Chongqing Jianshe Vehicle System Co., Ltd.

The Semi-Annual Financial Report 2021

2021-051

August 2021

I. Audit report

Has this semi-annual report been audited?

□ Yes √ No

The semi-annual financial report has not been audited.

II. Financial statements

Currency unit for the statements in the notes to these financial statements: RMB

1. Consolidated balance sheet

Prepared by: Chongqing Jianshe Vehicle System Co., Ltd.

June 30, 2021

In RMB

Items	June 30,2021	December 30,2020
Current asset：		
Monetary fund	123,787,878.06	159,343,241.47
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		
Note receivable	124,019,463.07	66,548,530.50
Account receivable	210,941,638.23	221,386,452.90
Financing of receivables		
Prepayments	6,704,203.33	8,539,316.15
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	2,852,368.78	1,253,612.91
Including：Interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventories	145,864,862.46	169,145,986.78
Contract assets		
Assets held for sales		

Non-current asset due within 1 year		
Other current asset	2,018,362.24	3,396,186.56
Total of current assets	616,188,776.17	629,613,327.27
Non-current assets:		
Loans and payment on other's behalf disbursed		
Creditor's right investment		
Other creditor's right investment		
Long-term receivable		
Long term share equity investment	186,981,712.23	186,213,719.02
Other equity instruments investment		
Other non-current financial assets		
Real estate investment		23,043,398.52
Fixed assets	320,167,159.27	310,131,438.69
Construction in progress	1,824,327.45	1,871,241.59
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	28,514,765.32	27,384,056.97
Development expenses		
Goodwill		
Long-germ expenses to be amortized	140,327.83	24,750.00
Deferred income tax asset	6,274,078.12	6,274,078.12
Other non-current asset	2,093,500.00	2,141,443.59
Total of non-current assets	545,995,870.22	557,084,126.50
Total of assets	1,162,184,646.39	1,186,697,453.77
Current liabilities		
Short-term loans	556,410,000.00	553,910,000.00
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	139,770,000.00	110,020,000.00
Account payable	240,725,746.54	288,803,247.07

Advance receipts		
Contract liabilities	2,584,147.93	1,479,711.62
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	28,748,853.18	28,427,402.84
Tax payable	16,481,094.80	18,106,616.93
Other account payable	9,704,354.89	10,260,888.23
Including：Interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year		
Other current liability	335,939.23	192,362.51
Total of current liability	994,760,136.57	1,011,200,229.20
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan		
Bond payable		
Including：preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability	1,733,423.53	1,908,551.51
Other non-current liabilities		
Total non-current liabilities	1,733,423.53	1,908,551.51
Total of liability	996,493,560.10	1,013,108,780.71
Owners' equity		

Share capital	119,375,000.00	119,375,000.00
Other equity instruments		
Including：preferred stock		
Sustainable debt		
Capital reserves	958,565,294.29	958,565,294.29
Less: Shares in stock		
Other comprehensive income	9,800.00	9,800.00
Special reserve		
Surplus reserves	125,686,000.00	125,686,000.00
Common risk provision		
Retained profit	-1,037,945,008.00	-1,030,047,421.23
Total of owner's equity belong to the parent company	165,691,086.29	173,588,673.06
Minority shareholders' equity		
Total of owners' equity	165,691,086.29	173,588,673.06
Total of liabilities and owners' equity	1,162,184,646.39	1,186,697,453.77

Legal Representative: Yan Xuechuan

Person in charge of accounting：Tan Mingxian

Person in charge of Accounting institute: Niu Yanli

2.Parent Company Balance Sheet

In RMB

Items	June 30,2021	December 31,2020
Current asset：		
Monetary fund	22,316,394.39	1,039,038.26
Transactional financial assets		
Derivative financial assets		
Note receivable	7,490,000.00	11,600,000.00
Account receivable	3,003,547.30	2,189,335.14
Financing of receivables		
Prepayments	2,251,292.55	5,477,412.18
Other account receivable	1,816,416.14	934,239.22
Including：Interest receivable		

Dividend receivable		
Inventories	2,137,522.96	1,645,305.96
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset		3,179.92
Total of current assets	39,015,173.34	22,888,510.68
Non-current assets:		
Creditor's right investment		
Other creditor's right investment		
Long-term receivable		
Long term share equity investment	386,027,156.19	385,259,162.97
Other equity instruments investment		
Other non-current financial assets		
Real estate investment		23,043,398.52
Fixed assets	125,474,756.03	110,261,716.77
Construction in progress		66,037.74
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	13,959,780.47	14,171,538.97
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset		
Other non-current asset		
Total of non-current assets	525,461,692.69	532,801,854.97
Total of assets	564,476,866.03	555,690,365.65
Current liabilities		
Short-term loans	15,000,000.00	
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	185,794,336.08	265,278,880.90

Advance receipts		
Contract liabilities	159,843.70	248,849.01
Employees' wage payable	9,658,571.01	10,058,993.74
Tax payable	15,115,564.12	15,199,300.72
Other account payable	310,787,267.79	231,990,706.48
Including：Interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liability due within 1 year		
Other current liability	20,779.68	32,350.37
Total of current liability	536,536,362.38	522,809,081.22
Non-current liabilities:		
Long-term loan		
Bond payable		
Including：preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities		
Total of liability	536,536,362.38	522,809,081.22
Owners' equity		
Share capital	119,375,000.00	119,375,000.00
Other equity instruments		
Including：preferred stock		
Sustainable debt		
Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		

Special reserve		
Surplus reserves	125,686,000.00	125,686,000.00
Retained profit	-1,175,695,590.64	-1,170,754,809.86
Total of owners' equity	27,940,503.65	32,881,284.43
Total of liabilities and owners' equity	564,476,866.03	555,690,365.65

3.Consolidated Income statement

In RMB

Items	The first half year of 2021	The first half year of 2020
I. Income from the key business	456,964,429.02	334,590,261.85
Incl：Business income	456,964,429.02	334,590,261.85
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	469,027,653.86	362,297,018.78
Incl: Business cost	399,274,067.43	299,582,322.70
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	4,017,274.05	2,270,492.41
Sales expense	10,384,056.14	8,737,461.10
Administrative expense	33,501,329.26	34,235,208.92
R & D costs	8,173,694.94	6,371,705.72
Financial expenses	13,677,232.04	11,099,827.93
Including：Interest expense		
Interest income		
Add: Other income	461,493.97	412,200.00
Investment gain（"-"for loss）	767,993.22	-8,214,068.19
Incl: investment gains from affiliates	767,993.22	-8,214,068.19
Financial assets measured at amortized cost cease to be		

recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	-108,153.11	-7,385.32
Impairment loss of assets		1,430,078.95
Assets disposal income	1,566,473.14	-54,625.39
III. Operational profit（“-”for loss）	-9,375,417.62	-34,140,556.88
Add ： Non-operational income	198,658.55	79,499.99
Less: Non-operating expense	171.52	634,363.43
IV. Total profit(“-”for loss)	-9,176,930.59	-34,695,420.32
Less: Income tax expenses	-1,279,343.82	
V. Net profit	-7,897,586.77	-34,695,420.32
(I) Classification by business continuity		
1.Net continuing operating profit		
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	-7,897,586.77	-34,695,420.32
2.Minority shareholders’ equity		
VI. Net after-tax of other comprehensive income		
Net of profit of other comprehensive income attributable to owners of the parent company.		
（I）Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company’s credit risks		
5.Other		
（II） Other comprehensive income that will be reclassified into profit or loss.		

1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-7,897,586.77	-34,695,420.32
Total comprehensive income attributable to the owner of the parent company	-7,897,586.77	-34,695,420.32
Total comprehensive income attributable minority shareholders		
VIII. Earnings per share		
（I）Basic earnings per share	-0.0662	-0.2906
(II)Diluted earnings per share	-0.0662	-0.2906

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Yan Xuechuan

Person in charge of accounting：Tan Mingxian

Person in charge of Accounting institute: Niu Yanli

4. Income statement of the Parent Company

In RMB

Items	The first half year of 2021	The first half year of 2020
I. Income from the key business	297,472,060.19	222,468,662.97
Incl：Business cost	287,010,577.69	206,762,567.75
Business tax and surcharge	1,331,918.72	562,313.55
Sales expense	305,392.04	770,265.75

Administrative expense	16,241,678.56	20,937,668.90
R & D expense	152,163.97	641,292.41
Financial expenses	-54,183.63	559,663.50
Including：Interest expenses		
Interest income		
Add：Other income	9,403.42	
Investment gain（“-”for loss）	767,993.22	-8,214,068.19
Including: investment gains from affiliates	767,993.22	-8,214,068.19
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income		
II. Operational profit（“-”for loss）	-5,139,428.02	-16,137,535.83
Add ： Non-operational income	198,647.24	55,100.00
Less: Non -operational expenses		633,882.63
III. Total profit(“-”for loss)	-4,940,780.78	-16,716,318.46
Less: Income tax expenses		
IV. Net profit	-4,940,780.78	-16,716,318.46
1.Net continuing operating profit		
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income		
（I）Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company’s credit risks		
5.Other		
(II)Other comprehensive income that will be reclassified into prof		

it or loss		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
VI. Total comprehensive income	-4,940,780.78	-16,716,318.46
VII. Earnings per share		
（I）Basic earnings per share	-0.0414	-0.1400
(II)Diluted earnings per share	-0.0414	-0.1400

5. Consolidated Cash flow statement

In RMB

Items	The first half year of 2021	The first half year of 2020
I.Cash flows from operating activities		
Cash received from sales of goods or rending of services	275,878,351.04	218,102,030.44
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	10,762,678.49	3,751,715.83

Other cash received from business operation	5,109,205.63	6,565,809.34
Sub-total of cash inflow	291,750,235.16	228,419,555.61
Cash paid for purchasing of merchandise and services	192,460,861.01	93,632,722.83
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid to staffs or paid for staffs	55,354,015.78	48,032,744.83
Taxes paid	9,550,656.23	2,496,399.06
Other cash paid for business activities	12,630,681.73	11,135,794.91
Sub-total of cash outflow from business activities	269,996,214.75	155,297,661.63
Net cash generated from /used in operating activities	21,754,020.41	73,121,893.98
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,609,454.58	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	1,609,454.58	
Cash paid for construction of fixed assets, intangible assets and other long-term assets	3,192,691.68	996,035.66
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	3,192,691.68	996,035.66
Net cash flow generated by investment	-1,583,237.10	-996,035.66
III.Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	330,210,000.00	317,720,000.00

Other financing –related cash received	244,002.56	140,229,885.72
Sub-total of cash inflow from financing activities	330,454,002.56	457,949,885.72
Cash to repay debts	327,710,000.00	240,000,000.00
Cash paid as dividend, profit, or interests	12,038,512.41	11,106,520.85
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	32,808,697.08	267,306,351.71
Sub-total of cash outflow due to financing activities	372,557,209.49	518,412,872.56
Net cash flow generated by financing	-42,103,206.93	-60,462,986.84
IV. Influence of exchange rate alternation on cash and cash equivalents	-9,951.87	
V.Net increase of cash and cash equivalents	-21,942,375.49	11,662,871.48
Add: balance of cash and cash equivalents at the beginning of term	79,310,253.55	9,390,326.10
VI ..Balance of cash and cash equivalents at the end of term	57,367,878.06	21,053,197.58

6. Cash Flow Statement of the Parent Company

In RMB

Items	The first half year of 2021	The first half year of 2020
I.Cash flows from operating activities		
Cash received from sales of goods or rending of services	106,427,010.24	60,980,104.52
Tax returned		
Other cash received from business operation	4,060,057.61	5,840,848.89
Sub-total of cash inflow	110,487,067.85	66,820,953.41
Cash paid for purchasing of merchandise and services	64,778,291.50	44,567,550.59
Cash paid to staffs or paid for staffs	18,463,252.41	24,407,469.95
Taxes paid	3,936,592.64	600,648.78
Other cash paid for business activities	16,462,800.95	2,625,236.39
Sub-total of cash outflow from business activities	103,640,937.50	72,200,905.71
Net cash generated from /used in operating activities	6,846,130.35	-5,379,952.30
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,609,454.58	
Net cash received from disposal of subsidiaries or other operational		

units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	1,609,454.58	
Cash paid for construction of fixed assets, intangible assets and other long-term assets	2,181,728.80	996,035.66
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	2,181,728.80	996,035.66
Net cash flow generated by investment	-572,274.22	-996,035.66
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	15,000,000.00	
Other financing –related ash received	210,210,000.00	187,229,125.01
Sub-total of cash inflow from financing activities	225,210,000.00	187,229,125.01
Cash to repay debts		
Cash paid as dividend, profit, or interests		
Other cash paid for financing activities	210,206,500.00	182,260,000.00
Sub-total of cash outflow due to financing activities	210,206,500.00	182,260,000.00
Net cash flow generated by financing	15,003,500.00	4,969,125.01
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	21,277,356.13	-1,406,862.95
Add: balance of cash and cash equivalents at the beginning of term	1,039,038.26	4,448,232.99
VI ..Balance of cash and cash equivalents at the end of term	22,316,394.39	3,041,370.04

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	The first half year of 2021													
	Owner's equity Attributable to the Parent Company												Minor shareholders' equity	Total of owners, equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal	
		Preferred stock	Sustainable	Other										

			debt												
I.Balance at the end of last year	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00		-1,030,047,421.23		173,588,673.06		173,588,673.06
Add: Change of accounting policy															
Correcting of previous errors															
Merger of entities under common control															
Other															
II.Balance at the beginning of current year	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00		-1,030,047,421.23		173,588,673.06		173,588,673.06
III.Changed in the current year											-7,897,586.77		-7,897,586.77		-7,897,586.77
（1）Total comprehensive income											-7,897,586.77		-7,897,586.77		-7,897,586.77
（II）Investment or decreasing of capital by owners															
1．Ordinary Shares invested by shareholders															
2．Holders of other equity instruments invested capital															
3．Amount of shares paid and accounted as owners' equity															
4．Other															
（III）Profit allotment															
1.Providing of															

surplus reserves															
2.Providing of common risk provisions															
3．Allotment to the owners (or shareholders)															
4．Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or to capital shares)															
3. Making up losses by surplus reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5．Other comprehensive income carry-over retained earnings															
6．Other															
(V). Special reserves															
1. Provided this year															

2．Used this term															
（VI）Other															
IV. Balance at the end of this term	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00		-1,037,945,008.00		165,691,086.29		165,691,086.29

Amount in last year

In RMB

Items	The first half year of 2020														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
		Preferred stock	Sustainable debt	Other											
I.Balance at the end of last year	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00		-1,031,463,363.68		172,172,730.61		172,172,730.61
Add: Change of accounting policy															
Correcting of previous errors															
Merger of entities under common control															
Other															
II.Balance at the beginning of current year	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00		-1,031,463,363.68		172,172,730.61		172,172,730.61
III.Changed in the current year											1,415,942.45		1,415,942.45		1,415,942.45
（1）Total comprehensive income											1,415,942.45		1,415,942.45		1,415,942.45
（II）Investment or															

decreasing of capital by owners															
1．Ordinary Shares invested by shareholders															
2．Holders of other equity instruments invested capital															
3．Amount of shares paid and accounted as owners' equity															
4．Other															
（III）Profit allotment															
1.Providing of surplus reserves															
2.Providing of common risk provisions															
3．Allotment to the owners (or shareholders)															
4．Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or to capital shares)															
3. Making up losses by surplus															

reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5．Other comprehensive income carry-over retained earnings															
6．Other															
(V). Special reserves															
1. Provided this year															
2．Used this term															
（VI）Other															
IV. Balance at the end of this term	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00		-1,030,047,421.23		173,588,673.06		173,588,673.06

8.Statement of change in owner’s Equity of the Parent Company

Amount in this period

In RMB

Items	The first half year of 2021											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners’ equity
		Preferred stock	Sustainable debt	Other								
I.Balance at the end of last year	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00	-1,170,754,809.86		32,881,284.43
Add: Change of accounting												

policy												
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00	-1,170,754,809.86		32,881,284.43
III.Changed in the current year										-4,940,780.78		-4,940,780.78
（I）Total comprehensive income										-4,940,780.78		-4,940,780.78
(II) Investment or decreasing of capital by owners												
1．Ordinary Shares invested by shareholders												
2．Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity												
4．Other												
（III）Profit allotment												
1.Providing of surplus reserves												
2．Allotment to the owners (or shareholders)												
3．Other												
(IV) Internal transferring of owners' equity												

1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
（VI）Other												
IV. Balance at the end of this term	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00	-1,175,695,590.64		27,940,503.65

Amount in last year

In RMB

Items	The first half year of 2020											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferred	Sustai	Other								

		stock	nable debt									
I.Balance at the end of last year	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00	-1,128,138,143.30		75,497,950.99
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	119,375,000.00				958,565,294.29		9,800.00		125,686,000.00	-1,128,138,143.30		75,497,950.99
III.Changed in the current year										-42,616,666.56		-42,616,666.56
（I）Total comprehensive income										-42,616,666.56		-42,616,666.56
(II) Investment or decreasing of capital by owners												
1．Ordinary Shares invested by shareholders												
2．Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity												
4．Other												
（III）Profit allotment												
1.Providing of surplus reserves												
2．Allotment to												

the owners (or shareholders)												
3．Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5．Other comprehensive income carry-over retained earnings												
6．Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
（VI）Other												
IV. Balance at	119,37				958,565		9,800.0		125,686	-1,170,75		32,881,284.

the end of this term	5,000.00				,294.29		0		,000.00	4,809.86		43

III．Basic Information of the Company

Chongqing Jianshe Vehicle System Co.,Ltd. (hereinafter referred to as the "Company", "Company" or "Chongqing Jianshe")，the company's original name is Chongqing Jianshe Motorcycle Co.,Ltd.，was jointly set up in July 1995 by the Construction Industry (Group) Co., Ltd. and China North Industries Shenzhen Corporation. The Business License of the Enterprise: No. 915000007474824231. The Company was listed in July 1995 at the Shenzhen Stock Exchange. The Company is engaged in the manufacturing industry. On December 27, 2017, the company issued an announcement that it has completed the relevant business registration procedures for the change in Chinese, obtained the notice of approval for change of registration of Chongqing administration of industry and commerce (Chongqing Industrial and commercial registration of changes [2017] No.1206-1)， got an issue of a business license and approval rear of implementing the Shenzhen stock exchange. The name of the company was changed from " Chongqing Jianshe Motorcycle Co., Ltd." to " Chongqing Jianshe Vehicle System Co.,Ltd.". Abbreviation of the company was changed from "Jianmo B" to "Jianshe B", and the securities code of the company was unchanged at 200054.

On October 22, 2018, Chongqing Jianshe mechanical and electrical co., LTD., the controlling shareholder of the company, signed the "Equity transfer Agreement for State-owned listed companies" with China South Industries Group Corporation (hereinafter referred to as "GSGC"). The Chongqing Jianshe mechanical and electrical co., LTD. transferred 84,906,250 shares of its state-owned legal person shares to the GSGC, it accounts for 71.13% of the Chongqing Jianshe 's total share capital.

On December 21, 2018, the company received the " Confirmation of registration of securities transfer " issued by the Shenzhen Branch of China Securities Registration and Clearing Co., Ltd., and the registration procedures for the transfer of shares under this agreement have been completed in the Shenzhen branch of China Securities Registration and settlement Co., Ltd. After the completion of this agreement transfer, Chongqing Jianshe mechanical and electrical co., LTD., would no longer hold shares of the company. GSGC was became the controlling shareholder of the company, the proportion of shareholding is 71.13%, and the nature of the shares is State-owned legal person shares.

