

Shareholder	Shares restricted at	Number of shares	Number of shares released	Shares restricted at	Cause of restriction	Dated of released
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	period-begin	restricted in the Period	in the Period	period-end		
Wansheng Industrial Holdings (Shenzhen) Co., Ltd.	0	137,836,986	0	137,836,986	The shares restricted after initial placement(restricted for the non-public offering)	2025-11-07
Zheng Zhonghuan	3,957	1,319	0	5,276	Executive lock-up stock (Supervisor)	6 months after outgoing when session expired
Total	3,957	137,838,305	0	137,842,262	--	--

II. Securities issuance and listing

1. Security offering (without preferred stock) in Reporting Period

Applicable Not applicable

Stock and derivative securities	Offering date	Offering price (or interest rate)	Numbers offering	Listing date	Number approved for listing	Closing date	Disclosure index	Date of disclosure
Stock								
RMB ordinary shares (A stock)	2022-10-20	2.13 yuan/Share	137,836,986	2022-11-07	137,836,986		Found more at Juchao Website (www.cninfo.com.cn): "Report of the Non-public Offering of Shares and Notice of Listing" and other Notices	2022-11-03
Convertible bonds, separately traded convertible bonds and corporate bonds								
Other derivatives securities								

Explanation:

Non-public offering of shares:

1. On December 14, 2020, the company held the 27th (interim) Meeting of the Tenth Board of Directors, and deliberated and approved the Proposal on the Company Meeting the Conditions for the Non-public Offering of A-Shares, the Proposal on the Plan for the Company's Non-public Offering of A-Shares, the Proposal on the Plan for the Non-public Offering of A-Shares of Shenzhen China Bicycle Company (Holdings) Limited, the Proposal on the Feasibility Analysis Report on the Use of Funds Raised by Non-Public Offering of A-Shares of Shenzhen China Bicycle Company (Holdings) Limited, the Proposal That There Is No Need for the Company to Prepare a Report on the Use of the Previously Raised Funds, the Proposal on Risk Tips on Diluted Immediate Returns of Non-Public Offering of A-Shares, Explanations on Taking Filling Measures and Commitments of Relevant Subjects, the Proposal on

Requesting the General Meeting of Shareholders of the Company to Authorize the Board of Directors to Handle Matters Related to the Non-public Offering of A-Shares with Full Authority, and other matters related to the non-public offering of shares.

2. On December 30, 2020, the company held the Third Interim General Meeting of Shareholders in 2020, deliberated and approved the relevant proposals on the private offering, and authorized the board of directors to handle the relevant matters of the private offering.

3. On December 7, 2021, the company held the 36th (interim) Meeting of the Tenth Board of Directors, deliberated and approved the Proposal on Extending the Validity Period of the Resolution on the Company's Non-public Offering of A-Shares and Extending the Validity Period of Authorizing the Board of Directors to Handle Matters Related to the Non-public Offering of A-Shares, extending the validity period of the resolution on the non-public offering of A-shares and the validity period of the general meeting of shareholders authorizing the board of directors to handle all matters related to the non-public offering of A-shares by 12 months from the expiration date, namely to December 29, 2022.

4. On December 23, 2021, the company held the Second Interim General Meeting of Shareholders in 2021, deliberated and approved the Proposal on Extending the Validity Period of the Resolution on the Company's Non-public Offering of A-Shares and Extending the Validity Period of Authorizing the Board of Directors to Handle Matters Related to the Non-public Offering of A-Shares.

5. On October 25, 2021, the non-public offering of shares by the issuer was approved by the Issuance Examination Committee of the China Securities Regulatory Commission.

6. On November 9, 2021, the China Securities Regulatory Commission issued an approval letter (ZJXK (2021) No. 3552) to the issuer, approving the non-public offering of no more than 137,836,986 new shares by the issuer. The approval will be valid for 12 months from the date of approval.

7. On October 21, 2022, Baker Tilly China Certified Public Accountants (Special General Partnership) issued the Capital Verification Report on the Fund Allocation of Non-Public Offering of A Shares of Shenzhen China Bicycle Company (Holdings) Limited TZYZ[2022] No.42018. According to the aforementioned report, as of December 21, 2022, the company had made a private offering of 137,836,986.00 A-shares, totally raising funds of 293,592,780.18 yuan. After deducting the issuance expenses (excluding VAT) of 4,765,621.08 yuan, the actual net fund raised by the company was 288,827,159.10 yuan.

8. The company has obtained the Confirmation of Acceptance of Application for Share Registration issued by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on October 26, 2022, and completed the initial public offering of new shares on the Shenzhen Stock Exchange on November 7, 2022. Upon completion of the offering, the total share capital of the company increased from 551,347,947 shares to 689,184,933 shares.

9. On November 7, 2022, the company's non-public offering of shares were listed on the Shenzhen Stock Exchange.

2. Changes of total shares and shareholders structure as well as explanation on changes of assets and liability structure

Applicable Not applicable

(1) Impact of the non-public offering of share on share capital structure of the Company

After the completion of the private offering, the total capital of the company increased to 689,184,933 shares. At the same time, the

non-public offering resulted in the change of the control of the company, the company was changed from a company without controlling shareholder and actual controller to a company with controlling shareholder and actual controller, the controlling shareholder of the company was changed to Wansheng Industrial, and the actual controller of the company was changed to Mr. Wang Shenghong. The changes of the company's share capital structure before and after the non-public offering are as follows:

Type	Before offering		After offering	
	Number of shares (Share)	Ratio in total share capital	Number of shares (Share)	Ratio in total share capital
1. Restricted shares	3,957	0.00%	137,842,262	20%
2. Unrestricted shares	551,343,990	100.00%	551,342,671	80%
3. Total shares	551,347,947	100.00%	689,184,933	100%

After the completion of the private offering, the company's equity distribution conforms to the listing conditions stipulated in the Shenzhen Stock Exchange Listing Rules.

(2) The impact of private offering on the structure of assets and liabilities

After the completion of the private offering, the total assets and net assets of the company have been increased, and the asset-liability ratio has decreased correspondingly. The company's operating strength is enhanced, financial structure is more reasonable, debt paying ability is significantly improved and financing ability is increased, which are conducive to reducing the company's financial risks and improving the company's comprehensive strength and anti-risk ability.

3. Existing internal staff shares

Applicable Not applicable

III. Shareholders and actual controller of the Company

1. Amount of shareholders and particulars about shares holding

Unit: Share

Total common shareholders at end of the Period	46,210	Total common shareholders at end of last month before annual report disclosed	46,761	Total preferred shareholders with voting rights recovered at end of reporting period (if applicable) (found in note 8)	0	Total preferred shareholders with voting rights recovered at end of last month before annual report disclosed (if applicable) (found in note 8)	0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Total shareholders at the end of report period	Changes in report period	Amount of restricted shares held	Amount of un-restricted shares held	Information of shares pledged, tagged or frozen	
							State of share	Amount
Wansheng Industrial	Domestic non-state-	20.00%	137,836,986	137,836,986	137,836,986	0		

Holdings (Shenzhen) Co., Ltd.	owned legal person							
Shenzhen Guosheng Energy Investment Development Co., Ltd.	Domestic non-state-owned legal person	9.22%	63,508,747	0	0	63,508,747		
UOB Kay Hian (Hong Kong) Limited	Foreign legal person	2.31%	15,907,850	0	0	15,907,850		
Guosen Securities (HK) Brokerage Co., Ltd.	Foreign legal person	2.02%	13,909,425	0	0	13,909,425		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	1.20%	8,281,156	0	0	8,281,156		
Lhasa Xingqing Network Technology Co., Ltd.	Domestic non-state-owned legal person	0.67%	4,600,255	0	0	4,600,255		
Li Huili	Domestic nature person	0.56%	3,891,124	0	0	3,891,124		
Ge Zhiqiong	Domestic nature person	0.44%	3,050,452	-474,700	0	3,050,452		
Xu Hongbo	Domestic nature person	0.42%	2,927,319	0	0	2,927,319		
China Merchants Securities (HK) Co., Ltd	Foreign legal person	0.42%	2,894,135	0	0	2,894,135		
Strategy investors or general corporation comes top 10 common stock shareholders due to placement of new shares (if applicable) (see note 3)		N/A						
Explanation on associated relationship among the aforesaid shareholders		Li Huili, spouse of Ji Hanfei, the actual controller of Shenzhen Guosheng Energy Investment Development Co., Ltd., holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., other than that, the Company does not know whether the other outstanding shareholders are related and whether the shareholders belong to persons acting in concert regulated in the <i>Administration of Disclosure of Information on the Change of Shareholders in Listed Companies</i> .						
Description of the above shareholders in relation to		N/A						

delegate/entrusted voting rights and abstention from voting rights.			
Special note on the repurchase account among the top 10 shareholders (if applicable) (see note 10)	N/A		
Particular about top ten shareholders with un-restrict shares held			
Shareholders' name	Amount of un-restrict shares held at Period-end	Type of shares	
		Type	Amount
Shenzhen Guosheng Energy Investment Development Co., Ltd.	63,508,747	RMB common shares	63,508,747
UOB Kay Hian (Hong Kong) Limited	15,907,850	Domestically listed foreign shares	15,907,850
Guosen Securities (HK) Brokerage Co., Ltd.	13,909,425	Domestically listed foreign shares	13,909,425
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	8,281,156	Domestically listed foreign shares	8,281,156
Lhasa Xingqing Network Technology Co., Ltd.	4,600,255	RMB common shares	4,600,255
Li Huili	3,891,124	Domestically listed foreign shares	3,891,124
Ge Zhiqiong	3,050,452	Domestically listed foreign shares	3,050,452
Xu Hongbo	2,927,319	Domestically listed foreign shares	2,927,319
China Merchants Securities (HK) Co., Ltd	2,894,135	Domestically listed foreign shares	2,894,135
Shenzhen China Bicycle Company (Holdings) Limited -Special account for property disposal of bankrupt enterprise	2,602,402	RMB common shares	1,383,313
		Domestically listed foreign shares	1,219,089
Expiation on associated relationship or consistent actors within the top 10 un-restrict shareholders and between top 10 un-restrict shareholders and	Li Huili, spouse of Ji Hanfei, the actual controller of Shenzhen Guosheng Energy Investment Development Co., Ltd., holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., other than that, the Company does not know whether the other outstanding shareholders are related and whether the shareholders belong to persons acting in concert regulated in the <i>Administration of Disclosure of Information on the Change of Shareholders in Listed Companies</i> .		

top 10 shareholders	
Explanation on top 10 shareholders involving margin business (if applicable) (see note 4)	N/A

Whether top ten common stock shareholders or top ten common stock shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes No

The top ten common stock shareholders or top ten common stock shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

2. Controlling shareholder of the Company

Nature of controlling shareholders: controlled by natural person

Type of controlling shareholders: Legal person

Controlling shareholder	Legal person /Responsible person	Establishment date	Organizational Code	Main business
Wansheng Industrial Holdings (Shenzhen) Co., Ltd.	Wang Shenghong	10 May 2016	91440300MA5DCB5K9A	Investment in industry (Separately declared for specific item)
Shareholdings in other listed companies in and out of China that controlled and participated by the controlling shareholder during reporting period	N/A			

Changes of controlling shareholders in reporting period

Applicable Not applicable

New controlling shareholder	Wansheng Industrial Holdings (Shenzhen) Co., Ltd.
Date of change	2022-11-28
Designated website for query index	Found more in the <i>Prompt Announcement on Change of the Controlling Shareholder and Actual Controller of the Company</i> Notice No.: 2022043 on Juchao Website (www.cninfo.com.cn)
Date of disclosure on designated website	29 November 2022

3. Actual controller and persons acting in concert

Nature of actual controller: Domestic nature person

Type of actual controller: Natural person

Actual controller	Relationship with the actual controller	Nationality	Whether to obtain the residency in other countries or regions
Wang Shenghong	The person himself	P.R.C	No
Principal occupation and position	Wang Shenghong currently is the Chairman of the Company		
The listed companies in and	N/A		

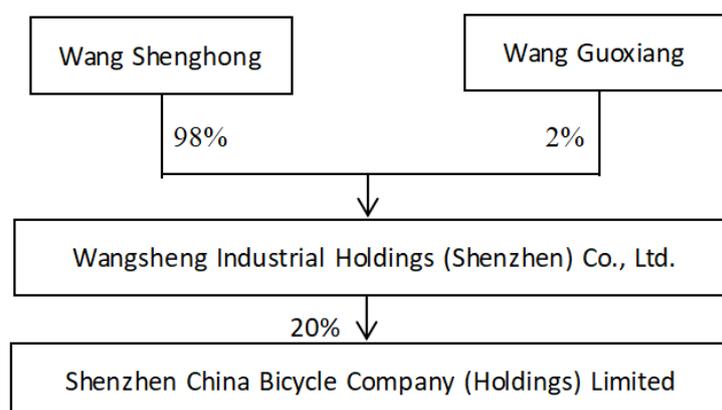
out of China that controlled by Wang in the past 10 years	
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Changes of actual controller in reporting period

Applicable Not applicable

Former actual controller	No actual controller
New actual controller	Wang Shenghong
Date of change	2022-11-28
Designated website for query index	Found more in the <i>Prompt Announcement on Change of the Controlling Shareholder and Actual Controller of the Company</i> Notice No.: 2022043 on Juchao Website (www.cninfo.com.cn)
Date of disclosure on designated website	29 November 2022

Property right and controlling relationship between the actual controller and the Company is as follow:



Actual controller controlling the Company by entrust or other assets management

Applicable Not applicable

4. The total number of shares pledged by controlling shareholders or the first majority shareholder and its persons acting in concert accounts for 80% of the shares held by them

Applicable Not applicable

5. Particulars about other legal person shareholders with over 10% shares held

Applicable Not applicable

6. Limitation and reducing the holdings of shares of controlling shareholders, actual controllers, restructuring side and other commitment subjects

Applicable Not applicable

IV. The specific implementation of shares buy-back during the reporting period

Implementation progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.

Section IX. Corporate Bonds

Applicable Not applicable

Section X. Financial Report

I. Audit Report

Type of audit opinion	Standard Unqualified Opinion
Signing date of audit report	21 April 2023
Name of audit institute	Baker Tilly China CPA (LLP)
Document serial of audit report	Baker Tilly Zi[2023]No.:11694
Name of the CPA	Qu Xianfu, Deng Jun

Audit report

Baker Tilly Zi[2023]No.:11694

To Shareholders of Shenzhen China Bicycle Company (Holdings) Limited

I. Auditor's opinion

We have audited the financial statements under the name of Shenzhen China Bicycle Company (Holdings) Limited (hereinafter the "CBC Company"), which included the consolidated and parent company's balance sheet as of 31 December 2022, the consolidated and parent company's profit statement, the consolidated and parent company's statement of cash flow and the consolidated statement of changes in equity of the Company and parent company's for the year of 2022, together with the relevant annotations thereto.

We have the view that the attached financial statements are prepared in accordance with the *Accounting Standards for Business Enterprises* in all material aspects, which reflect fairly the consolidated financial position of the Company and parent company's as of 31 December 2022 and the operating results and cash flow of the Company and parent company's for the year of 2022.

II. Basis for audit opinions

We conducted this audit under the requirements of the Auditing Standards of the Certified Public Accountant of the PRC. The section headed "Certified Public Accountant's responsibility for audit of financial statement" in the audit report has further clarified our responsibilities under these standards. Pursuant to the code of professional conduct as certified public accountant in the PRC, we are independent of the CBC Company and have performed other responsibility as required by our professional ethics. We believe that the audit evidence obtained by us is sufficient and adequate, which provides foundation for us to issue audit opinion.

III. Key audit items

Key audit items refer to those which in our opinion based on our professional judgment are the most important issues in respect of audit for the current financial statements. We issue audit opinions on these issues in their entity

and provide no opinions separately for each of them.

Key audit items	Countermeasures
1. Revenue recognition	
<p>The CBC Company is mainly engaged in the sales of bicycles, electric bicycles and related materials, jewelry and accessories. In 2022, revenue from main business was 441,648,114.02 yuan, all of which was generated from domestic sales. CBC Company recognizes the sales revenue when the products are shipped and signed for by the customers. Due to the significant amount of operation revenue, the veracity of the revenue and whether it is included in the proper accounting period has a significant impact on the Company's results of operation for 2022, and may be subject to the potential misstatement. Accordingly, we have identified the revenue recognition as a key audit matter.</p> <p>Please refer to the accounting policies described in "28. Revenue" in Note "III. Significant Accounting Policies and Accounting Estimates" to the Financial Statements, and "25. Operation Revenue and Costs" in "VI. Notes to Items in the Consolidated Financial Statements".</p>	<p>The main audit procedures we performed for revenue recognition are as follows:</p> <ol style="list-style-type: none"> 1. Understand, evaluate and test the effectiveness of the design and operation of internal control related to sales and collection of Shenzhen China Bicycle Company. 2. Check the relevant terms of the customer contract, concern whether the pricing method, acceptance method, delivery place and lead time, settlement method, etc. have changed, and evaluate whether the revenue recognition of CBC Company complies with the provisions of the Accounting Standards for Business Enterprises and whether it is consistent with the disclosed accounting policies. 3. Inquire and understand the background information of major customers through public channels, such as industrial and commercial registration information, to confirm whether there is a potential unidentified related party relationship between the customer and Shenzhen China Bicycle Company and related parties. 4. Check the online sales customer information (such as contact number, contact address, order time, etc.) to evaluate the authenticity and rationality of online sales; check the market prices of main materials, and analyze the rationality of fluctuations in gross profit margins. 5. Confirm the current transaction amount and payment balance to major customers, and visit important customers to verify the authenticity of the revenue recognition of Shenzhen China Bicycle Company. 6. Check the main customer contracts, incoming and outgoing records, delivery notes and delivery receipt records, etc. 7. Check the delivery notes within a certain period before and after the balance sheet date, pay attention to the date of receipt, and confirm whether the revenue recognition is included in the correct accounting period.

Key audit items	Countermeasures
2. Impairment of account receivable	
<p>As of December 31, 2022, balance of account receivable under the name of CBC Company was 272,323,748.95 yuan, balance of bad debt provision was 22,254,447.02 yuan. Due to the significant amount of account receivable and the assessment of the bad debt provision involves significant management judgment. Accordingly, we identified the impairment of account receivable as a key audit matter.</p> <p>Please refer to the accounting policies described in "12. Account receivable" in Note "III. Significant Accounting Policies and Accounting Estimates" to the financial statements, and "3. Account receivable" in "VI. Notes to Items in the Consolidated Financial Statements"</p>	<p>Our main audit procedures for the impairment of account receivable are as follows:</p> <ol style="list-style-type: none"> 1. Understand and test the effectiveness of the design and operation of internal control related to account receivable management. 2. Review the rationality and consistency of the management's accounting policies for the provision for bad debts of account receivable, and review whether the major standards of single amount determined by the management are reasonable. 3. For account receivable with separate provision for bad debts, select samples to obtain the basis for the management to estimate the expected future recoverable amount, including customer credit records, default or delayed payment records and actual repayment after the period, and review its rationality. 4. For the account receivable for which the bad debt provision is made according to the aging analysis method, analyze the rationality of the accounting estimate of the bad debt provision for the account receivable of Shenzhen China Bicycle Company, and select samples to test the accuracy of the aging.

IV. Other information

The management of CBC Company (hereinafter, the Management) is responsible for other information, which includes the information covered in the Annual Report of 2022 except for the financial statements and our audit report.

Our audit opinion issued on financial statement does not cover other information, and we would not issue any form of verification conclusion for those information.

To prepare our audit on financial statement, we are required to read other information, and during the procedure, to consider that whether other information differs materially from the financial statement or the information obtained by us during the audit or whether there exists material error.

Based on the works done by us, in case we find any material error in other information, we shall report this fact.

In this regard, we have nothing to report.

V. Management's responsibility for financial statement

The Management is responsible for preparing financial statements according to the Business Accounting Standards which make fair reflection, and for designing, implementing and maintaining necessary internal control system to make sure that there is no material misstatement in the financial statements due to fraud or mistake.

When preparing the financial statements, the management is responsible for assessing the Company's ability of continuous operation, disclosing the matters relating to continuous operation (if applicable) and applying the assumption of continuous operation, unless the management plans to liquidate the Company, terminate operation or has no other practicable choice.

The governance is responsible for monitoring the financial reporting process of the CBC Company.

