

Shenzhen China Bicycle Company (Holdings) Limited

Annual Report of 2020

April 2021

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.

Li Hai, Principal of the Company, Sun Longlong, person in charge of accounting works and Zhong Xiaojin, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of 2020 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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Interpretation

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Section II. Company Profile and Main Financial Indexes

I. Company information

Short form of the stock	*ST Zhonghua –A, *ST Zhonghua –B	Code for share	000017, 200017
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	Li Hai		
Registrations add.	No. 3008, Buxin Rd., Shenzhen		
Code for registrations add	518019		
Offices add.	501 Zhongxin Technology Building, No.31 Bagua Rd., Bagualing, Futian District, Shenzhen		
Codes for office add.	518029		
Company's Internet Web Site	www.cbc.com.cn		
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

Newspaper appointed for information disclosure	<i>Securities Times; Hong Kong Commercial Daily</i>
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Website for annual report publish appointed by CSRC	Juchao Website (www.cninfo.com.cn)
Preparation place for annual report	501 Zhongxin Technology Building, No.31 Bagua Rd., Bagualing, Futian District, Shenzhen

IV. Registration changes of the Company

Organization 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.</p>

V. Other relevant information

CPA engaged by the Company

Name of CPA	Baker Tilly China Certified Public Accountants (LLP)
Offices add. for CPA	A-1 and A-5 of No.68 Building, No.19 Chegongzhuang West Road, Haidian District Beijing
Signing Accountants	Chen Zhigang, Zhang Lei

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

Applicable Not applicable

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

	2020	2019	Changes over last year (+,-)	2018
Operating income (RMB)	117,857,480.17	76,022,687.75	55.03%	119,906,950.34
Net profit attributable to shareholders of the listed company (RMB)	3,785,834.68	-7,186,905.64	155.44%	-1,591,968.91
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	3,071,751.90	-7,370,499.83	143.29%	-1,837,914.46
Net cash flow arising from operating activities (RMB)	3,942,228.96	-13,791,941.34	128.58%	-9,479,474.16
Basic earnings per share (RMB/Share)	0.0069	-0.0130	155.38%	-0.0029
Diluted earnings per share (RMB/Share)	0.0069	-0.0130	155.38%	-0.0029
Weighted average ROE	42.01%	-53.69%	95.70%	-10.54%
	Year-end of 2020	Year-end of 2019	Changes over end of last year (+,-)	Year-end of 2018
Total assets (RMB)	91,742,769.99	62,733,602.58	46.24%	73,242,960.17
Net assets attributable to shareholder of listed company (RMB)	10,905,230.98	7,119,396.30	53.18%	14,306,301.94

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

In RMB

	Q 1	Q 2	Q 3	Q 4
Operating income	7,434,449.73	35,221,905.48	40,216,980.94	34,984,144.02
Net profit attributable to shareholders of the listed company	-591,902.33	3,389,545.83	2,465,571.65	-1,477,380.47
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-692,274.89	2,890,182.46	2,379,318.61	-1,505,474.28
Net cash flow arising from operating activities	459,865.86	890,530.08	1,866,001.79	725,831.23

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 profit (gains)/loss

Applicable Not applicable

In RMB

Item	2020	2019	2018	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	24,936.44		-85,730.05	
Switch-back of provision of impairment of account receivable and contractual assets which are treated with separate depreciation test			219,118.00	
Other non-operating income and expenditure except for the aforementioned items	754,370.46	194,691.02	261,141.96	

Less: Impact on income tax	0.18	48,672.76	98,632.48	
Impact on minority shareholders' equity (post-tax)	65,223.94	-37,575.93	49,951.88	
Total	714,082.78	183,594.19	245,945.55	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*

Section III. Summary of Company Business

I. Main businesses of the company in the reporting period

The Company shall comply with the disclosure requirement of “Guidelines on Industry Information Disclosure of Shenzhen Stock Exchange No. 11- Listed Company Engaged in Jewelry-related Business”

During the reporting period, the company’s main businesses were bicycles and lithium battery materials business, and jewelry gold business. (1) Bicycles and lithium battery materials business included the production, assembly, procurement, and sales of bicycles and electric bicycles, and purchase, sales, and commissioned processing of lithium battery materials, etc.; (2) The gold jewelry business mainly provided supply chain management and services in the vertical field of gold jewelry. The company connected with downstream gold jewelry brands, purchased gold and diamonds according to their product needs, and then commissioned gold jewelry processing plants for processing, made product certification for the processed finished products after passing the inspection, and delivered them to downstream customers. Through the integration of upstream supplier resources and downstream customer resources, the turnover rate of gold jewelry products in the upstream and downstream was improved, the cost of circulation links was reduced, and the overall competitive advantage of the upstream and downstream was formed.

Since the company’s jewelry-related operating revenue in 2020 accounted for more than 30% of the company’s audited revenue for the most recent fiscal year, the company must comply with the disclosure requirements of "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 11 - Listed Companies Engaged in Jewelry Related Business", the specific disclosure requirements are as follows:

1. The company's main business models during the reporting period

1.1 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.

1.2. 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.

1.3 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. The development trend and competitive landscape of the industry in which the company is located

Regarding the gold and jewelry industry, in the context of our country's sustained and rapid economic growth and rising per capital income, the consumption of jewelry not only meets the demand for value preservation, but also is the need for people to pursue fashion and show their individuality. At present, our country is one of the world's largest, most important, and fastest-growing jewelry markets. The consumption of many jewelry categories is in the front rank of the world, among them, the sales of gold, silver, platinum, jade, pearls and other products rank first in the world. Our country's jewellery gold industry market has formed a tripartite pattern of domestic, Hong Kong and foreign brands, and the market share continues to concentrate. At present, our country's per capital jewelry consumption is still far below that of developed countries, and our country's jewelry gold consumption market still has a lot of room for improvement, but the market is highly competitive. In August 2019, the company invested in the establishment of a holding subsidiary Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., and began to get involved in the jewelry gold supply chain business.

2.1. Industry development trend

(1) The market scale is increasing year by year, and consumers in third- and fourth-tier cities have become a potential force in jewelry consumption

The market scale of our country's jewelry industry has been increasing year by year, and the industry growth rate has shown a fluctuation trend. From 2014 to 2019, the market size of our country's jewelry industry increased from 567.4 billion yuan to 750.3 billion yuan. Since 2017, the growth rate of our country's jewelry industry has also increased year by year. In 2019, the growth rate of the jewelry industry reached 8%. According to Frost&Sullivan data, the growth rate of the jewelry market in third-tier and lower-tier cities from 2010 to 2015 reached up to 45.3%, far exceeding the level of 31.9% in first-tier cities. According to DeBeers data, in 2016, our country's total diamond consumption/total ratio in second-tier cities accounted for 37%/30%; the total diamond consumption/total ratio in third-tier cities accounted for 37%/43%, both exceeding the level of first-tier cities. In the future, third- and fourth-tier cities will have a vast market space and show huge growth potential, and the third- and fourth-tier cities will become the main market for the growth of jewelry companies in the future. The layout of the third- and fourth-tier jewelry terminal channels has become an important strategic choice for jewelry companies to broaden their performance territory, expand their brand influence, and enhance their company strength.

(2) The gold and jewellery industry is in a mature stage, and there is still much room for improvement in domestic per capita consumption

Observing from the growth rate of the industry scale, the global and domestic gold and jewelry industries are already in a period of obvious maturity. According to Euromonitor data, the global gold and jewelry industry scale in 2019 was US\$352.5 billion/+0.6%, with a 5-year CAGR of 2.5%; during the same period, the domestic gold jewelry industry was US\$109.7 billion, with a 5-year

CAGR of 4.7% (Affected by the epidemic in 2020, the scale of the industry has declined significantly, here is the calculation selected from 2014-2019). The scale of the global and domestic gold and jewelry industry is still growing, but the growth center has moved down significantly, and the industry is already in an obviously maturity period.

Mainland China has become the world's largest regional market for jewelry consumption, according to Euromonitor data, the scale of jewelry consumption in Mainland China reached US\$109.7 billion in 2019, making it the world's largest regional market, with the United States and India respectively accounting for US\$73.1 billion/69.1 billion U.S. dollars came next. However, from the perspective of per capital jewelry consumption, the level in mainland China is still significantly lower. In 2019, the per capita jewelry consumption in mainland China was 73.4 US dollars, while the top three Hong Kong, China, the United States, and Canada were 785.9/222.6/163.6 US dollars respectively. The per capital consumption in Hong Kong, China reflects the ceiling that Chinese people who love jewelry can reach when their income is relatively high. If this is used as a time comparison, there is still a lot of room for improvement in per capital jewelry consumption in mainland China. From 2011 to 2019, the per capital consumption of jewellery in mainland China increased from US\$44 to US\$73.4, with a CAGR of 6.6% (Affected by the epidemic in 2020, per capital consumption has declined significantly, here is the calculation selected from 2014-2019). With the increase in the level of living income and the penetration of jewelry consumption concepts, there is still ample room for the future growth of the jewelry consumer market in mainland China.

(3) Consumers learn about jewelry brands and products online, forming online and offline linkages

The Internet era has provided a more convenient and more extensive way of sharing information, which has guided consumers' needs and choices. Jewelry brand companies provide customers with consumer strategies through major new media sharing platforms at home and abroad, such as Xiaohongshu, Instagram, Tik Tok, etc., so as to create consumer demand and realize consumer guidance. Realizing the effective combination of online and offline through information technology makes it easier for consumers to understand product information, share product experience, and have easy and convenient shopping. According to Taobao live broadcast data, in 2018, jewellery ranked first in the industry with the highest turnover driven by live broadcasts. The development of sharing platforms and e-commerce platforms has changed the consumption habits of consumers, especially the younger generation. Consumers can more easily understand product features and share user experience online, which has become an important trend in product promotion and future sales.

(4) Brand and design capabilities will become the new growth engine of the jewelry industry

As millennials gradually become an important force in the consumer market, changing consumer concepts are quietly affecting the trend of the jewelry market, and the consumer preferences of the new generation of consumer subjects are leading the market trend. Compared with traditional consumers, emerging consumer groups pay more attention to the design, craftsmanship, style and brand value of jewellery products, hoping to meet their needs to show their taste and personality. The daily consumption demand of such consumers for self-wearing and decoration and self-rewarding has increased. The demand for jewelry is not limited to major festivals or wedding celebrations, the younger generation prefers to use jewelry for self-rewarding, expressing love, or designing instead of whether it is full gold or not, consumer behavior tends to be more routine, which effectively increases the repurchase rate of jewelry products. By focusing on improving the decorative value of products, satisfying consumers' needs for aesthetic and individual expression, and seeking higher brand premiums and design premiums, branding and design are expected to bring new growth momentum to the jewelry industry.

(5) Supply chain management will become an important operating method for jewelry companies

From the perspective of the supply chain of the jewelry industry, it mainly involves raw material mining, processing and smelting, rough processing, jewelry making, warehousing, distribution and sales. In recent years, the division of labor in the jewelry industry has deepened and market competition has become increasingly fierce. The premiums for design and development, marketing networks and after-sales services have continued to increase, and more and more profits have been concentrated in the terminal.

Many companies optimize their supply chain by outsourcing production links with low gross profit margin and large investment, so as to achieve the purpose of shortening the cash turnover time and improving the overall profitability. Supply chain management has become an important means for jewellery companies to improve their operational capabilities.

2.2. The company's competitive advantages in the jewelry and gold business

(1) High-quality upstream supplier system

At present, the company has established relatively stable cooperative relationships with major domestic and foreign diamond suppliers and processors, and has advantages in raw material procurement costs, order production cycles and product quality control, and can continuously reduce supply chain costs and operational efficiency.

(2) Diversified downstream market channels and customer resources

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

(3) Improve the industrial chain of production design

The company has a one-stop industrial chain docking module of design, production, processing, testing, and wholesale. Brand owners can rely on our jewelry processing resource advantages and hand over lower value-added links such as manufacturing and distribution to the company, thus focus on the brand operation and sales section with higher added value. The outsourcing of production and design can improve the homogeneity 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 access standards, customer evaluation systems, full-process order tracking systems, and purchase price comparison systems, achieved the three-flow closed-loop control of capital flow and information flow and logistics through the integrated service platform of the supply chain system and the integrated solutions to funds management, and realized multi-level risk control.

In the bicycle and 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 implementation of the new national standards for safety technical specifications of electric bicycle in April 2019 accelerated the reshuffle of the industry and formed a new round of industry shocks. In addition, on the basis of the violent shock of shared bicycles with capital advantages on the bicycle industry and upstream supply chain operations in the past few years, the aftershocks continue to impact the recovery of the industry due to the lack of profit model and capital chain problems. At the same time, the bicycle industry as a traditional manufacturing field has also ushered in an important opportunity to accelerate transformation and upgrading under the guidance of the "Made in China 2025" strategy of strengthening the country under the guidance of the basic policy of "innovation-driven, quality-first, green development, structural optimization, and talent-oriented", ushered in the development opportunities for the implementation of the new national standards for electric bicycles, and faced important opportunities and challenges of e-commerce development on channel impact, channel integration and Internet+. Our country 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. 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. Major changes in main assets

1. Major changes in main assets

Major assets	Note of major changes
Intangible assets	Amortization ends for intangible assets in the Period
Monetary fund	The cooperation deposit and advance rent received from the Zhonghua Garden (Phase II)
Account receivable	Trade receivables increased from jewelry and gold business

2. Main overseas assets

Applicable Not applicable

III. Core Competitiveness Analysis

Despite the fierce market competition in the bicycle industry as a conventional industry, the increased awareness of green commuting, leisure and exercises as a result of the development of China's social economy and the change of people's living concept creates structural development opportunity for the bicycle industry. The Company will continue to do better in various aspects of operation such as market development, product development, quality management and sales of e-commerce, extended and expansion the application of upstream & downstream industry for the industrial chain step by step, so as to maintain and improve the Company's ability to continue as a going concern before the restructuring. During the reporting period, the Company newly develops jewelry and god supply chain business and expands the business dimensions. 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. According to actual operation development, in February 2020, the two parties are decided to increase the capital of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd to 20 million yuan in the same proportion. Relevant registration capital is fully funded in June 2020. In order to meet the future business development needs of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., it will enhance its financial strength, comprehensive competitiveness and anti-risk capabilities. In August 2020, the company and the joint venture partner, Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. decided to jointly increase the capital of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. in the same proportion, increasing the registered capital from 20 million yuan to 200 million yuan, of which, the company newly increased capital of 117 million yuan, which was successively invested in accordance with its own funds and the availability of funds raised from the non-public issuance of A shares; Zuankinson Jewelry newly increased capital of 63 million yuan, a total of 180 million yuan increased. The above mentioned capital increase event has been deliberated and approved by the second extraordinary general meeting of shareholders of 2020 dated 21 August 2020. On the other hand, the Company sets the conditions for introducing the restructuring party in the reorganization plan, expecting to restore the sustainable operation ability and sustainable profitability through asset restructuring.

In addition, the Company is trying to carry out the issuance of non-public shares, hoping to improve the operating strength and development momentum. On May 15, 2020, the company held the first extraordinary general meeting of shareholders in 2020, which reviewed and approved the company's termination of the 2016 non-public issuance of shares and at the same time launched the plan for the 2020 non-public issuance of A shares, intending to raise funds of no more than 450 million yuan from 5 specific investors through non-public issuance of stocks, and all the raised funds would be used to supplement working capital after deducting the issuance costs. After the CSRC accepted and the company's intermediary agency responded to a feedback from the CSRC, at the end of November 2020, in view of the changes in relevant regulatory policies and the capital market environment, and comprehensively considering the actual situation and other factors and fully communicating and prudently demonstrating with relevant parties, the company decided to terminate the non-public offering and applied to the China Securities Regulatory Commission to withdraw the relevant application materials. On December 24, 2020, the China Securities Regulatory Commission decided to terminate the review of the administrative license application. On December 30, 2020, the company held the third extraordinary general meeting of shareholders in 2020, and reviewed and approved the new plan for non-public issuance of A shares, intending to raise funds from Wansheng Industrial Company through non-public issuance of shares not exceeding 293.6 million yuan, which would be used to supplement working capital after deducting issuance costs, this issuance would lead to changes in the company's right of control. After the Securities Regulatory Commission accepted and sent a feedback notice, the company and the intermediary agencies have completed the response work on April 21, 2021, and follow-up related work is in progress.

Section IV. Discussion and Analysis of the Business

I. Introduction

In 2020, the sudden epidemic brought serious threats to the lives and health of people in all countries, and caused severe impacts on the world economy. The social economy faced serious difficulties, the company's operations were blocked, and the upstream and downstream supply and sales links were blocked, the company's operations faced special risks. In response to the epidemic, under the leadership of the party and government, the people of the whole country have taken effective prevention and control measures based on their own conditions and achieved positive results. While doing a good job in the prevention and control of the epidemic, the government, enterprises, and employees have made concerted efforts to restore economic and social development and enterprise production and operation. The government has taken multiple measures to stabilize people's livelihood and enterprises and employment, and the company increased revenue and cut expenditures to ensure business and stability and survival and development. The government's assistance measures for enterprises include extending holidays, returning social security to stabilize employment, issuing post-stabilization subsidies, exempting enterprise pension insurance, issuing anti-epidemic subsidies, providing loan discounts and liquidity support, etc. The company's measures include extending holidays, strengthening disinfection and epidemic prevention, home office, flexible office and other measures, doing everything possible to maintain upstream and downstream business, adopting capital vitalization, optimizing and adjusting business premises, and reducing expenses to ensure corporate cash flow, creating conditions to ensure the health of employees, the stability of the team, the stability of the society and the guarantee of employment, and contributing the enterprise's strength for success of the epidemic prevention and control. With the joint efforts of the government, enterprises, and employees, the company's operating business began to gradually recover at the end of the first quarter, and the business recovery and development in the second, third and fourth quarters were generally smooth. The annual revenue from jewelry gold business was 87.06 million yuan (accounting for about 74% of total operating revenue), and the business revenue from bicycle lithium battery materials was 30.8 million yuan (accounting for about 26% of total operating revenue). After endogenous development, the jewelry gold business has become the company's core main business in 2020. In 2020, the company was recognized as a high-tech enterprise (certificate number GR202044200651). According to the "Enterprise Income Tax Law of the People's Republic of China" and the relevant provisions of the country's preferential tax policies for high-tech enterprises, the company has enjoyed the relevant preferential tax policies for high-tech enterprises for three consecutive years (from 2020 to 2022) after being identified as a high-tech enterprise, namely pay corporate income tax at a tax rate of 15%. The company will continue to conscientiously do a good job in epidemic prevention and control and the development of enterprise production and operation.

In 2020, combine actual condition of financially insecure after reorganization, on the one hand, we adhere to traditional business model development, in combination with the new national standard of safety technical specifications for electric bicycle, the Company carry out R&D works on the products. Optimize and adjust the product structure and sales mode transformation, actively expand the e-commerce business model in accordance with the e-commerce transformation of business team and controllable cost of internal & external connections, so as to realize the stable development of e-commerce for retail business; at the same time, based on the long-term process of the electric bicycle business, the follow-up research of related industrial projects and technology applications in the upstream and downstream of the industrial chain have been carried out accordingly, and on the basis of extensive business contacts and businesses in previous years, it continued to expand the lithium battery material business to enrich the main business. On the one hand, continued to promote the development of the jewelry gold supply chain business and expand the business dimension. In August 2019, the company and Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. jointly invested 6.5 million yuan to establish Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., the company holding 65% of the shares as the controlling shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., while Zuankinson Jewelry holding 35% of the

shares. According to the actual situation of business development, in February 2020, the two parties decided to increase the capital of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. to 20 million yuan in the same proportion, and the relevant registered capital have been in place in June 2020. In order to meet the future operation and development needs of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., and enhance its financial strength, comprehensive competitiveness and anti-risk ability, the company signed a capital increase contract with the joint venture Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. in August 2020, and once again increased capital to Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. in the same proportion, and the registered capital was increased from 20 million yuan to 200 million yuan, of which the company increased capital of 117 million yuan, which would be successively invested in accordance with its own funds and the availability of funds raised from the non-public issuance of A shares; Zuankinson Jewelry newly increased capital of 63 million yuan, totaling 180 million yuan. On August 21, 2020, the company's 2020 second extraordinary general meeting of shareholders reviewed and approved the above capital increase. On the one hand, we strived to promote the selection of the company's restructuring party and plan for the non-public issuance of stocks, hoping to improve the company's business strength and development potential.

In terms of planning for the non-public offering of shares, on 15 May 2020, the Company held the First Extraordinary Shareholders General Meeting of 2020 to considered and approved the termination of non-public offering of shares in 2016 and simultaneous launch the proposal for the non-public offering of A-share in 2020. that is raising funds by way of non-public offering of shares to five specific investors with fund not exceed 450 million yuan, which will be fully used to replenish the working capital after deducting the offering expenses. At the end of November 2020, after the CSRC accepted and intermediaries responded to the First Feedback of CSRC, the Company decided to terminate the non-public offering and applied to the CSRC to withdraw relevant application materials in view of the changes in relevant regulatory policies and capital market environment, taking into account the actual situation and other factors, and after sufficient communication and prudent argumentation with relevant parties. On 24 December 2020, the CSRC decided to terminate the review of the administrative license application. On 30 December 2020, the Company held the Third Extraordinary Shareholders General Meeting of 2020 to considered and approved the new non-public offering. The total amount of funds to be raised from Wansheng Industrial Company through non-public offering of shares shall not exceed 293.6 million yuan, which will be used to supplement the working capital after deducting offering expenses. The offering of shares this time will lead to a change in control right of the Company. After the CSRC accepted and sent a First Feedback Notice, the Company and intermediary institutions have completed the response works on 21 April 2021 and follow-up related works are in progress.

In 2020, in order to promote the Phase II renovation of Zhonghua Garden and solve the historical legacy of licensing issues, the company and Shenzhen Jianzhi Industrial Co., Ltd. signed the "Urban renewal project of Zhonghua Garden (Phase II) Cooperation Contract". The contract has been reviewed and approved by the company's board meeting and the general meeting of shareholders and announced to take effect, and our company and Shenzhen Jianzhi Industrial Co., Ltd. Have established a working team to jointly promote contract performance and related affairs.

Through various efforts to carry out, in 2020, the Company achieved an operation revenue of 117.8575 million yuan, net profit of 4.3757million yuan, and the net profit attributable to shareholder of listed company was 3.7858million yuan.

Item	Period-end or current period	Period-begin or last period	Y-o-y changes (+,-)	Note of major changes
Operation revenue	117,857,480.17	76,022,687.75	55.03%	Revenue from jewelry and gold business increased in the Period
Operation cost	103,221,623.73	68,681,471.12	50.29%	Costs from jewelry and gold business increased in the Period

Loss of credit impairment (Loss is listed with “-”)	-603,180.13	-2,533,065.87	-76.19%	Impairment of account receivable for the period declined compared with the previous period
Net profit	4,375,706.59	-7,813,881.65	156.00%	Revenue growth in the Period and gross profit increased, the expenses declined
Net profit attributable to shareholder of parent company	3,785,834.68	-7,186,905.64	152.68%	Revenue growth in the Period and gross profit increased, the expenses declined
Net cash flow arising from operation activities	3,942,228.96	-13,791,941.34	128.58%	The deposit and advance rent received from the Zhonghua Garden (Phase II)
Net cash flow arising from investment activities	46,381.18	-897,577.01	105.17%	Acquisition of fixed assets in the previous period
Net cash flow arising from financing activities	9,825,000.00	4,275,000.00	129.82%	Received minority’s investment from the capital increment of Xinsen Company
Monetary fund	19,887,978.05	6,074,367.91	227.41%	The deposit and advance rent received from the Zhonghua Garden (Phase II)
Account receivable	55,031,424.70	38,616,523.93	42.51%	Receivables from customers for jewelry and gold business increased in the Period
Intangible assets	0.00	753,000.00	-100.00%	Amortization ends for intangible assets in the Period
Contract liability	15,254,713.38	1,739,953.80	776.73%	Contract liability increased due to the deposit and advance rent received from Zhonghua Garden (Phase II) (Opening balance is reclassified from account received in advance at end of the last period)
Wages payable	1,459,244.07	599,962.73	143.22%	Wages payable increased in the Period
Total owners attributable to parent company	10,905,230.98	7,119,396.30	53.18%	Turing a loss into a profit in the Period
Minority’s interest	14,737,058.70	4,322,186.79	240.96%	35% of the shareholding from minority’s due to the capital increment from subsidiary

The Company shall comply with the disclosure requirement of “Guidelines on Industry Information Disclosure of Shenzhen Stock Exchange No. 11- Listed Company Engaged in Jewelry-related Business”

(1) Operation of the physical store in 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.

