

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

**Semi-Annual Report 2024**

**August 2024**

## **Section I. Important Notice, Contents and Interpretation**

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

Wang Shenghong, Principal of the Company, Sun Longlong, person in charge of accounting works and She Hanxing, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of 2024 Semi-Annual Report is authentic, accurate and complete.

All directors are attended the Board Meeting for report deliberation.

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

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## **Documents Available for Reference**

1. Accounting statement carrying the signatures and seals of the legal representative, person in charge of accounting and person in charge of accounting organ.
2. Originals documents of the Company and manuscripts of public notices that disclosed in the newspaper designated by CSRC during the reporting period.
3. English version of the Semi-Annual Report 2024

## Interpretation

| Item                                                | Refers to | Contents                                                  |
|-----------------------------------------------------|-----------|-----------------------------------------------------------|
| Company, the Company, the listed company, CBC Group | Refers to | Shenzhen China Bicycle Company (Holdings)Limited          |
| Wansheng Industrial                                 | Refers to | Wansheng Industrial Holdings (Shenzhen) Co., Ltd          |
| Guosheng Energy                                     | Refers to | Shenzhen Guosheng Energy Investment Development Co., Ltd. |
| SSE                                                 | Refers to | Shenzhen Stock Exchange                                   |
| SGE                                                 | Refers to | Shanghai Gold Exchange                                    |
| SDE                                                 | Refers to | Shanghai Diamond Exchange                                 |
| CNY                                                 | Refers to | RMB/CNY                                                   |

## Section II Company Profile and Main Financial Indexes

### I. Company Profile

|                                                           |                                                    |            |               |
|-----------------------------------------------------------|----------------------------------------------------|------------|---------------|
| Short form of the stock                                   | Zhonghua A, Zhonghua B                             | Stock Code | 000017,200017 |
| Short form of the Stock before changed (if applicable)    | N/A                                                |            |               |
| Stock Exchange for listing                                | Shenzhen Stock Exchange                            |            |               |
| Name of the Company (in Chinese)                          | 深圳中华自行车（集团）股份有限公司                                  |            |               |
| Short form of the Company (in Chinese if applicable)      | 深中华                                                |            |               |
| Foreign name of the Company (if applicable)               | Shenzhen China Bicycle Company (Holdings)Co., Ltd. |            |               |
| Short form of foreign name of the Company (if applicable) | CBC                                                |            |               |
| Legal representative                                      | Wang Shenghong                                     |            |               |

### II. Person/Way to contact

|                 | Secretary of the Board                                                                       | Rep. of security affairs                                                                     |
|-----------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Name            | Sun Longlong                                                                                 | Yu Xiaomin, Zhong Xiaojin                                                                    |
| Contact Address | 8/F Shuibei Jinzuo Building, No.89 Beili North Road, Cuizhu Street, Luohu District, Shenzhen | 8/F Shuibei Jinzuo Building, No.89 Beili North Road, Cuizhu Street, Luohu District, Shenzhen |
| Tel.            | 0755-28181688                                                                                | 0755-28181688                                                                                |
| Fax             | 0755-28181009                                                                                | 0755-28181009                                                                                |
| E-mail          | dmc@szcbc.com                                                                                | dmc@szcbc.com                                                                                |

### III. Other

#### 1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable  Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in annual report 2023.

#### 2. Information inquiry

Whether information disclosure and preparation place changed in reporting period or not

Applicable  Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details please find the Annual Report 2023.

#### 3. Other relevant information

Did any change occur to other relevant information during the reporting period?

Applicable  Not applicable

#### IV. Main accounting data and financial indexes

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

Yes No

|                                                                                                                   | Current period        | Same period of last year | Changes in the current period over the same period of previous year (+,-) |
|-------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------|---------------------------------------------------------------------------|
| Operation revenue(RMB)                                                                                            | 213,499,597.25        | 292,999,162.50           | -27.13%                                                                   |
| Net profit attributable to shareholders of the listed company(RMB)                                                | 5,717,642.69          | 4,862,298.90             | 17.59%                                                                    |
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB) | 4,830,419.17          | 4,993,367.34             | -3.26%                                                                    |
| Net cash flow arising from operating activities(RMB)                                                              | -51,328,808.82        | -35,364,373.66           | -45.14%                                                                   |
| Basic EPS(RMB/Share)                                                                                              | 0.0083                | 0.0071                   | 16.90%                                                                    |
| Diluted EPS(RMB/Share)                                                                                            | 0.0083                | 0.0071                   | 16.90%                                                                    |
| Weighted average ROE                                                                                              | 1.83%                 | 1.66%                    | 0.17%                                                                     |
|                                                                                                                   | End of current period | End of last year         | Increase/decrease in current report-end over that of last period-end(+,-) |
| Total assets(RMB)                                                                                                 | 366,376,067.53        | 369,677,494.32           | -0.89%                                                                    |
| Net assets attributable to shareholder of listed company(RMB)                                                     | 314,478,888.85        | 308,761,246.16           | 1.85%                                                                     |

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

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

Applicable Not applicable

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

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

Applicable Not applicable

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

#### VI. Items and amounts of extraordinary profit (gains)/loss

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   |      |
| Impact on minority shareholders' equity (post-tax)                                                             | 29,308.22    |      |
| Total                                                                                                          | 887,223.52   |      |

Other gains/losses items that conform to the definition of non-recurring gains/losses:

Applicable Not applicable

The Company does not have other gains/losses items that conform to the definition of non-recurring gains/losses. Information on the definition of non-recurring profit(gain)/loss that listed in the Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary (non-recurring) Profit(gain)/loss as the recurring profit(gain)/loss

Applicable Not applicable

The Company does not have any non-recurring profit(gain)/loss listed under the Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary (non-recurring) Profit(gain)/loss defined as recurring profit(gain)/loss



## Section III Management Discussion and Analysis

### I. Main business of the Company during the reporting period

Main business of the Company during the reporting period including jewelry gold business, bicycle and new energy lithium battery materials: (1) The gold jewelry business-the company connected with downstream gold jewelry brands, purchased gold and diamonds according to their product needs, and then commissioned gold jewelry processing plants for processing, made product certification for the processed finished products after passing the inspection, and downstream jewelry brand enterprises and distributors. Through the integration of upstream supplier resources and downstream customer resources, the turnover rate of gold jewelry products in the upstream and downstream was improved, the cost of circulation links was reduced, and the overall competitive advantage of the upstream and downstream was formed. (2) Bicycle and new energy lithium battery materials including manufacturing, assembling, purchasing and selling bicycles & electric bicycles, purchasing, selling and commissioning the lithium battery materials.

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

#### (1) Industry development

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

Under the background of slowdown in economic growth or increased uncertainty, people tend to spend more rationally and pay more attention to the safety and reliability of family asset allocation. Compared with other consumer goods, gold and silver jewelry can not only beautify our life, but also be accepted by more and more consumers for its strong functions of preserving wealth, dispersing investment risks and protecting property safety. On the other hand, the jewelry industry has continuously increased its efforts in style design, craft materials, cultural marketing and consumption experience, which has also become an important driving force for consumption growth.

#### (2) Industry development trend analysis

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

## 2. The development trend of industrial clustering is more obvious

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

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

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

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

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

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

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

## 6. There is a large room for improving the permeability of diamond jewelry

The market maturity of different jewelry products varies in China. Gold jewelry has a deep foundation in Chinese culture and is still the main jewelry consumption category up to now. Diamond jewelry is small in quantity but with rapid growth, and there is a broad space for future industry development. With the further reduction of diamond inventory level and the revival of international exchanges and trade cooperation, China's diamond import and consumption are expected to recover rapidly.

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

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

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

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

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

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

#### 1. Superior quality of upstream supplier system

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

#### 2. Diversified downstream market channels and customer resources

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

#### 3. Improve the industrial chain of production and design

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

#### 4. Closed-loop business process and risk control system

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

### **(IV) Main business models during the reporting period**

#### 1. Sales model

According to the market requirement, customer's requirement and customer's annual order planning and regular purchase requirement, the company conducts raw material procurement, product development and design, processing/outsourced processing, etc., to provide goods for B-end customers, meet customer's requirement and continuously improve supply efficiency.

Purchasing and processing: After the customer places an order with the company according to their own requirements, the company will purchase raw materials and perform outsourced processing to form finished products for sale to the customer;

Customized development: The customer entrusts the company to develop and design product styles according to the characteristics of the customer's own brand and future development requirements, and deliver the processed products to the customer.