The ultimate controller of the Company is the State-owned Assets Supervision and Administration Commission (SASAC).

As at June 30, 2021, the Company issued 119,375,000 shares in total and had the registered capital of 119,375,000. The registration place: NO.1, JIANSHE ROAD HUAXI INDUSTRY PARK, BANAN DISTRICT, CHONGQING; the headquarters address: Banan District, Chongqing Municipality. Legal representative: Hongxian Lv. The main business activities: research and development, processing, manufacturing and related technical services of Motorcycles, auto parts, accessories, machinery products, design , manufacturing and related technical services of tooling (except for those subject to national special provisions) ; R & D, production and sales of motorcycle engines; research , development and processing of mechanical and electrical products, home appliances, bicycles, environmental protection product; imports, wholesale, retail, commission agency (except auction) of similar products of these products.

The disclosure of the financial report was approved by the Board of Directors on August 26, 2021.

The scope consolidated financial statements of the first half year of 2021 has reduced 2 subsidiary，see "Note 7 Equity in other subjects " for details.

The company and Chongqing Jianshe Automobile A/C Co., Ltd., its important subsidiary, mainly engaged in the manufacture, sale of air conditioners and accessories, air conditioning and spare parts maintenance.

IV. Basis for the Preparation of financial statements

1.Basis for Preparation

The Company prepares the financial statements on the basis of going concern, according to actual transactions and events, and in accordance with the Accounting Standards for Business Enterprises – Basic Standards and 38 concrete accounting standards issued by the Ministry of Finance on February 15, 2006, the subsequently issued Accounting Standards for Business Enterprises – Application Guidelines, and the Accounting Standards for Business Enterprises– Interpretations and other relevant provisions (hereinafter collectively referred to as –Accounting Standards for Business Enterprises‖), as well as Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports issued by China Securities Regulatory Commission.

In accordance with relevant provisions of the Accounting Standards for Business Enterprises, the Group adopted the accrual basis in accounting. Except for some financial instruments, where impairment occurred on an asset, an impairment reserve was withdrawn accordingly pursuant to relevant requirements.

2. Going Concern

The Company was on a going concern basis in 12 months as of the end of the current reporting period and was not affected by any material event having impact on the going concern.

V. Principal accounting policies and accounting estimates

Specific accounting policies and accounting estimates:

None

1. Statement on compliance with accounting standards for business Enterprises

The Company state: the financial statements prepared are in line with the requirements in enterprise accounting st andards in line with of system, and have truly and completely reflected of the financial status in June 30, 2021 operational results, cash flow, and other relevant information of January–June 2021.

2 .Accounting period

The Company’s fiscal periods include fiscal years and fiscal periods shorter than a complete fiscal year from January 1 to December 31 as one accounting year.

3.Operating cycle

The normal operating cycle refers to the period from the assets used for processing after purchased by the company to the cash or cash equivalents achieved. 12 months are regarded as one operating cycle in the company, and which is as the division criterion for the liquidity of assets and liabilities.

4.Functional currency

The functional currency is Renminbi.

5. Accounting treatments of the combination of enterprises under common control and the combination of enterprises not under the common control

Business combination refers to the transactions or items with one reporting entity formed by the combination of two or more separate enterprises. The business combination shall be divided into the business combination under common control and the business combination under non-common control.

（1）Business combination under common control

The business combination under common control refers to the business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Of which, the combining party is that acquiring the control right to other combining enterprises at combining date, and the combining date means the date that the combining party actually acquires the control right of the combined party. The acquisition date means the date that the acquirer actually obtains the control right of the acquiree.

The assets and liabilities acquired by the combining party are measured in accordance with the book value of the combined party at the combining date. For the balance between the book value of net assets acquired by the combining party and the book value of the combining valuable consideration (or the nominal amount of issued shares), the capital reserves (stock premium) shall be adjusted, or the retained earnings shall be adjusted when the capital reserves (stock premium) are insufficient.

All the costs directly incurred for the business combination by the combining party shall be recorded into the current profits and losses when occurred.

（2）Combination of enterprises not under the common control

The business combination under non-common control refers to the business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination. Of which, the acquirer is that obtaining the control right to other combining enterprises at acquisition date, and other combining enterprises refers to the acquiree. The acquisition date means the date that the acquirer actually obtains the control right of the acquiree.

For the business combination under non-common control, the merger costs include the assets paid for obtaining the control right of acquiree by the acquirer, the liabilities occurred or borne and the fair value of equity securities issued, the intermediary fees for audit, legalservices, evaluation and consultation when the business combination issued, and other management costs shall be recorded into the current profits and losses when occurred. The transaction costs of equity securities or debt securities issued for the merger consideration by the acquirer shall be included into the initially recognized amount of the equity securities or the debt securities. The contingent consideration involved shall be recorded into the merger cost as per the fair value at the acquisition date. Within 12 months after the acquisition date, the combining business reputation should be adjusted correspondingly if the contingent consideration is required to adjust because of new or further evidence for the existed situation on the acquisition date. The merger cost issued by the acquirer and the identifiable net assets acquired in the combination are measured as per the fair value on the acquisition date. The difference of the merger cost less the fair value shares of identifiable net assets obtained by the acquiree during the merger on the acquisition date, is recognized as the business reputation. While the merger cost is less than the fair value shares of identifiable net assets obtained by the acquiree during the merger, all the measurement on the identifiable assets,

the liabilities, the fair value of liabilities and the merger cost obtained by the acquiree should firstly be rechecked, and the difference shall be recorded into the current profits and costs if the merger cost is still less than the fair value shares of identifiable net assets obtained by the acquiree during the merger after rechecking.

If the deductible temporary difference of acquiree obtained by the acquirer is not recognized due to the recognition condition of the deferred income tax assets unmet on the acquisition date within 12 months after the acquisition date, the relevant deferred income tax assets shall be recognized and the business reputation shall be reduced if the acquired new or further evidence shows that the relevant situation has already existed and the economic benefit gained by the acquiree from the deductible temporary difference is expected to achieve, and the differences are recognized as the current profits and losses if the business reputation is insufficient to offset. With the exception of the above, the deferred income tax assets related to the business combination are recorded into the current profits and losses. For the business combination under non-common control realized step-by-step through multiple transactions, the multiple transactions shall be judged if belong to "the package deal" according to the "Notice on Issuance of Interpretation of Accounting Standards for Business Enterprises from Ministry of Finance" (Finance and Accounting [2012] No.19) and the judgment standards on "the package deal" in Article 51st of "Accounting Standards for Business Enterprises No.33 – Consolidated Financial Statement" (please see Note 3.6 (2)).

For the package deal, please refer to above description of this section and Note 3.14 "Long-term Equity Investment" to conduction the accounting treatment. For the non-package deal, the relevant accounting treatment should be respectively conducted for the individual financial statement and the consolidated financial statements:

For the individual financial statements, the sum of the book value of equity investment from the purchased party held before the purchase date and the new investment cost at the purchase date shall be as the initial investment cost of the investment. For the other comprehensive incomes involved in the equity of the acquiree held before the acquisition date, the investment and the relevant other comprehensive incomes shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquiree (Namely, the rest is transferred into the current investment incomes with the exception of the corresponding shares of changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the acquiree as per the equity method). In the consolidated financial statements, the equity of the acquiree held before the acquisition date shall be measured again as per the fair value of the equity on the acquisition date, and the difference between the fair value and the book value is recorded into the current investment income.

For the other comprehensive incomes involved in the equity of the acquire held before the acquisition date, the relevant other comprehensive incomes shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquire (Namely, the rest is transferred into the current investment incomes on the acquisition date, with the exception of the corresponding shares of changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the acquire as per the equity method).

6. Preparation of consolidated financial statements

（1）Principle for determining the consolidation scope

The consolidation scope for financial statements is determined on the basis of control. The term "control" is the power of the Group upon an investee, with which it can take part in relevant activities of the investee to obtain variable returns and is able to influence the amount of returns. The scope of consolidation includes the Company and its all subsidiaries. A subsidiary is an enterprise or entity controlled by the Group.

Once any changes in the relevant facts or situations resulted in any changes in the elements involved in the aforesaid definition of "control", the Company shall carry out a reassessment.

（2）Compiling method of consolidated accounting statements

The company starts to include the actual control right to the net assets and the production and management decisions of the subsidiaries into the combination scope since the date of the actual right acquired, and will stop covering into the combination scope on the date of the actual right lost. For the disposed subsidiaries, the business performance and the cash flow before the disposal date have been properly covered in the consolidated profit statement and the consolidated cash flow statement. For the subsidiaries disposed in the current period, the opening balance of the consolidated balance sheet shall not be adjusted. through the business combination under non-common control, the business performance and the cash flow after the acquisition date have been properly included in the consolidated profit statement and the consolidated cash flow statement, and the opening balance and the comparison balance of the consolidated financial statement shall not be adjusted. For the subsidiaries increased through the business combination under common control, the business performance and the cash flow from the beginning of current combination period to the combination date have been properly included in the consolidated profit statement and the consolidated cash flow statement, and the comparison balance of the consolidated financial statement shall be adjusted simultaneously.

With the preparation of the consolidated financial statement, the necessary adjustment shall be made according to the accounting policy of the company and the financial statement of the subsidiaries during the fiscal period if the accounting policy or the fiscal period adopted by the subsidiaries and the company is discrepant. For the subsidiaries acquired through the business combination under non-common control, the financial statement shall be adjusted on the basis of the fair value of the identifiable net assets on the acquisition date.

All the major balances, transactions and the unrealized profits of the company shall be offset in the preparation of the consolidated financial statement.

Those not belong to the company in the shareholders' equity and the current net profit or loss of the subsidiaries shall be respectively as the minority equity and the minority interest income and individually listed under the shareholders' equity and the net profit of the consolidated financial statement. The minority equity portion from the net profit or loss in current period shall be as "minority interest income" and listed under the net profit in the consolidated financial statement. Moreover, the minority equity is still offset even if the losses of the subsidiaries undertaken by the minority shareholders are beyond the portion of the shareholders' equity shared by the minority shareholders of the company at the beginning of period.

When the control on the original subsidiaries lost due to the disposal of partial equity investment or other reasons, the remaining equity should be measured again according to the fair value on the control lost date. The difference of the consideration acquired by the disposal of equity and the fair value of the surplus equity minus the net assets portion of the original subsidiaries calculated from the purchase date as per the original stock proportion shall be

recorded into the current investment income after the control lost. Other comprehensive returns relevant to the original subsidiary shares investment shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquiree when the control lost (Namely, all the rest are transferred into the current investment incomes, with the exception of the changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the original subsidiaries). Thereafter, the subsequent measurement shall be made for the rest equity according to the relevant provisions of "Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment" or "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments". For the details, please see Notes 3.14 "Long-term Equity Investment" or Notes 3.10 "Financial Instruments".

For the equity investment in the subsidiary through the step-by-step disposal of multiple transactions till the control right lost, the company should respectively dispose all the transactions if belong to the package deal. As long as the terms, conditions and economic influence on all the transactions of the disposal of the equity investment in the subsidiary meet one status below, it usually shows that the multiple transactions matters should be conducted the accounting treatment as the package deal: ① these transactions are made simultaneously or under the consideration of the influence each other. ② these transactions shall be as the whole to achieve one complete business results. ③ one transaction occurs depending on the appearance of other one transaction at least. ④ one transaction is economic under the consideration with other transactions even if it is not economic when individually considerate. For the non-package deal, each transaction shall be respectively conducted the accounting treatment according to the applicable principles of "Partial Disposal of Long-term Equity Investment in Subsidiary without Control Lost" (please refer to (2) ④ in Note 3.14) and "The Control on Original Subsidiary Lost due to Disposal of Part of Equity Investment or Other Reasons" (details please see forepart). For the package deal from the transactions after the disposal of equity investment in the subsidiary till the control right lost, the transactions shall be as one transaction of the disposal of subsidiary and the control lost for the accounting treatment. Therefore, every balance between the net assets proportion of the subsidiary shared relative to the disposal price and the disposal investment before the control right lost, shall be recognized as other comprehensive incomes in the consolidated financial treatment and transferred into the current profits and losses when the control lost.

7. Joint venture arrangements classification and Co-operation accounting treatment

Joint enterprise arrangement is two or more parties jointly control the enterprise. The company enjoys rights and bears obligations based on joint enterprise arrangement. Joint enterprise arrangement is composed of joint operation and joint enterprises. Joint operation means the company has the right to arrange related assets and related liabilities. Joint enterprises means the company only has the right to arrange the net asset.

The company adopts equity method to calculate investment to joint enterprises by referring to accounting policies stated in "Long-term Stock Ownership for Equity Method Calculation" (please refer to (2) ② in Note 3.13)

As one party of joint operation, the company confirms assets and liabilities only held by itself and confirms joint

assets and liabilities as proportion of the company's shares; confirm incomes from sales and production in the way of joint operation as proportion of the company's shares; confirm the company's own expenses and all expenses in the way of joint operation as proportion.

As a party of joint operation, the company funds or sells assets (not used for operation, the same below) of joint operation or purchases assets from joint operation. Before the assets are sold to a third party, the company only confirms the loss and benefit in the trade which belong to other parties in the joint operation. In case the assets is in conformity to the asset impairment loss regulated in Asset Impairment --No.8 of Accounting Criteria for Enterprises, the company confirms all losses in full amount for the company funding or selling assets of joint operation. The company confirms the loss as proportion of shares for the company purchasing assets from joint operation.

8.Recognition criteria of cash and cash equivalents

For the purpose of preparing the statement of cash flows, the term "cash" refers to cash on hand and deposits of that are readily available for payment. And the term "cash equivalents" refers to short-term (maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

9. Foreign currency business and foreign currency translation

（1）Translation Method of Foreign Currency Transaction

The shot exchange rate (usually refers to the middle rate at the date of currency exchange published by the People's Bank of China, hereinafter inclusive) on the transaction date is adopted to convert to the amount of functional currency when the foreign currency transaction issued in the company is initially recognized. However, the foreign currency exchanges or the transactions relative to the foreign currency exchanges occurred in the company shall be translated into the amount of functional currency as per the actually adopted exchange rate.

（2）Translation Method for Monetary Items of Foreign Currency and Non-monetary Items of Foreign Currency

On the balance sheet date, the monetary items of foreign currency are translated as per the shot exchange rate on the balance sheet date, and the foreign exchange conversion gap arising from which shall be recorded into the profits and losses of the current period, except for ① the balance of exchange arising from special foreign currency borrowings for the purchase and construction of qualified assets subject to the principle of borrowing costs. ② the exchange balance generated from other book balances in the foreign currency monetary items available for sale with the exception of the post-amortization costs shall be recorded into other comprehensive incomes.

When it involves overseas business in preparing the consolidated financial statement, for the translation difference of foreign currency monetary items of net investment in overseas business arising from the change in exchange rate, it shall be recorded into the other comprehensive income; and be recorded into disposal gains and losses at current period when disposing overseas business.

The non-monetary items of foreign currency measured at the historical cost shall still be measured by the amount of functional currency translated at the spot exchange rate on the transaction date. The non-monetary items of foreign currency measured at the fair value shall be translated at the spot exchange rate on the fair value recognized date, and the gap of the translated amount of functional currency and the original the amount of functional currency shall be as the fair value variation (change in exchange rate included) to make treatment and recorded into the current profits and losses or recognized as other comprehensive incomes.

（3）Translation Method of Foreign Currency Financial Statement

For the overseas business operation involved in the preparation of the consolidated financial statement, the exchange balance arising from the change in exchange rate for the foreign currency monetary items of the net investment in the overseas business, shall be as "translation reserve of foreign currency statement" and recognized as other comprehensive incomes. The profits and losses of the current disposal period shall be recorded when disposal of the overseas business operations.

The foreign currency financial statement of the overseas business operation shall be translated as RMB statement as per the following methods: the assets and liabilities in the balance sheet shall be translated at a spot exchange rate on the balance sheet date. For the shareholders' equity items, other items shall be translated at a spot exchange rate when occurring, except for the "undistributed profit" items. The earnings and expenses items in the profit statement shall be translated at a spot exchange rate on the transaction date. Moreover, the Retained Earnings at the beginning of this year are the profits translated at the end of last year which shall be distributed and listed all the items measurement as per the translated profits. The difference between the translated assets items and the sum of the liability's items and the shareholders' equity items shall be as the translation reserve of foreign currency statement and recognized as other comprehensive incomes. When disposing the overseas business operation and losing the control right, the translation reserves of foreign currency statement related to the overseas business operation which listed in the shareholders' equity items in the balance sheet, are all recorded into the current disposal profits and losses or shifted as per the disposal proportion of the overseas business operation.

The cash flows of foreign currency and overseas subsidiary shall be translated at the spot exchange rate on the cash flow date. The influence amount of the change in exchange rate on the cash shall be individually listed and reported as the adjustment items in the cash flow statement.

The amount at the beginning of this year and the actual amount of last year shall be listed according to the translated amount of the financial statement.

If the control on the overseas business operation lost due to the disposal of partial equity investment or other reasons when disposing all the owners' equity of the overseas business operation of the company, the translation reserves of foreign currency statement belong to the owners' equity of the parent company related to the overseas business operation which listed in the shareholders' equity items in the balance sheet, are all recorded into the current disposal profits and losses.

If the held equity proportion of the overseas business operation reduced due to the disposal of partial equity investment or other reasons, but the control on the overseas business operation not lost, the translation reserves of foreign currency statement related to the partial disposal of the overseas business operation shall be belong to the minority equity and not recorded into the current profits and losses. When disposing partial equity of the joint ventures or the cooperative enterprises of the overseas business operations, the translation reserves of foreign currency statement related to the overseas business operations shall be recorded into the current disposal profits and losses as per the disposal proportion of the overseas business operations.

10 Financial instruments

A financial instrument refers to a contract that concludes the financial assets of one party and the financial liabilities or equity instruments of another party. Related financial assets or financial liabilities are recognized when the company becomes a party to a financial instrument contract.

Financial assets and financial liabilities are measured at fair values at the initial recognition: (i) for the financial assets and financial liabilities measured at fair values with variations recorded into the current profits and losses, related transaction expenses are directly recorded into the current profits and losses;(ii) for other kinds of financial assets and financial liabilities, related transaction expenses are included in the initial recognition amounts. Furthermore, subsequent measurements of financial assets and liabilities are decided by their own classifications.

A financial asset or financial liability that qualified with one of the following conditions are indicating its transactional purposes: (i) the purpose of acquiring relevant financial assets or assuming relevant financial liabilities is mainly made for the purpose of selling or repurchasing in the near future; (ii) the initial confirmation is a part of the identifiable portfolio of financial instruments under centralized management, and there is objective evidence that the short-term profit model actually exists in the near future;(iii) where it is defined as the derivative instrument, but conforms to the financial guarantee contract definition and is designated as an effective hedging instrument of the derivative instruments.