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

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

(3) Inventory in the reporting period

As of end of the Period, balance of inventory from jewelry business amounted to 59,538,533,100 yuan, a 49.77% up compared with that of period-begin, types of the inventory includes:

In RMB

Item	Types	Amount	Proportion
Finished goods	Jewelry	443,189.84	7.44%
	Gold jewelry	—	—
	Other	—	—
	Total	443,189.84	7.44%
Raw materials	Gold	—	—
	Platinum	—	—
	Diamond	1,298,565.61	21.81%
	Total	1,298,565.61	21.81%
Wrappage		54,454.64	0.91%
Goods in process		4,157,643.22	69.83%
Total		5,953,853.31	100.00%

II. Main business analysis

1. Introduction

See the “I-Introduction” in “Discussion and Analysis of the Business”

2. Revenue and cost

(1) Constitute of operation revenue

In RMB

	2020		2019		Y-o-y changes (+,-)
	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue	
Total operation revenue	117,857,480.17	100%	76,022,687.75	100%	55.03%
According to industries					
Sales of bicycles and spare parts	16,435,436.09	13.95%	46,942,798.66	61.75%	-64.99%
Lithium battery material	13,405,034.83	11.37%	24,460,850.63	32.18%	-45.20%

Jewelry and gold	87,064,073.74	73.87%	4,619,038.46	6.07%	1,784.90%
Other	952,935.51	0.81%			
According to products					
Sales of bicycles and spare parts	16,435,436.09	13.95%	46,942,798.66	61.75%	-64.99%
Lithium battery material	13,405,034.83	11.37%	24,460,850.63	32.18%	-45.20%
Jewelry and gold	87,064,073.74	73.87%	4,619,038.46	6.07%	1,784.90%
Other	952,935.51	0.81%			
According to region					
Domestic	117,857,480.17	100.00%	76,022,687.75	100.00%	55.03%

(2) Industries, products or regions that account for more than 10% of the company's operating revenue or operating profit

√Applicable □ Not applicable

In RMB

	Operation revenue	Operation cost	Gross profit ratio	Increase/decrease of operation revenue y-o-y	Increase/decrease of operation cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Sales of bicycles and spare parts	16,435,436.09	8,199,519.90	50.11%	-64.99%	-80.29%	38.72%
Lithium battery material	13,405,034.83	13,191,331.01	1.59%	-45.20%	-42.22%	-5.08%
Jewelry and gold	87,064,073.74	80,940,595.81	7.03%	1,784.90%	1,802.21%	-0.85%
Other	952,935.51	890,177.01	6.59%			
According to products						
Sales of bicycles and spare parts	16,435,436.09	8,199,519.90	50.11%	-64.99%	-80.29%	38.72%
Lithium battery material	13,405,034.83	13,191,331.01	1.59%	-45.20%	-42.22%	-5.08%
Jewelry and gold	87,064,073.74	80,940,595.81	7.03%	1,784.90%	1,802.21%	-0.85%
Other	952,935.51	890,177.01	6.59%			
According to region						
Domestic	117,857,480.17	103,221,623.73	12.42%	55.03%	50.29%	2.76%

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	2020	2019	Y-o-y changes (+,-)
Bicycle, electric bicycle	Sales volume	In 10 thousand	12.79	7.44	71.91%
	Output	In 10 thousand	12.63	7.4	70.68%
	Inventory	In 10 thousand	0.02	0.18	-88.89%
Lithium battery material	Sales volume	Ton	468	385	21.56%
	Purchasing volume	Ton	468	385	21.56%
Jewelry and gold	Sales volume	Piece	43,673	2,317	1,784.89%
	Inventory	Piece	3,019	2,015	49.83%
	Purchasing volume	Piece	44,986	4,332	938.46%

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

Applicable Not applicable

1. Revenue from bicycle business mainly refers to the brand fee income earned based on the number of complete bicycles, proportion of traditional vehicle sales declined significantly.
2. The jewelry and gold business from subsidiary Xinsen are fully carried out in the year, last year, Xinsen was just starting up after establishment of the business.

(4) Performance of the significant sales contracts entered into by the Company up to the current reporting period

Applicable Not applicable

(5) Constitute of operation cost

Classification of industries

In RMB

Industries	Item	2020		2019		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	8,199,519.90	7.94%	41,597,621.68	60.57%	-80.29%
Lithium battery material	Lithium battery material	13,191,331.01	12.78%	22,828,770.32	33.24%	-42.22%
Jewelry and gold	Jewelry and gold	80,940,595.81	78.41%	4,255,079.12	6.20%	1,802.21%

Other	IT goods	890,177.01	0.86%			
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Explanation

Nil

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

Yes No

In July 2020, subsidiary of the Company (with 70% equity held by the Company) - Shenzhen Emmelle Industrial Co., Ltd invested in the establishment of Shenzhen Emmelle Cloud Technology Co., Ltd with 70% equity held. Changes in scope of consolidated statement of subsidiary have caused the changes in consolidated scope of the statement.

(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)	74,211,999.25
Proportion in total annual sales volume for top five clients	62.97%
Ratio of related parties in annual total sales among the top five clients	0.00%

Information of top five clients of the Company

Serial	Name	Sales (RMB)	Proportion in total annual sales
1	Client 1	27,726,702.18	23.53%
2	Client 2	12,616,798.91	10.71%
3	Client 3	12,298,840.20	10.44%
4	Client 4	10,921,810.37	9.27%
5	Client 5	10,647,847.59	9.03%
Total	--	74,211,999.25	62.97%

Other situation of main clients

Applicable Not applicable

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	32,778,924.84
Proportion in total annual purchase amount for top five suppliers	31.76%
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	Supplier 1	15,950,412.03	15.45%
2	Supplier 2	4,849,290.26	4.70%
3	Supplier 3	4,848,881.44	4.70%
4	Supplier 4	3,934,273.84	3.81%
5	Supplier 5	3,196,067.27	3.10%
Total	--	32,778,924.84	31.76%

Other notes of main suppliers

Applicable Not applicable

3. Expenses

In RMB

	2020	2019	Y-o-y changes (+,-)	Note of major changes
Sales expenses	2,540,657.03	3,178,476.39	-20.07%	
Administrative expenses	4,783,608.32	6,409,465.59	-25.37%	
Financial expenses	18,718.74	-95,401.17	-119.62%	The financial expenses arising from sales discount
R&D expenses	2,506,877.57	2,753,277.72	-8.95%	

4. R&D investment

Applicable Not applicable

More investment on R&D in jewelry and gold business.

R&D investment of the Company

	2020	2019	Change ratio (+,-)
Number of R&D (people)	24	15	60%
Ratio of number of R&D	36.92%	25.42%	11.50%
R&D investment (Yuan)	2,506,877.57	2,753,277.72	-8.95%
R&D investment accounted for R&D income	2.13%	3.62%	-1.49%
R&D investment capitalization (Yuan)	0.00	0.00	

Capitalization R&D investment accounted for R&D investment	0.00%	0.00%	
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The reason of great changes in the proportion of total R&D investment accounted for operation income 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

In RMB

Item	2020	2019	Y-o-y changes (+,-)
Subtotal of cash in-flow arising from operation activity	121,626,558.28	42,717,223.29	184.72%
Subtotal of cash out-flow arising from operation activity	117,684,329.32	56,509,164.63	108.26%
Net cash flow arising from operating activities	3,942,228.96	-13,791,941.34	-128.58%
Subtotal of cash in-flow arising from investment activity	64,500.00		
Subtotal of cash out-flow arising from investment activity	18,118.82	897,577.01	-97.98%
Net cash flow arising from investment activities	46,381.18	-897,577.01	-105.17%
Subtotal of cash in-flow arising from financing activity	9,825,000.00	4,275,000.00	129.82%
Net cash flow arising from financing activities	9,825,000.00	4,275,000.00	129.82%
Net increased amount of cash and cash equivalent	13,813,610.14	-10,414,518.35	-232.64%

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

Applicable Not applicable

1. Subtotal of cash in-flow arising from operation activity has a y-o-y growth of 184.72%, mainly because the fully carry out of the jewelry and gold business from subsidiary Xinsen, received money from goods and received a security deposit and advance rent for Zhonghua Garden (Phase II) by parent company.
2. Subtotal of cash out-flow arising from operation activity has a y-o-y growth of 108.26%, mainly due to the payment of goods for fully carrying out of the jewelry and gold business from subsidiary Xinsen.
3. Subtotal of cash out-flow arising from investment activity has 97.98% down on a y-o-y basis, mainly because purchasing machinery equipment at same period last year.
4. Subtotal of cash in-flow arising from financing activity has a y-o-y growth of 129.82%, mainly because subsidiary Xinsen increase in capital and shares during the Period.

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

Applicable Not applicable

III. Analysis of the non-main business

Applicable Not applicable

In RMB

	Amount	Ratio in total profit	Note	Whether be sustainable (Y/N)
Assets impairment	198,181.03	4.16%	Impairment provision	N
Non-operation revenue	6,542,649.75	137.28%	Revenue of the assets management ready for proposed in reorganization case	N
Non-operation expenditure	5,688,279.29	119.35%	Expenditure of the assets management ready for proposed in reorganization case	N
Credit impairment	603,180.13	12.66%	Impairment provision	N

IV. Analysis of assets and liability

1. Major changes of assets composition

Adjustment on the relevant items of financial statement at beginning of the year when implemented the new revenue standards or new leasing standards since 2020

Applicable

In RMB

	Year-end of 2020		Year-begin of 2020		Ratio changes (+,-)	Note of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	19,887,978.05	21.68%	6,074,367.91	9.68%	12.00%	The cooperation deposit and advance rent received from the Zhonghua Garden (Phase II)
Account receivable	55,031,424.70	59.98%	38,616,523.93	61.56%	-1.58%	
Inventory	7,729,325.94	8.42%	6,078,330.30	9.69%	-1.27%	
Fix assets	3,792,133.36	4.13%	4,191,503.33	6.68%	-2.55%	

2. Assets and liability measured by fair value

Applicable Not applicable

3. Limited assets rights till end of the period

1. At the end of the current period, the total fixed output value included six suites of house properties at 7-20F 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.

V. Investment

1. Overall situation

Applicable Not applicable

Investment in reporting period (RMB)	Investment in the same period of last year (RMB)	Change scope
17,125,000.00	4,225,000.00	305.33%

2. The major equity investment obtained in the reporting period

Applicable Not applicable

In RMB

Name of invested company	Main businesses	Investment style	Investment amount	Shareholding ratio	Capital sources	Partners	Time horizon	Product type	Progress as at balance sheet date	Anticipated income	Profit/loss of current investment	Litigation issues involved (Y/N)	Date of disclosure (if any)	Disclosure index (if any)
Shenzhen Xinsen Jewelry Supply Chain Co., Ltd	Supply chain business of jewelry and gold	Capital increment	8,775,000.00	65.00%	Owned fund	Shenzhen Zuanki Jewelry and Gold Supply Chain Co.,	20-year	Supply chain service of jewelry and gold	Capital increment completed	122,456.84	122,456.84	N	2020-02-19	Juchao website (http://www.cminfo.com.cn), Notice No.: 2020-02, 2020-0

						Ltd.								03
Shenzhen Xinsen Jewelry Supply Chain Co., Ltd	Supply chain business of jewelry and gold	capital increment	117,000,000.00	65.00%	Owned fund and funds raising from non-public offering of A-share	Shenzhen Zuanki Jewelry and Gold Supply Chain Co., Ltd.	20-year	Supply chain service of jewelry and gold	In progress	1,632,757.86	1,632,757.86	N	2020-08-06	Juchao website (http://www.cninfo.com.cn), Notice No.: 2020-032, 2020-034
Shenzhen Emmelle Cloud Technology Co., Ltd.	Engaged in the technology development and service businesses in field of computer	Newly established	1,400,000.00	49.00%	Owned fund	Shenzhen Zhenbangda Technology Co., Ltd.	20-year	Software development and services	Established and fully paid up	5,696.99	5,696.99	N	N/A	N/A
Total	--	--	127,175,000.00	--	--	--	--	--	--	1,760,911.69	1,760,911.69	--	--	--

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 reporting period.

(2) Derivative investment

Applicable Not applicable

The Company has no derivatives investment in the Period

5. Application of raised proceeds

Applicable Not applicable

The company had no application of raised proceeds in the reporting period.

VI. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

The Company had no sales of major assets in the reporting period.

2. Sales of major equity

Applicable Not applicable

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

Applicable Not applicable

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

In RMB

Company name	Type	Main business	Register capital	Total assets	Net assets	Operation revenue	Operating profit	Net profit
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	Subsidiary	Supply chain business of jewelry and gold	200,000,000	44,248,401.31	34,415,871.93	87,064,073.74	2,806,059.26	2,700,330.30
Shenzhen Emmelle Industrial Co., Ltd.	Subsidiary	Distribution of bicycles and spare parts	5,000,000	14,820,153.68	5,310,246.69	3,160,952.74	-1,237,317.14	-1,203,910.71

Particular about subsidiaries obtained or disposed in report period

Applicable Not applicable

Company name	The way of getting and treating subsidiary in the reporting	Influence on overall product and performance
Shenzhen Emmelle Cloud Technology Co.,	Investment in new establishment	Net profit attributable to parent company

Ltd.		has 56.9699 million yuan increased in the period with minimal impact
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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 12,538,055.17 Yuan.
2. The Company holds 70 percent equity of the Shenzhen Emmelle Industrial Co., Ltd., the balance of minority equity at period-end amounting to 1,593,074.01 Yuan.
3. The Company indirectly holds 49 percent equity of the Shenzhen Emmelle Cloud Technology Co., Ltd., the balance of minority equity at period-end amounting to 605,929.52 Yuan.

VIII. Structured vehicle controlled by the Company

Applicable Not applicable

IX. Future Development Prospects

i. Development trend of the industry the Company operates in and market competition pattern it deals with:

As a sector in the traditional manufacturing field, the bicycle industry continued the dilemma of rise in labor costs, manufacturing costs, capital costs, and material costs. In April 2019, the implementation of the new national standard of safety technical specifications for electric bicycles accelerated the industry reshuffle and resulted a new round of industry shock. In addition, in the past two years, the bike sharing has been violently oscillating the bicycle industry and the upstream supply chain operations with capital advantages, due to the lack of profit model and capital chain problems, its aftershocks continue to rattle the industry's recovery. At the same time, as a traditional manufacturing industry, the bicycle industry also ushered in the "Made in China 2025" strategy, under the guidance of the basic principles of "Innovation Driven, Quality First, Green Development, Structure Optimization, and Talent Based", took the important opportunity to speed up the transformation and upgrading, ushered in the development opportunity of the implementation of the new national standards for electric bicycles, and also faced with the important challenges of e-commerce development impacts on channels, channel integration and Internet+. China has the world's largest production and marketing of electric bicycles, after years of development, electric bicycles have gradually become an important means of transportation for consumers on everyday short-distance trips, at present, there are about 200 million bicycles in the entire society. Structural body, motor, power battery, and control system are the core components of electric bicycles, CBC has been closely following up the research on their technological development, application development, and commercial value for a long period of time, and has determined the qualified suppliers for core components year by year. As one of the core components of electric bicycle, power batteries have been mainly lead-acid batteries in the past decade or two, with the development and popularization of new energy technologies and new energy materials, it is expected to be replaced by the lithium batteries in the future. The implementation of the new national standard for electric bicycle safety technical specifications has comprehensively improved the safety performance of electric bicycles, and adjusted and improved technical indicators such as speed limits, vehicle quality, and pedaling ability. The new standard is close to people's livelihood and serving people's livelihood, which improved the application space of lithium battery energy storage, and the lithium battery electric bicycle is ushering in a new stage of development.

In the gold and jewelry industry, in the context of China's sustained rapid economic growth and rising per capita income levels, in addition to meeting the need for keeping the value, the jewelry consumption is also a requirement for people to pursue fashion and show personality. At present, China is one of the world's largest, most important, and fastest-growing jewellery markets, the

consumption of many jewellery categories ranks in the forefront of the world, among which the sales of gold, silver, platinum, jade, pearls and other products rank first in the world. China's jewelry gold industry market has formed a three-legged pattern of domestic, Hong Kong and foreign brands, and the market shares continue to be concentrated. At present, China's per capital jewelry consumption is still far lower than that of developed countries, and our jewelry gold consumption market still has a lot of room for improvement, but the market competition is fierce. In August 2019, the company invested in the establishment of a holding subsidiary, Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., and began to get involved in the supply chain business of jewelry and gold.

ii. Future development opportunity and new yearly business plan of the Company:

With the fierce market competition, new development opportunities are also formed. At the end of 2013, the Company completed the implementation of its restructuring plan and concluded its bankruptcy procedure, thereby improving the legal environment its business faces with. On the basis of business work over the past few years, the business plan of the Company for 2021 is:

1. Continue to actively cooperate with shareholders and the board of directors to promote the reorganization of the company and promote the planning of non-public offering of shares.
2. Reform and improve the internal management mechanism, decompose and implement the company's annual task to every subsidiaries, each distribution company and regional manager, take the manager responsibility system, follow p month by month, and roll the assessment.
3. In terms of gold and jewelry business, further establish supplier systems and expand customer resources, 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 electric bicycles, for key mature areas such as Shandong, Henan, Hebei, Jiangsu, etc., organize supply of goods, control quality, coordinate transportation and improve after sales order by order, and ensure stable order business; for other areas, actively strengthen communication and cooperation with ODM factories to give full play to ODM factories' regional advantages, use its existing sales network for distribution cooperation, expand the brand influence and distribution cooperation basis of the EMMELLE brand in the distribution team of other cooperative manufacturers, so as to promote the growth of orders.
5. In terms of the lithium battery materials and cloud technology business, in 2021, we will increase the business development force, forge talent teams, enrich product lines, develop new customers, promote the new technology applications and increase investment in new product development. Strive to achieve the rebound of lithium materials business, and strive for the development of cloud technology business with revenue increased over the previous year.
6. Continue to promote the cooperation matters of the urban renewal project of Zhonghua Garden (Phase II), facilitate the resolution of the certification issue of Zhonghua Garden (Phase II) left over from history, and realize the phased work returns at the same time.
7. Strengthen the background management and office automation, and improve the support degree of background departments to front desk business.

iii. Risk factors adverse to the Company's development:

(1)The tough international economic situation: The domestic economy is at the structural adjustment stage in the course of development, structural problems and deep-seated conflicts are highlighted. The economic downturn pressure continues to increase, many unstable and uncertain factors exist, which affect and impact the traditional manufacturing industries and the social consumption structure demand. Since the domestic economy is at the structural adjustment stage, coupled with a difficult situation of continuously rising labor cost, manufacturing cost, financing cost and material cost the bicycle industry as a conventional manufacturing field recorded a decline in the market turnover. Due to the low entry threshold and numerous manufacturers, the competition in the market is extremely fierce.

(2) Affected by the impact of COVID-19, the social economy entered a special dilemma, operation of the Company has been blocked,

upstream and downstream supply and sales links have been blocked.

In the face of the above problems, the central government and governments at all levels have taken multiple measures to stabilize the people's livelihood, stabilize the enterprises and employment, the Company will strive to maintain stability and seek development through increase the income and reduce the expenditures. In 2020, combined with the actual situation on its own poor background after reorganization, on the one hand, we continued to adhere to traditional business model development, in combination with the new national standard of safety technical specifications for electric bicycle, the Company carry out R&D works on the products. Optimize and adjust the product structure and sales mode transformation, actively expand the e-commerce business model in accordance with the e-commerce transformation of business team and controllable cost of internal & external connections, so as to realize the stable development of e-commerce for retail business; At the same time, based on the long-term process of the electric bicycle business, the follow-up research of related industrial projects and technology applications in the upstream and downstream of the industrial chain have been carried out accordingly, and on the basis of extensive business contacts and businesses in previous years, it continued to expand the lithium battery material business to enrich the main business. On the one hand, continued to promote the development of the jewelry gold supply chain business and expand the business dimension. In August 2019, the company and Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. jointly invested 6.5 million yuan to establish Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., the company holding 65% of the shares as the controlling shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., while Zuankinson Jewelry holding 35% of the shares. According to the actual situation of business development, in February 2020, the two parties decided to increase the capital of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. to 20 million yuan in the same proportion, and the relevant registered capital has been in place in June 2020. In order to meet the future operation and development needs of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., and enhance its financial strength, comprehensive competitiveness and anti-risk ability, the company signed a capital increase contract with the joint venture Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. in August 2020, and once again increased capital to Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. in the same proportion, and the registered capital was increased from 20 million yuan to 200 million yuan, of which the company increased capital of 117 million yuan, which would be successively invested in accordance with its own funds and the availability of funds raised from the non-public issuance of A shares; Zuankinson Jewelry newly increased capital of 63 million yuan, totaling 180 million yuan. On August 21, 2020, the company's 2020 second extraordinary general meeting of shareholders reviewed and approved the above capital increase. On the one hand, we strived to promote the selection of the company's restructuring party and plan for the non-public issuance of stocks, hoping to improve the company's business strength and development potential.

In terms of planning for the non-public offering of shares, on 15 May 2020, the Company held the First Extraordinary Shareholders General Meeting of 2020 to considered and approved the termination of non-public offering of shares in 2016 and simultaneous launch the proposal for the non-public offering of A-share in 2020. that is raising funds by way of non-public offering of shares to five specific investors with fund not exceed 450 million yuan, which will be fully used to replenish the working capital after deducting the offering expenses. At the end of November 2020, after the CSRC accepted and intermediaries responded to the First Feedback of CSRC, the Company decided to terminate the non-public offering and applied to the CSRC to withdraw relevant application materials in view of the changes in relevant regulatory policies and capital market environment, taking into account the actual situation and other factors, and after sufficient communication and prudent argumentation with relevant parties. On 24 December 2020, the CSRC decided to terminate the review of the administrative license application. On 30 December 2020, the Company held the Third Extraordinary Shareholders General Meeting of 2020 to considered and approved the new non-public offering. The total amount of funds to be raised from Wansheng Industrial Company through non-public offering of shares shall not exceed 293.6 million yuan, which will be used to supplement the working capital after deducting offering expenses. The offering of shares this time will lead to a change in control right of the Company. After the CSRC accepted and sent a First Feedback Notice, the Company and intermediary institutions have completed the response works on 21 April 2021 and follow-up related works are in

progress.

In 2020, in order to promote the Phase II renovation of Zhonghua Garden and solve the historical legacy of licensing issues, the company and Shenzhen Jianzhi Industrial Co., Ltd. signed the "Urban renewal project of Zhonghua Garden (Phase II) Cooperation Contract". The contract has been reviewed and approved by the company's board meeting and the general meeting of shareholders and announced to take effect, and our company and Shenzhen Jianzhi Industrial Co., Ltd. Have established a working team to jointly promote contract performance and related affairs.

X. Reception of research, communication and interview

1. In the report period, reception of research, communication and interview

√ Applicable □ Not applicable

Time	Reception location	Way	Reception type	Object	Main content and information provided	Basic situation index of investigation
Jan.-Mar. 2020	The Company	Telephone communication	Individual	Individual investor	Consulting company restructuring problem	N/A
April- June 2020	The Company	Telephone communication	Individual	Individual investor	Inquiry progress of the private placement	N/A
July - September 2020	The Company	Telephone communication	Individual	Individual investor	Inquiry the progress of urban renewal project of Zhonghua Garden (Phase II)	N/A
October - December 2020	The Company	Telephone communication	Individual	Individual investor	Inquiry progress of the private placement	N/A
Reception (times)			15			
Number of hospitality			0			
Number of individual reception			15			
Number of other reception			0			
Disclosed, released or let out major undisclosed information			N			

Section V. Important Events

I. Profit distribution plan of common stock 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

Profit distribution plan (pre-plan) of common stock and capitalizing of common reserves plan (pre-plan) in latest three years (including the reporting period)

Cash dividend of common stock in latest three years (including the reporting period)

In RMB

Year for bonus shares	Amount for cash bonus (tax included)	Net profit attributable to common stock shareholders of listed company in consolidation statement for bonus year	Ratio of the cash bonus in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Proportion for cash bonus by other ways(i.e. share buy-backs)	Ratio of the cash bonus by other ways in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Total cash bonus (including other ways)	Ratio of the total cash bonus (other ways included) in net profit attributable to common stock shareholders of listed company contained in consolidation statement
2020	0.00	3,984,636.40	0.00%	0.00	0.00%	0.00	0.00%
2019	0.00	-7,186,905.64	0.00%	0.00	0.00%	0.00	0.00%
2018	0.00	-1,591,968.91	0.00%	0.00	0.00%	0.00	0.00%

The Company gains profits in reporting period and the retained profit of common stock shareholders provided by parent company is positive but no plan of cash dividend proposed of common stock

Applicable Not applicable

II. Profit distribution plan and capitalizing of common reserves plan 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.