Group sales: Group the products by integrating the product styles and spot resources of suppliers such as upstream factories and exhibition halls, and provide corresponding product structure according to the brand characteristics of customers and the requirements of the end market.

## 2. Procurement model

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

## 3. Production model

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

### (V) Operation of the physical store during the reporting period

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

### (VI) Operation of online sales of jewelry business during the reporting period

During the reporting period, the company's online sales accounted for a relatively small proportion, and the company's jewelry business realized a sales revenue of RMB 74,000 online through third-party platforms.

### (VII) Inventory of jewelry business during the reporting period

As of the reporting period, inventory of the jewelry business was 87,941,612.57 yuan, an increase of 7 % from the beginning of the period. Type of the inventories including:

Unit: RMB/CNY /

| Item             | Types        | Amount        | Proportion |
|------------------|--------------|---------------|------------|
| Finished goods   | Jewelry      | 6,675,182.66  | 7.59%      |
|                  | Gold jewelry | 37,875,395.71 | 43.07%     |
|                  | Other        | 2,061,918.08  | 2.34%      |
|                  | Total        | 46,612,496.45 | 53.00%     |
| Raw materials    | Gold         | 28,818,955.84 | 32.77%     |
|                  | Jewelry      | 4,222,904.27  | 4.80%      |
|                  | Total        | 33,041,860.11 | 37.57%     |
| Goods in process |              | 8,287,256.01  | 9.42%      |
| Total            |              | 87,941,612.57 | 100.00%    |

## II. Core Competitiveness Analysis

Jewelry and gold business is the core business of the Company. The Company pays attention to both the economic situation and the fluctuation of raw material prices at home and abroad. During the reporting period, the Company strove to develop new customers, maintain old customers, select the superior and eliminate the inferior, and further enrich and expand the customer base; It strengthened product development and quality management; It supplied raw materials such as gold purchased from Shanghai Gold Exchange and diamonds purchased from qualified suppliers to brands, wholesalers and distributors in batches through product design, processing/commissioned processing and quality inspection and acceptance.

During the reporting period, the Company continued to operate the bicycle and electric bicycle business, followed the development of new energy industries, strove to develop new products, and carried out online and offline sales and brand management. Competitive advantage of the Company in jewelry and gold business;

### 1. High-quality upstream supplier system

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

### 2. Diversified downstream market channels and customer resources

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

### 3. Industrial chain improvement of production and design links

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

### 4. Closed-loop business process and risk control system

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

## III. Main business analysis

### Overview

See the “I-Main businesses of the Company during the reporting period”

Y-o-y changes of main financial data

Unit: RMB/CNY

|                         | Current period | Same period last year | y-o-y changes (+, -) | Reasons |
|-------------------------|----------------|-----------------------|----------------------|---------|
| Operation revenue       | 213,499,597.25 | 292,999,162.50        | -27.13%              |         |
| Operation cost          | 200,995,029.52 | 278,484,152.74        | -27.83%              |         |
| Sales expenses          | 1,778,393.48   | 2,522,214.01          | -29.49%              |         |
| Administration expenses | 3,928,458.71   | 4,130,652.80          | -4.89%               |         |

|                                                  |                |                |         |  |
|--------------------------------------------------|----------------|----------------|---------|--|
| Finance expenses                                 | -1,159.50      | -58,330.95     | 98.01%  |  |
| Income tax expenses                              | 2,128,307.99   | 1,637,455.56   | 29.98%  |  |
| R&D investment                                   | 454,213.62     | 336,970.90     | 34.79%  |  |
| Net cash flow arising from operating activities  | -51,328,808.82 | -35,364,373.66 | -45.14% |  |
| Net cash flow arising from investment activities | -68,793.99     |                |         |  |
| Net cash flow arising from financing activities  | 21,848,051.76  |                |         |  |
| Net increase of cash and cash equivalent         | -29,549,551.05 | -35,364,373.66 | 16.44%  |  |

Major changes on profit composition or profit resources in reporting period

Applicable Not applicable

No major changes on profit composition or profit resources occurred in reporting period.

Constitution of operation revenue

Unit: RMB/CNY

|                                             | Current period |                            | Same period last year |                            | y-o-y changes (+, -) |
|---------------------------------------------|----------------|----------------------------|-----------------------|----------------------------|----------------------|
|                                             | Amount         | Ratio in operation revenue | Amount                | Ratio in operation revenue |                      |
| Total operation revenue                     | 213,499,597.25 | 100%                       | 292,999,162.50        | 100%                       | -27.13%              |
| According to industries                     |                |                            |                       |                            |                      |
| Jewelry and gold                            | 211,387,577.70 | 99.01%                     | 289,579,544.92        | 98.83%                     | -27.00%              |
| Bicycle lithium battery material and others | 2,112,019.55   | 0.99%                      | 3,419,617.58          | 1.17%                      | -38.24%              |
| According to products                       |                |                            |                       |                            |                      |
| Jewelry and gold                            | 211,387,577.70 | 99.01%                     | 289,579,544.92        | 98.83%                     | -27.00%              |
| Bicycle lithium battery material and others | 2,112,019.55   | 0.99%                      | 3,419,617.58          | 1.17%                      | -38.24%              |
| According to region                         |                |                            |                       |                            |                      |
| Domestic                                    | 213,499,597.25 | 100.00%                    | 292,999,162.50        | 100.00%                    | -27.13%              |

Industries, products or regions that account for more than 10% of the operating revenue or operating profit of the Company

Applicable Not applicable

Unit: RMB/CNY

|                         | Operation revenue | Operation cost | Gross profit ratio | Increase/decrease of operation revenue y-o-y | Increase/decrease of operation cost y-o-y | Increase/decrease of gross profit ratio y-o-y |
|-------------------------|-------------------|----------------|--------------------|----------------------------------------------|-------------------------------------------|-----------------------------------------------|
| According to industries |                   |                |                    |                                              |                                           |                                               |
| Jewelry and gold        | 211,387,577.70    | 199,281,641.45 | 5.73%              | -27.00%                                      | -27.86%                                   | 1.13%                                         |
| According to products   |                   |                |                    |                                              |                                           |                                               |
| Jewelry and gold        | 211,387,577.70    | 199,281,641.45 | 5.73%              | -27.00%                                      | -27.86%                                   | 1.13%                                         |
| According to region     |                   |                |                    |                                              |                                           |                                               |
| Domestic                | 211,387,577.70    | 199,281,641.45 | 5.73%              | -27.00%                                      | -27.86%                                   | 1.13%                                         |

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

Applicable Not applicable

#### IV. Analysis of the non-main business

Applicable Not applicable

#### V. Assets and liability analysis

##### 1. Major changes of assets composition

Unit: RMB/CNY

|                    | End of current period |                       | End of last year |                       | Ratio changes (+,-) | Notes of major changes |
|--------------------|-----------------------|-----------------------|------------------|-----------------------|---------------------|------------------------|
|                    | Amount                | Ratio in total assets | Amount           | Ratio in total assets |                     |                        |
| Monetary fund      | 25,165,558.37         | 6.87%                 | 54,148,674.40    | 14.65%                | -7.78%              |                        |
| Account receivable | 234,545,442.91        | 64.02%                | 196,293,133.00   | 53.10%                | 10.92%              |                        |
| Inventory          | 88,113,620.75         | 24.05%                | 81,916,039.14    | 22.16%                | 1.89%               |                        |

##### 2. Main overseas assets

Applicable Not applicable

##### 3. Assets and liability measured by fair value

Applicable Not applicable

##### 4. Assets rights restricted as at the end of the period

1. At the ending monetary funds, 566,435.02 yuan bank saving was judicially frozen due to the litigation.

2. At the end of the current period, The six properties of Lianxin Garden 7-20F with original value of 2,959,824.00 yuan, which were affordable housing purchased from the Housing and Construction Bureau of Luohu District to provide to enterprise talents for living. The contract stipulated that the purchasing enterprise is not allowed to conduct any form of property rights transaction with any units or individual other than the government.

