

# **Shenzhen China Bicycle Company (Holdings) Limited**

## **Semi-Annual Financial Report 2024**

**August 2024**

# Financial Report

## I. Audit report

Whether the semi annual report is audited

Yes No

The company's semi annual financial report has not been audited

## II. Financial Statement

Statement in Financial Notes are carried Unit: RMB/CNY

### 1. Consolidated Balance Sheet

Prepared by Shenzhen China Bicycle Company (Holdings) Limited

June 30, 2024

Unit: RMB/CNY

Item	2024-6-30	2024-1-1
Current assets:		
Monetary fund	25,165,558.37	54,148,674.40
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	234,545,442.91	196,293,133.00
Receivable financing		
Accounts paid in advance	3,806,346.43	3,821,181.16
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	697,860.12	12,868,327.03
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventory	88,113,620.75	81,916,039.14
Including: Data resources		
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	5,650,306.39	11,216,095.44
Total current assets	357,979,134.97	360,263,450.17
Non-current assets:		
Loans and payments on behalf		
Debt investment		

Other debt investment		
Long-term account receivable		
Long-term equity investment	30,000.00	
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fix assets	2,229,476.84	2,288,610.10
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets	1,388,912.22	1,816,269.83
Intangible assets		
Including: Data resources		
Expense on Research and Development		
Including: Data resources		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	4,748,543.50	4,909,164.22
Other non-current asset		400,000.00
Total non-current asset	8,396,932.56	9,414,044.15
Total assets	366,376,067.53	369,677,494.32
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	4,649,649.09	6,213,665.02
Accounts received in advance		
Contract liability	527,792.26	633,114.64
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	1,032,093.43	1,149,151.81
Taxes payable	884,008.39	11,297,756.46
Other account payable	33,107,549.28	39,034,314.13
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	873,605.52	847,403.05
Other current liabilities	68,612.99	82,304.90
Total current liabilities	41,143,310.96	59,257,710.01

Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	573,573.50	1,018,630.12
Long-term account payable		
Long-term wages payable		
Accrual liability		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	573,573.50	1,018,630.12
Total liabilities	41,716,884.46	60,276,340.13
Owner's equity:		
Share capital	689,184,933.00	689,184,933.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	779,554,450.36	779,554,450.36
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
Provision of general risk		
Retained profit	-1,186,933,721.52	-1,192,651,364.21
Total owner's equity attributable to parent company	314,478,888.85	308,761,246.16
Minority interests	10,180,294.22	639,908.03
Total owner's equity	324,659,183.07	309,401,154.19
Total liabilities and owner's equity	366,376,067.53	369,677,494.32

Legal Representative: Wang Shenghong

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: She Hanxing

## 2. Balance Sheet of Parent Company

In RMB

Item	2024-6-30	2024-1-1
Current assets:		
Monetary fund	14,317,442.17	13,378,843.17
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	82,213,794.19	185,121,769.23
Receivable financing		
Accounts paid in advance	42,920.72	10,066,139.77
Other account receivable	86,984,000.02	17,300,576.60

Including: Interest receivable		
Dividend receivable		
Inventory	39,057,209.04	58,463,627.32
Including: Data resources		
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	383,849.27	
Total current assets	222,999,215.41	284,330,956.09
Non-current assets:		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	125,760,379.73	120,510,379.73
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fix assets	1,975,914.75	2,052,548.31
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets		
Including: Data resources		
Expense on Research and Development		
Including: Data resources		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	4,514,826.56	4,587,566.82
Other non-current asset		400,000.00
Total non-current asset	132,251,121.04	127,550,494.86
Total assets	355,250,336.45	411,881,450.95
Current liabilities:		
Short-term loans		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	79,023.79	2,660,407.22
Accounts received in advance	10,000,000.00	
Contract liability		
Wage payable	509,163.43	381,092.87
Taxes payable	558,089.47	10,988,473.35
Other account payable	28,940,855.09	86,300,406.58
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		

Other current liabilities		
Total current liabilities	40,087,131.78	100,330,380.02
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	40,087,131.78	100,330,380.02
Owner's equity:		
Share capital	689,184,933.00	689,184,933.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	790,922,522.71	790,922,522.71
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
Retained profit	-1,197,617,478.05	-1,201,229,611.79
Total owner's equity	315,163,204.67	311,551,070.93
Total liabilities and owner's equity	355,250,336.45	411,881,450.95

### 3. Consolidated Profit Statement

Unit: RMB/CNY

Item	Semi-annual of 2024	Semi-annual of 2023
I. Total operation revenue	213,499,597.25	292,999,162.50
Including: Operation revenue	213,499,597.25	292,999,162.50
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operation cost	207,306,438.18	285,545,357.24
Including: Operation cost	200,995,029.52	278,484,152.74
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		

Bonus expense of guarantee slip		
Reinsurance expense		
Tax and surcharge	151,502.35	129,697.74
Sales expenses	1,778,393.48	2,522,214.01
Administration expenses	3,928,458.71	4,130,652.80
R&D expenses	454,213.62	336,970.90
Finance expenses	-1,159.50	-58,330.95
Including: Interest expenses	25,397.71	
Interest income	60,794.91	70,100.25
Add: Other income		2,092.35
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	254,919.43	328,289.79
Impairment loss on assets(Loss is listed with “-”)	8,123.50	
Income from assets disposal (Loss is listed with “-”)		
III. Operation profit (Loss is listed with “-”)	6,456,202.00	7,784,187.40
Add: Non-operating income	1,240,262.87	1,253,150.81
Less: Non-operating expense	60,128.00	1,462,822.69
IV. Total profit (Loss is listed with “-”)	7,636,336.87	7,574,515.52
Less: Income tax expenses	2,128,307.99	1,637,455.56
V. Net profit (Net loss is listed with “-”)	5,508,028.88	5,937,059.96
(i) Classify by business continuity		
1.Continuous operating net profit (net loss listed with “-”)	5,508,028.88	5,937,059.96
2.Termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to shareholders of parent company (net loss listed with “-”)	5,717,642.69	4,862,298.90
2.Minority shareholders’ gains and losses (net loss listed with “-”)	-209,613.81	1,074,761.06
VI. Net other comprehensive income after taxation		
Net other comprehensive income attributable to owners of parent company after taxation		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to		

gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net other comprehensive income attributable to minority shareholders after taxation		
VII. Total comprehensive income	5,508,028.88	5,937,059.96
Total comprehensive income attributable to owners of parent Company	5,717,642.69	4,862,298.90
Total comprehensive income attributable to minority shareholders	-209,613.81	1,074,761.06
VIII. Earnings per share:		
(i)Basic EPS	0.0083	0.0071
(ii)Diluted EPS	0.0083	0.0071

As for the enterprise combined under the same control, net profit of 0.00Yuan achieved by the merged party before combination while 0.00 Yuan achieved last period.

Legal Representative: Wang Shenghong

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: She Hanxing

#### 4. Profit Statement of Parent Company

Unit: RMB/CNY

Item	Semi-annual of2024	Semi-annual of2023
I. Operation revenue	42,842,025.55	26,202,365.96
Less: Operation cost	37,134,145.84	23,417,894.55
Tax and surcharge	31,409.40	31,208.15
Sales expenses	42,828.78	120,346.23
Administration expenses	1,986,875.83	2,129,147.35
R&D expenses	224,047.20	
Finance expenses	957.31	-39,733.30
Including: Interest expenses		
Interest income	5,696.20	43,606.56
Add: Other income		2,085.77
Investment income (Loss is listed with “-”)		



Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	290,961.03	648,901.39
Impairment loss on assets (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
II. Operation profit (Loss is listed with “-”)	3,712,722.22	1,194,490.14
Add: Non-operating income	1,200,994.87	1,253,150.81
Less: Non-operating expense	56,908.19	1,452,347.65
III. Total profit (Total losses are listed with “-”)	4,856,808.90	995,293.30
Less: Income tax expenses	1,244,675.16	82,966.60
IV. Net profit (Net loss is listed with “-”)	3,612,133.74	912,326.70
(i) Continuous operating net profit (net loss listed with “-”)	3,612,133.74	912,326.70
(ii) Termination of net profit (net loss listed with “-”)		
V. Net other comprehensive income after taxation		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes of the defined benefit plans that re-measured		
2. Other comprehensive income under equity method that cannot be transfer to gain/loss		
3. Change of fair value of investment in other equity instrument		
4. Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of other debt investment		
3. Amount of financial assets re-classify to other comprehensive income		
4. Credit impairment provision for other debt investment		
5. Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	3,612,133.74	912,326.70
VII. Earnings per share:		
(i) Basic EPS		

(ii)Diluted EPS		
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## 5. Consolidated Cash Flow Statement

Unit: RMB/CNY

Item	Semi-annual of2024	Semi-annual of2023
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	208,540,289.21	428,649,719.53
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of capital from repurchase business		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received		
Other cash received concerning operating activities	12,931,342.09	13,328,115.67
Subtotal of cash in-flow arising from operation activity	221,471,631.30	441,977,835.20
Cash paid for purchasing commodities and receiving labor service	257,584,685.85	464,456,329.67
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, handling charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff	4,191,369.89	3,788,625.70
Taxes paid	6,814,606.57	3,747,529.15
Other cash paid concerning operating activities	4,209,777.81	5,349,724.34
Subtotal of cash out-flow arising from operation activity	272,800,440.12	477,342,208.86
Net cash flow arising from operating activities	-51,328,808.82	-35,364,373.66
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed,		

intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash in-flow arising from investment activity		
Cash paid for purchasing fixed, intangible and other long-term assets	38,793.99	
Cash paid for investment	30,000.00	
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash out-flow arising from investment activity	68,793.99	
Net cash flow arising from investment activities	-68,793.99	
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	9,750,000.00	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		
Other cash received concerning financing activities	12,098,051.76	
Subtotal of cash in-flow arising from financing activity	21,848,051.76	
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash out-flow arising from financing activity		
Net cash flow arising from financing activities	21,848,051.76	
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalent	-29,549,551.05	-35,364,373.66
Add: Balance of cash and cash equivalents at the period -begin	54,148,674.40	50,922,869.35
VI. Balance of cash and cash equivalents at the period -end	24,599,123.35	15,558,495.69

## 6. Cash Flow Statement of Parent Company

Unit: RMB/CNY

Item	Semi-annual of 2024	Semi-annual of 2023
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	159,622,320.49	238,002,296.41
Write-back of tax received		
Other cash received concerning operating activities	32,892,557.22	89,429,332.20
Subtotal of cash inflow arising from	192,514,877.71	327,431,628.61

operating activities		
Cash paid for purchasing commodities and receiving labor service	22,193,155.15	128,040,000.00
Cash paid to/for staff and workers	2,061,971.12	648,889.48
Taxes paid	5,466,087.76	1,447,813.31
Other cash paid concerning operating activities	169,094,699.79	155,328,861.74
Subtotal of cash outflow arising from operating activities	198,815,913.82	285,465,564.53
Net cash flow arising from operating activities	-6,301,036.11	41,966,064.08
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		
Cash paid for purchasing fixed, intangible and other long-term assets		
Cash paid for investment	5,250,000.00	75,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	5,250,000.00	75,000,000.00
Net cash flow arising from investment activities	-5,250,000.00	-75,000,000.00
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans		
Other cash received concerning financing activities	12,098,051.76	
Subtotal of cash inflow from financing activities	12,098,051.76	
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flow arising from financing activities	12,098,051.76	
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	547,015.65	-33,033,935.92
Add: Balance of cash and cash equivalents at the period -begin	13,378,843.17	40,403,702.70
VI. Balance of cash and cash equivalents at the period -end	13,925,858.82	7,369,766.78

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

Current Amount

Unit: RMB/CNY

Item	Semi-annual of 2024														
	Owners' equity attributable to the parent Company													Minority interests	Total owner's equity
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus public reserve	Provision of general risk	Retained profit	Other	Subtotal		
	Preferred stock	Perpetual capital securities	Other												
I. The ending balance of the previous year	689,184,933.00				779,554,450.36				32,673,227.01		1,192,651,364.21		308,761,246.16	639,908.03	309,401,154.19
Add: Changes of accounting policy															
Error correction of the last period															
Other															
II. The beginning balance of the current year	689,184,933.00				779,554,450.36				32,673,227.01		1,192,651,364.21		308,761,246.16	639,908.03	309,401,154.19
III. Increase/Decrease in the period (Decrease is listed with "-")											5,717,642.69		5,717,642.69	9,540,386.19	15,258,028.88
(i) Total comprehensive											5,717,642.69		5,717,642.69	-209,613.81	5,508,028.88

ve income																
(ii) Owners' devoted and decreased capital															9,750,000.00	9,750,000.00
1. Common shares invested by shareholders															9,750,000.00	9,750,000.00
2. Capital invested by holders of other equity instruments																
3. Amount reckoned into owners equity with share-based payment																
4. Other																
(iii) Profit distribution																
1. Withdrawal of surplus reserves																
2. Withdrawal of general risk provisions																
3. Distribution for owners (or shareholders)																
4. Other																
(iv) Carrying forward internal owners'																

equity															
1. Capital reserves converted to capital (share capital)															
2. Surplus reserves converted to capital (share capital)															
3. Remedying loss with surplus reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(v) Reasonable reserve															
1. Withdrawal in the report period															
2. Usage in the report period															

(vi) Others															
IV. Balance at the end of the period	689,184,933.00				779,554,450.36				32,673,227.01		1,186,933,721.52	-	314,478,888.85	10,180,294.22	324,659,183.07

Amount of the previous period

Unit: RMB/CNY

Item	Semi-annual of 2023														Minority interests	Total owner's equity
	Owners' equity attributable to the parent Company															
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus public reserve	Provision of general risk	Retained profit	Other	Subtotal			
	Preferr ed stock	Perpet ual capital securit ies	Oth er													
I. The ending balance of the previous year	689,184,933.00				778,824,470.95				32,673,227.01		1,210,553,312.45		290,129,318.51	14,718,231.05	304,847,549.56	
Add: Changes of accounting policy																
Error correction of the last period																
Other																
II. The beginning balance of the current year	689,184,933.00				778,824,470.95				32,673,227.01		1,210,553,312.45		290,129,318.51	14,718,231.05	304,847,549.56	
III. Increase/Decrease in the											4,862,298.90		4,862,298.90	1,074,761.06	5,937,059.96	



period (Decrease is listed with “-”)															
(i) Total comprehen sive income											4,862,298.9 0		4,862,298. 90	1,074,761. 06	5,937,059. 96
(ii) Owners’ devoted and decreased capital															
1.Common shares invested by shareholde rs															
2. Capital invested by holders of other equity instrument s															
3. Amount reckoned into owners equity with share- based payment															
4. Other															
(iii) Profit distributio n															
1. Withdrawa l of surplus reserves															
2.															

Withdrawal of general risk provisions																
3. Distribution for owners (or shareholders)																
4. Other																
(iv) Carrying forward internal owners' equity																
1. Capital reserves converted to capital (share capital)																
2. Surplus reserves converted to capital (share capital)																
3. Remedying loss with surplus reserve																
4. Carry-over retained earnings from the defined benefit plans																
5. Carry-																

over retained earnings from other comprehensive income																	
6. Other																	
(v) Reasonable reserve																	
1. Withdrawal in the report period																	
2. Usage in the report period																	
(vi) Others																	
IV. Balance at the end of the period	689,184,933.00				778,824,470.95				32,673,227.01			1,205,691,013.55			294,991,617.41	15,792,992.11	310,784,609.52

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

Current Amount

Unit: RMB/CNY

Item	Semi-annual of 2024											Total owner's equity			
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus public reserve	Retained profit	Other				
		Preferred stock	Perpetual capital securities	Other											
I. The ending balance of the previous year	689,184,933.00				790,922,522.71				32,673,227.01			1,201,229,611.79			311,551,070.93

Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	689,184,933.0 0				790,922,522.7 1				32,673,227.0 1	1,201,229,611.7 9	-	311,551,070.9 3
III. Increase/ Decrease in the period (Decrease is listed with “- ”)										3,612,133.74		3,612,133.74
(i) Total comprehensiv e income										3,612,133.74		3,612,133.74
(ii) Owners’ devoted and decreased capital												
1. Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share- based payment												
4. Other												
(iii) Profit distribution												
1. Withdrawal												

of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(iv) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report												

period												
(vi) Others												
IV. Balance at the end of the period	689,184,933.00				790,922,522.71				32,673,227.01	1,197,617,478.05	-	315,163,204.67

Amount of the previous period

Unit: RMB/CNY

Item	Semi-annual of 2023											
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus public reserve	Retained profit	Other	Total owner's equity
		Preferred stock	Perpetual capital securities	Other								
I. The ending balance of the previous year	689,184,933.00				778,824,470.95				32,673,227.01	1,215,381,715.79	-	285,300,915.17
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	689,184,933.00				778,824,470.95				32,673,227.01	1,215,381,715.79	-	285,300,915.17
III. Increase/Decrease in the period (Decrease is listed with “-”)										912,326.70		912,326.70
(i) Total comprehensive income										912,326.70		912,326.70
(ii) Owners' devoted and decreased capital												

1. Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution												
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(iv) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over												

retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(vi) Others												
IV. Balance at the end of the period	689,184,933.0 0				778,824,470.9 5				32,673,227.0 1	- 1,214,469,389.0 9		286,213,241.8 7



### III. Basic information

#### 1. Company Profile

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

Legal representative: Wang Shenghong

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

Office address: 8/F Shuibeijin Building, No.89 Beili North Road, Cuizhu Street, Luohu District, Shenzhen

Certificate for Uniform Social Credit Code: 914403006188304524。

#### 2. Business nature and main operation activities

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

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

#### 3. Actual controller of the Company

Actual controller of the Company is Wang Shenghong, The controlling shareholder is Wansheng Industrial Holding (Shenzhen) Co., Ltd., who held or controlled 20% shares of the Company.

#### 4. Release of the financial report

The Financial Report was approved to report at the 14<sup>th</sup> Session of 11<sup>th</sup> BOD of CBC on August 23, 2024.

## IV. Compilation Basis of Financial Statement

### 1. Compilation Basis

On the basis of going concern, the Company recognizes and measures according to the actual transactions and events, the Accounting Standards for Business Enterprises-Basic Standards and other specific accounting standards, application guidelines, standard interpretation and other relevant provisions (hereinafter referred to as the Accounting Standards for Business Enterprises), and on this basis, it compiles the financial statements in combination with the provisions of the No.15 Rules on Information Disclosure and Compilation of Companies Offering Securities to the Public - General Provisions on Financial Reports (revised in 2023) issued by China Securities Regulatory Commission.

### 2. Going concern

The Company has the ability to continue to operate for at least 12 months from the end of this reporting period, and there is no major issue affecting its ability to continue to operate.

## V. Main accounting policy and Accounting Estimate

Tips for specific accounting policy and estimate:

Nil

### 1. Declaration on compliance with accounting standards for business enterprise

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the Company's financial status, operating results, changes in owners' equity and cash flow and other relevant information.

### 2. Accounting period

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

### 3. Business cycles

The Company takes 12 months as a business cycle.

### 4. Book-keeping currency

The CBC takes RMB as the standard currency for bookkeeping.

### 5. Determination method and selection basis of importance standard

Applicable Not applicable

Item	Criterion of importance
Material receivables with bad debt provision accrued individually	Commercial acceptance bills receivable, accounts receivable and other receivables with a single amount exceeding RMB 5 million (inclusive)
Material amount recovered or reversed from bad debt provision of receivables in the current period	The single amount exceeds RMB 5 million (inclusive)
Write-off of Important material receivables in the current period	The single amount exceeds RMB 5 million (inclusive)

Material prepayments with an age of more than one year	The single amount exceeds RMB 5 million (inclusive)
Material accounts payable with an age of over 1 year	The single amount exceeds RMB 5 million (inclusive)
Material contractual liabilities with an age of more than 1 year	The single amount exceeds RMB 5 million (inclusive)
Material other payables with an age of more than 1 year	The single amount exceeds RMB 5 million (inclusive)
Material construction in progress	Construction in progress with a single amount exceeding RMB 5 million (inclusive)
Material commitments	Commitments involving an amount of more than 10% of the total profit and more than RMB 5 million (inclusive)
Material contingencies	Contingencies involving an amount of more than 10% of the total profit and more than RMB 5 million (inclusive)
Material matters after the balance sheet date	Matters after the balance sheet date involving an amount exceeding 10% of the total profit and exceeding RMB 5 million (inclusive)

## **6. Accounting treatment for business combinations under the same control and those not under the same control**

1. Business merger under the same control: The assets and liabilities acquired by the Company in business merger are measured according to the book value of the assets and liabilities of the merged party (including the goodwill formed by the acquisition of the merged party by the ultimate controlling party) in the consolidated financial statements of the ultimate controlling party on the date of merger. For the difference between the book value of the net assets obtained in the merger and the book value of the merger consideration paid (or the total face value of the issued shares), adjust the capital premium or share capital premium in the capital reserve. If the capital premium or share capital premium in the capital reserve is insufficient to offset, adjust the retained income.

2. Business merger not under the same control: The assets paid, liabilities incurred or assumed by the Company as the consideration for business merger are measured at fair value on the date of purchase, and the difference between fair value and book value is included in the current profits and losses. The Company recognizes the difference between the merger cost and the fair value share of the net identifiable assets of the acquiree obtained in the merger as goodwill; For the difference between the merger cost and the fair value share of the net identifiable assets of the acquiree (which is larger than the merger cost), it reviews the fair values of the assets and liabilities obtained in the merger, the non-cash assets as the merger consideration or the equity securities issued, and the review results show that the determination of the fair values of the determined identifiable assets and liabilities is appropriate. The difference between the business merger cost and the fair value share of the net identifiable assets of the acquiree (which is larger than the business merger cost) is included in the non-operating income in the current merger period.

The business merger not under the same control is realized step by step through multiple transactions, and the merger cost is the sum of the consideration paid on the date of purchase and the fair value of the equity of the acquiree held before the date of purchase; The equity of the purchased party held before the date of purchase shall be re-measured according to the fair value on the date of purchase, and the difference between the fair value and its book value shall be included in the current investment income. Other comprehensive income of the long-term equity investment of the acquiree held before the date of purchase under the accounting by equity method shall be subject to accounting treatment on the same basis as the direct disposal of relevant assets or liabilities by the investee. Changes in other shareholders' equity except net profits and losses, other comprehensive income and profit distribution shall be converted into current profits and losses on the date of purchase. For other equity instrument investments of the acquiree held before the date of purchase, the changes in fair value of the equity instrument investments accumulated in other comprehensive income before the date of purchase are transferred to retained profits and losses.

3. Disposal of related expenses in business merger: Intermediary expenses such as audit, legal services, evaluation and consultation and other related management expenses incurred for business merger are included in current profits and losses when incurred; The transaction costs of equity securities or debt securities issued as the merger consideration are included in the initial recognition amount of equity securities or debt securities.

## **7. Criteria for control and preparation method of consolidated financial statements**

### 1. Criteria for control and preparation scope of consolidated statements

Control means that the investor has the power over the investee, enjoys variable returns by participating in the related activities of the investee, and has the ability to influence the amount of returns by using the power over the investee. As for whether to control the investee, the Company's criterion factors include:

- (1) Have the power over the investee and the ability to lead the related activities of the investee;
- (2) Be entitled to variable returns to the investee;
- (3) Have the ability to use the power over the investee to influence its return amount.

Unless there is conclusive evidence that the Company cannot lead the related activities of the investee, the Company has the power over the investee if:

- (1) It holds more than half of the voting rights of the investee;
- (2) It holds half or less of the voting rights of the investee, but controls more than half of the voting rights through agreements with other voting rights holders.