（1）Debt Instruments

Debt instruments refer to the instruments that conform to the definition of financial liabilities from the perspective of the issuers. The classifications and subsequent measurements of debt instruments depends on the company's business models for financial assets management and the contractual cash flow characteristics of financial assets. Where it fails to pass the cash flow characteristic test, direct classification as a financial asset measured at fair values shall be adopted with variations to be recorded into the current profits and losses; where it succeed to pass the cash flow characteristic test, its classification shall be determined on the business model of financial assets management, and its qualification as a financial asset measured at fair values, of which variations shall be recorded into the current profit and loss.

1) To be measured at amortized costs.

The company's business models for the management of such financial assets are aimed at the collection of the contract cash flows, of which the characteristics of the contract cash flow shall be consistent with the benchmark lending arrangement, that is, the cash flows generated at a certain date are referred to the payment of the principal and the interest based on the outstanding principal amount only while the financial assets are not designated to be measured at fair values, but their variations are recorded into the current profits and losses. However, the company recognizes interest incomes for such financial assets in accordance with the effective interest rate methods. The profits or losses of such financial assets due to the termination of recognition together with the losses as a result of the impairment are directly recorded into the current profits and losses.

2) To be measured at fair values with its variations included in other comprehensive incomes.

The company's business model for managing such financial assets is both to receive the contract cash flows and to sell, of which the characteristics of the contract cash flows shall be consistent with the benchmark lending arrangements, that is, the cash flow generated at acertain date is only the payment of the principal and the interest based on the outstanding principal amount while the financial assets are not designated to be measured at fair values, but their variations are recorded into the current profits and losses. However, such financial assets are measured at fair values and their variations are included in other comprehensive incomes, but impairment losses

or gains, exchange gains & losses and interest incomes calculated according to the actual interest rate method are included in the current profits and losses. Furthermore, variations in fair values accumulated into other comprehensive incomes will be carried forward to the current profits and losses when the recognition of such financial assets is terminated. Such financial assets are listed as other lending investments.

3) To be measured at fair values with variations booked into the current profits and losses.

Debt instruments held by the company that are not divided into those measured at amortized costs and those measured at fair values with their variations recorded in other comprehensive incomes are measured at fair values and their variations are recorded into the current profits and losses, of which those classified as financial assets are measured at fair values with variations recorded into current profits and losses are listed as transactional financial assets or other non-current financial assets.

（2）Equity Instruments

An equity instrument is one that is analyzed from the perspective of the issuers in accordance with the definition of an equity instrument. Equity instrument investments is measured at fair values with variations recorded into current profits and losses, which are listed as transactional financial assets, except that the management of the company that is specified to be measured at fair values with variations recorded into other comprehensive incomes. Items designated to be measured at fair values with variations included in the comprehensive incomes are listed as the investments of other equity instruments, of which related changes in fair values shall not be carried forward to the current profits and losses, and such designation shall not be revoked once made. However, related dividend gains are booked into the current profits and losses, and no impairment provision is included in the other equity instruments. When terminate recognition, the accumulated gains or losses as previously recorded in other comprehensive incomes are transferred from other comprehensive incomes and recorded in retained earnings.

（3）Financial Liabilities

Financial liabilities are classified as financial liabilities and other financial liabilities which are measured at fair values with variations to be recorded into the current profits and losses at the initial recognition.

Financial liabilities measured at fair values with variations recorded into the current profits and losses includes trading financial liabilities and financial liabilities that are specified to be measured at fair values with variations booked into the current profit and loss. Financial liabilities can be designated as financial liabilities to be measured at fair values at the initial measurement with their variations recorded into the current profits and losses upon the any of the following conditions:

1）the designation can eliminate or significantly reduce the accounting mismatches;

2）The portfolio of financial liabilities or the portfolio of financial assets and financial liabilities is managed and evaluated on the basis of fair values, and reported to key management within the company thereafter according to the risk management or investment strategies stated in the official written documents. Such designation shall not be revoked once made.

For financial liabilities designated to be measured at fair values with variations recorded in the current profits and losses, variations in fair values caused by changes in the company's own credit risks shall be recorded in other comprehensive incomes, while variations of other fair values are booked into the current profits and losses. Furthermore, when terminate the recognition of such financial liabilities, the accumulated gains or losses as previously recorded in other comprehensive incomes are transferred from other comprehensive incomes and recorded in retained earnings.

Other financial liabilities of the company mainly include short-term loans, long-term loans and the like. For such financial liabilities, effective interest methods are adopted with subsequent measurement to be made according to the amortized costs.

（4）Termination Recognition of Financial Assets and Financial Liabilities

A financial asset shall be terminated upon one of the following circumstances:

1) The contractual right to receive the cash flow of the financial assets is terminated;

2) The financial asset with almost all the risks and rewards from the ownership of the financial assets have been transferred to the transferee;

3) Although the company has neither transferred nor retained nearly all the risks and rewards in the ownership of the financial asset, the financial assets of the company have been transferred and have relinquished control of the financial assets.

Where the current obligations of a financial liability (or any part thereof) have been discharged, the company ceases to recognize such financial liability (or any part thereof).

（5）Impairment of Financial Instruments

The company carries out impairment accounting treatment to the financial instruments based on expected credit losses and confirms loss provisions. Expected credit loss refers to the weighted average credit losses of financial instruments by the risks of defaults, and credit losses refer to the difference between all contract cash flow receivable under the contract as well as all cash flows expected to be collected that discounted at the original real interest rates, that is, the present values of all cash shortfalls.

Measuring methods of the company's expected credit losses on financial instruments reflects the following factors: unbiased probability weighted averages as determined by a range of possible outcomes; the time value of money; reasonable and informed information about past events, current conditions and future economic conditions available up to the balance sheet date without unnecessary additional costs or efforts. The company determines the expected credit losses of relevant financial instruments in the following manners:

1) For financial assets, the credit losses are the present values of the difference between the contract cash flows and the expected cash flows payable by the company;

2) For leasing receivables, the credit losses are the present values of the difference between the contract cash flows and the expected cash flows payable by the company;

3) For any uncommitted loan commitment, the credit losses are the present values of the difference between the contract cash flows payable by the company and the cash flows expected to be collected if the loan commitment holder withdraws corresponding loans. The company's estimations on the expected credit losses of the loan commitment are consistent with its expectations on the utilization of the loan commitments;

4) In the case of a financial guarantee contract, the credit losses are the present values of the difference between the amount the company expects to receive from the contract holders, debtors or any other party, and the amount of money the company expects to pay to the contract holder in respect of the credit losses incurred by the contract holder;

5) In the case of a financial asset whose credit impairment has occurred on the date as indicated by the balance sheets but is not purchased or originated, the credit losses are referred to the difference between the book balance of the financial assets and the present values of the estimated future cash flow discounted at the original real interest rates.

Three stages are adopted to identify expected credit losses by assessing whether its credit risks have increased significantly since its initial recognition together with considerations to the reasonable and evidence-based information (including forward-looking information) on each balance sheet date. In the case that the credit risk has not increased significantly since the initial confirmation, the expected credit losses are defined as the first stage, and the loss provisions are measured according to the expected credit losses of the financial instruments within the next 12 months; where the credit risk has increased significantly since the initial confirmation but no credit impairment has occurred, the expected credit losses are defined as the first stage, and the loss provisions are

made according to the expected credit losses of the financial instruments for the entire duration; in the event that a credit impairment has occurred since the initial recognition, the expected credit losses are defined as the third stage, and the loss provisions are measured in accordance with the expected credit losses of the financial instruments throughout its duration. For financial instruments of the first and second stages, the interest income shall be calculated according to the book balance and the actual interest rates; for financial instruments of the third stage, the interest income shall be determined according to its amortized costs and the real interest rates.

For purchased or originated financial assets with credit impairment, only the cumulative variations in the expected credit losses during the entire period (up to the date as indicated by balance sheet) after the initial recognition are recognized as loss provisions, and its interest gains are determined according to the amortized costs of financial assets and the real interest rates as adjusted by credit.

An increase or reversal of the loss provisions is recorded as an impairment loss or gain of the current period. For debt instruments as held at fair values with variations recorded into othercomprehensive incomes, impairment losses or gains are recorded into the current profits and losses, and other comprehensive incomes is adjusted synchronously.

A. Provisions of the company for the losses are measured on the expected credit losses for the entire duration

The company divides notes and accounts receivable into several combinations and calculates the expected credit losses with reference to the combination based on the characteristics of credit risks.

For notes receivable by portfolios, the expected credit losses are calculated by the default risk exposures and the expected credit loss rates of the entire duration with reference to company's historical credit loss experience, and the combination with the current situation and the forecast of future economic conditions. Determining basis of the portfolios is as follows:

Portfolio A of notes receivable trade acceptances

Portfolio B of notes receivable bank acceptances

For accounts receivable by portfolios, a comparison table of the expected credit loss rates is prepared between the age of accounts receivable and the entire duration to calculate the expected credit losses with reference to company's historical credit loss experience, and the combination with the current situation and the forecast of future economic conditions. Determining basis of the portfolios is as follows:

Portfolio A of accounts receivable vintage analysis

Portfolio B of accounts receivable specific identification

The company divides other receivables and long-term receivables into several portfolios according to the characteristics of credit risks and calculates the expected credit losses on the basis of such portfolios when individual other receivables and long-term receivables fails to obtain the information to assess the expected credit losses at a reasonable cost. Determining basis of the portfolios is as follows:

Portfolio A of other receivables deposits and securities receivable

Portfolio B of other receivables advanced money receivable

Portfolio A of long-term receivables lease receivables

For lease receivables by portfolios, the expected credit losses are calculated by the default risk exposures and the expected credit loss rates of the entire duration with reference to company's historical credit loss experience, and the combination with the current situation and the forecast of future economic conditions. For other receivables and long-term receivables divided into combinations other than lease receivables, the expected credit losses are calculated by the default risk exposure and the expected credit loss rates for the next 12 months or the entire duration.

（6）Derivatives and Embedded Derivatives

Derivatives of the company's mainly include forward contracts, futures contracts and swap contracts.

Derivatives are initially measured at the fair values at the execution dates of the derivative trading contracts, and are subsequently measured at their fair values thereafter. The gains or losses arising from the variations in the fair values of the company's derivatives are directly recorded into the current profits and losses.

Embedded derivative refers to the derivatives that are embedded in the non-derivative instruments (i.e., the master contracts), which constitutes the hybrid contracts with the master contracts. Where the master contracts contained inside the hybrid contract are assets regulated by the Standards for Financial Instruments, the company does not split the embedded derivatives from the hybrid contracts, and instead, the hybrid contracts are applied as a whole to relevant provisions of the financial instrument criterion on the classification of financial assets.

In the case that the master contracts contained in the hybrid contracts are not assets under the financial instrument criterion but meet the following conditions, the company splits the embedded derivative from the master contracts and settle as separate derivatives:

1) The economic characteristics and risks of the embedded derivative instruments are not closely related to the economic characteristics and risks of the master contracts.

2) Separate instruments with terms associated with embedded derivatives are conforming to the definition of derivatives;

3) The hybrid contracts are not measured at fair values and its variations are recorded into the current profits and losses for accounting settlements.

（7）Offsets of Financial Assets and Liabilities

When the company is legally entitled to offset the recognized financial assets and financialliabilities, and such right is currently enforceable, and when the company plans to settle such financial assets and pay off the financial liabilities on a net basis or liquidate the financial assets and liabilities, the amount of financial assets and financial liabilities offset against each other are stated in the balance sheets. In addition, financial assets and financial liabilities are shown separately in the balance sheets and are not offset against each other.

（8）The Fair Values Determination of Financial Instruments

For financial instruments with active markets, the fair values of assets are determined by the price the market participant who would have to pay to receive or transfer a liability from the sale of such asset in an orderly transaction on the measurement date. Where there are financial instruments without active markets, the fair values is determined by valuation methodologies. In the valuations, the input values consistent with the characteristics of the assets or liabilities as considered by the market participants in the transaction of the relevant assets or liabilities, together with relevant observable input values as preferred reference are adopted by the company through the valuation techniques that are applicable in the current situation and are supported by sufficient data and other information available. An un-observable input value is adopted when relevant observable input values cannot be obtained or is not feasible to obtain

11.Notes receivable

12.Account receivable

13. Financing of receivables

14.Other account receivable

Determination method of expected credit loss of other receivables and accounting treatment method

15. Inventories

16.Contract assets

The company presents contract assets or liabilities in the balance sheet according to the relationship between performance obligation and customer payment. Contract assets are the right of the company to receive consideration for the goods transferred to the customer, and the right depends on other factors other than the passage of time. Contract liability is the obligation of the company to transfer goods to the customer for the consideration it has received or receivable from the customer.

The contract assets are prepared for impairment according to the expected credit loss method. No matter whether it contains significant financing components or not, the company measures its loss provision according to the amount of expected credit loss in the whole duration on the balance sheet date. If the expected credit loss is greater than the book amount of current contract asset impairment provision, the difference is recognized as impairment loss, otherwise, it is recognized as impairment gain. The relevant contract assets are deemed to be unable to be recovered and have actual impairment loss, which shall be written down after approval.

17. Contract costs

On the balance sheet date, the contract assets and liabilities are listed separately due to different contracts. For contract assets and contract liabilities under the same contract, the net amount is shown as the debit balance, and the contract assets or other non-current assets are listed respectively according to their liquidity. If the provision for impairment has been accrued, the balance at the end of the period minus the provision for impairment of contract assets shall be listed; If the net amount is the credit balance, it shall be listed as contract liabilities or other non-current liabilities according to their liquidity.

18. Held-for-sale assets

The Company will retrieve its book value by means of selling assets (including the exchange of commercial non-monetary assets) instead of sequentially using a non-monetary asset or a disposal group, and when meeting two of the following conditions, the book value will be divided into held-for-sale category: (1) When a certain non-monetary assets or a certain disposal group sells such kind of assets in similar transactions in accordance with the convention , assets can be sold immediately under the current situation. (2)The Company has made decision for the selling plans and has acquired assured purchase commitment, predicting that selling will be completed within one year.(The selling, which can only be sold after acquiring approval from relevant authorities or supervision departments according to relevant provision requirement , has acquired its approval).

The Company will be specifically for dividing the non-current assets or disposal group which are acquired from reselling into on-sales category on acquisition date if on acquisition date they can meet the stipulated condition that the predicted selling will be completed within one year , and in a short term (usually 3 months) they are likely to meet other conditions of dividing into on-sales category.

When the non-monetary assets and disposal group were measured by the Company at the beginning or remeasured and divided into held-for-sale category on balance sheet date, if its book value is higher than the net amount after fair value deducts selling expense, the book value will be written down to the net amount after fair value deducts selling expense, and the written-down amount will be confirmed as assets impairment losses and counted into the current profits and losses, and the impairment provision with held-for-sale assets will be withdrawn in the meanwhile. For the held-for-sale disposal group's confirmed amount of loss of asset impairment, the book value of goodwill will be deducted first, and its book value will then be deducted proportionally according to the book value's percentages of all non-current assets in the disposal group which can be adopted by the measurement stipulations of Accounting Standards for Business Enterprises NO.42- Held-for-sale Non-current Assets, Disposal Groups and Operation Termination

If any increment occurs in the net amount after the held-for-sale non-current assets on the subsequent balance sheet date deducts selling expense, the amount deducted previously will be recovered and will be transferred back within the amount of asset impairment losses confirmed after being divided into held-for-sale category, and the amount transferred back will be counted into the current profits and losses. There will be no restitution for asset impairment losses confirmed before being divided into held-for-sale category. The amount deducted previously of held-for-sale disposal group shall be recovered, and when after being divided into held-for-sale category, it will be transferred back within the amount of impairment confirmed by non-current assets by the means of the measure stipulations of Accounting Standards for Business Enterprises NO.42- Held-for-sale Non-current Assets, Disposal Groups and Operation Termination, and the amount transferred back will be counted into the current profits and losses. There will be no restitution for the book value of goodwill which has been deducted and for asset impairment losses confirmed before being divided into held-for-sale category which can be adopted by the measure stipulation of this principle.

Non-current held-for-sale assets or non-current assets in the disposal group shall not be depreciated or amortized, and interest and other expenses on liabilities held in the disposal group for sale shall continue to be recognized.

When the non-current assets or the disposal group can not meet the conditions of dividing into on-sales category, the Company will not continue to divide it into on-sales category or remove the non-current assets from the on-sales disposal group, and the valuation will be made according to the lower one between two of followings:（1）Book value before being divided into on-sales category, and the amount of money after being under the situation where book value is supposed not to be divided into on-sales category and adjustment is made in depreciation, amortization or impairment which should have been confirmed. （2）Recoverable amount.

When derecognizing the on-sales non-current assets or disposal group, the Company will count the gains and losses which are yet to be confirmed into the current profits and losses.

19. Creditor's investment

20.Other creditor's investment

21.Long-term account receivable

22. Long-term equity investment

The long-term equity investment in this section refers to the long-term equity investment of this enterprise that is able to control to or does joint control with or significant influences over the invested enterprise. For the long-term equity investment of this enterprise that is not able to control to or does not do joint control with or have significant influences over the invested enterprise, this enterprise shall record it as available-for-sale financial asset or the financial asset measured by its fair value with its changes in fair value recorded into the profits or losses of current period as the changes. For details of its accounting policy, please refer to Note 3.10 "Financing Instruments".

The term "joint control" refers to the joint control over an arrangement of this enterprise in accordance with the contracts and agreements, and decisions over relevant activity of such arrangement shall not be unless the assent on sharing the control power. The term "significant influences" refers to this enterprise's power to participate in making decisions on the financial and operating policies of the invested enterprise, but not to control or do joint control together with other parties over the formulation of these policies.

（1）Determination of investment cost

For the merger of enterprises under the same control, it shall, on the date of merger, regard the share of the book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, no-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reverse. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. If the consideration of the merging enterprise is that it issues equity securities, it shall, on the date of merger, regard the share of book value of the owner’s equity of the merged enterprise as the initial cost of the long-term equity investment. The total face value of the stocks issued shall be regarded as the capital stock, while the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. For the merger of enterprises under the same control through gaining the shares of the combined enterprise by multiple steps of deals, it shall deal with it in the following two ways depending on that if it belongs to "a package deal": if it belongs to "a package deal", it shall deal with all the deals as one obtaining the control power; if it does not belong to "a package deal", it shall, on the date of merger, regard the share of book value of the owner’s equity of the merged enterprise as the initial cost of the long-term equity investment. The total face value of the stocks issued shall be regarded as the capital stock, while the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. The equity investment held by this enterprise before the date of merger shall

be accounted for by equity method, or shall be recorded as the other comprehensive income recognized as available-for-sale financial asset and not accounted for.

For the merger of enterprises not under the same control, it shall, on the date of merger, regard the share of the book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The merger costs include the assets paid, liabilities occurred or borne and sum of the fair value of the equity securities issued by the purchaser. For the merger of enterprises not under the same control through gaining the shares of the combined enterprise by multiple steps of deals, it shall deal with it in the following two ways depending on that if it belongs to "a package deal": if it belongs to "a package deal", it shall deal with all the deals as one obtaining the control power; if it does not belong to "a package deal", it shall, on the date of merger, regard the sum of book value of the owner’s original equity of the merged enterprise and the newly increased investment cost as the initial cost of the long-term equity investment. For the shares originally held by this enterprise accounted for by weighted equity method, the relevant other comprehensive income shall not be accounted for temporarily. For the equity investment accounted for as available-for-sale financial asset, the difference of its fair value and its face value and the accumulated changes in its fair value originally recorded as other comprehensive income shall be switched to the profits or losses of the current period.