III. 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

The Company has no commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

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

IV. 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.

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

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.

VI. Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last year

Applicable Not applicable

1. Change of accounting policy

(1) The Company implemented the relevant regulations of Accounting Standards for Business Enterprises No. 14 - Revenue (Cai Kuai [2017] No.22) (hereinafter referred to as New Revenue Standard) since 1 January 2020. After implementation of the new revenue standard, the Company will not have an impact on the business model, contract terms, revenue recognition and other aspects. Impact from the implementation of the regulations on financial statement of the Company for year of 2020 is as follows:

Content and reasons for accounting policy changes	Item and amount impacted
"Account received in advance" presented as "Contract liability"	In consolidate balance sheet dated 31 December 2020, the account received in advance is shown in the amount of 0.00 yuan, the contract liability on 31 December 2020 is shown as 15254713.38 yuan. In balance sheet of parent company dated 31 December 2020, the account received in advance is shown in the amount of 0.00 yuan, the contract liability on 31 December 2020 is shown as 14385423.04 yuan.

VII. Major accounting errors within reporting period that needs retrospective restatement

Applicable Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company in the period.

VIII. Compare with last year's financial report; explain changes in consolidation statement's scope

Applicable Not applicable

On 21 July 2020, subsidiary Shenzhen Emmelle Industrial Co., Ltd contributes 70% and Shenzhen Zhenbangda Technology Co., Ltd contributes 30% together to established the Shenzhen Emmelle Cloud Technology Co., Ltd. The enterprise was included in consolidate statement scope since the date of established.

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

Accounting firm appointed

Name of domestic accounting firm	Baker Tilly China Certified Public Accountants (LLP)
Remuneration for domestic accounting firm (in 10 thousand Yuan)	45
Continuous life of auditing service for domestic accounting firm	5

Name of domestic CPA	Chen Zhigang, Zhang Lei
Continuous life of auditing service for domestic accounting firm	4

Re-appointed accounting firms in this period

Yes No

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

Applicable Not applicable

In the year, the Company engaged Baker Tilly China Certified Public Accountants (LLP) as the auditing organ for internal control of the Company for year of 2020, charges amounted as 150,000 Yuan.

X. Particular about delisting after annual report disclosed

Applicable Not applicable

XI. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period.

XII. Significant lawsuits and arbitration of the Company

Applicable Not applicable

No significant lawsuits and arbitration occurred in the reporting period.

XIII. Penalty and rectification

Applicable Not applicable

No penalty and rectification for the Company in reporting period.

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

Applicable Not applicable

XV. Implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives

Applicable Not applicable

The Company had no implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives in the reporting period.

XVI. Major related transaction

1. Related transaction with routine operation concerned

Applicable Not applicable

The Company had no related transaction with routine operation concerned occurred in the period

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 newly added(10 thousand Yuan)	Current recovery(10 thousand Yuan)	Interest rate	Current interest(10 thousand Yuan)	Balance at period-end(10 thousand Yuan)

Debts payable to related party

Related party	Relationship	Causes of formation	Balance at period-begin(10 thousand Yuan)	Current newly added(10 thousand Yuan)	Current recovery (10 thousand Yuan)	Interest rate	Current interest(10 thousand Yuan)	Balance at period-end(10 thousand Yuan)
Shenzhen Guosheng Energy Investment Development Co., Ltd.	Large shareholder	Subsidiary Emmelle loan	650	0	0	0.00%	0	650

Influence on operation result and financial statue of the Company from related debts	No influence
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5. Other related transactions

Applicable Not applicable

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

XVII. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

No trusteeship for the Company in reporting period.

(2) Contract

Applicable Not applicable

No contract for the Company in reporting period.

(3) Leasing

Applicable Not applicable

No leasing for the Company in reporting period.

2. Major guarantees

Applicable Not applicable

No guarantee for the Company in reporting period.

3. Entrust others to cash asset management

(1) Trust financing

Applicable Not applicable

No trust financing for the Company in reporting period.

(2) Entrusted loans

Applicable Not applicable

The company had no entrusted loans in the reporting period.

4. Significant contracts for daily operations

Applicable Not applicable

5. Other significant contracts

Applicable Not applicable

The name of the contracting company	The name of the contracted company	Contract object	The date of signature of the contract	The book value of the assets involved in the contract (RMB'0000)(if any)	The assessed value of the assets involved in the contract (RMB'0000)(if any)	Name of the evaluation organization(if any)	The base date evaluation (if any)	Pricing principles	Bargain price(RMB'0000)	Whether connected transaction (Y/N)	Incidence relation	The performance by the end of the term	The date of disclosure	The index of disclosure
Shenzhen China Bicycle Company (Holdings) Limited	Shenzhen Jianzhi Industrial Development Co., Ltd.	Urban renewal project of Zhonghua Garden (Phase II)	2020-04-26	0	0	N/A	N/A	Negotiated price	3,000	N	No affiliation	Terminated	2020-04-28	”Notice on Entered into the Cooperation Agreement for Urban Renewal Project ” Notice No.: 2020013
Shenzhen China Bicycle Company (Holdings)	Shenzhen Jianzhi Industrial Development Co., Ltd.	Urban renewal project of Zhonghua Garden (Phase	2020-08-04	0	0	N/A	N/A	Negotiated price	3,000	N	No affiliation	Approved and effective at the AGM of the Company	2020-08-05	”Notice on Progress of the Cooperation Agreement for

III. Awards (content and level)	—	—
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(4) Subsequent precision poverty alleviation program

3. Environmental protection

Listed company and its subsidiary belongs to the key pollution enterprise listed by Department of Environmental Protection

Yes No

XIX. Explanation on other significant events

Applicable Not applicable

1.Planning of non-public issue of shares

On 15 May 2020, the Company held the First Extraordinary Shareholders General Meeting of 2020 to considered and approved the termination of non-public offering of shares in 2016 and simultaneous launch the proposal for the non-public offering of A-share in 2020. that is raising funds by way of non-public offering of shares to five specific investors with fund not exceed 450 million yuan, which will be fully used to replenish the working capital after deducting the offering expenses. At the end of November 2020, after the CSRC accepted and intermediaries responded to the First Feedback of CSRC, the Company decided to terminate the non-public offering and applied to the CSRC to withdraw relevant application materials in view of the changes in relevant regulatory policies and capital market environment, taking into account the actual situation and other factors, and after sufficient communication and prudent argumentation with relevant parties. On 24 December 2020, the CSRC decided to terminate the review of the administrative license application. On 30 December 2020, the Company held the Third Extraordinary Shareholders General Meeting of 2020 to considered and approved the new non-public offering. The total amount of funds to be raised from Wansheng Industrial Company through non-public offering of shares shall not exceed 293.6 million yuan, which will be used to supplement the working capital after deducting offering expenses. The offering of shares this time will lead to a change in control right of the Company. After the CSRC accepted and sent a First Feedback Notice, the Company and intermediary institutions have completed the response works on 21 April 2021 and follow-up related works are in progress.

The non-public offering of share is subject to the approval from CSRC, there is uncertainty as to whether it will be approved and when it will finally be approved. Found more in the announcement released by the Board.

2. Capital increment for controlling subsidiary

In August 2019, the company and Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd jointly invested 6.5 million yuan to establish Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., the company holding 65% of the shares as the controlling shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., while Zuankinson Jewelry holding 35% of the shares.

According to the actual situation of business development, in February 2020, the two parties decided to increase the capital of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. to 20 million yuan in the same proportion. On February 19, 2020, the company held the eighteenth (temporary) meeting of the tenth board of directors, reviewed and approved the "Proposal on Capital Increase in Holding Subsidiaries". After the completion of capital increased, the shareholding ratio of all parties remains unchanged, and the company remains the controlling shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. As of June 30, 2020, the registered capital of Xinsen Company has been paid in place, and various businesses have been carried out normally.

In order to meet the future business development needs of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., it will enhance its

financial strength, comprehensive competitiveness and anti-risk capabilities. In August 2020, the company and the joint venture partner, Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. decided to jointly increase the capital of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. in the same proportion, increasing the registered capital from 20 million yuan to 200 million yuan, of which, the company newly increased capital of 117 million yuan, which was successively invested in accordance with its own funds and the availability of funds raised from the non-public issuance of A shares; Zuankinson Jewelry newly increased capital of 63 million yuan, a total of 180 million yuan. The twenty-third (temporary) meeting of the tenth board of directors held by the company on August 5, 2020 and the second extraordinary general meeting of shareholders of 2020 held by the company on August 21, 2020 reviewed and approved the "Proposal on the Second Capital Increment in Controlling Subsidiaries". Found more in the Notice released by the Board.

3. Cooperation matters in urban renewal projects

On April 26, 2020, the company held the twentieth meeting of the tenth board of directors and reviewed and approved the "Proposal on Signing the Cooperation Agreement for Zhonghua Garden Phase II Urban Renewal Project". According to the agreement, given that: 1. Jianzhi Industry failed to pay the company a security deposit of 2 million yuan on the date of signing the agreement. 2. Jianzhi Industry failed to pay the company 10 million yuan within 30 days after the signing of the agreement. On August 4, 2020, the company revised the original "Cooperation Agreement for Zhonghua Garden Phase II Urban Renewal Project" with Jianzhi Industry through friendly negotiations, and re-signed the "Cooperation Contract for Zhonghua Garden Phase II Urban Renewal Project". On the day of the signing of the contract, the company received 10 million yuan from Jianzhi Industry for the contract payment. The company held the twenty-third (temporary) meeting of the tenth board of directors on August 5, 2020 and the 2020 second extraordinary general meeting of shareholders held on August 21, 2020, reviewed and approved the "Proposal on Revising and Signing the Cooperation Contract for Zhonghua Garden Phase II Urban Renewal Project". Found more in the Notice released by the Board.

XX. Significant event of subsidiary of the Company

Applicable Not applicable

1. In August 2019, the Company and Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd jointly established a Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. of which, the Company holds 65% equity and it is the controlling shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd, while 35% equity held by Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd.

According to the actual situation of business development, in February 2020, the two parties decided to increase the capital of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. to 20 million yuan in the same proportion. On February 19, 2020, the company held the eighteenth (temporary) meeting of the tenth board of directors, reviewed and approved the "Proposal on Capital Increase in Holding Subsidiaries". After the completion of capital increased, the shareholding ratio of all parties remains unchanged, and the company remains the controlling shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. As of June 30, 2020, the registered capital of Xinsen Company has been paid in place, and various businesses have been carried out normally.

In order to meet the future business development needs of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., it will enhance its financial strength, comprehensive competitiveness and anti-risk capabilities. In August 2020, the company and the joint venture partner, Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. decided to jointly increase the capital of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. in the same proportion, increasing the registered capital from 20 million yuan to 200 million

yuan, of which, the company newly increased capital of 117 million yuan, which was successively invested in accordance with its own funds and the availability of funds raised from the non-public issuance of A shares; Zuankinson Jewelry newly increased capital of 63 million yuan, a total of 180 million yuan. The twenty-third (temporary) meeting of the tenth board of directors held by the company on August 5, 2020 and the second extraordinary general meeting of shareholders of 2020 held by the company on August 21, 2020 reviewed and approved the "Proposal on the Second Capital Increment in Controlling Subsidiaries". Found more in the announcement released by the Board.

2. Capital increase to the controlling subsidiary Shenzhen Emmelle Industrial Co., Ltd

According to Chinese Accounting Standards and the audit report issued by Baker Tilly China Certified Public Accountants (LLP), as of December 31, 2019, Shenzhen Emmelle Industrial Co., Ltd had undistributed profits of 3,756,453.12 yuan. In accordance with the relevant provisions of the "Company Law" and the "Articles of Association", Shenzhen Emmelle Industry Co., Ltd. held the first extraordinary general meeting of shareholders in 2020 on September 2, 2020, and reviewed and approved a profit distribution of 3 million yuan to all shareholders, and used the distributed profits to increase the registered capital for the same proportion of capital increase. After the completion of capital increase, the registered capital of Shenzhen Emmelle Industrial Co., Ltd. increased from 2 million yuan to 5 million yuan, of which Shenzhen China Bicycle (Holdings) Co., Ltd. invested 2.1 million yuan, and the trade union committee of Shenzhen China Bicycle (Holdings) Co., Ltd. newly funded 900,000 yuan. At the same time, the meeting also deliberated and approved related matters such as changing the company's registered address, business scope, and amending the articles of association. As of September 30, 2020, Shenzhen Emmelle Industrial Co., Ltd. has completed the industrial and commercial change of this matter.

3. Matters concerning foreign investment and establishment of sub-subsidiary

According to the relevant provisions of the "Company Law" and the "Articles of Association", on July 13, 2020, the company's holding subsidiary Shenzhen Emmelle Industrial Co., Ltd (hereinafter referred to as "Emmelle Industrial") held a board meeting, which reviewed and approved the "Proposal on the Establishment of a Holding Subsidiary for Foreign Investment", Emmelle Industry and Shenzhen Zhenbangda Technology Co., Ltd. (hereinafter referred to as "Zhenbangda Technology") jointly funded the establishment of Shenzhen Emmelle Cloud Technology Co., Ltd. with a registered capital of 2 million yuan, of which Emmelle Industry contributed 1.4 million yuan and Zhenbangda Technology contributed 600,000 yuan. After the completion of the industrial and commercial registration, Emmelle Industry holds 70% of the shares of Shenzhen Emmelle Cloud Technology Co., Ltd. and becomes the controlling shareholder of Shenzhen Emmelle Cloud Technology Co., Ltd. As of September 30, 2020, Shenzhen Emmelle Cloud Technology Co., Ltd. has completed the industrial and commercial registration of this matter.

Section VI. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

In 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%						3,957	0.00%
1. State-owned shares	0	0.00%						0	0.00%
2. State-owned legal person's shares	0	0.00%						0	0.00%
3. Other domestic shares	3,957	0.00%						3,957	0.00%
Including: Domestic legal person's shares	0	0.00%						0	0.00%
Domestic natural person's shares	3,957	0.00%						3,957	0.00%
4. Foreign shares	0	0.00%						0	0.00%
Including: Foreign legal person's shares	0	0.00%						0	0.00%
Foreign natural person's shares	0	0.00%						0	0.00%
II. Unrestricted shares	551,343,990	100.00%						551,343,990	100.00%
1. RMB Ordinary shares	302,981,008	54.95%						302,981,008	54.95%
2. Domestically listed foreign shares	248,362,982	45.05%						248,362,982	45.05%
3. Overseas listed foreign shares	0	0.00%						0	0.00%
4. Others	0	0.00%						0	0.00%
III. Total shares	551,347,947	100.00%						551,347,947	100.00%

Reasons for share changed

Applicable Not applicable

Approval of share changed

Applicable Not applicable

Ownership transfer of share changed

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

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

II. Securities issuance and listing

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

Applicable Not applicable

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

Applicable Not applicable

3. Existing internal staff shares

Applicable Not applicable

III. Particulars about shareholder and actual controller of the Company

1. Amount of shareholders of the Company and particulars about shares holding

In Share

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	Number of share pledged/frozen	
							State of share	Amount
Shenzhen Guosheng Energy Investment Development Co., Ltd.	Domestic non-state-owned legal person	11.52%	63,508,747	0	0	63,508,747		
UOB Koy Hian (Hong Kong) Co., Ltd.	Foreign legal person	2.89%	15,907,850	0	0	15,907,850		
Guosen Securities (Hong Kong) brokerage Co., Ltd.	Foreign legal person	2.52%	13,909,425	0	0	13,909,425		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	1.51%	8,303,272	1677156	0	8,303,272		
Lhasa Xingqing Network Technology Co., Ltd.	Domestic non-state-owned legal person	1.10%	6,090,255	6090255	0	6,090,255		

Li Huili	Domestic nature person	0.71%	3,891,124	0	0	3,891,124		
LI SHERYN ZHAN MING	Foreign natural person	0.63%	3,480,187	3480187	0	3,480,187		
Xu Hongbo	Domestic nature person	0.58%	3,187,519	100	0	3,187,519		
Ge Zhiqiong	Domestic nature person	0.58%	3,177,952	316400	0	3,177,952		
CMS Hong Kong Co., Ltd	State-owned legal person	0.56%	3,070,676	111988	0	3,070,676		
Strategy investors or general corporation comes top 10 common stock shareholders due to rights issue (if applicable) (see note 3)	N/A							
Explanation on associated relationship among the aforesaid shareholders	Li Huili, spouse of the Ji Hanfei, the actual controller of the Company- Shenzhen Guosheng Energy Investment Development Co., Ltd., holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., beyond that, the Company has no idea of whether other circulated shareholders belong to concerted action persons ruled in the Administration Norms for Information Disclosure of Change on Shareholding of Shareholders of Listed Companies.							
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	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 Koy Hian (Hong Kong) Co., Ltd.	15,907,850	Domestically listed foreign shares	15,907,850					
Guosen Securities (Hong Kong) brokerage Co., Ltd.	13,909,425	Domestically listed foreign shares	13,909,425					
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	8,303,272	Domestically listed foreign shares	8,303,272					
Lhasa Xingqing Network Technology	6,090,255	RMB common	6,090,255					

Co., Ltd.		shares	
Li Huili	3,891,124	Domestically listed foreign shares	3,891,124
LI SHERYN ZHAN MING	3,480,187	Domestically listed foreign shares	3,480,187
Xu Hongbo	3,187,519	Domestically listed foreign shares	3,187,519
Ge Zhiqiong	3,177,952	RMB common shares	691,300
		Domestically listed foreign shares	2,486,652
CMS Hong Kong Co., Ltd.	3,070,676	Domestically listed foreign shares	3,070,676
Expiation on associated relationship or consistent actors within the top 10 un-restrict shareholders and between top 10 un-restrict shareholders and top 10 shareholders	Li Huili, spouse of the Ji Hanfei, the actual controller of he Company- Shenzhen Guosheng Energy Investment Development Co., Ltd., holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., beyond that, the Company has no idea of whether other circulated shareholders belong to concerted action persons ruled in the Administration Norms for Information Disclosure of Change on Shareholding of Shareholders of Listed Companies.		
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: No controlling subject

Type of controlling shareholders: Non-existent

The Company does not have the controlling shareholder.

On 21 February 2017, we received a Letter of “Explanation on Relevant Event of CBC” from Shenzhen Guosheng Energy Investment Development Co., Ltd. the letter said: since obtained controlling rights of the Shenzhen Guosheng Energy Investment Development Co., Ltd. (hereinafter referred to as Guosheng Energy) on 3 Jan. 2011, in view of Ji Hanfei is the first majority

shareholder and largest creditor of CBC, and CBC facing a serious debt crisis, Ji Hanfei initiative seeking an actual controller of CBC, by actively participate the shareholders general meeting of CBC, showing major influence on CBC for achieving actually controls of the Company in purpose of resolving the debt crisis.

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 second half year of 2013, on the basis of the investor interest adjustment scheme deliberated and approved by creditor's meeting and investors' conference, Shenzhen Intermediate People's Court approved the reorganization plan for CBC, the reorganization plan of CBC completed on 27 December 2013 and close the bankruptcy proceedings of CBC. As a largest majority shareholder and largest creditor of the Company, Guosheng Energy vote in favor on creditor's meeting and investors' conference, in respect of the investor interest adjustment scheme, and provided 5.39 million Yuan to CBC for claims settlement and maintain the assets of main business of CBC. Debts of the CBC solved by reorganization, net assets of CBC turns to positive value, the main business of bicycle maintained and achieved a steady development.

Currently, CBC is planning a private placement for business promotion and transformation, optimize asset structure, further to strengthen the Company and sustainable ability in development. Taking into account the debt problem of CBC has been resolved, the Company needs supports from all over the shareholders, and based on the actual condition of development of Guosheng Energy and share-holding ratio, Ji Hanfei and Guosheng Energy decided to change the actually controller state to general investment, that is Ji Hanfei and Guosheng Energy, will not participate in the operation management plan of CBC in future, and they have no plans to seeking an actual controlling rights of CBC in next 12 months either

The Shenzhen Guosheng Energy Investment Development will hold stock of the CBC and exercise shareholders' rights as a common investor.

Changes of controlling shareholders in reporting period

Applicable Not applicable

Controlling shareholders of the Company has no changes in the period.

3. Actual controller and persons acting in concert of the Company

Nature of actual controller: No actual controller

Type of actual controller: Non-existent

The company does not have the actual controller.

(i) Facts and reasons for the company's determination of the actual controller's alteration

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 actual controller of the Company changed from Ji Hanfei to no actual control, the specific facts and reasons are as follows:

1. The voting rights of Ji Hanfei to actually control the shares of the Company

According to the "Security Holder Roster" issued by China Securities Depository and Clearing Co., Ltd., Shenzhen Branch and the documents publicly disclosed by Shenzhen China Bicycle, up to December 31, 2016, Ji Hanfei held 63,508,747 shares of the Company's A-Shares through Guosheng Energy, and his spouse, Li Huili, held 3,891,124 shares of the Company's B-Shares, so Ji Hanfei totally controlled 67,399,871 shares of the Company's voting shares, accounting for 12.22% of the total number of shares of

the Company. Ji Hanfei actually controlled no more than 30.00% of the Company's voting rights and had no control over the Company's general meeting of shareholders.

2. Ji Hanfei's control to the Company's board of directors

According to the Resolution Announcement of the 18th session of 8th Board of Directors and the Resolution Announcement of the First Extraordinary General Meeting of 2013 publicly disclosed by the Company and confirmed by the Company and Guosheng Energy, the directors of the current board of directors of the Company should be nominated by the eighth session of board of directors, Guosheng Energy did not nominate the current board of directors for the Company.

Therefore, Ji Hanfei has not restructured the board of directors of the Company by controlling the Company's voting shares after obtaining the control power of Guosheng Energy, and has not actually dominated over half of the members of the board of directors of the Company.

According to the Resolution Announcement of the 24th session of the 9th Board of Directors announced on April 27, 2017 by the Company, the ninth session of board of directors of the Company reviewed and passed the following proposals concerning the candidates for the tenth session of board of directors:

(1) Passed the Proposal on Nominating Candidates for Directors of the Tenth Session of Board of Directors, agreed the current board of directors to nominate Mr. Li Hai, Mr. Yao Zhengwang, Mr. Cao Fang, Mr. Yang Fenbo, Mr. Sun Longlong and Mr. Zhong Hua as the candidates for the directors of the tenth session of board of directors of the company and participate in the election of the general shareholders' meeting as the term of office of the director of the 9th session of board of directors of the company has expired.

(2)

(2) Passed the Proposal on Nominating Candidates for Independent Directors of the Tenth Session of Board of Directors, agreed the current board of directors to nominate Mr. Song Xishun, Mr. Zhang Zhigao and Ms. Yang Hao as the candidates for the independent directors of the tenth session of board of directors of the company as the term of office of the director of the 9th session of board of directors of the company has expired, and submitted the proposal to the Shenzhen Stock Exchange for review, the candidates can only participate in the election of the general shareholders' meeting when there is no objection to the review.

According to the Company's explanation and the announcement document of the 24th session of 9th board of directors of the Company, the candidates for the tenth session of board of directors should be nominated by the ninth session of board of directors, the Company did not receive the nomination of candidates for the tenth session of board of directors from Guosheng Energy.

According to the explanation of the Company and Guosheng Energy and the review to the resume of the director candidates announced by the ninth session of board of directors of the Company, in addition to Yao Zhengwang, serving as a supervisor of Guojun Energy, the above mentioned director candidates had no related relationships with Guosheng Energy and Ji Hanfei.

In conclusion, even the stockholders' meeting of the Company considered and agreed the above-mentioned director candidate to serve as the directors of the tenth session of the board of directors of the Company, Ji Hanfei and Guosheng Energy had not actually dominated over half of the members of the tenth session of board of directors of the Company.