#### VI. Investment analysis

##### 1. Overall situation

Applicable Not applicable

| Investment in the Period(RMB) | Investment at same period last year (RMB) | Changes |
|-------------------------------|-------------------------------------------|---------|
| 5,280,000.00                  | 75,000,000.00                             | -92.96% |

## 2. The major equity investment obtained in the reporting period

Applicable Not applicable

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

Applicable Not applicable

## 4. Financial assets investment

### (1) Securities investment

Applicable Not applicable

The Company has no securities investment in the Period

### (2) Derivative investment

Applicable Not applicable

The Company has no derivatives investment in the Period

## 5. Application of raised proceeds

Applicable Not applicable

The Company has no application of raised proceeds in the Period

## VII. Sales of major assets and equity

### 1. Sales of major assets

Applicable Not applicable

The Company had no major assets sold in the Period.

### 2. Sales of major equity

Applicable Not applicable

## VIII. Analysis of main holding company and stock-jointly companies

Applicable Not applicable

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

Unit: RMB/CNY

| Company name            | Type       | Main business           | Register capital | Total assets   | Net assets     | Operation revenue | Operation profit | Net profit   |
|-------------------------|------------|-------------------------|------------------|----------------|----------------|-------------------|------------------|--------------|
| Shenzhen Xinsen Jewelry | Subsidiary | Jewelry & gold business | 200,000,000      | 213,917,144.76 | 120,520,336.37 | 169,657,605.88    | 3,458,137.34     | 2,610,158.90 |



|                            |  |  |  |  |  |  |  |  |
|----------------------------|--|--|--|--|--|--|--|--|
| Gold Supply Chain Co., Ltd |  |  |  |  |  |  |  |  |
|----------------------------|--|--|--|--|--|--|--|--|

Particular about subsidiaries obtained or disposed in report period

Applicable Not applicable

| Company name                                     | Way to obtained or disposed                 | Impact on overall production and performance                                                              |
|--------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Putian Kaipu Technology Partnership (LP)         | Newly established holding sub-subsidiary    | The industrial & commercial registration has completed as of the balance sheet date                       |
| Tibet Jinyaya Trading Co., Ltd.                  | A wholly-owned subsidiary newly established | The industrial & commercial registration has completed as of the balance sheet date, not yet in operation |
| Shenzhen China International Co., Ltd.           | A wholly-owned subsidiary newly established | The industrial & commercial registration has completed as of the balance sheet date, not yet in operation |
| Hangzhou Huabaohui Digital Culture Co Ltd        | A wholly-owned subsidiary newly established | The industrial & commercial registration has completed as of the balance sheet date, not yet in operation |
| Shenzhen Yunyouxuan Jewelry Technology Co., Ltd. | Newly established holding subsidiary        | The industrial & commercial registration has completed as of the balance sheet date                       |
| Dongguan Xinsen Jewelry Co., Ltd.                | A wholly-owned subsidiary newly established | The industrial & commercial registration has completed as of the balance sheet date, not yet in operation |

Notes of holding and stock-jointly companies

Nil

## IX. Structured vehicle controlled by the Company

Applicable Not applicable

## X. Risks and countermeasures

1. Risks for the Company:

(1) Price fluctuation risk of major raw materials

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

(2) The risk of intensifying market competition

In recent years, the jewelry market in China has been developing continuously, and the consumption demand of jewelry has been developing in the direction of individuation and diversification. At present, China's jewelry industry has presented diversified competitions. Excellent enterprises in the industry have formed competitive

advantages in a certain segment by deeply exploring the consumption preferences of specific groups. The market competition has gradually changed from price competition to comprehensive competition among brand, business model, marketing channel, product design and quality, the competition tends to be fierce. In the future development, if the company cannot continue to give full play to its advantages, there will be a risk of profitability decline due to intensified competition in the industry.

(3) Risk of market demand decline

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

For the above-mentioned potential risks, the following countermeasures will be taken by the Company:

(1) Enhancing corporate governance, standardize operations, further reform and improve the internal operation management system, assessment mechanism, strengthen the construction of management teams, business teams and technical teams. Perfected the development plan of the Company.

(2) In terms of gold and jewelry business, further establish supplier systems and expand customer resources, the business cooperation between the well-known brands and listed company in particular, expanding international business, improve internal business processes and internal control system construction, promote the construction of supply chain system platform, improve operation quality and efficiency, and promote business development.

(3) In terms of bicycle, electric bicycle and new energy business, with the goal of brand maintenance and national market expansion, discuss and promote the deepening cooperation between the Company and major distributors on EMMELLE brand and business. The company expanded sales network, strengthened quality management, strengthened brand management, and promoted the growth of order business. It continued to follow up the development of new energy and new material of lithium battery, and explored and sought new breakthroughs.

(4) It continued to cooperate with the manager to carry out asset custody business and relevant litigation response, ensured asset safety and protected the rights and interests of interested parties. It continued to follow up the execution of Guangshui Jiayu's lawsuit.

## **XI. The implementation of the action plan of "Double improvement of quality and return".**

Whether the Company has disclosed the action plan of "Double improvement of quality and return".

Yes No

## Section IV Corporate Governance

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

#### 1. Annual Shareholders' General Meeting in the report period

| Session of meeting                                     | Type                                        | Ratio of investor participation | Date         | Date of disclosure | Resolutions                                                                                                                                                 |
|--------------------------------------------------------|---------------------------------------------|---------------------------------|--------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Extraordinary Shareholders' General Meeting 2024 | Extraordinary Shareholders' General Meeting | 29.22%                          | April 8,2024 | April 9,2024       | Found more in the Resolution of First Extraordinary Shareholders' General Meeting 2024(Notice No.: 2024-014) released on Juchao Website (www.cninfo.com.cn) |
| Annual General Meeting of 2023                         | AGM                                         | 33.97%                          | May 30,2024  | May 31,2024        | Found more in the Resolution of Annual General Meeting of 2023 (Notice No.: 2024-031) released on Juchao Website (www.cninfo.com.cn)                        |

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

Applicable Not applicable

### II. Changes of directors, supervisors and senior executives

Applicable Not applicable

There were no changes in the directors, supervisors and senior executive of the Company during the Period, found more in the Annual Report 20232

### III. Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

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

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

Applicable Not applicable

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

## Section V Environmental and Social Responsibility

### I. Major environmental

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

Yes No

Administrative punishment for environmental problems during the reporting period

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

Other environmental information disclosed refer to key polluters

Not applicable

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

Applicable Not applicable

Reasons for not disclosing other environmental information

Not applicable

### II. Social responsibility

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

#### 1. Protection of shareholders' rights and interests

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

In the first half of 2024, the board of directors of the company convened 2 shareholders' meetings, the meeting adopted the combination of on-site voting and online voting, the votes of small and medium investors were counted separately, provided convenience for the majority of investors to participate in the voting at the shareholders' meeting, and ensured the participation right and supervision right of the small and medium-sized investors.

In the first half of 2024, the company strengthened communication with investors, especially investors from the public, answered questions about which the public and investors concerned, and ensured the investors' right to know in line with the Information Disclosure Affairs Management System and Reception and Promotion Work System and by means of various forms such as the interactive platform of Shenzhen Stock Exchange, hotline of the company's securities affairs department, and so on.

On 9 May 2024, the company held the 2023 annual performance briefing, in which the company made online

communication with investors on the company's performance, operating conditions and other issues of concern to investors. A total of 10 questions were raised by investors during the briefing, which were answered by directors and senior management personnel.

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

## 2. Protection of workers' rights and interests

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

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

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

## Section VI Important Events

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

Applicable Not applicable

| Commitment                             | Commitment party                                                    | Type                                | Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Date            | Term                         | Implementation                                                                                                             |
|----------------------------------------|---------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Commitments made at IPO or refinancing | Wansheng Industrial Holdings (Shenzhen) Co., Ltd and Wang Shenghong | Performance compensation commitment | <p>For the next three years after the completion of the non-public offering of shares and the completion of the adjustment of the board of directors and the board of supervisors of Shenzhen China Bicycle by Wansheng Industrial, the net profit of the listed company shall be no less than 30 million yuan, 35 million yuan and 40 million yuan respectively, that is, the cumulative net profits shall be 105 million yuan.</p> <p>If the actual cumulative net profits of the listed company fails to reach the cumulative net profits of the listed company in any year within the performance commitment period, Wansheng Industrial shall compensate the listed company in cash within ten working days after the issuance of audit report of the listed company in the</p> | 7 November 2022 | 1 Jan. 2023-31 December 2025 | It has completed its performance compensation commitment for 2023, and is fulfilling that for the remaining years properly |

|                                           |     |  |                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |  |
|-------------------------------------------|-----|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
|                                           |     |  | <p>current year within the performance commitment period.</p> <p>The amount of compensation for the current year shall be calculated as follows:</p> <p>Amount payable in the current year =</p> <p>Cumulative net profit committed by the end of the current period -</p> <p>Cumulative net profit realized by the end of the current period -</p> <p>Cumulative amount compensated (if any)</p> |  |  |  |
| Whether commitments are fulfilled on time | Yes |  |                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |  |

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

Applicable Not applicable

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

**III. External guarantee out of the regulations**

Applicable Not applicable

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

**IV. Appointment and non-reappointment (dismissal) of CPA**

Whether the semi-annual financial report had been audited

Yes No

The semi-annual report was not audited

**V. Explanation from Board of Directors and Supervisory Committee for “Qualified Opinion” that issued by CPA**

Applicable Not applicable

## VI. Explanation from the BOD for “Qualified Opinion” of last year

Applicable Not applicable

## VII. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period

## VIII. Litigations and arbitrations

Significant litigations and arbitrations

Applicable Not applicable

No such cases in the reporting period.

