

Shenzhen China Bicycle Company (Holdings) Limited

Semi-Annual Report 2021

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 in RMB/CNY

1. Consolidated Balance Sheet

Prepared by Shenzhen China Bicycle Company (Holdings) Limited

June 30, 2021

In RMB/CNY

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	17,434,893.24	19,887,978.05
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	55,552,419.15	55,031,424.70
Receivable financing		
Accounts paid in advance	4,382,245.09	816,541.52
Insurance receivable		

Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	654,021.99	576,770.36
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	7,601,075.77	7,729,325.94
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	3,340,005.35	2,715,425.31
Total current assets	88,964,660.59	86,757,465.88
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fixed assets	3,612,186.01	3,792,133.36
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets		
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		

Deferred income tax asset	793,170.75	793,170.75
Other non-current asset	1,135,849.05	400,000.00
Total non-current asset	5,541,205.81	4,985,304.11
Total assets	94,505,866.40	91,742,769.99
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	9,986,504.06	9,606,144.94
Accounts received in advance		
Contractual liability	16,699,148.73	15,254,713.38
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	813,937.14	1,459,244.07
Taxes payable	752,945.33	722,321.02
Other account payable	37,658,215.37	37,882,805.52
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,374,986.67	1,175,251.38
Total current liabilities	67,285,737.30	66,100,480.31
Non-current liabilities:		
Insurance contract reserve		

Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	67,285,737.30	66,100,480.31
Owner's equity:		
Share capital	551,347,947.00	551,347,947.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	627,834,297.85	627,834,297.85
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
Provision of general risk		
Retained profit	-1,199,584,747.54	-1,200,950,240.88
Total owner's equity attributable to parent company	12,270,724.32	10,905,230.98
Minority interests	14,949,404.78	14,737,058.70
Total owner's equity	27,220,129.10	25,642,289.68
Total liabilities and owner's equity	94,505,866.40	91,742,769.99

Legal Representative: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

2. Balance Sheet of Parent Company

In RMB/CNY

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	9,500,564.76	10,097,024.59
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	24,528,945.87	24,274,935.96
Receivable financing		
Accounts paid in advance	985,143.87	800,000.00
Other account receivable	129,953.19	115,263.05
Including: Interest receivable		
Dividend receivable		
Inventories	509,377.73	550,421.78
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	2,978,772.76	2,652,771.13
Total current assets	38,632,758.18	38,490,416.51
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	19,960,379.73	19,960,379.73
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fixed assets	3,400,670.61	3,530,501.40
Construction in progress		
Productive biological assets		

Oil and natural gas assets		
Right-of-use assets		
Intangible assets		
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	1,135,849.05	400,000.00
Total non-current assets	24,496,899.39	23,890,881.13
Total assets	63,129,657.57	62,381,297.64
Current liabilities:		
Short-term borrowings		
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	576,266.32	748,604.24
Accounts received in advance		
Contractual liability	15,134,353.38	14,685,423.04
Wage payable	609,508.72	1,146,371.58
Taxes payable	12,953.86	24,906.50
Other accounts payable	39,379,876.05	39,409,824.37
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,175,960.12	1,101,243.63
Total current liabilities	56,888,918.45	57,116,373.36
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		

Long-term account payable		
Long term employee compensation payable		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	56,888,918.45	57,116,373.36
Owners' equity:		
Share capital	551,347,947.00	551,347,947.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	627,834,297.85	627,834,297.85
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	32,673,227.01	32,673,227.01
Retained profit	-1,205,614,732.74	-1,206,590,547.58
Total owner's equity	6,240,739.12	5,264,924.28
Total liabilities and owner's equity	63,129,657.57	62,381,297.64

3. Consolidated Profit Statement

In RMB/CNY

Item	Semi-annual of 2021	Semi-annual of 2020
I. Total operating income	54,130,317.60	42,656,355.21
Including: Operating income	54,130,317.60	42,656,355.21
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	54,197,658.54	40,013,244.72
Including: Operating cost	48,590,120.12	36,100,765.65

Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	41,264.77	19,899.04
Sales expense	876,189.13	1,478,378.78
Administrative expense	2,619,117.48	1,679,719.44
R&D expense	2,120,389.55	753,742.20
Financial expense	-49,422.51	-19,260.39
Including: Interest expenses		
Interest income	-74,408.45	-31,929.72
Add: Other income	2,516.00	10,105.77
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		
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	1,318,717.42	170,387.85

(Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	27,669.02	
Income from assets disposal (Loss is listed with “-”)		24,936.44
III. Operating profit (Loss is listed with “-”)	1,281,561.50	2,848,540.55
Add: Non-operating income	457,664.40	744,788.91
Less: Non-operating expense		2,676.80
IV. Total profit (Loss is listed with “-”)	1,739,225.90	3,590,652.66
Less: Income tax expense	161,386.48	170,038.76
V. Net profit (Net loss is listed with “-”)	1,577,839.42	3,420,613.90
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	1,577,839.42	3,420,613.90
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	1,365,493.34	2,797,643.50
2.Minority shareholders’ gains and losses	212,346.08	622,970.40
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		

2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,577,839.42	3,420,613.90
Total comprehensive income attributable to owners of parent Company	1,365,493.34	2,797,643.50
Total comprehensive income attributable to minority shareholders	212,346.08	622,970.40
VIII. Earnings per share:		
(i) Basic earnings per share	0.0025	0.0051
(ii) Diluted earnings per share	0.0025	0.0051

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal Representative: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

4. Profit Statement of Parent Company

In RMB/CNY

Item	Semi-annual of 2021	Semi-annual of 2020
I. Operating income	12,378,683.92	15,950,824.42
Less: Operating cost	10,513,040.90	12,634,196.40
Taxes and surcharge	6,780.60	7,511.96
Sales expenses	342,616.35	256,975.98
Administration expenses	1,308,649.65	1,136,110.22
R&D expenses	985,885.21	753,742.20
Financial expenses	-56,817.01	-11,110.06
Including: Interest expenses		
Interest income	-65,092.61	-16,963.68
Add: Other income	2,501.91	8,595.12
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Changing income of fair value (Loss is listed with "-")		
Loss of credit impairment	1,209,451.29	204,620.45

(Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	27,669.02	
Income on disposal of assets (Loss is listed with “-”)		24,936.44
II. Operating profit (Loss is listed with “-”)	518,150.44	1,411,549.73
Add: Non-operating income	457,664.40	177,227.94
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	975,814.84	1,588,777.67
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	975,814.84	1,588,777.67
(i) continuous operating net profit (net loss listed with ‘-’)	975,814.84	1,588,777.67
(ii) termination of net profit (net loss listed with ‘-’)		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		

1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of other debt investment		
3. Amount of financial assets re-classify to other comprehensive income		
4. Credit impairment provision for other debt investment		
5. Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	975,814.84	1,588,777.67
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB/CNY

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	56,072,881.75	25,999,057.43
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance		

business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	2,666.96	10,712.11
Other cash received concerning operating activities	8,732,027.81	15,006,655.40
Subtotal of cash inflow arising from operating activities	64,807,576.52	41,016,424.94
Cash paid for purchasing commodities and receiving labor service	51,386,530.21	25,572,959.40
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	4,600,762.58	2,860,928.35
Taxes paid	606,781.27	263,658.94
Other cash paid concerning operating activities	10,660,629.28	10,968,482.31
Subtotal of cash outflow arising from operating activities	67,254,703.34	39,666,029.00
Net cash flows arising from operating activities	-2,447,126.82	1,350,395.94
II. Cash flows arising from investing		

activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		64,500.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		64,500.00
Cash paid for purchasing fixed, intangible and other long-term assets	5,957.99	
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	5,957.99	
Net cash flows arising from investing activities	-5,957.99	64,500.00
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		4,725,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		4,725,000.00

Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		4,725,000.00
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-2,453,084.81	6,139,895.94
Add: Balance of cash and cash equivalents at the period -begin	19,887,978.05	6,074,367.91
VI. Balance of cash and cash equivalents at the period -end	17,434,893.24	12,214,263.85

6. Cash Flow Statement of Parent Company

In RMB/CNY

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	8,529,883.80	7,581,014.00
Write-back of tax received	2,652.02	9,110.82
Other cash received concerning operating activities	8,894,920.39	19,278,497.89
Subtotal of cash inflow arising from operating activities	17,427,456.21	26,868,622.71
Cash paid for purchasing commodities and receiving labor service	5,583,811.46	2,063,572.76