3. Ji Hanfei's significant influence on the general meeting of shareholders of the Company

On October 12, 2012, the Shenzhen Intermediate People's Court issued the "Civil Ruling" of "(2012) SZFPZ No. 30" to accept the application for the reorganization of the Company by Guosheng Energy. On December 27, 2013, Shenzhen Intermediate People's Court issued the "Civil Ruling" of "(2012) SZFPZ No. 30-10", which ruled that the implementation of the Company's reorganization plan was completed and the Company's bankruptcy proceedings ended. According to the explanation of Guosheng Energy and the

inspection of bankruptcy and restructuring documents, Guosheng Energy had actively participated in the meeting of creditors for the Company's bankruptcy and reorganization and had provided interest-free loan support to the Company during the bankruptcy and reorganization, which had a significant influence on the Company's general meeting of shareholders.

On February 20, 2017, Ji Hanfei and Guosheng Energy issued the "Explanation": "Since Ji Hanfei obtained the control power of Guoji Energy on January 3, 2011, in view of the fact that it was the Company's largest shareholder and largest creditor and the Company faced serious debt crisis for a long time, Ji Hanfei actively sought the actual controller status of the Company and exerted a significant influence on the Company by actively participating in the Company's general meeting of shareholders so as to realize the actual control of the Company and then strive to promote and solve the Company's debt crisis properly."

Therefore, from January 3, 2011 to February 19, 2017, Ji Hanfei had a subjective purpose for actually controlling the Company. After Ji Hanfei made a clear declaration on Feb. 20, 2017 to abandon the actual control of the Company, Ji Hanfei did not subjectively attempt to influence the general meeting of stockholders of the Company by seeking the actual control rights. Objectively, the Company's voting rights dominated by Ji Hanfei did not exceed 30.00% and he did not nominate more than half of the directors of the Company's board of directors, Ji Hanfei could not effectively control the Company's general meeting of shareholders and the board of directors.

According to the "Announcement on the Resolutions of the 24th session of 9th Board of Directors" announced by the Company on April 27, 2017 and confirmed by the Company, Ji Hanfei and Guosheng Energy, Ji Hanfei and Guosheng Energy didn't not nominate any candidate for the directors of the tenth session of board of directors to the Company after Ji Hanfei and Guosheng Energy made the declaration to abandon the control power.

In view of the above, the Company considered that the proportion of the Company's shares actually controlled by Ji Hanfei was relatively low, which was not sufficient to control the general meeting of shareholders or make a significant impact on the general meeting of shareholders, and he had promised to give up the right of control to the company, the Company has no actual controller since February 20, 2017.

The sponsor institutions and law firms engaged by the company for the non-public offering of shares have checked this issue and made clear opinions to support.

Whether has the shareholder with over 10% stock held in ultimate controlling standards or not

Yes No

Legal person

Share holding in ultimate control standards

Changes of actual controller in reporting period

Applicable Not applicable

Actual controller of the Company has no changes in the period

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

Applicable Not applicable

Shareholder	Legal person/person in charge of the unit	Date of foundation	Organization code	Main operation business
Shenzhen Guosheng Energy Investment Development Co., Ltd.	Ji Hanfei	April 26, 2005	91440300774115792	Industry development, domestic commerce, materials supply and sale (excluding specially run, controlled and sold merchandises)

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

Applicable Not applicable

Section VII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.

Section VIII. Convertible Bonds

Applicable Not applicable

The Company had no convertible bonds in the Period.

Section IX. Particulars about Directors, Supervisors, Senior Executives and Employees

I. Changes of shares held by directors, supervisors and senior executives

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)
Li Hai	Director	Currently in office	M	52	August 26, 2010	June 28, 2020	0	0	0	0	0
Li Hai	President	Currently in office	M	52	September 26, 2013	June 28, 2020	0	0	0	0	0
Li Hai	Chairman	Currently in office	M	52	April 15, 2015	June 28, 2020	0	0	0	0	0
Yao Zhengwang	Director	Currently in office	M	46	August 26, 2010	June 28, 2020	0	0	0	0	0
Cao Fang	Director	Currently in office	M	47	August 26, 2010	June 28, 2020	0	0	0	0	0
Yang Fenbo	Director	Currently in office	M	64	June 30, 2006	June 28, 2020	0	0	0	0	0
Sun Longlong	Director	Currently in office	M	48	June 29, 2017	June 28, 2020	0	0	0	0	0
Sun Longlong	Secretary of Board	Currently in office	M	48	May 17, 2012	June 28, 2020	0	0	0	0	0
Sun Longlong	CFO	Currently in office	M	48	May 22, 2017	June 28, 2020	0	0	0	0	0
Zhong Hua	Director	Currently in office	M	57	June 29, 2017	June 28, 2020	0	0	0	0	0
Yang Lan	Independent director	Currently in office	F	52	June 29, 2017	June 28, 2020	0	0	0	0	0
Song	Independent	Currently	M	58	June 29,	June 28,	0	0	0	0	0

Xishun	director	in office			2017	2020						
Zhang Zhigao	Independent director	Currently in office	M	56	June 29, 2017	June 28, 2020	0	0	0	0	0	0
Li Xiang	The convener of the board of supervisors	Currently in office	M	47	June 27, 2014	February 12, 2021	0	0	0	0	0	0
Zheng Zhonghua	Supervisor	Currently in office	M	59	June 27, 2011	February 12, 2021	5,276	0	0	0	0	5,276
Li Jialin	Staff Supervisor	Currently in office	M	60	May 22, 2014	February 12, 2021	0	0	0	0	0	0
Total	--	--	--	--	--	--	5,276	0	0	0	0	5,276

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

III. Post-holding

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

Mr. Li Hai, born in 1969, graduated from Economic department of Shenzhen University in major of accounting; he took the turns of deputy manager of finance department, chief supervisor associate of finance department, secretary of the Board and vice president, etc. of the Company, and now he serves as chairman, legal representative and president of the Company.

Mr. Yao Zhengwang, born in 1975, with bachelor degree of law, successively took the post of Supervisor of Supervision Office, Deputy Manager of Sales Department, and Deputy Manager of Legal Affairs Department of Shenzhen Guomin Investment Development Co. Ltd. and deputy general manager of Administration Center of Compliant Risk Control, as well as director, secretary of the Board and convener of supervisory committee of CBC; now he serves as director of the Company and Leshan City Commercial Bank Co., Ltd..

Mr. Cao Fang, born in 1974, master degree; since May of 2007, he took post of item manager of marketing and management department in headquarter of Life Insurance, associate of general manager of marketing and management headquarter as well as general manager of market and business department, he acted as member of

planning team of Life Insurance Branch in Guangdong. And subsequently served in strategy and development center, Office of the Chairman, Supervision office; he serves as deputy GM of Shanghai Branch of Life Insurance since March 2012 and person in charge of the sales management center in Funde Insurance Holding

Mr. Yang Fenbo, born in 1957, China senior economist with master degree of MBA and engineer, held the position of minister of development department, concurrently minister of science and technology department, assistant general manager, assistant to chairman, deputy chief engineer and chief engineer at Shenzhen Lionda Group; took the chairman and concurrently general manager of Guangdong Sunrise Holding Co., Ltd.; now, he is the chairman of Shenzhen Liona Group Co., Ltd. and Shenzhen Qianhai Fu Rong Asset Management Co., Ltd.

Mr. Sun Longlong, born in 1973, graduated from Shanghai University of Finance and Economics in 1995 with a bachelor degree, a bachelor of Economics. He 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, CFO and secretary of the Board of the Company.

Mr. Zhonghua, born in 1964, undergraduate college, has an engineer title. He worked in the period since December 1991, and have successively held the posts of director of the quality management dept., director of testing center, deputy GM and GM of the quality management dept., now he serves as director of the Company, director of OEM Management and Manager of Quality Control Department, and Chairman and General Manager of Shenzhen EMMELLE Industrial Co., Ltd.

Ms. Yang Lan, born in 1969, is a master's degree holder, a certified tax accountant, a certified appraiser, a certified public accountant, and an auditor. She successively served as a member of Guiyang Audit Bureau, the head of Zhuhai BDO China Shu Lun Pan Certified Public Accountants, the head of Shanghai Lixin Changjiang Certified Public Accountants, Zhuhai Branch, the head of Guangdong Lixin Changjiang Certified Public Accountants, and the senior manager of Pan-China Certified Public Accountants (LLP), Guangdong Branch; Investment Director of Guangzhou Securities Innovation Investment Company, deputy head of Guangdong Pujinxinghua Tax Agent Co., Ltd., and the deputy head of Guangdong Lixin Changjiang Certified Public Accountants. Since June 29, 2017, she has served as an independent director of the company.

Mr. Song Xishun, born in 1963, holds a master's degree in Chinese from Xiamen University. He once served as a teacher of PLA University of Foreign Language, took office at Public Security Bureau of Xiamen City, Xiamen City Bureau of Culture, served as the deputy dean of Cultural Industry School of Xiamen University of Technology and an arbitrator of Xiamen City Personnel Dispute Arbitration Committee. He has been teaching at Xiamen University of Technology since 2003, and currently serves as Independent director of the company, the deputy dean (worked since January 2013, part-time) of Cultural Development Institute of Xiamen University of Technology, a lawyer (part-time) of Zhong Yin (Xiamen) Law Firm, an independent director (part-time) of Dehua Hengyi Art Ceramics Co., Ltd and Ankee Food Co., Ltd., and the vice chairman (part-time) of Xiamen Language

Association.

Mr. Zhang Zhigao, born in 1965, is a bachelor of laws from Fudan University, a certified public accountant and a certified appraiser; he has been serving as a partner lawyer of Shanghai Xuan Lun Law Firm since 2007. He used to be a technician of Shanghai Electrical Machinery Plant, a lecturer of Shanghai Lixin University of Commerce, and a partner lawyer of Shanghai Alshine Law Firm; served as a member of the twelfth session of CPPCC of Xuhui District, Shanghai, an independent director of Shanghai Kai Kai Industrial Co., Ltd., an independent director of Shanghai Norcent Technology Development Co., Ltd., and an independent director of Shanghai Xingye Real Estate Co., Ltd.; he currently serves as a supervisor (part-time) of Shanghai Lingqing Venture Capital Investment Management Co., Ltd., a director (part-time) of Shanghai Chengxi Asset Management Co., Ltd., and a director (part-time) of Zhongcheng Village Bank Co., Ltd. of Kuiwen District, Weifang City .

Mr. Li Xiang, born in 1974, holds a master's degree. He once served as the secretary of the party committee, the director of the organization department of the party committee, and the manager of the human resources department at Pacific Life Jiangxi Branch. Since March 2008, he has been serving as the deputy general manager of Shenzhen Guosheng Energy Investment Development Co., Ltd.

Mr. Zheng Zhonghuan, born in 1962, holds a bachelor's degree and an engineer title. He once worked at Shenzhen Light Textile Industry Company and Shenzhen Light Industry Company. Since October 1985, he has been working at Shenzhen China Bicycle Company (Holdings) Limited, and once served as the deputy manager and manager of planning department, the manager of material department, and the manager of manufacturing department; and he serves as a supervisor of the Company, Director of Lithium Battery and New Materials Business Department, and Director of holding subsidiary Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.

Mr. Li Jialin, born in 1961, a master degree with a title of senior engineer. He successively served as senior engineer of the Company in electrical & mechanical engineering division, GM assistant of Hunan Guangdian Motorcycle Company, manager of the Company in H&R Dept. now he serves as Staff representative supervisor, commissioner of comprehensive office of the Company and person in charge of the labor union.

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)
Yao Zhengwang	Shenzhen Guosheng Energy Investment Development Co., Ltd.	Supervisor	October 09, 2006		y
Li Xiang	Shenzhen Guosheng Energy Investment Development Co., Ltd.	Deputy General	March 1, 2008		Y

		Manager			
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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)
Yao Zhengwang	Leshan Commercial Bank Co., Ltd.	Supervisor	January 10, 2019	January 9, 2022	Y
Cao Fang	Funde Insurance Holdings sales management center	Person in charge	June 1, 2016		Y
Sun Longlong	Shenzhen Xinsen Jewelry and Gold Supply Chain Co., Ltd.	Chairman	August 23, 2019		N
Zhong Hua	Shenzhen EMMELLE Cloud Technology Co., Ltd.	Chairman and General Manager	July 21, 2020		N
Yang Fenbo	Shenzhen Laiyingda Group Co., Ltd.	Senior consultant	September 12, 2017		Y
Yang Lan	Guangdong Lixin Jiazhou Accounting Firm	Vice director	April 1, 2001		Y
	Huadong Medicine Co., Ltd.	Independent Director	June 9, 2019	June 5, 2022	Y
	Shenzhen Zhongtian Hardcover Co., Ltd.	Independent Director	November 1, 2019	October 30, 2022	Y
Song Xishun	Xiamen University of Technology	Vice professor	September 1, 2003		Y
	Zhong Yin (Xiamen) Law Firm	Part-time lawyer	September 1, 2003		Y
	Ankee Food Co., Ltd	Independent director	December 30, 2020	December 29, 2023	Y
Zhang Zhigao	SHULUN & PARTNERS (SHANGHAI)	Partner lawyer	December 1, 2007		Y
	Zhonggeng Fund Management Co., Ltd.	Director	July 21, 2009		N
	Shanghai Chengxi Asset Management Co., Ltd.	Director	May 10, 2010		N
	Zhongcheng Villiage Bank Co., Ltd. of Kuiwen District, Weifang City	Director	December 31, 2013		Y
	China Resources Micro	Independent director	April 24, 2019	April 23, 2022	Y

Zheng Zhonghuan	Shenzhen Xinsen Jewelry and Gold Supply Chain Co., Ltd.	Director	August 23, 2019		N
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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

IV. 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 senior supervisors amounted to 1.6004 million yuan from January to December in 2019.

Remuneration for directors, supervisors and senior executives in reporting period

In 10 thousand 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	M	52	Currently in office	64.55	N
Sun Longlong	Director	M	48	Currently in office	26.08	N
Zhong Hua	Director	M	57	Currently in office	19.84	N
Zheng Zhonghuan	Supervisor	M	59	Currently in office	17.11	N
Li Jialin	Staff Supervisor	M	60	Currently in office	18.18	N
Yang Lan	Independent	F	52	Currently in	4.76	N

	director			office		
Song Xishun	Independent director	M	58	Currently in office	4.76	N
Zhang Zhigao	Independent director	M	56	Currently in office	4.76	N
Total	--	--	--	--	160.04	--

Delegated equity incentive for directors, supervisors and senior executives in reporting period

Applicable Not applicable

V. Particulars of workforce

1. Number of Employees, Professional composition, Education background

Employee in-post of the parent Company (people)	44
Employee in-post of main Subsidiaries (people)	21
The total number of current employees (people)	65
The total number of current employees to receive pay (people)	65
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	14
Sales personnel	9
Technical personnel	24
Financial personnel	8
Administrative personnel	10
Total	65
Education background	
Category of education background	Numbers (people)
Undergraduate	25
Junior college	21
Below junior college	19
Total	65

2. Remuneration Policy

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

3. Training programs

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

4. Labor outsourcing

Applicable Not applicable

Section X. Corporate Governance

I. Corporate governance of the Company

During the reporting period, the Company was strictly in accordance with the "Company Law", "Securities Law" as well as "Listing Corporation Management Standards" and other relevant laws, regulations and normative documents. We combined the actual situation, constantly improved the corporate governance structure, and strive to build a modern enterprise system. Operation, assembling and holding of general meeting of shareholders, the Board of Directors and board of supervisors were strictly with relevant rules of procedure. Thus we protected interests of the Company. The actual situation of corporate governance structure was in accordance with the release of normative documents about the listing Corporation management rules from China Securities Regulatory Commission.

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. Independent of the Company relative to controlling shareholders' in aspect of businesses, personnel, assets, organization and finance

The Company separate business, personnel, assets, institute and finance with largest shareholder or other related parties, owes independent and completed self-operation ability.

III. Horizontal competition

Applicable Not applicable

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

1. Annual Shareholders' General Meeting in the report period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Index of disclosure
First Extraordinary shareholders general meeting 2020	Extraordinary shareholders general meeting	12.55%	May 15, 2020	May 15, 2020	Notice of Resolution of First Extraordinary shareholders general meeting 2020 (No.: 2020021)

Annual General Meeting 2019	Annual General Meeting	12.09%	June 30, 2020	June 30, 2020	Notice of Resolution of Annual General Meeting 2020 (No.: 2020028)
Second Extraordinary shareholders general meeting 2020	Extraordinary shareholders general meeting	12.29%	August 21, 2020	August 21, 2020	Notice of Resolution of Second Extraordinary shareholders general meeting 2020 (No.: 2020038)
Third Extraordinary shareholders general meeting 2020	Extraordinary shareholders general meeting	13.54%	December 30, 2020	December 30, 2020	Notice of Resolution of Third Extraordinary shareholders general meeting 2020 (No.: 2020059)

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

Applicable Not applicable

V. Responsibility performance of independent directors

1. The attending of independent directors to Board meetings and general meeting

The attending of independent directors to Board Meeting and general meeting							
Name of independent director	Times of Board meeting supposed to attend in the report period	Times of Board meeting Presence	Times of attending Board meeting by communication	Times of Board meeting entrusted presence	Times of Board meeting Absence	Absent the Board Meeting for the second time in a row (Y/N)	Times of attending shareholding meeting
Yang Lan	10	0	10	0	0	N	2
Song Xishun	10	0	10	0	0	N	1
Zhang Zhigao	10	0	10	0	0	N	1

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

Nil

2. Objection for relevant events from independent directors

Independent directors come up with objection about Company's relevant matters

Yes No

Independent directors have no objections for relevant events in reporting period.

3. Other explanation about responsibility performance of independent directors

The opinions from independent directors have been adopted

Yes No

Explanation on advice that accepted/not accepted from independent directors

Nil

VI. Duty performance of the special committees under the board during the reporting period

Board of directors set up audit commission and remuneration and appraisal commission taking responsibility based on Governance Rules of Listed Company, Article of Association as well as Procedure Rules of Board of Directors and other duties and rights various departments endowed.

As for compiling and audit on annual financial report were checked and communicated by Audit commission in accordance with rules of Working Procedure of Annual Report of Audit Commission, and they submitted decision to board of directors for approval.

Remuneration and appraisal commission of the Company, in reporting period, according to the “Interim Measure on Assessment Reward of Annual Performance for Senior Executives”, carry out evaluation on the management team members for operation works in 2020.

VII. 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.

VIII. Examination and incentives of senior management

The Company initially established the standard and incentive mechanism for open and transparent performance evaluation on directors, supervisors and management layer. The appointment of senior management staff was open and transparent, in accordance with provisions of the law.

IX. Internal Control

1. Details of major defects in IC appraisal report that found in reporting period

Yes No

2. Appraisal Report of Internal Control

Disclosure date of full internal control evaluation report	April 27, 2021	
Disclosure index of full internal control evaluation report	Appraisal Report of Internal Control 2020 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 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	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

	control defect besides material defect and major defect.	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

X. 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 2020.

Disclosure details of audit report of internal control	Disclosed
Disclosure date of audit report of internal control (full-text)	April 27, 2021
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

Section XI. Corporation Bonds

Whether or not the Company public offering corporation bonds in stock exchange, which undue or without payment in full at maturity on the approval date for annual report disclosed

No

Section XII. Financial Report

I. Audit report

Type of audit opinion	An unqualified audit report with significant uncertainty of going concern
Signing date of audit report	April 23, 2021
Name of audit institute	Baker Tilly China CPA (LLP)
Name of CPA	Chen Zhigang, Zhang Lei

Text of auditor's Report

II. Financial statement

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

To all shareholders of Shenzhen China Bicycle Company (Holdings) Limited

I. Auditing opinions

We have audited the financial statement under the name of Shenzhen China Bicycle Company (Holdings) Limited (hereinafter referred to as CBC), including the consolidated and parent Company's balance sheet of 31 December 2020 and profit statement, and cash flow statement, and statement on changes of shareholders' equity for the year ended, and notes to the financial statements for the year ended.

In our opinion, the Company's financial statements have been prepared in accordance with the Enterprises Accounting Standards and Enterprises Accounting System, and they fairly present the financial status of the Company and of its parent company as of 31 December 2020 and its operation results and cash flows for the year ended.

II. Basis of opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of the auditor's report. We are independent of the Company in accordance with the Certified Public Accountants of China's Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Major uncertainty with continuous operation concerned

We bring to the attention of the users of the financial statements, as stated in note XV of the financial statements under the name of CBC, China Bicycle Company has completed implementation of the restructuring plan dated 27 December 2013 and terminate the bankruptcy proceedings, in which the condition of introduction of investors has been set out with a view to restoring its ability to continue as a going concern and its sustainable profitability through asset restructuring. Up to the reporting date of auditing, the Company has not introduced any investor, and maintain the ability of CBC to continue the business before the injection of the assets by only retaining the traditional business of selling electric bicycles and developing and selling new business such as lithium batteries and jewelry & gold. Considering that the net profit attributable to parent company for year of 2020 is 3.9846 million yuan, only turning a loss into a profit, these events or circumstances indicate that there are significant uncertainties that may cause significant doubts about the sustainable operation ability of China Bicycle Company. This matter does not affect the published audit opinion.

IV. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter we identified is as follows:

Key audit matters	Audit address
1. Revenue recognized	
CBC mainly engages in the sales of bicycles, electric vehicles, relevant materials and jewelry accessories. In 2020, the main business income of Shenzhen China Bicycle Company was 108,929,796.13 yuan, all of which were generated from domestic sales. Shenzhen China Bicycle Company took the point of revenue recognition when the product is shipped and signed for by the customer. Due to the significant amount of operating income, the authenticity of the revenue and whether it should be included in the appropriate accounting period had a significant impact on the operating results of the company in 2020, and there might be potential misstatements. Therefore, we took the recognition of income as a key audit matter.	1. Understand, test and evaluate the effectiveness of the internal control design and operation related to the company's sales and collections. 2. Check the relevant provisions of customer contracts, and pay attention to the changes in pricing methods, acceptance methods, delivery locations and deadlines, settlement methods, etc., and assess whether the company's recognition of income meets the requirements of the accounting standards and whether it is consistent with the disclosed accounting policies. 3. Inquire and understand the background information of major customers through open channels, such as business registration data, etc., confirm whether there are potential unrecognized related party relationships between the customer and the company and related parties. 4. Check the customer information (such as contact information, contact address, order time, etc.) of online marketing and evaluate the authenticity and rationality of online marketing;
Please refer to the accounting policies said in "25. Revenue" of "Note III Main Accounting Policies and Accounting Estimate", "22. Operation Revenue and Cost" of "Note VI Annotation of Consolidate Financial Statement and "5. Operating Income and Costs" of "Note XV Principle notes of financial statement of	

<p>parent company” of the financial statements annotation.</p>	<p>examine the market price of main materials and analyze the rationality of gross profit rate fluctuation.</p> <p>5. Inform the main customers of the current transaction amount and fund balance by confirmation letters, and visit important customers to verify the authenticity of the company’s revenue recognition.</p> <p>6. Check the contracts, warehouse receipts, delivery notes and delivery receipt records of major customers</p> <p>7. Check the delivery note 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.</p>
<p>2. Impairment of account receivable</p>	
<p>As of December 31, 2020, the balance of accounts receivable of Shenzhen China Bicycle Company was 60,001,774.73 yuan, and the balance of bad debt provisions was 4,970,350.03 yuan. As the balance of accounts receivable was significant and the assessment of bad debt provision involved the significant judgment of management, we regarded the impairment of accounts receivable as a key audit matter.</p> <p>Please refer to the accounting policies said in “12. Accounts Receivables” of Note III Main Accounting Policies and Accounting Estimate, “3. Account receivable” of “Note VI Annotation of Consolidate Financial Statement ”, and “2. Accounts Receivables” of “Note XV Principle notes of financial statement of parent company” of the financial statements annotation.</p>	<p>1. Understand and test the effectiveness of the internal control design and operation related to the accounts receivable management</p> <p>2. Review the rationality and consistency of accounting policies of the bad debt provision for accounts receivable of the management, and review the rationality of major standards of single amount determined by the management.</p> <p>3. For the accounts receivable with separate provision for bad debts, select samples to obtain management’s basis for estimating the estimated future recoverable amount, including customer credit record, default or delayed payment records, and actual repayment after date, and review its rationality.</p> <p>4. For the accounts receivable with provision for bad debts according to the aging analysis method, analyze the rationality of the accounting estimates for the bad-debt provision of the accounts receivable of China Bicycle Company, and select samples to test the accuracy of the ageing.</p>

V. Other information

The management of CBC (the “Management”) is responsible for other information which includes the information covered in the Company’s 2020 annual report excluding the financial statement and our audit report.