If the Company holds half or less of the voting rights of the investee, but after comprehensive consideration of the following facts and circumstances, it is judged that the voting rights held are sufficient to lead the relevant activities of the investee, it is deemed that the Company has power over the investee:

- (1) The size of the voting rights held relative to the voting rights held by other investors, and the degree of dispersion of the voting rights held by other investors;
- (2) The potential voting rights of the investee held by other investors, such as convertible corporate bonds and executable warrants;
- (3) Other contractual rights;
- (4) Other relevant facts and circumstances such as the past voting rights of the investee.

The Company evaluates the variability of returns based on the nature of contractual arrangements rather than the legal form of returns.

If the Company exercises the decision-making power as the main responsible person, or if other parties have the decision-making power and other parties exercise the decision-making power as the agents of the Company, it shows that the Company controls the investee.

Once the changes in relevant facts and circumstances lead to changes in the relevant factors involved in the definition of control, the Company will re-evaluate.

The scope of consolidation of the consolidated financial statements is determined on the basis of control, including not only subsidiaries determined by voting rights (or similar rights) themselves or in combination with other arrangements, but also structured entities determined by one or more contractual arrangements.

### 2. Merger procedure

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared according to other relevant information.

The Company unifies the accounting policies and accounting periods adopted by its subsidiaries, so that the accounting policies and accounting periods adopted by its subsidiaries are consistent with those adopted by the Company. When preparing consolidated financial statements, it follows the principle of materiality to offset

the internal exchanges, internal transactions and equity investment projects between the parent company and the subsidiaries, and between the subsidiaries.

The equity and profit and loss attributable to minority shareholders of the subsidiaries are listed separately under the item of the owners' equity in the consolidated balance sheet and under the item of net profit in the consolidated income statement. The current loss shared by minority shareholders of a subsidiary exceeds the balance formed by minority shareholders' share in the initial owners' equity of the subsidiary, thus offsetting minority shareholders' equity.

(1) Increase of subsidiaries and businesses

During the reporting period, when preparing the consolidated balance sheet due to the business merger under the same control and the subsidiaries and businesses increased, the opening balance of the consolidated balance sheet is adjusted; When preparing the income statement, the income, expenses and profits of the subsidiary and business merger from the beginning of the current period to the end of the reporting period are included in the consolidated income statement; When the cash flow statement is consolidated, the cash flows of the subsidiary and the business combination from the beginning of the current period to the end of the reporting period are included in the consolidated cash flow statement; At the same time, the relevant items of the comparative statements shall be adjusted, as if the merged reporting entity had existed since the ultimate controlling party started to control.

During the reporting period, when preparing the consolidated balance sheet for subsidiaries and businesses increased due to business merger not under the same control or other means, the opening balance of the consolidated balance sheet will not be adjusted. When preparing the income statement, the income, expenses and profits of the subsidiary and the business from the date of purchase to the end of the reporting period shall be included in the consolidated income statement. When preparing the cash flow statement, the cash flow of the subsidiary from the date of purchase to the end of the reporting period shall be included in the consolidated cash flow statement.

The Company prepares consolidated financial statements based on the amount of identifiable assets, liabilities and contingent liabilities determined on the basis of the fair value on the date of purchase reflected in the individual financial statements of subsidiaries at the current balance sheet date. The difference between the merger cost and the fair value share of the net identifiable assets of the acquiree obtained in the merger shall be recognized as goodwill. The difference between the merger cost and the fair value share of the net identifiable assets of the acquiree obtained in the merger shall be included in the current profits and losses after review.

If the business merger not under the same control is realized step by step through multiple transactions, in the consolidated financial statements, the equity of the acquiree held before the date of purchase shall be re-measured according to the fair value of the equity on the date of purchase, and the difference between the fair value and its book value shall be included in the current investment income. Other comprehensive income of the long-term equity investment of the acquiree held before the date of purchase under the accounting by equity method shall be subject to accounting treatment on the same basis as the direct disposal of relevant assets or liabilities by the investee. Changes in other shareholders' equity except net profits and losses, other comprehensive income and profit distribution shall be converted into current profits and losses on the date of purchase. For other equity instrument investments of the acquiree held before the date of purchase, the changes in fair value of the equity instrument investments accumulated in other comprehensive income before the date of purchase are transferred to retained profits and losses.

(2) Disposal of subsidiaries and businesses

A. General disposal methods

During the reporting period, if the Company disposes of its subsidiaries and businesses, the income, expenses and profits of the subsidiaries and businesses from the beginning to the disposal date will be included in the consolidated income statement; The cash flow of the subsidiaries and businesses from the beginning to the disposal date will be included in the consolidated cash flow statement.

If the Company loses control of its original subsidiaries due to the disposal of some equity investments, the remaining equity shall be re-measured according to its fair value on the date of loss of control in the consolidated financial statements. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the share of the net assets that should be continuously calculated by the original subsidiary from the date of purchase or the date of merger according to the original shareholding ratio, is included in the current investment income when the control right is lost, and the goodwill is also offset. Other comprehensive income related to the original subsidiary's equity investment shall be subject to accounting treatment on the same basis as the subsidiary's direct disposal of relevant assets or liabilities when it loses control. Shareholders' equity recognized due to changes in other shareholders' equity related to the original subsidiary except net profit and loss, other comprehensive income and profit distribution shall be converted into current profits and losses when it loses control.

#### B. Dispose of equity step by step until loss of control

If the enterprise disposes of its equity investment in a subsidiary step by step through multiple transactions until it loses control, if the transaction of disposing of its equity investment in a subsidiary until the loss of control is a package transaction, it shall treat each transaction as a transaction of disposing of the subsidiary and loss of control; However, the difference between the price of each disposal before the loss of control and the share of the subsidiary's net assets corresponding to the disposal investment shall be recognized as other comprehensive income in the consolidated financial statements, and transferred to the current profits and losses when the control is lost.

The terms, conditions and economic impact of various transactions dealing with equity investment in subsidiaries meet one or more of the following conditions, which usually indicates that multiple transactions shall be subject to accounting treatment as a package transaction:

(A) These transactions are concluded at the same time or under the consideration of mutual impact;

(B) These transactions as a whole can achieve a complete commercial result;

(C) The occurrence of one transaction depends on the occurrence of at least one other transaction;

(D) A transaction is uneconomical when considered alone, but it is economical when considered together with other transactions.

#### (3) Purchase of minority shares of the subsidiaries

The Company shall adjust the capital premium or share capital premium in the capital reserve in the consolidated balance sheet for the difference between the newly acquired long-term equity investment due to the purchase of minority shares and the share of net identifiable assets that should be continuously calculated by the subsidiaries from the date of purchase (or date of merger) according to the new shareholding ratio. If the capital premium or share capital premium in the capital reserve is insufficient to offset, the retained income shall be adjusted.

#### (4) Partial disposal of equity investment in subsidiaries without loss of control

For the difference between the disposal price obtained from the partial disposal of the long-term equity investment in the subsidiary and the share of the net assets of the subsidiary that is continuously calculated from the date of purchase or the date of merger corresponding to the disposal of the long-term equity investment, adjust the capital premium or share capital premium in the capital reserve in the consolidated balance sheet. If

the capital premium or share capital premium in the capital reserve is insufficient to offset, adjust the retained income.

## **8. Classification of joint venture arrangement and accounting treatment for joint control**

A joint venture arrangement refers to an arrangement controlled jointly by two or more participants. Joint venture arrangements are divided into joint operation and joint ventures.

1. Joint operation refers to the joint venture arrangement in which the Company is entitled to the assets related to the arrangement and undertakes the liabilities related to the arrangement. The Company recognizes the following items related to the share of interests in joint operation:

- (1) Recognize the assets held separately, and recognize the assets held jointly according to their shares;
- (2) Recognize the liabilities undertaken separately, and recognize the liabilities jointly undertaken according to their shares;
- (3) Recognize the income generated from the sale of its share of joint operation output;
- (4) Recognize the income generated by the sale of output in the joint operation according to its share;
- (5) Recognize the expenses incurred separately, and recognize the expenses incurred in joint operation according to their shares.

2. Joint venture refers to a joint venture arrangement in which the Company has rights only to the net assets of the arrangement. The Company shall carry out accounting treatment for the investment of the joint venture in accordance with the provisions on accounting by equity method for long-term equity investment.

## **9. Recognition of cash and cash equivalents**

When preparing the cash flow statement, the Company will recognize the cash on hand and the deposits that can be used for payment at any time as cash. An investment with short term (usually due within three months from the date of purchase), strong liquidity, easy conversion into known cash and little risk of value change will be determined as a cash equivalent. Restricted bank deposits will not be regarded as cash and cash equivalents in the cash flow statement.

## **10. Foreign currency transaction and financial statement conversion**

### **1. Foreign currency business**

When foreign currency business occurs, the amount of foreign currency is converted into RMB for recording according to the spot exchange rate on the date of transaction, and foreign currency monetary items and foreign currency non-monetary items are treated in the following ways at the end of the period:

(1) Foreign currency monetary items are converted at the spot exchange rate on the balance sheet date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and the initial recognition or the spot exchange rate on the previous balance sheet date are included in the current profits and losses.

(2) Foreign currency non-monetary items measured at historical cost are still converted at the spot exchange rate on the date of transaction, and the amount of their recording currency will not be changed.

(3) Foreign currency non-monetary items measured at fair value shall be converted at the spot exchange rate on the fair value determination date, and the resulting exchange gains and losses shall be included in the current profits and losses or other comprehensive income.

(4) Foreign currency exchange gains and losses, except the exchange gains and losses arising from foreign currency special borrowing related to the purchase, construction or production of assets eligible for

capitalization, are included in the cost of assets eligible for capitalization before the assets reach the scheduled serviceable or saleable state, and the rest are included in the current profits and losses.

## 2. Conversion in foreign currency financial statements

(1) Assets and liabilities in the balance sheet are converted at the spot exchange rate on the balance sheet date; Except for the "undistributed profit", other items of owners' equity are converted at the spot exchange rate at the time of occurrence.

(2) The income and expenses in the income statement are converted at the approximate exchange rate of the spot exchange rate on the date of transaction.

(3) The conversion difference of foreign currency financial statements generated according to the above conversion is included in other comprehensive income. When disposing of overseas operations, the conversion difference of foreign currency financial statements related to the overseas operations shall be transferred from the owners' equity to the current profits and losses.

(4) The cash flow statement is converted by the approximate exchange rate of the spot exchange rate on the date of cash flow occurrence. As a reconciliation item, the influence of exchange rate changes on cash is listed separately in the cash flow statement.

## 11. Financial instruments

When the Company becomes a party to the financial instrument contract, it recognizes a financial asset or financial liability related to it.

### 1. Classification, recognition basis and measurement method of financial assets

According to the business model of financial assets under management and the contractual cash flow characteristics of financial assets, the Company divides financial assets into three categories: financial assets measured by amortized cost, financial assets measured by fair value with its changes included in other comprehensive income, and financial assets measured by fair value with its changes included in current profits and losses.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value with its changes included in the current profits and losses, relevant transaction costs are directly included in the current profits and losses; For financial assets of other types, relevant transaction costs are included in the initial recognition amount. If the accounts receivable initially recognized by the Company do not contain significant financing components as defined in the Accounting Standards for Business Enterprises No.14-Income, or the financing components in contracts with a duration of no more than one year are not considered according to the provisions of Accounting Standards for Business Enterprises No.14-Income, the initial measurement shall be made according to the transaction price of the consideration expected to be charged.

#### (1) Financial assets measured in amortized cost

The Company's business model of managing such financial assets is to collect contract cash flow, and the cash flow generated on a specific date is only for the payment of principal and interest based on the unpaid principal amount. For such financial assets, the Company adopts the effective interest rate method for subsequent measurement according to amortized cost, and the gains or losses arising from amortization or impairment are included in the current profits and losses.

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

The Company's business model of managing such financial assets is to collect contract cash flow and sell it, and the cash flow generated on a specific date is only for the payment of principal and interest based on the unpaid principal amount. Such financial assets are measured at fair value with changes included in other



comprehensive income, but impairment losses or gains, exchange gains and losses and interest income calculated according to the effective interest rate method are included in current profits and losses.

For the investment in non-transactional equity instruments, the Company can irrevocably designate it as a financial asset measured at fair value with changes included in other comprehensive income at the initial recognition. The designation is made on the basis of a single investment, and the relevant investment conforms to the definition of equity instrument from the issuer's point of view. The Company includes the relevant dividend income of such financial assets in the current profits and losses, and the changes in fair value in other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained income and will not be included in the current profits and losses.

(3) Financial assets measured at fair value with changes included in the current profits and losses

Except for the above financial assets measured in amortized cost and the financial assets measured at fair value with changes included in other comprehensive income, the Company classifies all other financial assets as financial assets measured at fair value with changes included in current profits and losses. In addition, at the time of initial recognition, in order to eliminate or significantly reduce the accounting mismatch, the Company designated some financial assets as the financial assets measured at fair value with changes included in the current profits and losses. Such financial assets are subsequently measured at fair value, with changes in fair value included in current profits and losses.

2. Classification, recognition basis and measurement method of financial liabilities

The Company's financial liabilities are classified into financial liabilities measured at fair value with changes included in current profits and losses and other financial liabilities at initial recognition. For financial liabilities measured at fair value with changes included in the current profits and losses, the related transaction costs are directly included in the current profits and losses, and the related transaction costs of other financial liabilities are included in their initial recognition amount.

(1) Financial liabilities measured at fair value with changes included in the current profits and losses

Financial liabilities measured at fair value with changes included in current profits and losses include transactional financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated as measured at fair value with changes included in current profits and losses.

Transactional financial liabilities (including derivatives belonging to financial liabilities) are subsequently measured at fair value, and changes in fair value are included in current profits and losses, except those related to hedging accounting.

For financial liabilities that are designated as being measured at fair value with changes included in current profits and losses at the time of initial recognition, the changes in fair value caused by changes in the Company's own credit risk are included in other comprehensive income, and when the liability is derecognized, the accumulated changes in its fair value caused by changes in its own credit risk included in other comprehensive income are transferred to retained income. Other changes in fair value are included in current profits and losses. If the accounting mismatch in profit and loss will be caused or enlarged by handling the impact of the changes in credit risk of these financial liabilities in the above way, the Company will include all the gains or losses of the financial liabilities (including the amount affected by the changes in the enterprise's credit risk) in the current profits and losses.

(2) Other financial liabilities

Other financial liabilities, except those caused by the transfer of financial assets and financial guarantee contracts that do not meet the conditions for derecognition or continue to be involved in the transferred financial

assets, are classified as financial liabilities measured in amortized cost and subsequently measured in amortized cost. The gains or losses arising from derecognition or amortization are included in the current profits and losses.

### 3. Methods for determining the fair value of financial assets and financial liabilities

The fair value of financial instruments with an active market shall be determined by the quotation in the active market. The fair value of financial instruments without active market shall be determined by valuation technology. At the time of valuation, the Company adopts the valuation technology that is applicable in the current situation and supported by sufficient available data and other information, selects the input values that are consistent with the characteristics of assets or liabilities considered by market participants in the transaction of relevant assets or liabilities, and gives priority to the relevant observable input values. Unobservable input values can only be used if the relevant observable input values are unavailable or impracticable.

### 4. Recognition basis and measurement method for transfer of financial assets

#### Recognition for transfer of financial assets

Circumstances		Recognition results
Almost all risks and rewards in the ownership of financial assets are transferred		The financial assets are derecognized (new assets/liabilities are recognized)
Almost all risks and rewards in the ownership of financial assets are neither transferred nor retained	The control of financial assets is given up	
	The control of financial assets is not given up	The relevant assets and liabilities is recognized according to the extent of continuing involvement in the transferred financial assets
Almost all risks and rewards in the ownership of financial assets are retained	Continue to recognize the financial assets and recognize the received consideration as financial liabilities	

The Company divides the transfer of financial assets into the overall transfer and partial transfer of financial assets.

(1) If the overall transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts shall be included in the current profits and losses: the book value of the transferred financial assets on the derecognition date; The sum of the consideration received for the transfer of financial assets and the cumulative amount of changes in fair value that were originally directly included in other comprehensive income (the financial assets involved in the transfer are those classified as financial assets measured at fair value with changes included in other comprehensive income in Article 18 of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments).

(2) If a part of the financial assets is transferred, and the transferred part as a whole meets the conditions for derecognition, the book value of the whole financial assets before the transfer shall be allocated between the derecognition part and the continued recognition part (in this case, the retained service assets shall be regarded as part of continued recognition of financial asset) according to their respective relative fair values on the date of transfer, and the difference between the following two amounts shall be included in the current profits and losses: the book value of the derecognition part on the derecognition date; The sum of the consideration received for the derecognition part (including all new assets acquired minus all new liabilities assumed) and the corresponding derecognition amount in the accumulated amount of changes in fair value originally included in other comprehensive income (the financial assets involved in partial transfer are those classified as financial assets measured at fair value with changes included in other comprehensive income in Article 18 of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments).

If the transfer of financial assets does not meet the conditions for derecognition, the whole transferred financial assets shall be continuously recognized, and the received consideration shall be recognized as a financial liability.

### 5. Conditions for derecognition of financial liabilities

If the current obligations of financial liabilities (or part of them) have been discharged, the financial liabilities (or part of them) shall be derecognized. If the following conditions exist:

(1) If the Company transfers the assets used to pay financial liabilities to an institution or establishes a trust, and the obligation of debt payment still exists, it shall not derecognize the financial liabilities.

(2) The Company (the borrower) and the lender sign an agreement to replace the original financial liabilities (or part of them) by taking on new financial liabilities, and the contractual terms are essentially different. The Company shall derecognize the original financial liabilities (or part of them) and recognize a new financial liability at the same time.

If the financial liabilities (or part of them) are derecognized, the Company will record the difference between the book value and the consideration paid (including the transferred non-cash assets or liabilities) into the current profits and losses.

#### 6. Impairment of financial assets

##### (1) Recognition method of impairment provision

The Company conducts impairment accounting treatment on financial assets (including receivables) measured in amortized cost, debt instrument investment and lease receivables measured at fair value with changes included in other comprehensive income on the basis of expected credit losses, and recognizes the loss provisions. In addition, for contract assets, loan commitments and financial guarantee contracts, impairment provisions are also accrued and impairment losses are recognized in accordance with the accounting policies described in this section.

Expected credit loss refers to the weighted mean of credit loss of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contracted cash flows that the Company discounted at the original actual interest rate and all cash flows that it is expected to receive, that is, the present value of all cash shortages.

Except for the purchased or originated financial assets with credit impairment, the Company evaluates whether the credit risk of relevant financial assets has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition, it is in the first stage, and the Company will measure the loss provision according to the amount equivalent to the expected credit loss of the financial asset in the next 12 months; If the credit risk has increased significantly since the initial recognition but with no credit impairment, it is in the second stage, and the Company will measure the loss provision according to the amount equivalent to the expected credit loss of the financial asset during the whole duration; If the financial asset has suffered credit impairment since its initial recognition, it is in the third stage, and the Company will measure the loss provision according to the amount equivalent to the expected credit loss of the financial asset in the whole duration. When evaluating the expected credit loss, the Company considers the reasonable and well-founded information, including forward-looking information, about past events, current situation and future economic situation prediction that can be obtained on the balance sheet date without unnecessary extra cost or effort.

The expected credit loss in the next 12 months refers to the expected credit loss caused by financial asset default events that may occur within 12 months after the balance sheet date (if the expected duration of financial assets is less than 12 months, within the expected duration), which is a part of the expected credit loss in the whole duration.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that the credit risk has not increased significantly since the initial recognition, and chooses to measure the loss provision according to the expected credit loss in the next 12 months.

For the financial assets in the first and second stages and with low credit risk, the Company calculates the interest income according to the book balance without deducting the impairment provision and the actual interest rate. For the financial assets in the third stage, the interest income shall be calculated according to the book balance minus the amortized cost and the actual interest rate after the impairment provision has been accrued.

(2) Financial asset with impairment

When the Company anticipates that one or more events that have an adverse effect on the future cash flow of a financial asset occur, the financial asset becomes a financial asset with credit impairment. Evidence of credit impairment of financial assets includes the following observable information:

- A. The issuer or the debtor has major financial difficulties;
- B. The debtor has breached the contract, such as default or overdue payment of interest or principal;
- C. The creditor makes concessions to the debtor that it will not make under any other circumstances due to economic or contractual considerations related to its financial difficulties;
- D. The debtor is likely to go bankrupt or carry out other financial restructuring;
- E. The financial difficulties of the issuer or debtor lead to the disappearance of the active market of the financial asset;
- F. A financial asset is purchased or originated at a large discount, which reflects the fact that credit loss has occurred.

Credit impairment of financial assets may be caused by the joint action of multiple events, not necessarily by an event that can be identified separately.

(3) Financial assets with credit impairment purchased or originated

For the purchased or originated financial assets with credit impairment, the Company only recognizes the cumulative change of expected credit loss in the whole duration after initial recognition as loss provision on the balance sheet date. On each balance sheet date, the change amount of expected credit loss during the whole duration is included in the current profits and losses as impairment loss or gain. Even if the expected credit loss determined on the balance sheet date is less than the amount of the expected credit loss reflected by the estimated cash flow at the time of initial recognition, the favorable change of expected credit loss will be recognized as impairment gain.

(4) Criteria for judging significant increase in credit risk

If the default probability of a financial asset in the estimated duration determined on the balance sheet date is significantly higher than that in the estimated duration determined at the initial recognition, it indicates that the credit risk of the financial asset is significantly increased. Except in special circumstances, the Company uses the change of default risk in the next 12 months as a reasonable estimate of the change in default risk in the whole duration to determine whether the credit risk has increased significantly since the initial recognition.

(5) Method of evaluating the expected credit loss of financial assets

The Company evaluates the expected credit loss of financial assets based on individual and combined items. It individually evaluates the credit risk of financial assets with significantly different credit risks, such as: receivables from related parties; accounts receivable from government agencies and units; and receivables with obvious signs that the debtor is likely to be unable to fulfill the repayment obligations.

Except for financial assets whose credit risks are individually evaluated, the Company divides financial assets into different groups based on common risk characteristics, and evaluates the credit risks on the basis of combination.

(6) Accounting treatment method for impairment of financial assets

The Company calculates the expected credit losses of various financial assets on the balance sheet date, and the resulting increase or reversal amount of loss provision is included in the current profits and losses as impairment losses or gains.

If the Company actually suffers from credit losses, and the relevant financial assets are determined to be irrecoverable and approved for write-off, the book balance of the financial assets will be directly written down. If the financial assets written down are recovered later, they will be included in the current profits and losses of recovery as the reversal of impairment losses.

#### 7. Financial guarantee contract

A financial guarantee contract refers to a contract in which the issuer pays a certain amount to the contract holder who has suffered losses when the debtor fails to repay the debt according to the original or revised terms of the debt instrument at maturity. The financial guarantee contract shall be measured at fair value upon initial recognition. For the financial guarantee contract for a financial liability not designated as being measured at fair value with changes included into the current profits and losses, after the initial recognition, subsequent measurement shall be made according to the higher of the expected credit loss provision amount determined on the balance sheet date and the balance of the initial recognition amount after deducting the accumulated amortization amount determined according to the income recognition principle.

#### 8. Offset of financial assets and financial liabilities

Financial assets and financial liabilities are listed separately in the balance sheet without mutual offset. However, if the following conditions are met at the same time, the net amount after mutual offset shall be listed in the balance sheet:

(1) The Company has the legal right to offset the recognized financial assets and financial liabilities, and such legal right is now enforceable;

(2) The Company plans to settle accounts by netting, or realize the financial assets and pay off the financial liabilities at the same time.

#### 9. Equity instruments

Equity instruments refer to contracts that can prove that the Company has residual interests in assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of equity instruments by the Company are treated as changes in equity. The Company does not recognize changes in the fair value of equity instruments. Transaction costs related to equity transactions are deducted from equity.

Various distributions (excluding stock dividends) made by the Company to holders of equity instruments are used as profit distribution to reduce the owners' equity. The stock dividends distributed do not affect the total owners' equity.

## 12. Note receivable

The Company measures the loss provision for notes receivable according to the expected credit loss amount of the whole duration.