VI. Auditor's responsibility for audit of the financial statements

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

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, we have to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain adequate and appropriate audit evidence in relation to the financial information of the entities or business transactions of the Company, in order to issue audit opinion on the financial statement. We are responsible for guiding, supervising and executing the audit for the Group, and we accept full responsibility for the audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and related safeguards (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Financial statement

Unit in note of financial statement refers to CNY: RMB (Yuan)

1. Consolidated Balance Sheet

Prepared by Shenzhen China Bicycle Company (Holdings) Limited
December 31, 2022

Unit: RMB/CNY

Item	December 31, 2022	January 1, 2022
Current assets:		
Monetary fund	54,699,491.18	33,246,957.92
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable	1,102,000.00	
Account receivable	250,069,301.93	46,850,083.59
Receivable financing		
Accounts paid in advance	4,286,935.15	1,300,408.57
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	438,477.82	494,695.27
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventory	48,206,866.81	8,248,573.77
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	35,453,106.62	1,814,200.53
Total current assets	394,256,179.51	91,954,919.65
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fix assets	2,304,402.38	3,439,212.00
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets	173,936.71	1,505,258.90
Intangible assets		
Expense on Research and		

Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	118,969.33	64,046.67
Other non-current assets	400,000.00	400,000.00
Total non-current assets	2,997,308.42	5,408,517.57
Total assets	397,253,487.93	97,363,437.22
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	2,877,423.23	8,297,306.34
Accounts received in advance		
Contractual liability	791,762.84	124,328.07
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	769,992.42	923,477.10
Taxes payable	38,144,508.36	911,506.52
Other account payable	48,621,087.98	61,407,301.04
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	210,892.38	1,456,782.04
Other current liabilities	102,929.16	11,700.06
Total current liabilities	91,518,596.37	73,132,401.17
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual bonds		
Lease liability		228,302.37
Long-term account payable		

Long-term wages payable		
Accrual liability	887,342.00	
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	887,342.00	228,302.37
Total liabilities	92,405,938.37	73,360,703.54
Owner's equity:		
Share capital	689,184,933.00	551,347,947.00
Other equity instrument		
Including: Preferred stock		
Perpetual bonds		
Capital public reserve	778,824,470.95	627,834,297.85
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
Provision of general risk		
Retained profit	-1,210,553,312.45	-1,202,936,933.70
Total owner's equity attributable to parent company	290,129,318.51	8,918,538.16
Minority interests	14,718,231.05	15,084,195.52
Total owner's equity	304,847,549.56	24,002,733.68
Total liabilities and owner's equity	397,253,487.93	97,363,437.22

Legal Representative: Li Hai Person in charge of Accounting Works: Sun Longlong Person in charge of Accounting
Institution: She Hanxing

2. Balance Sheet of Parent Company

Unit: RMB/CNY

Item	December 31, 2022	January 1, 2022
Current assets:		
Monetary fund	44,090,324.53	7,613,043.60
Trading financial assets		
Derivative financial assets		
Note receivable	400,000.00	
Account receivable	213,762,895.33	22,842,513.86
Receivable financing		
Accounts paid in advance	39,465,026.86	586,425.80
Other account receivable	209,606.79	70,451.01
Including: Interest receivable		
Dividend receivable		
Inventory	42,640,812.21	73,037.28
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets		1,814,200.53

Total current assets	340,568,665.72	32,999,672.08
Non-current assets:		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	19,960,379.73	19,960,379.73
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fix assets	2,209,564.35	3,265,329.99
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets	105,403.37	421,613.45
Intangible assets		
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset		
Other non-current assets	400,000.00	400,000.00
Total non-current assets	22,675,347.45	24,047,323.17
Total assets	363,244,013.17	57,046,995.25
Current liabilities:		
Short-term loans		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	275,843.19	364,394.75
Accounts received in advance		
Contractual liability		90,000.44
Wage payable	403,771.82	561,350.41
Taxes payable	35,797,995.48	15,603.18
Other account payable	40,465,510.28	52,710,433.54
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	121,977.23	323,646.60
Other current liabilities		11,700.06
Total current liabilities	77,065,098.00	54,077,128.98
Non-current liabilities:		
Long-term loans		

Bonds payable		
Including: Preferred stock		
Perpetual bonds		
Lease liability		121,974.19
Long-term account payable		
Long-term wages payable		
Accrual liability	878,000.00	
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	878,000.00	121,974.19
Total liabilities	77,943,098.00	54,199,103.17
Owner's equity:		
Share capital	689,184,933.00	551,347,947.00
Other equity instrument		
Including: Preferred stock		
Perpetual bonds		
Capital public reserve	778,824,470.95	627,834,297.85
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
Retained profit	-1,215,381,715.79	-1,209,007,579.78
Total owner's equity	285,300,915.17	2,847,892.08
Total liabilities and owner's equity	363,244,013.17	57,046,995.25

3. Consolidated Profit Statement

Unit: RMB/CNY

Item	2022	2021
I. Total operation revenue	444,762,238.25	165,246,577.95
Including: Operation revenue	444,762,238.25	165,246,577.95
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operation cost	434,584,382.03	164,230,093.26
Including: Operation cost	416,884,753.17	152,606,986.59
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee		

slip		
Reinsurance expense		
Tax and surcharge	3,757,974.70	116,707.39
Sales expenses	5,688,257.68	3,303,956.30
Administrative expenses	7,525,176.16	6,154,605.29
R&D expenses	924,567.70	2,037,197.58
Financial expenses	-196,347.38	10,640.11
Including: Interest expenses		
Interest income	272,353.25	127,249.64
Add: Other income	146,351.13	400,392.20
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-15,516,772.44	-2,398,980.61
Impairment loss on assets(Loss is listed with “-”)	-840,361.84	-99,941.65
Income from assets disposal (Loss is listed with “-”)	-16,957.53	
III. Operation profit (Loss is listed with “-”)	-6,049,884.46	-1,082,045.37
Add: Non-operating income	4,081,450.75	5,680,409.27
Less: Non-operating expense	4,744,024.13	5,303,959.22
IV. Total profit (Loss is listed with “-”)	-6,712,457.84	-705,595.32
Less: Income tax expense	1,269,885.38	933,960.68
V. Net profit (Net loss is listed with “-”)	-7,982,343.22	-1,639,556.00
(i) Classify by business continuity		
1.Continuous operating net profit (net loss listed with “-”)	-7,982,343.22	-1,639,556.00
2.Termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to shareholders of parent company	-7,616,378.75	-1,986,692.82
2.Minority shareholders’ gains and losses	-365,964.47	347,136.82
VI. Net other comprehensive income after taxation		

Net other comprehensive income attributable to owners of parent company after taxation		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net other comprehensive income attributable to minority shareholders after taxation		
VII. Total comprehensive income	-7,982,343.22	-1,639,556.00
Total comprehensive income attributable to owners of parent Company	-7,616,378.75	-1,986,692.82
Total comprehensive income attributable to minority shareholders	-365,964.47	347,136.82
VIII. Earnings per share:		
(i)Basic EPS	-0.013	-0.004
(ii)Diluted EPS	-0.013	-0.004

As for the enterprise combined under the same control, net profit of 0 Yuan achieved by the merged party before combination while 0 Yuan achieved last period.

Legal Representative: Li Hai Person in charge of Accounting Works: Sun Longlong Person in charge of Accounting Institution: She Hanxing

4. Profit Statement of Parent Company

Unit: RMB/CNY

Item	2022	2021
------	------	------

I.Operation revenue	267,241,929.51	28,199,223.50
Less:Operation cost	253,488,605.37	24,333,256.69
Tax and surcharge	3,606,282.77	18,043.30
Sales expenses	489,404.45	688,541.79
Administrative expenses	2,191,110.35	1,765,358.61
R&D expenses	396,209.62	2,037,197.58
Financial expenses	-40,271.90	-56,830.88
Including: Interest expenses	15,022.20	30,342.02
Interest income	60,656.53	97,007.00
Add: Other income	126,559.52	392,001.91
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-11,110,711.22	-2,700,794.63
Impairment loss on assets(Loss is listed with “-”)	-729,605.75	72,937.26
Income from assets disposal (Loss is listed with “-”)	-16,957.53	
II. Operation profit(Loss is listed with “-”)	-4,620,126.13	-2,822,199.05
Add: Non-operating income	4,078,353.41	5,587,466.85
Less: Non-operating expense	4,715,083.72	5,182,300.00
III. Total profit (Total losses are listed with “-”)	-5,256,856.44	-2,417,032.20
Less: Income tax expense	1,117,279.57	
IV. Net profit (Net loss is listed with “-”)	-6,374,136.01	-2,417,032.20
(i)Continuous operating net profit (net loss listed with ‘-”)	-6,374,136.01	-2,417,032.20
(ii)Termination of net profit (net loss listed with ‘-”)		
V. Net other comprehensive income after taxation		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be		

transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	-6,374,136.01	-2,417,032.20
VII. Earnings per share:		
(i)Basic EPS		
(ii)Diluted EPS		

5. Consolidated Cash Flow Statement

Unit: RMB/CNY

Item	2022	2021
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	280,153,474.61	187,241,639.89
客 Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of capital from repurchase business		
Net cash received by agents in sale		

and purchase of securities		
Write-back of tax received	211,285.93	51,574.09
Other cash received concerning operating activities	9,804,457.72	20,966,639.22
Subtotal of cash in-flow arising from operation activity	290,169,218.26	208,259,853.20
Cash paid for purchasing commodities and receiving labor service	522,417,130.69	169,402,197.88
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, handling charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff	5,682,412.88	8,534,075.79
Taxes paid	1,289,781.65	816,292.62
Other cash paid concerning operating activities	22,198,959.07	13,833,354.04
Subtotal of cash out-flow arising from operation activity	551,588,284.29	192,585,920.33
Net cash flow arising from operating activities	-261,419,066.03	15,673,932.87
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	50,000.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash in-flow arising from investment activity	50,000.00	
Cash paid for purchasing fixed, intangible and other long-term assets	40,164.10	18,890.56
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash out-flow arising from investment activity	40,164.10	18,890.56
Net cash flow arising from investment activities	9,835.90	-18,890.56
III. Cash flows arising from financing activities:		

Cash received from absorbing investment	290,292,780.18	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		
Other cash received concerning financing activities	9,000,000.00	
Subtotal of cash in-flow arising from financing activity	299,292,780.18	
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	20,207,638.62	2,296,062.44
Subtotal of cash out-flow arising from financing activity	20,207,638.62	2,296,062.44
Net cash flow arising from financing activities	279,085,141.56	-2,296,062.44
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increased amount of cash and cash equivalent	17,675,911.43	13,358,979.87
Add: Balance of cash and cash equivalents at the period -begin	33,246,957.92	19,887,978.05
VI. Balance of cash and cash equivalents at the period -end	50,922,869.35	33,246,957.92

6. Cash Flow Statement of Parent Company

Unit: RMB/CNY

Item	2022	2021
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	99,421,799.26	25,119,322.27
Write-back of tax received		
Other cash received concerning operating activities	26,085,946.66	22,351,912.54
Subtotal of cash in-flow arising from operation activity	125,507,745.92	47,471,234.81
Cash paid for purchasing commodities and receiving labor service	336,871,285.17	21,110,201.92
Cash paid to/for staff	1,220,883.46	5,707,424.68
Taxes paid	460,792.02	175,913.72
Other cash paid concerning operating activities	34,421,627.82	21,881,881.87
Subtotal of cash out-flow arising from operation activity	372,974,588.47	48,875,422.19
Net cash flow arising from operating activities	-247,466,842.55	-1,404,187.38
II. Cash flows arising from investing		

activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	50,000.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash in-flow arising from investment activity	50,000.00	
Cash paid for purchasing fixed, intangible and other long-term assets		5,272.56
Cash paid for investment		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash out-flow arising from investment activity		5,272.56
Net cash flow arising from investment activities	50,000.00	-5,272.56
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	290,292,780.18	
Cash received from loans		
Other cash received concerning financing activities	9,000,000.00	
Subtotal of cash in-flow arising from financing activity	299,292,780.18	
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities	19,085,278.53	1,074,521.05
Subtotal of cash out-flow arising from financing activity	19,085,278.53	1,074,521.05
Net cash flow arising from financing activities	280,207,501.65	-1,074,521.05
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increased amount of cash and cash equivalent	32,790,659.10	-2,483,980.99
Add: Balance of cash and cash equivalents at the period -begin	7,613,043.60	10,097,024.59
VI. Balance of cash and cash equivalents at the period -end	40,403,702.70	7,613,043.60

7. Statement of Changes in Owners' Equity (Consolidated)

Current amount

Unit: RMB/CNY

Item	2022														
	Owners' equity attributable to the parent Company												Minority interests	Total owner's equity	
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus public reserve	Provision of general risk	Retained profit	Other			Subtotal
Preferred stock		Perpetual bonds	Other												
I. The ending balance of the previous year	551,347,947.00				627,834,297.85				32,673,227.01		-1,202,936,933.70		8,918,538.16	15,084,195.52	24,002,733.68
Added: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															

r															
II. The beginning balance of the current year	551,347,947.00				627,834,297.85				32,673,227.01		-1,202,936,933.70		8,918,538.16	15,084,195.52	24,002,733.68
III. Increase/Decrease in the period (Decrease is listed with “-”)	137,836,986.00				150,990,173.10						-7,616,378.75		281,210,780.35	-365,964.47	280,844,815.88
(i) Total comprehensive income											-7,616,378.75		-7,616,378.75	-365,964.47	-7,982,343.22
(ii) Owners’ devoted and decreased capital	137,836,986.00				150,990,173.10								288,827,159.10		288,827,159.10
1. Common shares invested by	137,836,986.00				150,990,173.10								288,827,159.10		288,827,159.10

own ers															
2. Capi tal inves ted by hold ers of other equit y instr ume nts															
3. Amo unt reck oned into own ers equit y with share - base d pay ment															
4. Othe r															
(iii) Profi t distri butio n															
1. With draw al of surpl us publi c reser ve															
2. With draw															

al of general risk provisions															
3. Distribution for owners (or shareholders)															
4. Other															
(iv) Carrying forward internal owners' equity															
1. Transfer of capital reserves to capital (or share capital)															
2. Transfer of surplus public reserves to capital (or															

share capital)															
3. Reserving loss with surplus public reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(v)Reasonable reserve															
1.															

With drawal in the current period																		
2. Usage in the current period																		
(vi) Other																		
IV. Balance at the end of the period	689,184,933.00				778,824,470.95					32,673,227.01					-1,210,553,312.45	290,129,318.51	14,718,231.05	304,847,549.56

Amount of the previous period

Unit: RMB/CNY

Item	2021													Minority interests	Total owner's equity		
	Owners' equity attributable to the parent Company																
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus public reserve	Provision of general risk	Retained profit	Other	Subtotal				
	Preferred stock	Perpetual bonds	Other														
I. The ending balance of the previous year	551,347,947.00				627,834,297.85					32,673,227.01				-1,210,950,240.88	10,905,230.98	14,737,058.70	25,642,289.68
Add:																	

Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	551,347,947.00				627,834,297.85				32,673,227.01		-1,200,950,240.88		10,905,230.98	14,737,058.70	25,642,289.68
III. Increase/Decrease in the period (Decrease is listed)											-1,986,692.82		-1,986,692.82	347,136.82	-1,639,556.00

y with share - base d pay ment															
4. Othe r															
(iii) Profi t distri butio n															
1. With draw al of surpl us publi c reser ve															
2. With draw al of gene ral risk provi sions															
3. Distr ibuti on for own ers (or share hold ers)															
4. Othe r															
(iv)C arryi ng forw ard															

inter nal own ers' equit y															
1. T ransf er of capit al reser ves to capit al (or share capit al)															
2. T ransf er of surpl us publi c reser ves to capit al (or share capit al)															
3. Rem edyi ng loss with surpl us publi c reser ve															
4. Carr y- over retai ned earn ings from the															

defin ed bene fit plans																		
5. Carr y-over retai ned earni ngs from other com preh ensiv e inco me																		
6. Othe r																		
(v)R easo nabl e reser ve																		
1. With draw al in the curre nt perio d																		
2. Usag e in the curre nt perio d																		
(vi) Othe r																		
IV. Bala nce at the	551,347,947.00				627,834,297.85				32,673,227.01				-1,202,936,933.70			8,918,538.16	15,084,195.52	24,002,733.68

end of the period															
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8. Statement of Changes in Owners' Equity (Parent Company)

Current amount

Unit: RMB/CNY

Item	2022											
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluss public reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpetual bonds	Other								
I. The ending balance of the previous year	551,347,947.00				627,834,297.85				32,673,227.01	-1,209,007,579.78		2,847,892.08
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	551,347,947.00				627,834,297.85				32,673,227.01	-1,209,007,579.78		2,847,892.08
III. Increase/Decrease in the	137,836,986.00				150,990,173.10					-6,374,136.01		282,453,023.09

period (Decrease is listed with “-”)												
(i) Total comprehensive income											- 6,374,136.01	- 6,374,136.01
(ii) Owners’ devoted and decreased capital	137,836,986.00				150,990,173.10							288,827,159.10
1. Common shares invested by owners	137,836,986.00				150,990,173.10							288,827,159.10
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution												
1. Wi												

thdraw al of surplus public reserve												
2. Dis tributi on for owners (or shareh olders)												
3. Ot her												
(iv)Car rying forwar d interna l owners , equity												
1. Tra nsfer of capital reserve s to capital (or share capital)												
2. Tra nsfer of surplus public reserve s to capital (or share capital)												
3. Re medyi ng loss with surplus public reserve												
4. Ca rry-												

over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the current period												
2. Usage in the current period												
(vi) Other												
IV. Balance at the end of the period	689,184,933.00				778,824,470.95				32,673,227.01	-1,215,381,715.79		285,300,915.17

Amount of the previous period

Unit: RMB/CNY

Item	2021
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	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus public reserve	Retained profit	Other	Total owner's equity
		Preferr ed stock	Perpet ual bonds	Other								
I. The ending balance of the previous year	551,347,947.00				627,834,297.85				32,673,227.01	-1,206,590,547.58		5,264,924.28
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	551,347,947.00				627,834,297.85				32,673,227.01	-1,206,590,547.58		5,264,924.28
III. Increase/ Decrease in the period (Decrease is listed with "-")										-2,417,032.20		-2,417,032.20
(i) Total comprehensive income										-2,417,032.20		-2,417,032.20

(ii) Owner s' devote d and decrea sed capital												
1. Co mmon shares investe d by owners												
2. Ca pital investe d by holder s of other equity instru ments												
3. A mount rekon ed into owners equity with share- based payme nt												
4. Ot her												
(iii) Profit distrib ution												
1. Wi thdraw al of surplus public reserve												
2. Dis tributi on for owners (or shareh olders)												
3. Ot												

her												
(iv) Carrying forward internal owners' equity												
1. Transfer of capital reserves to capital (or share capital)												
2. Transfer of surplus public reserves to capital (or share capital)												
3. Remedying loss with surplus public reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over												

retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the current period												
2. Usage in the current period												
(vi) Other												
IV. Balance at the end of the period	551,347,947.00				627,834,297.85				32,673,227.01	-1,209,007,579.78		2,847,892.08

III. Company Profile

1. History and basic information

According to the Approval Document SFBF (1991) No. 888 issued by the People's Government of Shenzhen, Shenzhen China Bicycle Company (Holdings) Limited (hereinafter referred to as the CBC) was reincorporated as the company limited by shares in November 1991. On 28 December 1991, upon the Approval Document SRYFZ(1991) No. 119 issued by Shenzhen Special Economic Zone Branch of the People's Bank of China, the Company got listed on Shenzhen Stock Exchange. Registered of the Company amounted as 689,184,933.00 Yuan.

Legal representative: Li Hai

Location: No. 3008, Buxin Road, Luohu District, Shenzhen

Certificate for Uniform Social Credit Code:914403006188304524。

2. Business nature and main operation activities

Main business activities: Research & development of the bicycles, electric bicycles, electric motorcycles, motorcycles, electric tricycles, electric four-wheeler, children's bicycles, exercise bikes, sports equipment, mechanical products, toys, electric toys, electronic products, new energy equipment and storage equipment (lithium batteries, batteries, etc.), household appliances and spare parts, and electronic components; wholesale, retail, import and export and related supporting business of above-mentioned products (excluding commodities subject to state trade management, handling the application according to the relevant national regulations for commodities involving quotas, license management and other special provisions and management.); fine chemical products (excluding dangerous goods), wholesale and retail of carbon fiber composite materials; technology development of computer software, transfer of self-developed technological achievements, and providing relevant technical information consultation; own property leasing; property management. (The above projects do not involve special administrative measures for the implementation access of national regulations, and those involving restricted projects and pre-existing administrative licenses must obtain the pre-existing administrative licensing documents before operation.) Purchase and sale of gold products, platinum jewelry, palladium jewelry, K-gold jewelry, silver jewelry, inlaid jewelry, jewelry, jade ware, gem-and-jade products, clocks and watches, precious metal materials, diamonds, jadeite, crafts (except ivory and its products), calligraphy and painting, collection (except for antiques, cultural relics, and items prohibited by national laws and administrative regulations).

Main products or services currently offered are: EMMELLE bicycles, electrical bicycles, lithium battery material and gold jewelry.

3. Actual controller of the Company

Actual controller of the Company is Wang Shenghong, who held or controlled 20% shares of the Company.

4. Release of the financial report

The Financial Report was approved to report at the 3rd Session of 11th BOD of CBC on April 21, 2023.

5. Scope of the consolidate statement

The CBC has two subsidiaries and one sub-subsidiary included in the scope of consolidated financial statement, refer to the Note VIII-1.

IV. Compilation Basis of Financial Statement

1. Compilation Basis

The financial statement is prepared based on continuing operation assumptions, and according to actual occurrence, in line with relevant accounting rules and follow important accounting policy and estimation.

2. Going concern

During the 12 months since end of the reporting period, there are no factors that cast significant doubt on the sustainability and other matters that have affected the Company.

V. Main accounting policy and Accounting Estimate

Tips for specific accounting policy and estimate:

1. Declaration on compliance with accounting standards for business enterprise

The financial statement prepared by the CBC Company, based on follow compilation basis, is comply with the requirement of new accounting standards for business enterprise issued by Ministry of Finance and its application guide, commentate as well as other regulations (collectively referred to as *Accounting Standards for Business Enterprise*), which is reflect a real and truth financial status of the Company, as well as operation results and cash flow situations.