The audit opinion issued by us for the financial statement has not covered other information, for which we do not issue any form of assurance opinions.

Considering our audit on financial statements, we are liable to read other information, during which, we shall consider whether other information differs materially from the financial statements or that we understand during

our audit, or whether there is any material misstatement.

Based on the works executed by us, we should report the fact if we find any material misstatement in other information. In this regards, we have nothing to report.

VI. Responsibilities of management and those charged with governance for the financial statements

The management is responsible for the preparation of the financial statements in accordance with the Accounting Standards for Enterprise to secure a fair presentation, and for the design, establishment and maintenance of the internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing matters related to going concern and using the going concern assumption unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VII. Responsibilities of the auditor for the financial statements

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

As part of an audit in accordance with the CAS, 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 audit 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 the management.

(4) Conclude on the appropriateness of the management's use of the going concern assumption 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 by the CAS to draw users' attention in audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify audit opinion. Our conclusions are based on the information obtained up to the date of audit 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 sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard measures.

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 the 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 the auditor's report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

1. Consolidated Balance Sheet

Prepared by Shenzhen China Bicycle Company (Holdings) Limited

December 31, 2020

In RMB

Item	December 31, 2020	December 31, 2019
------	-------------------	-------------------

Current assets:		
Monetary funds	19,887,978.05	6,074,367.91
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable		580,000.00
Account receivable	55,031,424.70	38,616,523.93
Receivable financing		
Accounts paid in advance	816,541.52	938,425.99
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	576,770.36	740,354.71
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	7,729,325.94	6,078,330.30
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	2,715,425.31	3,318,514.25
Total current assets	86,757,465.88	56,346,517.09
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		
Fixed assets	3,792,133.36	4,191,503.33
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets		753,000.00
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	793,170.75	1,042,582.16
Other non-current asset	400,000.00	400,000.00
Total non-current asset	4,985,304.11	6,387,085.49
Total assets	91,742,769.99	62,733,602.58
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	9,606,144.94	10,191,385.23
Accounts received in advance		1,739,953.80
Contractual liability	15,254,713.38	
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	1,459,244.07	599,962.73
Taxes payable	722,321.02	585,062.75
Other account payable	37,882,805.52	38,175,654.98

Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,175,251.38	
Total current liabilities	66,100,480.31	51,292,019.49
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,175,251.38	
Total liabilities	66,100,480.31	51,292,019.49
Owner's equity:		
Share capital	551,347,947.00	551,347,947.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	627,834,297.85	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	-1,200,950,240.88	-1,204,736,075.56
Total owner's equity attributable to parent company	10,905,230.98	7,119,396.30
Minority interests	14,737,058.70	4,322,186.79
Total owner's equity	25,642,289.68	11,441,583.09
Total liabilities and owner's equity	91,742,769.99	62,733,602.58

Legal Representative: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

2. Balance Sheet of Parent Company

In RMB

Item	December 31, 2020	December 31, 2019
Current assets:		
Monetary funds	10,097,024.59	1,959,804.92
Trading financial assets		
Derivative financial assets		
Note receivable		580,000.00
Account receivable	24,274,935.96	32,843,536.70
Receivable financing		
Accounts paid in advance	800,000.00	76,937.00
Other account receivable	115,263.05	485,062.44
Including: Interest receivable		
Dividend receivable		
Inventories	550,421.78	1,333,374.72
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	2,652,771.13	2,830,705.01

Total current assets	38,490,416.51	40,109,420.79
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	19,960,379.73	4,235,379.73
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fixed assets	3,530,501.40	3,813,708.80
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets		753,000.00
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	400,000.00	400,000.00
Total non-current assets	23,890,881.13	9,202,088.53
Total assets	62,381,297.64	49,311,509.32
Current liabilities		
Short-term borrowings		
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	748,604.24	9,002,524.60
Accounts received in advance		572,687.18
Contractual liability	14,685,423.04	
Wage payable	1,146,371.58	507,738.35
Taxes payable	24,906.50	27,797.28
Other accounts payable	39,409,824.37	36,803,498.12

Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,101,243.63	
Total current liabilities	57,116,373.36	46,914,245.53
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	57,116,373.36	46,914,245.53
Owners' equity:		
Share capital	551,347,947.00	551,347,947.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	627,834,297.85	627,834,297.85
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	32,673,227.01	32,673,227.01
Retained profit	-1,206,590,547.58	-1,209,458,208.07

Total owner's equity	5,264,924.28	2,397,263.79
Total liabilities and owner's equity	62,381,297.64	49,311,509.32

3. Consolidated Profit Statement

In RMB

Item	2020	2019
I. Total operating income	117,857,480.17	76,022,687.75
Including: Operating income	117,857,480.17	76,022,687.75
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	113,179,555.62	80,986,694.86
Including: Operating cost	103,221,623.73	68,681,471.12
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 extras	108,070.23	59,405.21
Sales expense	2,540,657.03	3,178,476.39
Administrative expense	4,783,608.32	6,409,465.59
R&D expense	2,506,877.57	2,753,277.72
Financial expense	18,718.74	-95,401.17
Including: Interest expenses		
Interest income	89,977.25	110,834.04
Add: other income	10,207.52	
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 “-”)		
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 “-”)	-603,180.13	-2,533,065.87
Losses of devaluation of asset (Loss is listed with “-”)	-198,181.03	-499,175.17
Income from assets disposal (Loss is listed with “-”)	24,936.44	
III. Operating profit (Loss is listed with “-”)	3,911,707.35	-7,996,248.15
Add: Non-operating income	6,542,649.75	6,259,839.85
Less: Non-operating expense	5,688,279.29	6,065,148.83
IV. Total profit (Loss is listed with “-”)	4,766,077.81	-7,801,557.13
Less: Income tax expense	390,371.22	12,324.52
V. Net profit (Net loss is listed with “-”)	4,375,706.59	-7,813,881.65
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	4,375,706.59	-7,813,881.65
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	3,785,834.68	-7,186,905.64
2.Minority shareholders’ gains and losses	589,871.91	-626,976.01
VI. Net after-tax of other comprehensive income		

Net after-tax of other comprehensive income attributable to owners of parent company		
(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 after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	4,375,706.59	-7,813,881.65
Total comprehensive income	3,785,834.68	-7,186,905.64

attributable to owners of parent Company		
Total comprehensive income attributable to minority shareholders	589,871.91	-626,976.01
VIII. Earnings per share:		
(i) Basic earnings per share	0.0069	-0.0130
(ii) Diluted earnings per share	0.0069	-0.0130

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: Zhong Xiaojin

4. Profit Statement of Parent Company

In RMB

Item	2020	2019
I. Operating income	28,879,097.16	57,765,728.40
Less: Operating cost	21,700,690.24	52,957,470.16
Taxes and surcharge	15,043.36	30,534.64
Sales expenses	707,225.99	669,212.01
Administration expenses	2,851,678.89	5,274,201.03
R&D expenses	1,118,618.85	2,753,277.72
Financial expenses	-60,879.85	-27,640.88
Including: interest expenses		
Interest income	69,527.04	36,142.99
Add: other income	8,595.12	
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 “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-130,767.69	-2,150,073.55
Losses of devaluation of asset (Loss is listed with “-”)	-118,780.98	
Income on disposal of assets (Loss is listed with “-”)	24,936.44	
II. Operating profit (Loss is listed with “-”)	2,330,702.57	-6,041,399.83
Add: Non-operating income	5,975,186.69	5,964,797.81
Less: Non-operating expense	5,438,228.77	5,603,102.65
III. Total Profit (Loss is listed with “-”)	2,867,660.49	-5,679,704.67
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	2,867,660.49	-5,679,704.67
(i) continuous operating net profit (net loss listed with “-”)	2,867,660.49	-5,679,704.67
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(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	2,867,660.49	-5,679,704.67
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	2020	2019
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	93,023,981.38	34,301,259.24
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 returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	78,290.48	
Other cash received concerning operating activities	28,524,286.42	8,415,964.05
Subtotal of cash inflow arising from operating activities	121,626,558.28	42,717,223.29
Cash paid for purchasing commodities and receiving labor service	96,741,787.34	33,526,465.17
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, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	5,937,846.01	6,068,095.14
Taxes paid	551,358.27	5,495,235.28
Other cash paid concerning operating activities	14,453,337.70	11,419,369.04
Subtotal of cash outflow arising from operating activities	117,684,329.32	56,509,164.63

Net cash flows arising from operating activities	3,942,228.96	-13,791,941.34
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	64,500.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	64,500.00	
Cash paid for purchasing fixed, intangible and other long-term assets	18,118.82	897,577.01
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 outflow from investing activities	18,118.82	897,577.01
Net cash flows arising from investing activities	46,381.18	-897,577.01
III. Cash flows arising from financing activities		
Cash received from absorbing investment	9,825,000.00	2,275,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	9,825,000.00	2,275,000.00
Cash received from loans		
Other cash received concerning		2,000,000.00

financing activities		
Subtotal of cash inflow from financing activities	9,825,000.00	4,275,000.00
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		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities	9,825,000.00	4,275,000.00
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	13,813,610.14	-10,414,518.35
Add: Balance of cash and cash equivalents at the period -begin	6,074,367.91	16,488,886.26
VI. Balance of cash and cash equivalents at the period -end	19,887,978.05	6,074,367.91

6. Cash Flow Statement of Parent Company

In RMB

Item	2020	2019
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	17,674,623.95	20,912,867.52
Write-back of tax received	4,239.24	
Other cash received concerning operating activities	33,840,545.52	11,527,292.59
Subtotal of cash inflow arising from operating activities	51,519,408.71	32,440,160.11

Cash paid for purchasing commodities and receiving labor service	9,546,863.96	15,697,313.54
Cash paid to/for staff and workers	4,522,703.61	4,179,923.89
Taxes paid	296,782.94	5,298,670.25
Other cash paid concerning operating activities	13,337,219.71	9,071,443.23
Subtotal of cash outflow arising from operating activities	27,703,570.22	34,247,350.91
Net cash flows arising from operating activities	23,815,838.49	-1,807,190.80
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	64,500.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	64,500.00	
Cash paid for purchasing fixed, intangible and other long-term assets	18,118.82	897,577.01
Cash paid for investment	15,725,000.00	4,225,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	15,743,118.82	5,122,577.01
Net cash flows arising from investing activities	-15,678,618.82	-5,122,577.01
III. Cash flows arising from financing		

activities		
Cash received from absorbing investment		
Cash received from loans		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	8,137,219.67	-6,929,767.81
Add: Balance of cash and cash equivalents at the period -begin	1,959,804.92	8,889,572.73
VI. Balance of cash and cash equivalents at the period -end	10,097,024.59	1,959,804.92

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

Current period

In RMB

Item	2020													Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company											Subtotal			
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit		Other		
	Preferred stock	Perpetual capital	Other												

			securities											
I. Balance at the end of the last year	551,347,947.00			627,834,297.85				32,673,227.01		-1,204,736,075.56		7,119,396.30	4,322,186.79	11,441,583.09
Add:														
Changes of accounting policy														
Error correction of the last period														
Enterprise combine under the same control														
Other														
II. Balance at the beginning of this year	551,347,947.00			627,834,297.85				32,673,227.01		-1,204,736,075.56		7,119,396.30	4,322,186.79	11,441,583.09
III. Increase/Decrease in this year (Decrease is listed with “-”)										3,785,834.68		3,785,834.68	10,414,871.91	14,200,706.59
(i) Total comprehensive income										3,785,834.68		3,785,834.68	589,871.91	4,375,706.59
(ii) Owners' devoted and decreased capital													9,825,000.00	9,825,000.00
1.Common shares invested by shareholders													9,825,000.00	9,825,000.00
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. Withdrawal of surplus reserves																			
2. Withdrawal of general risk provisions																			
3. Distribution for owners (or shareholders)																			
4. Other																			
(IV) Carrying forward internal owners' equity																			
1. Capital reserves converted to capital (share capital)																			
2. Surplus reserves converted to capital (share capital)																			
3. Remedying loss with surplus 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 report period																
2. Usage in the report period																
(VI) Others																
IV. Balance at the end of the report period	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

Last period

In RMB

Item	2019														Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company															
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses reserve	Provision of general risk	Retained profit	Other	Subtotal			
		Preferred stock	Perpetual capital securities	Other												
I. Balance at the end of the last year	551,347,947.00			627,834,297.85				32,673,227.01			-1,197,549,169.92		14,306,301.94	2,674,162.80	16,980,464.74	
Add: Changes of accounting policy																
Error correction of the last period																

Enterprise combine under the same control														
Other														
II. Balance at the beginning of this year	551,347,947.00			627,834,297.85			32,673,227.01		-1,197,549,169.92		14,306,301.94	2,674,162.80	16,980,464.74	
III. Increase/Decrease in this year (Decrease is listed with “-”)									-7,186,905.64		-7,186,905.64	1,648,023.99	-5,538,881.65	
(i) Total comprehensive income									-7,186,905.64		-7,186,905.64	-626,976.01	-7,813,881.65	
(ii) Owners’ devoted and decreased capital												2,275,000.00	2,275,000.00	
1. Common shares invested by shareholders												2,275,000.00	2,275,000.00	
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. Withdrawal of surplus														

reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)															
4. Other															
(IV) Carrying forward internal owners' equity															
1. Capital reserves converted to capital (share capital)															
2. Surplus reserves converted to capital (share capital)															
3. Remedying loss with surplus 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 report period																
2. Usage in the report period																
(VI)Others																
IV. Balance at the end of the report period	551,347,947.00				627,834,297.85				32,673,227.01			-1,204,736.075.56		7,119,396.30	4,322,186.79	11,441,583.09

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

Current period

In RMB

Item	2020											
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual capital securiti es	Other								
I. Balance at the end of the last year	551,347,947.00				627,834,297.85				32,673,227.01	-1,209,458,208.07		2,397,263.79
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	551,347,947.00				627,834,297.85				32,673,227.01	-1,209,458,208.07		2,397,263.79
III. Increase/Decrease in this year (Decrease is listed with "-")										2,867,660.49		2,867,660.49
(i) Total comprehensive										2,867,660.49		2,867,660.49

income												
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												
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. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(IV) Carrying forward internal owners' equity												
1. Capital reserves conversed to capital (share capital)												
2. Surplus reserves conversed to capital (share capital)												
3. Remedying												

loss with surplus 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 report period												
2. Usage in the report period												
(VI)Others												
IV. Balance at the end of the report period	551,347,947.00				627,834,297.85				32,673,227.01	-1,206,590,547.58		5,264,924.28

Last period

In RMB

Item	2019											
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual capital securities	Other								
I. Balance at the end of the last year	551,347,947.00				627,834,297.85				32,673,227.01	-1,203,778,503.40		8,076,968.46
Add: Changes of accounting policy												

Error correction of the last period												
Other												
II. Balance at the beginning of this year	551,347,947.00			627,834,297.85				32,673,227.01	-1,203,778,503.40			8,076,968.46
III. Increase/Decrease in this year (Decrease is listed with “-”)									-5,679,704.67			-5,679,704.67
(i) Total comprehensive income									-5,679,704.67			-5,679,704.67
(ii) Owners’ devoted and decreased capital												
1.Common shares invested by shareholders												
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. Withdrawal of surplus reserves												
2. Distribution												

for owners (or shareholders)												
3. Other												
(IV) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus 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 report period												
2. Usage in the report period												
(VI)Others												
IV. Balance at	551,34				627,834				32,673,	-1,209,45		2,397,263.7

the end of the report period	7,947.00				,297.85				227.01	8,208.07		9
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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 Company) 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 551,347,947.00 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

The Company's industry: machinery manufacturing industry

Main operation activities: The production and assembly of various bicycles and spare parts, components, parts, mechanical product, sport machinery, fine chemicals, carbon fiber composites material, household electrical appliance and affiliated components (products management by license excluded).

The majority of its products were previously exported, however, the sales volume sharply declined in recent years because of the anti-dumping litigation. Hence, the Company commences on the debt reorganization and the reorganization plan was completed on 27 December 2013 with bankruptcy proceedings terminated. Meanwhile, makes greater efforts to develop and research the new products, and creates a range of electrical bicycles to occupy the domestic market.

Main products and services provided so far: EMMELLE bicycles, electrical bicycles, lithium battery material and gold jewelry.

3. Release of the financial report

The Financial Report released on 23 April 2021 after approved by 28th session of 10th BOD of the Company.

Two subsidiaries and one sub-subsidiary included in consolidate statement scope in the period, that is Shenzhen

Emmelle Industrial Co., Ltd and its subsidiaries Emmelle Cloud Technology Co., Ltd. and Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd, of which, the Shenzhen Emmelle Cloud Technology Co., Ltd is the newly established sub-subsidiary included in consolidate statements during the period.

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

On 11 May 2012, the largest shareholder and biggest creditor of the Company, Shenzhen Guosheng Energy Investment 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 12 October 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. On the last ten-day of October 2012, Shenzhen Municipal Intermediate People's Court ruled to reform the Company since 25 October 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. On the same day, 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 the Company 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.

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 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 Company, 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 Company and its subsidiaries take 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 Company 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 Company 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 Company 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) Affirmation 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 "undistributed 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 Group 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 Company promises to buy or sell financial assets.

When meeting the following conditions, derecognize a financial asset (or part of a financial asset, or part of a group of similar financial assets), 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 assets

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

1) Financial assets measured at amortized cost

Financial 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 Company 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 derecognized, 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 liabilities

The Company'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 Company 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 cost

For 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 loss

Financial 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 offset

If 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 assets

The Company 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 Company and all expected receivable cash flows, that is, the present value of all cash shortages.

The Company 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 loss

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company 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 Company 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 Company's specific assessment of credit risk, please see details in Note IX. Risks Related to Financial Instruments".

Generally, the Company 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 Company 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 Company 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 Company 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 Company 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 Group 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 “Guidelines on Industry Information Disclosure of Shenzhen Stock Exchange No. 11- Listed Company Engaged in Jewelry-related Business”

Nil

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 Company divides the bills receivable into two types, i.e. bank acceptance bills and commercial acceptance bills portfolios, according to the type of financial instruments. For bank acceptance bills, 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 Company believes that the risk of overdue default is 0; for commercial acceptance bills, the Company 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 accounting policy and estimate for account receivable.

12. Account receivable

The Company 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 Company 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 Company 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 withdrawal single item bad debt provision

Basis or amount of judgment 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

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: determined to be un-collectible	Write off	Write off	Write off

(3) Account receivable with significant single amount and single provision for bad debts

Basis or amount of judgment for account with single minor amount	Withdrawal method for bad debt provision of account receivable with single minor amount
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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
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2. A general model of expected credit loss

Found more in the treatment in 【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 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.

The Company 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

(1) Account receivable with single significant amount and withdrawal single item bad debt provision:

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:

(2) Age analysis

Account age	Accrual proportion of account receivable	Accrual proportion of other account receivable
Within one year(one year included)	0.3%	0.3%
1~2 years (2-year included)	0.3%	0.3%
2~3 years (3-year included)	0.3%	0.3%
Over 3 years	100%	100%
Including: determined to be un-collectible	Write off	Write off

Note: no provision is made for bad debt for inter-company receivables and other receivables with the scope of consolidation.

(3) Account receivable with minor single amount but single provision for bad debts

Reasons for provision of bad debt reserve on single base: The Company conducts impairment test separately for receivables that are not significant in single amount but have the following characteristics, 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; receivables that are in dispute with the other party or involving litigation or arbitration; there are clear signs indicating that the debtor is likely to be unable to fulfill the repayment obligations of the receivables.

Provision method of bad debt reserve: If the impairment test is carried out separately and there is objective evidence that it has 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.

15. Inventory

The Company shall comply with the disclosure requirement of “Guidelines on Industry Information Disclosure of Shenzhen Stock Exchange No. 11- Listed Company Engaged in Jewelry-related Business”

(1) Classification of inventory

The inventory of the Company refers to such seven classifications as the raw materials, product in process, goods on hand, wrap page, low value consumables, materials for consigned processing and goods sold.

(2) Valuation of inventories

Inventories are initially measured at cost upon acquisition, which includes procurement costs, processing costs and other costs. The prices of inventories are calculated using weighted average method when they are delivered.

(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, inventory merchandize 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. Contract assets

Nil

17.Contract cost

Nil

18. Assets held for sale

The Company 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 Company 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 subsequent reversed amount in respect of the impairment loss on assets recognized in the disposal group held for sale will increase the book value in proportion of the book value of each non-current assets (other than goodwill) in the disposal group.

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

Nil

20. Other debt investment

Nil

21. Long-term account receivable

Nil

22. Long-term equity investment

(1) Determination 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 Company 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 Group'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 Group 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 property 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 properties 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 property experiences impairment, the relevant impairment provision shall be provided for based on the difference between the carrying value and the recoverable amount.

24. Fixed 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.

(2) Depreciation methods

Category	Method	Years of depreciation	Scrap value rate	Yearly depreciation rate
Housing buildings	Straight-line depreciation	20-year	10%	4.5%
Machinery equipment	Straight-line depreciation	10-year	10%	9%
Means of transportation	Straight-line depreciation	5-year	10%	18%
Electronic equipment and others	Straight-line depreciation	5-year	10%	18%

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

(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

Nil

27. Biological assets

Nil

28. Oil and gas asset

Nil

29. Right-of-use asset

Nil

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

Nil

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. Contract liability

34. Employee compensation

(1) Accounting treatment for short-term compensation

During the accounting period when staff providing service to the Company, 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 Company 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 Company 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 Company 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 Company shall recognize employee compensation liabilities arising from compensation for staff dismissal and included in profit or loss for the current period, when the Company cannot revoke unilaterally compensation for dismissal due to the cancellation of labor relationship plans and employee redundant proposals; and the Company 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 Company have participated in the basic social endowment insurance organized and implemented by the local labor and social security department. The Company 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 Company 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 liabilities

Nil

36. Accrual liability

Nil

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 is 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 measure 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 render of service by employees, the fair value of the liability incurred by the Company 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 Company.

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 Company 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 Company will recognize the increase in the services rendered accordingly at the fair value of the increased number of equity instruments. If the Company revises the vesting conditions on terms favorable to the employees, the Company 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 Company 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 Company will account for such decrease by reducing

part of the cancellation of equity instruments granted. If the Company revises the vesting conditions on terms not favorable to the employees, the Company will not take into consideration of the revised vesting conditions when dealing with the vesting conditions.

If the Company 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 senior shares and perpetual bonds

Nil

39. Revenue

The Company shall comply with the disclosure requirement of “Guidelines on Industry Information Disclosure of Shenzhen Stock Exchange No. 11- Listed Company Engaged in Jewelry-related Business”

(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 income measurement

1) The company measures income 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 Grants

(1) Government grants 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 grants:

1)government grants 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 grants 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 grants 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 grants

1) Government grants relating to assets are used to write off the carrying value of the relevant assets;

2) If government grants 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 grants 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 Company adopts aggregated accounting method for the government grants received.

(6)As for the government grants 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 grants will be recorded as related to income in general.

(7)The Company realizes government grants 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 Company are classified based on whether subsidy funds are paid to the loaning bank or directly to the Company 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 Company at a preferential policy rate, accounting shall be made by the Company 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)Where subsidy funds are paid directly to the Company, the Company will offset the corresponding subsidy

against the relevant borrowing expenses.