Except for the notes receivable whose credit risk is evaluated individually, the Company divides the notes receivable into different portfolios based on the credit risk of their acceptors as a common risk characteristic, and calculates the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

Portfolio name	Basis for determining the portfolio
Bank acceptance bill	Management evaluation has low credit risk and the expected credit loss is generally not recognized

Commercial acceptance bill	Same as "Accounts Receivable" portfolio
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The Company individually tests the impairment of the notes receivable with objective evidence and other notes that are suitable for individual evaluation, recognizes the expected credit loss, and calculates the individual impairment provision.

### 13. Account receivable

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

Based on common risk characteristics, the Company divides accounts receivable into different groups according to common credit risk characteristics such as customer categories:

Portfolio name	Basis for determining the portfolio
Individual identification portfolio	Commercial acceptance bills receivable, accounts receivable and other receivables with significant single amount (receivables with an ending balance of more than RMB 5 million (including RMB 5 million)), or accounts receivable with insignificant individual amount but high risk
Aging portfolio	Taking the aging of receivables as the credit risk characteristic
Related-party portfolio receivable	Receivables from related parties

(1) Individual identification portfolio: For receivables with an ending balance of more than RMB 5 million (including RMB 5 million), or accounts receivable with insignificant individual amount but high risk, impairment test shall be conducted separately for each customer. Impairment test shall be conducted separately for accounts receivable with objective evidence indicating impairment and other accounts receivable applicable to individual evaluation (such as accounts receivable in dispute with the other party or involving litigation and arbitration; accounts receivable with obvious signs that the debtor is likely to be unable to fulfill the repayment obligations, etc.), to recognize expected credit loss and calculate individual impairment provision.

(2) Aging portfolio: For accounts receivable that have not been impaired after individual testing or whose individual amount is not significant but with low risk, the Company evaluates the expected credit loss of various accounts receivable based on the actual loss rate of the same or similar accounts receivable portfolio with similar credit risk characteristics in previous years.

(3) Associated portfolio: Unless there is conclusive evidence indicating an impairment, the accounts receivable formed between related parties shall not be accrued for bad debt provision.

## **14. Receivable financing**

Receivable financing reflects notes receivable and accounts receivable that are measured at fair value on the balance sheet date with changes included in other comprehensive income. For the accounting treatment method, please refer to the related treatment of the financial assets measured at fair value with changes included in other comprehensive income classified in Item (XI) Financial Instrument of this accounting policy.

## **15. Other account receivable**

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

For other receivables, the expected credit loss is determined according to historical data and forward-looking information. Based on whether the credit risk of other receivables has increased significantly since the initial recognition, the Company adopts the amount equivalent to the expected credit loss in the next 12 months or the whole duration to measure the impairment loss. For specific accounting treatment methods, please refer to Item (XIII) Accounts Receivable of this accounting policy.

## **16. Contractual assets**

Contract assets refer to the right that the Company has transferred the goods to customers and has the right to receive consideration, and such right depends on other factors besides the passage of time.

## **17. Inventory**

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

### **(1) Classification of inventory**

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

### **(2) Valuation of inventories**

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

### **(3) Inventory system**

Perpetual inventory system is adopted.

### **(4) Amortization method of low-value consumables and packaging materials**

"One-time amortization method" is adopted for accounting.

### **(5) Provision for inventory impairment**

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

operation. The net realizable value of inventory held for performance of sales contract or labor service contract is determined based on the contractual price; in case the amount of inventory held exceeds the contractual amount, the net realizable value of the excess portion of inventory is calculated using the normal saleable price.

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

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

During the reporting period, the specific methods and implementation of the Company's inventory impairment measurement are as follows:

(1) Inventory impairment method

The issuer's inventory mainly includes raw materials, inventory goods and materials commissioned for processing. The ending inventory of the Company is measured according to the lower of cost and net realizable value. When the net realizable value is lower than the cost, the inventory depreciation provision is accrued.

① Specific methods for measuring the impairment of raw materials

Raw materials mainly include gold and diamond raw materials. The closing net realizable value of gold raw materials is determined according to the closing price of spot gold trading announced by Shanghai Gold Exchange at the end of the period. For the part with the book cost higher than the closing net realizable value, inventory depreciation provision is accrued; Diamond raw materials are used for processing finished diamond inlaid products, but the finished diamond inlaid products are with great difference. At the end of the year, the Company will comprehensively judge whether there are signs of impairment based on the price fluctuation of diamonds in that year, processing rates and pricing policies, and if there are signs of impairment, it will measure the impairment one by one.

② Specific methods for measuring the impairment of inventory goods

Inventory goods mainly include finished gold products, finished K-gold products and finished inlaid products. The depreciation of finished gold products and finished K-gold products shall be measured one by one, and the closing net realizable value shall be determined by referring to the sales outbound price at the end of the period after deducting the relevant sales expenses and taxes. For finished products whose closing book cost is higher than the net realizable value, the inventory depreciation provision shall be accrued. The finished inlaid products are quite different. At the end of the period, the Company will comprehensively judge whether there are signs of impairment according to the price fluctuation of diamonds in that year and the pricing policy. If there are signs of impairment, the impairment will be measured one by one.

③ Specific methods for measuring the impairment of materials commissioned for processing

Materials commissioned for processing mainly include gold and diamond raw materials, which are similar in nature to raw materials, so the measurement method is consistent with that of raw materials.

## 18. Assets held for sale

### 1. Basis for classification as non-current assets held for sale or disposal group

If the book value of a non-current asset is recovered mainly through sales (including the exchange of non-monetary assets with commercial substance) rather than continuous use or disposal group, the Company will classify it as held for sale. The specific standard is to meet the following conditions at the same time:

(1) According to the practice of sales of such assets or disposal groups in similar transactions, they can be sold immediately under the current situation;



(2) The Company has made a resolution on a sale plan and obtained a firm purchase commitment. It is expected that the sale will be completed within one year (if the relevant regulations require the approval of the relevant authority or regulatory department of the Company before the sale, such approval has been obtained).

If the control right of the subsidiary is lost due to the sale of the investment in the subsidiary, regardless of whether part of the equity investment is retained after the sale and the conditions for classification of the held-for-sale category are met, the investment in the subsidiary as a whole will be classified as held-for-sale category in the individual financial statements of the parent company, and all assets and liabilities of the subsidiary will be classified as held-for-sale category in the consolidated financial statements.

## 2. Accounting treatment of non-current assets or disposal groups held for sale

When the Company initially measures or re-measures the non-current assets or disposal groups held for sale on the balance sheet date, if the book value is higher than the net amount of fair value minus the sale expenses, the book value will be written down to the net amount of fair value minus the sale expenses, and the written-down amount will be recognized as asset impairment loss and included in the current profits and losses, and impairment provision of assets held for sale will be accrued at the same time. If the net amount of the fair value of non-current assets held for sale on the subsequent balance sheet date is increased after deducting the sale expenses, the previously written-down amount will be restored and reversed within the amount of asset impairment loss recognized after being classified as held for sale, and the reversed amount will be included in the current profits and losses. Assets impairment losses recognized before being classified as held for sale shall not be reversed.

For the amount of asset impairment loss recognized by the disposal group held for sale, the book value of goodwill in the disposal group shall be deducted first, and then the book value of non-current assets in the disposal group shall be deducted proportionally according to the proportion of the book value of non-current assets in the disposal group. For the subsequent reversal amount of asset impairment losses recognized by the disposal group held for sale, the book value will be increased in proportion according to the proportion of the book value of non-current assets except goodwill in the disposal group.

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

When the Company derecognizes the non-current assets held for sale or disposal groups, the unrecognized gains or losses will be included in the current profits and losses.

When non-current assets or disposal groups are no longer classified as held for sale because they no longer meet the classification conditions of held for sale, or non-current assets are removed from the disposal groups held for sale, the measurement shall be based on the lower of the following two amounts:

(1) For the book value before being classified as held for sale, the adjusted amount based on depreciation, amortization or impairment that should have been recognized if it is not classified as held for sale;

(2) Recoverable amount.

## 3. Determination standard and presentation method of discontinued operation

Discontinued operations refers to a component that meets any of the following conditions and can be distinguished separately and has been disposed of by the Company or classified as a component held for sale:

(1) This component represents an independent main business or a single main business area;

(2) This component is part of an associated plan to dispose of an independent main business or a separate main business area;

(3) This component is a subsidiary acquired exclusively for resale.

For the discontinued operation listed in the current period, the Company separately lists the profit and loss of continuing operation and the profit and loss of discontinued operation in the current income statement, and

re-lists the information originally listed as the profit and loss of continuing operation as the profit and loss of discontinued operation in comparable accounting period in the income statement of the comparative period.

## 19. Debt investment

For debt investment, the Company determines the expected credit loss on each balance sheet date according to the types of counterparties and risk exposures and in consideration of historical default and industry forward-looking information or various external actual and expected economic information. For the determination method and accounting treatment method of expected credit loss, please refer to the provisions of Item (XI) Financial Instruments of this accounting policy.

## 20. Other debt investment

For Other debt investment, the Company determines the expected credit loss on each balance sheet date according to the types of counterparties and risk exposures and in consideration of historical default and industry forward-looking information or various external actual and expected economic information. For the determination method and accounting treatment method of expected credit loss, please refer to the provisions of Item (XI) Financial Instruments of this accounting policy.

## 21. Long-term account receivable

The Company's long-term receivables include receivable financial lease and other long-term receivables.

For the receivable financial lease formed by the transactions regulated in Accounting Standards for Business Enterprises No.21-Lease, the loss provision shall be measured according to the amount equivalent to the expected credit loss during the whole duration.

For other long-term receivables, the Company determines the expected credit loss on each balance sheet date according to the types of counterparties and risk exposures and in consideration of historical default and reasonable forward-looking information or various external actual and expected economic information.

Based on whether the credit risk has increased significantly since the initial recognition, the Company adopts the amount equivalent to the expected credit loss in the next 12 months or the whole duration to measure the impairment loss of long-term receivables. Except for the long-term receivables whose credit risk is evaluated individually, they are divided into different portfolios based on their credit risk characteristics:

Portfolio name	Basis for determining the portfolio
Normal long-term receivables	This portfolio is a long-term receivable with no overdue risk
Overdue long-term receivables	This portfolio is a long-term receivable with high overdue risk
.....	

## 22. Long-term equity investment

### 1. Basis for determining joint control and significant influence on the investee

Joint control refers to the common control of an arrangement according to the relevant agreement, and that the related activities of the arrangement must be unanimously agreed by the participants who share the control rights before making decisions. When judging whether there is joint control, firstly, it is judged whether all

participants or a group of participants collectively control the arrangement. If all participants or a group of participants must act in concert to decide the related activities of an arrangement, it is considered that all participants or a group of participants collectively control the arrangement. Secondly, it is judged whether the decision of the related activities of the arrangement must be unanimously agreed by the participants who collectively control the arrangement, and joint control can only be formed if and only if the decision of the related activities requires the unanimous consent of the participants who collectively control the arrangement. If there are two or more participants who can collectively control an arrangement, it does not constitute joint control. When judging whether there is joint control, the protective rights enjoyed are not considered.

Significant influence refers to that the investor has the right to participate in the decision-making of the financial and operating policies of the investee, but it cannot control or jointly control the formulation of these policies with other parties. When determining whether a significant influence can be exerted on the investee, consider the influence of the investor's direct or indirect holding of the voting shares of the investee and the potential voting rights held by the investor and other parties in the current period after it is assumed to be converted into the equity of the investee, including the influence of the current convertible warrants, stock options and convertible corporate bonds issued by the investee. When foreign investment meets the following conditions, it is generally determined that it has a significant impact on the investing unit: ① It is represented in the Board of Directors or similar authority of the investee; ② It participates in the formulation of the financial and business policies of the investee; ③ Important transactions with the investee occur; ④ Management personnel are sent to the investee; ⑤ Key technical data is provided to the investee. When directly or indirectly owning more than 20% but less than 50% of the voting shares of the investee, it is generally considered to have a significant impact on the investee.

## 2. Determination of initial investment cost

### (1) Long-term equity investment formed by business merger

A. In the case of business merger under the same control, if cash payment, transfer of non-cash assets or taking on debts and issuance of equity securities are adopted as the merger consideration, the initial investment cost of long-term equity investment shall be the share of the book value of the owners' equity of the merged party in the consolidated financial statements of the final controlling party on the date of merger. If the investee under the same control can be controlled due to additional investment and other reasons, the initial investment cost of long-term equity investment shall be determined according to the share of the net assets of the merged party in the book value of the consolidated financial statements of the final controlling party on the date of merger. For the difference between the initial investment cost of the long-term equity investment on the date of merger and the book value of the long-term equity investment before the merger plus the book value of the newly paid consideration for the shares on the date of merger, adjust the capital premium or share capital premium. If the capital premium or share capital premium is insufficient to offset, the retained income will be offset.

B. For the business merger not under the same control, the merger cost shall be determined as the initial investment cost of long-term equity investment on the date of purchase in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No.20-Business Merger. If the investees not under the same control can be controlled due to additional investment and other reasons, the sum of the book value of the original equity investment plus the new investment cost shall be taken as the initial investment cost calculated by the cost method.

(2) In addition to the long-term equity investment formed by business merger, the initial investment cost of long-term equity investment obtained by other means shall be determined in accordance with the following provisions:

A. For long-term equity investment obtained by paying cash, the initial investment cost shall be the actual purchase price. The initial investment cost includes expenses, taxes and other necessary expenses directly related to obtaining long-term equity investment.

B. For long-term equity investment obtained by issuing equity securities, the initial investment cost shall be the fair value of issuing equity securities.

C. For long-term equity investment obtained by exchange of non-monetary assets, the initial investment cost shall be determined in accordance with the Accounting Standards for Business Enterprises No.7-Exchange of Non-monetary Assets.

D. For long-term equity investment obtained by debt restructuring, its initial investment cost shall be determined in accordance with the Accounting Standards for Business Enterprises No.12-Debt Restructuring.

### 3. Subsequent measurement and profit and loss recognition method

(1) Accounting by cost method: Long-term equity investment that can be controlled by the investee shall be accounted by cost method. When accounting by cost method, the cost of long-term equity investment is adjusted by adding or recovering investment. For the long-term equity investment accounted by the cost method, except for the declared but undistributed cash dividends or profits included in the price or consideration actually paid at the time of investment, the Company shall recognize the investment income according to the cash dividends or profits declared by the investee, and no longer distinguish whether it belongs to the net profit realized by the investee before and after the investment.

(2) Accounting by equity method: For the long-term equity investment jointly controlled or significantly influenced by the investee, except for the equity investment in the associated enterprise, part of it is indirectly held by venture capital institutions, mutual funds, trust companies or similar entities including investment with insurance funds, regardless of whether the above entities have a significant influence on this part of the investment, the Company to measure this part of the indirectly held investment at fair value with its changes included in profits and losses in accordance with the relevant provisions of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, and adopts the equity method for accounting. When accounting by equity method, after the Company obtains the long-term equity investment, the investment income and other comprehensive income are recognized respectively according to the share of the net profit and loss and other comprehensive income realized by the investee, and the book value of the long-term equity investment is adjusted; The Company shall calculate its share according to the profit or cash dividend declared by the investee, and correspondingly reduce the book value of long-term equity investment; The Company shall adjust the book value of the long-term equity investment and include it in the owners' equity for other changes in the owners' equity of the investee except the net profit and loss, other comprehensive income and profit distribution. The Company recognizes the net loss of the investee to the extent that the book value of the long-term equity investment and other long-term rights and interests that substantially constitute the net investment of the investee are written down to zero, unless the Company has the obligation to bear additional losses. If the investee realizes the net profit in the future, the Company will resume the recognition of the income share after the income share makes up for the unrecognized loss share. When recognizing the share of the net profit and loss of the investee, the Company will adjust the net profit of the investee based on the fair value of the identifiable assets of the investee at the time of investment, and offset the gains and losses of internal transactions between the Company and associated enterprises and joint ventures, and recognize the investment profit and loss on this basis. The internal transaction losses between the Company and the investee shall be recognized in full if they belong to asset impairment losses according to the Accounting Standards for Business Enterprises No.8-Asset Impairment. If the accounting policies and accounting periods adopted by the investee are inconsistent with those of the Company, the financial statements of the investee shall be adjusted

according to the accounting policies and accounting periods of the Company, so as to recognize the investment profits and losses.

Long-term equity investments in associated enterprises and joint ventures held before the first execution date, if there is any debit difference of equity investments related to the investment, shall be amortized by the original remaining term straight-line method, and the amortized amount shall be included in the current profits and losses.

(3) When disposing of long-term equity investment, the difference between its book value and the actual purchase price is included in the current profits and losses. If the long-term equity investment accounted by equity method is included in the owners' equity due to other changes in the owners' equity of the investee except the net profit and loss, the part originally included in the owners' equity will be transferred to the current profits and losses in proportion when disposing of the investment, except for other comprehensive income arising from the investee's re-measurement of the changes in defined benefit plan net liabilities or net assets.

### **23. Investment real estate**

Investment real estate refers to real estate held to earn rent or capital appreciation, or both. It includes leased land use rights, land use rights held and ready to be transferred after appreciation, and leased buildings. When the Company can obtain rental income or value-added income related to investment real estate and the cost of investment real estate can be measured reliably, the Company will initially measure it according to the actual expenditure of purchase or construction.

The Company adopts the cost model to measure the investment real estate on the balance sheet date. Under the cost model, the Company measures the investment real estate and makes depreciation or amortization in accordance with the provisions of Item (23) Fixed Assets and Item (26) Intangible Assets of this accounting policy. When the investment real estate is disposed of, or permanently withdrawn from use, and it is not expected to obtain economic benefits from its disposal, the recognition of the investment real estate shall be terminated. When the Company sells, transfers, scraps or damages the investment real estate, the amount of disposal income after deducting its book value and relevant taxes shall be included in the current profits and losses.

### **24. Fixed assets**

#### **(1) Recognition conditions**

Fixed assets refer to tangible assets with a service life of more than one fiscal year, which are held for producing goods, providing labor services, leasing or managing.

#### **(2) Depreciation methods**

Category	Method	Years of depreciation	Scrap value rate	Yearly depreciation rate
Houses and buildings	Straight-line depreciation	20	0.1	0.045
Machinery equipment	Straight-line depreciation	10	0.1	0.09
Transportation equipment	Straight-line depreciation	5	0.1	0.18
Electronic equipment and others	Straight-line depreciation	5	0.1	0.18

At the end of each year, the company rechecks the service life, estimated net salvage and depreciation method of fixed assets.

## **25. Construction in progress**

The construction in progress is measured according to the actual cost, which includes all necessary project expenditures incurred during the construction period, borrowing costs that should be capitalized before the project reaches the scheduled serviceable state, and other related expenses.

Construction in progress is carried forward to fixed assets when it reaches the scheduled serviceable state. The criteria for scheduled serviceable state shall meet one of the following conditions:

(1) The physical construction (including installation) or production of fixed assets has been completely or substantially completed;

(2) It has been put into trial production or trial operation, and the results show that the assets can normally produce qualified products, or the trial operation results show that it can operate or operate properly;

(3) The amount of expenditure that continues to occur on fixed assets purchased, constructed or produced is very small or almost none;

(4) The fixed assets purchased, constructed or produced have reached the design or contract requirements, or are basically in line with the design or contract requirements.

## **26. Borrowing expenses**

### **1. Recognition principle of capitalization of borrowing costs**

Borrowing costs include interest incurred by borrowing, amortization of discount or premium and auxiliary expenses, as well as exchange difference incurred by borrowing in foreign currency. If the borrowing costs incurred by the Company can be directly attributed to the purchase, construction or production of assets that meet the capitalization conditions, they shall be capitalized and included in the cost of relevant assets; Other borrowing costs shall be recognized as expenses when incurred according to the amount incurred, and included in the current profits and losses.

Assets eligible for capitalization include fixed assets, investment real estate, inventory and other assets that need to go through a long period of purchase, construction or production activities to reach the predetermined serviceable or saleable state.

Borrowing costs shall be capitalized when the following conditions are met at the same time:

(1) Asset expenditure has occurred, including the expenditure occurred in the form of paying cash, transferring non-cash assets or undertaking interest-bearing debts for purchasing, constructing or producing assets that meet capitalization conditions;

(2) Borrowing costs have been incurred;

(3) The purchase, construction or production activities necessary to make the assets reach the expected serviceable or saleable state have started.

### **2. Period of capitalization of borrowing costs**

Borrowing expenses incurred for purchasing, constructing or producing assets that meet the capitalization conditions, if they meet the above capitalization conditions and occur before the assets reach the predetermined serviceable or saleable state, shall be included in the cost of the assets; If the purchase, construction or production activities of the assets are abnormally interrupted for more than 3 months, the capitalization of borrowing costs shall be suspended and recognized as current expenses until the purchase, construction or production activities of the assets resume; When the purchased, constructed or produced assets reach the

predetermined serviceable or saleable state, the capitalization of their borrowing costs will be stopped. Borrowing costs incurred after reaching the intended serviceable or saleable state are directly included in financial expenses in the current period.

### 3. Calculation method of capitalized amount of borrowing costs

During the capitalization period, the capitalization amount of interest (including amortization of discount or premium) in each accounting period shall be determined in accordance with the following provisions:

(1) Where a special borrowing is borrowed for the purpose of purchasing, constructing or producing assets that meet the capitalization conditions, it shall be determined by the actual interest expenses incurred in the current period of the special borrowing, minus the interest income obtained by depositing unused borrowing funds in the bank or the investment income obtained by temporary investment.

(2) If the general borrowing is occupied for the purpose of purchasing, constructing or producing assets that meet the capitalization conditions, the interest amount that should be capitalized on the general loan shall be calculated and determined according to the weighted mean of the accumulated asset expenditure exceeding the special borrowing portion multiplied by the capitalization rate of the occupied general borrowing.

## **27. Biological assets**

Nil

## **28. Oil and gas asset**

Nil

## **29. Intangible assets**

### **(1) Service life and its determination basis, estimation, amortization method or review procedure**

#### 1. Service life and its determination basis, estimation, amortization method or review procedure

Intangible assets are measured at actual cost. The cost of outsourced intangible assets includes the purchase price, relevant taxes, and other expenses directly attributable to making the assets reach the intended use. If intangible assets are purchased by installment, and the purchase price of intangible assets exceeds the normal credit conditions and actually with financing nature, the cost of intangible assets is the present value of the purchase price. The cost of intangible assets invested by investors shall be determined according to the value agreed in the investment contract or agreement. If the value agreed in the investment contract or agreement is unfair, it shall be recorded according to the fair value of intangible assets. For intangible assets obtained by exchange of non-monetary assets, the initial investment cost shall be determined in accordance with the Accounting Standards for Business Enterprises No.7-Exchange of Non-monetary Assets. For intangible assets obtained by debt restructuring, its initial investment cost shall be determined in accordance with the Accounting Standards for Business Enterprises No.12-Debt Restructuring. For intangible assets acquired by merger of enterprises under the same control, their entry value shall be determined according to the book value of the merged party; For intangible assets acquired by merger of enterprises not under the same control, their entry value shall be determined at the fair value.

The Company analyzes and judges the service life of intangible assets when acquiring them, and divides them into intangible assets with limited service life and intangible assets with uncertain service life. Intangible assets with limited service life shall be amortized within the expected service life by adopting the amortization

method that can reflect the expected realization mode of economic benefits related to such assets from the time when the intangible assets are available for use; If the expected realization mode cannot be reliably determined, straight-line amortization method shall be adopted.