Cash paid to/for staff and workers	3,163,849.78	2,253,629.12
Taxes paid	109,766.66	229,400.44
Other cash paid concerning operating activities	9,160,530.15	8,732,615.26
Subtotal of cash outflow arising from operating activities	18,017,958.05	13,279,217.58
Net cash flows arising from operating activities	-590,501.84	13,589,405.13
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		64,500.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		64,500.00
Cash paid for purchasing fixed, intangible and other long-term assets	5,957.99	
Cash paid for investment		8,775,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	5,957.99	8,775,000.00
Net cash flows arising from investing activities	-5,957.99	-8,710,500.00
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		

Cash received from loans		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-596,459.83	4,878,905.13
Add: Balance of cash and cash equivalents at the period -begin	10,097,024.59	1,959,804.92
VI. Balance of cash and cash equivalents at the period -end	9,500,564.76	6,838,710.05

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

Current Amount

In RMB/CNY

Item	Semi-annual of 2021													Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company														
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses	Provision of general risk	Retained profit	Other	Subtotal		
	Preferred stock	Perpetual capital secur	Other												

			ities											
I. The ending balance of the previous year	551,347,947.00			627,834,297.85				32,673,227.01		-1,200,950,240.88		10,905,230.98	14,737,058.70	25,642,289.68
Add: Changes of accounting policy														
Error correction of the last period														
Enterprise combine under the same control														
Other														
II. The beginning balance of the current year	551,347,947.00			627,834,297.85				32,673,227.01		-1,200,950,240.88		10,905,230.98	14,737,058.70	25,642,289.68
III. Increase/ Decrease in the period (Decrease is listed with “-”)										1,365,493.34		1,365,493.34	212,346.08	1,577,839.42
(i) Total comprehensive income										1,365,493.34		1,365,493.34	212,346.08	1,577,839.42
(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. Withdrawal of general risk provisions														
3. Distribution for owners (or shareholders)														
4. Other														
(iv) Carrying forward internal owners' equity														
1. Capital reserves conversed to capital (share capital)														
2. Surplus reserves conversed to capital (share capital)														
3. Remedying loss with surplus reserve														
4. Carry-over retained earnings from the defined benefit plans														
5. Carry-over retained earnings from														

other comprehensive income																
6. Other																
(v) Reasonable reserve																
1. Withdrawal in the report period																
2. Usage in the report period																
(vi) Others																
IV. Balance at the end of the period	551,347,947.00				627,834,297.85				32,673,227.01			-1,199,584,747.54		12,270,724.32	14,949,404.78	27,220,129.10

Amount of the previous period

In RMB/CNY

Item	Semi-annual of 2020														Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company															
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses reserve	Provision of general risk	Retained profit	Other	Subtotal			
		Preferred stock	Perpetual capital securities	Other												
I. The ending balance of the previous year	551,347,947.00				627,834,297.85				32,673,227.01			-1,204,736,075.56		7,119,396.30	4,322,186.79	11,441,583.09
Add: Changes of accounting policy																
Error correction of the last period																
Enterprise combine under the same																

control															
Other															
II. The beginning balance of the current year	551,347,947.00			627,834,297.85				32,673,227.01		-1,204,736,075.56		7,119,396.30	4,322,186.79	11,441,583.09	
III. Increase/Decrease in the period (Decrease is listed with “-”)										2,797,643.50		2,797,643.50	5,347,970.40	8,145,613.90	
(i) Total comprehensive income										2,797,643.50		2,797,643.50	622,970.40	3,420,613.90	
(ii) Owners’ devoted and decreased capital													4,725,000.00	4,725,000.00	
1. Common shares invested by shareholders													4,725,000.00	4,725,000.00	
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other															
(iii) Profit distribution															
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															

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

(vi) Others														
IV. Balance at the end of the period	551,347,947.00			627,834,297.85			32,673,227.01		-1,201,938.43		9,917,039.80	9,670,157.19	19,587,196.99	

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

Current Amount

In RMB/CNY

Item	Semi-annual of 2021											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual capital securiti es	Other								
I. The ending balance of the previous year	551,347,947.00			627,834,297.85				32,673,227.01	-1,206,590.54	7.58		5,264,924.28
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	551,347,947.00			627,834,297.85				32,673,227.01	-1,206,590.54	7.58		5,264,924.28
III. Increase/ Decrease in the period (Decrease is listed with "-")									975,814.84			975,814.84
(i) Total comprehensive income									975,814.84			975,814.84
(ii) Owners' devoted and decreased capital												

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

benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(vi) Others												
IV. Balance at the end of the period	551,347,947.00				627,834,297.85				32,673,227.01	-1,205,614.732.74		6,240,739.12