41. Deferred income tax assets/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
"Account received in advance" presented as "Contract liability"	Deliberated and approved by 24 th session of 10 th BOD dated 27 August 2020	In consolidate balance sheet dated 31 December 2020, the account received in advance is shown in the amount of 0.00 yuan, the contract liability on 31 December

		2020 is shown as 16,429,964.76 yuan.
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(2) Changes of important accounting estimation

Applicable Not applicable

(3) Adjustment on the relevant items of financial statement at beginning of the year when implemented the new revenue standards and new leasing standards since 2020

Applicable

Whether needs to adjust the balance sheet accounts at the beginning of the year

Yes No

Consolidated balance sheet

In RMB

Item	2019-12-31	2020-01-01	Adjustment
Current assets:			
Monetary fund	6,074,367.91	6,074,367.91	
Settlement provisions			
Capital lent			
Trading financial assets			
Derivative financial assets			
Note receivable	580,000.00	580,000.00	
Account receivable	38,616,523.93	38,616,523.93	
Receivable financing			
Accounts paid in advance	938,425.99	938,425.99	
Insurance receivable			
Reinsurance receivables			
Contract reserve of reinsurance receivable			
Other account receivable	740,354.71	740,354.71	
Including: Interest receivable			
Dividend receivable			
Buying back the sale of			

financial assets			
Inventories	6,078,330.30	6,078,330.30	
Contract assets			
Assets held for sale			
Non-current asset due within one year			
Other current assets	3,318,514.25	3,318,514.25	
Total current assets	56,346,517.09	56,346,517.09	
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			
Fixed assets	4,191,503.33	4,191,503.33	
Construction in progress			
Productive biological asset			
Oil and gas asset			
Right-of-use assets			
Intangible assets	753,000.00	753,000.00	
Expense on Research and Development			
Goodwill			
Long-term expenses to be apportioned			
Deferred income tax asset	1,042,582.16	1,042,582.16	

Other non-current asset	400,000.00	400,000.00	
Total non-current asset	6,387,085.49	6,387,085.49	
Total assets	62,733,602.58	62,733,602.58	
Current liabilities:			
Short-term loans			
Loan from central bank			
Capital borrowed			
Trading financial liability			
Derivative financial liability			
Note payable			
Account payable	10,191,385.23	10,191,385.23	
Accounts received in advance	1,739,953.80		-1,739,953.80
Contract liability		1,568,550.21	1,568,550.21
Selling financial asset of repurchase			
Absorbing deposit and interbank deposit			
Security trading of agency			
Security sales of agency			
Wage payable	599,962.73	599,962.73	
Taxes payable	585,062.75	585,062.75	
Other account payable	38,175,654.98	38,175,654.98	
Including: Interest payable			
Dividend payable			
Commission charge and commission payable			
Reinsurance payable			
Liability held for sale			
Non-current liabilities due within one year			

Other current liabilities		171,403.59	171,403.59
Total current liabilities	51,292,019.49	51,292,019.49	
Non-current liabilities:			
Insurance contract reserve			
Long-term loans			
Bonds payable			
Including: Preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
Long-term wages payable			
Accrual liability			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities			
Total liabilities	51,292,019.49	51,292,019.49	
Owner's equity:			
Share capital	551,347,947.00	551,347,947.00	
Other equity instrument			
Including: Preferred stock			
Perpetual capital securities			
Capital public reserve	627,834,297.85	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	-1,204,736,075.56	-1,204,736,075.56	
Total owner's equity attributable to parent company	7,119,396.30	7,119,396.30	
Minority interests	4,322,186.79	4,322,186.79	
Total owner's equity	11,441,583.09	11,441,583.09	
Total liabilities and owner's equity	62,733,602.58	62,733,602.58	

Explanation on adjustment

The Company has implemented the new revenue standards from January 1, 2020, for the company's right to collect consideration for the goods that the company has transferred to customers, and this right depends on other factors other than the lapse of time, in response to the obligation to transfer goods to customers for the consideration that has been collected or receivable from customers, the contract consideration received in advance is adjusted from "accounts received in advance" to "contract liabilities."

Balance sheet of parent company

In RMB

Item	2019-12-31	2020-01-01	Adjustment
Current assets:			
Monetary fund	1,959,804.92	1,959,804.92	
Trading financial assets			
Derivative financial assets			
Note receivable	580,000.00	580,000.00	
Account receivable	32,843,536.70	32,843,536.70	
Receivable financing			
Accounts paid in advance	76,937.00	76,937.00	
Other account receivable	485,062.44	485,062.44	
Including: Interest receivable			
Dividend receivable			
Inventories	1,333,374.72	1,333,374.72	
Contract assets			

Assets held for sale			
Non-current asset due within one year			
Other current assets	2,830,705.01	2,830,705.01	
Total current assets	40,109,420.79	40,109,420.79	
Non-current assets:			
Debt investment			
Other debt investment			
Long-term account receivable			
Long-term equity investment	4,235,379.73	4,235,379.73	
Investment in other equity instrument			
Other non-current financial assets			
Investment real estate			
Fixed assets	3,813,708.80	3,813,708.80	
Construction in progress			
Productive biological asset			
Oil and gas asset			
Right-of-use assets			
Intangible assets	753,000.00	753,000.00	
Expense on Research and Development			
Goodwill			
Long-term expenses to be apportioned			
Deferred income tax asset			
Other non-current asset	400,000.00	400,000.00	
Total non-current asset	9,202,088.53	9,202,088.53	
Total assets	49,311,509.32	49,311,509.32	
Current liabilities:			
Short-term loans			

Trading financial liability			
Derivative financial liability			
Note payable			
Account payable	9,002,524.60	9,002,524.60	
Accounts received in advance	572,687.18		-572,687.18
Contract liability		535,570.90	535,570.90
Wage payable	507,738.35	507,738.35	
Taxes payable	27,797.28	27,797.28	
Other account payable	36,803,498.12	36,803,498.12	
Including: Interest payable			
Dividend payable			
Liability held for sale			
Non-current liabilities due within one year			
Other current liabilities		37,116.28	37,116.28
Total current liabilities	46,914,245.53	46,914,245.53	
Non-current liabilities:			
Long-term loans			
Bonds payable			
Including: Preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
Long-term wages payable			
Accrual liability			
Deferred income			
Deferred income tax			

liabilities			
Other non-current liabilities			
Total non-current liabilities			
Total liabilities	46,914,245.53	46,914,245.53	
Owner's equity:			
Share capital	551,347,947.00	551,347,947.00	
Other equity instrument			
Including: Preferred stock			
Perpetual capital securities			
Capital public reserve	627,834,297.85	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	-1,209,458,208.07	-1,209,458,208.07	
Total owner's equity	2,397,263.79	2,397,263.79	
Total liabilities and owner's equity	49,311,509.32	49,311,509.32	

Explanation on adjustment

The Company has implemented the new revenue standards from January 1, 2020, for the company's right to collect consideration for the goods that the company has transferred to customers, and this right depends on other factors other than the lapse of time, in response to the obligation to transfer goods to customers for the consideration that has been collected or receivable from customers, the contract consideration received in advance is adjusted from "accounts received in advance" to "contract liabilities."

(4) Explanation on retrospective adjustment of prior period comparative data for the first implementation of new revenue standards and new leasing standards from 2020

Applicable Not applicable

45. Other

Nil

VI. Taxes

1. Main tax category and tax rate

Tax category	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%
Tax for maintaining and building cities	Turnover tax payable	7%
Enterprise income tax	Taxable income	25%, 20%, 15%

Disclose reasons for different taxpaying body

Taxpaying body	Income tax rate
The Company	15.00%
Shenzhen Emmelle Industry Co., Ltd.	25.00%
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	20.00%
Shenzhen Emmelle Cloud Technology Co., Ltd.	20.00%

2. Tax preference

Note 1: The Company obtained the high-tech enterprise certificate "GR202044200651" jointly approved by the Shenzhen Science and Technology Innovation Commission, the Shenzhen Finance Bureau, and the Shenzhen Tax Service, State Taxation Administration on December 11, 2020, the validity period is from 2020 to 2022. Therefore, the company enjoys a preferential tax rate of 15% in 2020.

Note 2: 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[2020] No. 13) and other provisions, from January 1, 2021 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%. Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd. and Shenzhen Emmelle Cloud Technology Co., Ltd., the Company's subsidiaries, are small and low-profit enterprises, so a preferential tax rate of 20% is applicable to them.

3. Other

Nil

VII. Notes to Items in Consolidated Financial Statements**1. Monetary fund**

In RMB

Item	Ending balance	Opening balance
Cash on hand	21,530.26	89,313.66
Bank deposit	19,866,447.79	5,979,003.60
Other monetary fund		6,050.65
Total	19,887,978.05	6,074,367.91

Other explanation

At the end of the period, there are no mortgages, pledges, freezes, etc. that restrict the use of funds.

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

2. Trading financial assets

In RMB

Item	Ending balance	Opening balance
Including:		
Including:		

Other explanation:

Nil

3. Derivative financial assets

In RMB

Item	Ending balance	Opening balance

Other explanation:

Nil

4. Notes receivable**(1) Category**

In RMB

Item	Ending balance	Opening balance
Bank acceptance		580,000.00
Total		580,000.00

In RMB

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	
Notes receivable of bad debt provision accrual on single basis:	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
Including:										
Notes receivable of bad debt provision accrual on portfolio	0.00	0.00%	0.00	0.00%	0.00	580,000.00	100.00%	0.00	0.00%	580,000.00
Including:										
Bank acceptance draft						580,000.00	100.00%	0.00	0.00%	580,000.00
Total	0.00	0.00%	0.00	0.00%	0.00	580,000.00	100.00%	0.00	0.00%	580,000.00

Bad debt provision accrual on single basis:

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Total	0.00	0.00	--	--

Bad debt provision accrual on single basis:

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Total	0.00	0.00	--

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

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:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Total	0.00	0.00	0.00	0.00	0.00	0.00

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

Applicable Not applicable

(3) Note receivable pledged at period-end

In RMB

Item	Amount pledged at period-end
Total	0.00

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

In RMB

Item	Amount derecognition at period-end	Amount not derecognition at period-end
Total	0.00	0.00

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

In RMB

Item	Amount transfer to account receivable at period-end
Total	0.00

Other explanation

- (1) At the end of the period, there was no notes receivable with single provision for bad debts.
- (2) There is no pledge of notes receivable at the end of the period.
- (3) At the end of the period, there are no endorsed or discounted notes receivable that have not yet expired.
- (4) At the end of the period, there was no situation that the bills were converted into accounts receivable due to the inability of the

drawer to perform the contract.

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

In RMB

Item	Amount charge-off
------	-------------------

Including important note receivable charge-off:

In RMB

Enterprise	Nature	Amount charge-off	Causes of charge-off	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
Total	--	0.00	--	--	--

Explanation on note receivable change-off:

Nil

5. Account receivable

(1) Category

In RMB

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	10,400,557.65	17.33%	4,821,546.38	46.36%	5,579,011.27	9,421,186.95	21.81%	4,477,656.23	47.53%	4,943,530.72
Including:										
Accounts with single minor amount but with bad debts provision accrued individually	10,400,557.65	17.33%	4,821,546.38	46.36%	5,579,011.27	4,385,583.20	10.15%	2,966,975.10	67.65%	1,418,608.10
Accounts with single significant amount but with bad debts provision accrued individually						5,035,603.75	11.66%	1,510,681.13	30.00%	3,524,922.62
Account receivable	49,601,2	82.67%	148,803.	0.30%	49,452,41	33,774,31	78.19%	101,322.9	0.30%	33,672,993.

with bad debt provision accrual by portfolio	17.08		65		3.43	6.16		5		21
Including:										
Account receivable withdrawal bad debt provision by group of credit risk characteristics (Aging analysis method)	49,601,217.08	82.67%	148,803.65	0.30%	49,452,413.43	33,774,316.16	78.19%	101,322.95	0.30%	33,672,993.21
Total	60,001,774.73	100.00%	4,970,350.03	8.28%	55,031,424.70	43,195,503.11	100.00%	4,578,979.18	10.60%	38,616,523.93

Bad debt provision accrual on single basis: Account receivable with significant single amount period-end but withdrawal bad debt provision on single basis

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Shenzhen Jiahaosong Technology Co., Ltd.	2,393,603.75	718,081.13	30.00%	Expected to be difficult to recover
Shenzhen Weiterui New Energy Technology Co., Ltd.	1,670,971.05	501,291.32	30.00%	Expected to be difficult to recover
Sichuan Wanling Electric Technology Co., Ltd.	1,102,072.20	1,102,072.20	100.00%	Expected to be difficult to recover
Zhengzhou Guiguan Tech. Trade. Co., Ltd	1,007,233.79	302,170.14	30.00%	Expected to be difficult to recover
Suzhou Jiaxin Economic Trade Co., Ltd.	888,757.00	266,627.10	30.00%	Expected to be difficult to recover
Shijiazhuang Dasong Tech. Co., Ltd	837,064.00	837,064.00	100.00%	Expected to be difficult to recover
Dongguan Daxiang New Energy Co., Ltd.	816,902.94	245,070.88	30.00%	Expected to be difficult to recover
Suzhou Daming Vehicle Industry Co., Ltd.	652,372.42	326,186.21	50.00%	Expected to be difficult to recover
Guangdong Xinlingjia New Energy Co., Ltd.	371,136.00	111,340.80	30.00%	Expected to be difficult to recover
Suzhou Daming Vehicle Industry Co., Ltd.	355,067.00	106,520.10	30.00%	Expected to be difficult to recover

Shanghai Swen Electric Vehicle Co., Ltd.	304,867.50	304,867.50	100.00%	Expected to be difficult to recover
Jinan Yuxintai Sales Co., Ltd.	510.00	255.00	50.00%	Expected to be difficult to recover
Total	10,400,557.65	4,821,546.38	--	--

Bad debt provision accrual on single basis:

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes

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

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Within one year (one year included)	47,429,631.14	142,288.89	0.30%
1-2 years (2 years included)	2,171,585.94	6,514.76	0.30%
Total	49,601,217.08	148,803.65	--

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

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

In RMB

Account age	Book balance
Within one year (one year included)	47,429,631.14
Within one year	47,429,631.14
1-2 years	4,659,969.93
2-3 years	5,668,169.96
Over 3 years	2,244,003.70
3-4 years	304,867.50

4-5 years	1,102,072.20
Over 5 years	837,064.00
Total	60,001,774.73

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Bad debt provision for accounts receivable	4,578,979.18	593,472.35		202,101.50		4,970,350.03
Total	4,578,979.18	593,472.35		202,101.50		4,970,350.03

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

In RMB

Enterprise	Amount collected or reversal	Collection way

(2) Account receivables actually charge-off during the reporting period

In RMB

Item	Amount charge-off
Goods receivable	202,101.50

Including major account receivables charge-off:

In RMB

Enterprise	Nature	Amount charge-off	Causes of charge-off	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
Shijiazhuang Dasong Tech. Co., Ltd	Goods payment	202,101.50	According to the debt repayment agreement, write off the uncollectible payment	Debt settlement agreement, company approval and confirmation	N
Total	--	202,101.50	--	--	--

Explanation on account receivable charge-off:

Nil

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

In RMB

Name	Ending balance of accounts receivable	Proportion of total closing balance of accounts receivable	Ending balance of bad bet provision
Guangshui Jiayu Energy Technology Co., Ltd.	16,308,000.33	27.18%	48,924.00
Xi'an Grom Trading Co., Ltd.	14,082,343.94	23.47%	42,247.03
Shenzhen Yunshang Jewelry Co., Ltd.	5,506,110.50	9.18%	16,518.33
Cao Chuanfu	4,807,119.62	8.01%	14,421.36
Chengdu Shumao Diamond Co., Ltd.	2,903,671.06	4.84%	8,711.01
Total	43,607,245.45	72.68%	

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

No account receivable derecognition due to transfer of financial assets in the period

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

No transfer of accounts receivable and continued involvement in this period.

Other explanation:

There are no accounts receivable from shareholder units and other related parties that have more than 5% (including 5%) voting rights of the company in the accounts receivable at the end of the period.

6. Receivables financing

In RMB

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:

Nil

7. Account paid in advance**(1) By account age**

In RMB

Account age	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	816,541.52	100.00%	938,425.99	100.00%
Total	816,541.52	--	938,425.99	--

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

Nil

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

Enterprise	Relationship with the Company	Amount	Account age	Nature	Ratio in total advance payment (%)
Yunnan Shengbihe New Material Co., Ltd.	Non-related party financing	800,000.00	Within one year	Material fee	97.97
Shenzhen Yaosheng Building Decoration Design Engineering Co., Ltd.	Non-related party financing	15,872.50	Within one year	Material fee	1.94
Shenzhen Huamao Gold Co., Ltd.	Non-related party financing	669.02	Within one year	Material fee	0.08
Total		816,541.52			100.00

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

In RMB

Item	Ending balance	Opening balance
Other account receivable	576,770.36	740,354.71
Total	576,770.36	740,354.71

(1) Interest receivable**1) Category**

In RMB

Item	Ending balance	Opening balance
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2) Important overdue interest

In RMB

Borrower	Ending Balance	Overdue time	Overdue reason	Impairment (Y/N) and judgment basis
Total	0.00	--	--	--

Other explanation:

Nil

3) Accrual of bad debt provisionApplicable Not applicable**(2) Dividend receivable****1) Category**

In RMB

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

In RMB

Item (or invested company)	Ending balance	Account age	Causes of failure for collection	Impairment (Y/N) and judgment basis
Total	0.00	--	--	--

3) Accrual of bad debt provisionApplicable Not applicable

Other explanation:

Nil

(3) Other account receivable**1) By nature**

In RMB

Account nature	Ending book balance	Opening book balance
Deposit or margin	618,609.00	754,822.00
Payment for equipment	311,400.00	311,400.00
Personal loan of employees	10,396.88	28,060.45
Total	940,405.88	1,094,282.45

2) Accrual of bad debt provision

In RMB

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, 2020	353,927.74	0.00	0.00	353,927.74
January 1, 2020 balance in the current period	—	—	—	—
--Transfer to the second stage				0.00
-- Transfer to the third stage				0.00
-- Reversal to the second stage				0.00
-- Reversal to the first stage				0.00
Accrued in this period	9,707.78			9,707.78
Reversal in Current Period				0.00
Conversion in Current Period				0.00
Write off in this period				0.00
Other changes				0.00
Balance on December 31,	363,635.52	0.00	0.00	363,635.52

2020				
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Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

By account age

In RMB

Account age	Book balance
Within one year (one year included)	462,535.88
Within one year	462,535.88
1-2 years	62,000.00
2-3 years	53,970.00
Over 3 years	361,900.00
3-4 years	40,200.00
4-5 years	11,700.00
Over 5 years	310,000.00
Total	940,405.88

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Bad debt provision for other receivables	353,927.74	9,707.78				363,635.52
Total	353,927.74	9,707.78	0.00	0.00	0.00	363,635.52

Nil

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

In RMB

Enterprise	Amount switch-back or collection	Collection way
Total	0.00	--

Nil

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

In RMB

Item	Amount charge-off
------	-------------------

Including major other account receivables charge-off:

In RMB

Enterprise	Nature	Amount charge-off	Causes of charge-off	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
Total	--	0.00	--	--	--

Other Explanation on account receivable charge-off

There is no other account receivable actually written off in the current period

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

In RMB

Enterprise	Nature	Ending Balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
Shenzhen Luwei Mechatronic Equipment Co., Ltd	Payment for equipment	300,000.00	Over 5 years	30.90%	300,000.00
Shenzhen Gangdelong Industrial Co., Ltd.	Margin or deposit	216,840.00	Within one year	23.06%	650.52
Alipay (China) Network Technology Co., Ltd. customer reserve fund	Margin or deposit	170,000.00	Within 3 years	18.08%	510.00
Shenye Pengji (Group) Co., Ltd.	Margin or deposit	60,222.00	Within one year	6.40%	180.67
Shenzhen Haiyida Decoration Design Engineering Co., Ltd.	Margin or deposit	34,550.00	Within one year	3.67%	103.65
Total	--	781,612.00	--	83.11%	301,444.84

6) Account receivable with government grants involved

In RMB

Enterprise	Government grants	Ending Balance	Ending account age	Time, amount and basis of amount collection
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				estimated
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There was no account receivable involving government subsidies at the end of the period.

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:

At the end of the period, other account receivables did not include shareholder units and other related parties holding 5% (including 5%) or more of the voting rights of the company.

9. Inventory

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

No

(1) Category

In RMB

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	1,298,565.61		1,298,565.61	2,183,259.92		2,183,259.92
Finished goods	2,545,994.24	278,533.53	2,267,460.71	1,542,282.57	521,083.05	1,021,199.52
Goods sold	5,656.40		5,656.40			
Consigned processing materials	4,157,643.22		4,157,643.22	2,873,870.86		2,873,870.86
Total	8,007,859.47	278,533.53	7,729,325.94	6,599,413.35	521,083.05	6,078,330.30

The Company shall comply with the disclosure requirement of "Guidelines on Industry Information Disclosure of Shenzhen Stock Exchange No. 11- Listed Company Engaged in Jewelry-related Business"

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

In RMB

Item	Opening balance	Current increased		Current decreased		Ending balance
		Accrual	Other	Switch back or charge-off	Other	
Finished goods	521,083.05	198,181.03		440,730.55		278,533.53
Total	521,083.05	198,181.03		440,730.55		278,533.53

The net realizable value is determined by deducting the necessary expenses from the market price at the end of the period, the inventory falling price reserves reversed or written off in the current period are the sales of the inventory with impairment withdrawn in the current period.

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

Nil

(4) Description of the current amortization amount of contract performance costs

Nil

10. Contractual assets

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Total	0.00	0.00		0.00	0.00	

Book value of contract assets has major changes and causes:

In RMB

Item	Amount changes	Reason for change
Total	0.00	—

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

In RMB

Item	Accrued in this period	Switch-back in the period	Reversal/Charge-off in the period	Causes
Total	0.00	0.00	0.00	--

Other explanation:

Nil

11. Assets held for sale

In RMB

Item	Ending book balance	Impairment provision	Ending book value	Fair value	Expected disposal expenses	Expected disposal time
Total	0.00	0.00	0.00	0.00	0.00	--

Other explanation:

Nil

12. Non-current asset due within one year

In RMB

Item	Ending balance	Opening balance
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Important creditors' investment/Other creditors' investment

In RMB

Creditor's rights	Ending balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date
Total	0.00	—	—	—	0.00	—	—	—

Other explanation:

Nil

13. Other current assets

In RMB

Item	Ending balance	Opening balance
Tax credit and input tax to be certified	2,652,771.13	3,188,649.68
Prepaid corporate income tax	51,574.09	129,864.57
Prepaid input tax	11,080.09	
Total	2,715,425.31	3,318,514.25

Other explanation:

Nil

14. Creditors' investment

In RMB

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

		provision			provision	
Total	0.00	0.00		0.00	0.00	

Important creditors' investment

In RMB

Creditor's rights	Ending balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date
Total	0.00	—	—	—	0.00	—	—	—

Accrual of impairment provision

In RMB

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, 2020				0.00
January 1, 2020 balance in the current period	—	—	—	—
--Transfer to the second stage				0.00
-- Transfer to the third stage				0.00
-- Reversal to the second stage				0.00
-- Reversal to the first stage				0.00
Accrued in this period				0.00
Reversal in Current Period				0.00
Conversion in Current Period				0.00
Write off in this period				0.00
Other changes				0.00
Balance on December 31, 2020				0.00

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

Applicable Not applicable

Other explanation:

Nil

15. Other creditors' investment

In RMB

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
Total		0.00	0.00		0.00	0.00	0.00	—

Important other creditors' investment

In RMB

Other creditors' investment	Ending balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date
Total	0.00	—	—	—	0.00	—	—	—

Accrual of impairment provision

In RMB

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, 2020				0.00
January 1, 2020 balance in the current period	—	—	—	—
--Transfer to the second stage				0.00
-- Transfer to the third stage				0.00
-- Reversal to the second stage				0.00
-- Reversal to the first stage				0.00
Accrued in this period				0.00
Reversal in Current Period				0.00

Conversion in Current Period				0.00
Write off in this period				0.00
Other changes				0.00
Balance on December 31, 2020				0.00

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

In RMB

Item	Ending balance			Opening balance			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Total	0.00	0.00		0.00	0.00		--

Impairment of bad debt provision

In RMB

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, 2020	0.00	0.00	0.00	0.00
January 1, 2020 balance in the current period	—	—	—	—
--Transfer to the second stage				0.00
-- Transfer to the third stage				0.00
-- Reversal to the second stage				0.00
-- Reversal to the first stage				0.00

Accrued in this period				0.00
Reversal in Current Period				0.00
Conversion in Current Period				0.00
Write off in this period				0.00
Other changes				0.00
Balance on December 31, 2020	0.00	0.00	0.00	0.00

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 investments

In RMB

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											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Associated enterprise											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Other explanation

Nil

18. Other equity instrument investment

In RMB

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

In RMB

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

In RMB

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**

In RMB

Item	Book value	Reasons for failing to complete the property rights certificate
------	------------	---

Other explanation

Nil

21. Fixed assets

In RMB

Item	Ending balance	Opening balance
Fixed assets	3,792,133.36	4,191,503.33
Total	3,792,133.36	4,191,503.33