Amortization method, service life, determination basis and residual rate of various intangible assets with limited service life:

Category	Amortization method	Service life (year)	Determination basis	Residual rate (%)
Land use right	Straight-line method	40-50 years	Statutory term/registration term of land use certificate	0.00
Trademark right	Straight-line method	10 years	Statutory term	0.00
Software	Straight-line method	2-10 years	Benefit period/contract period	0.00
Patent	Straight-line method	5-10 years	Benefit period/contract period	0.00
Non-patent technology	Straight-line method	5-10 years	Benefit period/contract period	0.00
Industrial property rights and proprietary technology	Straight-line method	10 years	Benefit period/contract period	0.00
Others	Straight-line method	5-10 years	Benefit period/contract period	0.00

At the end of each year, the Company reviews the service life and amortization method of intangible assets with limited service life. If the service life and amortization method of intangible assets are different from those previously estimated, the amortization period and amortization method shall be changed.

The Company regards intangible assets with unpredictable future economic benefits as intangible assets with uncertain service life, and does not amortize intangible assets with uncertain service life. The Company reviews the service life of intangible assets with uncertain service life in each accounting period. If there is evidence that the service life of intangible assets is limited, its service life shall be estimate and treatment shall be carried out according to the above provisions.

Please refer to Item (27) Impairment of Long-term Assets in this accounting policy for details on the impairment test method and accrual method for impairment provision of intangible assets.

## **(2) Collection scope of R&D expenditure and related accounting treatment methods**

R&D expenditure is directly related to R&D activities of the enterprise, including R&D employee compensation, direct input expenses, depreciation expenses and long-term deferred expenses, design expenses, equipment debugging expenses, intangible assets amortization expenses, commissioned external R&D expenses, and other expenses. The collection and calculation of R&D expenditure is based on the fact that relevant resources are actually invested in R&D activities. R&D expenditure includes expensed R&D expenditure and capitalized development expenditure.

The division standard of research stage expenditure and development stage expenditure of R&D projects: Research stage expenditure refers to the expenditure incurred by original planned investigation for acquiring and understanding new scientific or technical knowledge; Development stage expenditure refers to the expenditure incurred by applying research results or other knowledge to a plan or design to produce new or substantially improved materials, devices and products before commercial production or use.

Expenditures of intangible assets developed by the Company itself during the research stage of R&D projects are included in the current profits and losses when incurred. Expenditure in the development stage of



the development project can only be recognized as intangible assets if the following conditions are met at the same time:

- (1) It is technically feasible to complete the intangible assets so that they can be used or sold;
- (2) It has the intention to complete the intangible assets and use or sell them;
- (3) For the ways in which intangible assets generate economic benefits, including the ability to prove that the products produced by using the intangible assets exist in the market or the intangible assets themselves exist in the market, if the intangible assets will be used internally, their usefulness shall be proved;
- (4) It has sufficient technical, financial and other resources to support the development of the intangible assets, and has the ability to use or sell the intangible assets;
- (5) Expenditure attributable to the development stage of the intangible assets can be reliably measured.

The expenditure in the development stage that has been expensed in the previous period is no longer adjusted.

### **30. Impairment of long-term assets**

Long-term assets such as long-term equity investment, investment real estate measured by cost model, fixed assets, construction in progress, intangible assets and right-to-use assets, which show signs of impairment on the balance sheet date, shall be tested for impairment. If the impairment test results show that the recoverable amount of the asset is lower than its book value, the impairment provision shall be accrued according to the difference and included in the impairment loss. The recoverable amount is the higher of the net amount of the asset fair value after deducting the disposal expenses and the present value of the expected future cash flow of the asset. The asset impairment provision is calculated and recognized on the basis of individual assets. If it is difficult to estimate the recoverable amount of individual assets, the recoverable amount of the asset group shall be determined by the asset group to which the asset belongs. Asset group is the smallest asset portfolio that can generate cash inflow independently.

Goodwill shall be tested for impairment at least at the end of each year. The Company conducts goodwill impairment test, and the book value of goodwill formed by business merger is allocated to relevant asset groups according to reasonable methods from the date of purchase; If it is difficult to allocate to the relevant asset group, allocate it to the relevant asset group portfolio. When allocating the book value of goodwill to the relevant asset group or asset group portfolio, it shall be allocated according to the proportion of the fair value of each asset group or asset group portfolio to the total fair value of the relevant asset group or asset group portfolio. If it is difficult to reliably measure the fair value, it shall be apportioned according to the proportion of the book value of each asset group or asset group portfolio to the total book value of the relevant asset group or asset group portfolio. When carrying out impairment test on relevant asset groups or asset group portfolio containing goodwill, if there are signs of impairment on asset groups or asset group portfolio related to goodwill, first carry out impairment test on asset groups or asset group portfolio that do not contain goodwill, calculate the recoverable amount, and compare it with the relevant book value to recognize the corresponding impairment loss. Then carry out impairment test on the asset group or asset group portfolio containing goodwill, and compare the book value of these relevant asset groups or asset group portfolio (including the book value of the allocated goodwill) with its recoverable amount. If the recoverable amount of the relevant asset group or asset group portfolio is lower than its book value, recognize the impairment loss of goodwill. Once the above-mentioned asset impairment losses are recognized, they will not be reversed in future accounting periods.

### 31. Long-term expenses to be apportioned

Long-term deferred expenses refer to the expenses that have been incurred by the Company but should be borne by the current period and subsequent periods with an amortization period of more than 1 year, including the improvement expenses of fixed assets rented by operating lease. Long-term deferred expenses shall be amortized evenly during the benefit period of relevant projects.

Category	Amortization years
Decoration and maintenance fee	3-6 years

### 32. Contractual liability

Contractual liabilities reflect the Company's obligation to transfer goods to customers for received or receivable consideration from customers. If the customer has paid the contract consideration or the Company has obtained the unconditional right to receive the contract consideration before the Company transfers the goods to the customer, the contractual liabilities shall be recognized according to the amount received or receivable when the customer actually issues the payment or the payment is due, whichever is earlier.

Contract assets and contractual liabilities under the same contract are listed on a net basis, and contract assets and contractual liabilities under different contracts are not offset.

### 33. Employee compensation

#### (1) Accounting treatment for short-term compensation

Short-term salary refers to the employee's salary that the Company needs to pay in full within 12 months after the end of the annual report period when employees provide relevant services, except post-employment benefits and dismissal benefits. During the accounting period when employees provide services, the Company recognizes the actual short-term salary as a liability, and includes it into relevant asset costs and expenses according to the beneficiaries of employees' services.

#### (2) Accounting treatment for post-employment benefit

Post-employment benefits refer to various forms of remuneration and benefits provided by the Company after employees retire or terminate labor relations with the Company in order to obtain services provided by employees, except short-term remuneration and dismissal benefits. Post-employment benefit plans include defined contribution plan and defined benefit plans. Defined contribution plan refers to the post-employment benefit plan in which the Company will not undertake further payment obligations after paying a fixed fee for an independent fund; Defined benefit plan refers to the post-employment benefit plan except the defined contribution plan.

##### (1) Defined contribution plan

Defined contribution plan includes basic old-age insurance and unemployment insurance. During the accounting period when employees provide services for the Company, the amount payable shall be calculated according to the local payment base and proportion, recognized as liabilities, and included in the current profits and losses or related asset costs.

During the accounting period when employees provide services, the amount payable calculated according to the defined contribution plan is recognized as a liability and included in the current profits and losses or related asset costs.

**(2) Defined benefit plan**

According to the formula determined by the expected cumulative benefit unit method, the Company attributes the benefit obligations generated by defined benefit plan to the period when employees provided services, and includes them in the current profits and losses or related asset costs. The employee compensation cost caused by defined benefit plan of the Company includes the following components:

A. Service costs, including current service costs, past service costs and settlement gains or losses. Current service costs refer to the increase in the present value of defined benefit plan obligations caused by employees' provision of services in the current period; Past service costs refer to the increase or decrease of the present value of defined benefit plan obligations related to employee service in the previous period caused by the revision of the defined benefit plan.

B. Net interest of net liabilities or net assets in defined benefit plan, including the interest income of planned assets, the interest expense of defined benefit plan obligations and the interest affected by the asset ceiling.

C. Changes arising from re-measurement of net liabilities or net assets in defined benefit plan.

Unless other accounting standards require or allow employee benefit costs to be included in the asset costs, the Company will include the above items A and B in the current profits and losses, and include Item C in other comprehensive income which will not be transferred back to profit or loss in subsequent accounting periods, but these amounts recognized in other comprehensive income can be transferred within the scope of equity.

**(3) Accounting for retirement benefits**

Dismissal benefits refer to the compensation provided to employees by the Company for terminating the labor relationship with employees before the expiration of their labor contracts or for encouraging employees to voluntarily accept layoffs. If the Company provides dismissal benefits to employees, the employee compensation liabilities arising from the dismissal benefits shall be recognized at the earlier of the following two dates, and included in the current profits and losses: when the Company cannot unilaterally withdraw the dismissal benefits provided by the plan to terminate labor relations or the proposal to cut back; When the Company recognizes the costs or expenses related to the reorganization involving the payment of dismissal benefits.

**(4) Accounting for other long-term employee benefits**

Other long-term employee benefits refer to all employee compensation except short-term salary, post-employment benefits and dismissal benefits, including long-term paid absences, long-term disability benefits and long-term profit sharing plans. Other long-term employee benefits provided by the Company to employees, if they meet the requirements of the defined contribution plan, shall be handled in accordance with the relevant provisions of the defined contribution plan; For other long-term employee benefits other than the above, the net liabilities or net assets of other long-term employee benefits shall be recognized and measured according to the relevant regulations of the defined benefit plan. At the end of the reporting period, the Company attributed the benefit obligations arising from other long-term employee benefits to the period when employees provided services, and included them in the current profits and losses or related asset costs.

### **34. Accrual liability**

If the Company's obligation related to contingencies meet the following conditions at the same time, it will be recognized as a liability: (1) This obligation is the current obligation undertaken by the Company; (2) The performance of this obligation may lead to the outflow of economic benefits; (3) The amount of the obligation can be measured reliably.

All or part of the expenditures required for the estimated liabilities are expected to be compensated by the third party or other parties, and the compensation amount is recognized as an asset separately when it is basically determined that it can be received, and the recognized compensation amount does not exceed the book value of the recognized liabilities. The estimated liabilities are initially measured according to the best estimate of the expenditure required to perform the relevant current obligations, with the factors related to contingencies, such as risks, uncertainties and time value of money, comprehensively considered. If the time value of money has a significant impact, the best estimate shall be determined by discounting the relevant future cash outflows.

On the balance sheet date, the Company reviews the book value of the estimated liabilities. If there is conclusive evidence that the book value cannot truly reflect the current best estimate, such book value will be adjusted according to the current best estimate.

### **35. Share-based payment**

#### **1. Types of share-based payment**

Share-based payment of the Company is divided into cash-settled share-based payment and equity-settled share-based payment.

Equity-settled share-based payment shall be measured at the fair value of equity instruments granted to employees. If it is exercisable immediately after the grant, it will be included in the relevant costs or expenses according to the fair value of the equity instrument on the grant date, and the capital reserve will be increased accordingly. If it is exercisable only after the service within the waiting period is completed or the specified performance conditions are met, on each balance sheet date within the waiting period, the service obtained in the current period shall be included in the relevant costs or expenses and capital reserve based on the best estimate of the number of exercisable equity instruments and according to the fair value on the grant date of the equity instruments. After the vesting date, the recognized related costs or expenses and the total owners' equity will not be adjusted.

Cash-settled share-based payment shall be measured at fair value of liabilities calculated and determined based on shares or other equity instruments undertaken by the Company. If it is exercisable immediately after the grant, it will be included in the relevant costs or expenses at the fair value of the liabilities undertaken by the Company on the grant date, and the liabilities will be increased accordingly. For cash-settled share-based payment exercisable after the service in the waiting period is completed or the specified performance conditions are met, the service obtained in the current period shall be included in the costs or expenses and corresponding liabilities on each balance sheet date during the waiting period based on the best estimate of the vesting situation and according to the fair value of the liabilities undertaken by the Company. On each balance sheet date and settlement date before the settlement of related liabilities, the fair value of liabilities is re-measured, and its changes are included in the current profits and losses.

#### **2. Accounting treatment related to implementation, modification and termination of share-based payment plan**

No matter how the terms and conditions of the granted equity instruments are modified, or even the grant of the equity instruments is cancelled or the equity instruments are settled, the Company shall at least recognize that the corresponding services obtained are measured according to the fair value of the granted equity instruments on the grant date, unless the vesting conditions of the equity instruments (except market conditions) cannot be met.

If the Company cancels the granted equity instruments or settles the granted equity instruments within the waiting period (except those cancelled due to failure to meet the conditions of vesting conditions), the treatment is as follows:

(1) The cancellation or settlement will be treated as accelerated vesting, and the amount that should have been recognized in the remaining waiting period will be recognized immediately.

(2) All the money paid to employees at the time of cancellation or settlement shall be treated as the repurchase of equity, and the part paid for repurchase that is higher than the fair value of the equity instrument on the repurchase date shall be included in the current expenses.

(3) If a new equity instrument is granted to employees, and it is determined that the new equity instrument granted is used to replace the cancelled equity instrument on the grant date of the new equity instrument, the Company shall handle the granted alternative equity instrument in the same way as the modification of the terms and conditions of the original equity instrument.

### **36. Other financial instruments including preferred stock and perpetual bonds**

### **37. Revenue**

Disclosure of accounting policies adopted in income recognition and measurement according to business types

The Company has fulfilled its contractual obligations, that is, to recognize the income when the customer obtains the control right of relevant goods. Performance obligation refers to the commitment to transfer clearly distinguishable goods to customers in the contract. The Company evaluates the contract on the contract start date to identify each individual performance obligation contained in the contract. If the following conditions are met at the same time, it is clearly distinguishable goods:

(1) Customers can benefit from the goods itself or from the use of the goods along with other easily available resources;

(2) The commitment to transfer the goods to customers can be distinguished separately from other commitments in the contract.

The following situations usually indicate that the commitment to transfer the goods to customers cannot be distinguished separately from other commitments in the contract:

(1) Significant services need to be provided to integrate the goods and other goods promised in the contract into the combined output agreed in the contract and transfer it to customers;

(2) The goods will make major modifications or customizations to other goods promised in the contract;

(3) The goods are highly correlated with other goods promised in the contract.

The transaction price is the amount of consideration that the Company is expected to receive for transferring the goods to customers, excluding the payment collected on behalf of third parties and the payment that the Company is expected to return to customers. When determining the transaction price of the contract, if there is a variable consideration, the Company will determine the best estimate of the variable consideration according to the expected value or the most likely amount, and include it in the transaction price at an amount not exceeding the amount that is unlikely to be significantly reversed when the relevant uncertainty is

eliminated. If there is a significant financing component in the contract, the Company will determine the transaction price according to the amount payable in cash when the customer obtains the goods control right, and the difference between the transaction price and the contract consideration will be amortized by the effective interest rate method during the contract period. If the interval between the customer obtaining the goods control right and the customer paying the price is less than one year, the Company will not consider the financing component. When the consideration that the Company has the right to collect from the customer due to the transfer of goods is in the form of non-cash, the Company will determine the transaction price according to the fair value of the non-cash consideration on the contract start date. If the fair value of the non-cash consideration cannot be reasonably estimated, the Company will indirectly determine the transaction price with reference to the individual selling price of the goods it promised to transfer to customers. For the payment that the Company expects to return to customers, except for obtaining other clearly distinguishable goods from customers, the consideration payable shall be used to offset the transaction price. If the consideration payable to customers exceeds the fair value of clearly distinguishable goods obtained from customers, the excess amount shall be used as the consideration payable to customers to offset the transaction price. If the fair value of clearly distinguishable goods obtained from customers cannot be reasonably estimated, the Company will fully offset the transaction price from the consideration payable to customers. When carrying out accounting treatment on the transaction price offset by the consideration payable to customers, the Company will offset the current income at the later time of recognizing the relevant income and paying (or promising to pay) the customer consideration.

If the contract contains two or more performance obligations, the Company will allocate the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods promised by each individual performance obligation on the contract start date, and measure the income according to the transaction price allocated to each individual performance obligation. In case of subsequent changes in the transaction price, the Company will allocate the subsequent changes to the performance obligations in the contract according to the basis adopted on the contract start date. The transaction price will not be re-allocated due to the change of individual selling price after the contract start date.

If any of the following conditions is met, the Company will perform its obligations within a certain period of time; Otherwise, it is a fulfillment of performance obligation at a certain time point:

- (1) Customers gain and consume the economic benefits brought by the Company's performance at the same time;
- (2) Customers can control the goods under construction during the performance of the Company;
- (3) The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect payment for the accumulated part of the performance completed so far during the whole contract period.

For the performance obligations performed in a certain period of time, the Company shall recognize the income according to the performance progress during that period, except that the performance progress cannot be reasonably determined. The Company determines the performance progress of provided services according to the input method. When the performance progress cannot be reasonably recognized, if the cost already incurred by the Company is expected to be compensated, the revenue will be recognized according to the cost amount already incurred until the performance progress can be reasonably recognized.

For the performance obligations fulfilled at a certain time point, the Company recognizes the income when the customer obtains the control right of relevant goods. When judging whether the customer has obtained the control of the goods, the Company will consider the following signs:

(1) The Company is entitled to the right of real time payment collection for the goods, that is, the customer has the real time payment collection obligation for the goods;

(2) The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods;

(3) The Company has transferred the goods in kind to the customer, that is, the customer has occupied the goods in kind;

(4) The Company has transferred the main risks and rewards on the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the goods;

(5) The customer has accepted the goods.

According to whether the Company has control over the goods or services before transferring them to customers, the Company judges whether it is the main responsible person or the agent when engaging in transactions. If the Company can control the goods or services before transferring them to customers, the Company is the main responsible person, and the income is recognized according to the total consideration received or receivable; Otherwise, the Company is an agent, and will recognize the income according to the expected amount of commission or handling fee, which is determined according to the net amount of the total consideration received or receivable after deducting the price payable to other interested parties, or according to the established commission amount or proportion.

The situations in which the Company can control the goods before transferring them to customers include the following:

(1) The enterprise transfers the control right of goods or other assets to the customer after it obtains it from a third party;

(2) The enterprise can lead the third party to provide services to customers on behalf of the enterprise;

(3) After the enterprise obtains the control right of the goods from the third party, it integrates the goods with other goods into a combined output and transfers it to the customer by providing significant services.

When judging whether it has control over the goods before transferring them to customers, the Company comprehensively considers all relevant facts and circumstances, including:

(1) The enterprise bears the main responsibility for transferring goods to customers;

(2) The enterprise bears the inventory risk of the goods before or after their transfer;

(3) The enterprise has the right to decide the prices of the goods for trade independently;

(4) Other relevant facts and circumstances.

Different income recognition methods and measurement methods involved in different business models adopted by similar businesses

The Company's commodity sales mainly include circulation sales, shopping mall joint operation and proprietary e-commerce, and the recognition methods of sales revenue these three ways are as follows:

(1) Circulation sales refers to that the Company recognizes the sales revenue when the goods are delivered to the customer and the authorized representative or the first carrier recognized by the customer at the designated place, and the customer and the authorized representative or the first carrier have signed for it, and the Company has received the payment or obtained delivery documents.

(2) The shopping mall joint operation is the Company cooperates with the shopping mall to carry out joint sales in the form of counters in the shopping mall, and according to the agreement signed with the shopping mall, the shopping mall collects the payment when the Company's counters sell goods to customers, and the Company and the shopping mall carry out sales settlement. The shopping mall pays the Company after reconciling with the Company at the agreed settlement time (generally the next month) and deducting the income and related

expenses enjoyed by the shopping mall. The Company recognizes the sales revenue after deducting the deduction profit belonging to the shopping mall according to the full amount of the completed transaction of actual sales in the month.

(3) Proprietary e-commerce refers to that the Company retails through third-party e-commerce platforms (such as Tmall and JD.COM), and recognizes the sales revenue when the customer signs for the goods and obtains the payment or payment right.

### **38.Contract cost**

Contract costs include incremental costs incurred in obtaining contract and contract performance costs.

The incremental costs incurred to obtain the contract refer to the costs that the Company would not have incurred if the contract had not been obtained (e.g., sales commission, etc.). If the cost is expected to be recovered, the Company recognizes it as an asset for the costs of acquiring the contract. Expenses incurred by the Company in obtaining the contract, other than the incremental costs that are expected to be recovered, are included in profit or loss for the current period when incurred.

If the costs incurred for the performance of the contract are not subject to the scope of the relevant standards such as inventory, fixed assets or intangible assets, and the following conditions are met at the same time, the Company recognizes them as an asset for contract performance costs:

(1) the cost is directly related to a current or an anticipated contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs expressly borne by the customer and other costs incurred solely as a result of the contract;

(2) the cost increases the resources that the enterprise will use to fulfill its performance obligations in the future;

(3) the cost is expected to be recovered.

The asset as recognized by the cost of acquiring the contract and the asset as recognized by the cost of performance of the contract are amortized on the same basis as the revenue recognition of the goods or services related to the assets, and are included in profit or loss for the current period.

If the carrying amount of an asset related to the contract cost is higher than the following two differences, the Company shall make an impairment provision for the excess and recognize it as an asset impairment loss:

(1) The residual consideration that the enterprise is expected to receive as a result of the transfer of commodities related to the asset;

(2) An estimate of the costs to be incurred for the transfer of the relevant goods.

If the factors of impairment in the previous period change subsequently, so that the difference by (1) minus (2) is higher than the carrying amount of the asset, the original provision for impairment of the asset shall be reversed and included in the profit or loss for the current period, but the carrying amount of the reversed asset shall not exceed the carrying amount of the asset on the reversal date assuming that no provision for impairment is made.



### 39. Government subsidies

#### 1. Types of government subsidies

Government subsidies refer to the monetary assets or non-monetary assets obtained by the company from the government free of charge, including government subsidies related to assets and government subsidies related to income.

Asset-related government subsidies refer to government subsidies obtained by a company for the acquisition, construction or other formation of long-term assets.

Income-related government subsidies refer to government subsidies other than asset-related government subsidies.

#### 2. The principle and timing of recognition of government subsidies

Recognition principle of government subsidies:

(1) The company is able to meet the conditions attached by the government subsidy;

(2) The company is able to receive government subsidies.

The government subsidy can only be recognized if the above conditions are met at the same time.

#### 3. Measurement of government subsidies

(1) If the government subsidy is a monetary asset, the company shall measure it according to the amount received or receivable;

(2) If the government subsidy is a non-monetary asset, the company shall measure it at fair value, and if the fair value cannot be reliably obtained, it shall be measured at the notional amount (the notional amount is RMB 1).

#### 4. Accounting treatment of government subsidies

(1) Asset-related government subsidies are written off the carrying amount of the underlying assets or recognized as deferred income upon acquisition. If it is recognized as deferred income, it shall be included in profit or loss in installments in accordance with a reasonable and systematic method during the useful life of the relevant asset. Government subsidies measured in notional amounts are directly included in profit or loss for the current period.

(2) Government subsidies related to income shall be handled as follows:

A. If it is used to compensate the company for the relevant costs, expenses or losses in subsequent periods, it shall be recognized as deferred income at the time of acquisition, and shall be included in the profit or loss for the current period or offset the relevant costs during the period when the relevant costs, expenses or losses are recognized.

B. If it is used to compensate for the relevant costs, expenses or losses incurred by the company, it shall be directly included in the current profit or loss or offset the relevant costs when acquired.

(3) For government subsidies that are included in both the asset-related part and the income-related part, if they can be distinguished, they shall be accounted for separately in different parts, and if it is difficult to distinguish, they shall be classified as income-related government subsidies as a whole.

(4) Government subsidies related to the company's routine operations shall be included in other income or offset related costs and expenses according to the economic business substance. Government subsidies unrelated to the company's routine activities are included in non-operating income and expenditure. If the finance department directly allocates the discount funds to the company, the company will offset the relevant borrowing costs with the corresponding discount.

(5) If the confirmed government subsidy needs to be returned, it shall be handled according to the following circumstances:

A. If the carrying amount of the relevant asset is reduced at the time of initial recognition, the carrying amount of the asset shall be adjusted.