Amount of the previous period

In RMB/CNY

Item	Semi-annual of 2020											Total owners' equity
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	
		Preferred stock	Perpetual capital securities	Other								
I. The ending balance of the previous year	551,347,947.00				627,834,297.85				32,673,227.01	-1,209,458,208.07		2,397,263.79
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the	551,347,947.00				627,834,297.85				32,673,227.01	-1,209,458,208.07		2,397,263.79

current year												
III. Increase/ Decrease in the period (Decrease is listed with “-”)										1,588,777 .67		1,588,777.6 7
(i) Total comprehensive income										1,588,777 .67		1,588,777.6 7
(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	551,347,947.00				627,834,297.85				32,673,227.01	-1,207,869,430.40		3,986,041.46

III. Company Profile

1. History and basic information

According to the Approval Document SFBF (1991) No. 888 issued by the People's Government of Shenzhen, Shenzhen China Bicycle Company (Holdings) Limited (hereinafter referred to as the Company) was reincorporated as the company limited by shares in November 1991. On 28 December 1991, upon the Approval Document SRYFZ(1991) No. 119 issued by Shenzhen Special Economic Zone Branch of the People's Bank of China, the Company got listed on Shenzhen Stock Exchange. Registered of the Company amounted as 551,347,947.00 Yuan.

Legal representative: Li Hai

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

Certificate for Uniform Social Credit Code: 914403006188304524

2. Business nature and main operation activities

The Company's industry: machinery manufacturing industry

Main business activities: Research & development of the bicycles, electric bicycles, electric motorcycles, motorcycles, electric tricycles, electric four-wheelers, 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).

MaGoods in processs and services provided so far: EMMELLE bicycles, electrical bicycles, lithium battery material and gold jewelry.

3. Release of the financial report

The Financial Report released on 25 August 2021 after approved by 31st session of 10th BOD of the Company.

Two subsidiaries included in consolidate scope in the period, and one sub-subsidiary, found more in 1. carry in Note VIII.

IV. Compilation Basis of Financial Statement

1. Compilation Basis

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

2. Going concern

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

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

V. Main accounting policy and Accounting Estimate

Tips for specific accounting policy and estimate:

1. Declaration on compliance with accounting standards for business enterprise

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

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

2. Accounting period

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

3. Business cycles

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

4. Book-keeping currency

The Company and its subsidiaries take RMB as the standard currency for bookkeeping.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Compilation method of consolidated financial statement

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

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

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

(1) Affirmation and classification of joint venture arrangement

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

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

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

(2) Accounting treatment of joint venture arrangement

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

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

8. Recognition of cash and cash equivalents

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

9. Foreign currency transaction and financial statement conversion

(1) Conversion for foreign currency transaction

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

(2) Conversion of financial statements presented in foreign currencies

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

10. Financial instruments

(1) Recognition and termination for financial instrument

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

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

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

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

the financial assets.

(2) Classification and measurement of financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

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

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

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

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

When and only when the Company changes its business model for managing financial assets, it will reclassify all affected related financial assets.

For financial assets measured at fair value and whose changes are included in the current profit or loss, the related transaction costs are directly included in the current profit and loss, and the related transaction costs of other types of financial assets are included in the initial recognition amount.

(3) Classification and measurement of financial liabilities

The Company's financial liabilities are classified as financial liabilities measured at amortized cost and financial liabilities measured at fair value and whose changes are included in the current profit and loss at initial recognition.

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

The Company determines the classification of financial liabilities at initial recognition. For financial liabilities that are measured at fair value and whose changes are included in the current profit or loss, the related transaction costs are directly included in the current profit and loss, and the related transaction costs of other financial liabilities are included in its initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

1) Financial liabilities measured at amortized cost

For such financial liabilities, adopt actual interest rate method and make subsequent measurements based on amortized costs.

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

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

(4) Financial instruments offset

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

(5) Impairment of financial assets

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

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

1) General model of expected credit loss

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

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

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

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

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

Stage two: Credit risk has increased significantly since initial recognition but no credit impairment has occurred

For a financial instrument at this stage, the enterprise should measure the loss provisions according to the expected credit loss of the instrument for its entire duration, and calculate the interest income based on its book balance and actual interest rate.