Other lawsuits

Applicable Not applicable

| Lawsuits (arbitration)                                                                                                                                                             | Amount involved (in 10 thousand Yuan) | Resulted an accrual liability (Y/N) | Progress                                                                                                 | Trial result and influence                                                                                                              | Execution of judgment | Disclosure date | Disclosure index |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------|------------------|
| Other litigation and arbitration that did not meet the disclosure standards of major litigation during the reporting period (where the company and its subsidiaries as plaintiffs) | 50.36                                 | No                                  | The first instance ruled that the company won the case and the case has entered the implementation stage | The execution of the corresponding payment according to the ruling has no significant impact on the company's production and operation. | Under execution       | Not applicable  | Not applicable   |
| Other litigation and arbitration that did not meet the disclosure standards of major litigation during the reporting period (where the company and its subsidiaries as defendants) | 58.67                                 | No                                  | Some of them are still in the progress stage; Partially closed.                                          | Some cases have been executed or are under trial, which has no significant impact on the company's production and operation.            | Executed/under trial  | Not applicable  | Not applicable   |



**IX. Penalty and rectification**

Applicable  Not applicable

During the reporting period, the Company had no Penalty and rectification.

**X. Integrity of the company and its controlling shareholders and actual controllers**

Applicable  Not applicable

**XI. Major related transaction****1. Related transaction with routine operation concerned**

Applicable  Not applicable

| Related party                      | Relationship                                                                                        | Type of related transaction                          | Content of related transaction | Pricing principle                                                                     | Related transaction price | Related transaction amount (in 10 thousand Yuan) | Proportion in similar transactions | Trading limit approved (in 10 thousand Yuan) | Whether over the approved limit or not (Y/N) | Clearing form for related transaction | Available similar market price | Date of disclosure | Index of disclosure                                                                                                     |
|------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------|------------------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------|--------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------|
| Fuzhou Zuankinon Jewelry Co., Ltd. | The enterprises controlled by the controlling subsidiary of the Company with 35% stock participated | Related transaction with routine operation concerned | Sale of goods to related party | Pricing based on market price according to the principle of fairness and impartiality | Market pricing            | 2,502.18                                         | 49%                                | 5,000                                        | No                                           | Settlement in cash                    | Not applicable                 | March 19, 2024     | Found more in the "Recognition of the Daily Related Transactions for year of 2024 on Juchao Website (www.cninfo.com.cn) |
| Fuzhou Rongrun Jewelry Co., Ltd.   | The enterprises controlled by the controlling subsidiary of the Company with                        | Related transaction with routine operation concerned | Sale of goods to related party | Pricing based on market price according to the principle of fairness and impartiality | Market pricing            | 2,599.84                                         | 50.91%                             | 7,000                                        | No                                           | Settlement in cash                    | Not applicable                 | March 19, 2024     | Found more in the "Recognition of the Daily Related Transactions for year                                               |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                                      |                                |                                                                                       |                |          |       |                |    |                    |                |                |                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------|----------------|----------|-------|----------------|----|--------------------|----------------|----------------|-----------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 35% stock participated                                                                                                |                                                      |                                | iality                                                                                |                |          |       |                |    |                    |                |                | of 2024 on Juchao Website (www.cninfo.com.cn) |
| Shenzhen Zuankin Jewelry Gold Supply Chain Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | The enterprises controlled by the affiliates of the controlling subsidiary of the Company with 35% stock participated | Related transaction with routine operation concerned | Sale of goods to related party | Pricing based on market price according to the principle of fairness and impartiality | Market pricing | 4.60     | 0.09% | Not applicable | No | Settlement in cash | Not applicable | Not applicable | Not applicable                                |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                                                      |                                | --                                                                                    | --             | 5,106.62 | --    | 12,000         | -- | --                 | --             | --             | --                                            |
| Detail of sales return with major amount involved                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                       |                                                      |                                | Not applicable                                                                        |                |          |       |                |    |                    |                |                |                                               |
| Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period (if any)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                                                      |                                | Not applicable                                                                        |                |          |       |                |    |                    |                |                |                                               |
| Reasons for major differences between trading price and market reference price (if applicable)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                                                      |                                | Not applicable                                                                        |                |          |       |                |    |                    |                |                |                                               |
| Note: In June 2023, 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 <i>Listing Rules for Stocks of Shenzhen Stock Exchange</i> , 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. |                                                                                                                       |                                                      |                                |                                                                                       |                |          |       |                |    |                    |                |                |                                               |

## 2. Related-party transactions arising from asset acquisition or sold

Applicable  Not applicable

No such cases in the reporting period.

### 3. Main related transactions of mutual investment outside

Applicable Not applicable

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

### 4. Contact of related credit and debt

Applicable Not applicable

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

Yes No

Claim receivable from related party

| Related party                                                                              | Relationship            | Causes of formation                                                                                                                                                                                                                                                                                                         | Whether has non-business capital occupying or not | Balance at period-begin(10 thousand Yuan) | Current amount increased(10 thousand Yuan) | Current recovery(10 thousand Yuan) | Interest rate | Current interest(10 thousand Yuan) | Balance at period-end(10 thousand Yuan) |
|--------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------|--------------------------------------------|------------------------------------|---------------|------------------------------------|-----------------------------------------|
| Wansheng Industrial Holdings(Shenzhen) Co., Ltd.                                           | Controlling shareholder | Performance commitment                                                                                                                                                                                                                                                                                                      | No                                                | 1209.81                                   | 0                                          | 1209.81                            | 0.00%         | 0.00                               | 0                                       |
| The impact of the related claims on the company's operating results and financial position |                         | Due to the failure of the controlling shareholder, Wansheng Industrial Holdings (Shenzhen) Co., Ltd., to complete its performance commitment in 2023, the performance compensation of RMB 12.0981 million receivable by Shenzhen China from Wansheng in 2023 will be included in the capital reserve-share capital premium. |                                                   |                                           |                                            |                                    |               |                                    |                                         |

Debts payable to related party

| Related party                                                                        | Relationship                         | Causes of formation     | Balance at period-begin(10 thousand Yuan) | Current amount increased(10 thousand Yuan) | Current amount returned (10 thousand Yuan) | Interest rate | Current interest(10 thousand Yuan) | Balance at period-end(10 thousand Yuan) |
|--------------------------------------------------------------------------------------|--------------------------------------|-------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|---------------|------------------------------------|-----------------------------------------|
| Shenzhen Guosheng Energy Investment Development Co., Ltd.                            | Shareholder with over 5% shares held | Subsidiary Emmelle loan | 650                                       | 0                                          | 0                                          | 0.00%         | 0                                  | 650                                     |
| Influence on operation result and financial statue of the Company from related debts |                                      | Not applicable          |                                           |                                            |                                            |               |                                    |                                         |

### 5. Contact with the related finance companies

Applicable Not applicable

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

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

Applicable Not applicable

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

## **7. Other material related transactions**

Applicable Not applicable

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

## **XII. Significant contract and implementations**

### **1. Trusteeship, contract and leasing**

#### **(1) Trusteeship**

Applicable Not applicable

No trusteeship occurred in reporting period.

#### **(2) Contract**

Applicable Not applicable

No contract occurred in reporting period.

#### **(3) Leasing**

Applicable Not applicable

No leasing occurred in reporting period.