B. If there is relevant deferred income, the carrying amount of the relevant deferred income shall be written off, and the excess part shall be included in the profit or loss for the current period.

C. If it belongs to other circumstances, it shall be directly included in the profit or loss for the current period.

#### **40. Deferred tax assets/deferred tax liabilities**

When the company acquires assets and liabilities, it determines its tax base. If there is a temporary difference between the carrying amount of assets and liabilities and their tax base, the deferred tax assets or deferred tax liabilities arising from them shall be recognized in accordance with the regulations.

##### **1. Recognition of deferred tax assets**

(1) The company recognizes deferred tax assets arising from deductible temporary differences to the extent that it is likely to obtain taxable income that can be used to offset deductible temporary differences. However, deferred tax assets arising from the initial recognition of assets or liabilities are not recognized in transactions that (1) is not a business combination, and (2) the transaction does not affect either accounting profits or taxable income (or deductible losses) at the time of the transaction.

(2) The Company recognizes the corresponding deferred tax assets for deductible temporary differences related to investments in subsidiaries, associates and joint ventures that meet the following conditions at the same time: (1) the temporary differences are likely to be reversed in the foreseeable future, and (2) the taxable income used to offset the deductible temporary differences is likely to be obtained in the future.

(3) For deductible losses and tax credits that can be carried forward to subsequent years in accordance with the provisions of the tax law, they shall be treated as deductible temporary differences, and the corresponding deferred tax assets shall be recognized to the extent that the future taxable income that is likely to be used to offset the deductible losses and tax credits.

##### **2. Recognition of deferred tax liabilities**

(1) The company recognizes all deferred tax liabilities arising from taxable temporary differences, except for the deferred income tax liabilities arising from the following transactions: (1) the initial recognition of goodwill, and (2) the initial recognition of assets or liabilities arising from transactions that satisfy both the following characteristics: the transaction is not a business combination, and the transaction does not affect either the accounting profit or the taxable income (or deductible loss) at the time of the transaction.

(2) The Company recognizes the corresponding deferred tax liabilities for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, but other than those with the following conditions are met at the same time: (1) the investment enterprise can control the time for the reversal of the temporary difference, and (2) the temporary difference is likely not to be reversed in the foreseeable future.

### 3. Presentation of net offsets of deferred tax assets and deferred tax liabilities

When the company has the legal right to settle on a net basis and intends to settle on a net basis or acquire assets and settle liabilities at the same time, the company's current income tax assets and current income tax liabilities are presented on a net basis after offset.

When there is a legal right to settle the current income tax assets and current income tax liabilities on a net basis, and the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection and administration department on the same taxpayer or levied by the same tax collection and administration department to different tax subjects, but in each period of reversal of deferred tax assets and liabilities of material nature in the future, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis or acquire the assets and settle liabilities at the same time, the deferred tax assets and deferred tax liabilities of the Company are presented on a net basis after offset.

## 41. Leasing

### (1) Accounting treatment as a lessee lease

#### (1) Right-of-use assets

On the commencement date of the lease term, the Company, as the lessee, recognizes the right to use the leased asset during the lease term as right-of-use asset, except for short-term leases and leases of low-value assets.

Right-of-use assets are initially measured at cost, which includes:

A. Initial measurement amount of the lease liability;

B. If there is a lease incentive for the lease payment paid on or before the start date of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted;

C. Initial direct costs incurred;

D. Costs expected to be incurred to dismantle and remove the leased asset, restore the site on which the leased asset is located, or restore the leased asset to the condition agreed in the lease terms, except for the production of inventory.

The Company adopts the cost model for the subsequent measurement of right-of-use assets, and adopts the straight-line method for depreciation of various types of right-of-use assets.

If the Company is able to reasonably determine that the ownership of the leased assets will be acquired at the expiration of the lease term, the depreciation shall be accrued during the remaining useful life of the leased assets, and if it cannot be reasonably determined that the ownership of the leased assets can be acquired at the expiration of the lease term, the depreciation shall be accrued during the period which is shorter from the lease term and the remaining useful life of the leased assets. If the right-of-use asset is impaired, the Company will carry out subsequent depreciation based on the carrying amount of the right-of-use asset after deducting the impairment loss.

When the Company remeasures lease liabilities based on the present value of the changed lease payments and adjusts the carrying amount of right-of-use assets accordingly, if the carrying amount of right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the remaining amount will be included in profit or loss for the current period.

The impairment test method and impairment provision method of right-of-use assets are detailed in (XXVII) Impairment of long-term assets of this accounting policy.

## (2) Lease liabilities

At the commencement date of the lease term, the Company recognizes the present value of unpaid lease payments as lease liabilities, excluding short-term leases and leases of low-value assets.

When calculating the present value of the lease payment, the Company, as the lessee, uses the interest rate implicit in the lease as the discount rate, and if the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the Company is used as the discount rate.

The Company calculates the interest expense of lease liabilities for each period of the lease term at a fixed periodic interest rate and includes them in profit or loss for the current period. Variable lease payments that are not included in the measurement of lease liabilities are recognized in profit or loss for the current period when they are actually incurred.

After the commencement date of the lease term, the Company will remeasure the lease liability based on the present value of the changed lease payment in the event of a change in the amount of the substantial fixed payment, a change in the estimated amount payable for the residual value of the guarantee, a change in the index or ratio used to determine the amount of the lease payment, a change in the evaluation result or actual exercise of the option to purchase, renew or terminate the option.

## (3) Short-term leases and leases of low-value assets

A short-term lease is a lease with a lease period of not more than 12 months on the start date of the lease term and does not include an option to purchase. A lease of a low-value asset refers to a lease with a low value when a single leased asset is a brand-new asset. If the Company subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and to include the relevant lease payments in profit or loss or the cost of related assets on a straight-line basis for each period of the lease term.

## (2) Accounting treatment as a lessor's lease

On the lease commencement date, the Company divides the lease into the finance lease and the operating lease. A financial lease refers to a lease that substantially transfers almost all of the risks and rewards associated with the ownership of the leased asset, regardless of whether the ownership is ultimately transferred. Operating leases refer to leases other than financial leases. When the Company acts as a subleaselessor, it classifies the sublease based on the right-of-use assets generated from the original lease.

(1) Accounting treatment of operating leases

Lease receipts from operating leases are recognized as rental income on a straight-line basis for each period of the lease term. The Company capitalizes the initial direct expenses incurred in connection with the operating lease and apportion them to profit or loss for the current period on the same basis as the rental income recognition during the lease term. Variable lease payments that are not included in lease receipts are recognized in profit or loss for the current period when they are actually incurred.

(2) Accounting treatment of financial leases

On the lease commencement date, the Company recognizes the financial lease receivables for the financial lease and terminates the recognition of the financial lease assets. When the Company initially measures the financial lease receivables, the net lease investment is recorded as the entry value of the financial lease receivables. The net lease investment is the sum of the unsecured residual value and the present value of lease receipts not yet received at the start date of the lease term discounted at the interest rate implicit in the lease.

The Company calculates and recognizes interest income for each period of the lease term at a fixed periodic interest rate. The derecognition and impairment of financial lease receivables are described in (XI) Financial instruments of this accounting policy.

Variable lease payments that are not included in the net measurement of lease investments are recognized in profit or loss for the period when they are actually incurred.

**42. Other important accounting policy and estimation**

**43. Changes of important accounting policy and estimation**

**(1) Changes of important accounting policy**

Applicable Not applicable

**(2) Changes of important accounting estimation**

Applicable Not applicable

**(3) The Company started implementing the updated accounting standards commencing from 2024 and adjusted the relevant items in the financial statements at the beginning of the very year involved in the initial implementation of the said standards**

Applicable Not applicable

**44. Other**

Nil

## VI. Taxes

### 1. Main tax and tax rate

Type of tax	Tax calculation evidence	Tax rate
Value added tax	Sales of goods, taxable labor service revenue, taxable income, intangible assets income and income from property leasing	5%,6%,9%,13%
City maintenance & construction tax	VAT payable	7%
Enterprise income tax	Taxable income	See below for details
Education Fee Surcharge	VAT payable	3%
Local education fee surcharge	VAT payable	2%

Disclose reasons for different taxpaying body

Taxpaying body	Income tax rate
Shenzhen China Bicycle Company (Holdings) Co., Ltd.	0.25
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	0.25
Shenzhen Xinsen Precision Manufacturing Co.,Ltd.	0.2
Shenzhen Emmelle Industrial Co., Ltd.	0.2
Shenzhen Emmelle Cloud Technology Co., Ltd.	0.2
Fujian Huaxinbao Jewelry Co., Ltd.	0.2
Shenzhen Huabao Zhenxuan Jewelry Co., Ltd.	0.2
Hainan Shenhua Industry Co., Ltd.	0.2
Tibet Jinyaya Trading Co., Ltd.	0.2
Shenzhen Yunyouxuan Jewelry Technology Co., Ltd.	0.2
Dongguan Xinsen Jewelry Co., Ltd.	0.2
Hangzhou Huabaohui Digital culture Co., Ltd.	0.2

### 2. Tax preference

The subsidiaries/sub-subsidiaries Shenzhen Xinsen Precision Manufacturing Co., Ltd., Shenzhen Emmelle Industry Co., Ltd., Shenzhen Emmelle Cloud Technology Co., Ltd., Fujian Huaxinbao Jewelry Co., Ltd., Shenzhen Huabao Zhenxuan Jewelry Co., Ltd., Hainan Shenhua Industry Co., Ltd., Tibet Jinyaya Trading Co., Ltd., Shenzhen Yunyouxuan Jewelry Technology Co., Ltd., Dongguan Xinsen Jewelry Co., Ltd. and Hangzhou Huabaohui Digital Culture Co., Ltd. meet the conditions of "small enterprise with low profits". According to Announcement No.12 of the State Taxation Administration of the Ministry of Finance in 2023, Announcement on Relevant Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses, the taxable income of small enterprises with low profits is calculated at a reduced rate of 25%, and the enterprise income tax is paid at a rate of 20%, which will be implemented until December 31, 2027.

### 3.Other

Nil

## VII. Notes to Items in the Consolidated Financial Statements

### 1. Monetary fund

Unit: RMB/CNY

Item	Ending balance	Opening balance
Cash on hand	33,597.75	13,955.25
Bank deposit	24,485,123.52	54,134,719.15
Other monetary fund	646,837.10	
Total	25,165,558.37	54,148,674.40

Other note:

The other monetary funds in the opening balance of RMB 566,435.02 are frozen funds in litigation.

## 2. Trading financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Including:		
Including:		

Other note:

## 3. Derivative financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

## 4. Note receivable

### (1) Category

Unit: RMB/CNY

Item	Ending balance	Opening balance
Bank acceptance bill	0.00	0.00
Commercial acceptance bill	0.00	0.00

### (2) According to the bad debt provision method classification disclosure

Unit: RMB/CNY

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

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

Applicable Not applicable

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

Accrual of bad debt provision in the period:

Unit: RMB/CNY

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

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

Applicable Not applicable

**(4) Note receivable pledged at period-end**

Unit: RMB/CNY

Item	Amount pledged at period-end

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

Unit: RMB/CNY

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

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

Unit: RMB/CNY

Item	Amount written off

Including important note receivable written-off:

Unit: RMB/CNY

Enterprise	Nature	Amount written off	Causes	Procedure	Amount cause by related transactions or not (Y/N)

Explanation on note receivable written-off:

**5. Account receivable**

**(1)Category**

**(1) Disclosure according to the aging of accountBy account age**



Unit: RMB/CNY

Aging	Balance in year-end	Balance Year-beginning
Within one year(one year included)	231,237,174.94	193,373,233.68
1-6 months	217,056,912.12	192,466,106.48
7-12 months	14,180,262.82	907,127.20
1-2 years	13,070,098.35	13,036,723.35
2-3 years	11,266,027.02	10,764,196.13
Over 3 years	3,564,121.31	4,153,455.77
3-4 years	1,264,775.39	1,812,809.85
4-5 years	917,542.00	966,132.00
Over 5 years	1,381,803.92	1,374,513.92
Total	259,137,421.62	221,327,608.93

## (2) According to the bad debt provision method classification disclosure

Unit: RMB/CNY

Category	Amount in year-end					Balance Year-beginning				
	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	26,497,539.97	10.23%	23,862,560.33	90.06%	2,634,979.64	26,538,839.97	11.99%	23,902,000.33	90.06%	2,636,839.64
Including:										
Single identification	26,497,539.97	10.23%	23,862,560.33	90.06%	2,634,979.64	26,538,839.97	11.99%	23,902,000.33	90.06%	2,636,839.64
Accrual of bad debt provision by portfolio	232,639,881.65	89.77%	729,418.38	0.31%	231,910,463.27	194,788,768.96	88.01%	1,132,475.60	0.58%	193,656,293.36
Including:										
Aging portfolio	232,639,881.65	89.77%	729,418.38	0.31%	231,910,463.27	194,788,768.96	88.01%	1,132,475.60	0.58%	193,656,293.36
Related Portfolio										
Total	259,137,421.62	100.00%	24,591,978.71	9.49%	234,545,442.91	221,327,608.93	100.00%	25,034,475.93	11.31%	196,293,133.00

Bad debt provision accrual on single basis: Single identification

Unit: RMB/CNY

Name	Opening balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for accrual
Guangshui Jiayu Energy Technology Co., Ltd.	22,019,832.63	19,817,849.37	22,019,832.63	19,817,849.37	90.00%	Expected to be difficult to recover
Suzhou	915,394.42	732,315.54	906,094.42	724,875.54	80.00%	Expected to be

Daming Vehicle Industry Co., Ltd.						difficult to recover
Suzhou Jiaxin Economic Trade Co., Ltd.	888,757.00	888,757.00	888,757.00	888,757.00	100.00%	Expected to be difficult to recover
Dongguan Daxiang New Energy Co., Ltd.	626,734.00	626,734.00	594,734.00	594,734.00	100.00%	Expected to be difficult to recover
Ningbo Fanxing New Energy Technology Co., Ltd.	503,555.00	251,777.50	503,555.00	251,777.50	50.00%	Expected to be difficult to recover
Shijiazhuang Dasong Tech. Co., Ltd.	497,064.00	497,064.00	497,064.00	497,064.00	100.00%	Expected to be difficult to recover
Guangdong Xinlingjia New Energy Co., Ltd.	348,136.00	348,136.00	348,136.00	348,136.00	100.00%	Expected to be difficult to recover
Shanghai Siwen Electric Vehicle Co., Ltd.	280,197.50	280,197.50	280,197.50	280,197.50	100.00%	Expected to be difficult to recover
Fuzhou Dayang Commercial Co., Ltd.	147,804.28	147,804.28	147,804.28	147,804.28	100.00%	Expected to be difficult to recover
Tianjin Huiju Electric Vehicle Co., Ltd.	116,840.14	116,840.14	116,840.14	116,840.14	100.00%	Expected to be difficult to recover
Other	194,525.00	194,525.00	194,525.00	194,525.00	100.00%	Expected to be difficult to recover
<b>Total</b>	<b>26,538,839.97</b>	<b>23,902,000.33</b>	<b>26,497,539.97</b>	<b>23,862,560.33</b>		

Bad debt provision accrual on portfolio: Aging portfolio

Unit: RMB/CNY

Name of the Company	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
1-6 months	217,056,912.12	222,700.44	0.10%
7-12 months	14,023,262.62	253,847.01	1.81%
Within 1 year	231,080,174.74	476,547.44	0.21%
1-2 years	1,557,982.80	251,146.82	16.12%
2-3 years			
3-4 years	1,724.11	1,724.11	100.00%
<b>Total</b>	<b>232,639,881.65</b>	<b>729,418.38</b>	

Explanation on portfolio basis:

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

Applicable Not applicable

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

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Accounts receivable with individual provision for bad debts	23,902,000.33		39,440.00			23,862,560.33
Provision for bad debts based on a portfolio of credit risk characteristics	1,132,475.60		403,057.22			729,418.38
Total	25,034,475.93		442,497.22			24,591,978.71

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

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision
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### (4) Account receivables actually write-off during the reporting period

Unit: RMB/CNY

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

Unit: RMB/CNY

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

### (5) The top five accounts receivable and contract assets at the end of the period aggregated according to debtor

Unit: RMB/CNY

Name of the organization	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to the total ending balance of accounts receivable and contract assets	Ending balance of accounts receivable bad debt provision and contract asset impairment provision
Fuxhou Cangshan Dingjue Jewelry	64,641,636.47	0.00	64,641,636.47	24.94%	53,410.54

Company					
Shenzhen Yunshang Jewelry Co., Ltd.	53,804,174.39	0.00	53,804,174.39	20.76%	37,662.92
Fuzhou Zhuanjin Jewelry Co., Ltd.	29,378,138.76	0.00	29,378,138.76	11.34%	20,564.70
Fuzhou Rongrun Jewelry Co., Ltd	28,456,461.47	0.00	28,456,461.47	10.98%	21,974.74
Shenzhen Hualinglong Jewelry Culture Technology Co., Ltd	27,777,456.95	0.00	27,777,456.95	10.72%	22,009.10
<b>Total</b>	<b>204,057,868.04</b>	<b>0.00</b>	<b>204,057,868.04</b>	<b>78.74%</b>	<b>155,622.00</b>

## 6. Contract assets

### (1) Information of contract assets

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value

### (2) The significant amount change in book value during the reporting period and its reason

Unit: RMB/CNY

Item	The amount of change	Reason for change

### (3) According to the bad debt provision method classification disclosure

Unit: RMB/CNY

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Inducing										
Including										

Provision for bad debts is made according to the general model of expected credit losses

Applicable Not applicable

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

Unit: RMB/CNY

Item	Accrual	Collected or reversal	Write off	Reason

Thereinto, the important amount of bad debt provision recovered or reversed in the current period:

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision

Other note:

**(5) Contract assets actually written off in the current period**

Unit: RMB/CNY

Item	Amount written off

Including important Contract asset written-off:

Unit: RMB/CNY

Name	Nature of amount	Write-off amount	Reason for write-off	Write-off procedures for fulfillment	Whether the payment is generated by a related party transaction

Write-off explanation:

Other note:

**7. Receivable financing**

**(1) Classification of receivables financing**

Unit: RMB/CNY

Item	Ending balance	Opening balance

**(2) According to the bad debt provision method classification disclosure**

Unit: RMB/CNY

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Inducing										
Including										

Provision for bad debts is made according to the general model of expected credit losses

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses	Expected credit losses	Expected credit losses	

	over next 12 months	for the entire duration (without credit impairment occurred)	for the entire duration (with credit impairment occurred)	
January 1, 2024 balance in the current period				

The basis for the division of each stage and the proportion of bad debt provision

Explanation of the significant changes in the book balance of receivables financing with changes in loss provisions in the current period:

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

Unit: RMB/CNY

Category	Opening balance	Current changes	Ending balance
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Thereinto, the important amount of bad debt provision recovered or reversed in the current period:

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision
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Other note:

**(4) Financing of accounts receivable pledged by the Company at the end of the period**

Unit: RMB/CNY

Item	Pledged amount at the end of the period
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**(5) Financing of accounts receivable that have been endorsed or discounted by the Company at the end of the period and have not yet matured on the balance sheet date**

Unit: RMB/CNY

Item	The amount of derecognition at the end of the period	The amount not derecognized at the end of the period
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**(6) Financing situation of accounts receivable actually written off in this period**

Unit: RMB/CNY

Item	Write-off amount
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The write off information of important accounts receivable financing thereinto

Unit: RMB/CNY

Name	Nature of amount	Write-off amount	Reason for write-off	Write-off procedures for fulfillment	Whether the payment is generated by a related party transaction
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Write-off explanation:

**(7) Changes in accounts receivable financing and fair value changes in the current period**

**(8) Other note**

**8. Other account receivable**

Unit: RMB/CNY

Item	Ending balance	Opening balance
Other account receivable	697,860.12	12,868,327.03
Total	697,860.12	12,868,327.03

**(1) Interest receivable**

**1) Category**

Unit: RMB/CNY

Item	Ending balance	Opening balance
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**2) Important overdue interest**

Unit: RMB/CNY

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

**3) Accrual of bad debt provision**

Applicable Not applicable

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

Unit: RMB/CNY

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

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

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision
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Other note:

### 5) Interest receivable actually written off in the current period

Unit: RMB/CNY

Item	Write-off amount
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Important Interest receivables write-offs thereinto

Unit: RMB/CNY

Name	Nature of amount	Write-off amount	Write-off reason	Write-off procedures for fulfillment	Whether the payment is generated by a related party transaction
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Note:

Other note:

### (2) Dividend receivable

#### 1) Category

Unit: RMB/CNY

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

Unit: RMB/CNY

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

Applicable Not applicable



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

Unit: RMB/CNY

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

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

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision
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Other note:

**5) Dividends receivable actually written off in the current period**

Unit: RMB/CNY

Item	Write-off amount
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Important dividend receivables write-offs thereinto

Unit: RMB/CNY

Name	Nature of amount	Write-off amount	Write-off reason	Write-off procedures for fulfillment	Whether the payment is generated by a related party transaction
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Note:

Other note:

**(3) Account receivable**

**1) By nature**

Unit: RMB/CNY

Nature	Ending book balance	Opening book balance
Performance compensation		12,098,051.76
Deposit or margin	524,345.30	461,321.30
Personal loan of employees	297,817.61	15,865.25
Payment for equipment	311,400.00	311,400.00
Current account	180,923.78	410,737.50
Other	0.00	0.00
<b>Total</b>	<b>1,314,486.69</b>	<b>13,297,375.81</b>

**2) By account aging**

Unit: RMB/CNY

Aging	Ending book balance	Opening book balance
Within one year(one year included)	565,469.81	12,747,197.43
1-2 years	312,285.88	123,447.38
2-3 years	10,000.00	
Over 3 years	426,731.00	426,731.00
3-4 years	15,831.00	15,831.00
4-5 years	0	
Over 5 years	410,900.00	410,900.00
Total	1,314,486.69	13,297,375.81

**3) Accrual of bad debt provision**

Applicable Not applicable

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

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Provision for bad debts according to the combination of credit risk	429,048.78	187,577.79				616,626.57
Total	429,048.78	187,577.79				616,626.57

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

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

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision

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

Unit: RMB/CNY

Item	Amount written off

Including major other account receivables write-off:

Unit: RMB/CNY

Enterprise	Other Nature	Amount written off	Causes	Procedure	Amount cause by related

					transactions or not (Y/N)
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Other Note on account receivable write-off:

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

Unit: RMB/CNY

Enterprise	Nature	Ending balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad bet provision
Shenzhen Luwei Mechatronic Equipment Co., Ltd	Payment for equipment	300,000.00	Within 5 years	22.82%	300,000.00
Shenzhen Luohu Government Property Management Office	Margin or deposit	161,349.10	1—2 years (Within one year(2 years included))	12.27%	51,809.20
Chow Tai Seng Jewelry Co., Ltd.	Margin or deposit	100,000.00	Within one year(one year included)	7.61%	14,600.00
Guangdong Shenzhen Luohu People's Court	Current account	79,473.00	1—2 years (Within one year(2 years included))	6.05%	25,518.78
Hubei Guangshui People's Court	Current account	52,816.00	Within one year(one year included)	4.02%	7,711.14
Total		693,638.10		52.77%	399,639.12

#### 7) Reported in other receivables due to centralized management of funds

Other note:

### 9. Accounts paid in advance

#### (1) Accounts paid in advance by ageing

Unit: RMB/CNY

Account age	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	1,549,358.48	41.00%	3,821,181.16	100.00%
1-2 years	2,256,987.95	59.00%		
Total	3,806,346.43		3,821,181.16	