The audit cost, law service cost, evaluation and consultation fees and agent commissions as well as other related administration costs occurred and borne by the merging or purchasing enterprise for the purpose of merger, shall be recorded into the profits or losses of current period at the time when the costs occurred.

Other equity investments except the long-term equity investment formed by merger of enterprises shall be initially ascertained by their costs which, depending on the different ways in acquiring the long-term equity investments, shall be recognized separately as cash purchasing prices actually paid by this enterprise, fair value of the equity securities issued by this enterprise, agreed value of the investment contracts or agreements, fair value or original book value of the assets obtained by exchange of no-monetary assets, the fair value of the long-term equity investment itself, etc. The relevant expenses, tax payments as well as other necessary expenses directly associated with obtaining the long-term equity investment shall be recorded into the investment costs as well. If this enterprise is able to do joint control or significant influence, which does not constitute control, over the invested entity as a result of additional investment, the long-term equity investment cost shall be the sum of the fair value of the equity investment ascertained in accordance with the Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instrument and the cost of the increased investment.

（2）Subsequent measurement and recognition of profit or loss

A long-term equity investment of this enterprise that does joint control (not including joint venture) or significant influences over the invested entity shall be measured by employing the equity method. Besides, the cost method is employed in this enterprise's financial reports to measure the long-term equity investment that could form control over the invested entity.

① Long-term equity investment calculated under the cost method

The price of a long-term equity investment measured by employing the cost method shall be included at its initial investment cost. If there are additional investments, the cost of the long-term equity investment shall be adjusted. Except the prices actually paid when obtaining the investment or cash dividends or profits being approved in the consideration but not yet issued, the investment income of the current period shall be recognized in accordance with the cash dividends or profits being approved by the invested entity.

② Long-term equity investment calculated under the equity method

If the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted. If the initial cost of a long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profits and losses and the cost of long-term equity investment shall be adjusted simultaneously.

When employing the equity method, this enterprise shall, in accordance with the attributable share of the net profits or losses of the invested entity, recognize the investment profits or losses and adjust the book value of the long-term equity investment. This enterprise shall, in the light of the profits or cash dividends declared to distribute by the invested entity, calculate the proportion it shall obtain, and shall reduce the book value of the long-term equity investment correspondingly. Where any change is made to the owner's equity other than the net profits and losses of the invested entity, the book value of the long-term equity investment shall be adjusted and included in the capital reserves. This enterprise shall, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognize the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity. If the accounting policies and accounting periods adopted by the invested entity are different from those adopted by this enterprise, an adjustment shall be made to the financial statements of the invested entity in accordance with the accounting policies and accounting periods of this enterprise and recognize the investment profits or losses and other comprehensive incomes. For the transactions between this enterprise and its joint ventures and associated entities, where the assets invested or sold do not constitute a business, the unrealized internal transaction profits or losses shall be calculated in accordance with proportion shared, with the proportion shared by this enterprise offset and recognize the investment profits or losses based thereof. However, if losses occurred in the internal transaction between the invested entities is the impairment loss of transferred assets, they shall not be offset. When the assets invested by this enterprise to its joint ventures or associated entities constitute a business, and the investing party obtains long-term equity but without control power, the fair value of the invested business shall be recognized as the initial investment cost of the additional long-term equity investment. The total difference between the original investment cost and the book face of the invested business shall be recorded into the profits or losses of the current period. If the assets purchased from the joint ventures or associated entities constitute a business, this enterprise shall account for the

business in accordance with this enterprise Accounting Standard No. 20 - Business Combinations, with the total profits or losses associated with the transaction recognized.

The Company bears the net losses of its invested business to the limit of the book value of its long-term equity investment and other long-term equity that in real terms constitutes investment on the business. For additional loss of its invested business, if the Company is obligated to undertake, it shall be recognized as estimated liabilities accordingly and recorded in current investment losses. If the invested business earns profits afterwards, the Company shall reinstate and recognize its share of gains after compensating its unrecognized share of losses.

③ Purchase of minority interest

While compiling consolidated financial statements, the Company adjusts its capital reserve in terms of the difference between the increase of long-term equity investments due to purchase of minority interest and its share of the subsidiaries' net assets since the purchase (or combination) date or dates. If its capital reserve is not sufficient to write down the difference, then the Company adjusts its retained income.

① Disposal of long-term equity investment

In consolidated financial statements, the Company records in shareholders' equity the difference between partial disposals of its long-term equity investments in its subsidiaries and its share of the subsidiaries' net assets if it does not lose control of the subsidiaries; and if such partial disposals result in loss of its control of the subsidiaries, the difference shall be treated in accordance with the accounting policies related and specified in "Compiling Principles for Consolidated Financial Statements". (Please refer to (2) in Note 3.6)

For disposals of long-term equity investments under other circumstances, the difference between the book value and the actual received consideration is recorded in current profit and loss.

For the long-term equity investments calculated by equity method, the same method applies to the remaining equity after disposal. Meanwhile, the other comprehensive gains originally recorded in shareholders' equity is treated pro rata by the same method how the invested businesses handle the accounts while directly disposing the related assets or liabilities. The investor recognizes the ownership interest due to equity changes except net profit and loss, other comprehensive gains and profit distribution, and carries it over pro rata to current profit and loss.

For long-term equity investments calculated by costs method, the same method applies to the remaining equity after disposal. Other comprehensive gains calculated and recognized by equity method or recognition and measurement principles for financial instruments before the Company obtains control of the invested businesses are treated on the same basis that the invested businesses directly dispose the related assets or liabilities, and it will be carried over pro rata to current profit and loss; and among the invested businesses' net assets that are calculated and recognized by equity method are all other equity changes than net profit and loss, other comprehensive gains and profit distribution carried over pro rata to current profit and loss.

For disposals of long-term investment equity resulting in loss of control over the invested businesses, when compiling individual financial statements, the Company changes to adopt equity method to calculate the remaining equity that is still sufficient to exert joint control or significant influence, and to make adjustments as since it was acquired; and if the remaining equity is not sufficient, it will be handled in accordance with the relevant recognition and measurement principles for financial instruments and the difference between its fair value and book value will be recorded in current profit and loss since the Company loses control of the invested businesses. For other comprehensive gains recognized by equity method or recognition and measurement principles for financial instruments before the Company obtains control over the invested businesses, the Company adopts the same basis to handle the accounts as the invested businesses directly dispose the related assets or liabilities, and among the invested businesses' net assets that are calculated and recognized by equity method are all other equity changes than net profit and loss, other comprehensive gains and profit distribution carried over pro rata to current profit and loss. For the remaining equity calculated by equity method, other comprehensive gains and other ownership interests will be carried over pro rata while for those treated in accordance with the recognition and measurement principles for financial instruments, other comprehensive gains and other ownership interests will be carrier over entirely.

Under the circumstances that the Company loses joint control over or has no significant influence on the invested businesses due to partial equity disposal, the remaining equity changes to be calculated in accordance with the recognition and measurement principles for financial instruments, and the difference between its fair value on the date that the Company loses the joint control and significant influence and the book value is recorded in current profit and loss. For other comprehensive gains recognized due to calculation of the original equity investments by equity method, the Company adopts the equity method no longer but the same basis to handle the accounts as the invested businesses directly dispose the related assets or liabilities while carrying over to current profit and loss all the ownership interest recognized due to other equity changes than net profit and loss, other comprehensive gains and profit distribution.

If the Company gradually loses control of a subsidiary through multiple transactions, which is a package deal as a whole, then all these transactions will be treated as control losing equity disposal, and before loss of control, the difference between each transaction consideration and the book value of the corresponding long-term equity investment is recognized as other comprehensive gains and in the end, carried over to current profit and loss upon loss of control.

23. Investment property

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

Investment properties are properties to earn rentals or for capital appreciation or both. Examples include land leased out under operating leases, land held for long-term capital appreciation, buildings leased out under operating leases, (including buildings that have been constructed or developed for future lease out under operating

leases, and buildings that are being constructed or developed for future lease out under operating leases).

The Company makes initial measurement at the costs that the properties is acquired and records as part of the property costs the subsequent expenses that could bring economic benefit inflows and be measured reliably while other subsequent expenses as part of current profit and loss. Such properties are depreciated or amortized in accordance with the relevant regulations for fixed assets or intangible assets.

24. Fixed assets

(1) Recognition criteria for fixed assets

（1）Criteria for recognition of fixed assets，Fixed assets refer to tangible assets that are held for production, services, leases or operations and the useful life of which are over one accounting year. Fixed assets are recognized if it produces economic benefit inflows and its costs can be measured reliably. The Company makes initial measurements on fixed assets at the costs that they are acquired.（2）Classification and depreciation policy of fixed assets，The company adopts the Straight-line method to carry out depreciation. The fixed assets shall begin to be depreciated upon reaching the intended usable state, and shall cease to be depreciated upon termination of recognition or when they are classified as non-current & held-for-sale assets. Without taking into account the provision for impairment, the Company determines the annual depreciation rates of all types of fixed assets according to the type of fixed assets, the expected useful life and the estimated residual value as follows:

（2）Depreciation method

Category	The method for depreciation	Expected useful life	Estimated residual value	Depreciation
Buildings and constructions	Straight-line method	25-35	3	2.77-3.88
Machinery equipment	Straight-line method	7-15	3	6.47-13.86
Transportation equipment	Straight-line method	8-10	3	9.70-12.13
Other equipment	Straight-line method	5-10	3	9.70-19.40

Thereinto, the fixed asset whose asset impairment provision has been withdrawn should also have its accumulated amount deducted to count and confirm the depreciation rate.

At the end of each year, the company reviews the useful life, estimated net residual value and depreciation method of fixed assets. If the estimated useful life is different from the original estimate, the useful life of the fixed assets shall be adjusted. If the estimated net residual value is different from original estimated, the estimated net residual value shall be adjusted

（3）Recognition basis, pricing and depreciation method of fixed assets by finance lease

Fixed assets leased by the Company are recognized as financing leased fixed assets when they meet one or

more of the following criteria:

1) At the end of the lease term, ownership of the leased assets is transferred to the Company.
2) The Company has the option to purchase leased assets, and the contracted purchase price is expected to be well below the fair value of the leased assets at the time of exercise of the option, So it can be reasonably certain that the Company will exercise this option on the date of commencement of the lease.
3) Even if ownership of the assets is not transferred, the lease term accounts for the majority of the useful life of the leased assets.
4) The present value of the minimum lease payment of the Company at the date of commencement of the lease is almost equivalent to the fair value of the leased assets on the date of commencement of the lease.
5) The leased assets are of a special nature, if no major modifications are made, only the company can use them.

Fixed assets from financial leasing are depreciated during the useful life if it is reasonable to determine that the ownership could be obtained upon lease expiration; otherwise, the Company should choose the shorter of the lease period and the remaining useful life to depreciate the assets.

（4）Charge for Major repair

The Company conducts regular checking on major overhaul fee incurred in the fixed asset, and any parts of the fee that have unambiguous evidence to indicate they conform with the condition for confirming fixed asset will be counted into the fixed asset costs, otherwise into the profit and loss of the current period. During the interval period of regular major overhaul, the fixed asset will be depreciated as before.

25 .Projects under construction

26. Borrowing expenses

Borrowing expenses include interest, amortization of discount or premium, auxiliary expenses, translation differences arising from borrowings in foreign currency etc. The Company starts to capitalize the borrowing expenses in direct connection to purchase, construction or production of the assets that meet capitalization conditions when there are assets expenditures and borrowing expenses incurred and/or the Company starts all the necessary events to purchase, construct or produce such assets till the assets can be used and sold. Other borrowing expenses are recognized as costs when incurred.

The Company capitalizes the actual interest expense incurred by use of special borrowings, minus the interest income from the remaining borrowing funds in bank or any investment income earned from the interim investment of those borrowings; and for general borrowings, the amount to capitalize is the weighted average of the accumulated assets expenditures in exceed of the special borrowings times the capitalization rate of the used general borrowings, which is determined by the weighted average interest rate of the general borrowings.

During capitalization, all translation differences of special borrowings in foreign currency should be capitalized while those of general borrowings in foreign currency are recorded in current profit and loss.

The qualifying assets to be capitalized are fixed assets, investment properties and inventories which need to be acquired, constructed or produced through a long period of time, in order to become ready for its intended use or sale.

The Company stops capitalization of borrowing costs if an abnormal interruption more than 3 consecutive months occurs during purchase, construction or production of the assets that are eligible to capitalization till all those restart.

27. Biological assets

28. Oil-gas assets

29. Assets of the right to use

30. Intangible assets

1 Pricing method, useful life and impairment test

The Company makes initial measurements on intangible assets in terms of the costs and determines the useful life when obtaining the assets. For intangible assets of a limited useful life, from the time the assets are available for use, the Company adopts the amortization method that reflects realization of the expected economic benefits, or the straight-line amortization method if unable reliably to determine how to realize the expected economic benefits; and no amortization are made for intangible assets of an unlimited useful life.

At the end of each year, the Company reviews the useful life and amortization methods of intangible assets of a limited useful life and makes adjustments and accounting treatment if different from the previous estimates.

For the intangible assets that are estimated to produce no more economic benefits in the future, the Company records the book value of such assets all in current profit and loss.

（2）Research and development expenses

The expenditures for internal research and development projects of an enterprise shall be classified into research expenditures and development expenditures.
The research expenditures shall be recorded into the profit or loss for the current period.
The development expenditures shall be capitalized when they satisfy the following conditions simultaneously: It is feasible technically to finish intangible assets for use or sale; Having the intention to complete the intangible asset and use or sell it; The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the

intangible assets or there is a potential market for the intangible assets itself for the intangible assets will be used internally; It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; Expenditures attributable to the development phase of the intangible assets can be measured reliably. Development expenditures that do not meet the above conditions are included in the profits and losses of the current period.

After meeting the above conditions, the corresponding projects of the company study their technical feasibility and economic feasibility, and enter the development stage after the formation of the project.

31 Impairment of the long-term assets

On balance sheet dates, the Company determines whether there are impairments occurring to fixed assets, construction in progress, intangible assets of a limited life, investment properties measured in the cost model as well as non-current and non-financial assets like the long-term equity investments on subsidiaries, joint ventures and associated companies. If impaired, the Company estimates the retrievable amount and conducts an impairment test. Impairment tests need to be done on goodwill, intangible assets of an unlimited life and the intangible assets that are not yet to reach the usable status, no matter they are impaired or not.

If the impairment test result shows the retrievable amount lower than the book value, impairment provisions will be set aside and recorded in impairment loss. The retrievable amount is the fair value of the assets minus the disposal expenses or the present value of the estimated future cash flows of the assets, whichever is higher. The fair value of the assets is determined in terms of the price specified in the selling agreement that is fair trade; if no selling agreement but there is an active assets market existing, it is determined in terms of the buyer's offer; and if no selling agreement and active assets market, the fair value can be estimated based on the best available information. Disposal expenses include all related legal charges, taxes, delivery fees or the direct expenses incurred to have the assets reach the usable or sellable status. To determine the present value of the estimated future cash flows from the assets, the Company chooses an appropriate discount rate in the light of the continual usage of the assets and the estimated future cash flows occurring upon final disposal. Impairment provisions of the assets are calculated and recognized on the basis of individual assets. If unable to estimate the retrievable amount of individual assets, the Company determines the amount by reference to the asset group that includes the individual assets. Asset groups are the minimum assets combination that independently produces cash inflows.

For the goodwill separately listed in financial statements, while an impairment test being conducted, the book value is apportioned to the asset groups or combination of asset groups expected to benefit from the synergy effects arising from business combinations. The Company recognizes impairment losses when the test result shows that the retrievable amount of the asset groups or combination of asset groups is lower than their book values. The impairment loss will be first used to write down the book values of the asset groups or combination of asset groups and then those of other assets pro rata.

Once the aforesaid impairment losses are recognized, they cannot be reinstated in the future.

32. Long-term amortizable expenses

Long-term unamortized expenses are valued at the actual costs and amortized at average in an estimated beneficial

period of time. If those cannot benefit the Company in future accounting periods, the remaining will be recorded all in current profit and loss.

33.Constract Liabilities

34. Employee compensation

1.Accounting treatment of short-term remuneration

Employee compensation refers to all kinds of rewards or compensations given in return for employees' services or employment termination. It includes short-term compensation, post-employment benefits, demission benefit.

Short-term compensation includes payroll, bonus, allowances and subsidies, employee welfare, medical insurance, injury insurance and birth insurance, housing fund, labor union and employee training expenditures, non-monetary benefits and other short-term rewards. It recognizes as liabilities the actual short-term compensation incurred during the accounting period that the employees provide their services and records in current profit and loss or the relevant asset costs. Non-monetary benefits are measured at the fair value.

2.Accounting treatment of benefits paid after departure

Post-service benefits mainly include defined contribution plan and defined benefit plan. The defined contribution plan mainly includes basic pension, unemployment insurance etc. The corresponding contributions are recorded in the relevant asset costs or current profit and loss when incurred.

3.Accounting treatment of dismissal welfare

When terminating labor relations before expiration of contract, or layoffs with compensations, and the Company cannot terminate the labor relations unilaterally or reduce the demission welfare, remuneration and liabilities produced from the demission welfare should be determined and included in current profits and losses when determining the costs of demission welfare and recombination. However, demission welfare not fully paid within 12 months after annual Reporting Period should be handled the same as other long-term employees' payrolls.

The inside employee retirement plan is treated by adopting the same principle with the above demission welfare. The Company would record the salary and the social security insurance fees paid and so on from the employee's service terminative date to normal retirement date into current profits and losses (demission welfare) under the condition that they meet the recognition conditions of Retained Earnings.

4 .Accounting treatment of other long term employee benefits

The inside employee retirement plan is treated by adopting the same principle with the above demission welfare. The Company would recorded the salary and the social security insurance fees paid and so on from the employee's service terminative date to normal retirement date into current profits and losses (demission welfare) under the condition that they meet the recognition conditions of Retained Earnings.

35. Lease liabilities

36. Estimated Liabilities

The Company recognizes obligations relating to contingent events as estimated liabilities if they meet the following conditions:

A. That obligation is a present obligation of the enterprise;

B. It is probable that an outflow of economic benefits from the enterprise will be required to settle the obligation;

C. A reliable estimate can be made of the amount of the obligation.

The estimated liabilities is initially measured on the basis of the best estimate of the expenditure required to meet the relevant current obligations, taking into account factors such as risks, uncertainties and the time value of the currency associated with contingencies. Where the time value of the currency has a significant impact, the best estimate is determined by discounting the relevant future cash outflows.

When all or some of the expenses necessary for the liquidation of an estimated liabilities of an enterprise is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. Besides, the amount recognized for the reimbursement should not exceed the book value of the estimated liabilities.

37.Share-based Payment

38 . Other financial instruments such as preferred shares and perpetual capital securities

39.Revenues

Accounting policies used for revenue recognition and measurement

Different business models of similar businesses lead to differences in revenue recognition accounting policies.

40. Governmental subsidy

Government subsidy means the Company gratuitously obtains monetary assets or non-monetary assets from the government, not including the capital into which the government invests as an investor who has relevant ownership interest. Government subsidies are divided into the subsidy related to assets and the other related to earnings. Government subsidies related to monetary assets will be measured according to the amount received or the amount receivable. Those which related to non-monetary assets will be measured according to fair value; For any fair value which cannot be reliable to be obtained, the assets will be measured according to the nominal amount, and the one measured according to the nominal amount will be directly counted into the current profits and losses.