(1) Fixed assets

In RMB

Item	Housing and buildings	Machinery equipment	Means of transportation	Electronic equipment and other	Total
I. Original book value:					
1. Opening balance	2,959,824.00	1,477,691.03	958,593.21	230,136.11	5,626,244.35
2. Current increased				18,118.82	18,118.82
(1) Purchase				18,118.82	18,118.82
(2) Construction in process transfer-in					
(3) The increase in business combination					
3. Current decreased		63,210.26			63,210.26
(1) Disposal or scrap		63,210.26			63,210.26
4. Ending balance	2,959,824.00	1,414,480.77	958,593.21	248,254.93	5,581,152.91
II. Accumulated depreciation					
1. Opening balance	466,172.28	217,943.02	586,406.73	164,218.99	1,434,741.02
2. Current increased	133,192.08	129,547.84	104,557.24	18,048.42	385,345.58
(1) Accrual	133,192.08	129,547.84	104,557.24	18,048.42	385,345.58

3.Current decreased		31,067.05			31,067.05
(1) Disposal or scrap		31,067.05			31,067.05
4.Ending balance	599,364.36	316,423.81	690,963.97	182,267.41	1,789,019.55
III. Impairment provision					
1.Opening balance					
2.Current increased					
(1) Accrual					
3.Current decreased					
(1) Disposal or scrap					
4.Ending balance					
IV. Book value					
1.Ending book value	2,360,459.64	1,098,056.96	267,629.24	65,987.52	3,792,133.36
2.Opening book value	2,493,651.72	1,259,748.01	372,186.48	65,917.12	4,191,503.33

(2) Fixed assets temporary idle

In RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note

(3) Fixed assets leasing-in by financing lease

In RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value

(4) Fixed assets leasing-out by operational lease

In RMB

Item	Ending book value
------	-------------------

(5) Fixed assets without property rights certificate

In RMB

Item	Book value	Reasons for failing to complete the property rights certificate
Six properties in Lianxin Garden	2,360,459.64	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

No accrual for impairment provision due to there was no evidence of impairment being found in fixed assets at period-end

(6) Fixed assets disposal

In RMB

Item	Ending balance	Opening balance
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Other explanation

Nil

22. Construction in progress

In RMB

Item	Ending balance	Opening balance
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(1) Construction in progress

In RMB

Item	Ending balance	Opening balance
------	----------------	-----------------

	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Total	0.00	0.00		0.00	0.00	

(2) Changes in significant construction in progress

In RMB

Item	Budget	Opening balance	increased in the Period	Fixed assets transfer-in in the Period	Other decrease 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
Total	0.00	0.00	0.00	0.00	0.00	0.00	--	--	0.00	0.00	0.00%	--

(3) Provision for impairment of construction in progress in the current period

In RMB

Item	Accrual in the period	Reasons for accrual
Total	0.00	--

Other explanation

Nil

(4) Engineering materials

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Total	0.00	0.00		0.00	0.00	

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 asset

In RMB

Item		Total
1. Opening balance		0.00
2. Current increased		0.00
3. Current decreased		0.00
4. Ending balance		0.00
1. Opening balance		0.00
2. Current increased		0.00
(1) Accrual		0.00
3. Current decreased		0.00
(1) Disposal		0.00
4. Ending balance		0.00
1. Opening balance		0.00
2. Current increased		0.00
(1) Accrual		0.00
3. Current decreased		0.00
(1) Disposal		0.00
4. Ending balance		0.00
1. Ending book value		0.00
2. Opening book value		0.00

Other explanation:

Nil

26. Intangible assets**(1) Intangible assets**

In RMB

Item	Land use right	Patent	Non-patent technology	Trademark	Total
I. Original book value					
1. Opening balance				5,271,000.00	5,271,000.00
2. Current increased					
(1) Purchase					
(2) Internal R & D					
(3) The increase in business combination					
3. Current decreased					
(1) Disposal					
4. Ending balance				5,271,000.00	5,271,000.00
II. Accumulated depreciation					
1. Opening balance				4,518,000.00	4,518,000.00
2. Current increased				753,000.00	753,000.00
(1) Accrual				753,000.00	753,000.00
3. Current decreased					
(1) Disposal					
4. Ending balance				5,271,000.00	5,271,000.00
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				0.00	0.00
2.Opening book value				753,000.00	753,000.00

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

In RMB

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

Other explanation:

There is no mortgage for intangible assets at the end of the period.

27. Expense on Research and Development

In RMB

Item	Opening balance	Current increased			Current decreased			Ending balance
		Internal development expenditure	Other		Confirmed as intangible assets	Transfer to current profit and loss		
Total	0.00	0.00	0.00		0.00	0.00		0.00

Other explanation

Nil

28. Goodwill**(1) Original book value of goodwill**

In RMB

The invested entity or items	Opening balance	Current increased		Current decreased		Ending balance
		Formed by business combination		Dispose		
Total	0.00	0.00		0.00		0.00

(2) Impairment provision of goodwill

In RMB

The invested entity or items	Opening balance	Current increased		Current decreased		Ending balance
		Accrual		Dispose		
Total	0.00	0.00		0.00		0.00

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

Nil

29. Long-term expenses to be apportioned

In RMB

Item	Opening balance	Current increased	Amortized in the Period	Other decrease	Ending balance
Total		0.00	0.00	0.00	

Other explanation

Nil

30. Deferred income tax assets/Deferred income tax liabilities**(1) Deferred income tax assets without offset**

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Impairment provision of assets	4,308,692.80	1,077,173.20	4,170,328.65	1,042,582.16
Total	4,308,692.80	1,077,173.20	4,170,328.65	1,042,582.16

(2) Deferred income tax liabilities without offset

In RMB

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Total	0.00	0.00	0.00	0.00

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

In RMB

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 assets		793,170.75		1,042,582.16

(4) Details of unrecognized deferred income tax assets

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

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

In RMB

Year	Ending amount	Opening amount	Note
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Total	0.00	0.00	--
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Other explanation:

Nil

31. Other non-current assets

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Advance payment for house	400,000.00	0.00	400,000.00	400,000.00	0.00	400,000.00
Total	400,000.00	0.00	400,000.00	400,000.00	0.00	400,000.00

Other explanation:

As of December 31, 2020, 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

In RMB

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:

In RMB

Borrower	Ending Balance	Lending rate	Overdue time	Overdue rate
Total	0.00	--	--	--

Other explanation:

Nil

33. Trading financial liability

In RMB

Item	Ending balance	Opening balance
Including:		

Including:		
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Other explanation:

Nil

34. Derivative financial liability

In RMB

Item	Ending balance	Opening balance
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Other explanation:

Nil

35. Notes payable

In RMB

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

In RMB

Item	Ending balance	Opening balance
Within one year (one year included)	8,691,337.93	9,575,684.30
1-2 years (2 years included)	423,346.08	487,016.93
2-3 years (3 years included)	487,016.93	7,099.50
3-4 years (4 years included)	1,240.00	118,380.50
4-5 years (5 years included)		2,366.00
Over 5 years	3,204.00	838.00
Total	9,606,144.94	10,191,385.23

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

In RMB

Item	Ending balance	Reasons of un-paid or carry-over
Total	0.00	--

Other explanation:

At the end of the reporting period, there were no accounts payable due to shareholder units and other related parties that hold 5% (including 5%) or more of the voting rights of the company.

At the end of the period, there is no important accounts payable with an aging of more than one year.

37. Account received in advance

(1) Account received in advance

In RMB

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

In RMB

Item	Ending balance	Reasons of un-paid or carry-over
Total	0.00	--

38. Contract liability

In RMB

Item	Ending balance	Opening balance
Cooperative received in advance	9,174,311.93	
Rent received in advance	5,511,111.11	
Goods received in advance	569,290.34	1,568,550.21
Total	15,254,713.38	1,568,550.21

Book value has major changes in the period and causes

In RMB

Item	Amount changes	Reason for change
Cooperative received in advance	9,174,311.93	Receipt in advance for the second phase of Zhonghua Garden
Rent received in advance	5,511,111.11	Receipt of Renhui Woodenware Rental in Advance
Total	14,685,423.04	—

39. Wage payable

(1) Wage payable

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	599,962.73	6,762,583.01	5,903,301.67	1,459,244.07

II. Post-employment benefit-Defined contribution plan		36,187.52	36,187.52	
Total	599,962.73	6,798,770.53	5,939,489.19	1,459,244.07

(2) Short-term compensation

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wages, bonus, allowances and subsidy	593,459.94	6,273,401.11	5,413,879.85	1,452,981.20
2. Employee benefits		72,157.41	72,157.41	
3. Social insurance		169,015.58	169,015.58	
Including: Medical insurance		155,322.88	155,322.88	
Work injury insurance		396.76	396.76	
Maternity insurance		13,295.94	13,295.94	
4. Housing accumulation fund		171,624.98	171,624.98	
5. Labor union expenditure and personnel education expense	6,502.79	76,383.93	76,623.85	6,262.87
Total	599,962.73	6,762,583.01	5,903,301.67	1,459,244.07

(3) Defined contribution plan

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance		34,569.96	34,569.96	
2. Unemployment insurance		1,617.56	1,617.56	
Total		36,187.52	36,187.52	

Other explanation:

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

40. Taxes payable

In RMB

Item	Ending balance	Opening balance
Value added tax	551,216.66	540,203.08
Corporate income tax	140,959.81	14,285.50
Individual income tax	23,398.74	21,755.56
Tax for maintaining and building cities	431.55	925.10
Stamp tax	6,043.60	7,270.30
Educational surtax	270.66	623.21
Total	722,321.02	585,062.75

Other explanation:

Nil

41. Other account payable

In RMB

Item	Ending balance	Opening balance
Other account payable	37,882,805.52	38,175,654.98
Total	37,882,805.52	38,175,654.98

(1) Interest payable

In RMB

Item	Ending balance	Opening balance
Important interest overdue without paid:		

Important interest overdue without paid:

In RMB

Borrower	Amount overdue	Overdue reason
Total	0.00	--

Other explanation:

Nil

(2) Dividend payable

In RMB

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

Other explanation, including dividends payable with over one year age and disclosure un-payment reasons:

Nil

(3) Other account payable**1) By nature**

In RMB

Item	Ending balance	Opening balance
Custodian and common benefit debts	18,728,866.44	18,764,512.80
Warranty and guarantee money	10,589,040.00	11,291,325.00
Intercourse funds	6,500,000.00	6,500,000.00
Other payable service charge (intermediary services included)	832,359.55	876,599.88
Collection and payment	654,997.35	
Other	577,542.18	743,217.30
Total	37,882,805.52	38,175,654.98

2) Significant other payable with over one year age

In RMB

Item	Ending balance	Reasons of un-paid or carry-over
Custodian and common benefit debts	18,728,866.44	
Warranty and guarantee money	1,580,040.00	Performance bond
Shenzhen Guosheng Energy Investment Development Co., Ltd.	6,500,000.00	Interest-free loans
Total	26,808,906.44	--

Other explanation

Nil

42. Liability held for sale

In RMB

Item	Ending balance	Opening balance
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Other explanation:

Nil

43. Non-current liabilities due within one year

In RMB

Item	Ending balance	Opening balance
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Other explanation:

Nil

44. Other current liabilities

In RMB

Item	Ending balance	Opening balance
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Changes of short-term bond payable:

In RMB

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	--	--	--	0.00	0.00	0.00	0.00	0.00	0.00		0.00

Other explanation:

Nil

45. Long-term loans**(1) Category**

In RMB

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

Nil

Other explanation, including interest rate section:

Nil

46. Bonds payable**(1) Bonds payable**

In RMB

Item	Ending balance	Opening balance
------	----------------	-----------------

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

In RMB

Bond	Face value	Release date	Bond period	Issuing amount	Opening balance	Issued in the Period	Accrual interest by face	Premium/discount amortizati	Paid in the Period		Ending balance
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							value	on			
Total	--	--	--	0.00	0.00	0.00	0.00	0.00	0.00		0.00

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

Nil

(4) Other financial instruments classify as financial liability

Basic information of the outstanding preferred stock and perpetual capital securities at period-end

Nil

Changes of outstanding preferred stock and perpetual capital securities at period-end

In RMB

Outstanding financial instrument	Period-begin		Current increased		Current decreased		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
Total	0	0.00	0	0.00	0	0.00	0	0.00

Basis for financial liability classification for other financial instrument

Nil

Other explanation

Nil

47. Lease liability

In RMB

Item	Ending balance	Opening balance
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Other explanation

Nil

48. Long-term account payable

In RMB

Item	Ending balance	Opening balance
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(1) By nature

In RMB

Item	Ending balance	Opening balance
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Other explanation:

Nil

(2) Special payable

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes of formation
Total		0.00	0.00		--

Other explanation:

Nil

49. Long-term wages payable**(1) Long-term wages payable**

In RMB

Item	Ending balance	Opening balance

(2) Changes of defined benefit plans

Present value of the defined benefit plans:

In RMB

Item	Current Period	Last Period

Scheme assets:

In RMB

Item	Current Period	Last Period

Net liability (assets) of the defined benefit plans

In RMB

Item	Current Period	Last Period

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

Nil

Major actuarial assumption and sensitivity analysis:

Nil

Other explanation:

Nil

50. Accrual liability

In RMB

Item	Ending balance	Opening balance	Causes of formation

Other explanation, including relevant important assumptions and estimation:

Nil

51. Deferred income

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes of formation
Total		0.00	0.00		--

Item with government grants involved:

In RMB

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

Other explanation:

Nil

52. Other non-current liabilities

In RMB

Item	Ending balance	Opening balance

Other explanation:

Nil

53. Share capital

In RMB

	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						551,347,947.00

Other explanation:

Nil

54. Other equity instrument**(1) Basic information of the outstanding preferred stock and perpetual capital securities at period-end**

Nil

(2) Changes of outstanding preferred stock and perpetual capital securities at period-end

In RMB

Outstanding financial instrument	Period-begin		Current increased		Current decreased		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
Total	0		0	0.00	0	0.00	0	

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

Nil

Other explanation:

Nil

55. Capital public reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Other capital 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			627,834,297.85

Other explanation, including changes and reasons for changes:

Among the other capital reserves, 135,840,297.18 Yuan refers to the payment for creditor from shares assignment by whole shareholders; majority shareholder Guosheng Energy donated 5,390,399.74 Yuan.

56. Treasury stock

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Total		0.00	0.00	

Other explanation, including changes and reasons for changes:

Nil

57. Other comprehensive income

In RMB

Item	Opening balance	Current Period						Ending balance
		Account before income tax	Less: written in other comprehensi	Less: written in other	Less: income tax expense	Belong to parent company	Belong to minority shareholders	

		in the period	ve income in previous period and carried forward to gains and losses in current period	comprehensive income in previous period and carried forward to retained earnings in current period		after tax	after tax	
Total other comprehensive income		0.00	0.00	0.00	0.00	0.00	0.00	

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

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Total		0.00	0.00	

Other explanation, including changes and reasons for changes:

Nil

59. Surplus public reserve

In RMB

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	0.00	0.00	32,673,227.01

Other explanation, including changes and reasons for changes:

Nil

60. Retained profit

In RMB

Item	Current period	Last Period
Retained profit at period-end before adjustment	-1,204,736,075.56	-1,197,549,169.92
Retained profit at period-begin after adjustment	-1,204,736,075.56	-1,197,549,169.92

Add: net profit attributable to shareholders of parent company for this year	3,785,834.68	-7,186,905.64
Retained profit at period-end	-1,200,950,240.88	-1,204,736,075.56

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

In RMB

Item	Current Period		Last Period	
	Revenue	Cost	Revenue	Cost
Main business	108,929,796.13	100,882,228.24	71,095,404.57	67,928,471.12
Other business	8,927,684.04	2,339,395.49	4,927,283.18	753,000.00
Total	117,857,480.17	103,221,623.73	76,022,687.75	68,681,471.12

Whether the lower of the audited net profit before and after deduction of non-recurring gains and losses is negative

Yes No

Revenue:

In RMB

Contract type	1# Division	2# Division		Total
Product type	87,064,073.74	30,793,406.43		117,857,480.17
Including:				
Jewelry Gold	87,064,073.74			87,064,073.74
Bicycle lithium battery materials and other		30,793,406.43		30,793,406.43
Including:				
Including:				
Including:				
Including:				
Including:				
Including:				
Total	87,064,073.74	30,793,406.43		117,857,480.17

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 extras

In RMB

Item	Current Period	Last Period
Tax for maintaining and building cities	34,962.95	4,714.10
Educational surtax	24,973.54	8,179.47
Stamp tax	46,243.90	44,621.80
Other	1,889.84	1,889.84
Total	108,070.23	59,405.21

Other explanation:

Nil

63. Sales expenses

In RMB

Item	Current Period	Last Period
Employee compensation	1,078,110.71	1,301,441.35
Marketing promotion fees	1,193,544.17	792,290.55
Business entertainment	17,031.00	52,516.39
Business travel expenses	133,656.78	421,922.06
Lease fee	3,834.00	433,292.57
Other	114,480.37	177,013.47
Total	2,540,657.03	3,178,476.39

Other explanation:

Nil

64. Administrative expenses

In RMB

Item	Current Period	Last Period
Employee compensation	2,152,793.42	2,579,922.45
Intermediary service fee	1,427,424.80	3,149,023.50
Daily management expenses	911,300.72	327,050.29
Depreciation and amortization	292,089.38	353,469.35
Total	4,783,608.32	6,409,465.59

Other explanation:

Nil

65. R&D expenses

In RMB

Item	Current Period	Last Period
Employee compensation and benefits	1,675,573.59	1,409,100.34
Direct input	368,483.15	763,338.82
Factory rent and utilities	178,534.58	553,243.59
Depreciation of fixed assets	93,256.20	23,144.40
Other	191,030.05	4,450.57
Total	2,506,877.57	2,753,277.72

Other explanation:

Nil

66. Financial expenses

In RMB

Item	Current Period	Last Period
Interest income	-89,977.25	-110,834.04
Commission charge etc.	20,827.96	15,432.87
Other	87,868.03	
Total	18,718.74	-95,401.17

Other explanation:

Nil

67. Other income

In RMB

Sources	Current Period	Last Period
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Processing fee from individual tax refund	10,207.52	
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68. Investment income

In RMB

Item	Current Period	Last Period
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Other explanation:

Nil

69. Net exposure hedge gains

In RMB

Item	Current Period	Last Period
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Other explanation:

Nil

70. Income from change of fair value

In RMB

Sources	Current Period	Last Period
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Other explanation:

Nil

71. Credit impairment loss

In RMB

Item	Current Period	Last Period
Bad debt loss of other account receivable	-9,707.78	-39,386.50
Bad debt losses of accounts receivable	-593,472.35	-2,493,679.37
Total	-603,180.13	-2,533,065.87

Other explanation:

Nil

72. Losses of devaluation of asset

In RMB

Item	Current Period	Last Period
II. Loss of inventory falling price and loss of contract performance cost impairment	-198,181.03	-499,175.17

Total	-198,181.03	-499,175.17
-------	-------------	-------------

Other explanation:

Nil

73. Income from assets disposal

In RMB

Sources	Current Period	Last Period
Dispose income of fixed assets	24,936.44	

74. Non-operating income

In RMB

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
Government subsidy	100,000.00		100,000.00
Other	6,442,649.75	6,259,839.85	6,442,649.75
Total	6,542,649.75	6,259,839.85	6,542,649.75

Government grants reckoned into current gains/losses:

In RMB

Government grants	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
Anti-epidemic subsidies	Government	Subsidy	Subsidies received by the state to guarantee the supply of certain public utilities or socially necessary products or price control functions	N	N	100,000.00	0.00	Income-related

Other explanation:

1. Non-operation revenue last period mainly due to the rental revenue settle with the custodian, that is 5,565,684.61 Yuan and compensation of 399,113.20 Yuan;

2. Non-operation revenue in current period mainly due to the rental revenue settle with the custodian, that is 5,662,149.79 Yuan and compensation of 312,266.98 Yuan;

75. Non-operating expenses

In RMB

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
Litigation compensation, liquidated damages and late fees, etc.	498,050.00	188.00	498,050.00
Loss of old trademark scrap		461,858.18	
Other	5,190,229.29	5,603,102.65	5,190,229.29
Total	5,688,279.29	6,065,148.83	5,688,279.29

Other explanation:

In the period and last 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 expenses

(1) Income tax expenses

In RMB

Item	Current Period	Last Period
Current income tax expense	140,959.81	14,285.50
Deferred income tax expense	249,411.41	-1,960.98
Total	390,371.22	12,324.52

(2) Adjustment on accounting profit and income tax expenses

In RMB

Item	Current Period
Total Profit	4,766,077.81
Income tax measured by statutory/applicable tax rate	714,911.66
The impact of applying different tax rates to subsidiaries	-191,529.43
Impact on cost, expenses and losses that unable to deducted	67,265.94
Impact by the deductible losses of the un-recognized previous deferred income tax	-357,710.57

Impact on deductible temporary differences or losses deductible which was un-recognized as deferred income tax assets	387,397.65
The impact of R&D deductions	-229,964.03
Income tax expenses	390,371.22

Other explanation

77. Other comprehensive income

Found more in Note 57

78. Items of cash flow statement

(1) Other cash received in relation to operation activities

In RMB

Item	Current Period	Last Period
Interest, rent, utilities, etc.	10,999,135.69	6,348,431.90
Item cooperation	10,000,000.00	
Deposits and guarantees received	7,388,109.00	1,916,551.74
Government subsidy and individual tax handling fee refund	110,207.52	
Other	26,834.21	150,980.41
Total	28,524,286.42	8,415,964.05

Explanation on other cash received in relation to operation activities:

Nil

(2) Other cash paid in relation to operation activities

In RMB

Item	Current Period	Last Period
Expenses such as rent and property management maintenance fees	5,190,228.77	5,203,779.09
Sales, management and R&D expenses	1,770,529.68	4,452,767.97
Deposits and security deposits paid	6,902,256.00	363,930.00
Litigation compensation, liquidated damages and late fees, etc.	498,050.00	
Handling expenses	20,827.96	15,432.87
Other current accounts		1,232,265.94

Other	71,445.29	151,193.17
Total	14,453,337.70	11,419,369.04

Explanation on other cash paid in relation to operation activities:

Nil

(3) Cash received from other investment activities

In RMB

Item	Current Period	Last Period
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Explanation on cash received from other investment activities:

Nil

(4) Cash paid related with investment activities

In RMB

Item	Current Period	Last Period
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Explanation on cash paid related with investment activities

Nil

(5) Other cash received in relation to financing activities

In RMB

Item	Current Period	Last Period
Bill margin received		2,000,000.00
Total		2,000,000.00

Explanation on other cash received in relation to financing activities:

Nil

(6) Cash paid related with financing activities

In RMB

Item	Current Period	Last Period
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Explanation on cash paid related with financing activities:

Nil

79. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

In RMB

Supplementary information	Current period	Last Period
1. Net profit adjusted to cash flow of operation activities:	--	--
Net profit	4,375,706.59	-7,813,881.65
Add: Assets impairment provision	801,361.16	3,032,241.04
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	385,345.58	376,613.75
Depreciation of right-of-use assets		
Amortization of intangible assets	753,000.00	753,000.00
Amortization of long-term deferred expenses		
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain is listed with “-”)	-24,936.44	
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 “-”)		
Investment loss (gain is listed with “-”)		
Decrease of deferred income tax asset ((increase is listed with “-”)	249,411.41	-1,960.98
Increase of deferred income tax liability (decrease is listed with “-”)		
Decrease of inventory (increase is listed with “-”)	-1,849,176.67	-4,190,901.53
Decrease of operating receivable accounts (increase is listed with “-”)	-15,548,865.13	-808,843.28
Increase of operating payable accounts (decrease is listed with “-”)	14,800,382.46	-5,138,208.69
Other		
Net cash flows arising from operating activities	3,942,228.96	-13,791,941.34
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	19,887,978.05	6,074,367.91
Less: Balance of cash equivalent at year-begin	6,074,367.91	16,488,886.26
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increase of cash and cash equivalents	13,813,610.14	-10,414,518.35

(2) Net cash paid for obtaining subsidiary in the Period

In RMB

	Amount
Including:	--
Including:	--
Including:	--

Other explanation:

Nil

(3) Net cash received by disposing subsidiary in the Period

In RMB

	Amount
Including:	--
Including:	--
Including:	--

Other explanation:

Nil

(4) Constitution of cash and cash equivalent

In RMB

Item	Ending balance	Opening balance
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I. Cash	19,887,978.05	6,074,367.91
Including: Cash on hand	21,530.26	89,313.66
Bank deposit available for payment at any time	19,866,447.79	5,979,003.60
Other monetary fund available for payment at any time		6,050.65
III. Balance of cash and cash equivalent at period-end	19,887,978.05	6,074,367.91

Other explanation:

Nil

80. Notes of changes of owners' equity

Explain the name and adjusted amount in "Other" at end of last period:

Nil

81. Assets with ownership or use right restricted

In RMB

Item	Ending book value	Restriction reasons
Total	0.00	--

Other explanation:

Nil

82. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

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:

Nil

84. Government grants

(1) Government grants

In RMB

Category	Amount	Item	Amount reckoned into current gains/losses
Anti-epidemic subsidies	100,000.00	Non-operating income	100,000.00

(2) Government grants rebate

Applicable Not applicable

Other explanation:

Nil

85. Other

Nil

VIII. Changes of consolidation range

1. Enterprise combined under different control

(1) Enterprise combined under different control in the Period

In RMB

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

Other explanation:

Nil

(2) Combination cost and goodwill

In RMB

Combination cost	

Determination method for fair value of the combination cost and contingent consideration and changes:

Nil

Main reasons for large goodwill resulted:

Nil

Other explanation:

Nil

(3) Identifiable assets and liability on purchasing date under the acquiree

In RMB

	Fair value on purchasing date	Book value on purchasing date

Determination method for fair value of the identifiable assets and liabilities:

Nil

Contingent liability of the acquiree bear during combination:

Nil

Other explanation:

Nil

(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

Nil

(6) Other explanation

Nil

2. Enterprise combine under the same control

(1) Enterprise combined under the same control in the Period

In RMB

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

Other explanation:

(2) Combination cost

In RMB

Combination cost

Explanation on contingent consideration and its changes:

Other explanation:

(3) Assets and liability of the combined party on combination date

In RMB

	Combination date	At end of last period

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

On 21 July 2020, subsidiary Shenzhen Emmelle Industrial Co., Ltd contributes 70% and Shenzhen Zhenbangda Technology Co., Ltd contributes 30% together to established the Shenzhen Emmelle Cloud Technology Co., Ltd. The enterprise was included in consolidate statement scope since the date of established.