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

Nil

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

Name	Ending balance	Ratio in total advance e payment(%)
Shenzhen Tielbo Co., Ltd.	2,256,987.95	59.3
Zhouliufu Jewelry Co., Ltd.	872,485.54	22.92
Fujian Hengsheng Jewelry Co., Ltd.	520,000.00	13.66
Shenzhen Thinking Jewelry Display Products Co., Ltd	99,746.00	2.62
Shenzhen Cuilu Gold Business	25,377.31	0.67
Total	3,774,596.80	99.17

Other note

**10. Inventory**

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

No

**(1) Category**

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value
Raw materials	33,206,703.08	164,842.97	33,041,860.11	42,904,972.44	172,966.47	42,732,005.97
Goods inventory	47,158,698.50	374,193.87	46,784,504.63	36,248,964.02	476,356.57	35,772,607.45
Consigned processing materials	8,287,256.01		8,287,256.01	3,411,425.72		3,411,425.72
Total	88,652,657.59	539,036.84	88,113,620.75	82,565,362.18	649,323.04	81,916,039.14

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

**(2) Data resources recognized as inventory**

Unit: RMB/CNY

Items	Inventory of outsourced data resources	Inventory of self processed data resources	Inventory of data resources obtained by other means	Total
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**(3) Provision for inventory depreciation or contract performance cost impairment provision**

Unit: RMB/CNY

Item	Opening balance	Current increased		Current decreased		Ending balance
		Accrual	Other	Switch back or charge-off	Other	
Raw materials	172,966.47			8,123.50		164,842.97
Goods inventory	476,356.57			102,162.70		374,193.87
Total	649,323.04			110,286.20		539,036.84

Provision for inventory price decline that is made on a portfolio basis

Unit: RMB/CNY

Portfolio Name	End of period			Beginning of period		
	Ending balance	Provision for price decline	Proportion of provision for price decline	Opening balance	Provision for price decline	Proportion of provision for price decline

The standard for accruing the provision for inventory price decline by portfolio

**(4) The explanation of the ending balance of the inventory contains the capitalized amount of borrowing costs**

**(5) Explanation of the amortization amount of contract performance costs for the current period**

**11. Assets held for sale**

Unit: RMB/CNY

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

**12. Non-current asset due within one year**

Unit: RMB/CNY

Item	Ending balance	Opening balance
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**(1) Debt investment due within one year**

Applicable Not applicable

## (2) Other Debt investment due within one year

Applicable Not applicable

### 13. Other current assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Input tax to be deducted	4,336,668.75	208,524.06
Advance payment of enterprise income tax		193,128.35
Tax amount to be received	1,313,637.64	10,814,443.03
Total	5,650,306.39	11,216,095.44

Other note:

### 14. Debt investment

#### (1) Debt investment

Unit: RMB/CNY

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

Changes in impairment provisions for debt investments in the current period

Unit: RMB/CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
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#### (2) Important debt investment

Unit: RMB/CNY

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

#### (3) Accrual of impairment provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
January 1, 2024 balance in the current period				

The basis for the division of each stage and the proportion of bad debt provision

#### (4) Information of debt investment actually written off in the current period

Unit: RMB/CNY

Item	Write-off amount
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Information of write-off of important debt investments thereinto

Debt Investment Write-off Explanation:

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

Applicable Not applicable

Other note:

**15. Other debt investment****(1) Other debt investment**

Unit: RMB/CNY

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

Changes in provision for impairment of other debt investments in the current period

Unit: RMB/CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
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**(2) Important debt investment**

Unit: RMB/CNY

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

**(3) Accrual of impairment provision**

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
January 1, 2024 balance in the current period				

The basis for the division of each stage and the proportion of bad debt provision

**(4) Other debt investments actually written off during the period**

Unit: RMB/CNY

Item	Write-off amount
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Other important debt investment write-offs thereinto

Explanation for write-off of other debt investments:

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

Applicable Not applicable

Other note:

**16. Investment in other equity instrument**

Unit: RMB/CNY

Item name	Ending balance	Opening balance	Gains recognized in other comprehensive income for the current period	Loss recognized in other comprehensive income for the current period	Accumulated gains recognized in other comprehensive income at the end of the current period	Accumulated losses recognized in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reason for designated in fair value measurement with changes recognized in other comprehensive income
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Derecognition incurred in the current period

Unit: RMB/CNY

Item name	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reason for derecognition
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Itemized disclosure of investments by non-trading equity instruments for the current period

Unit: RMB/CNY

Item name	Recognized dividend income	Accrued gains	Accrued losses	Amount of other comprehensive income transferred to retained earnings	Reason for designated in fair value measurement with changes recognized in other comprehensive income	Reason for other comprehensive income transferred to retained earnings
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Other note:



## 17. Long-term account receivable

### (1) Long-term account receivable

Unit: RMB/CNY

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

### (2) According to the bad debt provision method classification disclosure

Unit: RMB/CNY

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including										
Including										

Provision for bad debts is made according to the general model of expected credit losses

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase II	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
January 1, 2024 balance in the current period				

The basis for the division of each stage and the proportion of bad debt provision

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

Unit: RMB/CNY

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

The important amount of bad debt provisions reversed or recovered in the current period thereinto:

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision

Other note:

**(4) Long-term receivables actually written off in the current period**

Unit: RMB/CNY

Item	Write-off amount
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Important long-term accounts receivable write-off status thereinto:

Unit: RMB/CNY

Name of Organization	Amount Nature	Write-off amount	Write-off reason	Write-off procedures for fulfillment	Whether the payment is generated by a related party transaction
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Explanation of write-off of long-term receivables:

**18. Long-term equity investment**

Unit: RMB/CNY

Invested enterprise	Beginning balance	Impairment provision beginning balance	Changes in the period (+, -)								Ending balance (Book value)	Ending balance of impairment provision
			Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
<b>I. Joint venture</b>												
Putian Kaipu Technology Partnership (LP)	0.00		30,000.00								30,000.00	
<b>Subtotal</b>	<b>0.00</b>		<b>30,000.00</b>								<b>30,000.00</b>	
<b>II. Associated enterprise</b>												
<b>Subtotal</b>												
<b>Total</b>	<b>0.00</b>		<b>30,000.00</b>								<b>30,000.00</b>	

The recoverable amount is determined on the basis of the net amount of fair value less disposal costs

Applicable  Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

Applicable Not applicable

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

The reason for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

Other note

## 19. Other non-current financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

## 20. Investment real estate

### (1) Investment real estate measured at cost

Applicable Not applicable

### (2) Investment real estate measured at fair value

Applicable Not applicable

### (3) Converted to investment real estate and measured at fair value

Unit: RMB/CNY

Item	Accounting accounts before conversion	Amount	Reason for conversion	Approval procedures	Impact on profit and loss	Impact on other comprehensive income
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### (4) Investment real estate without property rights certificate

Unit: RMB/CNY

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

## 21.Fixed assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Fixed assets	2,229,476.84	2,288,610.10
Total	2,229,476.84	2,288,610.10

### (1) Fixed assets

Unit: RMB/CNY

Item	Houses and buildings	Machinery equipment	Means of transportation	Electronic equipment and others	Total
I. Original book value:					
1. Opening balance	2,959,824.00	1,310,846.99	958,593.21	254,674.84	5,483,939.04
2. Current increased		10,619.47		28,174.52	38,793.99
(1) Purchase		10,619.47		28,174.52	38,793.99
(2) Construction in progress transfer-in					
(3) The increase in business combination					
3. Current decreased					
(1) Disposal or scrap					
4. Ending balance	2,959,824.00	1,321,466.46	958,593.21	282,849.36	5,522,733.03
II. Accumulated depreciation					
1. Opening balance	998,940.60	452,513.99	862,386.24	151,882.36	2,465,723.19
2. Current increased					
(1) Accrual	66,596.04	11,868.39		19,462.82	97,927.25
3. Current decreased					
(1) Disposal or scrap					
4. Ending balance	1,065,536.64	464,382.38	862,386.24	171,345.18	2,563,650.44
III. Impairment provision					

1. Opening balance		729,605.75			729,605.75
2. Current increased					
(1) Accrual					
3. Current decreased					
(1) Disposal or scrap					
4. Ending balance		729,605.75			729,605.75
IV. Book value					
1. Ending book value	1,894,287.36	127,478.33	96,206.97	111,504.18	2,229,476.84
2. Opening book value	1,960,883.40	128,727.25	96,206.97	102,792.48	2,288,610.10

## (2) Fixed assets temporary idle

Unit: RMB/CNY

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
Machinery equipment	1,044,247.81	314,642.06	729,605.75		The lithium battery equipment stored in the Guangshui Jiaxu factory is in an idle state

## (3) Fixed assets leasing-out by operational lease

Unit: RMB/CNY

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

Unit: RMB/CNY

Item	Book value	Reasons for failing to complete the property rights certificate
Six properties in Lianxin Garden	1,894,287.36	The six properties of Lianxin Garden 7-20F with original value of 2,959,824.00 Yuan. The property purchasing refers to the indemnificatory housing for enterprise talent buying from Shenzhen Housing and Construction Bureau of Luohu District. According to the agreement, the enterprise shall not carrying any kind of property trading with any units or individuals except the government, and the company has no property certification on the above mentioned properties.

Other note

**(5) Information of impairment test of fixed assets**

Applicable Not applicable

**(6) liquidation of fixed assets**

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

**22. Construction in progress**

Unit: RMB/CNY

Item	Ending balance	Opening balance
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**(1) Construction in progress**

Unit: RMB/CNY

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

**(2) Changes in significant construction in progress**

Unit: RMB/CNY

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

Unit: RMB/CNY

Item	Opening balance	Increase	Decrease	Ending balance	Reason
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Other note:

**(4) Information of impairment test of construction in progress**

Applicable Not applicable

## (5) Engineering materials

Unit: RMB/CNY

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

Other note:

## 23. Productive biological asset

### (1) Productive biological assets measured by cost

Applicable Not applicable

### (2) Impairment test of productive biological assets using cost measurement mode

Applicable Not applicable

### (3) Productive biological assets measured by fair value

Applicable Not applicable

## 24. Oil and gas asset

Applicable Not applicable

## 25. Right-of-use assets

### (1) Right-of-use assets

Unit: RMB/CNY

Item	Houses and buildings	Total
I. Original book value		
1. Opening balance	2,564,145.65	2,564,145.65
2. Current increased		
3. Current decreased		
4. Ending balance		
II. Accumulated depreciation		
1. Opening balance	747,875.82	747,875.82
2. Current increased	427,357.61	427,357.61
(1) Accrual	427,357.61	427,357.61
3. Current decreased		

(1) Disposal		
4. Ending balance	1,175,233.43	1,175,233.43
III. Impairment provision		
1. Opening balance		
2. Current increased		
(1) Accrual		
3. Current decreased		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	1,388,912.22	1,388,912.22
2. Opening book value	1,816,269.83	1,816,269.83

**(2) Information of impairment test of right-of-use assets**

Applicable  Not applicable

Other note:

**26. Intangible assets**

**(1) Intangible assets**

Unit: RMB/CNY

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



(1)Accrual					
3.Current decreased					
(1) Disposal					
4.Ending balance					
III. Impairment provision					
1.Opening balance					
2.Current increased					
(1)Accrual					
3.Current decreased					
(1) Disposal					
4.Ending balance					
IV. Book value					
1.Ending book value					
2.Opening book value					

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

**(2) Land use right without certificate of title completed**

Unit: RMB/CNY

Item	Book value	Reasons for failing to complete the property rights certificate
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**(3) Investment real estate without certificate of ownership**

Unit: RMB/CNY

Items	Book value	Reason
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Other note

**(4) Impairment test situation of intangible assets**

Applicable  Not applicable

**27. Goodwill**

**(1) Original book value of goodwill**

Unit: RMB/CNY

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

## (2) Goodwill Impairment provision

Unit: RMB/CNY

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

## (3) Information about the asset group or asset group portfolio to which the goodwill belongs

Name	The composition and basis of the asset group or portfolio to which it belongs	Affiliated business segments and basis	Whether it is consistent with previous years
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Changes in the asset group or portfolio of asset groups

Name	Composition before the change	Composition after the change	Objective facts and basis for change
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Other note

## (4) The specific method of determining the recoverable amount

The recoverable amount is determined on the basis of the net amount by fair value less disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

Applicable Not applicable

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

The reason for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

## (5) Status of completion of performance commitment and corresponding goodwill impairment

When goodwill is formed, there is a performance commitment and the reporting period or the previous period in the reporting period is within the performance commitment period

Applicable Not applicable

Other note:

## 28. Long-term expenses to be apportioned

Unit: RMB/CNY

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

## 29. Deferred income tax asset /Deferred income tax liabilities

### (1) Deferred income tax assets without offset

Unit: RMB/CNY

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset
Asset impairment provision	18,935,907.20	4,733,976.80	19,586,893.46	4,896,723.38
Lease Liabilities	1,447,179.02	361,794.76	1,866,033.17	466,508.30
Total	20,383,086.22	5,095,771.56	21,452,926.63	5,363,231.68

### (2) Deferred income tax liabilities without offset

Unit: RMB/CNY

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Right to use assets	1,388,912.22	347,228.06	1,816,269.83	454,067.46
Total	1,388,912.22	347,228.06	1,816,269.83	454,067.46

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

Unit: RMB/CNY

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax asset	347,228.06	4,748,543.50	454,067.46	4,909,164.22
Deferred income tax liabilities	347,228.06		454,067.46	

### (4) Details of deferred income tax assets without recognized

Unit: RMB/CNY

Item	Ending balance	Opening balance
Deductible temporary difference	7,255,560.04	7,255,560.04
Deductible loss	2,346,162.39	2,346,162.39
Total	9,601,722.43	9,601,722.43

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

Unit: RMB/CNY

Year	Ending amount	Opening amount	Note
2024	1,144,129.87	1,144,129.87	Deductable loss in 2019
2025	501,170.19	501,170.19	Deductable loss in 2020
2026	303,928.96	303,928.96	Deductable loss in 2021
2027	391,287.51	391,287.51	Deductable loss in 2022
2028	5,645.86	5,645.86	Deductable loss in 2023
Total1	2,346,162.39	2,346,162.39	

Other note

**30. Other non-current assets**

Unit: RMB/CNY

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

Other note:

**31. Assets with restricted ownership or right to use**

Unit: RMB/CNY

Item	End of period				Beginning of period			
	Book balance	Book value	Restricted type	Restricted circumstance	Book balance	Book value	Restricted type	Restricted circumstance
Monetary funds	566,435.02	566,435.02	Other	Litigation frozen funds				Litigation frozen funds
Fixed assets	2,959,824.00	1,894,287.36	Other	For the talent housing purchased at a low price, Shenzhen China cannot apply for a certificate, and the disposal can only be repurchased by the government	2,959,824.00	1,960,883.40	Other	For the talent housing purchased at a low price, Shenzhen China cannot apply for a certificate, and the disposal can only be repurchased by the government
Total	3,526,259.02	2,460,722.38			2,959,824.00	1,960,883.40		

Other note:

### 32. Short-term loans

#### (1) Category

Unit: RMB/CNY

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

#### (2) Overdue outstanding short-term loans

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

Unit: RMB/CNY /

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

### 33. Trading financial liability

Unit: RMB/CNY

Item	Ending balance	Opening balance
Including:		
Including:		

Other note:

### 34. Derivative financial liability

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

### 35. Note payable

Unit: RMB/CNY

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

### 36. Account payable

#### (1) Account payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Within one year(one year included)	4,649,649.09	5,583,501.96
1-2 years (2 years included)		83,999.55
2-3 years (3 years included)		1,158.00
Over 3 years		545,005.51
<b>Total</b>	<b>4,649,649.09</b>	<b>6,213,665.02</b>

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

Unit: RMB/CNY

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

**37.Other account payable**

Unit: RMB/CNY

Item	Ending balance	Opening balance
Other account payable	33,107,549.28	39,034,314.13
<b>Total</b>	<b>33,107,549.28</b>	<b>39,034,314.13</b>

**(1) Interest payable**

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Important overdue interest

Unit: RMB/CNY

Unit	Overdue amount	Overdue reason
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Other note:

**(2) Dividend Payable**

Unit: RMB/CNY

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

**(3) Other account payable**

**1) By nature**

Unit: RMB/CNY

Item	Ending balance	Opening balance
Custodian and common benefit debts	24,807,507.61	25,907,507.61
Warranty and guarantee money	1,491,940.00	1,501,940.00
Intercourse funds	6,560,680.00	9,578,367.65
Payment		1,327,373.90
Collection and payment		686,076.86
Other	247,421.67	33,048.11
<b>Total</b>	<b>33,107,549.28</b>	<b>39,034,314.13</b>

## 2) Significant other payable with over one year age

Unit: RMB/CNY

Item	Ending balance	Reasons for non-reimbursement or carry-forward
Custodian and common benefit debts	24,807,507.61	Annual settlement offset
Shenzhen Guocheng Energy Investment Development Co., Ltd.	6,500,000.00	Intercourse funds
<b>Total</b>	<b>31,307,507.61</b>	

Other note:

## 38. Accounts received in advance

### (1) Accounts received in advance

Unit: RMB/CNY

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

Unit: RMB/CNY

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

## 39. Contractual liability

Unit: RMB/CNY

Item	Ending balance	Opening balance
Receipt of goods in advance	527,792.26	633,114.64
<b>Total</b>	<b>527,792.26</b>	<b>633,114.64</b>

Contractual liability in advance with over one year book age

Unit: RMB/CNY

Item	Ending balance	Reasons for non-reimbursement or carry-forward
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Book value has major changes in the period and causes

Unit: RMB/CNY

Item	Amount changes	Reason for change
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#### 40. Wage payable

##### (1) Wage payable

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	1,149,151.81	4,071,306.30	4,188,364.68	1,032,093.43
II. Post-employment benefit-Defined contribution plan		387,042.41	387,042.41	
Total	1,149,151.81	4,458,348.71	4,575,407.09	1,032,093.43

##### (2) Short-term compensation

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wages, bonus, allowances and subsidy	1,143,512.59	3,684,132.65	3,801,003.56	1,026,641.68
3. Social insurance		143,619.02	143,619.02	
Including: Medical insurance		121,609.84	121,609.84	
Work injury insurance		8,497.85	8,497.85	
Maternity insurance		13,511.33	13,511.33	
4. Housing accumulation fund		209,691.60	209,691.60	
5. Labor union expenditure and personnel education expense	5,639.22	33,863.03	34,050.50	5,451.75
Total	1,149,151.81	4,071,306.30	4,188,364.68	1,032,093.43

##### (3) Defined contribution plan

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance		369,991.47	369,991.47	
2. Unemployment insurance		17,050.94	17,050.94	
Total		387,042.41	387,042.41	

Other note:



#### 41. Taxes payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Value added tax	87,394.86	6,575,136.32
Enterprise income tax	709,933.98	3,833,579.07
Individual income tax	39,608.25	71,356.63
City maintenance & construction tax	12,447.81	446,567.07
Stamp tax	25,769.67	52,178.40
Educational surcharge	8,853.82	318,938.97
Total	884,008.39	11,297,756.46

Other note:

#### 42. Liability held for sale

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

#### 43. Non-current liabilities due within one year

Unit: RMB/CNY

Item	Ending balance	Opening balance
Lease liabilities due within one year	873,605.52	847,403.05
Total	873,605.52	847,403.05

Other note:

#### 44. Other current liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
VAT received in advance	68,612.99	82,304.90
Total	68,612.99	82,304.90

Changes of short-term bond payable:

Unit: RMB/CNY

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

Other note:

## 45. Long-term loans

### (1) Category

Unit: RMB/CNY

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

Other note: including interest rate section

## 46. Bonds payable

### (1) Bonds payable

Unit: RMB/CNY

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

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

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

### (4) Other financial instruments classify as financial liability

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

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

Unit: RMB/CNY

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

Basis for financial liability classification for other financial instrument

Other note:

## 47. Lease liability

Unit: RMB/CNY

Item	Ending balance	Opening balance
Lease payment amount	1,481,384.40	1,925,673.72
Including: Within 1 year	905,166.15	891,837.48
1-2 years	576,218.25	918,592.59
2-3 years		115,243.65
Unrecognized financing charges	-34,205.38	-59,640.55
Including: Within 1 year	-31,560.63	-44,434.43
1-2 years	-2,644.75	-18,290.17
2-3 years		3,084.05
Reclassified to lease liabilities due within one year	-873,605.52	-847,403.05
Total	573,573.50	1,018,630.12

Other note:

#### 48. Long-term account payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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##### (1) Nature of long-term account payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

##### (2) Special payable

Unit: RMB/CNY

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

#### 49. Long-term wages payable

##### (1) Long-term wages payable

Unit: RMB/CNY

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

Present value of the defined benefit plans:

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Scheme assets:

Unit: RMB/CNY

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

Unit: RMB/CNY

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

Major actuarial assumption and sensitivity analysis:

Other note:

### 50. Accrual liability

Unit: RMB/CNY

Item	Ending balance	Opening balance	Causes
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Other explanation, including relevant important assumptions and estimation:

### 51. Deferred income

Unit: RMB/CNY

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

### 52. Other non-current liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

### 53. Share capital

Unit: RMB/CNY

	Opening balance	Changes in the period (+, -)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Total shares	689,184,933.00						689,184,933.00

Other note:

#### 54. Other equity instrument

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

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

Unit: RMB/CNY

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

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

Other note:

#### 55. Capital public reserve

Unit: RMB/CNY

Item	Opening balance	Current increased	Current decreased	Ending balance
Capital premium(Share capital premium)	151,720,152.51			151,720,152.51
Other capital public reserve	627,834,297.85			627,834,297.85
Including: Debt restructuring income	482,580,588.23			482,580,588.23
Other	145,253,709.62			145,253,709.62
Total	779,554,450.36			779,554,450.36

Other note: including changes and reasons for changes

#### 56. Inventory shares

Unit: RMB/CNY

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

#### 57. Other comprehensive income

Unit: RMB/CNY

Item	Opening balance	Current period incurred						Ending balance
		Account before income tax	Less: written in other	Less: written in other	Less: Income tax	Belong to parent company after	Belong to minority shareholders	

		in the period	comprehensive income in previous period and carried forward to gains and losses in current period	comprehensive income in previous period and carried forward to retained earnings in current period	expense	tax	after tax	
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Other note: including the active part of the hedging gains/losses of cash flow transfer to initial recognition adjustment for the arbitrated items

## 58. Reasonable reserve

Unit: RMB/CNY

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

## 59. Surplus public reserve

Unit: RMB/CNY

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

Explanation: including changes and reasons for changes

## 60. Retained profit

Unit: RMB/CNY

Item	Current period	Prior period
Retained profit at period-end before adjustment	-1,192,651,364.21	-1,210,553,312.45
Retained profit at period-begin after adjustment	-1,192,651,364.21	-1,210,553,312.45
Add: net profit attributable to shareholders of parent company for this year	5,717,642.69	4,862,298.90
Retained profit at period-end	-1,186,933,721.52	-1,205,691,013.55

Adjustment for retained profit at period-begin:

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

## 61. Operation revenue and operation cost

Unit: RMB/CNY

Item	Current period incurred		Prior period incurred	
	Revenue	Cost	Revenue	Cost
Main business	211,965,555.07	199,846,203.64	290,765,045.12	277,274,706.74
Other business	1,534,042.18	1,148,825.88	2,234,117.38	1,209,446.00
Total	213,499,597.25	200,995,029.52	292,999,162.50	278,484,152.74

Breakdown of operating income and operating costs:

Unit: RMB/CNY

Contract type	1# Division		2# Division				Total	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
Business type	213,499,597.25	200,995,029.52					213,499,597.25	200,995,029.52
Including :								
Jewelry and gold	211,387,577.70	199,281,641.45					211,387,577.70	199,281,641.45
Bicycles, electric vehicles, lithium battery materials and others	2,112,019.55	1,713,388.07					2,112,019.55	1,713,388.07
Classification by business area								
Including:								
Market or customer type								
Including:								
Contract type								
Including:								
Classification by time of goods transfer								
Including:								
Classification by contract duration								