Furthermore, the statement has reference to the listing and disclosure requirement from “*Rules Governing the Disclosure of Information for Enterprise with Stock Listed No.15-general regulation of financial report*” (2014 Revised) and “*Notice on Implementation of New Accounting Standards for Listed Companies*” (KJBH (2018) No. 453)

2. Accounting period

Calendar year is the accounting period for the CBC, which is starting from 1 January to 31 December.

3. Business cycles

The business period for the Company, which is the Gregorian calendar starting from 1 January to 31 December

4. Book-keeping currency

The CBC takes RMB as the standard currency for bookkeeping.

5. Accounting treatment for business combinations under the same control and those not under the same control

(1) Accounting treatment for business combinations under the same control and those not under the same control

For a business merger that is under the same control and is achieved by the CBC through one single transaction or multiple transactions, assets and liabilities obtained from that business combination shall be measured at their book value at the combination date as recorded by the party being absorbed in the consolidated financial statement of ultimate controlling party. Capital reserve shall be adjusted as per the difference between the book value of obtained net assets and the book value of paid consolidated consideration (or the nominal value of the issued shares) of the Company; retained earnings shall be adjusted if the capital reserve is not sufficient for offset.

(2) Accounting treatment for Enterprise combine not under the same control

The CBC will validate the difference that the combined cost is more than the fair value of the net identifiable assets gained from the acquiree on the acquisition date as goodwill; where the combined cost is less than the fair value of net identifiable assets gained from the acquiree during business combination, the fair value and combined cost of various identifiable assets, liabilities and contingent liabilities from the acquiree must be rechecked. Where the combined cost is, after the recheck, still less than the fair value of net identifiable assets gained from the acquiree during business combination, the difference shall be charged to current profits and losses.

As for business combination not under common control and realized through multiple transactions and by steps, the CBC shall make accounting treatment as follows:

1) Adjust the initial investment cost of long-term equity investments. As for stock equities held before the acquisition date accounted according to the equity method, re-measurement is carried out according to the fair value of the equity on the acquisition date. The balance between the fair value and the book value is included in the current investment income. If the acquiree's stock equities held before the acquisition date involves changes of other comprehensive incomes and other owner's equities under accounting with the equity method, the balance between the fair value and the book value is included in the current investment income on the acquisition date, excluding other comprehensive incomes incurred by changes due to re-measurement of net liabilities or net assets of the defined benefit plan.

2) Confirm the goodwill (or include the amount in the profits and losses). The initial investment cost of long-term equity investments adjusted in step 1 is compared with the fair value of net identifiable assets of the subsidiary shared on the acquisition date. If the former is greater than the latter, the balance is confirmed as goodwill; if the former is less than the latter, the balance is included in the current profits and losses.

Loss of control of a subsidiary in multiple transactions in which it disposes equity interests of its subsidiary in

stages

(1) In determining whether to account for the multiple transactions as a single transaction

A parent shall consider all the terms and conditions of the transactions and their economic effects. One or more of the following may indicate that the parent should account for the multiple arrangements as a single transaction:

- 1) Arrangements are entered into at the same time or in contemplation of each other;
- 2) Arrangements work together to achieve an overall commercial effect;
- 3) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement;
- 4) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

(2) Accounting treatment for each of the multiple transactions forming part of a bundled transactions which eventually results in loss of control the subsidiary during disposal of its subsidiary in stages

If each of the multiple transactions forms part of a bundled transactions which eventually results in loss of control the subsidiary, these multiple transactions should be accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding percentage of the subsidiary's net assets in each transaction prior to the loss of control shall be recognized in other comprehensive income and transferred to the profit or loss when the parent eventually loses control of the subsidiary.

The remaining equity investment shall be re-measured at its fair value in the consolidated financial statements at the date when control is lost. The difference between the total amount of consideration received from the transaction that resulted in the loss of control and the fair value of the remaining equity investment and the share of net assets of the former subsidiary calculated continuously from the acquisition date or combination date based on the previous shareholding proportion, shall be recognized as investment income for the current period when control is lost. The amount previously recognized in other comprehensive income in relation to the former subsidiary's equity investment should be transferred to investment income for the current period when control is lost

(3) Accounting treatment for each of the multiple transactions NOT forming part of a bundled transactions which eventually results in loss of control the subsidiary during disposal of its subsidiary in stages

If the Company doesn't lose control of investee, the difference between the amount of the consideration received and the corresponding portion of net assets of the subsidiary shall be adjusted to the capital reserve (capital /equity premium) in the consolidated financial statements.

If the Company loses control of investee, the remaining equity investment shall be re-measured at its fair value in the consolidated financial statements at the date when control is lost. The difference between the total amount of consideration received from the transaction that resulted in the loss of control and the fair value of the remaining equity investment and the share of net assets of the former subsidiary calculated continuously from the acquisition date or combination date based on the previous shareholding percentage, shall be recognized as investment

income for the current period when control is lost. The amount previously recognized in other comprehensive income in relation to the former subsidiary's equity investment should be transferred to investment income for the current period when control is lost.

6. Compilation method of consolidated financial statement

Consolidated financial statements are prepared by the Company in accordance with *Accounting Standard for Business Enterprise No. 33-Consolidated Financial Statements* and based on financial statements of parent company and its subsidiaries and other related information.

When consolidating the financial statements, the following items are eliminated: internal equity investment and owners' equity of subsidiaries, proceeds on internal investments and profit distribution of subsidiaries, internal transactions, internal debts and claim. The accounting policies adopted by subsidiaries are the same as parent company.

7. Classification of joint venture arrangement and accounting treatment for joint control

(1) Recognition and classification of joint venture arrangement

Joint arrangement refers to an arrangement controlled by two or more than two participants. Joint venture arrangement has the following characteristics: 1) Each participant is bound by the arrangement; 2) Two or more participants carry out joint control on implementation of the arrangement. Any participant cannot control the arrangement independently. Any participant for joint control can stop other participants or participant combinations to independently control the arrangement.

Joint control refers to the sharing of control over certain arrangement under related agreements, and related activities of the arrangement must be determined only when obtaining the unanimous consent of the parties sharing control.

Joint venture arrangement is classified in to joint operation and joint venture. Joint operation refers to an arrangement that a joint party enjoys assets related to the arrangement and bears liabilities related to the arrangement. Joint venture refers to an arrangement that a joint party only has the power governing net assets of the arrangement.

(2) Accounting treatment of joint venture arrangement

Joint venture participants should confirm the following items related to interest shares in joint venture and carry out accounting settlement according to relevant provisions of the Accounting Standards for Business Enterprises: 1) confirm the assets held separately and confirm the assets held jointly based on shares; 2) confirm the liabilities borne separately and confirm the liabilities borne jointly based on shares; 3) confirm the income incurred after selling its shares in joint venture output; 4) confirm the income after selling the joint venture outputs based on shares; 5) confirm the expenses incurred separately and confirm the expenses incurred in joint venture based on

shares.

Joint venture participants should carry out accounting settlement for investments of the joint venture according to provisions of *Accounting Standards for Business Enterprises No.2–Long-term Equity Investments*.

8. Recognition of cash and cash equivalents

Cash in cash flow statement means the inventory cash and savings available for use anytime. Cash equivalents refer to the short-term (generally due within three months since the date of purchase) highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

9. Foreign currency transaction and financial statement conversion

(1) Conversion for foreign currency transaction

When initially recognized, the foreign currency for the transaction shall be converted into CNY amount according to the spot exchange rate on the date of transaction. For the foreign currency monetary items, conversion must be based on the spot exchange rate on the balance sheet date and the exchange difference incurred from different exchange rates, except for the exchange difference of principal and interest incurred due to foreign currency loan related to acquisition or construction of assets that qualify for capitalization, shall be charged to current profits and losses; foreign currency non-monetary items measured with historical cost are still converted as per the spot exchange rate on the transaction date and keep the RMB amount unchanged; foreign currency non-monetary items measured with fair value shall be converted as per the spot exchange rate on the date of determining the fair value and the difference shall be charged to current profits and losses or other comprehensive income.

(2) Conversion of financial statements presented in foreign currencies

The asset and liability items in the balance sheet shall be converted at the spot exchange rate on the balance sheet date; the owner's equity items, except for the items of "Retained profit", shall be converted at the spot exchange rate on the transaction date; the income and expenditure items in the profit statement shall be converted at the spot exchange rate on the transaction date. The translation difference of foreign financial statements conducted as above is recognized as other comprehensive incomes.

10. Financial instruments

(1) Recognition and termination for financial instrument

Financial assets or financial liabilities are recognized when the CBC becomes a party to the contractual provisions of the instrument.

When buying and selling financial assets in a conventional manner, recognize and derecognize them according to the accounting of the trading day. Buying and selling financial assets in a conventional manner refers to the collection or delivery of financial assets in accordance with the contract terms and within the period prescribed by regulations or prevailing practices. Trading day refers to the date when the CBC promises to buy or sell financial assets.

When meeting the following conditions, a financial asset (or part of a financial asset, or part of a group of similar financial assets) need terminate recognition, i.e. to write off from its account and balance sheet:

- 1) The right to receive cash flows from financial assets expires;

- 2) The right to receive cash flows of financial assets is transferred, or assume the obligation to pay the full amount of cash flows received to a third party in a timely manner under the “handover agreement”; and (a) virtually transferred almost all risks and rewards of the ownership of financial assets, or (b) although virtually neither transferred nor retained almost all risks and rewards of the ownership of financial assets, abandoned the control of the financial assets.

(2) Classification and measurement of financial assetsThe CBC’s financial assets are classified as financial assets measured at amortized cost, financial assets measured at fair value and whose changes are included in other comprehensive income, and financial assets measured at fair value and whose changes are included in the current profit and loss according to the CBC’s business model for managing financial assets and the contractual cash flow characteristics of financial assets at initial recognition. The subsequent measurement of financial assets depends on their classification.

The CBC’s classification of financial assets is based on CBC’s business model for managing financial assets and the cash flow characteristics of financial assets.

- 1) Financial assets measured at amortized costFinancial assets that meet the following conditions at the same time are classified as financial assets measured at amortized cost: the Company’s business model for managing this financial asset is to collect contractual cash flows; the contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount. For such financial assets, the actual interest rate method is used for subsequent measurement based on amortized cost, and the gains or losses arising from amortization or impairment are included in the current profit and loss.

2) Debt instrument investments measured at fair value and whose changes are included in other comprehensive income

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value and whose changes are included in other comprehensive income: the Company's business model for managing this financial asset is to both collect contractual cash flows and sell the financial assets; the contract terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal amount. For such financial assets, fair value is used for subsequent measurement. The discount or premium is amortized by using the actual interest method and is recognized as interest income or expenses. Except that the impairment loss and the exchange difference of foreign currency monetary financial assets are recognized as current gains and losses, changes in the fair value of such financial assets are recognized as other comprehensive income, until the financial asset is derecognized, its cumulative gains or losses are transferred to the current profit and loss. Interest income related to such financial assets is included in the current profit and loss.

3) Equity instrument investments measured at fair value and whose changes are included in other comprehensive income

The CBC irrevocably chooses to designate some non-trading equity instrument investments as financial assets measured at fair value and whose changes are included in other comprehensive income. Only relevant dividend income is included in the current profit and loss, and changes in fair value are recognized as other comprehensive income, until the financial asset is terminate recognition, its accumulated gains or losses are transferred to retained earnings.

4) Financial assets measured at fair value and whose changes are included in the current profit and loss

Financial assets except for above financial assets measured at amortized cost and financial assets measured at fair value and whose changes are included in other comprehensive income are classified as financial assets measured at fair value and whose changes are included in the current profit and loss. During initial recognition, in order to eliminate or significantly reduce accounting mismatches, financial assets can be designated as financial assets measured at fair value and whose changes included in the current profit and loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are included in the current profit and loss.

When and only when the Company changes its business model for managing financial assets, it will reclassify all affected related financial assets. For financial assets measured at fair value and whose changes are included in the

current profit or loss, the related transaction costs are directly included in the current profit and loss, and the related transaction costs of other types of financial assets are included in the initial recognition amount.

(3) Classification and measurement of financial liabilitiesThe CBC's financial liabilities are classified as financial liabilities measured at amortized cost and financial liabilities measured at fair value and whose changes are included in the current profit and loss at initial recognition.

Financial liabilities that meet one of the following conditions can be designated as financial liabilities measured at fair value and whose changes are included in current profit or loss during initial measurement: (1) This designation can eliminate or significantly reduce accounting mismatches; (2) According to the group risk management or investment strategies stated in official written documents, management and performance evaluation of financial liability portfolios or financial assets and financial liability portfolios are conducted based on fair value, and are reported to key management personnel within the group on this basis; (3) The financial liability includes embedded derivatives that need to be split separately.

The CBC determines the classification of financial liabilities at initial recognition. For financial liabilities that are measured at fair value and whose changes are included in the current profit or 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 its initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

1) Financial liabilities measured at amortized costFor such financial liabilities, adopt actual interest rate method and make subsequent measurements based on amortized costs.

2) Financial liabilities measured at fair value and whose changes are included in the current profit and lossFinancial liabilities that are measured at fair value and whose changes are included in the current profit or loss include trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated to be measured at fair value at the initial recognition and whose changes are included in the current profit or loss.

(4) Financial instruments offsetIf the following conditions are met at the same time, the financial assets and financial liabilities are listed in the balance sheet with the net amount after mutual offset: legal right to offset the confirmed amount, and this legal right is currently executable; Net settlement, or simultaneous realization of the financial assets and liquidation of the financial liabilities.

(5) Impairment of financial assetsThe CBC recognizes the loss provisions on the basis of expected credit losses for financial assets measured at amortized cost, debt instrument investments measured at fair value and whose changes are included in other comprehensive income and financial guarantee contracts. Credit loss refers to the difference between all contractual cash flows receivable under the contract and discounted according to original actual interest rate by the CBC and all expected receivable cash flows, that is, the present value of all cash shortages.

The CBC considers all reasonable and evidence-based information, including forward-looking information, and estimates the expected credit loss of financial assets measured at amortized cost and financial assets measured at fair value and whose changes are included in other comprehensive income (debt instruments) in a single or combined manner.

1) General model of expected credit lossIf the credit risk of the financial instrument has increased significantly since the initial recognition, the CBC measures its loss provisions in accordance with the amount equivalent to the expected credit loss of the financial instrument for the entire duration; if the credit risk of the financial instrument has not significantly increased since the initial recognition, the CBC measures its loss provisions in accordance with the amount equivalent to the expected credit loss of the financial instrument in the next 12 months. The resulting increased or reversed amount of the loss provisions is included in the current profit and loss as an impairment loss or gain. For the CBC’s specific assessment of credit risk, please see details in Note IX. Risks Related to Financial Instruments”.

Generally, the CBC believes that the credit risk of the financial instrument has significantly increased when it exceeds 30 days after the due date, unless there is concrete evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

Specifically, the Company divides the process of credit impairment of financial instruments of which no credit impairment has occurred at the time of purchase or origin into three stages. There are different accounting treatment methods for the impairment of financial instruments at different stages:

Stage one: Credit risk has not increased significantly since initial recognition

For a financial instrument at this stage, the enterprise should measure the loss provisions according to the expected credit losses in the next 12 months, and calculate the interest income based on its book balance (that is, without deducting provisions for impairment) and the actual interest rate (if the instrument is a financial asset, the

same below).

Stage two: Credit risk has increased significantly since initial recognition but no credit impairment has occurred. For a financial instrument at this stage, the enterprise should measure the loss provisions according to the expected credit loss of the instrument for its entire duration, and calculate the interest income based on its book balance and actual interest rate.

Stage three: Credit impairment occurs after initial recognition

For a financial instrument at this stage, the enterprise should measure the loss provisions based on the expected credit losses of the instrument for its entire duration, but the calculation of interest income is different from the financial assets at the previous two stages. For financial assets that have suffered credit impairment, the enterprise should calculate interest income based on its amortized cost (book balance minus the provisions for impairment, i.e., book value) and the actual interest rate.

For financial assets that have suffered credit impairment at the time of purchase or origin, the enterprise should only recognize changes in expected credit losses for the entire duration after initial recognition as loss provisions, and calculate the interest income based on its amortized cost and credit-adjusted actual interest rate.

2) The CBC chooses not to compare the financial instrument with lower credit risk on the balance sheet date with its credit risk at initial recognition, but directly makes the assumption that the credit risk of the instrument has not increased significantly since the initial recognition.

If the enterprise confirms that 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 adverse changes in the economic situation and operating environment in a longer period of time, it will not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations, then the financial instrument can be considered to have lower credit risk.

3) Accounts receivable and lease receivables. The CBC adopts the simplified model of expected credit loss for accounts receivables specified in "*Accounting Standards for Business Enterprises No.14 - Revenue*" and without containing significant financing components (including the case that the financing components in contracts that do not exceed one year are not considered according to the standards), that is, always measures their loss provisions according to the amount of expected credit loss during the entire duration.

The CBC makes accounting policy choices for the receivables containing significant financing components and the lease receivables specified in “*Accounting Standards for Business Enterprises No.21 - Leases*”, and chooses to adopt the simplified model of expected credit losses, that is, to measure the loss provisions in accordance with the amount of expected credit losses throughout the entire duration.

(6) Transfer of financial assets

Where the CBC has transferred almost all the risks and rewards in the ownership of the financial asset to the transferee, the recognition of the financial assets shall be terminated; where almost all risks and rewards in the ownership of a financial asset are retained, the recognition of the financial assets are not terminated.

If the CBC neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it shall be accounted for as follows: the financial asset should be terminated if the Group waives control over the asset; it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability if the Group does not waives control over the asset.

If the transferred financial assets continue to be involved by providing financial guarantee, the assets continue to be involved shall be recognized according to the lower of the book value of the financial assets and the amount of financial guarantee. The financial guarantee amount means the maximum amount of consideration received which will be required to be repaid.

The Company shall comply with the disclosure requirement of jewelry-related industries in the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3- Industry Disclosure”

11. Note receivable

The Group adopts the simplified model of expected credit loss for the accounts receivables specified in “*Accounting Standards for Business Enterprises No.14 - Revenue*” and without containing significant financing components (including the case that the financing components in contracts that do not exceed one year are not considered according to the standards), that is, always measures their loss provisions according to the amount of expected credit loss during the entire duration, and the resulting increased or reversed amount of the loss provision is included in the current profit and loss as an impairment loss or gain. The accrual method is as follows:

The CBC divides the note receivable into two types, i.e. bank acceptance notes and commercial acceptance notes portfolios, according to the type of financial instruments. For bank acceptance note, the accepting bank pays the determined amount to the taker or the bearer unconditionally due to the maturity of the bills, the overdue credit loss is low and has not increased significantly since the initial confirmation, the CBC believes that the risk of

overdue default is 0; for commercial acceptance bills, the CBC believes that the probability of default is related to the aging, we use a simplified model of expected credit losses, that is the allowance for losses is always measured at the amount of expected credit losses over the entire duration period. Proportion for accrual found more in the 12. accounting policy and estimate for account receivable in III.

12. Account receivable

The CBC adopts the simplified model of expected credit loss for accounts receivables specified in “*Accounting Standards for Business Enterprises No.14 - Revenue*” and without containing significant financing components (including the case that the financing components in contracts that do not exceed one year are not considered according to the standards), that is, always measures their loss provisions according to the amount of expected credit loss during the entire duration, and the resulting increased or reversed amount of the loss provision is included in the current profit and loss as an impairment loss or gain.

For accounts receivable that contain a significant financing component, the CBC chooses to use the simplified model of expected credit losses, that is, to always measure its loss provisions according to the amount of expected credit losses during the entire duration.

1. Simplified model of expected credit losses: always measure the loss provisions according to the amount of expected credit losses during the entire duration

The CBC considers all reasonable and well-founded information, including estimates of expected credit losses on accounts receivable in a single or combined manner.

(1)Account receivable with single significant amount and with individual provision for bad debt reserves

Judgment basis or amount criteria for account with single significant amount	Withdrawal method for bad debt provision of account receivable with single significant amount
Receivable commercial acceptance bill, account receivable and other receivables with single amount more than 5 million yuan (including)	Carry out impairment test separately, and withdraw bad debt provision according to the difference between the present value of future cash flow and its book value

(2)Receivables with provision for bad debts by portfolio

Portfolio determine basis	
Age analysis	On the basis of the actual loss rate of the portfolio of receivables with similar credit risk characteristics which are the same or similar in the previous year, for the single amount of non-material receivables, it is divided into several portfolios according to the credit risk characteristics together with the receivables without impairment after the separate test

Other	Bank acceptance
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In the combination, the proportion of bad debt provision withdrawn by aging analysis method is as follow:

Account age	Accrual proportion of commercial acceptance bill receivable	Withdrawing proportion of the account receivable	Withdrawing proportion of other receivable
Within one year(one year included)	0.3%	0.3%	0.3%
1~2 years (2-year included)	100%	0.3%	0.3%
2~3 years (3-year included)	100%	0.3%	0.3%
Over 3 years	100%	100%	100%
Including: Irrecoverable recognized	Write off	Write off	Write off

(3)Account receivable with single significant amount and with individual provision for bad debt reserves

Judgment basis or amount criteria for account with single minor amount	Withdrawal method for bad debt provision of account receivable with single minor amount
Receivable commercial acceptance bill, account receivable and other receivables with single amount less than 5 million yuan (including), and the probability of recall is small by nature	Carry out impairment test separately, and withdraw bad debt provision according to the difference between the present value of future cash flow and its book value

2. A general model of expected credit loss

Found more in the treatment in 【Note 10. Financial instrument】

13. Receivable financing

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value and whose changes are included in other comprehensive income: the CBC's business model for managing this financial asset is to both collect contractual cash flows and sell the financial assets; the contract terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal amount.