### **2. Major guarantee**

Applicable Not applicable

No major guarantee occurred in reporting period.

### **3.Trust financing**

ApplicableNot applicable

No trust financing for the Company in reporting period.

### **4. Other significant contracts**

ApplicableNot applicable

No other significant contract in reporting period.

### **XIII. Explanation of other important events**

Applicable Not applicable

#### 1. Matters related to performance commitment

According to the *Cooperation Agreement* signed by the company with Wansheng Industrial and Grand Sunergy on December 14, 2020 and 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. For details, please refer to the Announcement on Completion of 2023 Annual Performance Commitment of Wansheng Industrial Holdings (Shenzhen) Co., Ltd. and the Announcement on Receiving Performance Compensation disclosed by the company on CNINF on April 23 and April 30, 2024.

### **XIV. Significant event of subsidiary of the Company**

Applicable Not applicable

## Section VII Changes in Shares and Particular about Shareholders

### I. Changes in Share Capital

#### 1. Changes in Share Capital

Unit: Share

|                                           | Before the Change |            | Increase/Decrease in the Change (+, -) |              |                                  |        |          | After the Change |            |
|-------------------------------------------|-------------------|------------|----------------------------------------|--------------|----------------------------------|--------|----------|------------------|------------|
|                                           | Amount            | Proportion | New shares issued                      | Bonus shares | Capitalization of public reserve | Others | Subtotal | Amount           | Proportion |
| I. Restricted shares                      | 137,836,986       | 20.00%     | 0                                      | 0            | 0                                | 0      | 0        | 137,836,986      | 20.00%     |
| 1. State-owned shares                     | 0                 | 0.00%      | 0                                      | 0            | 0                                | 0      | 0        | 0                | 0.00%      |
| 2. State-owned legal person's shares      | 0                 | 0.00%      | 0                                      | 0            | 0                                | 0      | 0        | 0                | 0.00%      |
| 3. Other domestic shares                  | 137,836,986       | 20.00%     | 0                                      | 0            | 0                                | 0      | 0        | 137,836,986      | 20.00%     |
| Including: Domestic legal person's shares | 137,836,986       | 20.00%     | 0                                      | 0            | 0                                | 0      | 0        | 137,836,986      | 20.00%     |
| Domestic natural person's shares          | 0                 | 0.00%      | 0                                      | 0            | 0                                | 0      | 0        | 0                | 0.00%      |
| 4. Foreign shares                         | 0                 | 0.00%      | 0                                      | 0            | 0                                | 0      | 0        | 0                | 0.00%      |
| Including: Foreign legal person's shares  | 0                 | 0.00%      | 0                                      | 0            | 0                                | 0      | 0        | 0                | 0.00%      |
| Foreign natural person's shares           | 0                 | 0.00%      | 0                                      | 0            | 0                                | 0      | 0        | 0                | 0.00%      |
| II. Unrestricted shares                   | 551,347,947       | 80.00%     | 0                                      | 0            | 0                                | 0      | 0        | 551,347,947      | 80.00%     |
| 1. RMB Ordinary shares                    | 302,984,965       | 43.96%     | 0                                      | 0            | 0                                | 0      | 0        | 302,984,965      | 43.96%     |
| 2. Domestically listed foreign shares     | 248,362,982       | 36.04%     | 0                                      | 0            | 0                                | 0      | 0        | 248,362,982      | 36.04%     |
| 3. Overseas listed foreign shares         | 0                 | 0.00%      | 0                                      | 0            | 0                                | 0      | 0        | 0                | 0.00%      |
| 4. Others                                 | 0                 | 0.00%      | 0                                      | 0            | 0                                | 0      | 0        | 0                | 0.00%      |
| III. Total shares                         | 689,184,933       | 100.00%    | 0                                      | 0            | 0                                | 0      | 0        | 689,184,933      | 100.00%    |

Reasons for share changed

Applicable Not applicable

Approval of share changed

Applicable Not applicable

Ownership transfer of share changed

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of reducing holdings of shares buy-back by centralized bidding

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

## 2. Changes of lock-up(restricted) shares

Applicable Not applicable

## II. Securities issuance and listing

Applicable Not applicable

## III. Number of shareholders and particular about share holding

Unit Shares

| Total common shareholders at end of the Period                                                                           | 64,338                                | Total preferred shareholders with voting rights recovered at end of reporting period (if applicable) (found in note 8) | 0                                                           |                          |                                         |                                                  |                                                 |        |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------|-----------------------------------------|--------------------------------------------------|-------------------------------------------------|--------|
| Particulars about shares held above 5% by shareholders or top ten shareholders(Excludes shares lent through refinancing) |                                       |                                                                                                                        |                                                             |                          |                                         |                                                  |                                                 |        |
| Full name of Shareholders                                                                                                | Nature of shareholder                 | Proportion of shares held                                                                                              | Amount of common shares held at the end of reporting period | Changes in report period | Amount of restricted common shares held | Amount of common shares held without restriction | Information of shares pledged, tagged or frozen |        |
|                                                                                                                          |                                       |                                                                                                                        |                                                             |                          |                                         |                                                  | State of share                                  | Amount |
| Wansheng Industrial Holdings (Shenzhen) Co., Ltd                                                                         | Domestic non-state-owned legal person | 20.00%                                                                                                                 | 137,836,986                                                 | 0                        | 137,836,986                             | 0                                                | Not applicable                                  | 0      |
| Shenzhen Guosheng Energy Investment                                                                                      | Domestic non-state-                   | 9.22%                                                                                                                  | 63,508,747                                                  | 0                        | 0                                       | 63,508,747                                       | Not applicable                                  | 0      |