Including:								
Classificati on by sales channel								
Including:								
Total	213,499.59 7.25	200,995.02 9.52					213,499.59 7.25	200,995.02 9.52

Information related to performance obligations:

Item	The time to fulfill the performance obligation	Important payment terms	The nature of the goods that the company promises to transfer	Whether it is the main responsible person	The expected refunds to customers borne by the company	The types of quality assurance provided by the company and related obligations
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Other note:

Information relating to the transaction price assigned to the remaining performance obligation:

The amount of revenue corresponding to performance obligation that have been signed but have not been fulfilled or have not been fulfilled at the end of the period was 0.00 Yuan, including 0.00 Yuan is expected to be recognized as revenue in subsequent years, 0.00 Yuan is expected to be recognized as revenue in subsequent years, 0.00 Yuan is expected to be recognized as revenue in subsequent years. Other explanation:

Significant contract changes or significant transaction price adjustments

Unit: RMB/CNY

Item	Accounting treatment method	The impacted amount on revenue
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Other note:

## 62. Tax and surcharge

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
City maintenance & construction tax	30,933.56	2,712.44
Educational surcharge	22,089.18	1,937.46
Stamp tax	98,479.61	125,047.84
Total	151,502.35	129,697.74

Other note:

## 63. Administrative expenses

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Employee remuneration	2,813,909.20	2,956,105.62
Daily administrative expenses	1,114,549.51	1,174,547.18



Total	3,928,458.71	4,130,652.80
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Other note:

#### 64. Sales expenses

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Employee remuneration	1,041,048.34	656,050.37
Marketing promotion fees	22,377.70	1,318,316.83
Online marketing fee	64,489.30	164,884.42
Other	650,478.14	382,962.39
Total	1,778,393.48	2,522,214.01

Other note:

#### 65. R&D expenses

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Employee compensation and benefits	419,172.22	291,150.18
Other	35,041.40	45,820.72
Total	454,213.62	336,970.90

Other note:

#### 66. Finance expenses

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Interest expenses	25,397.71	
Including: Financing expenses recognized by lease liabilities	25,397.71	
Interest income	-61,836.44	-70,100.25
Commission charge etc.	35,279.23	11,769.30
Total	-1,159.50	-58,330.95

Other note:

#### 67. Other income

Unit: RMB/CNY

Sources	Current period incurred	Prior period incurred
Personal tax withholding fee		2,092.35

#### 68. Net exposure hedge gains

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Other note:

## 69. Income from change of fair value

Unit: RMB/CNY

Sources	Current period incurred	Prior period incurred
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Other note:

## 70. Investment income

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Other note:

## 71. Loss of credit impairment

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Bad debt loss of other account receivable	442,497.22	334,376.92
Bad debt losses of other accounts receivable	-187,577.79	-6,087.13
Total	254,919.43	328,289.79

Other note:

## 72. Impairment loss on assets

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
I. Loss of inventory falling price and loss of contract performance cost impairment	8,123.50	
Total	8,123.50	

Other note:

## 73. Income from assets disposal

Unit: RMB/CNY

Sources	Current period incurred	Prior period incurred
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## 74. Non-operating income

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred	Amount reckoned in current non-recurring gains/losses
Other	1,240,262.87	1,253,150.81	

Total	1,240,262.87	1,253,150.81	
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Other note:

## 75. Non-operating expense

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred	Amount reckoned in current non-recurring gains/losses
Other	60,128.00	1,462,822.69	
Total	60,128.00	1,462,822.69	

Other note

## 76. Income tax expense

### (1) Income tax expense

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Current income tax expense	1,942,341.89	1,720,082.71
Deferred income tax expense	185,966.10	-82,627.15
Total	2,128,307.99	1,637,455.56

### (2) Adjustment on accounting profit and income tax expenses

Unit: RMB/CNY

Item	Current period incurred
Total profit	7,636,336.87
Income tax measured by statutory/applicable tax rate	1,909,084.22
The impact of applying different tax rates to subsidiaries	-48,309.47
Impact of adjusting the income tax of prior period	-193,732.87
The impact of non-taxable income	
Impact on cost, expenses and losses that unable to deducted	
The impact of deductible losses on the use of deferred income tax assets not recognized in prior period	517,277.91
The impact of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the Period	
Additional deductible expenses under the tax code	-56,011.80
Income tax expense	2,128,307.99

Other note:

## 77. Other comprehensive income

Refer to the Note

## 78.Items of Cash flow statement

### (1) Cash related to operating activities

Other cash received from business operation

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Interest, rent, utilities, etc.	1,083,672.56	1,149,209.40
Deposits and guarantees received		60,222.00
Government subsidy and individual tax handling fee refund		2,217.90
Other	11,847,669.53	12,116,466.37
Total	12,931,342.09	13,328,115.67

Explanation on other cash received in relation to operation activities:

Other cash paid in relation to operation activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Payment period expenses, operating expenses and mutual debt, etc	3,643,342.79	4,947,274.36
Judicial freeze	566,435.02	402,449.98
Total	4,209,777.81	5,349,724.34

Explanation on other cash paid in relation to operation activities:

### (2) Cash related to Investment activities

Cash receivable related to other Investment activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Receivable for important cash related to investment activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Explanation on other cash received from investment activities:

Cash paid related with investment activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Payable for important cash related to investment activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Explanation on cash paid related with investment activities

### (3) Cash related to Financing activities

Other cash received in relation to financing activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Received the performance commitment payment from the controlling shareholder Received the private placement deposit	12,098,051.76	
Total	12,098,051.76	

Explanation on other cash received in relation to financing activities:

Other cash paid related with financing activities

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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Explanation on other cash paid related with financing activities:

Changes in various liabilities arising from fund-raising activities

Applicable Not applicable

### (4) Statement of cash flows on a net basis

Item	Relevant factual circumstances	The basis for the use of net presentation	Financial impact
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**(5) Major activities and financial impacts that do not involve cash receipts and expenditures in the current period, but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future**

## 79. Supplementary information to statement of cash flow

### (1) Supplementary information to statement of cash flow

Unit: RMB/CNY

Supplementary information	Current amount	Amount of the previous period
1. Net profit adjusted to cash flow of operation activities:		
Net profit	5,508,028.88	5,937,059.96
Add: Assets impairment provision	263,042.93	-328,289.79
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	97,927.25	101,255.23
Depreciation of right-of-use assets	427,357.61	173,936.71
Amortization of intangible assets		
Amortization of long-term deferred expenses		
Loss from disposal of fixed assets,		

intangible assets and other long-term assets (gain is listed with “-”)		
Losses on scrapping of fixed assets (gain is listed with “-”)		12,298.94
Gain/loss of fair value changes (gain is listed with “-”)		
Financial expenses (gain is listed with “-”)	25,397.71	-58,330.95
Investment loss (gain is listed with “-”)		
Decrease of deferred income tax asset (increase is listed with “-”)	160,620.72	
Increase of deferred income tax liability (decrease is listed with “-”)		
Decrease of inventory (increase is listed with “-”)	-6,197,581.61	-142,168,042.14
Decrease of operating receivable accounts (increase is listed with “-”)	-32,438,650.26	101,511,254.79
Increase of operating payable accounts (decrease is listed with “-”)	-18,140,601.52	-388,000.06
Other	-1,034,350.53	-157,516.35
Net cash flow arising from operating activities	-51,328,808.82	-35,364,373.66
2. Material investment and financing not involved in cash flow		
Conversion of debt into capital		
Switching Company bonds due within one year		
Financing lease of fixed assets		
3. Net change of cash and cash equivalents:		
Balance of cash at period end	24,599,123.35	15,558,495.69
Less: Balance of cash equivalent at year-begin	54,148,674.40	50,922,869.35
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increased amount of cash and cash equivalent	-29,549,551.05	-35,364,373.66

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

Unit: RMB/CNY

	Amount
Including:	
Including:	
Including:	

Other note:

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

Unit: RMB/CNY

	Amount
Including:	
Including:	
Including:	

Other note:

**(4) Constitution of cash and cash equivalent**

Unit: RMB/CNY

Item	Ending balance	Opening balance
I. Cash	24,599,123.35	54,148,674.40
Including: Cash on hand	33,597.75	13,955.25
Bank deposit available for payment at any time	24,485,123.52	54,134,719.15
Other monetary funds that may be paid for at any time	80,402.08	
III. Balance of cash and cash equivalents at the period -end	24,599,123.35	54,148,674.40
Including: the use of restricted cash and cash equivalents by the parent company or subsidiaries within the Group		

**(5) Situations where the scope of use is limited but still classified as cash and cash equivalents**

Unit: RMB/CNY

Item	Amount of the current period	Amount of the previous period	Reason for still being classified as cash and cash equivalents

**(6) Monetary funds that do not belong to cash and cash equivalents**

Unit: RMB/CNY

Item	Amount of the current period	Amount of the previous period	Reason for not belonging to cash and cash equivalents
Other monetary funds	566,435.02	4,179,071.81	Litigation frozen funds
Total	566,435.02	4,179,071.81	

Other note:

**(7) Description of other major activities**

**80. Notes of changes of owners' equity**

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

**81. Foreign currency monetary items**

**(1) Foreign currency monetary items**

Unit: RMB/CNY

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary fund			

Including: USD			
EURO			
HKD			
Account receivable			
Including: USD			
EURO			
HKD			
Long-term loans			
Including: USD			
EURO			
HKD			

Other note:

**(2) Explanation on foreign operational entity, including as for the major foreign operational entity, disclosed main operation place, book-keeping currency and basis for selection; if the book-keeping currency changed, explain reasons**

Applicable Not applicable

## 82. Leasing

**(1) The Company acts as the lessee**

Applicable Not applicable

**(2) The Company acts as the lessor**

Operating lease as a lessor

Applicable Not applicable

Unit: RMB/CNY

Item	Rental income	Thereinto: income related to variable lease payments that are not included in lease receipts
lease of houses	24,153.81	
Total	24,153.81	

Financial lease as a lessor

Applicable Not applicable

Annual undiscounted lease receipts for the next five years

Applicable Not applicable

Adjustment table for undiscounted lease receipts and net lease investments

**(3) Recognition of financial lease sales gains and losses as a producer or distributor**

Applicable Not applicable



### 83. Data resources

### 84. Other

## VIII. R&D expenditure

Unit: RMB/CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee remuneration and benefits	419,172.22	291,150.18
Other	35,041.40	45,820.72
Total	454,213.62	336,970.90
Thereinto: expensed R&D expenditure	454,213.62	336,970.90

### 1. R&D projects that meet the conditions for capitalization

Unit: RMB/CNY

Project	Opening balance	Amount increased in the current period			Amount decreased in the current period			Ending balance
		Internal development expenditures	Others		Recognized as intangible assets	Transferred to profit or loss for the current period		
Total								

#### Significant capitalized R&D projects

Project	R&D progress	Estimated completion time	Expected way of generating economic benefits	The point at which capitalization begins	The specific basis for starting capitalization
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#### Provision for impairment of development expenditure

Unit: RMB/CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Impairment test situation
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### 2. Important outsourcing projects under research

Name of project	Expected way of generating economic benefits	Criteria and specific basis for determining capitalization or expensing
-----------------	--	---

Other note:

## IX. Changes of consolidation scope

### 1. Enterprise combined under different control

#### (1) Enterprise combined under different control in the Period

Unit: RMB/CNY

Acquiree	Time point for equity obtained	Cost of equity obtained	Ratio of equity obtained	Acquired way Equity obtained way	Purchasing date	Standard to determine the purchasing date	Income of acquiree from purchasing date to	Net profit of acquiree from purchasing date to
----------	--------------------------------	-------------------------	--------------------------	----------------------------------	-----------------	---	--	--

							period-end	period-end
--	--	--	--	--	--	--	------------	------------

Other note:

## (2) Combination cost and goodwill

Unit: RMB/CNY

Consolidation cost	
--Cash	
--Fair value of non-cash assets	
--Fair value of debts issued or assumed	
--Fair value of equity securities issued	
-- Fair value of contingent consideration	
--Fair value of the equity prior to the purchasing date	
--Other	
Total combination cost	
Less: shares of fair value of identifiable net assets acquired	
The amount by which the goodwill/cost of consolidation is less than the share of fair value of identifiable net assets acquired	

Determination method for fair value of the combination cost:

Contingent consideration and changes:

Main reasons for large goodwill resulted:

Other note:

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

Unit: RMB/CNY

	Fair value on purchasing date	Book value on purchasing date
Assets:		
Monetary fund		
Account receivable		
Inventory		
Fixed assets		
Intangible assets		
Liability:		
Loan		
Account payable		
Deferred income tax liabilities		
Net assets		
Less: Minority interests		
Net assets acquired		

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

Contingent liability of the acquiree bear during combination:

Other note:

**(4) Gains or losses arising from re-measured by fair value for the equity held before purchasing date**

Whether it is a business combination realized by two or more transactions of exchange and a transaction of obtained control rights in the Period or not

Yes  No

**(5) On purchasing date or period-end of the combination, combination consideration or fair value of identifiable assets and liability for the acquiree are un-able to confirm rationally**

**(6) Other Note:**

**2. Enterprise combine under the same control**

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

Unit: RMB/CNY

Combined party	Equity ratio obtained in combination	Basis of combined under the same control	Combination date	Standard to determine the combination date	Income of the combined party from period-begin of combination to the combination date	Net profit of the combined party from period-begin of combination to the combination date	Income of the combined party during the comparison period	Net profit of the combined party during the comparison period

Other note:

**(2) Combination cost**

Unit: RMB/CNY

Consolidation cost	
--Cash	
-- Book value of non-cash assets	
- Book value of debts issued or assumed	
-- The face value of the equity securities issued	
--Contingent consideration	

Explanation on contingent consideration and its changes:

Other note:

**(3) Book value of the assets and liability of the combined party on combination date**

Unit: RMB/CNY

	Consolidation date	End of last period
Assets:		
Monetary fund		
Account receivable		
Inventory		

Fixed assets		
Intangible assets		
Liability:		
Loan		
Account payable		
Net assets		
Less: Minority interests		
Net assets acquired		

Contingent liability of the combined party bear during combination:

Other note:

### 3. Counter purchase

Basic transaction information, basis of counter purchase, whether making up business due to the assets and liability reserved by listed company and basis, determination of combination cost, amount and calculation on adjusted equity by equity transaction:

### 4. Subsidiary disposal

Whether lost controlling rights while dispose subsidiary on one time or not

Yes No

Whether lost controlling rights in the Period while dispose subsidiary on two or more steps or not

Yes No

### 5. Other reasons for consolidation range changed

Reasons for changed on consolidation range (such as new subsidiary established, subsidiary liquidated etc.)And relevant information:

In the current period, four new wholly-owned subsidiaries are established, including Dongguan Xinsen Jewelry .-with a registered capital of 5 million yuan, Shenzhen Yunyouxuan Jewelry Co., Ltd.-with a registered capital of 15 million yuan, Hangzhou Huabao Digital Culture Co Ltd.-with a registered capital of 5 million yuan, Tibet Jinyaya Trading Co., Ltd. -with a registered capital of 2 million yuan, and Shenzhen China International.-with a registered capital of HKD 10,000 yuan.

### 6. Other

## X. Equity in other entity

### 1. Equity in subsidiary

#### (1) Constitute of enterprise group

Unit: RMB/ HKD

Subsidiary	Registered capital	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
					Directly	Indirectly	
Shenzhen Xinsen Jewelry Gold Co., Ltd	200,000,000.00	Shenzhen	Shenzhen	Sales of Jewelry, diamonds and gold	100.00%		Investment
Shenzhen Xinsen Precision Manufacturing Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Jewelry, diamonds, gold processing		100.00%	Investment
Shenzhen Emmelle Industrial Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Distribution of bicycles and spare parts	70.00%		Investment
Shenzhen Emmelle Cloud Technology Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Software and information technology service sales		49.00%	Investment
Fujian Huaxinbao Jewelry Co., Ltd.	5,000,000.00	Fujian Putian	Fujian Putian	Sales of Jewelry, diamonds and gold	100.00%		Investment
Shenzhen Huabao Zhenxuan Jewelry Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Sales of Jewelry, diamonds and gold	100.00%		Investment
Hainan Industry Co., Ltd.	5,000,000.00	Haikou	Haikou	Import and export, trade, industry	100.00%		Investment
Dongguan Xinsen Jewelry Co., Ltd.	5,000,000.00	Dongguan	Dongguan	Jewelry, diamonds, gold processing		100.00%	Investment
Shenzhen Yunyouxuan Jewelry Technology Co., Ltd.	15,000,000.00	Shenzhen	Shenzhen	Sales of Jewelry, diamonds and gold	35.00%	0.20%	Investment
Hangzhou Huabaohui Digital Culture Co Ltd	5,000,000.00	Hangzhou	Hangzhou	Sales of Jewelry, diamonds and gold	100.00%		Investment
Tibet Jinyaya Jewelry Trading Co., Ltd.	2,000,000.00	Lhasa	Lhasa	Sales of Jewelry, diamonds and gold	100.00%		Investment
Shenzhen China International Co., Ltd.	10,000.00	HONGKAN G	HONGKAN G	Sales of Jewelry, diamonds and gold	100.00%		Investment

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

Basis for controlling the invested entity with half or below voting rights held and without controlling invested entity but with over half and over voting rights:

Controlling basis for the structuring entity included in consolidated range:

Basis on determining to be an agent or consignor:

Other note:

## (2) Important non-wholly-owned subsidiary

Unit: RMB/CNY

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shenzhen Emmelle Industrial Co., Ltd.	30.00%	-212,650.68		427,257.35
Shenzhen Yunyouxuan Jewelry Technology Co., Ltd.	65.00%	3,036.87		9,753,036.87

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

Other note:

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

Unit: RMB/CNY

Subsidiary	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Emmelle Industrial Co., Ltd.	7,906,001.06	73,179.53	7,979,180.59	8,241,539.10	0	8,241,539.10	9,689,931.74	73,727.87	9,763,659.61	9,316,963.25	0	9,316,963.25
Shenzhen Yunyouxuan Jewelry Technology Co., Ltd.	15,008,500.22	0	15,008,500.22	3,828.12	0	3,828.12	0	0	0	0	0	0

Unit: RMB/CNY

Subsidiary	Current period incurred				Prior period incurred			
	Operation revenue	Net profit	Total comprehensive income	Cash flow from operation activity	Operation revenue	Net profit	Total comprehensive income	Cash flow from operation activity
Shenzhen Emmelle Industrial Co., Ltd.	918,458.55	-709,054.87	-709,054.87	-760,606.22	2,263,649.57	359,924.99	359,924.99	5,086,365.30
Shenzhen Yunyouxuan	2,434,911.50	4,672.10	4,672.10	9,991,499.7	0	0	0	0

n Jewelry Technology Co., Ltd.				8				
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Other note:

**(4) Major restriction on using corporate assets and liquidate corporate debts**

**(5) Financial or other supporting provided to structuring entity that included in consolidated financial statement**

Other note:

**2. Transaction that has owners equity shares changed in subsidiary but still with controlling rights**

**(1) Owners equity shares changed in subsidiary**

**(2) Impact on minority's interest and owners' equity attributable to parent company**

Unit: RMB/CNY

Purchase cost/disposal consideration	
--Cash	
--Fair value of non-cash assets	
Purchase cost/total disposal consideration	
Less: Subsidiary's share of net assets calculated based on the proportion of acquired/disposed equity	
Difference	
Including: Adjust capital public reserve	
Adjust surplus public reserve	
Adjusted retained profit	

Other note:

**3. Equity in joint venture and associated enterprise**

**(1) Important joint venture or associated enterprise**

Joint venture or associated enterprise	Main operation place	Registered place	Business nature	Share-holding ratio		Accounting treatment
				Directly	Indirectly	

Share-holding ratio or shares enjoyed different from voting right ratio:

Basis of the voting rights with 20% below but with major influence, or without major influence but with over 20% (20% included) voting rights hold:

**(2) Main financial information of the important joint venture**

Unit: RMB/CNY

	Ending balance/Current period incurred	Opening balance/Prior period incurred
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Current assets		
Including: cash and cash equivalent		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Minority interests		
Shareholders' equity attributable to the parent company		
Share of net assets calculated by shareholding ratio		
Adjustment items		
--Goodwill		
--Unrealized profit of internal trading		
--Other		
Book value of equity investment in joint venture		
Fair value of the equity investment of joint ventures with public offers concerned		
Operation revenue		
Financial expenses		
Income tax expense		
Net profit		
Net profit of discontinuing operation		
Other comprehensive income		
Total comprehensive income		
Dividends received from joint venture in the year		

Other note:

### (3) Main financial information of the important associated enterprise

Unit: RMB/CNY

	Ending balance/Current period incurred	Opening balance/Prior period incurred
Current assets		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Minority interests		
Equity attributable to shareholder of parent company		
Share of net assets measured by shareholding		



Adjustment		
--Goodwill		
--Unrealized profit of internal trading		
--Other		
Book value of equity investment in associated enterprise		
Fair value of the equity investment of associated enterprise with public offers concerned		
Operation revenue		
Net profit		
Net profit of discontinuing operation		
Other comprehensive income		
Total comprehensive income		
Dividends received from associated enterprise in the year		

Other note:

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

Unit: RMB/CNY

	Ending balance/Current period incurred	Opening balance/Prior period incurred
Joint venture:		
Total numbers measured by share-holding ratio		
Associated enterprise:		
Total numbers measured by share-holding ratio		

Other note:

**(5) Assets transfer ability has major restriction from joint venture or associated enterprise**

**(6) Excess losses from joint venture or associated enterprise**

Unit: RMB/CNY

Joint venture or associated enterprise	Cumulative un-confirmed losses	Un-confirmed losses not recognized in the Period (or net profit enjoyed in the Period)	Cumulative un-confirmed losses at period-end

Other note:

**(7) Un-confirmed commitment with investment concerned with joint venture**

**(8) Contingent liability with investment concerned with joint venture or associated enterprise**

**4.Co-runs operation**

Name	Main operation place	Registered place	Business nature	Share-holding ratio/share enjoyed	
				Directly	Indirectly

Share-holding ratio or shares enjoyed different from voting right ratio:

If the co-runs entity is the separate entity, basis of the co-runs classification

Other note:

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

**6.Other**

**XI. Government subsidy**

**1. Government subsidies recognized according to the receivable amount at the end of the reporting period**

Applicable Not applicable

The reason for not receiving the estimated amount of government subsidies at the expected point in time

Applicable Not applicable

**2. Liabilities involving government subsidies**

Applicable Not applicable

**3. Government subsidies included in the current profit and loss**

Applicable Not applicable

**XII. Risks Related to Financial Instruments**

**1.Risks arising from financial instruments**

**2. Hedging**

**(1) The Company conducts hedging business for risk management**

Applicable Not applicable

**(2) The Company conducts qualified hedging business and applies hedge accounting**

Unit: RMB/CNY

Item	The carrying amount associated with the hedged item and the hedging instrument	The cumulative fair value hedge adjustment of the hedged items included in the recognized carrying amount of the hedged items	Sources of hedge effectiveness and hedge ineffectiveness part	The impact of hedge accounting on the Company's financial report
Type of hedging risk				
Hedging category				

Other note:

**(3) The Company conducts hedging business for risk management and expects to achieve risk management objective but does not apply hedge accounting**

Applicable Not applicable

**3. Financial assets**

**(1) Classification of transfer methods**

Applicable Not applicable

**(2) Financial assets that have been derecognized as a result of a transfer**

Applicable Not applicable

**(3) Financial assets of continued involvement in asset transfer**

Applicable Not applicable

Other note:

**XIII. Disclosure of fair value**

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

Unit: RMB/CNY

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	--	--	--	--
II. Non-sustaining measured by fair value	--	--	--	--

**2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order**

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

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

**5. Adjustment information and sensitivity analysis of unobservable parameters for the fair value measure sustaining and non-persistent on third-order**

**6. Sustaining items measured by fair value, as for the conversion between at all levels, reasons for conversion and policy for conversion time point**

**7. Changes of valuation technique in the Period**

**8. Financial assets and liability not measured by fair value**

**9. Other**

#### **XIV. Related party and related transactions**

##### **1. Parent company**

Parent company	Registered place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
Wansheng Industrial Holdings (Shenzhen) Co., Ltd.	Shenzhen	General business: investment in establishment of industrial	500 million Yuan	20.00%	20.00%

Explanation on parent company of the enterprise

Wansheng Industrial Holdings (Shenzhen) Co., Ltd. was established on May 10, 2016, with the business period is from May 10, 2016 to no fixed term, the registered capital of the company is 500,000,000 yuan, the unified social credit code is 91440300MA5DCB5K9A, the enterprise type is a limited liability company, the legal representative is Wang Shenghong, and the company's registered address is 1311, Beiyuehui Building, No. 2115, Cuizhu Road, Cuijin Community, Cuizhu Street, Luohu District, Shenzhen.