The CBC transfers the receivables held by discounting or endorsement, and such operations are more frequent with large amount involved. The management business models is essentially both the collection of contractual cash flows and the sales; in accordance with the relevant provision of financial instrument standards, classified them into the financial assets measured at fair value and with its variation reckoned into other comprehensive income.

14. Other account receivable

Determination method and accounting treatment of the expected credit loss of other account receivable

Determination method and accounting treatment of the expected credit loss of other account receivable

(1) Account receivable with single significant amount and with individual provision for bad debt reserves :

Account with single significant amount: the single receivable has over 5 million yuan at end of the period

At the end of the period, the receivables with significant single amount are tested separately for impairment. If there is objective evidence that they have been impaired, the impairment loss will be recognized and the provision for bad debts will be made based on the balance between the present value of future cash flows and its book value.

(2) Account receivable with bad debt provision accrual by portfolio

For the receivables with non significant single amount at the end of the period, they are divided into several combinations together with the receivables without impairment after independent test according to the account age as the credit risk feature. The impairment loss is calculated and determined according to a certain proportion of the ending balance of these receivables combinations (impairment test can be conducted separately), and the bad debt provision is withdrawn.

In addition to the receivables for which impairment provision has been separately made, the company determines the following proportion of provision for bad debts based on the actual loss rate of the combination of receivables with account age as credit risk characteristics in the previous year, which is the same or similar to the receivables, in combination with the current situation:

15. Inventory

The Company shall comply with the disclosure requirement of jewelry-related industries in the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3- Industry Disclosure”

(1) Classification of inventory

The CBC classifies the inventory into raw materials, goods in process, goods on hand, wrap page, low value consumables, materials for consigned processing and goods sold, etc.

(2) Valuation of inventories

Inventories are initially measured at cost upon acquisition, which includes procurement costs, processing costs and other costs. Cost of the inventory issued is carried forward on the basis of a combination of the weighted average method and specific identification when inventories are issued.

(3) Provision for inventory impairment

When a comprehensive count of inventories is done at the end of the period, provision for inventory impairment is allocated or adjusted using the lower of the cost of inventory and the net realizable value. The net realizable value of stock in inventory (including finished products, goods in stock and materials for sale) that can be sold directly is determined using the estimated saleable price of such inventory deducted by the cost of sales and relevant taxation over the course of ordinary production and operation. The net realizable value of material in inventory that requires processing is determined using the estimated saleable price of the finished product deducted by the cost to completion, estimated cost of sales and relevant taxation over the course of ordinary production and operation. The net realizable value of inventory held for performance of sales contract or labor service contract is determined based on the contractual price; in case the amount of inventory held exceeds the contractual amount, the net realizable value of the excess portion of inventory is calculated using the normal saleable price.

Provision for impairment is made according to individual items of inventories at the end of the period; however, for inventories with large quantity and low unit price, the provision is made by categories; inventories of products that are produced and sold in the same region or with the same or similar purpose or usage and are difficult to be measured separately are combined for provision for impairment.

If the factors causing a previous write-off of inventory value has disappeared, the amount written-off is reversed and the amount provided for inventory impairment is reversed and recognized in profit or loss for the period.

(4) Inventory system

Perpetual inventory system is adopted.

16. Contractual assets

1. Method and standard for recognition of contractual assets

The CBC lists contractual assets or contractual liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The CBC's right to receive consideration for goods or services transferred to the customer (And that right depends on factors other than the passage of time) is listed as contractual assets. Contractual assets and contractual liabilities under the same contract are listed as a net amount. The CBC's right to receive consideration from customers unconditionally (only depends on the passage of time) is listed separately as a receivable.

2. Determination and accounting treatment of the expected credit loss for contractual assets

Determination and accounting treatment of the expected credit loss for contractual assets found more in Note "10. Financial assets"

17. Contractual cost

18. Assets held for sale

The CBC classifies such corporate components (or non-current assets) that meet the following criteria as held-for-sale: (1) Disposable immediately under current conditions based on similar transactions for disposals of such assets or practices for the disposal group; (2) Probable disposal; that is, a decision has been made on a plan for disposal and an undertaking to purchase has been obtained (the undertaking to purchase means a binding purchase agreement entered into by the Company and other parties, which contains transaction price, time and adequately strict punishments for breach of contract provisions, which renders the possibility of material adjustment or revocation of the agreement is extremely minor), and the disposal is expected to be completed within a year. Besides, approval from relevant competent authorities or regulatory authorities has been obtained as required by relevant rules.

The expected net residual value of asset held for sale is adjusted by the CBC to reflect its fair value less selling expense, provided that the net amount shall not exceed the original carrying value of the asset. In case that the original value is higher than the adjusted expected net residual value, the difference shall be recorded in profit or loss for the period as asset impairment loss, and allowance of impairment for the asset shall be provided. Impairment loss recognized in respect of the disposal group held for sale shall be used to offset the carrying value of the goodwill in the disposal group, and then offset the carrying value of the non-current assets within the disposal group based on their respective proportion of their carrying value.

In respect of the non-current assets held for sale, if the net amount after their fair value less the selling expenses increased as at the subsequent balance date, the reduced amount before will be recovered and reversed in the assets impairment loss amount recognized after being classified as held for sale, and the reversed amount will be recorded in the current profits or loss. The impairment loss on assets recognized before being classified as held for sale will not be reversed. In respect of the disposal group held for sale, if the net amount after their fair value less the selling expenses increased as at the subsequent balance date, the reduced amount before will be recovered and reversed in the assets impairment loss amount recognized in non-current assets after being classified as held for sale, and the reversed amount will be recorded in the current profits or loss. The reduced book value of the goodwill as well as the impairment loss on assets recognized before the non-current assets are classified as held for sale will not be reversed. The amount of subsequent reversal of the impairment losses on assets recognized in disposal group held for sale, shall be increased proportionately to the carrying amount of each non-current asset in the disposal group other than goodwill to which the measurement provisions of the is standards applied, based on its proportionate share of the carrying amount.

In respect of loss of control in a subsidiary arising from disposal of the investment in such subsidiary, the

investment in a subsidiary shall be classified as held for sale in its entirety in the individual financial statement of the parent company, and all the assets and liabilities of the subsidiary shall be classified as held for sale in the consolidated financial statement subject to that the proposed disposal of investment in the subsidiary satisfies such conditions as required for being classified as held for sale notwithstanding part equity investment will be retained by the Company after such disposal.

19. Debt investment

20. Other debt investment

21. Long-term account receivable

22. Long-term equity investment

(1) Recognition of investment costs

1) If it is formed by the business combination under the common control, and that the combining party takes cash payment, transfer of non-cash assets, assumption of debts or issuance of equity securities as the consolidation consideration, the shares of the book value of the owner's equity obtained from the combined party on the date of combination in the ultimate controlling party's consolidated financial statements shall be recognized as its initial investment cost. Capital reserves shall be adjusted according to the balance between the initial investment cost for long-term equity investment and the book value of paid consolidation consideration or the total face value of issued shares (capital premium or equity premium). If capital reserves are insufficient for offset, retained earnings shall be adjusted.

As for business combination under the common control realized by the Company through several transactions, the initial investment cost of the investment shall be determined based on the share of the carrying value of the owners' equity of the consolidated party as calculated according to the shareholding proportion on the consolidation date. Difference between initial investment cost and the carrying value of long-term equity investment before combination and the sum of carrying value of newly paid consideration for additional shares acquired on the date of combination is to adjust capital reserve (capital premium or equity premium). If the balance of capital reserve is insufficient, any excess is adjusted to retained earnings.

2) As for long-term equity investment formed from business combination not under common control, the fair value of the consolidated consideration paid shall be deemed as the initial investment cost on the acquisition date.

3) Except those ones formed by the business combination, for all items obtained by means of cash payment, actually paid acquisition costs shall be taken as the initial investment cost. For those ones obtained by the issuance of equity securities, the fair value of the issued equity securities shall be taken as the initial investment cost. For those ones invested by investors, the value agreed in the investment contract or agreement shall be taken as the initial investment cost, provided that the value agreed in the contract or agreement shall be fair.

(2) Subsequent measurement and profit or loss recognition

For a long-term equity investment where the CBC can exercise control over the investee, the long-term investment is accounted for using the cost method in the Company's financial statements. The equity method is adopted when the Group has joint control, or exercises significant influence on the investee.

Under cost method, long term equity investment is measured at initial investment cost. Except for the price actually paid for obtaining the investment or the cash dividends or profits declared but not yet distributed which is included in the consideration, the Company recognizes cash dividends or profits declared by the investee as current investment gains, and determine whether there is impairment on long term investment according to relevant assets impairment policies.

Under equity method, when the initial investment cost of the long-term equity investment exceeds the share of fair value in the net identifiable assets in the investee, the difference shall be included in initial investment cost of the long-term equity investment. When the initial investment cost is lower than the share of fair value in the net identifiable asset in the investee, such difference is recognized in profit or loss for the period with adjustment of cost of the long-term equity investment.

Under equity method, after the Company acquires a long-term equity investment, it shall, in accordance with its attributable share of the net profit or loss realized by the investee, recognize the investment profit or loss and adjust carrying value of the investment. The Group recognizes its share of the investee's net profits or losses after making appropriate adjustments to the investee's net profits and losses based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods, and eliminating the portion of the profits or losses arising from internal transactions with its joint ventures and associates, attributable to the investing entity according to its shareholding proportion (but impairment losses for assets arising from internal transactions shall be recognized in full). The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The CBC's share of net losses of the investee is recognized to the extent the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group

has the obligations to assume additional losses. The CBC adjusts the carrying amount of the long-term equity investment for any changes in owners' equity of the investee (other than net profits or losses) and includes the corresponding adjustments in the owners' equity of the Group.

(3) Determination of control and significant influence on investee

Control is the power over an investee. An investor must have exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control with other parties over those policies

(4) Disposal of long-term equity investment

1) Partial disposal of long term investment in which control is retained

When long term investment is been partially disposed but control is retained by the company, the difference between disposal proceeds and carrying amount of the proportion being disposed is accounted for through profit or loss.

2) Partial disposal of long term investment in which control is lost

When long term investment is partially disposed and control is lost as a result, the carrying value of the long term invest on the stock right, the difference between carrying amount of the part being disposed and disposal proceeds should be recognized as profit or loss. The residual part should be treated as long term investment or other financial assets according to their carrying amount. After partial disposal, if the company is able to exert significant influence or common control over the investee, the investment should be measured according to cost method or equity method, in compliance with relevant accounting standards and regulations.

(5) Impairment test and provision for impairment

If there is objective evidence on the balance sheet date showing investment in subsidiaries, associates and joint ventures is impaired, provision of impairment shall be made against the difference between the carrying amount and the recoverable amount of the investment.

23. Investment real estate

Measurement mode

Measured by cost method

Depreciation or amortization method

(1) Investment real estate including land use right which has been rented out, land use right which is held for transfer upon appreciation and buildings which has been rented out.

(2) Investment real estate are initially measured at cost and subsequently measured as per the cost pattern, and relevant withdrawal of provision for depreciation or amortization is carried out by the same method for fixed assets and intangible assets. As of the balance sheet date, where there is any indication that an Investment real estate experiences impairment, the relevant impairment provision shall be provided for based on the difference between the carrying value and the recoverable amount.

24. Fix assets

(1) Recognition conditions

Fixed assets refer to the tangible assets for production of products, provision of labor, lease or operation, and with a service life in excess of one financial year.

Fixed assets are recorded at the actual cost at the time of acquisition, and depreciation is calculated and withdrawn using the average life method from the month after they reach the intended usable state

(2) Depreciation methods

Category	Method	Years of depreciation	Scrap value rate	Yearly depreciation rate
Houses and buildings	Straight-line depreciation	20 years	10%	4.5%
Machinery equipment	Straight-line depreciation	10 years	10%	9%
Transportation equipment	Straight-line depreciation	5 years	10%	18%
Electronic equipment and others	Straight-line depreciation	5 years	10%	18%

(3) Recognition basis, valuation and depreciation method for financial lease assets

Finance lease is determined when one or a combination of the following conditions are satisfied: 1) the ownership has been transferred to the lessee when the leasing term is due; 2) the lessee has the option to purchase the leasing asset at a price that is much lower than its fair value, so it can be reasonably determined that the lessee will take

the option at the very beginning of the lease; 3) the leasing term accounts for most time of the useful life (ordinarily accounting for 75% or higher) even if the ownership does not transfer to the lessee; 4) the present value of the minimum amount of rent that the lessee has to pay at the first day of the lease amounts to 90% or higher of its fair value at the same date; or the present value of the minimum amount of rent that the lessor collects at the first day of the lease amounts to 90% or higher of its fair value at the same date; and/or 5) the leased assets are of such a specialized nature that only the lessee can use them without major modifications. Fixed assets rented-in under finance lease are recorded at the lower of fair value and the present value of the minimum lease payment at the inception of the lease, and are depreciated following the depreciation policy for self-owned fixed assets.

25. Construction in progress

(1)When the construction in progress has reached the intended condition for use, it will be treated as fixed assets as per the actual construction cost. If the construction in progress has reached the intended condition for use but completion accounting is not carried out, the construction in progress should be first treated as fixed assets as per the estimated value. After completion accounting is carried out, the original estimated value should be adjusted as per the actual cost, but the provision for depreciation withdrawn should not be adjusted.

(2)As of the balance sheet date, where there is any indication that a construction in process experiences impairment, the relevant impairment provision shall be provided for based on the difference between the carrying value and the recoverable amount.

26. Borrowing expenses

27. Biological assets

28. Oil and gas asset

29. Right-of-use assets

On the commencement date of the lease term, the Group recognizes right-of-use assets and lease liabilities for leases, except for short-term leases and leases of low-value assets that are simplified by the standard.

The Group initially measures right-of-use assets at cost. This cost includes:

-
1. The initial measurement amount of the lease liability;
 2. The lease payment amount paid on or before the commencement date of the lease term, if there is a lease incentive, deduct the relevant amount of the lease incentive already enjoyed;
 3. Initial direct costs incurred;
 4. The expected cost of demolishing and removing the leased asset, restoring the site where the leased asset is located or restoring the leased asset to the condition as agreed in the lease terms. If the aforementioned cost is incurred for the production of inventories, and the *Accounting Standards for Business Enterprises No. 1 - Inventories* shall apply.

The Group recognizes and measures the cost mentioned in Item 4 above in accordance with *Accounting Standards for Business Enterprises No. 13 - Contingencies*.

Initial direct costs are the incremental cost incurred to achieve the lease. Incremental cost is the cost that would not have incurred if the enterprise had not acquired the lease.

With reference to the relevant depreciation provisions of *Accounting Standards for Business Enterprises No. 4 - Fixed Assets*, the Group accrues depreciation for right-of-use assets. Where it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, depreciation shall be accrued within the remaining service life of the leased asset. Where it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the the shorter of the lease term and the remaining service life of the leased asset.

In accordance with the *Accounting Standards for Business Enterprises No. 8 - Impairment of Assets*, the Group determines whether the right-of-use asset is impaired, and performs accounting treatment on the identified impairment losses.

30. Intangible assets

(1) Valuation method, service life and impairment test

1).Intangible assets include land use right, patent right and non-patent technology, which should be initially measured at cost.

2).Intangible assets with limited service life should be amortized systematically and reasonably in their service lives as per the expected form of realization economic benefits relating to the said intangible assets. If the form of

realization cannot be reliably determined, the intangible assets should be amortized on a straight-line basis.

3). At the balance sheet date, when there is any indication that the intangible assets with finite useful lives may be impaired, a provision for impairment loss is recognized on the excess of the carrying amounts of the assets over their recoverable amounts. Intangible assets with infinite useful lives and intangible assets not satisfying the condition for use yet are subject to impairment test each year notwithstanding whether the assets are impaired.

(2) Internal accounting policies relating to research and development expenditures

Expenditure incurred in the research phase of internal R&D shall be included in current gain/loss at the time of occurrence. Intangible assets recognized for expenditure in exploitation stage by satisfying the followed at same time: ①it is technically feasible that the intangible asset can be used or sold upon completion; ②there is intention to complete the intangible asset for use or sale; ③the intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset; ④there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; ⑤the expenses attributable to the development phase of the intangible asset can be measured reliably.

31. Impairment of long-term assets

32. Long-term expenses to be apportioned

Long-term expenses to be apportioned are booked by actual amount occurred, and apportioned evenly during the benefit period or regulated period. In case that the long-term deferred expenses are not likely to benefit the subsequent accounting periods, the outstanding value of the item to be amortized shall be included in current profit or loss in full.

33. Contractual liability

The CBC lists contractual assets or contractual liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The CBC's obligations to transfer goods or provide services to customers for which consideration has been received or receivable are listed as contractual liabilities. Contractual assets and contractual liabilities under the same contract are listed as a net amount.

34. Employee compensation

(1) Accounting treatment for short-term compensation

During the accounting period when staff providing service to the CBC, the actual short-term compensation occurred shall recognized as liabilities and reckoned into current gains/losses or relevant assets costs. The non-monetary welfare is measured by fair value.

(2) Accounting treatment for post-employment benefit

The CBC terminates the labor relationship with an employee before the employee labor contract expires, or proposes to offer a compensation to encourage an employee to voluntarily accept the downsizing. When the CBC cannot unilaterally withdraw the labor relationship cancellation plan or the downsizing proposal nor confirm the relevant costs of the restructuring involving the payment of termination benefits, whichever is earlier, the liabilities arising from the compensation for the termination of the labor relationship with the employees are recognized and included in the current profit and loss.

(3) Accounting for retirement benefits

When the CBC terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, the CBC shall recognize employee compensation liabilities arising from compensation for staff dismissal and included in profit or loss for the current period, when the CBC cannot revoke unilaterally compensation for dismissal due to the cancellation of labor relationship plans and employee redundant proposals; and the CBC recognize cost and expenses related to payment of compensation for dismissal and restructuring, whichever is earlier.

(4) Accounting for other long-term employee benefits

The employees of the CBC have participated in the basic social endowment insurance organized and implemented by the local labor and social security department. The CBC pays the endowment insurance premium to the local basic social endowment insurance agency on a monthly basis based on the base and ratio of the local basic social endowment insurance payment. After the retirement of employees, the local labor and social security department has the responsibility to pay the social basic pension to the retired employees. During the accounting period in which employees provide services, the CBC recognizes the amount payable calculated according to the above social security insurance regulations as the liabilities and includes them in the current profit and loss or related asset costs.

35. Lease liability

36. Accrual liability

37. Share-based payment

(1) Types of share-based payment

Share-based payment comprises of equity-settled share-based payment and cash-settled share-based payment.

(2) Determination of fair value of equity instruments

1) determined based on the price quoted in an active market if there exists active market for the instrument.

2) determined by adoption of valuation technology if there exists no active market, including by reference to the recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

(3) Basis for determination of the best estimate of exercisable equity instruments

To be determined based on the subsequent information relating to latest change of exercisable employees.

(4) Accounting relating to implementation, amendment and termination of share-based payment schemes

1) Equity-settled share-based payment

For equity instruments that may be exercised immediately after the grant, the fair value of such instrument shall, on the date of the grant, be recognized in relevant costs or expenses with the increase in the capital reserve accordingly. For equity-settled share-based payment made in return for the rendering of employee services that cannot be exercised until the services are fully rendered during vesting period or specified performance targets are met, on each balance sheet date within the vesting period, the services acquired in the current period shall, based on the best estimate of the number of exercisable instruments, be recognized in relevant costs or expenses and the capital reserves at the fair value of such instruments on the date of the grant.

For equity-settled share-based payment made in exchange for service from other parties, such payment shall be measured at the fair value of the service as of the acquisition date if the fair value can be measured reliably. And if the fair value of the service cannot be measured reliably while the fair value of the equity instrument can be measured reliably, it shall be measured at the fair value of the instrument as of the date on which the service is acquired, which shall be recorded in relevant cost or expense with increase in owners' equity accordingly.

2) Cash-settled share-based payment

For the cash-settled share-based payment that may be exercised immediately after the grant in exchange for rendering of service by employees, the fair value of the liability incurred by the CBC shall, on the date of the grant, be

recognized in relevant costs or expenses and the liabilities shall be increased accordingly. For cash-settled share-based payment made in return for the rendering of employee services that cannot be exercised until the services are fully provided during vesting period or specified performance targets are met, on each balance sheet date within the vesting period, the services acquired in the current period shall, based on the best estimate of the number of exercisable instruments, be recognized in relevant costs or expenses and the corresponding liabilities at the fair value of the liability incurred by the CBC.

3) Revision and termination of share-based payment schemes

If the revision results in an increase in the fair value of the equity instruments granted, the CBC shall recognize the increase in the services rendered accordingly at the increased fair value of the equity instruments. If the revision results in an increase in the number of equity instruments granted, the CBC will recognize the increase in the services rendered accordingly at the fair value of the increased number of equity instruments. If the CBC revises the vesting conditions on terms favorable to the employees, the CBC will take into consideration of the revised vesting conditions when dealing with the vesting conditions.