| Development Co., Ltd.                                                                                                                        | owned legal person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                    |            |            |   |            | le             |   |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------|------------|---|------------|----------------|---|
| UOB Kay Hian (Hong Kong) Limited                                                                                                             | Foreign legal person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 5.92%                              | 40,817,329 | 23,532,444 | 0 | 40,817,329 | Not applicable | 0 |
| Guosen Securities (HK) Brokerage Co., Ltd.                                                                                                   | Foreign legal person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 3.04%                              | 20,983,693 | 7,074,268  | 0 | 20,983,693 | Not applicable | 0 |
| China Merchants Securities (HK) Co., Ltd                                                                                                     | Foreign legal person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2.99%                              | 20,594,135 | 17,700,000 | 0 | 20,594,135 | Not applicable | 0 |
| Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.                                                                                            | Foreign legal person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1.20%                              | 8,279,256  | -1,900     | 0 | 8,279,256  | Not applicable | 0 |
| Li Huili                                                                                                                                     | Domestic nature person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0.56%                              | 3,891,124  | 0          | 0 | 3,891,124  | Not applicable | 0 |
| Xu Hongbo                                                                                                                                    | Domestic nature person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0.43%                              | 2,988,619  | 61,300     | 0 | 2,988,619  | Not applicable | 0 |
| Zhang Youqing                                                                                                                                | Domestic nature person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0.42%                              | 2,915,800  | 2,915,800  | 0 | 2,915,800  | Not applicable | 0 |
| Special account for property disposal of Shenzhen China Bicycle Company(Holdings) Co., Ltd.                                                  | Domestic non-state-owned legal person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0.38%                              | 2,602,402  | 0          | 0 | 2,602,402  | Not applicable | 0 |
| Strategy investors or general corporation comes top 10 common stock shareholders due to placement of new shares (if applicable) (see note 3) | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                    |            |            |   |            |                |   |
| Explanation on associated relationship among the aforesaid shareholders                                                                      | Li Huili, spouse of Ji Hanfei, the actual controller of Shenzhen Guosheng Energy Investment Development Co., Ltd., holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., other than that, the Company does not know whether the other outstanding shareholders are related and whether the shareholders belong to persons acting in concert regulated in the <i>Administration of Disclosure of Information on the Change of Shareholders in Listed Companies</i> . |                                    |            |            |   |            |                |   |
| Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.                     | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                    |            |            |   |            |                |   |
| Special note on the repurchase account among the top 10 shareholders (if applicable) (see note 11)                                           | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                    |            |            |   |            |                |   |
| Shareholding of top 10 shareholders of unrestricted shares(Excluding shares lent through refinancing and Top management lock-in stock)       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    |            |            |   |            |                |   |
| Shareholders' name                                                                                                                           | Amount of un-restrict common shares held at Period-end                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Type of shares                     |            |            |   |            |                |   |
|                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Type                               | Amount     |            |   |            |                |   |
| Shenzhen Guosheng Energy Investment Development Co., Ltd.                                                                                    | 63,508,747                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | RMB common shares                  | 63,508,747 |            |   |            |                |   |
| UOB Kay Hian (Hong Kong) Limited                                                                                                             | 40,817,329                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Domestically listed foreign shares | 40,817,329 |            |   |            |                |   |
| Guosen Securities (HK) Brokerage                                                                                                             | 20,983,693                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Domesti                            | 20,98      |            |   |            |                |   |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                     |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------|
| Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | cally listed foreign shares         | 3,693      |
| China Merchants Securities (HK) Co., Ltd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 20,594,135                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Domesti cally listed foreign shares | 20,594,135 |
| Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 8,279,256                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Domesti cally listed foreign shares | 8,279,256  |
| Li Huili                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 3,891,124                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Domesti cally listed foreign shares | 3,891,124  |
| Xu Hongbo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2,988,619                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Domesti cally listed foreign shares | 2,988,619  |
| Zhang Youqing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2,915,800                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | RMB common shares                   | 2,915,800  |
| Special account for property disposal of Shenzhen China Bicycle Company(Holdings) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2,602,402                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | RMB common shares                   | 1,383,313  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Domesti cally listed foreign shares | 1,219,089  |
| J. P. Morgan Securities PLC – Self fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2,488,317                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | RMB common shares                   | 2,488,317  |
| Expiation on associated relationship or consistent actors within the top 10 un-restrict shareholders and between top 10 un-restrict shareholders and top 10 shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Li Huili, spouse of Ji Hanfei, the actual controller of Shenzhen Guosheng Energy Investment Development Co., Ltd., holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., other than that, the Company does not know whether the other outstanding shareholders are related and whether the shareholders belong to persons acting in concert regulated in the <i>Administration of Disclosure of Information on the Change of Shareholders in Listed Companies</i> . |                                     |            |
| Explanation on top 10 shareholders involving margin business (if applicable) (see note 4)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                     |            |
| Note 1: UOB Kay Hian (Hong Kong) Limited is a licensed corporation under the Hong Kong Securities and Futures Ordinance, providing securities brokerage services to retail and institutional clients. Its main business is brokerage of Hong Kong stocks, and it also provides securities brokerage and services in overseas markets. According to the email sent by UOB Kay Hian (Hong Kong) Limited, as of June 30, 2024, UOB Kay Hian (Hong Kong) Limited held 40,817,329 B shares of Shenshen China Bicycle for three retail customers. Although the shareholding ratio has reached 5.92%, that of a single customer did not exceed 5%, and the three retail customers were not acting in concert and did not hold the shares of Shenzhen China Bicycle on other platforms. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                     |            |

Information of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participating in the lending of shares in securities lending and borrowing business

Applicable  Not applicable

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with

the previous period due to the securities lending/returning,

Applicable  Not applicable

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

Yes  No

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

#### **IV. Changes of shares held by directors, supervisors and senior executives**

Applicable  Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2023.

#### **V. Changes in controlling shareholders or actual controllers**

Change of controlling shareholder during the reporting period

Applicable  Not applicable

The Company had no change of controlling shareholder during the reporting period

Change of actual controller during the reporting period

Applicable  Not applicable

The Company had no change of actual controller during the reporting period

## **Section VIII Preferred Stock**

Applicable Not applicable

The Company had no preferred stock in the Period.

## Section IX Corporate Bonds

Applicable Not applicable

## Section X Financial Report

### I. Audit report

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 |  |  |
|-----------------|--|--|

## 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. Remediating 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<br>(Decrease<br>is listed<br>with “-”)                                        |  |  |  |  |  |  |  |  |  |  |                  |  |                  |                  |                  |
| (i) Total<br>comprehen<br>sive<br>income                                             |  |  |  |  |  |  |  |  |  |  | 4,862,298.9<br>0 |  | 4,862,298.<br>90 | 1,074,761.<br>06 | 5,937,059.<br>96 |
| (ii)<br>Owners’<br>devoted<br>and<br>decreased<br>capital                            |  |  |  |  |  |  |  |  |  |  |                  |  |                  |                  |                  |
| 1.Common<br>shares<br>invested<br>by<br>shareholde<br>rs                             |  |  |  |  |  |  |  |  |  |  |                  |  |                  |                  |                  |
| 2. Capital<br>invested<br>by holders<br>of other<br>equity<br>instrument<br>s        |  |  |  |  |  |  |  |  |  |  |                  |  |                  |                  |                  |
| 3. Amount<br>reckoned<br>into<br>owners<br>equity<br>with share-<br>based<br>payment |  |  |  |  |  |  |  |  |  |  |                  |  |                  |                  |                  |
| 4. Other                                                                             |  |  |  |  |  |  |  |  |  |  |                  |  |                  |                  |                  |
| (iii) Profit<br>distributio<br>n                                                     |  |  |  |  |  |  |  |  |  |  |                  |  |                  |                  |                  |
| 1.<br>Withdrawa<br>l of surplus<br>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:<br>Changes of<br>accounting<br>policy                                          |                    |  |  |  |                    |  |  |  |                   |                      |   |                    |
| Error<br>correction of<br>the last period                                           |                    |  |  |  |                    |  |  |  |                   |                      |   |                    |
| Other                                                                               |                    |  |  |  |                    |  |  |  |                   |                      |   |                    |
| II. The<br>beginning<br>balance of the<br>current year                              | 689,184,933.0<br>0 |  |  |  | 790,922,522.7<br>1 |  |  |  | 32,673,227.0<br>1 | 1,201,229,611.7<br>9 | - | 311,551,070.9<br>3 |
| III. Increase/<br>Decrease in<br>the period<br>(Decrease is<br>listed with “-<br>”) |                    |  |  |  |                    |  |  |  |                   | 3,612,133.74         |   | 3,612,133.74       |
| (i) Total<br>comprehensiv<br>e income                                               |                    |  |  |  |                    |  |  |  |                   | 3,612,133.74         |   | 3,612,133.74       |
| (ii) Owners’<br>devoted and<br>decreased<br>capital                                 |                    |  |  |  |                    |  |  |  |                   |                      |   |                    |
| 1. Common<br>shares<br>invested by<br>shareholders                                  |                    |  |  |  |                    |  |  |  |                   |                      |   |                    |
| 2. Capital<br>invested by<br>holders of<br>other equity<br>instruments              |                    |  |  |  |                    |  |  |  |                   |                      |   |                    |
| 3. Amount<br>reckoned into<br>owners equity<br>with share-<br>based<br>payment      |                    |  |  |  |                    |  |  |  |                   |                      |   |                    |
| 4. Other                                                                            |                    |  |  |  |                    |  |  |  |                   |                      |   |                    |
| (iii) Profit<br>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<br>0 |  |  |  | 778,824,470.9<br>5 |  |  |  | 32,673,227.0<br>1 | -<br>1,214,469,389.0<br>9 |  | 286,213,241.8<br>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 Shuibei Jinzuo 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 |
|----------------------------|-----------------------------------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

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 |
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|

### (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 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<br>(without credit<br>impairment occurred) | for the entire duration<br>(with credit impairment<br>occurred) |  |
|-----------------------------------------------------|---------------------|--------------------------------------------------------------------|-----------------------------------------------------------------|--|
| January 1, 2024<br>balance in the current<br>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<br>balance | Current changes | Ending balance |
|----------|--------------------|-----------------|----------------|
|----------|--------------------|-----------------|----------------|

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

Unit: RMB/CNY

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

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 |
|------|-----------------------------------------|
|------|-----------------------------------------|

**(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<br>of the period | The amount not derecognized at the end<br>of the period |
|------|---------------------------------------------------------|---------------------------------------------------------|
|------|---------------------------------------------------------|---------------------------------------------------------|

**(6) Financing situation of accounts receivable actually written off in this period**

Unit: RMB/CNY

| Item | Write-off amount |
|------|------------------|
|------|------------------|

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 |
|------|------------------|------------------|----------------------|--------------------------------------|-----------------------------------------------------------------|
|------|------------------|------------------|----------------------|--------------------------------------|-----------------------------------------------------------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