Government subsidies can only be recognized when the company is able to meet the conditions attached to government subsidies and is able to receive government subsidies.

Government subsidies are divided into asset-related government subsidies and income-related government subsidies. Government subsidies related to assets refer to government subsidies obtained by companies for the purchase, construction or other formation of long-term assets. Government subsidies related to income refer to government subsidies in addition to those related to assets.

The government grants pertinent to assets are recognized as deferred income and are credited to profit or loss by stages in accordance with a reasonable and systematic method within the useful life of the pertinent assets. If the pertinent assets are sold, transferred, scrapped or destroyed before the end of their useful life, the non-allocated pertinent deferred income balance shall be transferred to the profit or loss of the period of assets disposal, and the

recognized government grant needs to be refunded, then it shall write down the carrying amount of the relevant deferred income and the excess part shall be included in the current profit and loss. The government grants pertinent to income that are used to compensate the relevant costs or losses of the subsequent period of the enterprise are recognized as deferred income and are credited to the current profit or loss for the period when the relevant costs, expenses or losses are recognized; those government grants used for compensating the related expenses or losses incurred to the enterprise shall be directly included in the current profits and losses.

For the government subsidy which includes both the assets related part and the income related part, the different parts are treated separately; if it is difficult to distinguish, the whole is classified as the government subsidy related to the income.

Government subsidies related to the daily activities of the company shall be included in other earnings in accordance with the substance of the economic business. Government subsidies not related to the daily activities of the company shall be included in the non-operating income and expenditure.

41.Deferred income tax assets and deferred income tax liabilities

The balance between the book value and the tax basis of some items of assets and liabilities, as well as the temporary differences issued as the balance between the book value and the tax basis of the tax basis items that unrecognized as assets and liabilities but can be determined as per the provisions of tax law, which shall be determined as the deferred income tax assets and the deferred income tax liabilities in accordance with the balance sheet debt law.

Taxable temporary differences related to the initial recognition of goodwill, as well as the initial recognition of an asset or liability in a transaction that neither belongs to a business consolidation, nor affects the accounting profit and taxable income (or deductible loss) when it happens, the relevant deferred income tax liabilities shall not be recognized. In addition, as for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, if the Company could control the reverse time of such differences and such differences cannot be reversed in the foreseeable future, the relevant deferred income tax liabilities also shall not be recognized. Apart from the above-mentioned exceptional cases, the Company recognizes all other deferred income tax liabilities caused by taxable temporary differences.

Deductible temporary differences related to the initial recognition of an asset or liability in a transaction that neither belongs to a business consolidation, nor affects the accounting profit and taxable income (or deductible loss) when it happens, the relevant deferred income tax assets shall not be recognized. In addition, as for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, if such differences cannot be reversed in the foreseeable future or are not likely to obtain the taxable income to deduct the deductible temporary differences of the taxable income, the relevant deferred income tax assets shall not be recognized. Apart from the above-mentioned exceptional cases, the Company recognizes other deferred income tax assets caused by deductible temporary differences within the limit of likely obtained taxable income that can be used to deduct the deductible temporary differences of the taxable income.

The corresponding deferred tax assets of deductible loss and tax reduction that can be carried forward during subsequent years shall be recognized within the limit of likely obtained future taxable income that can be used to deduct the deductible loss and tax reduction.

As per the provisions of tax law, the deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rates used during the period of expectation recovery of relevant assets or pay-off relevant liabilities at the balance sheet date.

The book value of the deferred income tax assets shall be re-checked at the balance sheet date. The book value of the deferred income tax assets shall be written-down if it is unlikely to obtain sufficient taxable income in the future to deduct the benefit of the deferred tax assets and the written-down amount shall be carried forward if it is likely to obtain sufficient taxable income.

42. Self-defined Chapter

Income tax

Income tax is composed of current income tax and deferred income tax. All taxes and expenses are written in current profit and loss except those for reputation adjustment in enterprise combination or trades directly counted into shareholder’s equity or some deferred income tax which is counted in shareholder’s equity.

Current income tax is payable tax amount currently calculated as current taxable income. Payable tax amount is calculated by adjusting pre-tax accounting profit specified in related tax laws.

The company confirms deferred income tax by adopting liability method in Balance Sheet based on the temporary difference between book value of asset and liability in Balance Sheet and tax base.

Temporary difference of items of payable taxes are confirmed to be related deferred income tax liabilities, except the temporary difference of payable taxes are made in the following conditions:

A. Initial confirmation of reputation or that of assets or liabilities made in trades with these features: the trade is not enterprise combination and it neither influences accounting profit nor amount of payable tax when it happens.

B. As for temporary difference of items of payable taxes related to investment to subsidiaries, joint enterprises and associated enterprises. The temporary difference return time may be controlled and may not return in foreseeable future.

On the date of balance sheet , the company will calculate deferred income tax assets and deferred income tax liabilities according to applicable tax between expected recovered assets and paid liabilities, and also the company will reflect the income tax influence in ways of expected recovered assets and paid liabilities on the date of balance sheet.

On the date of balance sheet, the company will check the book value of the deferred income tax assets. If it was unlikely to obtain sufficient taxable income taxes to offset benefit of deferred income tax assets, while it was likely to obtain sufficient taxable income, carrying amount of deferred income tax assets shall be written down.

43.Operational leasing

1.Accounting treatment of operating lease

The Company will transfer substantially all the risks and rewards of ownership of an asset lease are recognized as a finance lease. Other forms of lease besides financial leasing are considered as operating leasing.

At the commencement of the lease term, an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments shall be regarded as the recorded value of the leased assets and an amount equal to the minimum lease payments shall be recognized as a long-term recorded value of the leased assets of payables. The balance between the recorded amount of the leased asset and the recorded amount of the payable shall be accounted for as unrecognized finance charge.

Lease payments under an operating lease shall be accounted into the relevant asset cost or current profit or loss over the lease term on a straight-line basis.

2.Accounting treatment of financing lease

44. Other significant accounting policies and estimates

（1）Discontinued Operation

Discontinued operation means enterprises which can meet one of the following conditions and can be distinguished into a constituent part separately, and this part has been disposed or divided into a on-sales category.

① This constituent part represents an independent main business or a separate main business area;

② This part is a one of the related parts which proposes to dispose an independent main business or an independent main business area.

③This part is a subsidiary acquired from being specifically for reselling.

For accounting treatment methods for discontinued operation, see the relevant descriptions at Article 12-Possession of On-Sales Asset in Note III

45.Change of main accounting policies and estimations

(1)Change of main accounting policies

□ Applicable √ Applicable

(2) Change of main accounting estimations

□ Applicable √ Not applicable

（3）Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases from year 2021

Not applicable

（4）Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases from year 2021

□ Applicable √ Not applicable

46.Other

VI. Taxation

1. Main categories and rates of taxes

Class of tax	Tax basis	Tax rate
VAT	Income should be taxed	13,10,9,6
City maintenance and construction tax	Levied based on the taxable income	7
Enterprise income tax	Levied based on the taxable income	25,15
Education surcharges	Levied based on the taxable income	3
Local education surcharges	Levied based on the taxable income	2

The disclosure on the rate of income tax of taxpayers in different enterprises is stated below

Name of Taxpayer	Rate of Income Tax

2.Preferential tax treatment

（1）Chongqing Jianshe Automobile A/C Co., Ltd. by high and new technology enterprise qualification on November21, 2019, acquire the qualification of new high-tech enterprises, Certificate No. GR201951100777, valid for three years. The company calculates and pay enterprise income tax shall be levied at the reduced tax rate 15% from 2020 to 2022.

（2）The tax rebate for export of a company shall be exempted from deductions and the tax rebate rate shall be 13%.

3.Other

VII. Notes on major items in consolidated financial statements of the Company

1. Monetary funds

In RMB

Items	Closing balance	Opening balance
Cash on hand		5,418.26
Bank deposits	57,367,878.06	79,304,835.29
Other cash and cash equivalents	66,420,000.00	80,032,987.92
Total	123,787,878.06	159,343,241.47
The total amount of money that has restrictions on use due to pledge or freezing	66,420,000.00	80,032,987.92

Other note

2. Transactional financial assets

In RMB

Items	Closing balance	Opening balance
Of which ：		
Of which：		

Other note

3. Derivative financial assets

In RMB

Items	Closing balance	Opening balance

Other note

4. Note receivable

(1) Notes receivable listed by category

In RMB

Items	Closing balance	Opening balance
Bank acceptance bill	124,019,463.07	65,509,530.50
Trade acceptance bill		1,039,000.00
Total	124,019,463.07	66,548,530.50

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	

Of which										
Of which										

Accrual of bad debt provision by single item:

In RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion	Reason

Accrual of bad debt provision by portfolio:

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion

Note：

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Category	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Reversed or collected amount	Write-off	

Of which the significant actual write-off accounts receivable:

□ Applicable √ Not applicable

（3）Notes receivable pledged by the Company at the end of the period

In RMB

Items	Pledged amount

（4）Notes receivable which had endorsed by the Company or had discounted and had not due on the balance sheet date at the period-end

In RMB

Items	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank acceptance bill	263,981,094.36	

Total	263,981,094.36	

（5）Notes transferred to accounts receivable because drawer of the notes fails to executed the contract or agreement

In RMB

Items	Amount of the notes transferred to account receivable at the period-end

Other note

（6） The actual write-off accounts receivable

In RMB

Items	Amount

Of which the significant actual write-off accounts receivable:

In RMB

Name	Nature	Amount	Reason	Process	Whether occurred from the related transactions

Note of the write-off the accounts receivable:

5. Accounts receivable

(1) Accounts receivable disclosed by category

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Accrual of bad debt provision by single item	28,211,465.26		28,211,465.26			28,211,465.26		28,211,465.26		
Including：										
Accrual of bad debt provision by portfolio	217,865,681.97		6,924,043.74		210,941,638.23	228,202,343.53		6,815,890.63		221,386,452.90
Including：										
Total	246,077,147.23		35,135,509.00		210,941,638.23	256,413,808.79		35,027,355.89		221,386,452.90

Accrual of bad debt provision by single item:

In RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion	Reason
Chongqing Huansu Auto Parts Co.,Ltd.	12,723,992.31	12,723,992.31	100.00%	Unable to recover
Chongqing Bisu Yunbo Power Technology Co.,Ltd.	5,396,775.35	5,396,775.35	100.00%	Unable to recover
Hafei Automobile co., Ltd.	3,999,944.43	3,999,944.43	100.00%	Unable to recover
Chongqing Kaite Power Technology Co.,Ltd.	1,481,654.59	1,481,654.59	100.00%	Unable to recover
Guangqi Jiao Auto Co.,Ltd..Luqiao Branch	75,821.20	75,821.20	100.00%	Unable to recover
Dongying Jiao Auto Co.,Ltd.	48,579.85	48,579.85	100.00%	Unable to recover
Beiqi Yinxiang Auto Co.,Ltd.	20,700.00	20,700.00	100.00%	Unable to recover
Hangzhou Fuyang Instrument Factory Co., Ltd.	2,821,287.26	2,821,287.26	100.00%	Unable to recover
Guangqi Jiao Auto Co.,Ltd.	67,998.51	67,998.51	100.00%	Unable to recover
Hubei Meiyang Automobile Industry Co., Ltd.	1,408,811.40	1,408,811.40	100.00%	Unable to recover
Beiqi Heibao(Weihai)Automobile Co., Ltd.	51,021.77	51,021.77	100.00%	Unable to recover
Dongfeng Xiaokang Automobile Co., Ltd.Changqing Branch	102,720.66	102,720.66	100.00%	Unable to recover
Suchuan Yema Automobile Co., Ltd.	12,157.93	12,157.93	100.00%	Unable to recover
Total	28,211,465.26	28,211,465.26	--	--

Accrual of bad debt provision by single item:

In RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion	Reason

Accrual of bad debt provision by portfolio:

In RMB

Name	Closing balance

	Book balance	Bad debt provision	Proportion

Note：

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year（Including 1 year）	239,291,604.96
1-2 years	71,687.60
2-3 years	299,974.73
Over 3 years	6,413,879.94
3-4 years	28,434.38
4-5 years	6,385,445.56
Over 5 years	246,077,147.23
Total	

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Credit impairment loss	35,027,355.89	108,153.11				35,135,509.00
Total	35,027,355.89	108,153.11				35,135,509.00

Of which the significant amount of the reversed or collected part during the reporting period

In RMB

Items	Reversed or collected amount	Method

(3) The actual write-off accounts receivable

In RMB

Items	Amount

Of which the significant actual write-off accounts receivable:

In RMB

Name	Nature	Amount	Reason	Process	Whether occurred from the related transactions

Note of the write-off the accounts receivable:

(4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

In RMB

Company Name	Amount of ending balance	Proportion of total accounts receivable %	Amount of ending balance for bad debts
PSA group	122,912,109.83	56.42%	
Chongqing Changan Auto	25,454,777.42	11.68%	
Zhejiang Yuanjing Auto Parts Co.,Ltd.	20,284,809.84	9.31%	
Chongqing Yongchuan Great Wall Auto Parts Co., Ltd.	16,051,803.13	7.37%	
Chongqing Huansu Auto Parts Co.,Ltd.	12,723,992.31	5.84%	12,723,992.31
Total	197,427,492.53	90.62%	

(5) Account receivable which terminate the recognition owning to the transfer of the financial assets

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Other note:

6. Financing of receivables

In RMB

Items	Closing balance	Opening balance

Changes in the current period of receivables financing and fair value

□ Applicable √ Not applicable

Relevant information of the financing provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

7.Prepayments

(1) List by aging analysis:

In RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion %	Amount	Proportion %
Within 1 year	6,474,854.70	96.58%	8,133,267.52	95.24%
1-2 years			176,700.00	2.07%
2-3 years	169,785.97	2.53%	169,785.97	1.99%
Over 3 years	59,562.66	0.89%	59,562.66	0.70%
Total	6,704,203.33	--	8,539,316.15	--

Notes of the reasons of the prepayment ages over 1 year with significant amount but failed settled in time

(2) Top 5 of the closing balance of the prepayment collected according to the prepayment target

Other note：

8. Other accounts receivable

In RMB

Items	Closing balance	Opening balance
Other accounts receivable	2,852,368.78	1,253,612.91
Total	2,852,368.78	1,253,612.91

（1）Interest receivable

1) Category of interest receivable

In RMB

Items	Closing balance	Opening balance

2) Significant overdue interest

Borrower	Closing balance	Overdue time	Reason	Whether occurred impairment and its judgment basis

Other note：

3）Bad-debt provision

□ Applicable √Not applicable

(2)Dividend receivable

1) Dividend receivable

In RMB

Items	Closing balance	Opening balance

2) Significant dividend receivable aged over 1 year

In RMB

Items	Closing balance	Aging	Reason	Whether occurred impairment and its judgment basis

Other notes：

3）Bad-debt provision

□ Applicable √ Not applicable

Other note：

（3） Other accounts receivable

1) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Petty cash and borrowings with small amount	2,852,757.96	1,254,002.09
Fully provided provision for bad debts regarding long-term receivables and payables	6,490,804.90	6,490,804.90
Total	9,343,562.86	7,744,806.99

2）Bad-debt provision

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2021	6,491,194.08			6,491,194.08
Balance as at January 1, 2021 in current	——	——	——	——
Balance as at June 30,2021	6,491,194.08			6,491,194.08

Loss provision changes in current period, change in book balance with significant amount

□ Applicable √Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year(Including 1 year）	5,217,702.95
Over 3 years	4,125,859.91
Over 5 years	4,125,859.91
Total	9,343,562.86

3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Items	Opening balance	Increased amount		Decreased amount		Closing balance	Remark
		Withdrawal	Other	Reverse or write-off	Other		

Of which the significant amount of the reversed or collected part during the reporting period

In RMB

Items	Reversed or collected amount	Method

4) The actual write-off accounts receivable

In RMB

Items	Amount

Of which the significant actual write-off accounts receivable:

In RMB

Name	Nature	Amount	Reason	Process	Whether occurred from the related transactions

Note of the write-off other accounts receivable:

5) Top 5 of the closing balance of the other accounts receivable collated according to the arrears party

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Shenzhen Jianshe Motorcycle Co.,Ltd.	Current account	3,013,664.00	Over 5 years	32.25%	3,013,664.00
Chongqing Jianshe	Current account	1,478,870.07	Within 2 years	15.83%	1,478,870.07

Lijue Industry Co., Ltd.					
Ningbo Jianshe Motorcycle Co., Ltd.	Current account	329,628.73	Over 5 years	3.53%	329,628.73
Ningbo Jianshe Chongqing Office	Current account	692,035.31	Over 5 years	7.41%	692,035.31
Temporary supplier	Current account	390,655.08	Over 3 years	4.18%	390,655.08
Total	--	5,904,853.19	--	63.20%	5,904,853.19

6) Accounts receivable involved with government subsidies

In RMB

Name	Project of government	Opening balance	Closing balance	Estimated received time, amount and basis

7) Other account receivable which terminate the recognition owning to the transfer of the financial assets

8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

Other note:

9. Inventories

Whether the company need to comply with the disclosure requirements of the real estate industry
No

（1）Category of Inventory

In RMB

Items	Closing book balance			Opening book balance		
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value
Raw materials	18,445,057.19	1,396.55	18,443,660.64	21,059,315.45	1,396.55	21,057,918.90
Goods in progress	7,862,252.89	210,319.10	7,651,933.79	6,915,376.31	210,319.10	6,705,057.21
Stock goods	119,708,041.31	2,920,686.69	116,787,354.62	141,445,525.10	3,387,974.33	138,057,550.77
Turnover materials	4,292,998.35	1,311,084.94	2,981,913.41	4,636,544.84	1,311,084.94	3,325,459.90
Total	150,308,349.74	4,443,487.28	145,864,862.46	174,056,761.70	4,910,774.92	169,145,986.78

(2) Falling price reserves of inventory

In RMB

Items	Opening balance	Increased amount		Decreased amount		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	1,396.55					1,396.55
Goods in progress	210,319.10					210,319.10
Stock goods	3,387,974.33			467,287.64		2,920,686.69
Turnover materials	1,311,084.94					1,311,084.94
Total	4,910,774.92			467,287.64		4,443,487.28

(3)Description of The closing balance of inventories contain the amount of borrowing costs capitalized

（4）Description of amortization amount of contract performance cost in the current period

10.Contact assets

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value

Amount and reason of material change of book value of contract assets in the current period:

In RMB

Items	Amount	Reason

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of contract assets is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

Provision for impairment of contract assets in the current period

In RMB

Items	Withdrawal	switch back or write-off	write-off	Reason

Other note:

11. Assets divided as held-to-sold

In RMB

Items	Book balance at the end of the	Impairment provision	Closing book value	fair value	Estimated disposal cost	Estimated disposal time

	period					

Other note:

12. Non-current assets due within 1 year

In RMB

Items	Closing balance	Opening balance

Important creditor's rights Investment/other creditor's rights investment

In RMB

Creditor's rights item	Closing balance				Opening balance			
	Face value	Contract interest rate, stated rate	Actual rate	Expiration date	Face value	Contract interest rate, stated rate	Actual rate	Expiration date

Other note:

13. Other current assets

In RMB

Items	Closing balance	Opening balance
Overpaid VAT	2,018,362.24	3,396,186.56
Total	2,018,362.24	3,396,186.56

Other note：

14.Creditor's rights investment

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value

Important creditor's rights Investment/

In RMB

Items	Closing balance				Opening balance			
	Face value	Contract interest rate, stated rate	Actual rate	Expiration date	Face value	Contract interest rate, stated rate	Actual rate	Expiration date

Provision for bad debts

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2021 in current period	——	——	——	——

Loss provision changes in current period, change in book balance with significant amount

□ Applicable √ Not applicable

Other note：

15.Other creditor's rights investment

In RMB

Items	Opening balance	Accrued interest	Change in fair value in the current period	Closing balance	Costs	Change in cumulative fair value	Cumulative provision for losses recognized in other consolidated income	Remark

Important creditor's rights Investment/

In RMB

Items	Closing balance				Opening balance			
	Face value	Contract interest rate, stated rate	Actual rate	Expiration date	Face value	Contract interest rate, stated rate	Actual rate	Expiration date

Provision for bad debts

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2021 in current period	——	——	——	——

Loss provision changes in current period, change in book balance with significant amount

□ Applicable √ Not applicable

Other note:

16. Long-term accounts receivable

(1) List of long-term accounts receivable

In RMB

Items	Closing balance			Opening balance			Discount rate interval
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value	

Provision for bad debts

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2021 in current period	——	——	——	——

Loss provision changes in current period, change in book balance with significant amount

□ Applicable √ Not applicable

(2) Long-term accounts receivable which terminate the recognition owning to the transfer of the financial assets

(3) The amount of the assets and liabilities formed by the transfer and the continues involvement of long-term accounts receivable

Other note

17. Long-term equity investment

In RMB

Investees	Opening balance	Increase /decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Decrease in investment	Profits and losses on investments Recognized under the equity method	Other comprehensive income	Changes in other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
Chongqing Jianshe	186,213,719.02			767,993.22						186,981,712.24	

Hanon Automobile heat management system co., Ltd.											
Subtotal	186,213,719.02			767,993.22						186,981,712.24	
II. Associates											
Total	186,213,719.02			767,993.22						186,981,712.24	

Other note

18. Other equity instruments investment

In RMB

Items	Closing balance	Opening balance

Itemized disclosure of the current non - trading equity instrument investment

In RMB

Name	Recognized dividend income	Recognized dividend income	Accumulating losses	Amount of other comprehensive income transferred to retained earnings	Reasons for being measured at fair value and whose changes are included in other comprehensive income	Reasons for other comprehensive income transferred to retained earnings

Other note

19.Other non-current assets

In RMB

Items	Closing balance	Opening balance

Other note

20. Investment property

(1) Investment property adopted the cost measurement mode

√Applicable □ Not applicable

In RMB

Items	House, Building	Land use right	Construction in process	Total
I. Original price				
1. Balance at period-beginning	36,808,839.38			36,808,839.38
2.Increase in the current period				
(1) Purchase				
(2)Inventory\Fixed assets\ Transferred from construction in progress				
(3)Increased of Enterprise Combination				
3.Decreased amount of the period	36,808,839.38			36,808,839.38
（1）Dispose				
（2）Other out				
（3）Transfer to fixed assets	36,808,839.38			36,808,839.38
4. Balance at period-end	0.00			0.00
II.Accumulated amortization	13,765,440.86			13,765,440.86
1.Opening balance	13,765,440.86			13,765,440.86
2.Increased amount of the period	297,538.11			297,538.11
(1) Withdrawal	297,538.11			297,538.11
3.Decreased amount of the period	14,062,978.97			14,062,978.97
（1）Dispose				
（2）Other out				
（3）Transfer to fixed assets	14,062,978.97			14,062,978.97
4. Balance at period-end	0.00			0.00
III. Impairment provision				
1. Balance at period-beginning				
2.Increased amount of the period				
(1) Withdrawal				
3.Decreased amount of the period				
（1）Dispose				
（2）Other out				

4. Balance at period-end				
IV.Book value				
1.Book value at period -end	0.00			
2.Book value at period-beginning	23,043,398.52			23,043,398.52

(2) Investment property adopted fair value measurement mode

□ Applicable √Not applicable

(3) Details of investment property failed to accomplish certification of property

In RMB

Items	Book value	Reason

Other note

21. Fixed assets

In RMB

Items	Closing balance	Opening balance
Fixed assets	320,167,159.27	310,131,438.69
Total	320,167,159.27	310,131,438.69

（1）List of fixed assets

In RMB

Items	Fixed assets	Total
I. Original book value：		
1. Opening balance	871,356,569.79	871,356,569.79
2.Increased amount of the period	50,614,178.86	50,614,178.86
（1）Purchase	13,805,339.48	13,805,339.48
（2）Transfer of project under Construction		
（3）Increased from enterprise merger		
（4）Investment property transfer	36,808,839.38	36,808,839.38
3.Decreased amount of the period	19,173,873.08	19,173,873.08
（1）Disposal or scrap	19,173,873.08	19,173,873.08
4.Closing balance	902,796,875.57	902,796,875.57
II. Accumulative depreciation		

1.Opening balance	546,864,535.01	546,864,535.01
2.Increased amount of the period	31,215,180.76	31,215,180.76
（1）Withdrawal	17,152,201.79	17,152,201.79
（2）Investment property transfer	14,062,978.97	14,062,978.97
3.Decreased amount of the period	9,780,513.31	9,780,513.31
（1）Disposal or scrap	9,780,513.31	9,780,513.31
4.Closing balance	568,299,202.46	568,299,202.46
III. Impairment provision		
1. Opening balance	14,360,596.09	14,360,596.09
2.Increased amount of the period		
（1）Withdrawal		
3.Decreased amount of the period		
（1）Disposal or scrap	30,082.25	30,082.25
4.Closing balance	14,330,513.84	14,330,513.84
IV. Book Value		
1.Closing book value	320,167,159.27	320,167,159.27
2.Opening book value	310,131,438.69	310,131,438.69

(2) List of temporarily idle fixed assets

In RMB

Items	Original Book value	Accumulative depreciation	Accumulative depreciation	Book value	Notes

(3) Fixed assets leased out from operation lease

In RMB

Items	

In RMB

(4) Details of fixed assets failed to accomplish certification of property

In RMB

Items	Book value	Reason

Other note

（5）Liquidation of fixed assets

In RMB

Items	Closing balance	Opening balance

Other note

22. Construction in progress

In RMB

Items	Closing balance	Opening balance
Construction in progress	1,824,327.45	1,871,241.59
Total	1,824,327.45	1,871,241.59

(1) List of construction in progress

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Mould	507,566.39		507,566.39	426,150.46		426,150.46
CNC lathe	13,566.37		13,566.37			
Renovation project of science and technology complex building	615,980.77		615,980.77	615,980.77		615,980.77
No.5 assembly line information analyzing system				461,185.83		461,185.83
New energy production line design fee				66,037.74		66,037.74
Joint plant value-added (foam board replacement and ceiling renovation of cleaning room	365,137.62		365,137.62			
Intelligent	314,528.30		314,528.30	301,886.79		301,886.79

transformation of suspended vane compressor production line						
Expert evaluation fee of dynamic and static disc production line of electric compressor	7,548.00		7,548.00			
Total	1,824,327.45		1,824,327.45	1,871,241.59		1,871,241.59

(2) Changes of significant construction in progress

In RMB

Name of items	Estimated number	Opening balance	Increased amount of the period	Amount that transferred to fixed assets of the period	Other decreased amount of the period	Closing balance	Proportion estimated of the project accumulative input	Project progress	Accumulative amount of capitalized interests	Of which: The amount of the capitalized interests of the period	Capitalization rate of the interests of the period	Capital resources

(3) List of the withdrawal of the impairment provision of the construction in progress

In RMB

Items	Withdrawn amount	Reason

Other note:

（4）Engineering material

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

Other note:

23. Productive biological assets

(1) Productive biological assets measured at cost methods

□ Applicable √ Not applicable

(2) Productive biological assets measured at fair value

□ Applicable √ Not applicable

24. Oil and gas assets

□ Applicable √ Inapplicable

25. Right to use assets

In RMB

Items		Total

Other note:

26. Intangible assets

(1) Information

In RMB

Items	Land use right	Patent	Non-patents	Software	Total
I. Total original book value					
1. Opening balance	42,126,408.29	2,691,549.96		1,880,957.69	46,698,915.94
2. Increase in the reporting period				2,052,791.71	2,052,791.71
（1）Purchase				1,271,681.35	1,271,681.35
（2）Internal R&D					
（3）Increase from enterprise combination					
（4）Other transfers				781,110.36	781,110.36
3.Decrease in the reporting period					
（1）Disposal					
4.Closing balance	42,126,408.29	2,691,549.96		3,933,749.40	48,751,707.65
II. Total accrued amortization					
1.Opening balance	18,191,424.21	158,326.47		965,108.29	19,314,858.97
2.Increased in the reporting period	562,467.90	237,489.71		122,125.76	922,083.37
（1）Withdrawal	562,467.90	237,489.71		122,125.76	922,083.37

3.Decrease in the reporting period					
（1）Disposal					
4.Closing balance	18,753,892.11	395,816.18		1,087,234.05	20,236,942.33
III. Impairment provision					
1.Opening balance					
2.Increases in the reporting period					
（1）Withdrawal					
3.Decrease in the reporting period					
（1）Disposal					
4.Closing balance					
IV. Book value					
1.Book value of the period-end	23,372,516.18	2,295,733.78		2,846,515.35	28,514,765.32
2.Book value of the period-begin	23,934,984.08	2,533,223.49		915,849.40	27,384,056.97

The proportion the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end.

(2) Details of fixed assets failed to accomplish certification of land use right

In RMB

Items	Book value	Reasons for absence of certificate of title

Other note：

27. R&D expenses

In RMB

Items	Opening balance	Increase	Decrease	Closing balance

Other note

In RMB

28. Goodwill

(1) Original book value of goodwill

In RMB

Name of the	Opening balance	Increase	Decrease	Closing balance

investees or the events formed goodwill				

（2）Goodwill Impairment provision

In RMB

Items	Opening balance	Increase	Decrease	Closing balance

Notes of the testing process of goodwill impairment, parameters and the recognition method of goodwill impairment losses:

Other note

29. Long-term unamortized expenses

In RMB

Items	Opening balance	Increase	Amortization amount	Decrease	Closing balance
SlidDworks service charge	24,750.00	140,094.34	24,516.51		140,327.83
Total	24,750.00	140,094.34	24,516.51		140,327.83

Other note

30. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets had not been off-set

In RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	5,955,882.88	1,097,038.44	5,955,882.88	1,097,038.44
Credit impairment provision	34,306,803.21	5,177,039.68	34,306,803.21	5,177,039.68
Total	40,262,686.09	6,274,078.12	40,262,686.09	6,274,078.12

(2) Deferred income tax liabilities had not been off-set

In RMB

Items	Closing balance	Opening balance

	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Estimated added value of assets not under the same control	6,083,060.52	1,520,765.13	6,083,060.52	1,520,765.13
Tax deduction for depreciation of fixed assets	1,551,145.52	387,786.38	1,551,145.52	387,786.38
Total	7,634,206.04	1,908,551.51	7,634,206.04	1,908,551.51

(3) Deferred income tax assets or liabilities listed by net amount after off-set

In RMB

Items	Trade-off between the deferred income tax assets and liabilities	End 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		6,274,078.12		6,274,078.12
Deferred income tax liabilities		1,733,423.53		1,908,551.51

(4)Details of income tax assets not recognized

In RMB

Items	Balance in year-end	Balance in year-begin
Deductible temporary difference	21,668,149.93	21,668,149.93
Deductible loss	190,208,959.14	190,208,959.14
Total	211,877,109.07	211,877,109.07

(5)Deductible losses of the un-recognized deferred income tax asset will expire in the following years

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2021	1,176,802.39	1,176,802.39	
2022			
2023	850,355.91	850,355.91	
2024	145,565,134.28	145,565,134.28	
2025	42,616,666.56	42,616,666.56	

Total	190,208,959.14	190,208,959.14	--

Other note：

31 .Other non-current assets

In RMB

Items	Balance in year-end			Balance in year-begin		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Advance purchase of long-term assets	2,093,500.00		2,093,500.00	2,141,443.59		2,141,443.59
Total	2,093,500.00		2,093,500.00	2,141,443.59		2,141,443.59

Other note：

32. Short-term borrowings

(1) Category of short-term borrowings

In RMB

Items	Closing balance	Opening balance
Guaranteed borrowings	351,000,000.00	383,500,000.00
Credit borrowings	205,410,000.00	170,410,000.00
Total	556,410,000.00	553,910,000.00

Notes of short-term borrowings category

(2) List of the short-term borrowings overdue but not return

The total amount of the overdue but not return short-term borrowings at the period-end was of RMB 000, of which the situation of the significant overdue but not return short-term borrowings as follows:

In RMB

Borrower	Closing balance	Borrowing rate	Overdue time	Overdue rate

Other note:

33. Transactional financial liabilities

In RMB

Items	Closing balance	Opening balance
Including：		
Including：		

Other note：

34. Derivative financial liability

In RMB

Items	Closing balance	Opening balance

Other note：

35.Note payable

In RMB

Items	Closing balance	Opening balance
Bank acceptance bill	139,770,000.00	110,020,000.00
Total	139,770,000.00	110,020,000.00

The total amount of the due but not pay notes payable at the period-end was of RMB 0.00.

36. Accounts payable

(1) List of accounts payable

In RMB

Items	Closing balance	Opening balance
Within 1 year	238,374,599.66	284,998,378.45
1-2 years	673,945.40	1,837,069.84
2-3 years	46,248.74	0.08
Over 3 years	1,630,952.74	1,967,798.70
Total	240,725,746.54	288,803,247.07

(2) Note of the accounts payable aging over one year

In RMB

Items	Closing balance	Unpaid/un-carry-over reason

Other note：

37. Advance from customers

(1) List of advance from customers

In RMB

Items	Closing balance	Opening balance

(2) Significant advance from customers aging over one year

In RMB

Items	Closing balance	Unpaid/un-carry-over reason

Other note：

38.Contract liabilities

In RMB

Items	Closing balance	Opening balance
Contract liabilities	2,584,147.93	1,479,711.62
Total	2,584,147.93	1,479,711.62

Amount and reason for significant changes in book value during the reporting period

In RMB

Items	Amount	Reason

39. Payroll payable

(1) List of Payroll payable

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Short-term compensation	8,802,162.43	51,086,037.13	50,383,085.71	9,505,113.85
Post-employment benefits - defined contribution plans	7,076,035.45	5,134,146.83	5,201,144.91	7,009,037.37
Dismissal welfare	12,549,204.96	10,500.00	325,003.00	12,234,701.96
Total	28,427,402.84	56,230,683.96	55,909,233.62	28,748,853.18

（2）Presentation of short-term compensation

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
(1) Salary, bonus, allowance and subsidy	5,174,763.88	37,284,653.70	37,268,985.70	5,190,431.88
(2) Employee benefits	1,097,945.30	4,075,968.67	3,784,739.35	1,389,174.62
(3) Social insurance expenses	1,446,984.41	4,841,506.44	4,816,041.62	1,472,449.23
Including: medical insurance premium	1,144,293.26	4,500,714.05	4,514,971.47	1,130,035.84
Work-related injury	285,932.74	340,792.39	301,070.15	325,654.98

insurance premium				
Maternity insurance premium	16,758.41			16,758.41
(4) Housing fund	380,205.46	3,623,528.00	3,653,949.00	349,784.46
(5) Labor union expenditures and employee education expenses	702,263.38	880,139.20	724,128.92	858,273.66
Short-term absence with payment		380,241.12	135,241.12	245,000.00
Total	8,802,162.43	51,086,037.13	50,383,085.71	9,505,113.85

(3) List of drawing scheme

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium	6,778,246.97	4,978,622.56	5,044,700.95	6,712,168.58
Unemployment insurance premium	297,788.48	155,524.27	156,443.96	296,868.79
Total	7,076,035.45	5,134,146.83	5,201,144.91	7,009,037.37

Other note：

40. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	211,799.58	23,721.14
Enterprise income tax	1,147,186.86	2,762,007.64
Individual income tax	426,076.75	565,599.19
Urban maintenance and construction tax	3,131,178.66	3,132,397.23
property tax	3,727,900.64	3,727,900.64
Land use tax	1,810,309.94	1,808,215.20
Educational surtax	1,995,043.67	2,000,119.16
Other	4,031,598.70	4,086,656.73
Total	16,481,094.80	18,106,616.93

Other note：

41.Other account payable

In RMB

Items	Closing balance	Opening balance
Other account payable	9,704,354.89	10,260,888.23
Total	9,704,354.89	10,260,888.23

（1) Interest payable

In RMB

Items	Closing balance	Opening balance

Particulars of significant overdue unpaid interest：

In RMB

Unit	Overdue amount	Overdue reason

Other note:

(2) Dividends payable

In RMB

Items	Closing balance	Unpaid/un-carry-over reason

Note: Including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

(3) Other accounts payable

(1) Other accounts payable listed by nature of the account

In RMB

Items	Closing balance	Opening balance
Cash deposit	1,238,000.00	1,426,426.77
Work-related injury payment	136,378.73	216,487.83
Test expenses	2,743,194.59	1,670,056.33
Party organization funds	528,583.83	541,589.50
Design cost and Others	5,058,197.74	6,406,327.80
Total	9,704,354.89	10,260,888.23

（2）Significant other payables for over 1 year

In RMB

Item	Ending balance	Reason for unreimbursed or transferred

Other note

42. Liabilities classified as holding for sale

In RMB

Items	Closing balance	Opening balance

Other note:

43. Non-current liabilities due within 1 year

In RMB

Items	Closing balance	Opening balance

Other note:

44. Other current-liabilities

In RMB

Items	Closing balance	Opening balance
Taxes to be written off	335,939.23	192,362.51
Total	335,939.23	192,362.51

Changes on short term bonds payable:

In RMB

Name of the bond	Book value	Issue date	period	Issue amount	Opening balance	The current issue	Withdraw interest at par	Overflow discount amortization	Pay in current period		Closing balance

Other note:

45. Long-term borrowing

(1) Category of long-term loan

In RMB

Items	Closing balance	Opening balance

Note：

Other notes，including interest rate range：

46. Bonds payable

(1) Bonds payable

In RMB

Items	Closing balance	Opening balance

(2) Changes on bonds payable (not including other financial instrument classified as preferred stock and perpetual capital securities of financial liabilities)

In RMB

Name of the bonds	Face value	Issue date	Period	Issue amount	Opening balance	The current issue	Withdraw interest at par	Overflow discount amount	Pay in current period		Closing balance
Total	--	--	--								

(3) Note to conditions and time of share transfer of convertible bonds

(4) Note to other financial instrument classified as financial liabilities

Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

In RMB

Financial instruments outstanding issued	Opening period		Increase		Decrease		Closing period	
	Book balance	Provision for impairment	Book balance	Provision for impairment	Book balance	Provision for impairment	Book balance	Provision for impairment
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Note to the basis of other financial instrument classified as financial liabilities

Other note:

47. Lease liability

In RMB

Items	Closing balance	Opening balance

Other note

48. Long-term payable

In RMB

Items	Closing balance	Opening balance

(1) Long-term payable listed by nature of the account

In RMB

Items	Closing balance	Opening balance

Other note:

（2）Special payable

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Formation reasons

Other note:

49. Long term payroll payable

(1) List of long term payroll payable

In RMB

Items	Closing balance	Opening balance

(2) Changes of defined benefit plans

Present worth of defined benefit plans obligation:

In RMB

Items	Amount of the Current Term	Amount of the Previous Term

Plan assets:

In RMB

Items	Amount of the Current Term	Amount of the Previous Term

Net liabilities (net assets) of defined benefit plans

In RMB

Items	Amount of the Current Term	Amount of the Previous Term

Notes to the influence of the content and related risk of defined benefit plans to the future cash flows, time and uncertainty of the Company:

Notes to analysis results of major actuarial assumptions and sensibility of defined benefit plans

Other notes:

50. Accrued liabilities

In RMB

Items	Closing balance	Opening balance	Formation reasons

Other notes, including related important assumptions and estimates of accrued liabilities:

51. Deferred income

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Formation reasons

Items involved in government subsidies:：

In RMB

Items	Opening balance	Amount of newly subsidy	Amount accrued in non-business	Other changes	Closing balance	Related to the assets/income

Other note:

52. Other non-current liabilities

In RMB

Items	Closing balance	Opening balance

Other note：

53. Share capital

In RMB

	Opening balance	Increase ("+") /decrease ("-") for the current year					Closing balance
		Issuance of new shares	Share donation	Share converted from public reserve funds	Others	Sub-total	
Total shares	119,375,000.00						119,375,000.00

Other note：

54. Other equity instruments

(1) Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

(2) Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

In RMB

Financial instruments outstanding issued	Opening balance		Increase		Decrease		Closing balance	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Changes, reason of change and basis of relevant accounting treatment of other equity instruments in reporting period:

Other note：

55. Capital reserves

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Capital premium	702,032,741.07			702,032,741.07
Other capital reserves	256,532,553.22			256,532,553.22
Total	958,565,294.29			958,565,294.29

Other notes, including changes and reason of change:

56. Treasury stock

In RMB

Items	Opening balance	Increase	Decrease	Closing balance

Other notes, including changes and reason of change:

57. Other comprehensive income

In RMB

Items	Opening balance	Occurred current term						Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognied into other comprehensive income in prior period	Less: Prior period included in other composite income transfer to retained income in the current period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
1. Other comprehensive income that cannot be reclassified in the loss and gain in the future	9,800.00							9,800.00
Share of other combined income of invested units that cannot be reclassified into profit or loss under the equity method	9,800.00							9,800.00
Total of other comprehensive income	9,800.00							9,800.00

Other notes, including the adjustment of the recognition of initial amount of effective part of the cash flow

58. Special reserves

In RMB

Items	Opening balance	Increase	Decrease	Closing balance

Other note, including changes and reason of change:

59. Surplus reserves

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	56,724,000.00			56,724,000.00
Discretionary surplus reserves	68,962,000.00			68,962,000.00
Total	125,686,000.00			125,686,000.00

Other note, including changes and reason of change

60. Retained profits

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Adjust the undistributed profits before and at the end of the period	-1,030,047,421.23	-1,031,463,363.68
Opening balance of retained profits after adjustments	-1,030,047,421.23	-1,031,463,363.68
Add: Net profit attributable to owners of the Parent company	-7,897,586.77	1,415,942.45
Closing retained profits	-1,037,945,008.00	-1,030,047,421.23

List of adjustment of opening retained profits:

1) RMB 000 opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.

2) RMB 000 opening retained profits was affected by changes on accounting policies.

3) RMB 000 opening retained profits was affected by correction of significant accounting errors.

4) RMB 000 opening retained profits was affected by changes in combination scope arising from same control.

5) RMB 000 opening retained profits was affected totally by other adjustments.

61. Operating income and operating costs

In RMB

Items	Amount of the Current Term	Amount of the Previous Term

	Income	Cost	Income	Cost
Main business	448,479,663.54	392,932,260.12	329,293,920.54	296,844,587.53
Other business	8,484,765.48	6,341,807.31	5,296,341.31	2,737,735.17
Total	456,964,429.02	399,274,067.43	334,590,261.85	299,582,322.70

Income related information：

In RMB

Classification of the contract	Division 1	Division 2		Total
Of which				
Of which				
Of which				
Of which				
Of which				
Of which				
Of which				

Information related to performance obligations:

Not applicable

Information related to the transaction price apportioned to the residual performance obligation:

The income corresponding to the performance obligations that have not been performed or have been performed incompletely but the contract has been signed at the end of the reporting period is RMB 0.00, of which RMB 0.00 is expected to be recognized as income in the year, RMB 0.00 is expected to be recognized as income in the year, and RMB 0.00 is expected to be recognized as income in the year.

Other notes

62.Taxes and surcharges

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Urban maintenance and construction tax	1,097,858.28	737,191.84
Educational surtax	574,017.06	541,896.51
House tax	846,961.06	420,041.27
Land royalties	786,341.60	393,170.80
vehicle ship royalties	600.00	2,220.00
Stamp duty	156,616.80	135,564.30
Other	554,879.25	40,407.69
Total	4,017,274.05	2,270,492.41

Other note:

63. Selling expenses

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Repair cost	4,774,043.21	1,546,955.07
Transportation cost	207,286.45	1,554,187.06
Payroll Payable	3,782,298.55	3,549,036.79
Storage fee	723,217.64	617,299.61
Travel expenses	297,284.47	191,761.40
Sales service charge	221,712.81	546,631.07
Advertising expenses	95,049.50	94,000.00
Exhibition fees	-40,608.00	78,113.21
Office expenses	34,507.53	30,891.02
Depreciation costs	36,757.99	22,843.33
Insurance expenses	252,505.99	505,742.54
Total	10,384,056.14	8,737,461.10

Other note：

64. Administrative expenses

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Payroll Payable	22,806,176.80	21,012,265.58
Depreciation costs	3,960,725.33	4,040,065.76
Repair charges	2,505,130.64	2,237,552.47
Consulting fee	92,145.74	151,475.66
Office expenses	330,038.98	312,028.95
Agency fee	624,737.43	814,439.31
Travel expenses	210,054.21	164,442.66
Amortization of intangible assets	914,987.77	328,932.36
Board of directors' expenses	173,867.91	62,445.38
Business entertainment	198,607.38	75,951.10
Sewage charge	794,194.81	860,376.90
Lawsuit fee	13,800.00	8,850.00
Insurance expenses	876,862.26	4,166,382.79
Total	33,501,329.26	34,235,208.92

Other note：

65. R&D Expense

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Salary	5,389,798.75	4,500,317.20
Office expenses	13,554.56	16,589.14
Material cost	501,790.54	429,880.71
Travel expenses	169,741.86	72,017.19
Fees for evaluation, identification and authentication	54,721.35	45,849.32
Software fee	59,648.00	59,648.00
Trademark, property right, patent fee	79,303.65	151,978.91
Test inspection fee	134,659.84	21,468.79
Sample fee	29,250.03	77,069.35
Business entertainment	9,830.00	5,183.00
Depreciation expense	1,200,775.10	977,598.08
Other	530,621.26	14,106.03
Total	8,173,694.94	6,371,705.72

Other note：

66. Financial expenses

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Interest expenses	13,938,512.41	11,733,685.64
Less: Interest income	381,047.67	794,481.03
discount rate of bill		
Exchange gains and losses	20,547.36	17,988.25
Commission Charge and others	99,219.94	142,635.07
Total	13,677,232.04	11,099,827.93

Other note：

67.Other income

In RMB

Other sources of revenue	Amount of the Current Term	Amount of the Previous Term
Quality management award funds from the Market Supervision and		300,000.00

Administration Bureau of Jiulongpo District, Chongqing		
Incentives from the Finance Office of Jiulong Park, Chongqing High-tech Industrial Development Zone		45,000.00
Special funds for international service trade from Chongqing Jiulongpo District Finance Bureau of Jiulongpo District Commerce Committee		10,000.00
Received the second batch of special funds for industrial informatization from Jiulongpo District Finance Bureau		23,200.00
Key Enterprise Recruitment Subsidies by Financial Bureau of Jiulongpo District, Chongqing Municipality	8,400.00	34,000.00
Major New Product Research and Development Subsidy Funds in 2019 by Jiulongpo District Finance Bureau of Chongqing Municipality	10,000.00	
Reward for stable growth of industrial enterprises above designated scale by the Finance Bureau of Jiulongpo District, Chongqing	100,000.00	
Subsidies from the Finance Bureau of Jiulongpo District, Chongqing Municipality, Jiulongpo District Ecological Environment Bureau	44,700.00	
Third generation service fee	16,316.61	
Subsidies from the District-level Enterprise Technology Innovation Center of the Finance Bureau of Jiulongpo District, Chongqing City in 2019	200,000.00	
Subsidies for science and technology projects from the Technology Bureau of Jiulongpo District, Chongqing(District property rights)	50,000.00	
Subsidies from Ba'nan District Ecological Environment Bureau	32,077.36	
Total	461,493.97	412,200.00

68.Investment income

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Long-term equity investment income calculated by equity method	767,993.22	-8,214,068.19
Total	767,993.22	-8,214,068.19

Other note：

69.Net exposure hedging income

In RMB

Items	Amount of the Current Term	Amount of the Previous Term

Other note

70. Gains on the changes in the fair value

In RMB

Source	Amount of the Current Term	Amount of the Previous Term

Other note

71. Credit impairment loss

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Loss of receivables	-108,153.11	-7,385.32
Total	-108,153.11	-7,385.32

Other note：

72. Losses from asset impairment

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
II. Loss of inventory value and impairment of contract performance costs		1,430,078.95
Total		1,430,078.95

Other note：

73. Asset disposal income

In RMB

Source	Amount of the Current Term	Amount of the Previous Term
Total profits of non-current assets disposal	1,566,473.14	-54,625.39
Including: Profits of disposal of fixed assets	1,566,473.14	-54,625.39
Profits of disposal of intangible assets		
Disposal of other non-current assets		
Total	1,566,473.14	-54,625.39

74. Non-operating income

In RMB

Items	Amount of the Current Term	Amount of the Previous Term	Recorded in the amount of the non-recurring gains and losses
Other	11.31	79,499.99	11.31
Write off the accounts payable	198,647.24		198,647.24

Total	198,658.55	79,499.99	198,658.55

Government subsidies recorded into current profits and losses：

In RMB

Items	Issuing body	Issuing Reason	Nature	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of current period	Amount of previous period	Assets-related/income-related
Quality management award funds from the Market Supervision and Administration Bureau of Jiulongpo District, Chongqing		Award					300,000.00	
Incentives from the Finance Office of Jiulong Park, Chongqing High-tech Industrial Development Zone		Award					45,000.00	
Special funds for international service trade from Chongqing Jiulongpo District Finance Bureau of Jiulongpo District Commerce							10,000.00	

Committee								
Received the second batch of special funds for industrial informatization from Jiulongpo District Finance Bureau		Subsidy					23,200.00	
Key Enterprise Recruitment Subsidies by Financial Bureau of Jiulongpo District, Chongqing Municipality		Subsidy				8,400.00	34,000.00	Related to income
Major New Product Research and Development Subsidy Funds in 2019 by Jiulongpo District Finance Bureau of Chongqing Municipality		Subsidy				10,000.00		Related to income
Reward for stable growth of industrial enterprises above designated scale by the Finance Bureau of Jiulongpo District, Chongqing		Award				100,000.00		Related to income
Subsidies from the Finance Bureau of		Subsidy				44,700.00		Related to income

Jiulongpo District, Chongqing Municipality, Jiulongpo District Ecological Environment Bureau								
Third generation service fee						16,316.61		Related to income
Subsidies from the District-level Enterprise Technology Innovation Center of the Finance Bureau of Jiulongpo District, Chongqing City in 2019		Subsidy				200,000.00		Related to income
Subsidies for science and technology projects from the Technology Bureau of Jiulongpo District, Chongqing(District property rights)		Subsidy				50,000.00		Related to income
Subsidies from Ba'nan District Ecological Environment Bureau		Subsidy				32,077.36		Related to income
Total						461,493.97	412,200.00	Related to income

Other note：

75. Non-operating expenses

In RMB

Items	Amount of the Current Term	Amount of the Previous Term	Carried to current contingent gain/loss
Loss of non-current assets damaged and scrapped	169.23		169.23
Other	2.29	634,363.43	2.29
Total	171.52	634,363.43	171.52

Other note

76. Income tax expense

(1) Lists of income tax expense

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Current income tax expense	-1,279,343.82	
Total	-1,279,343.82	

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

In RMB

Items	Amount of the Current Term
Total profit	-9,176,930.59
Income tax expenses	-1,279,343.82

Other note

77. Other comprehensive income

Refer to the note

78. Supplementary information to cash flow statement

(1) Other cash received relevant to operating activities

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Interest income	136,678.82	50,667.29
Other	4,972,526.81	6,515,142.05
Total	5,109,205.63	6,565,809.34

Note：

(2) Other cash paid related to operation

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Other	4,938,288.46	1,141,072.15
Duration expenses	7,692,393.27	9,994,722.76
Total	12,630,681.73	11,135,794.91

Statement on other cash paid related to operation

(3) Other cash received related to investment

In RMB

Items	Amount of the Current Term	Amount of the Previous Term

Statement on other cash received related to investment

Note：

(4) Other cash paid related to investment

In RMB

Items	Amount of the Current Term	Amount of the Previous Term

Statement on other cash paid related to investment

(5) Other cash received related to financing

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Receipt of discounted funds for financing bills		139,895,745.48
Conclusion	244,002.56	334,140.24
Total	244,002.56	140,229,885.72

Note：

(6) Other cash paid relevant to financing activities

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Payment of due financing notes	32,787,012.08	214,405,000.00
Decrease of note deposit		52,901,351.71
Commission charge	21,685.00	
Total	32,808,697.08	267,306,351.71

Note：

79. Supplementary information to cash flow statement

(1) Information of net profit to net cash flows

In RMB

Supplementary information	Amount of the Current Term	Amount of the Previous Term
1. Net profit adjusted to cash flows from operating activities	--	--
Net profits	-7,897,586.77	-34,695,420.32
Add：Provision for assets impairment	108,153.11	-1,422,693.63
Depreciation of fixed assets, oil and gas assets and consumable biological assets	15,989,303.04	16,473,168.52
Depreciation of Use right assets		
Amortization of intangible assets	563,812.93	328,932.36
Amortization of Long-term deferred expenses	-115,577.83	
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-1,566,473.14	54,625.39
Fixed assets scrap loss		
Loss on fair value changes		
Financial cost	13,938,512.41	11,099,827.93
Loss on investment	-767,993.22	8,214,068.19
Decrease of deferred income tax assets		
Increased of deferred income tax liabilities		
Decrease of inventories	23,281,124.32	44,658,304.65
Decease of operating receivables	-45,411,936.63	-34,621,901.84
Increased of operating Payable	23,632,682.19	63,032,982.73
Other		
Net cash flows arising from operating activities	21,754,020.41	73,121,893.98
II. Significant investment and financing activities that without cash flows:	--	--
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Financing of fixed assets leased		
3．Movement of cash and cash equivalents：	--	--
Ending balance of cash	57,367,878.06	21,053,197.58

Less: Beginning balance of cash equivalents	79,310,253.55	9,390,326.10
Add：End balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase of cash and cash equivalent	-21,942,375.49	11,662,871.48

(2) Net Cash paid of obtaining the subsidiary

In RMB

	Amount
Of which	--
Of which	--
Of which	--

Other note：

(3) Net Cash receive of disposal of the subsidiary

In RMB

	Amount
Of which	--
Of which	--
Of which	--

Other note：

(4) Component of cash and cash equivalents

In RMB

Items	Closing balance	Opening balance
I. Cash	57,367,878.06	79,310,253.55
Including：Cash at hand		5,418.26
Demand bank deposit	57,367,878.06	79,304,835.29
III. Balance of cash and cash equivalents at the period end	57,367,878.06	79,310,253.55

Other note：None

80. Note of statement of changes in the owner's equity

Specify the description of the item "others" and the adjusted amount of the balance at the end of last year:
Not applicable

81. The assets with the ownership or use right restricted

In RMB

Items	Book value at the end of the reporting period	Cause of restriction
Monetary funds	66,420,000.00	Guarantee deposit, fixed deposit
Total	66,420,000.00	--

Other note：None

82. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary funds	--	--	
Including：USD			
Euro			
HKD			
Account receivable	--	--	
Including：USD			
Euro			
HKD			
Long-term borrowing	--	--	
Including：USD			
Euro			
HKD			

Other note：

(2) Note to oversea entities including: for significant oversea entities, shall disclose main operating place, recording currency and selection basis, if there are changes into recording currency, shall also disclose the reason.