If the revision results in a decrease in the fair value of the equity instruments granted, the CBC shall continue recognize the amount of services rendered accordingly at the fair value of the equity instruments on the date of grant without considering the decrease in the fair value of the equity instruments. If the revision results in a decrease in the number of equity instruments granted, the CBC will account for such decrease by reducing part of the cancellation of equity instruments granted. If the CBC revises the vesting conditions on terms not favorable to the employees, the CBC will not take into consideration of the revised vesting conditions when dealing with the vesting conditions.

If the CBC cancels the equity instruments granted or settles the equity instruments granted during the vesting period (other than cancellation as a result of failure to satisfy the vesting conditions), such cancellation or settlement will be treated as accelerated exercisable rights and the original amount in the remaining vesting period will be recognized immediately.

38. Other financial instruments including preferred stock and perpetual bonds

39. Revenue

The Company shall comply with the disclosure requirement of jewelry-related industries in the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3- Industry Disclosure”

(1) Recognition of revenue

On the starting date of the contract, the company evaluates the contract, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed within a certain period of time or at a certain point in time.

When meeting one of the following conditions, it belongs to the performance obligation within a certain period of time, otherwise, it belongs to the performance obligation at a certain point in time: 1) The customer obtains and consumes the economic benefits brought by the company's performance at the same time as the company performs the contract; 2) The customer can control the goods or services under construction during the company's performance; 3) The goods or services produced during the company's performance have irreplaceable uses, and the company has the right to collect payments for the accumulated performance part of the contract during the entire contract period .

For performance obligations performed within a certain period of time, the company recognizes revenue in accordance with the performance progress during that period of time. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined. For performance obligations performed at a certain point in time, revenue is recognized at the point when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained control of the goods, the company considers the following signs: 1) The company has the current right to receive payment for the goods, that is, the customer has the current payment obligation for the goods; 2) The company has transferred the legal ownership of the goods to the customer, that is, the customer has legal ownership of the goods; 3) The company has transferred the product to the customer in kind, that is, the customer has physically taken possession of the product; 4) The company has transferred the major risks and rewards of the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the goods; 5) the customer has accepted the goods; 6) Other signs indicate that the customer has obtained control of the goods.

(2) Principles of revenue measurement

1) The company measures revenue based on the transaction price allocated to each individual performance obligation. The transaction price is the amount of consideration that the company expects to be entitled to receive due to the transfer of goods or services to the customer, and does not include the amount collected on behalf of a third party and the amount expected to be returned to the customer.

2) If there is variable consideration in the contract, the company shall determine the best estimate of the variable consideration based on the expected value or the amount most likely to incur, but the transaction price including

the variable consideration shall not exceed the amount at which the accumulatively recognized income is most likely not be subject to a significant reversal when the relevant uncertainty is eliminated.

3) If there is a major financing component in the contract, the company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest method during the contract period. On the starting date of the contract, if the company expects that the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price will not exceed one year, we will not consider the significant financing components in the contract.

4) If the contract contains two or more performance obligations, the company will allocate the transaction prices 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 on the commencement date of contract.

(3) Specific method of revenue recognition:

In accordance with the general principles of revenue recognition and the actual situation of the company's product sales, the company formulates a specific revenue recognition method that the products sold by the company to customers are recognized as revenue after the products are delivered to the customer and the customer carries out acceptance and inspection.

40. Government subsidy

(1) government subsidy including those relating to assets and relating to income

(2) government grant, if granted as monetary assets, are measured at the amount received or receivable, and measured at fair value if granted as non-monetary assets. If the fair value can not be determined reliably, they shall be measured at nominal value.

(3) Aggregate method for government subsidy:

1) government subsidy relating to assets are recognized as deferred income, which shall be recorded in profit or loss by installment reasonably and systematically within the useful life of the assets. If assets are sold, transferred, discarded as useless or damaged prior to expiration of the useful life, the remaining deferred income undistributed shall be transferred to profit or loss for the period in which the assets are disposed.

2) If government subsidy relating to income are used to compensate for relevant costs or loss for the subsequent

periods, they shall be recognized as deferred income, and recorded in profit or loss for the period in which the relevant costs are recognized. If government subsidy relating to income are used to compensate for the relevant costs or loss occurred, they shall be recorded in profit or loss for the period directly.

(4) Net method for government subsidy

1) government subsidy relating to assets are used to write off the carrying value of the relevant assets;

2) If government subsidy relating to income are used to compensate for relevant costs or loss for the subsequent periods, they shall be recognized as deferred income, and recorded in profit or loss for the period in which offset against the relevant costs. If government subsidy relating to income are used to compensate for the relevant costs or loss occurred, they shall be offset against the relevant costs for the period directly.

(5) The CBC adopts aggregated accounting method for the government subsidy received.

(6) As for the government subsidy comprising both portions relating to assets and income, separate accounting shall be made for different portion; in case it is hard to differentiate the portions, the subsidy will be recorded as related to income in general.

(7) The CBC realizes government subsidy relating to its normal activities as other income based on the substance of economic business, and if not related to its normal activities, realized as non-operating income and expenditure.

(8) Subsidized loans from preferential policy obtained by the CBC are classified based on whether subsidy funds are paid to the loaning bank or directly to the CBC by the competent financial authorities and are treated based on the following principles:

1) Where subsidy funds are paid to the loaning bank by the competent financial authorities and the bank then provides loans to the CBC at a preferential policy rate, accounting shall be made by the CBC as follows:

a. Recognizes the actual borrowing amount received as the carrying value of the loan, and calculates the relevant borrowing costs based on the principal and the preferential policy rate.

b. Recognizes the fair value of the loan as the carrying value and calculates the borrowing cost under effective

interest method, and recognizes the difference between the actual amount received and the fair value of the loan as deferred income. Deferred income is amortized over the term of the loan under effective interest method and offset against the relevant borrowing costs.

2) If the subsidy funds are paid directly to the CBC by finance authority, the CBC will offset the corresponding subsidy against the relevant borrowing expenses.

41. Deferred income tax asset /Deferred income tax liabilities

(1) Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

(2) A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

(3) At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

(4) The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: ① business combination; and ② the transactions or items directly recognized in equity.

42. Lease

(1) Accounting for operating lease

When the Company is the lessee, lease payments are recognized as cost or profit or loss with straight-line method over the lease term. Initial expenses are recognized directly into profit or loss. Contingent rents are charged as profit or loss in the periods in which they are incurred.

When the Company is the lessor, lease income is recognized as profit or loss with straight-line method over the lease term. Initial expenses, other than those with material amount and eligible for capitalization which are recognized as profit or loss by installments, are recognized directly as profit or loss. Contingent rents are charged into profit or loss in the periods in which they are incurred.

(2) Accounting for financing lease

When the company acts as lessee, at the inception of lease, the lower of fair value of leased assets at the inception of lease and the present value of minimum lease payment is recognized as the value of leased assets. The minimum lease payment is recognized as the value of long-term payable. Their difference is recorded as unrecognized finance costs with any initial direct expense incurred recorded in the value of leased assets. For each period of the lease term, current finance cost is calculated using effective interest method.

When the company acts as lessor, at the inception of lease, the sum of minimum lease income at the inception of lease and the initial direct expense is recognized as the value of finance lease payment receivable, with unsecured balance also recorded. The difference between the sum of minimum lease income, initial direct expense and unsecured balance and the sum of their present values is recognized as unrealized finance income. For each period of the lease term, current finance income is calculated using effective interest method.

43. Other important accounting policy and estimation

Discontinued operation refers to the operation disposed or classified as held-for-sale by the Company and presented separately under operation segments and financial statements, which has fulfilled one of the following criteria:

- (1) it represents an independent key operation or key operating region;
- (2) it is part of the proposed disposal plan on an independent key operation or proposed disposal in key operating region; or
- (3) it only establishes for acquisition of subsidiary through disposal.

The enterprise shall separately list profit and loss from continuing operations and profit and loss from discontinuing operations in the profit statement. For non-current assets held for sale or disposal groups that do not

meet the definition of discontinuing operations, the impairment losses and reversal amounts and disposal gains and losses should be presented as profit or loss from continuing operations. Operational gains and losses and disposal profits and losses such as impairment losses and reversal amounts of discontinuing operations should be reported as profits or losses of discontinuing operations.

44. Changes of important accounting policy and estimation

(1) Changes of important accounting policy

Applicable Not applicable

The contents and reasons of accounting policy changes	Examination and approval procedures	Note
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(1)After approved by the BOD, relevant regulations with “Explanation of the Accounting Standards for Business Enterprise No.15”(CK[2021]No.35) concerned are applicable since 1 January 2022, change of this accounting policy has no impact on the financial statement in the Period.

(2)After approved by the BOD, relevant regulations with “Explanation of the Accounting Standards for Business Enterprise No.16”(CK[2022]No.31) concerned are applicable since 1 January 2022, change of this accounting policy has no impact on the financial statement in the Period.

(2) Changes of important accounting estimation

Applicable Not applicable

Contents and reasons for change	Examination and approval procedures	Starting point of application	Note
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No important changes in accounting estimation occurred during the reporting period.

45. Other

There were no major error correction on prior period in the reporting period.

The adjustment of financial statement at the beginning of the year when first implemented the new accounting standards or explanations since 2022

VI. Taxes

1. Main tax and tax rate

Type of tax	Tax calculation evidence	Tax rate
Value added tax	Sales of goods, taxable labor service revenue, taxable income, intangible assets income and income from property leasing	5%, 6%, 13%
City maintenance & construction tax	Turnover tax payable	7%

Enterprise income tax	Taxable income	25%, 20%, 15%
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Disclose reasons for different taxpaying body

Taxpaying body	Income tax rate
The CBC	25.00%
Shenzhen Emmelle Industrial Co., Ltd.	20.00%
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	20.00%
Shenzhen Emmelle Cloud Technology Co., Ltd.	20.00%

2. Tax preference

According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the "Notice of the State Taxation Administration and Ministry of Finance on the Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises" (CS[2019] No. 13) and other provisions, from January 1, 2019 to December 31, 2021, the portion of the annual taxable income of small, low-profit enterprises that does not exceed 1 million yuan will be included in the taxable income by 25%, and the corporate income tax will be paid at a tax rate of 20%. The portion of the annual taxable income of small, low-profit enterprises exceeding 1 million yuan but not exceeding 3 million yuan will be included in the taxable income by 50%, and the corporate income tax will be paid at a tax rate of 20%. Subsidiary of CBC- Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., Shenzhen Emmelle Industrial Co., Ltd and Shenzhen Emmelle Cloud Technology Co., Ltd., are small and low-profit enterprises, therefore a preferential tax rate of 20% is applies.

3. Other

Nil

VII. Notes to Items in the Consolidated Financial Statements

1. Monetary fund

Unit: RMB/CNY

Item	Ending balance	Opening balance
Cash on hand	33,531.25	27,587.25
Bank deposit	50,979,338.10	33,219,370.67
Other monetary fund	3,686,621.83	
Total	54,699,491.18	33,246,957.92
Total amount that have restriction on use due to mortgage, pledge or frozen	3,776,621.83	

Other explanation:

At the end of the period, there are no funds deposited overseas or with potential recovery risks.

2. Trading financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Including:		

Including:		
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Other explanation:

Nil

3. Derivative financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other explanation:

Nil

4. Note receivable

(1) Category

Unit: RMB/CNY

Item	Ending balance	Opening balance
Bank acceptance notes	1,102,000.00	
Total	1,102,000.00	

Unit: RMB/CNY

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

If the provision for bad debts of notes receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

(2) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	

Including important amount of bad debt provision collected or reversal in the period:

Applicable Not applicable

(3) Note receivable pledged at period-end

Unit: RMB/CNY

Item	Amount pledged at period-end
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(4) Note receivable which have endorsed and discount at period-end and has not expired on balance sheet date

Unit: RMB/CNY

Item	Amount derecognition at period-end	Amount not derecognition at period-end
Bank acceptance notes	470,000.00	2,470,000.00
Total	470,000.00	2,470,000.00

(5) Notes transfer to account receivable due for failure implementation by drawer at period-end

Unit: RMB/CNY

Item	Amount transfer to account receivable at period-end
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Other explanation:

Nil

(6) Note receivable actually written-off in the period

Unit: RMB/CNY

Item	Amount written off
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Including important note receivable written-off:

Unit: RMB/CNY

Enterprise	Nature	Amount written off	Causes	Procedure	Amount cause by related transactions or not (Y/N)
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Explanation on note receivable written-off:

Nil

5. Account receivable

(1) Category

Unit: RMB/CNY

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable	26,197,973.35	9.62%	21,516,069.69	82.13%	4,681,903.66	24,072,436.14	34.94%	7,229,285.93	30.03%	16,843,150.21

le with bad debt provision accrual by single basis										
Including:										
Accounts with single significant amount but with bad debts provision accrued individually	21,862,832.43	8.03%	17,490,265.94	80.00%	4,372,566.49	18,925,666.88	34.94%	3,785,133.38	20.00%	15,140,533.50
Accounts with single minor amount but with bad debts provision accrued individually	4,335,140.92	1.59%	4,025,803.75	92.86%	309,337.17	5,146,769.26	9.50%	3,444,152.55	66.92%	1,702,616.71
Account receivable with bad debt provision accrual by portfolio	246,125,775.60	90.38%	738,377.33	0.30%	245,387,398.27	30,097,225.06	55.56%	90,291.68	0.30%	30,006,933.38
Including:										
Account receivable withdrawal bad debt provision by group of credit risk	246,125,775.60	90.38%	738,377.33	0.30%	245,387,398.27	30,097,225.06	55.56%	90,291.68	0.30%	30,006,933.38

characteristics (Aging analysis method)										
Total	272,323,748.95	100.00%	22,254,447.02		250,069,301.93	54,169,661.20	100.00%	7,319,577.61	13.51%	46,850,083.59

Bad debt provision accrual on single basis: The account receivable of CBC with a single significant amount refers to a single amount of 5 million yuan or more

Unit: RMB/CNY

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Reason for accrual
Guangshui Jiayu Energy Technology Co., Ltd.	21,862,832.43	17,490,265.94	80.00%	Expected partial uncollectible
Total	21,862,832.43	17,490,265.94		

Bad debt provision accrual on single basis: Accounts with single minor amount but with bad debts provision accrued individually

Unit: RMB/CNY

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Reason for accrual
Suzhou Daming Vehicle Industry Co., Ltd.	944,014.42	755,211.54	80.00%	Expected to be difficult to recover
Suzhou Jiaxin Economic Trade Co., Ltd.	888,757.00	888,757.00	100.00%	Expected to be difficult to recover
Dongguan Daxiang New Energy Co., Ltd.	676,734.00	676,734.00	100.00%	Expected to be difficult to recover
Shijiazhuang Dasong Tech. Co., Ltd	497,064.00	497,064.00	100.00%	Expected to be difficult to recover
Guangdong Xinlingjia New Energy Co., Ltd.	348,136.00	348,136.00	100.00%	Expected to be difficult to recover
Shanghai Swen Electric Vehicle Co., Ltd.	280,197.50	280,197.50	100.00%	Expected to be difficult to recover
Hubei Topsdun Eletronic Tech. Co., Ltd.	241,068.58	120,534.29	50.00%	Expected to be difficult to recover
Tianjin Huihui Electric Vehicle Co., Ltd.	116,840.14	116,840.14	100.00%	Expected to be difficult to recover
Fuzhou Dayang Commercial Co., Ltd.	147,804.28	147,804.28	100.00%	Expected to be difficult to recover
Other	194,525.00	194,525.00	100.00%	Expected to be difficult to recover
Total	4,335,140.92	4,025,803.75		

Bad debt provision accrual on portfolio:Accounts receivable with provision for bad debts by aging analysis method

Unit: RMB/CNY

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Within one year(one year	245,316,931.87	735,950.80	0.30%

included)			
1-2 years (2 years included)	1,724.11	5.17	0.30%
2-3 years (3 years included)	807,119.62	2,421.36	0.30%
Total	246,125,775.60	738,377.33	

Explanation on portfolio basis:

Nil

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

Unit: RMB/CNY

Account age	Book balance
Within one year(one year included)	245,316,931.87
1-2 years	1,724.11
2-3 years	807,119.62
Over 3 years	26,197,973.35
3-4 years	26,197,973.35
Total	272,323,748.95

(2) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Accrual of bad debt provision for account receivable in the Period		16,220,871.61	763,930.00	522,072.20		
Total		16,220,871.61	763,930.00	522,072.20		

Including important amount of bad debt provision collected or reversal in the period:

Unit: RMB/CNY

Enterprise	Amount collected or reversal	Collection way
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(3) Account receivables actually write-off during the reporting period

Unit: RMB/CNY

Item	Amount written off
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Including major account receivables write-off:

Unit: RMB/CNY

Enterprise	Nature	Amount written off	Causes	Procedure	Amount cause by related transactions or not (Y/N)
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Explanation on account receivable write-off:

(4) Top five account receivables collected by arrears party at ending balance

Unit: RMB/CNY

Enterprise	Ending balance of accounts receivable	Proportion of total closing balance of accounts receivable	Ending balance of bad bet provision
Shenzhen Yunshang Jewelry Co., Ltd.	63,230,547.34	23.22%	189,691.65
Fuzhou Rongrun Jewelry Co., Ltd.	44,987,445.10	16.52%	134,962.34
Shenzhen Hualinglong Jewelry Culture Tech. Co., Ltd.	37,514,073.30	13.78%	112,542.22
Fuzhou Cangshan Dingjue Jewelry Firm	26,828,833.21	9.85%	80,486.50
Guangshui Jiaxu Energy Technology Co., Ltd.	21,862,832.43	8.03%	17,490,265.94
Total	194,423,731.38	71.40%	

(5) Assets and liability resulted by account receivable transfer and continuous involvement

Other explanation:

(6) Account receivable derecognition due to transfer of financial assets

6. Receivable financing

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Change of receivables financing and fair value in the period

Applicable Not applicable

If the provision for bad debts of receivable financing is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

Other explanation:

7. Accounts paid in advance

(1) By account age

Unit: RMB/CNY

Account age	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	4,285,047.15	99.96%	1,300,408.57	100.00%
1-2 years	1,888.00	0.04%		
Total	4,286,935.15		1,300,408.57	

Explanation on un-settlement in time for advance payment with over one year account age and major amounts:

(2) Top 5 advance payment at ending balance by prepayment object

Enterprise	Amount	Nature	Ratio in total advance e payment(%)
Fujian Hengsheng Jewelry Co., Ltd.	4,000,000.00	Payment for goods paid in advance	93.31
Shenzhen Huamao Gold Co., Ltd.	89,384.50	Payment for goods paid in advance	2.09
Changzhou Ruiqi Precision Measurement Tech. Co., Ltd.	83,400.00	Payment for goods paid in advance	1.95
Shenzhen Cuilu Gold Business	66,708.18	Payment for goods paid in advance	1.56
Wenzhou Xialong Traffic Signs Co., Ltd.	23,754.00	Payment for goods paid in advance	0.55
<u>Total</u>	<u>4,263,246.68</u>	-	<u>99.45</u>

Other explanation:

At end of the period, there was no advance payment from shareholder unit and other related parties that holds 5% (included) voting rights of the Company among Advance Payment

8. Other account receivable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Other account receivable	438,477.82	494,695.27
Total	438,477.82	494,695.27

(1) Interest receivable

1) Category

Unit: RMB/CNY

Item	Ending balance	Opening balance
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2) Important overdue interest

Unit: RMB/CNY

Borrower	Ending balance	Overdue time	Overdue reason	Impairment (Y/N) and judgment basis
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Other explanation:

3) Accrual of bad debt provision

Applicable Not applicable

(2) Dividend receivable

1) Category

Unit: RMB/CNY

Item (or the invested entity)	Ending balance	Opening balance
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2) Important dividend receivable with over one year aged

Unit: RMB/CNY

Item (or the invested entity)	Ending balance	Account age	Causes of failure for collection	Impairment (Y/N) and judgment basis
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3) Accrual of bad debt provision

Applicable Not applicable

Other explanation:

(3) Other account receivable

1) By nature

Unit: RMB/CNY

Nature	Ending book balance	Opening book balance
Deposit or margin	504,107.88	576,539.00
Payment for equipment	311,400.00	311,400.00
Personal loan of employees	33,445.00	20,144.82
Other	62,744.32	
Total	911,697.20	908,083.82

2) Accrual of bad debt provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on January 1, 2022	413,388.55			413,388.55
January 1, 2022 balance in the current period				
Accrual in the Period	59,830.83			59,830.83
Balance on December 31, 2022	473,219.38			473,219.38

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

By account age

Unit: RMB/CNY

Account age	Book balance
Within one year(one year included)	319,540.20
1-2 years	11,600.00
2-3 years	108,657.00
Over 3 years	471,900.00
3-4 years	60,000.00
4-5 years	50,000.00
Over 5 years	361,900.00
Total	911,697.20

3) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Other account receivable Bad debt provision-1st stage	413,388.55	59,830.83				473,219.38
Total	413,388.55	59,830.83				473,219.38

Important amount of bad debt provision switch-back or collection in the period:

Unit: RMB/CNY

Enterprise	Amount switch-back or collection	Collection way
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Nil

4) Other account receivables actually write-off during the reporting period

Unit: RMB/CNY

Item	Amount written off
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Including major other account receivables write-off:

Unit: RMB/CNY

Enterprise	Other Nature	Amount written off	Causes	Procedure	Amount cause by related transactions or not (Y/N)
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Other Explanation on account receivable write-off:

Nil

5) Top 5 other account receivable collected by arrears party at ending balance

Unit: RMB/CNY

Enterprise	Nature	Ending balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad bet provision
Shenzhen Luwei Mechatronic Equipment Co., Ltd	Payment for equipment	300,000.00	Over 5 years	32.91%	300,000.00
Alipay (China) Network Technology Co., Ltd. customer reserve fund	Margin or deposit	170,000.00	Within 5 years	18.65%	110,180.00
Shenye Pengji (Group) Co., Ltd.	Margin or deposit	97,859.38	1-2 years	10.73%	293.58
Xi'an Zhongjinpu Trading Co., Ltd.	Payment for goods	62,744.32	One year	6.88%	188.23
Customer provision(JD.Com)	Margin or deposit	40,103.50	Within 5 years	4.40%	120.31

) of the Quick Money Payment Clearing Information Co., Ltd.					
Total		670,707.20		73.57%	410,782.12

6) Account receivable with government subsidy involved

Unit: RMB/CNY

Enterprise	Government subsidy	Ending balance	Ending account age	Time, amount and basis of amount collection estimated
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Nil

7) Other account receivable derecognition due to financial assets transfer

Nil

8) Assets and liability resulted by other account receivable transfer and continuous involvement

Nil

Other explanation:

Nil

9. Inventory

Whether companies need to comply with the disclosure requirements of the real estate industry

No

(1) Category

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value
Raw materials	22,911,015.69		22,911,015.69	5,151,013.66	4,227.80	5,146,785.86
Finished goods	25,045,073.77	412,020.87	24,633,052.90	2,917,927.37	371,836.25	2,546,091.12
Consigned processing	662,798.22		662,798.22	555,696.79		555,696.79

materials						
Total	48,618,887.68	412,020.87	48,206,866.81	8,624,637.82	376,064.05	8,248,573.77

The Company shall comply with the disclosure requirement of jewelry-related industries in the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3- Industry Disclosure”

(2) Provision for inventory depreciation or contract performance cost impairment provision

Unit: RMB/CNY

Item	Opening balance	Current increased		Current decreased		Ending balance
		Accrual	Other	Switch back or charge-off	Other	
Raw materials	4,227.80			4,227.80		
Finished goods	371,836.25	110,756.09		70,571.47		412,020.87
Total	376,064.05	110,756.09		74,799.27		412,020.87

(3) Explanation on capitalization of borrowing costs at ending balance of inventory

Nil

(4) Explanation on the current amortization amount of contract performance costs

Nil

10. Contractual assets

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Book value of contractual assets has major changes and causes:

Unit: RMB/CNY

Item	Amount changes	Reason for change
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If the provision for bad debts of contract asset is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

Accrual of impairment provision in the period

Unit: RMB/CNY

Item	Accrual in the Period	Switch-back in the Period	Reversal/Write off	Causes
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Other explanation:

11. Assets held for sale

Unit: RMB/CNY

Item	Ending book balance	Impairment provision	Ending book value	Fair value	Expected disposal expenses	Expected disposal time
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Other explanation:

Nil

12. Non-current asset due within one year

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Important debt investment/other debt investment

Unit: RMB/CNY

Item	Ending balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date

Other explanation:

Nil

13. Other current assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Input tax to be deducted	35,453,106.62	1,078,351.48
Issuance costs of non-public offering of shares		735,849.05
Total	35,453,106.62	1,814,200.53

Other explanation:

14. Debt investment

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Important debt investment

Unit: RMB/CNY

Debt investment	Ending balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date

Accrual of impairment provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
January 1, 2022 balance in the current period				

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

Other explanation:

15. Other debt investment

Unit: RMB/CNY

Item	Opening balance	Accrued interest	Change of fair value in the period	Ending balance	Cost	Cumulative changes of fair value	Cumulative loss impairment recognized in other comprehensive income	Note
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Important other debt investment

Unit: RMB/CNY

Other debt investment	Ending balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date

Accrual of impairment provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
January 1, 2022 balance in the current period				

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

Other explanation:

Nil

16. Long-term account receivable

(1) Long-term account receivable

Unit: RMB/CNY

Item	Ending balance			Opening balance			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	

Impairment of bad debt provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
January 1, 2022 balance in the current period				

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

Nil

(2) Long-term account receivable derecognized due to financial assets transfer

Nil

(3) Assets and liabilities resulted by long-term account receivable transfer and continues involvement

Nil

Other explanation:

Nil

17. Long-term equity investment

Unit: RMB/CNY

The invested entity	Opening balance (Book value)	Changes in the period (+, -)								Ending balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		

I. Joint venture											
Shenzhen Emmelle Industrial Co., Ltd.	10,379.73									10,379.73	
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	19,950,000.00									19,950,000.00	
Subtotal	19,960,379.73									19,960,379.73	
II. Associated enterprise											
Total	19,960,379.73									19,960,379.73	

Other explanation:

Nil

18. Investment in other equity instrument

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Itemized the non-tradable equity instrument investment in the period

Unit: RMB/CNY

Item	Dividend income recognized	Cumulative gains	Cumulative losses	Retained earnings transfer from other comprehensive income	Causes of those that designated measured by fair value and with its variation reckoned into other comprehensive income	Cause of retained earnings transfer from other comprehensive income
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Other explanation:

Nil

19. Other non-current financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other explanation:

Nil

20. Investment real estate

(1) Investment real estate measured at cost

Applicable Not applicable

(2) Investment real estate measured at fair value

Applicable Not applicable

(3) Investment real estate without property rights certificate

Unit: RMB/CNY

Item	Book value	Reasons for failing to complete the property rights certificate
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Other explanation:

Nil

21. Fix assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Fix assets	2,304,402.38	3,439,212.00
Total	2,304,402.38	3,439,212.00

(1) Fix assets

Unit: RMB/CNY

Item	Houses and buildings	Machinery equipment	Means of transportation	Electronic equipment and others	Total
I. Original book value:					
1. Opening balance	2,959,824.00	1,414,480.77	958,593.21	253,527.49	5,600,043.47
2. Current increased				46,324.60	46,324.60
(1)Purchase				46,324.60	46,324.60
(2)Const ruction in progress transfer-in					
(3)The increase in business combination					

3.Current decreased		218,803.42			218,803.42
(1) Disposal or scrap		218,803.42			218,803.42
4.Ending balance	2,959,824.00	1,195,677.35	958,593.21	313,470.09	5,427,564.65
II. Accumulated depreciation					
1.Opening balance	732,556.44	443,727.15	784,467.01	200,080.87	2,160,831.47
2.Current increased	133,192.08	124,021.40	77,919.23	49,438.23	384,570.94
(1)Accru al	133,192.08	124,021.40	77,919.23	49,438.23	384,570.94
3.Current decreased		151,845.89			151,845.89
(1) Disposal or scrap		151,845.89			151,845.89
4.Ending balance	865,748.52	415,902.66	862,386.24	249,519.10	2,393,556.52
III. Impairment provision					
1.Opening balance					
2.Current increased		729,605.75			729,605.75
(1)Accru al		729,605.75			729,605.75
3.Current decreased					
(1) Disposal or scrap					
4.Ending balance		729,605.75			729,605.75
IV. Book value					
1.Ending book value	2,094,075.48	50,168.94	96,206.97	63,950.99	2,304,402.38
2.Opening book value	2,227,267.56	970,753.62	174,126.20	67,064.62	3,439,212.00

(2) Fixed assets temporary idle

Unit: RMB/CNY

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
Machinery equipment	1,044,247.81	314,642.06	729,605.75		

(3) Fixed assets leasing-out by operational lease

Unit: RMB/CNY

Item	Ending book value
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(4) Fixed assets without property rights certificate

Unit: RMB/CNY

Item	Book value	Reasons for failing to complete the property rights certificate
Six properties in Lianxin Garden	2,094,075.48	The six properties of Lianxin Garden 7-20F with original value of 2,959,824.00 Yuan. The property purchasing refers to the indemnificatory housing for enterprise talent buying from Shenzhen Housing and Construction Bureau of Luohu District. According to the agreement, the enterprise shall not carrying any kind of property trading with any units or individuals except the government, and the company has no property certification on the above mentioned properties.

Other explanation:

Nil

(5) Fixed assets disposal

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other explanation:

Nil

22. Construction in progress

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(1) Construction in progress

Unit: RMB/CNY

Item	Ending balance	Opening balance
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	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
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(2) Changes in significant construction in progress

Unit: RMB/CNY

Item	Budget	Opening balance	Current increased	Fixed assets transfer-in in the Period	Other decreased in the Period	Ending balance	Proportion of project investment in budget	Progress	Accumulated amount of interest capitalization	including: interest capitalized amount of the year	Interest capitalization rate of the year	Source of funds
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(3) Provision for impairment of construction in progress in the current period

Unit: RMB/CNY

Item	Accrual in the period	Reasons for accrual
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Other explanation:

Nil

(4) Engineering materials

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Other explanation:

Nil

23. Productive biological asset

(1) Productive biological assets measured by cost

Applicable Not applicable

(2) Productive biological assets measured by fair value

Applicable Not applicable

24. Oil and gas asset

Applicable Not applicable

25. Right-of-use assets

Unit: RMB/CNY

Item	Houses and buildings	Total
I. Original book value		
1. Opening balance	3,051,512.28	3,051,512.28
2. Current increased		
3. Current decreased	95,785.85	95,785.85
4. Ending balance	2,955,726.43	2,955,726.43
II. Accumulated depreciation		
1. Opening balance	1,546,253.38	1,546,253.38
2. Current increased	1,235,536.34	1,235,536.34
(1) Accrual	1,235,536.34	1,235,536.34
3. Current decreased		
(1) Disposal		
4. Ending balance	2,781,789.72	2,781,789.72
III. Impairment provision		
1. Opening balance		
2. Current increased		
(1) Accrual		
3. Current decreased		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	173,936.71	173,936.71
2. Opening book value	1,505,258.90	1,505,258.90

Other explanation:

Nil

26. Intangible assets

(1) Intangible assets

Unit: RMB/CNY

Item	Land use right	Patent	Non-patent technology		Total
I. Original book value					
1. Opening					

balance					
2.Current increased					
(1)Purchase					
(2) Internal R & D					
(3)The increase in business combination					
3.Current decreased					
(1) Disposal					
4.Ending balance					
II. Accumulated depreciation					
1.Opening balance					
2.Current increased					
(1)Accru al					
3.Current decreased					
(1) Disposal					
4.Ending balance					
III. Impairment provision					
1.Opening balance					
2.Current increased					
(1)Accru al					
3.Current decreased					
(1) Disposal					
4.Ending					

balance					
IV. Book value					
1. Ending book value					
2. Opening book value					

Ratio of intangible assets resulted from internal R&D in balance of intangible assets at period-end

(2) Land use right without certificate of title completed

Unit: RMB/CNY

Item	Book value	Reasons for failing to complete the property rights certificate
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Other explanation:

Nil

27. Expense on research and development

Unit: RMB/CNY

Item	Opening balance	Current increased			Current decreased			Ending balance
		Internal expense on R&D	Other		Recognized as intangible assets	Transfer to current profit and loss		
Total								

Other explanation:

Nil

28. Goodwill

(1) Original book value of goodwill

Unit: RMB/CNY

The invested entity or items	Opening balance	Current increased		Current decreased		Ending balance
		Resulted by enterprise combination		Dispose		
Total						

(2) Goodwill Impairment provision

Unit: RMB/CNY

The invested	Opening	Current increased	Current decreased	Ending balance
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entity or items	balance	Accrual		Dispose		
Total						

Information about the asset group or asset group combination in which the goodwill is located

Nil

Explain the method of confirming the goodwill impairment test process, key parameters (such as the forecast period growth rate, stable period growth rate, profit rate, discount rate, forecast period, etc. when estimating the present value of future cash flow), and the impairment loss of goodwill:

Nil

Impact of impairment test for goodwill

Nil

Other explanation:

29. Long-term expenses to be apportioned

Unit: RMB/CNY

Item	Opening balance	Current increased	Amortized in the Period	Other decrease	Ending balance

Other explanation:

Nil

30. Deferred income tax asset /Deferred income tax liabilities

(1) Deferred income tax assets without offset

Unit: RMB/CNY

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset
Bad debt provision	249,675.40	62,418.85	72,308.73	18,077.18
Provision for decline in value of inventories	226,201.90	56,550.48	183,877.94	45,969.49
Total	475,877.30	118,969.33	256,186.67	64,046.67

(2) Deferred income tax liabilities without offset

Unit: RMB/CNY

Item	Ending balance		Opening balance	
	Taxable temporary	Deferred income tax	Taxable temporary	Deferred income tax

	differences	liabilities	differences	liabilities
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(3) Deferred income tax assets and deferred income tax liabilities listed after off-set

Unit: RMB/CNY

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax asset		118,969.33		64,046.67

(4) Details of deferred income tax assets without recognized

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(5) Deductible losses of un-recognized deferred income tax assets expired on the followed year

Unit: RMB/CNY

Year	Ending amount	Opening amount	Note
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Other explanation:

Nil

31. Other non-current assets

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Advance payment for house	400,000.00		400,000.00	400,000.00		400,000.00
Total	400,000.00		400,000.00	400,000.00		400,000.00

Other explanation:

As of December 31, 2022, the Housing and Construction Bureau of Luohu District, Shenzhen City has not delivered houses for enterprise talents in Luohu District.

32. Short-term loans

(1) Category

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Explanation on short-term loans category:

Nil

(2) Overdue outstanding short-term loans

Total 0.00 Yuan overdue outstanding short-term loans at period-end, including the followed significant amount:

Unit: RMB/CNY

Borrower	Ending balance	Lending rate	Overdue time	Overdue rate
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Other explanation:

Nil

33. Trading financial liability

Unit: RMB/CNY

Item	Ending balance	Opening balance
Including:		
Including:		

Other explanation:

Nil

34. Derivative financial liability

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other explanation:

Nil

35. Note payable

Unit: RMB/CNY

Category	Ending balance	Opening balance
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Notes expired at period-end without paid was 0.00 Yuan.

36. Account payable

(1) Account payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Within one year(one year included)	1,914,595.55	7,347,161.83
1-2 years (2 years included)	12,683.17	48,424.51
2-3 years (3 years included)	48,424.51	410,259.07
3-4 years (4 years included)	410,259.07	487,016.93

4-5 years (5 years included)	487,016.93	1,240.00
Over 5 years	4,444.00	3,204.00
Total	2,877,423.23	8,297,306.34

(2) Important account payable with account age over one year

Unit: RMB/CNY

Item	Ending balance	Reasons for non-reimbursement or carry-forward
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Other explanation:

There was no important account payable with account age over one year at end of the Period.

37. Accounts received in advance

(1) Accounts received in advance

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(2) Account received in advance with over one year book age

Unit: RMB/CNY

Item	Ending balance	Reasons for non-reimbursement or carry-forward
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38. Contractual liability

Unit: RMB/CNY

Item	Ending balance	Opening balance
Receipt of goods in advance	791,762.84	124,328.07
Total	791,762.84	124,328.07

Book value has major changes in the period and causes

Unit: RMB/CNY

Item	Amount changes	Reason for change
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39. Wage payable

(1) Wage payable

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	923,477.10	7,526,844.37	7,680,329.05	769,992.42
II. Post-employment benefit-Defined contribution plan		527,982.40	527,982.40	

Total	923,477.10	8,054,826.77	8,208,311.45	769,992.42
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(2) Short-term compensation

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wages, bonus, allowances and subsidy	918,177.00	6,670,950.88	6,825,496.03	763,631.85
2. Employee benefits		176,085.74	176,085.74	
3. Social insurance		292,013.49	291,835.39	178.10
Including: Medical insurance		267,266.70	267,088.60	178.10
Work injury insurance		7,296.94	7,296.94	
Maternity insurance		17,449.85	17,449.85	
4. Housing accumulation fund		323,412.84	323,412.84	
5. Labor union expenditure and personnel education expense	5,300.10	64,381.42	63,499.05	6,182.47
Total	923,477.10	7,526,844.37	7,680,329.05	769,992.42

(3) Defined contribution plan

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance		516,150.77	516,150.77	
2. Unemployment insurance		11,831.63	11,831.63	
Total		527,982.40	527,982.40	

Other explanation:

At the end of the period, there were no arrears in employee compensation.

40. Taxes payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Value added tax	33,374,610.42	826,399.46
Enterprise income tax	1,113,788.23	27,591.59
Individual income tax	29,149.60	19,002.77
City maintenance & construction tax	2,056,530.87	15,940.70
Stamp tax	101,516.08	11,223.31
Educational surcharge	1,468,913.16	11,348.69
Total	38,144,508.36	911,506.52

Other explanation:

41. Other account payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Other account payable	48,621,087.98	61,407,301.04
Total	48,621,087.98	61,407,301.04

(1) Interest payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Important interest overdue without paid:

Unit: RMB/CNY

Borrower	Amount overdue	Overdue reason
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Other explanation:

Nil

(2) Dividend payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other explanation:including dividends payable with over one year age and disclosure un-payment reasons

Nil

(3) Other account payable

1) By nature

Unit: RMB/CNY

Item	Ending balance	Opening balance
Custodian and common benefit debts	28,624,749.18	25,501,476.16
Warranty and guarantee money	1,781,940.00	10,756,806.00
Intercourse funds	16,500,000.00	23,328,000.00
Other payable service charge (intermediary services included)	801,237.73	624,528.30
Collection and payment	669,657.66	648,626.35
Other	243,503.41	547,864.23
Total	48,621,087.98	61,407,301.04

2) Significant other payable with over one year age

Unit: RMB/CNY

Item	Ending balance	Reasons for non-reimbursement or carry-forward
Custodian and common benefit debts	28,624,749.18	
Shenzhen Jianzhi Industrial Development Co., Ltd.	10,000,000.00	Pre-collection of cooperation deposit
Total	38,624,749.18	

Other explanation:

Note 1: "Intercourse funds" at period-end includes 10,000,000.00 yuan, which is the cooperation deposit received in advance from Shenzhen Jianzhi Industrial Development Co., Ltd that may need to be returned in the future;

Note 2: "Intercourse funds" at period-end includes 6,500,000.00 yuan, which is the interest-free loan applied by subsidiary of the Company Shenzhen Emmelle Industrial Co., Ltd to Shenzhen Guosheng Energy Investment Development Co., Ltd (the shareholder of CBC) on November 1, 2010 to supplement the daily working capital.

42. Liability held for sale

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other explanation:

Nil

43. Non-current liabilities due within one year

Unit: RMB/CNY

Item	Ending balance	Opening balance
Lease liabilities due within one year	210,892.38	1,456,782.04
Total	210,892.38	1,456,782.04

Other explanation:

Nil

44. Other current liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
VAT received in advance	102,929.16	11,700.06
Total	102,929.16	11,700.06

Changes of short-term bond payable:

Unit: RMB/CNY

Bond	Face value	Release date	Bond period	Issuing amount	Opening balance	Issued in the Period	Accrual interest by face value	Premium/discount amortization	Paid in the Period		Ending balance
Total											

Other explanation:

Nil

45. Long-term loans

(1) Category

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Explanation on category of long-term loans:

Nil

Other explanation:including interest rate section

46. Bonds payable

(1) Bonds payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(2) Changes of bonds payable (not including the other financial instrument of preferred stock and perpetual capital securities that classify as financial liability)

Unit: RMB/CNY

Bond	Face value	Release date	Bond period	Issuing amount	Opening balance	Issued in the Period	Accrual interest by face value	Premium/discount amortization	Paid in the Period		Ending balance
Total											

(3) Convertible conditions and time for shares transfer for the convertible bonds

Nil

(4) Other financial instruments classify as financial liability

Outstanding other financial instruments as preferred stock and perpetual bonds at period-end

Nil

Changes of the outstanding financial instruments as preferred stock and perpetual bonds at period-end

Unit: RMB/CNY

Outstanding financial instrument	Period-begin		Current increased		Current decreased		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Basis for financial liability classification for other financial instrument

Nil

Other explanation:

Nil

47. Lease liability

Unit: RMB/CNY

Item	Ending balance	Opening balance
Lease Payments		215,367.24
Unrecognized financing charges		12,935.13
Total		228,302.37

Other explanation:

Nil

48. Long-term account payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(1) By nature

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other explanation:

Nil

(2) Special payable

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
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Other explanation:

Nil

49. Long-term wages payable

(1) Long-term wages payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(2) Changes of defined benefit plans

Present value of the defined benefit plans:

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Scheme assets:

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Net liability (assets) of the defined benefit plans

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Content of defined benefit plans and relevant risks, impact on future cash flow of the Company as well as times and uncertainty:

Major actuarial assumption and sensitivity analysis:

Nil Nil

Other explanation:

Nil

50. Accrual liability

Unit: RMB/CNY

Item	Ending balance	Opening balance	Causes
未决诉讼	887,342.00		
Total	887,342.00		

Other explanation, including relevant important assumptions and estimation:

51. Deferred income

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
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Item with government subsidy involved:

Unit: RMB/CNY

Liability	Opening balance	New grants in the Period	Amount reckoned in non-	Amount reckoned in other	Cost reduction in the	Other changes	Ending balance	Assets-related/inco
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			operation revenue	income	period			me related
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Other explanation:

Nil

52. Other non-current liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other explanation:

Nil

53. Share capital

Unit: RMB/CNY

	Opening balance	Changes in the period (+, -)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Total shares	551,347,947. 00	137,836,986. 00				137,836,986. 00	689,184,933. 00

Other explanation:

54. Other equity instrument

(1) Outstanding other financial instruments as preferred stock and perpetual bonds at period-end

Nil

(2) Changes of the outstanding other financial instruments as preferred stock and perpetual bonds at period-end

Unit: RMB/CNY

Outstandin g financial instrument	Period-begin		Current increased		Current decreased		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Changes of other equity instrument, change reasons and relevant accounting treatment basis:

Nil

Other explanation:

Nil

55. Capital public reserve

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
Capital premium(Share capital premium)		150,990,173.10		150,990,173.10
Other capital public reserve	627,834,297.85			627,834,297.85
1.Debt restructuring income	482,580,588.23			482,580,588.23
2.Other	145,253,709.62			145,253,709.62
Total	627,834,297.85	150,990,173.10		778,824,470.95

Other explanation:including changes and reasons for changes

Note: Among the “other capital public reserves” , 135,840,297.18 Yuan refers to the payment for creditor from shares assignment by whole shareholders; majority shareholder Shenzhen Guosheng Energy Investment Development Co., Ltd. donated 5,390,399.74 Yuan.