**2) Important overdue interest**

Unit: RMB/CNY

| Borrower | Ending balance | Overdue time | Overdue reason | Impairment (Y/N) and judgment basis |
|----------|----------------|--------------|----------------|-------------------------------------|
|----------|----------------|--------------|----------------|-------------------------------------|

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 |
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|

Other note:

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

Unit: RMB/CNY

| Item | Write-off amount |
|------|------------------|
|------|------------------|

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 |
|------|------------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|
|------|------------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|

Note:

Other note:

### (2) Dividend receivable

#### 1) Category

Unit: RMB/CNY

| Item (or the invested entity) | Ending balance | Opening balance |
|-------------------------------|----------------|-----------------|
|-------------------------------|----------------|-----------------|

#### 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 |
|-------------------------------|----------------|-------------|----------------------------------|-------------------------------------|
|-------------------------------|----------------|-------------|----------------------------------|-------------------------------------|

### 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 |
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|

Other note:

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

Unit: RMB/CNY

| Item | Write-off amount |
|------|------------------|
|------|------------------|

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 |
|------|------------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|
|------|------------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|

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<br>(Y/N) |
|--|--|--|--|--|------------------------------|

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<br>(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<br>(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 |
|-------|----------------------------------------|--------------------------------------------|-----------------------------------------------------|-------|
|       |                                        |                                            |                                                     |       |

**(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 |
|------|---------------------|----------------------|-------------------|------------|----------------------------|------------------------|
|------|---------------------|----------------------|-------------------|------------|----------------------------|------------------------|

Other note:

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

Unit: RMB/CNY

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

**(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 |
|------|-----------------|--------------------------------|--------------------------------|----------------|
|------|-----------------|--------------------------------|--------------------------------|----------------|

### (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 |
|------|------------------|
|------|------------------|

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 |
|------|-----------------|------------------|------------------------------------|----------------|------|----------------------------------|---------------------------------------------------------------------|------|
|------|-----------------|------------------|------------------------------------|----------------|------|----------------------------------|---------------------------------------------------------------------|------|

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 |
|------|-----------------|--------------------------------|--------------------------------|----------------|
|------|-----------------|--------------------------------|--------------------------------|----------------|

### (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 |
|------|------------------|
|------|------------------|

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 |
|-----------|----------------|-----------------|-----------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|-----------|----------------|-----------------|-----------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------|

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 |
|-----------|----------------------------------------------------|-----------------------------------------------------|--------------------------|
|-----------|----------------------------------------------------|-----------------------------------------------------|--------------------------|

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 |
|-----------|----------------------------|---------------|----------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|-----------|----------------------------|---------------|----------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|

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 |
|------|------------------|
|------|------------------|

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 |
|----------------------|---------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|
|----------------------|---------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

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 |
|------|---------------------------------------|--------|-----------------------|---------------------|---------------------------|--------------------------------------|
|------|---------------------------------------|--------|-----------------------|---------------------|---------------------------|--------------------------------------|

### (4) Investment real estate without property rights certificate

Unit: RMB/CNY

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

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 Jiayu factory is in an idle state |

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

Unit: RMB/CNY

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

## (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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

Other note:

**22. Construction in progress**

Unit: RMB/CNY

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

**(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 |
|------|--------|-----------------|-------------------|----------------------------------------|-------------------------------|----------------|--------------------------------------------|----------|-----------------------------------------------|----------------------------------------------------|------------------------------------------|-----------------|
|------|--------|-----------------|-------------------|----------------------------------------|-------------------------------|----------------|--------------------------------------------|----------|-----------------------------------------------|----------------------------------------------------|------------------------------------------|-----------------|

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

Unit: RMB/CNY

| Item | Opening balance | Increase | Decrease | Ending balance | Reason |
|------|-----------------|----------|----------|----------------|--------|
|------|-----------------|----------|----------|----------------|--------|

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 |
|------|------------|-----------------------------------------------------------------|
|------|------------|-----------------------------------------------------------------|

**(3) Investment real estate without certificate of ownership**

Unit: RMB/CNY

| Items | Book value | Reason |
|-------|------------|--------|
|-------|------------|--------|

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 |
|--------------|---------|-------------------|-------------------|----------------|
|--------------|---------|-------------------|-------------------|----------------|

|                 |         |                                    |  |         |  |  |
|-----------------|---------|------------------------------------|--|---------|--|--|
| 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 |
|------|-------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------|
|------|-------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------|

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 |
|------|-------------------------------|------------------------------|--------------------------------------|
|------|-------------------------------|------------------------------|--------------------------------------|

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 |
|------|-----------------|-------------------|-------------------------|----------------|----------------|
|------|-----------------|-------------------|-------------------------|----------------|----------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

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 |
|----------|----------------|--------------|--------------|--------------|
|----------|----------------|--------------|--------------|--------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

Other note:

### 35. Note payable

Unit: RMB/CNY

| Category | Ending balance | Opening balance |
|----------|----------------|-----------------|
|----------|----------------|-----------------|

Notes expired at period-end without paid was 0.00 Yuan.

### 36. Account payable

#### (1) Account payable

Unit: RMB/CNY

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



|                                    |              |              |
|------------------------------------|--------------|--------------|
| Within one year(one year included) | 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   |
| Total                              | 4,649,649.09 | 6,213,665.02 |

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

Unit: RMB/CNY

| Item | Ending balance | Reasons for non-reimbursement or carry-forward |
|------|----------------|------------------------------------------------|
|------|----------------|------------------------------------------------|

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   |
| Total                 | 33,107,549.28  | 39,034,314.13   |

**(1) Interest payable**

Unit: RMB/CNY

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

Important overdue interest

Unit: RMB/CNY

| Unit | Overdue amount | Overdue reason |
|------|----------------|----------------|
|------|----------------|----------------|

Other note:

**(2) Dividend Payable**

Unit: RMB/CNY

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

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

### (2) Account received in advance with over one year book age

Unit: RMB/CNY

| Item | Ending balance | Reasons for non-reimbursement or carry-forward |
|------|----------------|------------------------------------------------|
|------|----------------|------------------------------------------------|

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 |
|------|----------------|------------------------------------------------|
|------|----------------|------------------------------------------------|

Book value has major changes in the period and causes

Unit: RMB/CNY

| Item | Amount changes | Reason for change |
|------|----------------|-------------------|
|------|----------------|-------------------|

#### 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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

### (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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

##### (1) Nature of long-term account payable

Unit: RMB/CNY

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

Other note:

##### (2) Special payable

Unit: RMB/CNY

| Item | Opening balance | Current increased | Current decreased | Ending balance | Causes |
|------|-----------------|-------------------|-------------------|----------------|--------|
|------|-----------------|-------------------|-------------------|----------------|--------|

Other note:

#### 49. Long-term wages payable

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

Unit: RMB/CNY

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

##### (2) Changes of defined benefit plans

Present value of the defined benefit plans:

Unit: RMB/CNY

| Item | Current period incurred | Prior period incurred |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

Scheme assets:

Unit: RMB/CNY

| Item | Current period incurred | Prior period incurred |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

Net liability (assets) of the defined benefit plans

Unit: RMB/CNY

| Item | Current period incurred | Prior period incurred |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

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 |
|------|----------------|-----------------|--------|
|------|----------------|-----------------|--------|

Other explanation, including relevant important assumptions and estimation:

#### 51. Deferred income

Unit: RMB/CNY

| Item | Opening balance | Current increased | Current decreased | Ending balance | Causes |
|------|-----------------|-------------------|-------------------|----------------|--------|
|------|-----------------|-------------------|-------------------|----------------|--------|

Other note:

#### 52. Other non-current liabilities

Unit: RMB/CNY

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

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 |
|------|-----------------|-------------------|-------------------|----------------|
|------|-----------------|-------------------|-------------------|----------------|

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 |  |
|--|--|---------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------|-----|-----------|--|

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 |
|------|-----------------|-------------------|-------------------|----------------|
|------|-----------------|-------------------|-------------------|----------------|

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:                      |                    |                    |  |  |  |  |                    |                    |
|                                 |                    |                    |  |  |  |  |                    |                    |
| Classification by sales channel |                    |                    |  |  |  |  |                    |                    |
| Including:                      |                    |                    |  |  |  |  |                    |                    |
|                                 |                    |                    |  |  |  |  |                    |                    |
| Total                           | 213,499.59<br>7.25 | 200,995.02<br>9.52 |  |  |  |  | 213,499.59<br>7.25 | 200,995.02<br>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 |
|------|------------------------------------------------|-------------------------|---------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|
|      |                                                |                         |                                                               |                                           |                                                        |                                                                                |