□ Applicable √Not applicable

83. Arbitrage

Arbitrage According to arbitrage category to disclose arbitrage item, relevant arbitrage tools and the arbitraged risk qualitative and quantitative information:

84. Government subsidies

（1）Government subsidies confirmed in current period

In RMB

Items	Amount	Project	Amount included in current profit and loss
Key Enterprise Recruitment Subsidies by Financial Bureau of Jiulongpo District, Chongqing Municipality	8,400.00	Other income	8,400.00
Major New Product Research and Development Subsidy Funds in 2019 by Jiulongpo District Finance Bureau of Chongqing Municipality	10,000.00	Other income	10,000.00
Reward for stable growth of industrial enterprises above designated scale by the Finance Bureau of Jiulongpo District, Chongqing	100,000.00	Other income	100,000.00
Subsidies from the Finance Bureau of Jiulongpo District, Chongqing Municipality, Jiulongpo District Ecological Environment Bureau	44,700.00	Other income	44,700.00
Third generation service fee	16,316.61	Other income	16,316.61
Subsidies from the District-level Enterprise Technology Innovation Center of the Finance Bureau of Jiulongpo District, Chongqing City in 2019	200,000.00	Other income	200,000.00
Subsidies for science and technology projects from the Technology Bureau of Jiulongpo District, Chongqing(District property rights)	50,000.00	Other income	50,000.00
Subsidies from Ba'nan District Ecological Environment Bureau	32,077.36	Other income	32,077.36
Total	461,493.97	Other income	461,493.97

（2）Government subsidy return

□ Applicable √ Not applicable

Other note：

85.Other

VIII. Changes of merge scope

1. Business merger not under same control

(1) Business merger not under same control in reporting period

In RMB

Name	Time and place of gaining the stock right	Cost of gaining the stock rights	Proportion of stock rights	Way to gain the stock rights	Purchase date	Recognition basis of purchase date	Income of acquiree during the purchase date to period-end	Net profits of acquiree during the purchase date to period-end

Other note：

(2) Combined cost and goodwill

In RMB

Combined cost	

Notes to determination method, consideration and changes of fair value of combined cost:

The main formation reason for the large goodwill:

Other note:

(3) The identifiable assets and liabilities of acquiree at purchase date

In RMB

	Fair value on purchase date	Book value on purchase date

The recognition method of the fair value of identifiable assets and liabilities

Contingent liability of acquiree undertaken by business merger

Other note:

(4) The profit or loss from equity held by the date before acquisition in accordance with the fair value measured again、

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and gaining the control during the reporting period

□ Yes √ No

(5) Note to merger could not be determined reasonable consideration or Identifiable assets, Fair value of liabilities of the acquiree at acquisition date or closing period of the merge

(6) Other note:

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

In RMB

Name	Proportion of the profits	Basis	Combination date	Recognition basis of	Income from the	Net profits from the	Income during the	Net profits during the

				combination date	period-begin to the combination date of the combination	reporting period to the combination date of the combination	period of comparison	period of comparison

Other note：

(2) Combination cost

In RMB

Combination cost	

Notes to contingent consideration or other changes:

Other note:

(3) The book value of the assets and liabilities of the merged party on the date of consolidation

In RMB

	Combination date	Last closing period

Contingent liabilities of the combined party undertaken in combination

Other note:

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

4. The disposal of subsidiary

Whether there is a single disposal of the investment to subsidiary and lost control

□ Yes √No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

□ Yes √ No

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

6. Other

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Name	Main operating place	Registration place	Nature of business	Proportion of shareholding		Way of gaining
				Directly	Indirectly	
Vehicle air conditioner	Chongqing	Chongqing	Production and sale of automotive air-conditioners	100.00%		Establishment by investment
Chongqing Pingshan TK Carburetor Co., Ltd	Chongqing	Chongqing	Production and sales of motorcycle parts	100.00%		Merger under different control

Notes: holding proportion in subsidiary different from voting proportion:

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:

Significant structure entities and controlling basis in the scope of combination:

Basis of determine whether the Company is the agent or the principal:

Other note:

(2) Significant not wholly owned subsidiary

In RMB

Name	Shareholding proportion of minority shareholder	The profits and losses arbitrate to the minority shareholders	Declaring dividends distribute to minority shareholder	Balance of minority shareholder at closing period

Holding proportion of minority shareholder in subsidiary different from voting proportion:

Other note:

(3) The main financial information of significant not wholly owned subsidiary

In RMB

Name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Current assets	Non-current assets	Total assets	Current Liabilities	Non-current Liabilities	Total Liabilities

In RMB

Name	June 30,2021				June 30,2020			
	Operation revenue	Net profit	Total comprehensive income	Operating cash flow	Operation revenue	Net profit	Total comprehensive income	Operating cash flow

Other note:

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

Other note:

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary

(1) Note to owner's equity share changed in subsidiary

(2) The transaction's influence to equity of minority shareholders and attributable to the owner's equity of the parent company

In RMB

Other note

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name of joint venture or associate	Domicile of primary operation	Registered place	Business nature	Shareholding ratio (%)		Accounting treatment methods for the investments in joint ventures or associates
				Directly	Indirect	
Chongqing HanonJianshe Automotive Thermal	Chongqing	Chongqing	Compressor assembly and	50.00%		Equity method

Systems Co., Ltd.			core auto parts production			

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

（2）Major joint ventures and associates

In RMB

	Closing balance/June 30, 2021	Opening balance/June 30, 2020

Other note

(3) Main financial information of significant associated enterprise

In RMB

	Amount of current period	Amount of previous period

Other note

(4) Summary financial information of insignificant joint venture or associated enterprise

In RMB

	Amount of current period	Amount of previous period
Joint venture：	--	--
The total of following items according to the shareholding proportions	--	--
Associated enterprise:	--	--
The total of following items according to the shareholding proportions	--	--

Other note

(5) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

(6) The excess loss of joint venture or associated enterprise

In RMB

Name	The cumulative recognized losses in previous accumulatively derecognized	The derecognized losses or the share of net profit in reporting period	The no cumulative unrecognized losses in reporting period

Other note:

(7) The unrecognized commitment related to joint venture investment

(8) Contingent liabilities related to joint venture or associated enterprise investment

4. Significant common operation

Name	Main operating place registration place	Registration place	Business nature	Proportion /share portion	
				Directly	Indirectly

Note to holding proportion or share portion in common operation different from voting proportion:

Basis of common operation as a single entity, classify as common operation Other notes:

Other note

5. Equity of structure entity not including in the scope of consolidated financial statements

Related notes to structure entity not including in the scope of consolidated financial statements

6.Other

X. The risk related financial instruments

XI. The disclosure of the fair value

1. Closing fair value of assets and liabilities calculated by fair value

In RMB

Items	Closing fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
II Inconsistent fair value measurement	--	--	--	--

2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1

3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2

4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3

6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement items at different levels

7. Changes in the valuation technique in the current period and the reason for change

8. Fair value of financial assets and liabilities not measured at fair value

9. Other

XII. Related party and related Transaction

1. Information related to parent company of the Company

Name of the parent company	Registered place	Business nature	Registered capital	Shareholding ratio in the Company (%)	Voting ratio in the Company (%)
Military Equipment Group	Beijing	Investment in state-owned assets	35,300,000,000 yuan	71.13%	71.13%

Notes

The ultimate controller of the Company is The State-owned Assets Supervision and Administration Commission of the State Council.

Other note

2. Subsidiaries of the Company

See notes

3. Information on the joint ventures and associated enterprises of the Company

The details of significant joint venture and associated enterprise of the Company

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in reporting period, or form balance due to related party transactions in previous period:

Name of joint venture or associate	Relationship with the company

Chongqing Jianshe Hanon Heat Management system Co., Ltd.	Joint venture

Other note

4.Other related parties of the Company

Name of other related parties	Relationship with the Company
Jianshe Mechanical and Electric	Under the common control of the same party
Jianshe Industry	Under the common control of the same party
Military Finance Co.	Under the common control of the same party
Chongqing Jianxing Machinery Manufacturing Co., Ltd.	An Joint venture a subsidiary of a controlling shareholder
Changan Auto	Under the common control of the same party
Changan Auto.Beijing Chanan Auto Company.	Under the common control of the same party
Changan SUZUKI	An Joint venture a subsidiary of a controlling shareholder
Hefei Changan	Under the common control of the same party
Nanjing Changan	Under the common control of the same party
Baoding Changan Bus Manufacturing Co., Ltd.	Under the common control of the same party
Heifei Changan Auto	Under the common control of the same party
Southern Motorcycle	Under the common control of the same party
Chongqing Changan Auto Customer service Co., Ltd.	Under the common control of the same party
Chongqing Changan Auto International Sale Service Co., Ltd.	Under the common control of the same party
Chongqing Northern Jianshe Import & Export Co., Ltd.	Under the common control of the same party
Harbin Hafei Automobile Co., Ltd	Under the common control of the same party
Sichuan Huaqing Machinery Co., Ltd.	Under the common control of the same party
Changan Ford Motor Co., Ltd. Harbin Branch	An Joint venture a subsidiary of a controlling shareholder
Harbin Dongan Auto Power Co., Ltd.	Under the common control of the same party
Chongqing Jianshe Yamaha Motorcycle	A Joint venture of subsidiary of a controlling shareholder

Other note

5. List of related-party transactions

(1) Information on acquisition of goods and reception of labor service

Acquisition of goods and reception of labor service

In RMB

Related party	Content	Occurred current term	Trading limit approved	Over the trading limit or not	Occurred in previous term

Jianshe Mechanical and Electric	Lease production site	0.00	3,500,000.00	No	1,565,752.62
Jianshe Industry	Part test	344,312.29	1,000,000.00	No	270,904.30
Jianshe Industry	Energy Fee	877,216.88	2,000,000.00	No	
Cbangan Group and its Subsidiaries	Acceptance of repairing service	478,707.99	2,500,000.00	No	455,921.54
Southwest Ordnance Chongqing Environmental Protection Research Institute Co., Ltd	Service	777,495.22	2,400,000.00	No	854,960.98
Chongqing Chang'an Minsheng Logistics Co., Ltd	Service	1,818,237.91	1,000,000.00	Yes	78,612.24

Sales of goods and services

In RMB

Related parties	Subjects of the related transactions	Occurred current term	Occurred in previous term
Cbangan Group and its Subsidiaries	Sales of goods	101,396,938.36	51,440,306.18
Jianshe Mechanical and Electric	Lease storehouse	0.00	1,593,863.78
Chongqing Yamaha Motorcycle Co., Ltd.	Selling parts	6,604,586.53	1,917,272.74
South Air International	Selling parts	0.00	36,000.00
Chongqing Jianshe HANON Automobile Thermal Management System Co., Ltd	Selling parts	2,351,020.24	
Chongqing Jianshe HANON Automobile Thermal Management System Co., Ltd	Energy fee	4,083,965.12	
Jianshe Industry	Energy fee	204,367.98	109,389.35

Note

(2) Related trusteeship/contract

Lists of related trusteeship/contract

In RMB

Name of the entruster/Contractee	Name of the entrustee/Contractor	Type	Initial date	Due date	Pricing basis	Income recognized in the reporting period

Note

Lists of entrust/contractee：

In RMB

Name of the	Name of the	Type	Initial date	Due date	Pricing basis	Charge

entruster/Contractee	entrustee/Contractor					recognized in the reporting period

Notes:

(3) Information of related lease

The Company was lessor:

In RMB

Name of lessee	Category of leased assets	The lease income confirmed in this year	The lease income confirmed in last year
Jianshe Mechanical and Electric	Fixed assets	1,593,863.78	2,198,845.20

The Company was lessee：

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets

(4) Related-party guarantee

The Company was guarantor

In RMB

Secured party	Guarantee amount	Start date	End date	Execution accomplished or not

The Company was secured party

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not

Notes

(5) Inter-bank lending of capital of related parties：

Related party	Amount borrowed and loaned	Initial date	Due date	Notes
Borrowed				
Loaned				

(6) Related party asset transfer and debt restructuring

In RMB

Related party	Content	Occurred current term	Occurred in previous term

(7) Rewards for the key management personnel

In RMB

Items	Occurred current term	Occurred in previous term

(8) Other related transactions

6. Receivable and payables due with related parties

（1）Receivables

In RMB

Project	Related parties	At end of term		At beginning of term	
		Book balance	Bad debt provision	Book balance	Bad debt provision

（2）Payables

In RMB

Project	Related parties	At end of term	At beginning of term

7. Related party commitment

8.Other

XIII. Stock payment

1. The Stock payment overall situation

□ Applicable √ Not applicable

2. The Stock payment settled by equity

□ Applicable √ Not applicable

3. The Stock payment settled by cash

□ Applicable √ Not applicable

4. Modification and termination of the stock payment

5.Other

XIV. Commitments

1.Significant commitments

Significant commitments at balance sheet date

As at June 30,2021, the Company did not need to disclose important commitments.

2. Contingency

(1) Significant contingency at balance sheet date

As at June 30,2021, the Company did not need to disclose important commitments.

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

3.Other

XV. Events after balance sheet date

1. Significant events had not adjusted

In RMB

Items	Content	Influence number to the Financial position and operating results	Reason of unable to estimate influence number

2. Profit distribution

3. Sales return

4. Notes of other significant events

XVI. Other significant events

1. The accounting errors correction in previous period

（1）Retrospective restatement

In RMB

Content	Processing program	Name of the influenced report items during comparison period	Accumulative impact

（2）Prospective application

Content	Processing program	Reason of adopting prospective application

2. Debt restructuring

3. Replacement of assets

(1) Non-monetary assets exchange

(2) Other assets replacement

4. Pension plan

5. Discontinuing operation

In RMB

Items	Income	Expenses	Total profit	Income tax expenses	Net profit	Termination of the business profits attributable to the parent company owner

Other note

6. Segment information

(1) Recognition basis and accounting policies of reportable segment

(2) The financial information of reportable segment

In RMB

Items		Offset during segments	Total

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

(4) Other notes

7. Other important transactions and events have an impact on investors' decision-making

8. Other

XVII. Notes of main items in the financial statements of the Parent Company

1. Accounts receivable

(1) Accounts receivable classified by category

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Of which										
Accrual of bad debt provision by portfolio	4,295,044.24		1,291,496.94		3,003,547.30	3,480,832.08		1,291,496.94		2,189,335.14
Of which										
Total	4,295,044.24		1,291,496.94		3,003,547.30	3,480,832.08		1,291,496.94		2,189,335.14

Accrual of bad debt provision by single item:

In RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion	Reason

Accrual of bad debt provision by portfolio:

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion

Note：

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of account receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year（Including 1 year）	3,003,547.30
Over 3 years	1,291,496.94
Over 5 years	1,291,496.94
Total	4,295,044.24

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Category	Opening balance	Amount of change in the curent period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Bad debt provision for accounts receivable	1,291,496.94					1,291,496.94
Total	1,291,496.94					1,291,496.94

Of which the significant amount of the reversed or collected part during the reporting period

In RMB

Items	Reversed or collected amount	Method

(3) The actual write-off accounts receivable

In RMB

Items	Amount

Of which the significant actual write-off accounts receivable:

In RMB

Name	Nature	Amount	Reason	Process	Whether occurred from the related transactions

（4）The ending balance of other receivables owed by the imputation of the top five parties

In RMB

Name	Amount	Proportion(%)	Bad debt provision
Chongqing Jianshe HANON Automobile Termal Management System Co., Ltd	1,760,978.18		
Chongqing Yamaha Motorcycle Co., Ltd	1,022,782.57		
Wuhan Longchang Company Wujiao Market Department	473,539.96		473,539.96
China Aerospace Science and Technology Corporation long March Machinery Factory	395,296.04		395,296.04
Chongqing Chihai Machine Manufacturing Co.,Ltd	145,999.35		145,999.35
Total	3,798,596.10		

(5) Account receivable which terminate the recognition owning to the transfer of the financial assets

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Other note

2. Other accounts receivable

In RMB

Items	Closing balance	Opening balance
Other accounts receivable	1,816,416.14	934,239.22
Total	1,816,416.14	934,239.22

（1）Interest receivable

(1) Category of interest receivable

In RMB

Items	Closing balance	Opening balance

(2) Significant overdue interest

Borrower	Closing balance	Overdue time	Reason	Whether occurred impairment and its judgment basis

Other note：

3）Bad-debt provision

□ Applicable √ Not applicable

8. Dividend receivable

(1) Dividend receivable

In RMB

Items	Closing balance	Opening balance

(2) Significant dividend receivable aged over 1 year

In RMB

Items	Closing balance	Aging	Reason	Whether occurred impairment and its

				judgment basis

Other notes：

3）Bad-debt provision

□ Applicable √ Not applicable

Other note：

（3） Other accounts receivable

(1) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Current account	7,736,665.96	6,854,489.04
Total	7,736,665.96	6,854,489.04

2）Provision for bad debts

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2021	5,920,249.82			5,920,249.82
Balance as at January 1, 2021 in current	——	——	——	——
Balance as at June 30,2021	5,920,249.82			5,920,249.82

Loss provision changes in current period, change in book balance with significant amount

□ Applicable √Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year(Including 1 year）	3,039,562.59
1-2 years	255,723.62
Over 3 years	4,441,379.75
Over 5 years	4,441,379.75
Total	7,736,665.96

3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Category	Opening balance	Amount of change in the current period		Closing balance
		Accrual	Reversed or collected amount	

Of which the significant amount of the reversed or collected part during the reporting period

In RMB

Items	Reversed or collected amount	Method

(4) The actual write-off accounts receivable

In RMB

Items	Amount

Of which the significant actual write-off accounts receivable:

In RMB

Name	Nature	Amount	Reason	Process	Whether occurred from the related transactions

Notes of the write-off other accounts receivable:

(5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

In RMB

Name	Nature	Year-end balance	Aging	Portion in total other receivables(%)	Bad debt provision of year-end balance
Shenzhen Jianshe Motorcycle	Current account	3,013,664.00	Over 5 years		3,013,664.00
Chongqing Jianshe Lijue Industry Co., Ltd.	Current account	1,478,870.07	7-12 months, 1-2 years		1,478,870.07
Advance payment to employees	Current account	802,838.81	Within 6 months		
Ningbo Jianshe Auto Co.,Ltd Chongqing Office	Current account	692,035.31	Over 5 years		692,035.31
Ningbo Jianshe Motorcycle	Current account	329,628.73	Within 1-6 months		329,628.73
Total	--	6,317,036.92	--		5,514,198.11

(6) Accounts receivable involved with government subsidies

In RMB

Name	Project of government	Opening balance	Closing balance	Estimated received time, amount and basis

(7) Other account receivable which terminate the recognition owning to the transfer of the financial assets

(8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

Other note:

3. Long-term equity investment

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	199,045,443.95		199,045,443.95	199,045,443.95		199,045,443.95
Investments in associates and joint ventures	186,981,712.24		186,981,712.24	186,213,719.02		186,213,719.02
Total	386,027,156.19		386,027,156.19	385,259,162.97		385,259,162.97

（1） Investments in subsidiaries

In RMB

Investees	Opening balance	Increase /decrease				Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Withdrawn impairment provision	Other		
Chongqing Jianshe Automobile A/C Co., Ltd.	160,000,000.00					160,000,000.00	
Chongqing Pingshan TK Carburetor Co., Ltd	39,045,443.95					39,045,443.95	
Total	199,045,443.95					199,045,443.95	

（2）Investments in associates and joint ventures

In RMB

Investee	Opening Balance	Increases/decreases in the current year								Closing balance	Balance as at June 30, 2019 of provision for impairment
		Additional investment	Decrease in investment	profits and losses on investments recognized under the equity method	Other comprehensive income	Changes in other equity	Declaration of cash dividends or profits	Impairment provision	Other		
1. Joint ventures											
Jianshe HANON	186,213,719.02			767,993.22						186,981,712.24	
Subtotal	186,213,719.02			767,993.22						186,981,712.24	
2. Associates											
Total	186,213,719.02			767,993.22						186,981,712.24	

（3）Other note

4. Operation income and operation cost

In RMB

Items	Occurred current term		Occurred in previous term	
	Income	Cost	Income	Cost
Major business turnover	291,221,279.33	282,009,975.23	219,350,659.90	206,028,338.17
Other business income	6,250,780.86	5,000,602.46	3,118,003.07	734,229.58
Total	297,472,060.19	287,010,577.69	222,468,662.97	206,762,567.75

Income related information：

In RMB

Type	Division 1	Division 2		Total
Of which：				

Information related to performance obligations:

Not applicable

Information related to the transaction price apportioned to the residual performance obligation:

The income corresponding to the performance obligations that have not been performed or have been performed incompletely but the contract has been signed at the end of the reporting period is RMB 0.00, of which RMB 0.00 is expected to be recognized as income in the year, RMB 0.00 is expected to be recognized as income in the year, and RMB0.00 is expected to be recognized as income in the year.

Other note：

5. Investment income

In RMB

Items	Occurred current term	Occurred in previous term
Long-term equity investment income calculated by equity method	767,993.22	-8,214,068.19
Total	767,993.22	-8,214,068.19

6.Other

XVIII. Supplementary Information

1. Details of non-recurring gain/loss of the term

√ Applicable □ Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss	1,566,473.14	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	461,493.97	
Other non-business income and expenditures other than the above	198,487.03	
Total	2,226,454.14	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

□ Applicable √Not applicable

2. Net income on asset ratio and earning per share

Profit of the report period	Net income on asset, weighted	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	-4.66%	-0.0662	-0.0662
Net profit attributable to the common owners of the PLC after deducting of non-recurring gains/losses	-5.97%	-0.0848	-0.0848

3. Differences between accounting data under domestic and overseas accounting standards

（1）. Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

□ Applicable□√ Not applicable

（2）. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

□ Applicable□√ Not applicable

(3) .Explanation of the reasons for the differences in accounting data under domestic and foreign accounting stand ards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the o verseas institution should be indicated

4.Other