6. Other

Nil

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 Industry Co., Ltd.	Shenzhen	Shenzhen	Sales of bicycles and spare parts	70.00%		Investment
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	Shenzhen	Shenzhen	Jewelry, diamonds, gold sales	65.00%		Investment
Shenzhen Emmelle Cloud Technology Co.,	Shenzhen	Shenzhen	Software and information technology		49.00%	Investment

Ltd.			service sales			
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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

In RMB

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 Emmelle Industry Co., Ltd.	30.00%	-361,173.21		1,593,074.01
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	35.00%	945,115.60		12,538,055.17
Shenzhen Emmelle Cloud Technology Co., Ltd.	51.00%	5,929.52		605,929.52

Explanation on share-holding ratio of minority different from ratio of voting right:

Nil

Other explanation:

Nil

(3) Main finance of the important non-wholly-owned subsidiary

In RMB

Subsidiary	Ending balance						Opening balance					
	Current assets	Non-curr ent	Total assets	Current liability	Non-curr ent	Total liabilities	Current assets	Non-curr ent	Total assets	Current liability	Non-curr ent	Total liabilities

	assets				liability				assets				liability			
Shenzhen Emmelle Industry Co., Ltd.	12,402,502.99	2,418,250.69	14,820,753.68	9,510,506.99	0.00	9,510,506.99	15,468,811.90	1,418,415.71	16,887,227.61	10,373,070.21	0.00	10,373,070.21				
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	44,211,849.29	36,552.02	44,248,401.31	9,832,529.38	0.00	9,832,529.38	8,696,935.06	1,960.98	8,698,896.04	1,933,354.41	0.00	1,933,354.41				
Shenzhen Emmelle Cloud Technology Co., Ltd.	2,037,694.53	0.00	2,037,694.53	26,068.02	0.00	26,068.02										

In RMB

Subsidiary	Current Period				Last Period			
	Operation revenue	Net profit	Total comprehensive income	Cash flow from operation activity	Operation revenue	Net profit	Total comprehensive income	Cash flow from operation activity
Shenzhen Emmelle Industry Co., Ltd.	3,160,952.74	-1,203,910.71	-1,203,910.71	-1,652,170.89	15,470,013.00	-2,399,718.61	-2,399,718.61	-6,376,002.30
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	87,064,073.74	2,700,330.30	2,700,330.30	-18,103,601.17	4,619,038.46	265,541.63	265,541.63	-5,608,748.24
Shenzhen Emmelle Cloud Technology Co., Ltd.	952,935.51	11,626.51	11,626.51	-117,837.47				

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

In RMB

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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

In RMB

	Ending balance/Current Period	Opening balance/Last Period

Other explanation

Nil

(3) Main financial information of the important associated enterprise

In RMB

	Ending balance/Current Period	Opening balance/Last Period

Other explanation

Nil

(4) Financial summary for un-important joint venture or associated enterprise

In RMB

	Ending balance/Current Period	Opening balance/Last Period
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

In RMB

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

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

Nil

5. Equity in structuring entity that excluding in the consolidated financial statement

Relevant explanation

Nil

6. Other

Nil

X. Risk related with financial instrument

The major financial instruments of the Company consist of monetary fund, account receivable, other account receivable, account payable and other account payable, etc. details of these financial instruments are disclosed in the relevant notes. Risks relating to these financial instruments and risk management policies adopted by the Company to minimize these risks are detailed as follows. Management of the Company manages and monitors the risk exposures, to make sure they are under control.

1. Risk management targets and policies

The objectives of the Company's risk management is to balance the risk and income, reduce the negative risk impact of operating performance to the lowest level, maximize the interests of shareholders and other equity investors. Based on these objectives, the Company has established risk management policies to identify and analyze the risks faced by the Company, set adequate risk acceptable level and designed relevant internal control system to monitor the level of risks. The Company regularly reviews these policies and related internal control system to adapt to market development and change of operating activities of the Company. The major risks arising from the Company's financial instruments are credit risk and liquidity risk.

(1) Credit risk

Credit risk represents the risk of financial loss suffered by a party to a financial instrument due to failure of performance obligation of another party.

Credit risk of the Company is managed by category. Credit risk mainly arises from bank deposits and trade receivables. Since the bank deposits of the Company are mainly placed with those banks of high credit rating, the Company expects no significant credit risk on bank deposits.

As for trade receivables, the Company establishes relevant policies to control credit risk exposure. The Company, based on financial position of debtors, their credit records, market conditions and other factors, makes assessment on debtors' credit quality and sets relevant limit on amount of debt and credit term. The maximum credit risk exposure assumed by the Company equals to the sum of carrying value of every financial asset in the balance sheet. The Company provides no guarantee that may lead it to be exposed to credit risks.

(2) Liquidity risk

Liquidity risk refers to the risk of capital shortage of the Company when performing settlement obligation via delivery of cash or other financial assets.

When managing liquidity risk, the Company maintains and monitors such cash and cash equivalents as deemed adequate by the management, so as to satisfy its operation needs and minimize influence of fluctuation of cash flow. Management of the Company monitors application of bank borrowings to make sure it complies with relevant borrowing agreements.

2. Capital management

The capital management policy of the Company is designed to ensure sustainable operation Of the Company so as to bring shareholders return and benefit other stakeholders, and to minimize capital cost by maintaining optimal capital structure.

In order to maintain and adjust capital structure, the Company may adjust share dividend paid to shareholders or issue new shares.

The Company monitors capital structure based on gearing ratio (total liabilities divided by total assets). As at 31 December 2020, the gearing ratio of the Company was 72.05% (31 December 2019: 81.76%)

XI. Disclosure of fair value**1. Ending fair value of the assets and liabilities measured by fair value**

In RMB

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

Nil

3. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on second-order

Nil

4. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on third-order

Nil

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

Nil

XII. Related party and related transactions

1. Parent company of the enterprise

Parent company	Registered place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
----------------	------------------	-----------------	--------------------	--	--------------------------------------

Explanation on parent company of the enterprise

The Company has no parent company so far

Ultimate controller of the Company: nil

Other explanation:

Controlling shareholder and actual controller of the Company have changed on 20 February 2017. Before changed, the first majority shareholder of the Company was Shenzhen Guosheng Energy Investment Development Co., Ltd., actual controller was Mr. Ji Hanfei; the Company has no actual controller and controlling shareholder after changed. Found more in the Annual Report 2016 released on 27 April 2017 and “Reply on Surveillance Attention Letter on CBC from Shenzhen Stock Exchange” released on 26 May 2017

2. Subsidiary of the Enterprise

Found more in Note IX-1

3. Associated enterprise and joint venture

Found more in Note IX-3

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
--	-------------------------------

Other explanation

Nil

4. Other related party

Other related party	Relationship with the Company
Shenzhen Huahui Tongda Industrial Co., Ltd.	Supervisor of the Company Li Jialin is the legal person of the enterprise
Shenzhen Zuanjinsen Jewelry Co., Ltd.	Subsidiary Xinsen Jewelry Shareholder
Shenzhen Guosheng Energy Investment Development Co., Ltd.	The first majority shareholder

Other explanation

11.52 percent shares of the Company are held by Shenzhen Guosheng Energy Investment Development Co., Ltd. Shenzhen Zuankinson Jewelry and Gold Co., Ltd. hold 35% equity of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., a subsidiary of the company.

5. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

In RMB

Related party	Transaction content	Current Period	Approved transaction amount	Whether more than the transaction amount	Last Period
Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd.	Purchase of raw materials	0.00		No	2,428,035.40

Goods sold/labor service providing

In RMB

Related party	Transaction content	Current Period	Last Period
Shenzhen Huahui Tongda Industrial Co., Ltd.	Sales of goods		18,409.04

Explanation on goods purchasing, labor service providing and receiving

Nil

(2) Related trusteeship/contract and delegated administration/outsourcing

Trusteeship/contract

In RMB

Client/ contract-out party	Entrusting party/ contractor	Assets type	Starting date	Maturity date	Yield pricing basis	Income from trusteeship/contract

Explanation on related trusteeship/contract

Nil

Delegated administration/outsourcing

In RMB

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

Explanation on related administration/outsourcing

Nil

(3) Related lease

As a lessor for the Company:

In RMB

Lessee	Assets type	Lease income in recognized in the Period	Lease income in recognized last the Period

As a lessee for the Company:

In RMB

Lessor	Assets type	Lease income in recognized in the Period	Lease income in recognized last the Period
--------	-------------	--	--

Explanation on related lease

Nil

(4) Related guarantee

As a guarantor for the Company

In RMB

Secured party	Amount guarantee	Starting date	Maturity date	Guarantee completed (Y/N)
---------------	------------------	---------------	---------------	---------------------------

As a secured party for the Company

In RMB

Guarantor	Amount guarantee	Starting date	Maturity date	Guarantee completed (Y/N)
-----------	------------------	---------------	---------------	---------------------------

Explanation on related guarantee

Nil

(5) Borrowed funds of related party

In RMB

Related party	Borrowed funds	Starting date	Due date	Note
Borrowing				
Lending				

(6) Assets transfer and debt restructuring of related party

In RMB

Related party	Transaction content	Current Period	Last Period
---------------	---------------------	----------------	-------------

(7) Remuneration of key manager

In RMB

Item	Current Period	Last Period
Remuneration of key manager	1,600,350.50	1,439,685.05

(8) Other related transactions

a. The Company disclosed the "Announcement on the Estimated Daily Related Transactions" (Announcement No.: 2019-022) on December 17, 2019. According to the needs of business development, Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., a

holding subsidiary of the Company, planned to purchase raw materials and sell goods to Shenzhen Zuankinson Jewelry and Gold Co., Ltd., it was estimated that the total amount of daily related transactions in the next 12 months would not exceed 10 million yuan (a single transaction amount would not exceed 3 million yuan). The total amount of related transactions between the company's subsidiary and Shenzhen Zuankinson Jewelry and Gold Co., Ltd. in 2019 was 2.75 million yuan, and there were no related transactions during the reporting period. As of the reporting period, the total amount of the related transactions quota was 2.75 million yuan, which did not exceed the announced quota.

b. Fuzhou Zuankinson Jewelry Co., Ltd., a wholly-owned subsidiary of Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. which is a shareholder of Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., a subsidiary of the Company, participated in subscribing to the Company's non-public offering of shares, paid performance bond of 2 million yuan to the Company during the reporting period.

6. Receivable/payable items of related parties

(1) Receivable item

In RMB

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Other current assets	Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd.			301,754.90	

(2) Payable item

In RMB

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

7. Commitments of related party

8. Other

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

In RMB

Item	Content	Impact on financial status and operation results	Reasons on un-able to estimated the impact number
------	---------	--	---

2. Profit distribution

In RMB

3. Sales return

Nil

4. Other events after balance sheet date

Nil

XVI. Other important events

1. Previous accounting errors collection

(1) Retrospective restatement

In RMB

Correction content	Treatment procedures	Impact items of statement during a comparison	Cumulative impacted number

(2) Prospective application

Correction content	Approval procedures	Reasons for prospective application adopted

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

In RMB

Item	Revenue	Expenses	Total Profit	Income tax expenses	Net profit	Discontinued operations profit attributable to owners of parent company
Other explanation						
Nil						

Other explanation

Nil

6. Segment**(1) Recognition basis and accounting policy for reportable segment**

The reporting division of the company is a business unit that provides different products or services. Since various businesses require different technologies and market strategies, the company respectively and independently manages the production and operation activities of each reporting division and evaluates its operating results separately to determine the allocation of resources to it and evaluate its performance. The company has 2 reporting divisions, namely:

—Group company business division.

—Jewelry gold business division.

Assets are allocated according to the operation of the divisions and the location of the assets, and liabilities are allocated according to the operation of the divisions. The company has established a special jewelry gold business subsidiary to the account of income, costs, and expenses

(2) Financial information for reportable segment

In RMB

Item	Jewelry Gold Business Division	Bicycle lithium battery materials and other business segments	Offset between segments	Total
Main business income	87,064,073.74	30,793,406.43		117,857,480.17
Main business cost	80,940,595.81	22,281,027.92		103,221,623.73
The total profit	2,806,062.52	1,960,015.29		4,766,077.81
Income tax expense	105,732.22	284,639.00		390,371.22
Net profit	2,700,330.30	1,675,376.29		4,375,706.59
Total assets	44,248,401.31	67,454,748.41	19,960,379.73	91,742,769.99
Total liabilities	9,832,529.38	56,267,950.93		66,100,480.31
Shareholders' equity	34,415,871.93	11,186,797.48	19,960,379.73	25,642,289.68
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) By category**

In RMB

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	7,503,671.53	28.23%	2,251,101.47	30.00%	5,252,570.06	6,975,081.75	19.92%	2,092,524.53	30.00%	4,882,557.22
Including:										
Accounts with single minor amount but with bad debts provision accrued individually	7,503,671.53	28.23%	2,251,101.47	30.00%	5,252,570.06	1,939,478.00	5.54%	581,843.40	30.00%	1,357,634.60
Accounts receivable with a significant single amount but a separate provision for						5,035,603.75	14.38%	1,510,681.13	30.00%	3,524,922.62

bad debts										
Account receivable with bad debt provision accrual by portfolio	19,079,604.72	71.77%	57,238.82	0.30%	19,022,365.90	28,045,114.82	80.08%	84,135.34	0.30%	27,960,979.48
Including:										
Account receivable withdrawal bad debt provision by group of credit risk characteristics (Aging analysis method)	19,079,604.72	71.77%	57,238.82	0.30%	19,022,365.90	28,045,114.82	80.08%	84,135.34	0.30%	27,960,979.48
Total	26,583,276.25	100.00%	2,308,340.29	8.68%	24,274,935.96	35,020,196.57	100.00%	2,176,659.87	6.22%	32,843,536.70

Bad debt provision accrual on single basis: Account receivable with significant single amount period-end but withdrawal bad debt provision on single basis

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Shenzhen Jiahaosong Technology Co., Ltd.	2,393,603.75	718,081.13	30.00%	Expected to be difficult to recover
Shenzhen Weiterui New Energy Technology Co., Ltd.	1,670,971.05	501,291.32	30.00%	Expected to be difficult to recover
Zhengzhou Guiguan Tech. Trade. Co., Ltd	1,007,233.79	302,170.14	30.00%	Expected to be difficult to recover
Dongguan Daxiang New Energy Co., Ltd.	816,902.94	245,070.88	30.00%	Expected to be difficult to recover
Suzhou Jiaxin Economic Trade Co., Ltd.	888,757.00	266,627.10	30.00%	Expected to be difficult to recover
Guangdong Xinlingjia New Energy Co., Ltd.	371,136.00	111,340.80	30.00%	Expected to be difficult to recover
Suzhou Daming Vehicle Industry Co., Ltd.	355,067.00	106,520.10	30.00%	Expected to be difficult to recover
Total	7,503,671.53	2,251,101.47	--	--

Bad debt provision accrual on single basis:

In RMB

Name	Ending balance
------	----------------

	Book balance	Bad debt provision	Accrual ratio	Accrual causes
--	--------------	--------------------	---------------	----------------

Bad debt provision accrual on portfolio: Account receivable withdrawal bad debt provision by group of credit risk characteristics
(Aging analysis method)

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Within one year (one year included)	16,908,018.78	50,724.06	0.30%
1-2 years (2 years included)	2,171,585.94	6,514.76	0.30%
Total	19,079,604.72	57,238.82	--

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

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

In RMB

Account age	Book balance
Within one year (one year included)	18,950,125.83
Within one year	18,950,125.83
1-2 years	7,633,150.42
Total	26,583,276.25

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Bad debt provision for accounts receivable	2,176,659.87	131,680.42				2,308,340.29
Total	2,176,659.87	131,680.42	0.00	0.00	0.00	2,308,340.29

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

In RMB

Enterprise	Amount collected or reversal	Collection way
Total	0.00	--

(2) Account receivables actually charge-off during the reporting period

In RMB

Item	Amount charge-off
------	-------------------

Including major account receivables charge-off:

In RMB

Enterprise	Nature	Amount charge-off	Causes of charge-off	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
Total	--	0.00	--	--	--

Explanation on account receivable charge-off:

Nil

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

In RMB

Name	Ending balance of accounts receivable	Proportion of total closing balance of accounts receivable	Ending balance of bad bet provision
Guangshui Jiaxu Energy Technology Co., Ltd.	16,308,000.33	61.35%	48,924.00
Shenzhen Jiahaosong Technology Co., Ltd.	2,393,603.75	9.00%	718,081.13
Shenzhen Weiterui New Energy Technology Co., Ltd.	1,670,971.05	6.29%	501,291.32
Hubei Testun Electronic Technology Co., Ltd.	1,145,000.00	4.31%	3,435.00
Zhengzhou Guiguan Tech. Trade. Co., Ltd	1,007,233.79	3.79%	302,170.14
Total	22,524,808.92	84.74%	

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

Nil

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

Nil

Other explanation:

Nil

2. Other account receivable

In RMB

Item	Ending balance	Opening balance
Other account receivable	115,263.05	485,062.44
Total	115,263.05	485,062.44

(1) Interest receivable**1) Category**

In RMB

Item	Ending balance	Opening balance
------	----------------	-----------------

2) Important overdue interest

Borrower	Ending Balance	Overdue time	Overdue reason	Impairment (Y/N) and judgment basis
Total	0.00	--	--	--

Other explanation:

Nil

3) Accrual of bad debt provisionApplicable Not applicable**(2) Dividend receivable****1) Category**

In RMB

Item (or invested company)	Ending balance	Opening balance
----------------------------	----------------	-----------------

2) Important dividend receivable with over one year aged

In RMB

Item (or invested company)	Ending balance	Account age	Causes of failure for collection	Impairment (Y/N) and judgment basis
Total	0.00	--	--	--

3) Accrual of bad debt provisionApplicable Not applicable

Other explanation:

Nil

(3) Other account receivable**1) By nature**

In RMB

Account nature	Ending book balance	Opening book balance
Deposit or margin	105,713.00	484,822.00
Payment for equipment	11,400.00	11,400.00
Reserve	10,396.88	2,000.00
Total	127,509.88	498,222.00

2) Accrual of bad debt provision

In RMB

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, 2020	13,159.56			13,159.56
January 1, 2020 balance in the current period	—	—	—	—
Reversal in Current Period	912.73			912.73
Balance on December 31, 2020	12,246.83			12,246.83

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

Applicable Not applicable

By account age

In RMB

Account age	Book balance
Within one year (one year included)	113,609.88
Within one year (one year included)	113,609.88
1-2 years	2,000.00
Over 3 years	11,900.00
3-4 years	200.00
4-5 years	11,700.00
Total	127,509.88

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Bad debt provision for other receivables	13,159.56		912.73			12,246.83
Total	13,159.56		912.73			12,246.83

Nil

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

In RMB

Enterprise	Amount switch-back or collection	Collection way
Total	0.00	--

Nil

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

In RMB

Item	Amount charge-off
Total	0.00

Including major other account receivables charge-off:

In RMB

Enterprise	Nature	Amount charge-off	Causes of charge-off	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
Total	--	0.00	--	--	--

Other Explanation on account receivable charge-off

Nil

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

In RMB

Enterprise	Nature	Ending Balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
Shenye Pengji (Group) Co., Ltd.	Deposit or margin	60,222.00	Within one year	47.23%	180.67

Shenzhen Haiyida Decoration Design Engineering Co., Ltd.	Deposit or margin	34,550.00	Within one year	27.10%	103.65
Shenzhen Hongkang Instrument Technology Co., Ltd.	Equipment	11,400.00	4-5 years	8.94%	11,400.00
Shenzhen Pengji Property Management Service Co., Ltd.	Deposit or margin	10,441.00	Within one year	8.19%	31.32
Wu Furong	Reserve fund	2,000.00	Within one year	1.57%	6.00
Total	--	118,613.00	--	93.02%	11,721.64

6) Account receivable with government grants involved

In RMB

Enterprise	Government grants	Ending Balance	Ending account age	Time, amount and basis of amount collection estimated
Nil				

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:

At the end of the period, other account receivables did not include shareholder units and other related parties holding 5% (including 5%) or more of the voting rights of the company.

3. Long-term equity investment

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	21,350,000.00	1,389,620.27	19,960,379.73	5,625,000.00	1,389,620.27	4,235,379.73
Total	21,350,000.00	1,389,620.27	19,960,379.73	5,625,000.00	1,389,620.27	4,235,379.73

(1) Investment for subsidiary

In RMB

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 Industry Co., Ltd.	10,379.73					10,379.73	1,389,620.27
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	4,225,000.00	15,725,000.00				19,950,000.00	
Total	4,235,379.73	15,725,000.00				19,960,379.73	1,389,620.27

(2) Investment for associates and joint venture

In RMB

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											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Associated enterprise											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		

(3) Other explanation

Nil

4. Operation revenue and operation cost

In RMB

Item	Current Period		Last Period	
	Revenue	Cost	Revenue	Cost
Main business	20,057,964.04	19,427,326.43	54,012,420.29	52,204,470.16
Other business	8,821,133.12	2,273,363.81	3,753,308.11	753,000.00
Total	28,879,097.16	21,700,690.24	57,765,728.40	52,957,470.16

Revenue:

In RMB

Contract type	1# Division	2# Division		Total
Including:				
Including:				
Including:				
Including:				
Including:				
Including:				
Including:				

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

In RMB

Item	Current Period	Last Period
------	----------------	-------------

6. Other

Nil

XVIII. Supplementary Information

1. Current non-recurring gains/losses

√Applicable Not applicable

In RMB

Item	Amount	Note
Dispose profit and loss of non-current assets	24,936.44	
Other non-operating income and expenditure except for the aforementioned items	754,370.46	
Less: Impact on income tax	0.18	
Impact on minority shareholders' equity	65,223.94	
Total	714,082.78	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

2. ROE and EPS

Profits during report period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profits belong to common stock stockholders of the Company	42.01%	0.0069	0.0069
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	34.08%	0.0056	0.0056

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

Section XIII. 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. Original audit report with seal of the accounting firm and signature and seal of CPAs.
3. Originals documents of the Company and manuscripts of public notices that disclosed in the newspaper designated by CSRC in the report period.
4. English version of the Annual Report 2020

**Board of Directors of
Shenzhen China Bicycle Company (Holdings) Limited
23 April 2021**