56. Inventory shares

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance

Other explanation:including changes and reasons for changes

Nil

57. Other comprehensive income

Unit: RMB/CNY

Item	Opening balance	Current period incurred						Ending balance
		Account before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less: Income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	

Other explanation: including the active part of the hedging gains/losses of cash flow transfer to initial recognition adjustment for the arbitrated items

Nil

58. Reasonable reserve

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
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Other explanation: including changes and reasons for changes

Nil

59. Surplus public reserve

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
Statutory surplus reserves	32,673,227.01			32,673,227.01
Total	32,673,227.01			32,673,227.01

Explanation: including changes and reasons for changes

60. Retained profit

Unit: RMB/CNY

Item	Current period	Prior period
Retained profit at period-end before adjustment	-1, 202, 936, 933. 70	-1, 200, 950, 240. 88
Retained profit at period-begin after adjustment	-1, 202, 936, 933. 70	-1, 200, 950, 240. 88
Add: net profit attributable to shareholders of parent company for this year	-7, 616, 378. 75	-1, 986, 692. 82
Retained profit at period-end	-1, 210, 553, 312. 45	-1, 202, 936, 933. 70

Adjustment for retained profit at period-begin:

- 1) Retroactive adjustment due to the *Accounting Standards for Business Enterprise* and relevant new regulations, retained profit at period-begin has 0.00 Yuan affected;
- 2) Due to the accounting policy changes, retained profit at period-begin has 0.00 Yuan affected;
- 3) Due to the major accounting errors correction, retained profit at period-begin has 0.00 Yuan affected;
- 4) Consolidation range changed due to the same control, retained profit at period-begin has 0.00 Yuan affected;
- 5) Total other adjustment impacts 0.00 Yuan retained profit at period-begin

61. Operation revenue and operation cost

Unit: RMB/CNY

Item	Current period incurred		Prior period incurred	
	Revenue	Cost	Revenue	Cost
Main business	441, 648, 114. 02	416, 413, 503. 39	160, 519, 280. 02	151, 370, 945. 29
Other business	3, 114, 124. 23	471, 249. 78	4, 727, 297. 93	1, 236, 041. 30
Total	444, 762, 238. 25	416, 884, 753. 17	165, 246, 577. 95	152, 606, 986. 59

Whether the lower of audited net profit before or after non-recurring gain/loss is negative

Yes No

Revenue:

Unit: RMB/CNY

Contract type	1# Division	2# Division		Total
Product type	166,051,582.65	278,795,336.38		444,846,919.03
Including:				
Jewelry and gold	166,051,582.65	261,673,540.71		427,725,123.36
Lithium battery material for bicycles and other		17,121,795.67		17,121,795.67
Classification by business area				
Including:				
Market or customer type				
Including:				
Contract type				
Including:				
Classification by time of goods transfer				
Including:				
Classification by contract duration				
Including:				
Classification by sales channel				
Including:				
Total	166,051,582.65	278,795,336.38		444,846,919.03

Information relating to performance obligation:

Nil

Information relating to the transaction price assigned to the remaining performance obligation:

The amount of revenue corresponding to performance obligation that have been signed but have not been fulfilled or have not been fulfilled at the end of the period was 0.00 Yuan, including 0.00 Yuan is expected to be recognized as revenue in subsequent years, 0.00 Yuan is expected to be recognized as revenue in subsequent years, 0.00 Yuan is expected to be recognized as revenue in subsequent years. Other explanation:

Nil

62. Tax and surcharge

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
City maintenance & construction tax	2,060,815.10	32,894.51
Educational surcharge	1,472,010.75	23,027.79
Stamp tax	225,148.85	58,446.51
Other		2,338.58
Total	3,757,974.70	116,707.39

Other explanation:

Nil

63. Sales expenses

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Employee compensation	1,354,906.96	1,543,121.27
Mall service fee	2,425,661.82	
Marketing promotion fees	631,247.89	705,365.87
Business entertainment	360.00	76,402.59
Business travel expenses	344,559.08	163,858.29
Lease fee	16,130.04	28,050.01
Design fee	471,871.00	572,145.63
Depreciation and amortization	227,870.06	143,941.58
Other	215,650.83	71,071.06
Total	5,688,257.68	3,303,956.30

Other explanation:

Nil

64. Administrative expenses

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Employee compensation	3,304,419.89	2,299,457.43
Intermediary service fee	996,070.70	1,496,322.29
Daily administrative expenses	1,982,406.14	836,063.07
Depreciation and amortization	1,242,279.43	1,522,762.50
Total	7,525,176.16	6,154,605.29

Other explanation:

Nil

65. R&D expenses

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Employee compensation and benefits	901,277.20	1,701,324.36
Depreciation and amortization	23,290.50	251,361.22
Other		84,512.00
Total	924,567.70	2,037,197.58

Other explanation:

Nil

66. Financial expenses

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Less:Interest income	272,353.25	127,249.64
Commission charge etc.	42,766.84	23,566.49
Other	33,239.03	114,323.26
Total	-196,347.38	10,640.11

Other explanation:

Nil

67. Other income

Unit: RMB/CNY

Sources	Current period incurred	Prior period incurred
Government subsidy	142,981.96	397,876.20
Personal tax withholding fee	3,369.17	2,516.00

68. Investment income

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Other explanation:

Nil

69. Net exposure hedge gains

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Other explanation:

Nil

70. Income from change of fair value

Unit: RMB/CNY

Sources	Current period incurred	Prior period incurred
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Other explanation:

Nil

71. Loss of credit impairment

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Bad debt loss of other account receivable	-59,830.83	-49,753.03
Bad debt losses of accounts receivable	-15,456,941.61	-2,349,227.58
Total	-15,516,772.44	-2,398,980.61

Other explanation:

Nil

72. Impairment loss on assets

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
II. Loss of inventory falling price and loss of contract performance cost impairment	-110,756.09	-99,941.65
V. Impairment loss of fixed asset	-729,605.75	
Total	-840,361.84	-99,941.65

Other explanation:

Nil

73. Income from assets disposal

Unit: RMB/CNY

Sources	Current period incurred	Prior period incurred
Dispose income of fixed assets	-16,957.53	

74. Non-operating income

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred	Amount reckoned in current non-recurring gains/losses
Other	4,081,450.75	5,680,409.27	
Total	4,081,450.75	5,680,409.27	

Government subsidy reckoned into current gains/losses:

Unit: RMB/CNY

Government subsidy	Issuing subject	Offering causes	Nature	Subsidy impact current gains/losses (Y/N)	The special subsidy (Y/N)	Amount in the Period	Amount in last period	Assets-related/income-related
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Other explanation:

The “Other” in Non-operating income mainly refers to the rental settlement income of 3,837,081.41 yuan with the administrator and the compensation of 239,571.50 yuan for the renaming fee of the assets in escrow

75. Non-operating expense

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred	Amount reckoned in current non-recurring gains/losses
Litigation compensation, liquidated damages and late fees, etc.	887,344.31	121,651.29	
Other	3,856,679.82	5,182,307.93	
Total	4,744,024.13	5,303,959.22	

Other explanation:

In the current period and prior period, the operation assets for assets to be disposed are not allocated by management, relevant maintenance and management costs are paid by the revenue and loss compensation income from assets leasing (the assets to be disposed), reckoned into non-operating expenditure

76. Income tax expense

(1) Income tax expense

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Current income tax expense	1,324,808.04	204,836.60
Deferred income tax expense	-54,922.66	729,124.08
Total	1,269,885.38	933,960.68

(2) Adjustment on accounting profit and income tax expenses

Unit: RMB/CNY

Item	Current period incurred
Total profit	-6,712,457.84
Income tax measured by statutory/applicable tax rate	-1,678,114.46
The impact of applying different tax rates to subsidiaries	2,297,168.02
Impact of adjusting the income tax of prior period	-10,425.48
Impact on cost, expenses and losses that unable to deducted	223,824.06
The impact of deductible losses on the use of deferred income tax assets not recognized in prior period	-736,625.21
The impact of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the Period	1,207,012.04
Effect of recognized temporary differences on the difference between current tax rate and recognized deferred tax rate	-32,953.59
Income tax expense	1,269,885.38

Other explanation:

Nil

77. Other comprehensive income

Refer to the Note

78. Items of cash flow statement

(1) Other cash received in relation to operation activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Interest, rent, utilities, etc.	2,518,300.99	3,776,439.39
Project cooperation payment	267,840.00	
Deposits and guarantees received	146,354.32	6,282,000.00
Government subsidy and individual tax handling fee refund		400,016.00
Employee correspondence		44,946.88
Other	6,871,962.41	10,463,236.95
Total	9,804,457.72	20,966,639.22

Explanation on other cash received in relation to operation activities:

Note: "Other" of prior period incurred including 10,145,161.80 yuan land buyback compensation of Shajing

(2) Other cash paid in relation to operation activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Expenses such as rent and property management maintenance fees	3,837,081.41	3,642,689.57
Deposits and security deposits paid	8,001,780.56	6,057,078.82
Sales, management and R&D expenses	5,399,850.61	3,828,026.64
Litigation compensation, liquidated damages and late fees, etc.		
Handling expenses	42,766.84	23,566.49
Other	4,917,479.65	281,992.52
Total	22,198,959.07	13,833,354.04

Explanation on other cash paid in relation to operation activities:

Nil

(3) Other cash received from investment activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Explanation on other cash received from investment activities:

Nil

(4) Cash paid related with investment activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Explanation on cash paid related with investment activities

Nil

(5) Other cash received in relation to financing activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
	9,000,000.00	
Total	9,000,000.00	

Explanation on other cash received in relation to financing activities:

Nil

(6) Other cash paid related with financing activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
	20,207,638.62	2,296,062.44
Total	20,207,638.62	2,296,062.44

Explanation on other cash paid related with financing activities:

Nil

79. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

Unit: RMB/CNY

Supplementary information	Current amount	Amount of the previous period
1. Net profit adjusted to cash flow of operation activities:		
Net profit	-7,982,343.22	-1,639,556.00
Add: Assets impairment provision	16,357,134.28	2,498,922.26
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	384,570.94	371,811.92
Depreciation of right-of-use assets	1,235,536.34	1,546,253.38
Amortization of intangible assets		
Amortization of long-term		

deferred expenses		
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain is listed with “-”)	16,957.53	
Losses on scrapping of fixed assets (gain is listed with “-”)		
Gain/loss of fair value changes (gain is listed with “-”)		
Financial expenses (gain is listed with “-”)	33,239.03	114,323.26
Investment loss (gain is listed with “-”)		
Decrease of deferred income tax asset (increase is listed with “-”)	-54,922.66	729,124.08
Increase of deferred income tax liability (decrease is listed with “-”)		
Decrease of inventory (increase is listed with “-”)	-40,069,049.13	-619,189.48
Decrease of operating receivable accounts (increase is listed with “-”)	-257,151,228.59	7,017,642.37
Increase of operating payable accounts (decrease is listed with “-”)	29,587,661.28	5,654,601.08
Other	-3,776,621.83	
Net cash flow arising from operating activities	-261,419,066.03	15,673,932.87
2. Material investment and financing not involved in cash flow		
Conversion of debt into capital		
Switching Company bonds due within one year		
Financing lease of fixed assets		
3. Net change of cash and cash equivalents:		
Balance of cash at period end	50,922,869.35	33,246,957.92
Less: Balance of cash equivalent at year-begin	33,246,957.92	19,887,978.05
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increased amount of cash and cash equivalent	17,675,911.43	13,358,979.87

(2) Net cash paid for obtaining subsidiary in the Period

Unit: RMB/CNY

	Amount
Including:	
Including:	
Including:	

Other explanation:

Nil

(3) Net cash received by disposing subsidiary in the Period

Unit: RMB/CNY

	Amount
Including:	
Including:	
Including:	

Other explanation:

Nil

(4) Constitution of cash and cash equivalent

Unit: RMB/CNY

Item	Ending balance	Opening balance
I. Cash	50,922,869.35	33,246,957.92
Including: Cash on hand	33,531.25	27,587.25
Bank deposit available for payment at any time	50,889,338.10	33,219,370.67
III. Balance of cash and cash equivalents at the period -end	50,922,869.35	33,246,957.92
Including: Cash and cash equivalent that has use restriction in parent company or subsidiary of the Group	3,776,621.83	

Other explanation:

80. Notes of changes of owners' equity

Explain the name and adjusted amount in "Other" at end of last period:

81. Assets with ownership or use right restricted

Unit: RMB/CNY

Item	Ending book value	Restriction reasons
Monetary fund	3,776,621.83	
Total	3,776,621.83	

Other explanation:

Note 1: restriction found more in "Note VI- 1. Monetary fund"

82. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB/CNY

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary fund			
Including: USD			
EURO			
HKD			
Account receivable			
Including: USD			
EURO			
HKD			
Long-term loans			
Including: USD			
EURO			
HKD			

Other explanation:

Nil

(2) Explanation on foreign operational entity, including as for the major foreign operational entity, disclosed main operation place, book-keeping currency and basis for selection; if the book-keeping currency changed, explain reasons

Applicable Not applicable

83. Hedging

Disclosed hedging items and relevant hedging instrument based on hedging's category, disclosed qualitative and quantitative information for the arbitrage risks:

84. Government subsidy

(1) Government subsidy

Unit: RMB/CNY

Category	Amount	Item	Amount reckoned into current gains/losses
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(2) Government subsidy rebate

Applicable Not applicable

Other explanation:

Nil

85. Other

Nil

VIII. Changes of consolidation scope

1. Enterprise combined under different control

(1) Enterprise combined under different control in the Period

Unit: RMB/CNY

Acquiree	Time point for equity obtained	Cost of equity obtained	Ratio of equity obtained	Acquired way Equity obtained way	Purchasing date	Standard to determine the purchasing date	Income of acquiree from purchasing date to period-end	Net profit of acquiree from purchasing date to period-end
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Other explanation:

There was no change in the scope of consolidation during the reporting period.

(2) Combination cost and goodwill

Unit: RMB/CNY

Consolidation cost	
--Cash	
--Fair value of non-cash assets	
--Fair value of debts issued or assumed	
--Fair value of equity securities issued	
-- Fair value of contingent consideration	
--Fair value of the equity prior to the purchasing date	
--Other	
Total combination cost	
Less: shares of fair value of identifiable net assets acquired	
The amount by which the goodwill/cost of consolidation is less than the share of fair value of identifiable net assets acquired	

Determination method for fair value of the combination cost and contingent consideration and changes:

Main reasons for large goodwill resulted:

Other explanation:

(3) Identifiable assets and liability on purchasing date under the acquiree

Unit: RMB/CNY

	Fair value on purchasing date	Book value on purchasing date
	Assets:	
Monetary fund		
Account receivable		
Inventory		
Fix assets		
Intangible assets		
Liability:		
Loan		
Account payable		
Deferred income tax liabilities		
Net assets		
Less: Minority interests		
Net assets acquired		

Determination method for fair value of the identifiable assets and liabilities:

Contingent liability of the acquiree bear during combination:

Other explanation:

(4) Gains or losses arising from re-measured by fair value for the equity held before purchasing date

Whether it is a business combination realized by two or more transactions of exchange and a transaction of obtained control rights in the Period or not

Yes No

(5) On purchasing date or period-end of the combination, combination consideration or fair value of identifiable assets and liability for the acquiree are un-able to confirm rationally

(6)Other explanation

2. Enterprise combine under the same control

(1) Enterprise combined under the same control in the Period

Unit: RMB/CNY

Combined party	Equity ratio obtained in combination	Basis of combined under the same control	Combination date	Standard to determine the combination date	Income of the combined party from period-begin of combination to the combination date	Net profit of the combined party from period-begin of combination to the combination date	Income of the combined party during the comparison period	Net profit of the combined party during the comparison period
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Other explanation:

(2) Combination cost

Unit: RMB/CNY

Consolidation cost	
--Cash	
-- Book value of non-cash assets	
- Book value of debts issued or assumed	
-- The face value of the equity securities issued	
--Contingent consideration	

Explanation on contingent consideration and its changes:

Other explanation:

(3) Book value of the assets and liability of the combined party on combination date

Unit: RMB/CNY

	Consolidation date	End of last period
Assets:		
Monetary fund		
Account receivable		
Inventory		
Fix assets		
Intangible assets		
Liability:		
Loan		
Account payable		
Net assets		
Less: Minority interests		
Net assets acquired		

Contingent liability of the combined party bear during combination:

Other explanation:

3. Counter purchase

Basic transaction information, basis of counter purchase, whether making up business due to the assets and liability reserved by listed company and basis, determination of combination cost, amount and calculation on adjusted equity by equity transaction:

4. Subsidiary disposal

Whether lost controlling rights while dispose subsidiary on one time or not

Yes No

Whether lost controlling rights in the Period while dispose subsidiary on two or more steps or not

Yes No

5. Other reasons for consolidation range changed

Reasons for changed on consolidation range (such as new subsidiary established, subsidiary liquidated etc.)And relevant information:

6. Other

IX. Equity in other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shenzhen Emmelle Industrial Co., Ltd.	Shenzhen	Shenzhen	Distribution of bicycles and spare parts	70.00%		Investment
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	Shenzhen	Shenzhen	Sales of Jewelry, diamonds and gold	65.00%		Investment
Shenzhen Emmelle Cloud Technology Co., Ltd.	Shenzhen	Shenzhen	Software and information technology service sales		49.00%	Investment

Explanation on share-holding ratio in subsidiary different from ratio of voting right:

Nil

Basis for controlling the invested entity with half or below voting rights held and without controlling invested entity but with over half and over voting rights:

Subsidiary of the Company-Shenzhen Emmelle Industry Co., Ltd. (with 70% equity held by the Company) holds 70% equity of Shenzhen Emmelle Cloud Technology Co., Ltd

Controlling basis for the structuring entity included in consolidated range:

Nil

Basis on determining to be an agent or consignor:

Nil

Other explanation:

Nil

(2) Important non-wholly-owned subsidiary

Unit: RMB/CNY

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	35.00%	892,843.30		14,186,018.34

Explanation on share-holding ratio of minority different from ratio of voting right:

Other explanation:

(3) Main finance of the important non-wholly-owned subsidiary

Unit: RMB/CNY

Subsidiary	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	43,904,659.26	153,797.14	44,058,456.40	4,649,218.79		4,649,218.79	45,488,730.47	953,351.29	46,442,081.76	9,533,180.01	38,957.32	9,572,137.33

Unit: RMB/CNY

Subsidiary	Current period incurred				Prior period incurred			
	Operation	Net profit	Total	Cash flow	Operation	Net profit	Total	Cash flow

	revenue		comprehen sive income	from operation activity	revenue		comprehen sive income	from operation activity
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	456,655,37 0.37	2,550,980.8 6	2,550,980.8 6	- 6,632,446.2 8	132,915,43 5.90	2,454,072.5 0	2,454,072.5 0	6,581,755.6 1

Other explanation:

Nil

(4) Major restriction on using corporate assets and liquidate corporate debts

Nil

(5) Financial or other supporting provided to structuring entity that included in consolidated financial statement

Nil

Other explanation:

Nil

2. Transaction that has owners equity shares changed in subsidiary but still with controlling rights

(1) Owners equity shares changed in subsidiary

Nil

(2) Impact on minority's interest and owners' equity attributable to parent company

Unit: RMB/CNY

Purchase cost/disposal consideration	
--Cash	
--Fair value of non-cash assets	
Purchase cost/total disposal consideration	
Less: Subsidiary's share of net assets calculated based on the proportion of acquired/disposed equity	
Difference	
Including: Adjust capital public reserve	
Adjust surplus public reserve	
Adjusted retained profit	

Other explanation:

Nil

3. Equity in joint venture and associated enterprise

(1) Important joint venture or associated enterprise

Joint venture or associated enterprise	Main operation place	Registered place	Business nature	Share-holding ratio		Accounting treatment
				Directly	Indirectly	

Share-holding ratio or shares enjoyed different from voting right ratio:

Nil

Basis of the voting rights with 20% below but with major influence, or without major influence but with over 20% (20% included) voting rights hold:

Nil

(2) Main financial information of the important joint venture

Unit: RMB/CNY

	Ending balance/Current period incurred	Opening balance/Prior period incurred
Current assets		
Including: cash and cash equivalent		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Minority interests		
Shareholders' equity attributable to the parent company		
Share of net assets calculated by shareholding ratio		
Adjustment items		
--Goodwill		
--Unrealized profit of internal trading		
--Other		
Book value of equity investment in joint venture		
Fair value of the equity investment of joint ventures with public offers concerned		
Operation revenue		
Financial expenses		
Income tax expense		
Net profit		

Net profit of discontinuing operation		
Other comprehensive income		
Total comprehensive income		
Dividends received from joint venture in the year		

Other explanation:

Nil

(3) Main financial information of the important associated enterprise

Unit: RMB/CNY

	Ending balance/Current period incurred	Opening balance/Prior period incurred
Current assets		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Minority interests		
Equity attributable to shareholder of parent company		
Share of net assets measured by shareholding		
Adjustment		
--Goodwill		
--Unrealized profit of internal trading		
--Other		
Book value of equity investment in associated enterprise		
Fair value of the equity investment of associated enterprise with public offers concerned		
Operation revenue		
Net profit		
Net profit of discontinuing operation		
Other comprehensive income		
Total comprehensive income		
Dividends received from associated enterprise in the year		

Other explanation:

Nil

(4) Financial summary for un-important joint venture or associated enterprise

Unit: RMB/CNY

	Ending balance/Current period incurred	Opening balance/Prior period incurred
Joint venture:		
Total numbers measured by share-holding ratio		
Associated enterprise:		
Total numbers measured by share-holding ratio		

Other explanation:

Nil

(5) Assets transfer ability has major restriction from joint venture or associated enterprise

Nil

(6) Excess losses from joint venture or associated enterprise

Unit: RMB/CNY

Joint venture or associated enterprise	Cumulative un-confirmed losses	Un-confirmed losses not recognized in the Period (or net profit enjoyed in the Period)	Cumulative un-confirmed losses at period-end
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Other explanation:

Nil

(7) Un-confirmed commitment with investment concerned with joint venture

Nil

(8) Contingent liability with investment concerned with joint venture or associated enterprise

Nil

4. Co-runs operation

Name	Main operation place	Registered place	Business nature	Share-holding ratio/share enjoyed	
				Directly	Indirectly

Share-holding ratio or shares enjoyed different from voting right ratio:

Nil

If the co-runs entity is the separate entity, basis of the co-runs classification

Nil

Other explanation:

5. Equity in structuring entity that excluding in the consolidated financial statement

Relevant explanation

Nil

6. Other

Nil

X. Risks Related to Financial Instruments

XI. Disclosure of fair value

1. Ending fair value of the assets and liabilities measured by fair value

Unit: RMB/CNY

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	--	--	--	--
II. Non-sustaining measured by fair value	--	--	--	--

2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order

The quoted prices without adjustment in the active markets for identical assets or liabilities that are available at the measurement date.

3. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on second-order

The inputs for second-order are inputs other than first-order for which the related assets or liabilities are directly or indirectly observable

4. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on third-order

The third-order inputs are unobservable inputs for the underlying assets or liabilities. The fair value of the bank acceptance bill receivable from bank is determined using the face amount because the probability of loss is small and the recoverable amount is basically determined

5. Adjustment information and sensitivity analysis of unobservable parameters for the fair value measure sustaining and non-persistent on third-order

Nil

6. Sustaining items measured by fair value, as for the conversion between at all levels, reasons for conversion and policy for conversion time point

Nil

7. Changes of valuation technique in the Period

Nil

8. Financial assets and liability not measured by fair value

Nil

9. Other

XII. Related party and related transactions

1. Parent company

Parent company	Registered place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
Wansheng Industrial Holdings (Shenzhen) Co., Ltd.	Shenzhen	General business: investment in establishment of industrial (specific items are separately declared)	500 million Yuan	20.00%	20.00%

Explanation on parent company of the enterprise

Ultimate controller of the Company:

Other explanation:

2. Subsidiary of the Enterprise

Found more in Note VIII-1

3. Associated enterprise and joint venture

Found more in Note

Other associated enterprise and joint venture that have related transaction with the Company in the Period or occurred in previous period

Joint venture or associated enterprise	Relationship with the Company
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Other explanation:

Nil

4. Other related party

Other related party	Relationship with the Company
Shenzhen Zuankinson Jewelry Gold Supply Chain Co., Ltd.	Shareholder of the subsidiary Xinsen Jewelry
Fuzhou Rongrun Jewelry Co., Ltd.	The enterprise under the effective control of Chen Xuejin, wifu of Chen Junrong, the shareholder of Shenzhen Zuankinson Jewelry Gold Supply Chain Co., Ltd.
Fuzhou Zuankinson Jewelry Co., Ltd.	100% equity held by Shenzhen Zuankinson Jewelry Gold Supply Chain Co., Ltd.
Shenzhen Chanjuan Jewelry Co., Ltd.	The enterprise with 30% equity held by actual controller Wang Shenghong

Other explanation:

5. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

Unit: RMB/CNY

Related party	Transaction content	Current period incurred	Approved transaction amount	Whether more than the transaction amount	Prior period incurred
Shenzhen Chanjuan Jewelry Co., Ltd.	Goods purchasing	166,608.44			

Goods sold/labor service providing

Unit: RMB/CNY

Related party	Transaction content	Current period incurred	Prior period incurred
Fuzhou Rongrun Jewelry Co., Ltd.	Sales of goods	96,810,724.96	50,175,247.88
Fuzhou Zuankinson Jewelry Co., Ltd.	Sales of goods	23,137,699.12	

Explanation on goods purchasing, labor service providing and receiving

Nil

(2) Related trusteeship/contract and delegated administration/outsourcing

Trusteeship/contract

Unit: RMB/CNY

Client/ contract-out party	Entrusting party/ contractor	Assets type	Starting date	Maturity date	Yield pricing basis	Income from trusteeship/cont ract
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Explanation on related trusteeship/contract

Nil

Delegated administration/outsourcing

Unit: RMB/CNY

Client/ contract-out party	Entrusting party/ contractor	Assets type	Starting date	Maturity date	Pricing basis of trustee fee/outsourcing fee	Trustee fee/outsourcing fee recognized in the Period
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Explanation on related administration/outsourcing

Nil

(3) Related lease

As a lessor for the Company::

Unit: RMB/CNY

Lessee	Assets type	Lease income recognized in the Period	Lease income recognized in prior Period
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As a lessee for the Company:

Unit: RMB/CNY

Lessor	Assets type	rental cost for short-term leases and low-value assets leases with simplified processing (if applicable)		Variable lease payment not included in the measurement of leasing liability (if applicable)		Rental paid		Interest expenses assumed on lease liability		Right-of-use assets increased	
		Current period incurre	Prior period incurre	Current period incurre	Prior period incurre	Current period incurre	Prior period incurre	Current period incurre	Prior period incurre	Current period incurre	Prior period incurre

		d	d	d	d	d	d	d	d	d	d
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Explanation on related lease

Nil

(4) Related guarantee

As a guarantor for the Company

Unit: RMB/CNY

Secured party	Amount guarantee	Starting date	Due date	Guarantee completed (Y/N)
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As a secured party for the Company

Unit: RMB/CNY

Guarantor	Amount guarantee	Starting date	Due date	Guarantee completed (Y/N)
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Explanation on related guarantee

Nil

(5) Borrowed funds of related party

Unit: RMB/CNY

Related party	Borrowed funds	Starting date	Due date	Note
Borrowing				
Lending				

(6) Assets transfer and debt restructuring of related party

Unit: RMB/CNY

Related party	Transaction content	Current period incurred	Prior period incurred
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(7) Remuneration of key manager

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Remuneration of key manager	1,417,895.39	1,457,847.63

(8) Other related transactions

Nil

6. Receivable/payable items of related parties

(1) Receivable item

Unit: RMB/CNY

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Fuzhou Rongrun Jewelry Co., Ltd.	44,987,445.10		4,146,308.99	
Account receivable	Fuzhou Zuankinson Jewelry Co., Ltd.	19,085,600.00			

(2) Payable item

Unit: RMB/CNY

Item	Related party	Ending book balance	Opening book balance
Other account payable	Shenzhen Guosheng Energy Investment Development Co., Ltd.	6,500,000.00	6,500,000.00
Account payable	Shenzhen Chanjuan Jewelry Co., Ltd.	144,642.53	33,699.49

7. Commitments of related party

Nil

8. Other

Nil

XIII. Share-based payment

1. General share-based payment

Applicable Not applicable

2. Share-based payment settled by equity

Applicable Not applicable

3. Share-based payment settled by cash

Applicable Not applicable

4. Revised and termination on share-based payment

Nil

5. Other

Nil

XIV. Commitment or contingency

1. Important commitments

Important commitments in balance sheet date

Nil

2. Contingency

(1) Contingency on balance sheet date

Nil

(2) For the important contingency not necessary to disclosed by the Company, explained reasons

The Company has no important contingency that need to disclosed

3. Other

Nil

XV. Events after balance sheet date

1. Important non-adjustment items

Unit: RMB/CNY

Item	Content	Impact on financial status and operation results	Reasons on un-able to estimated the impact number
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2. Profit distribution

Unit: RMB/CNY

3. Sales return

Nil

4. Other events after balance sheet date

Nil

XVI. Other important events

1. Previous accounting errors collection

(1) Retrospective restatement

Unit: RMB/CNY

Correction content	Treatment procedures	Impact items of statement during a comparison	Cumulative impacted number
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(2) Prospective application

Correction content	Approval procedures	Reasons for prospective application adopted
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2. Debt restructuring

Nil

3. Assets replacement

(1) Non-monetary assets change

Nil

(2) Other assets replacement

Nil

4. Pension plan

Nil

5. Discontinued operations

Unit: RMB/CNY

Item	Revenue	Expenses	Total profit	Income tax expense	Net profit	Discontinued operations profit attributable to owners of parent company
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Other explanation:

Nil

6. Segment

(1) Recognition basis and accounting policy for reportable segment

Nil

(2) Financial information for reportable segment

Unit: RMB/CNY

Item		Offset between segments	Total

(3) The Company has no reportable segments, or unable to disclose total assets and total liability for reportable segments, explain reasons

Nil

(4) Other explanation

Nil

7. Major transaction and events makes influence on investor's decision

Nil

8. Other

Nil

XVII. Principle notes of financial statements of parent company

1. Account receivable

(1) Category

Unit: RMB/CNY

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual by single basis	19,829,097.29	8.63%	15,489,402.18	78.11%	4,339,695.11	21,655,872.02	77.75%	4,990,682.02	64.16%	16,665,190.00

Including:										
Accounts with single significant amount but with bad debts provision accrued individually	15,780,156.69	6.87%	12,624,125.35	80.00%	3,156,031.34	18,925,666.88	67.95%	3,785,133.38	20.00%	15,140,533.50
Accounts with single minor amount but with bad debts provision accrued individually	4,048,940.60	1.76%	2,865,276.83	70.77%	1,183,663.77	2,730,205.14	9.80%	1,205,548.64	44.16%	1,524,656.50
Account receivable with bad debt provision accrual by portfolio	210,053,360.30	91.37%	630,160.08	0.30%	209,423,200.22	6,195,911.60	22.25%	18,587.74	0.30%	6,177,323.86
Including:										
Account receivable withdrawal bad debt provision by group of credit risk characteristics (Aging analysis method)	210,053,360.30	91.37%	630,160.08	0.30%	209,423,200.22	6,195,911.60	22.25%	18,587.74	0.30%	6,177,323.86

Total	229,882,457.59	100.00%	16,119,562.26	70.01%	213,762,895.33	27,851,783.62	100.00%	5,009,269.76	17.99%	22,842,513.86
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Bad debt provision accrual on single basis:Accounts with single significant amount but with bad debts provision accrued individually

Unit: RMB/CNY

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Reason for accrual
Guangshui Jiayu Energy Technology Co., Ltd.	15,780,156.69	12,624,125.35	80.00%	该客户已停工停产，预计收回难度大，公司已对该客户进行起诉。
Total	15,780,156.69	12,624,125.35		

Bad debt provision accrual on single basis:Accounts with single minor amount but with bad debts provision accrued individually

Unit: RMB/CNY

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Reason for accrual
Shenzhen Emmelle Industrial Co., Ltd.	933,191.88			合并内 Related party 不 Accrual 坏账
Suzhou Jiabin Economic Trade Co., Ltd.	888,757.00	888,757.00	100.00%	预计收回难度大
Dongguan Daxiang New Energy Co., Ltd.	676,734.00	676,734.00	100.00%	预计收回难度大
Suzhou Daming Vehicle Industry Co., Ltd.	649,688.00	519,750.40	80.00%	预计收回难度大
Guangdong Xinlingjia New Energy Co., Ltd.	348,136.00	348,136.00	100.00%	预计收回难度大
Hubei Topsdun Eletronic Tech. Co., Ltd.	241,068.58	120,534.29	50.00%	预计收回难度大
Tianjin Huihui Electric Vehicle Co., Ltd.	116,840.14	116,840.14	100.00%	预计收回难度大
Other	194,525.00	194,525.00	100.00%	预计收回难度大
Total	4,048,940.60	2,865,276.83		

Bad debt provision accrual on portfolio:Accounts receivable with provision for bad debts by aging analysis method

Unit: RMB/CNY

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Within one year(one year included)	210,053,360.30	630,160.08	0.30%
Total	210,053,360.30	630,160.08	

Explanation on portfolio basis:

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

Unit: RMB/CNY

Account age	Book balance
Within one year(one year included)	229,882,457.59
Total	229,882,457.59

(2) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Accrual of bad debt provision for account receivable in the Period		11,110,292.50				
Total		11,110,292.50				

Including important amount of bad debt provision collected or reversal in the period:

Unit: RMB/CNY

Enterprise	Amount collected or reversal	Collection way

(3) Account receivables actually write-off during the reporting period

Unit: RMB/CNY

Item	Amount written off

Including major account receivables write-off:

Unit: RMB/CNY

Enterprise	Nature	Amount written off	Causes	Procedure	Amount cause by related transactions or not (Y/N)

Explanation on account receivable write-off:

Nil

(4) Top five account receivables collected by arrears party at ending balance

Unit: RMB/CNY

Enterprise	Ending balance of accounts receivable	Proportion of total closing balance of accounts receivable	Ending balance of bad bet provision
Shenzhen Yunshang Jewelry Co., Ltd.	52,165,655.00	22.69%	156,496.97
Shenzhen Hualinglong Jewelry Culture Tech. Co., Ltd.	37,514,073.30	16.32%	112,542.22
Fuzhou Rongrun Jewelry Co., Ltd.	32,393,000.00	14.09%	97,179.00

Fuzhou Cangshan Dingjue Jewelry Firm	25,756,505.00	11.20%	77,269.52
Fuzhou Zuankinson Jewelry Co., Ltd.	19,085,600.00	8.30%	57,256.80
Total	166,914,833.30	72.61%	

(5) Assets and liability resulted by account receivable transfer and continuous involvement

Nil

Other explanation:

Nil

(6) Account receivable derecognition due to transfer of financial assets

Nil

2. Other account receivable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Other account receivable	209,606.79	70,451.01
Total	209,606.79	70,451.01

(1) Interest receivable

1) Category

Unit: RMB/CNY

Item	Ending balance	Opening balance
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2) Important overdue interest

Unit: RMB/CNY

Borrower	Ending balance	Overdue time	Overdue reason	Impairment (Y/N) and judgment basis
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Other explanation:

Nil

3) Accrual of bad debt provision

Applicable Not applicable

(2) Dividend receivable

1) Category

Unit: RMB/CNY

Item (or the invested entity)	Ending balance	Opening balance
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2) Important dividend receivable with over one year aged

Unit: RMB/CNY

Item (or the invested entity)	Ending balance	Account age	Causes of failure for collection	Impairment (Y/N) and judgment basis
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3) Accrual of bad debt provision

Applicable Not applicable

Other explanation:

Nil

(3) Other account receivable

1) By nature

Unit: RMB/CNY

Nature	Ending book balance	Opening book balance
Deposit or margin	70,963.00	70,963.00
Payment for equipment	11,400.00	11,400.00
Reserves	20,198.00	200.00
Other	119,576.50	
Total	222,137.50	82,563.00

2) Accrual of bad debt provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on January 1, 2022	12,111.99			12,111.99
January 1, 2022 balance in the current period				
Accrual in the Period	418.72			418.72
Balance on December 31, 2022	12,530.71			12,530.71

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

By account age

Unit: RMB/CNY

Account age	Book balance
Within one year(one year included)	139,574.50
2-3 years	70,663.00
Over 3 years	11,900.00
Over 5 years	11,900.00
Total	222,137.50

3) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Accrual of bad debt provision for other account receivable in the Period	12,111.99	418.72				12,530.71
Total	12,111.99	418.72				12,530.71

Important amount of bad debt provision switch-back or collection in the period:

Unit: RMB/CNY

Enterprise	Amount switch-back or collection	Collection way
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4) Other account receivables actually write-off during the reporting period

Unit: RMB/CNY

Item	Amount written off
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Including major other account receivables write-off:

Unit: RMB/CNY

Enterprise	Other Nature	Amount written off	Causes	Procedure	Amount cause by related transactions or not (Y/N)
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Other Explanation on account receivable write-off:

Nil

5) Top 5 other account receivable collected by arrears party at ending balance

Unit: RMB/CNY

Enterprise	Nature	Ending balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad bet provision
Shenye Pengji (Group) Co., Ltd.	Deposit or margin	60,222.00	1-2 years	27.11%	180.67
Huang Zeqi	Reserves	19,998.00	1-2 years	9.00%	59.99
Shenzhen Hongkang Instrument Technology Co., Ltd.	Payment for equipment	11,400.00	Over 5 years	5.13%	11,400.00
Shenzhen Pengji Property Management Service Co., Ltd.	Deposit or margin	10,441.00	1-2 years	4.70%	31.32
Shenzhen Color Life Property Management Co., Ltd. Lianxin Home Branch	Deposit or margin	300.00	Over 5 years	0.14%	300.00
Total		102,361.00		46.08%	11,971.98

6) Account receivable with government subsidy involved

Unit: RMB/CNY

Enterprise	Government subsidy	Ending balance	Ending account age	Time, amount and basis of amount collection estimated
Nil				

7) Other account receivable derecognition due to financial assets transfer

Nil

8) Assets and liability resulted by other account receivable transfer and continuous involvement

Nil

Other explanation:

Nil

3. Long-term equity investment

Unit: RMB/CNY

Item	Ending balance	Opening balance
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	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	19,960,379.73		19,960,379.73	19,960,379.73		19,960,379.73
Total	19,960,379.73		19,960,379.73	19,960,379.73		19,960,379.73

(1) Investment for subsidiary

Unit: RMB/CNY

The invested entity	Opening balance(Book value)	Changes in the period (+, -)				Ending balance(Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Accrual of impairment provision	Other		
Shenzhen Emmelle Industrial Co., Ltd.	10,379.73					10,379.73	
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	19,950,000.00					19,950,000.00	
Total	19,960,379.73					19,960,379.73	

(2) Investment for associates and joint venture

Unit: RMB/CNY

Funded enterprise	Opening balance (Book value)	Changes in the period (+, -)								Ending balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture											
II. Associated enterprise											

(3) Other explanation

Nil

4. Operation revenue and operation cost

Unit: RMB/CNY

Item	Current period incurred		Prior period incurred	
	Revenue	Cost	Revenue	Cost
Main business	266,611,588.18	253,367,696.62	23,505,830.29	23,100,454.32
Other business	568,558.49	120,538.07	4,693,393.21	1,232,802.37

Total	267,180,146.67	253,488,234.69	28,199,223.50	24,333,256.69
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Revenue:

Unit: RMB/CNY

Contract type	1# Division	2# Division		Total
Product type				
Including:				
Gold jewelry	261,673,540.71			261,673,540.71
Lithium battery material for bicycles and other		630,341.33		630,341.33
Classification by business area				
Including:				
Market or customer type				
Including:				
Contract type				
Including:				
Classification by time of goods transfer				
Including:				
Classification by contract duration				
Including:				
Classification by sales channel				
Including:				
Total	266,611,588.18			267,241,929.51

Information relating to performance obligation:

Nil

Information relating to the transaction price assigned to the remaining performance obligation:

The amount of income corresponding to the performance obligations that have been signed at the end of this reporting period but have not yet been fulfilled or have not done with fulfillment is 0.00 yuan, among them, yuan of revenue is expected to be recognized in YEAR, yuan of revenue is expected to be recognized in YEAR, and yuan of revenue is expected to be recognized in YEAR.

Other explanation:

Nil

5. Investment income

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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6. Other

Nil

XVIII. Supplementary Information

1. Current non-recurring gains/losses

Applicable Not applicable

2. ROE and EPS

Profits during report period	Weighted average ROE	Earnings per share	
		Basic EPS(RMB/Share)	Diluted EPS(RMB/Share)
Net profit attributable to common shareholder of the Company	-14.30%	-0.013	-0.013
Net profit attributable to common shareholder of the Company after deducting nonrecurring gains and losses	-14.36%	-0.013	-0.013

3. Difference of the accounting data under accounting rules in and out of China

(1) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

(2) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

(3) Explain accounting difference over the accounting rules in and out of China; as for the difference adjustment for data audited by foreign auditing organ, noted the name of such foreign organ

Nil

4. Other

Nil

**Board of Directors of
Shenzhen China Bicycle Company (Holdings) Limited
21 April 2023**