Ultimate controller of the Company: Wang Shenghong

Other note:

##### **2. Subsidiary of the Enterprise**

Found more in Note X

### 3. Associated enterprise and joint venture

Found more in Note

Other associated enterprise and joint venture that have related transaction with the Company in the Period or occurred in previous period

Joint venture or associated enterprise	Relationship with the Company
--	-------------------------------

Other note:

### 4. Other related party

Other related party	Relationship with the Company
Shenzhen Guocheng Energy Investment Development Co., Ltd.	Enterprise that holds more than 5% of the shares of Shenzhen China

Other note

Shenzhen China Bicycle purchased the shares of minority stockholders of Shenzhen Xinsen Jewelry Gold Co., Ltd., a subsidiary company. After the purchase, Xinsen became a wholly-owned subsidiary of Shenzhen China Bicycle, and the completion date was in early August 2023. According to the Listing Rules for Stocks of Shenzhen Stock Exchange, based on prudent considerations, the company determined that Fuzhou Zuanjinsen and Fuzhou Rongrun were related parties of the company within 12 months after the industrial and commercial registration for the purchase of the shares of minority shareholders of the holding subsidiary, and the related transactions occurred were related-party transactions.

### 5. Related transaction

#### (1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

Unit: RMB/CNY

Related party	Transaction content	Current period incurred	Approved transaction amount	Whether more than the transaction amount	Prior period incurred
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Goods sold/labor service providing

Unit: RMB/CNY

Related party	Transaction content	Current period incurred	Prior period incurred
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Explanation on goods purchasing, labor service providing and receiving

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

Trusteeship/contract

Unit: RMB/CNY

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

Delegated administration/outsourcing

Unit: RMB/CNY

Client/ contract-out party	Entrusting party/ contractor	Assets type	Starting date	Maturity date	Pricing basis of trustee fee/outsourcing fee	Trustee fee/outsourcing fee recognized in the Period
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Explanation on related administration/outsourcing

**(3) Related lease**

As a lessor for the Company:

Unit: RMB/CNY

Lessee	Assets type	Lease income recognized in the Period	Lease income recognized in prior Period
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As a lessee for the Company:

Unit: RMB/CNY

Lessor	Assets type	rental cost for short-term leases and low-value assets leases with simplified processing (if applicable)		Variable lease payment not included in the measurement of leasing liability (if applicable)		Rental paid		Interest expenses assumed on lease liability		Right-of-use assets increased	
		Current period incurre d	Prior period incurre d	Current period incurre d	Prior period incurre d	Current period incurre d	Prior period incurre d	Current period incurre d	Prior period incurre d	Current period incurre d	Prior period incurre d

Explanation on related lease

**(4) Related guarantee**

As a guarantor for the Company

Unit: RMB/CNY

Secured party	Amount guarantee	Starting date	Due date	Guarantee completed (Y/N)
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As a secured party for the Company

Unit: RMB/CNY

Guarantor	Amount guarantee	Starting date	Due date	Guarantee completed (Y/N)
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Explanation on related guarantee

## (5) Borrowed funds of related party

Unit: RMB/CNY

Related party	Borrowed funds	Starting date	Due date	Note
Borrowing				
Lending				

## (6) Assets transfer and debt restructuring of related party

Unit: RMB/CNY

Related party	Transaction content	Current period incurred	Prior period incurred
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## (7) Remuneration of key manager

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
Remuneration of key manager	1,037,574.77	703,586.71

## (8) Other related transactions

### 6. Receivable/payable items of related parties

#### (1) Receivable item

Unit: RMB/CNY

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision

#### (2) Payable item

Unit: RMB/CNY

Item	Related party	Ending book balance	Opening book balance
Other account payable	Shenzhen Guosheng Energy Investment Development Co., Ltd.	6,500,000.00	6,500,000.00

### 7. Commitments of related party

According to the Cooperation Agreement signed by Shenzhen China Bicycle Company (Holdings) Co., Ltd. with Wansheng Industrial Holdings (Shenzhen) Co., Ltd. (hereinafter referred to as "Wansheng Industrial") and Shenzhen Guosheng Energy Investment and Development Co., Ltd. (hereinafter referred to as "Guosheng Energy") on December 14, 2020, Wansheng Industrial promised that in the next three years from the next year after the completion of the non-public issuance of shares and the completion of the adjustment of the board of

directors and board of supervisors of the listed company by Wansheng Industrial, the net profit of the listed company shall not be less than RMB 30 million yuan, 35 million yuan and 40 million yuan, that is, the cumulative net profit scale is 105 million yuan. If the cumulative actual net profit of the listed company as of any year during the performance commitment period does not reach the promised cumulative net profit, Wansheng Industrial shall compensate the listed company in cash within 10 working days after the issuance of the audit report of the listed company in the year during the performance commitment period. The amount of compensation payable for the year is calculated as follows: amount of compensation payable for the year = cumulative committed net profit as of the end of the period minus cumulative realized net profit as of the end of the period minus cumulative compensation amount (if any).

According to the unqualified audit report with the report number of GXS Zi [2024] No.23014760012 issued by Huaxing Certified Public Accountants LLP (special general partnership) on April 19, 2024, in 2023, the net profit attributable to the owners of the parent company in Shenzhen China Bicycle was RMB 17,901,948.24, and the actual completion was lower than the performance commitment by RMB 30,000,000, and the completion rate of performance commitment was 59.67%, which failed to meet the performance commitment target. According to the performance commitment, Wansheng Industrial shall pay the company RMB 12,098,051.76 in cash for the 2023 annual performance compensation within ten working days after the issuance of the 2023 annual audit report of Shenzhen China Bicycle. On April 29, 2024, the company received performance compensation of RMB 12,098,051.76 from Wansheng Industrial, and Wansheng Industrial fulfilled its performance compensation obligations in 2023 in accordance with the Cooperation Agreement. The performance commitment for 2024 -2025 is being fulfilled.

## **8. Other**

Nil

## **XV. Share-based payment**

### **1. General share-based payment**

Applicable Not applicable

### **2. Share-based payment settled by equity**

Applicable Not applicable

### **3. Share-based payment settled by cash**

Applicable Not applicable

### **4. The current shares will pay the fee**

Applicable Not applicable



## 5. Revised and termination on share-based payment

Nil

## 6. Other

Nil

## XVI. Commitment or contingency

### 1. Important commitments

Important commitments in balance sheet date

Nil

### 2. Contingency

#### (1) Contingency on balance sheet date

Nil

#### (2) For the important contingency not necessary to disclosed by the Company, explained reasons

The Company has no important contingency that need to disclosed

### 3. Other

Nil

## XVII. Events after balance sheet date

### 1. Important non-adjustment items

Unit: RMB/CNY

Item	Content	Impact on financial status and operation results	Reasons on un-able to estimated the impact number
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### 2. Profit distribution

Nil

### 3. Sales return

Nil

#### 4. Other events after balance sheet date

Nil

### XVIII. Other important events

#### 1. Previous accounting errors collection

##### (1) Retrospective restatement

Unit: RMB/CNY

Correction content	Treatment procedures	Impact items of statement during a comparison	Cumulative impacted number
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##### (2) Prospective application

Correction content	Approval procedures	Reasons for prospective application adopted
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#### 2. Debt restructuring

Nil

#### 3. Assets replacement

##### (1) Non-monetary assets change

Nil

##### (2) Other assets replacement

Nil

#### 4. Pension plan

Nil

#### 5. Discontinued operations

Unit: RMB/CNY

Item	Revenue	Expenses	Total profit	Income tax expenses	Net profit	Discontinued operations profit attributable to owners of parent company
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Other note:

## 6. Segment

### (1) Recognition basis and accounting policy for reportable segment

The Company determines its business segments based on its internal organizational structure, management requirements, and internal reporting system. The Company's business segments are those that meet the following conditions at the same time:

(1) The component is capable of generating income and incurring expenses in its daily activities;

(2) Management is able to regularly evaluate the operating results of the component in order to decide on the allocation of resources to it and evaluate its performance;

(3) Able to obtain accounting information related to the financial position, results of operations and cash flows of the component.

The Company determines the reporting segment on the basis of the industry segment.

Segment reporting information is disclosed in accordance with the accounting policy and measurement standards adopted by each segment in reporting to management, which are consistent with those at the time of preparation of the financial report.

### (2) Financial information for reportable segment

Unit: RMB/CNY

Item	Gold jewelry	Bicycle lithium battery material and others	Offset between segments	Total
Main business income	211,387,577.67	1,059,967.98		211,965,555.07
Main business cost	199,281,641.45	661,336.47		199,846,203.64

**(3)The Company has no reportable segments, or unable to disclose total assets and total liability for reportable segments, explain reasons**

**(4) Other note:**

## 7. Major transaction and events makes influence on investor's decision

Nil

## 8.Other

Nil

## XIX. Principle notes of financial statements of parent company

### 1. Account receivable

#### (1) Disclosure according to the aging

Unit: RMB/CNY

Aging	Balance in year-end	Balance Year-beginning
Within one year(one year included)	80,714,761.15	183,092,316.73
1-6 months	68,811,760.95	183,092,316.73
7-12 months	11,903,000.20	0.00
1-2 years	5,574,289.81	6,441,479.72
2-3 years	10,762,472.02	10,762,472.02
Over 3 years	2,380,925.00	2,412,925.00
3-4 years	1,115,247.00	1,115,247.00
4-5 years	917,542.00	949,542.00
Over 5 years	348,136.00	348,136.00
Total	99,432,447.98	202,709,193.47

#### (2) According to the bad debt provision method classification disclosure

Unit: RMB/CNY

Category	Amount in year-end					Balance Year-beginning				
	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	18,729,837.03	18.84%	17,006,183.74	90.80%	1,723,653.29	18,761,837.03	9.26%	17,038,183.74	90.81%	1,723,653.29
Including:										
Single identification	18,729,837.03	18.84%	17,006,183.74	90.80%	1,723,653.29	18,761,837.03	9.26%	17,038,183.74	90.81%	1,723,653.29
Accrual of bad debt provision by portfolio	80,702,610.95	81.16%	212,470.05	0.26%	80,490,140.90	183,947,356.44	90.74%	549,240.50	0.30%	183,398,115.94
Including:										
Aging portfolio	80,702,610.95	81.16%	212,470.05	0.26%	80,490,140.90	183,080,166.53	90.31%	549,240.50	0.30%	182,530,926.03
Related party Portfolio						867,189.91	0.43%			867,189.91
Total	99,432,447.98	100.00%	17,218,653.79	17.32%	82,213,794.19	202,709,193.47	100.00%	17,587,424.24	8.68%	185,121,769.23

Bad debt provision accrual on single basis: Single identification

Unit: RMB/CNY

Name	Opening balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for accrual
Guangshui Jiayu Energy Technology Co.,Ltd	15,937,156.89	14,343,441.20	15,937,156.89	14,343,441.20	90.00%	Expected to be difficult to recover
Suzhou Jiaxin Economic Trade Co., Ltd.	888,757.00	888,757.00	888,757.00	888,757.00	100.00%	Expected to be difficult to recover
Suzhou Daming Vehicle Industry Co., Ltd.	649,688.00	519,750.40	649,688.00	519,750.40	80.00%	Expected to be difficult to recover
Dongguan Daxiang New Energy Co., Ltd.	626,734.00	626,734.00	594,734.00	594,734.00	100.00%	Expected to be difficult to recover
Guangdong Xinlingjia New Energy Co., Ltd.	348,136.00	348,136.00	348,136.00	348,136.00	100.00%	Expected to be difficult to recover
Tianjin Huiju Electric Vehicle Co., Ltd.	116,840.14	116,840.14	116,840.14	116,840.14	100.00%	Expected to be difficult to recover
Other	194,525.00	194,525.00	194,525.00	194,525.00	100.00%	Expected to be difficult to recover
<b>Total</b>	<b>18,761,837.03</b>	<b>17,038,183.74</b>	<b>18,729,837.03</b>	<b>17,006,183.74</b>		

Bad debt provision accrual on portfolio: Aging portfolio

Unit: RMB/CNY

Name of the Company	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
1-6 months	68,811,760.95	48,168.23	0.07%
7-12 months	11,746,000.00	140,952.00	1.20%
1-2 years	144,850.00	23,349.82	16.12%
<b>Total</b>	<b>80,702,610.95</b>	<b>212,470.05</b>	

Explanation on portfolio basis:

Bad debt provision accrual on portfolio:

Unit: RMB/CNY

Name	Ending balance		
	Book Balance	Bad debt provision	Proportion(%)

Explanation on portfolio basis:

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

Applicable Not applicable

Basis for division of each stage and accrual ratio for bad-debt provision

Explanation of the significant change in the book balance of accounts receivable with loss reserve in the current period

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

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Accounts receivable with individual provision for bad debts	17,038,183.74		32,000.00			17,006,183.74
Provision for bad debts based on a portfolio of credit risk characteristics	549,240.50		336,770.45			212,470.05
<b>Total</b>	<b>17,587,424.24</b>		<b>368,770.45</b>			<b>17,218,653.79</b>

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

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision

**(4) Account receivables actually write-off during the reporting period**

Unit: RMB/CNY

Item	Amount written off

Including major account receivables write-off:

Unit: RMB/CNY

Enterprise	Nature	Amount written off	Causes	Procedure	Amount cause by related transactions or not (Y/N)

Explanation on account receivable write-off:

**(5) The top five accounts receivable and contract assets at the end of the period aggregated according to debtor**

Unit: RMB/CNY

Name of the	Ending balance of	Ending balance of	Ending balance of	Proportion to the	Ending balance of

organization	accounts receivable	contract assets	accounts receivable and contract assets	total ending balance of accounts receivable and contract assets	accounts receivable bad debt provision and contract asset impairment provision
Shenzhen Hualinglong Jewelry Culture Technology Co., Ltd	27,427,840.85	0.00	27,427,840.85	27.58%	19,199.49
Fuzhou Cangshan District Dingjue Jewelry Company	16,795,047.57	0.00	16,795,047.57	16.89%	11,756.53
GuangshuiJiaxu Energy Technology Co., Ltd	15,937,156.89	0.00	15,937,156.89	16.03%	14,343,441.20
Shenzhen Yunshang Jewelry Co., Ltd	13,548,308.40	0.00	13,548,308.40	13.63%	9,483.82
Shenzhen Yuanchi Trading Co., Ltd	8,258,000.00	0.00	8,258,000.00	8.31%	99,096.00
Total	81,966,353.71	0.00	81,966,353.71	82.44%	14,482,977.04

## 2. Other account receivable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Other account receivable	86,984,000.02	17,300,576.60
Total	86,984,000.02	17,300,576.60

### (1) Interest receivable

#### 1) Category

Unit: RMB/CNY

Item	Ending balance	Opening balance
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#### 2) Important overdue interest

Unit: RMB/CNY

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

#### 3) Accrual of bad debt provision

Applicable Not applicable

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

Unit: RMB/CNY

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

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

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision
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Other note:

**5) Interest receivables actually written off in the current period**

Unit: RMB/CNY

Item	Write-off amount
------	------------------

Important Interest receivables write-off status thereinto:

Unit: RMB/CNY

Name of Organization	Amount Nature	Write-off amount	Write-off reason	Write-off procedures for fulfillment	Whether the payment is generated by a related party transaction
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Other note

**(2) Dividend receivable**

**1) Category**

Unit: RMB/CNY

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

Unit: RMB/CNY

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

Applicable Not applicable

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

Unit: RMB/CNY

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

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

Unit: RMB/CNY

Name of the organization	Amount recovered or reversed	Reason for reversal	Recovery method	The basis and rationality for determining the provision ratio of original bad debt provision
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Other note:

### 5) Dividend receivables actually written off in the current period

Unit: RMB/CNY

Item	Write-off amount
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Important Dividend receivable write-off status thereinto:

Unit: RMB/CNY

Name of Organization	Amount Nature	Write-off amount	Write-off reason	Write-off procedures for fulfillment	Whether the payment is generated by a related party transaction
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Other note:

### (3) Other account receivable

#### 1) By nature

Unit: RMB/CNY

Nature	Ending book balance	Opening book balance
Performance compensation		12,098,051.76
Deposit or margin	9,609.80	9,609.80
Personal loan of employees	255,439.62	
Payment for equipment	11,400.00	11,400.00
Current account	86,621,672.80	5,193,843.90
Other	176,016.08	

Total	87,074,138.30	17,312,905.46
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## 2) By account aging

Unit: RMB/CNY

Aging	Ending book balance	Opening book balance
Within one year(one year included)	86,982,765.30	17,221,532.46
1-2 years	79,473.00	79,473.00
2-3 years	0.00	0.00
Over 3 years	11,900.00	11,900.00
3-4 years	0.00	0.00
4-5 years	0.00	0.00
Over 5 years	11,900.00	11,900.00
Total	87,074,138.30	17,312,905.46

## 3) According to the bad debt provision method classification disclosure

Unit: RMB/CNY

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including:										
Including:										

Provision for bad debts is made according to the general model of expected credit losses

Basis for division of each stage and accrual ratio for bad-debt provision

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

Applicable  Not applicable

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

The withdrawal amount of the bad debt provision:

Unit: RMB/CNY

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Provision for bad debts based on a portfolio of credit risk characteristics	12,328.86	77,809.42				90,138.28
Total	12,328.86	77,809.42				90,138.28

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

Unit: RMB/CNY

Name of the	Amount recovered or	Reason for reversal	Recovery method	The basis and
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organization	reversed			rationality for determining the provision ratio of original bad debt provision
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### 5) Other account receivables actually write-off during the reporting period

Unit: RMB/CNY

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

Unit: RMB/CNY

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

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

Unit: RMB/CNY

Enterprise	Nature	Ending balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad bet provision
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd	Current account of subsidiary	86,531,672.80	Within one year(one year included)	99.38%	
Employee loans	Personal loans	200,000.00	Within one year(one year included)	0.23%	29,200.00
Guangdong Shenzhen Luohu Court	Other	79,473.00	1-2 years (two year included)	0.09%	25,518.78
Hubei Guangshui Court	Current account	52,816.00	Within one year(one year included)	0.06%	7711.14
Fujian Huaxinbao Jewelry Co., Ltd.	Current account	50,000.00	Within one year(one year included)	0.06%	
Total		86,913,961.80		99.82%	62,429.92

### 7) Reported in other receivables due to centralized management of funds

Other note:

### 3. Long-term equity investment

Unit: RMB/CNY

Item	Ending balance	Opening balance
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	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	125,760,379.73		125,760,379.73	120,510,379.73		120,510,379.73
Total	125,760,379.73		125,760,379.73	120,510,379.73		120,510,379.73

**(1) Investment for subsidiary**

Unit: RMB/CNY

The invested entity	Opening balance(Book value)	Opening balance of the impairment provision	Changes in the period (+, -)				Ending balance(Book value)	Ending balance of impairment provision
			Additional investment	Capital reduction	Accrual of impairment provision	Other		
Shenzhen Emmelle Industrial Co., Ltd.	10,379.73						10,379.73	
Shenzhen Xinsen Jewelry Gold Co., Ltd	120,500,000.00						120,500,000.00	
Shenzhen Yunyouxuan Jewelry Technology Co., Ltd.			5,250,000.00				5,250,000.00	
Total	120,510,379.73		5,250,000.00				125,760,379.73	

**(2) Investment for associates and joint venture**

Unit: RMB/CNY

Funded enterprise	Opening balance (Book value)	Changes in the period (+, -)								Ending balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture											
II. Associated enterprise											

The recoverable amount is determined on the basis of the net amount of fair value less disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

Applicable Not applicable

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

The reason for the obvious discrepancy between the information used in the Company's impairment test in

previous years and the actual situation in the current year

(3) Other note

4. Operation revenue and operation cost

Unit: RMB/CNY

Item	Current period incurred		Prior period incurred	
	Revenue	Cost	Revenue	Cost
Main business	41,648,464.52	36,082,094.24	24,987,989.13	22,297,957.34
Other business	1,193,561.03	1,052,051.60	1,214,376.83	1,119,937.21
Total	42,842,025.55	37,134,145.84	26,202,365.96	23,417,894.55

Breakdown of operating income and operating costs:

Unit: RMB/CNY

Contract type	1# Division		2# Division				Total	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
Business type	42,842,025.55	37,134,145.84					42,842,025.55	37,134,145.84
Including :								
Jewelry and gold	41,648,464.52	36,082,094.24					41,648,464.52	36,082,094.24
Lithium battery material for bicycles and other	1,193,561.03	1,052,051.60					1,193,561.03	1,052,051.60
Classification by business area	42,842,025.55	37,134,145.84					42,842,025.55	37,134,145.84
Including :								
Domestic	42,842,025.55	37,134,145.84					42,842,025.55	37,134,145.84
Market or customer type								
Including:								
Contract type								
Including:								
Classification by time of goods transfer								
Including:								

Classification by contract duration								
Including:								
Classification by sales channel								
Including:								
Total	42,842,025.55	37,134,145.84					42,842,025.55	37,134,145.84

Information related to performance obligations:

Item	The time to fulfill the performance obligation	Important payment terms	The nature of the goods that the company promises to transfer	Whether it is the main responsible person	The expected refunds to customers borne by the company	The types of quality assurance provided by the company and related obligations
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Other note

Information relating to the transaction price assigned to the remaining performance obligation:

The amount of income corresponding to the performance obligations that have been signed at the end of this reporting period but have not yet been fulfilled or have not done with fulfillment is 0.00 yuan, among them, yuan of revenue is expected to be recognized in year, yuan of revenue is expected to be recognized in year, and yuan of revenue is expected to be recognized in year.

Significant contract changes or significant transaction price adjustments

Unit: RMB/CNY

Item	Accounting treatment method	The impacted amount on revenue
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Other note:

## 5. Investment income

Unit: RMB/CNY

Item	Current period incurred	Prior period incurred
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## 6. Other

## XX. Supplementary Information

### 1. Current non-recurring gains/losses

Applicable Not applicable

Unit: RMB/CNY

Item	Amount	Note
Switch-back of provision of impairment of account receivable which are treated with separate depreciation test	41,300.00	
Other non-operation revenue and expenditure except for the aforementioned items	1,180,134.87	
Less: Impact on income tax	304,903.13	
Amount of impact of minority interests	29,308.22	
Total	887,223.52	--

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

Applicable Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Explain the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public -

-- Extraordinary Profit/loss

Applicable Not applicable

## 2. ROE and EPS

Profits during report period	Weighted average ROE	Earnings per share	
		Basic EPS(RMB/Share)	Diluted EPS(RMB/Share)
Net profits belong to common stock stockholders of the Company	1.83%	0.0083	0.0083
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	1.55%	0.007	0.007

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

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

Applicable Not applicable

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

Applicable Not applicable

**(3) Explain accounting difference over the accounting rules in and out of China; as for the difference adjustment for data audited by foreign auditing organ, noted the name of such foreign organ**

**4. Other**

**Board of Directors of Shenzhen China Bicycle Company (Holdings) Limited  
23 August 2024**