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 |
|------|-----------------------------|--------------------------------|
|      |                             |                                |

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 |
|-------|--------------|--------------|

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 |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

Other note:

## 69. Income from change of fair value

Unit: RMB/CNY

| Sources | Current period incurred | Prior period incurred |
|---------|-------------------------|-----------------------|
|---------|-------------------------|-----------------------|

Other note:

## 70. Investment income

Unit: RMB/CNY

| Item | Current period incurred | Prior period incurred |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

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 |
|---------|-------------------------|-----------------------|
|---------|-------------------------|-----------------------|

## 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 |  |
|-------|--------------|--------------|--|

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 |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

Receivable for important cash related to investment activities

Unit: RMB/CNY

| Item | Current period incurred | Prior period incurred |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

Explanation on other cash received from investment activities:

Cash paid related with investment activities

Unit: RMB/CNY

| Item | Current period incurred | Prior period incurred |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

Payable for important cash related to investment activities

Unit: RMB/CNY

| Item | Current period incurred | Prior period incurred |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

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 |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

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 |
|------|--------------------------------|-------------------------------------------|------------------|
|------|--------------------------------|-------------------------------------------|------------------|

**(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 |
|---------|--------------|---------------------------|----------------------------------------------|------------------------------------------|------------------------------------------------|
|---------|--------------|---------------------------|----------------------------------------------|------------------------------------------|------------------------------------------------|

#### 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 |
|------|-----------------|--------------------------------|--------------------------------|----------------|---------------------------|
|------|-----------------|--------------------------------|--------------------------------|----------------|---------------------------|

### 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 |  |  |  |  |
|--------------------------------|--|--|--|---|--|--|--|--|

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 |
|--|----------------------------------------|---------------------------------------|

|                                                                                    |  |  |
|------------------------------------------------------------------------------------|--|--|
|                                                                                    |  |  |
| 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 |
|---------------|---------------------|-------------------------|-----------------------------|------------------------------------------|-----------------------|
|---------------|---------------------|-------------------------|-----------------------------|------------------------------------------|-----------------------|

Goods sold/labor service providing

Unit: RMB/CNY

| Related party | Transaction content | Current period incurred | Prior period incurred |
|---------------|---------------------|-------------------------|-----------------------|
|---------------|---------------------|-------------------------|-----------------------|

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 |
|---------------------------|-----------------------------|-------------|---------------|---------------|---------------------|----------------------------------|
|---------------------------|-----------------------------|-------------|---------------|---------------|---------------------|----------------------------------|

Explanation on related trusteeship/contract



Delegated administration/outsourcing

Unit: RMB/CNY

| Client/<br>contract-out<br>party | Entrusting<br>party/<br>contractor | Assets type | Starting date | Maturity date | Pricing basis of<br>trustee<br>fee/outsourcing<br>fee | Trustee<br>fee/outsourcing<br>fee recognized<br>in the Period |
|----------------------------------|------------------------------------|-------------|---------------|---------------|-------------------------------------------------------|---------------------------------------------------------------|
|----------------------------------|------------------------------------|-------------|---------------|---------------|-------------------------------------------------------|---------------------------------------------------------------|

Explanation on related administration/outsourcing

**(3) Related lease**

As a lessor for the Company:

Unit: RMB/CNY

| Lessee | Assets type | Lease income recognized in<br>the Period | Lease income recognized in<br>prior Period |
|--------|-------------|------------------------------------------|--------------------------------------------|
|--------|-------------|------------------------------------------|--------------------------------------------|

As a lessee for the Company:

Unit: RMB/CNY

| Lessor | Assets<br>type | rental cost for<br>short-term leases<br>and low-value<br>assets leases with<br>simplified<br>processing (if<br>applicable) |                                 | Variable lease<br>payment not<br>included in the<br>measurement of<br>leasing liability (if<br>applicable) |                                 | Rental paid                       |                                 | Interest expenses<br>assumed on lease<br>liability |                                 | Right-of-use assets<br>increased  |                                 |
|--------|----------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|---------------------------------|----------------------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|        |                | Current<br>period<br>incurre<br>d                                                                                          | Prior<br>period<br>incurre<br>d | Current<br>period<br>incurre<br>d                                                                          | Prior<br>period<br>incurre<br>d | Current<br>period<br>incurre<br>d | Prior<br>period<br>incurre<br>d | Current<br>period<br>incurre<br>d                  | Prior<br>period<br>incurre<br>d | Current<br>period<br>incurre<br>d | Prior<br>period<br>incurre<br>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<br>(Y/N) |
|---------------|------------------|---------------|----------|------------------------------|
|---------------|------------------|---------------|----------|------------------------------|

As a secured party for the Company

Unit: RMB/CNY

| Guarantor | Amount guarantee | Starting date | Due date | Guarantee completed<br>(Y/N) |
|-----------|------------------|---------------|----------|------------------------------|
|-----------|------------------|---------------|----------|------------------------------|

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 |
|---------------|---------------------|-------------------------|-----------------------|
|---------------|---------------------|-------------------------|-----------------------|

## (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 |
|------|---------|--------------------------------------------------|---------------------------------------------------|
|------|---------|--------------------------------------------------|---------------------------------------------------|

### 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 |
|--------------------|----------------------|-----------------------------------------------|----------------------------|
|--------------------|----------------------|-----------------------------------------------|----------------------------|

##### (2) Prospective application

| Correction content | Approval procedures | Reasons for prospective application adopted |
|--------------------|---------------------|---------------------------------------------|
|--------------------|---------------------|---------------------------------------------|

#### 2. Debt restructuring

Nil

#### 3. Assets replacement

##### (1) Non-monetary assets change

Nil

##### (2) Other assets replacement

Nil

#### 4. Pension plan

Nil

#### 5. Discontinued operations

Unit: RMB/CNY

| Item | Revenue | Expenses | Total profit | Income tax expenses | Net profit | Discontinued operations profit attributable to owners of parent company |
|------|---------|----------|--------------|---------------------|------------|-------------------------------------------------------------------------|
|------|---------|----------|--------------|---------------------|------------|-------------------------------------------------------------------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

#### 2) Important overdue interest

Unit: RMB/CNY

| Borrower | Ending balance | Overdue time | Overdue reason | Impairment (Y/N) and judgment basis |
|----------|----------------|--------------|----------------|-------------------------------------|
|----------|----------------|--------------|----------------|-------------------------------------|

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 |
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|

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 |
|----------------------|---------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|
|----------------------|---------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|

Other note

**(2) Dividend receivable**

**1) Category**

Unit: RMB/CNY

| Item (or the invested entity) | Ending balance | Opening balance |
|-------------------------------|----------------|-----------------|
|-------------------------------|----------------|-----------------|

**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 |
|-------------------------------|----------------|-------------|----------------------------------|-------------------------------------|
|-------------------------------|----------------|-------------|----------------------------------|-------------------------------------|

### 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 |
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|
|--------------------------|------------------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------|

Other note:

### 5) Dividend receivables actually written off in the current period

Unit: RMB/CNY

| Item | Write-off amount |
|------|------------------|
|------|------------------|

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 |
|----------------------|---------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|
|----------------------|---------------|------------------|------------------|--------------------------------------|-----------------------------------------------------------------|

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 |
|-------|---------------|---------------|

## 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 |
|-------------|---------------------|---------------------|-----------------|---------------|
|-------------|---------------------|---------------------|-----------------|---------------|

|              |          |  |  |                                                                                |
|--------------|----------|--|--|--------------------------------------------------------------------------------|
| organization | reversed |  |  | 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) |
|------------|--------------|--------------------|--------|-----------|---------------------------------------------------|
|------------|--------------|--------------------|--------|-----------|---------------------------------------------------|

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 |
|------|----------------|-----------------|
|------|----------------|-----------------|

|                           | 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 |
|------|------------------------------------------------|-------------------------|---------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|
|------|------------------------------------------------|-------------------------|---------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|

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 |
|------|-----------------------------|--------------------------------|
|------|-----------------------------|--------------------------------|

Other note:

## 5. Investment income

Unit: RMB/CNY

| Item | Current period incurred | Prior period incurred |
|------|-------------------------|-----------------------|
|------|-------------------------|-----------------------|

## 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**