Stage three: Credit impairment occurs after initial recognition

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

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

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

If the enterprise confirms that the default risk of financial instruments is low, the borrower has a strong ability to fulfill its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic situation and operating environment in a longer period of time, it will not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations, then the financial instrument can be considered to have lower credit risk.

3) Accounts receivable and lease receivables

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

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

(6) Transfer of financial assets

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

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it shall be accounted for as follows: the financial asset should be terminated if the Group waives control over the asset; it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset

and recognizes an associated liability if the Group does not waive control over the asset.

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

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

Nil

11. Note receivable

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

The Company divides the bills receivable into two types, i.e. bank acceptance bills and commercial acceptance bills portfolios, according to the type of financial instruments. For bank acceptance bills, the accepting bank pays the determined amount to the taker or the bearer unconditionally due to the maturity of the bills, the overdue credit loss is low and has not increased significantly since the initial confirmation, the Company believes that the risk of overdue default is 0; for commercial acceptance bills, the Company believes that the probability of default is related to the aging, we use a simplified model of expected credit losses, that is the allowance for losses is always measured at the amount of expected credit losses over the entire duration period. Proportion for accrual found more in the accounting policy and estimate for account receivable.

12. Account receivable

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

For accounts receivable that contain a significant financing component, the Company chooses to use the

simplified model of expected credit losses, that is, to always measure its loss provisions according to the amount of expected credit losses during the entire duration.

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

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

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

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

(2)Receivables with provision for bad debts by portfolio

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

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

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

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

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

2. A general model of expected credit loss

Found more in the treatment in 【10. Financial Instrument】

13. Receivable financing

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

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

14. Other account receivable

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

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

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

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

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

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

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

(2) Receivables with provision for bad debts by portfolio

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

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

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

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

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

2. A general model of expected credit loss

Found more in the Note 【10. Financial Instrument 】

15. Inventory

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

(1) Classification of inventory

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

(2) Valuation of inventories

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

(3) Provision for inventory impairment

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

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

measured separately are combined for provision for impairment.

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

(4) Inventory system

Perpetual inventory system is adopted.

16. Contract assets

1. Confirmation method and standard of contract assets

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

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

Determination and accounting treatment of the expected credit loss for contract assets found more in Note "10. Financial Instrument - impairment of financial assets"

Nil

17. Contract cost

Nil

18. Assets held for sale

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

The expected net residual value of asset held for sale is adjusted by the Company to reflect its fair value less

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

In respect of the non-current assets held for sale, if the net amount after their fair value less the selling expenses increased as at the subsequent balance date, the reduced amount before will be recovered and reversed in the assets impairment loss amount recognized after being classified as held for sale, and the reversed amount will be recorded in the current profits or loss. The impairment loss on assets recognized before being classified as held for sale will not be reversed. In respect of the disposal group held for sale, if the net amount after their fair value less the selling expenses increased as at the subsequent balance date, the reduced amount before will be recovered and reversed in the assets impairment loss amount recognized in non-current assets after being classified as held for sale, and the reversed amount will be recorded in the current profits or loss. The reduced book value of the goodwill as well as the impairment loss on assets recognized before the non-current assets are classified as held for sale will not be reversed. The subsequent reversed amount in respect of the impairment loss on assets recognized in the disposal group held for sale will increase the book value in proportion of the book value of each non-current assets (other than goodwill) in the disposal group.

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

19. Debt investment

Nil

20. Other debt investment

Nil

21. Long-term account receivable

Nil

22. Long-term equity investment

(1) Determination of investment costs

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

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

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

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

(2) Subsequent measurement and profit or loss recognition

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

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

Under equity method, when the initial investment cost of the long-term equity investment exceeds the share of fair

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

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

(3) Determination of control and significant influence on investee

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

(4) Disposal of long-term equity investment

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

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

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

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

(5) Impairment test and provision for impairment

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

23. Investment real estate

Measurement mode

Measured by cost method

Depreciation or amortization method

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

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

24. Fixed assets

(1) Recognition conditions

Fixed assets refer to the tangible assets for production of products, provision of labor, lease or operation, and with a service life in excess of one financial year. Fixed assets are recorded at the actual cost at the time of acquisition, and depreciation is calculated and withdrawn using the average life method from the month after they reach the intended usable state

(2) Depreciation methods

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

Nil

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

Finance lease is determined when one or a combination of the following conditions are satisfied: (1) the ownership has been transferred to the lessee when the leasing term is due; (2) the lessee has the option to purchase the leasing asset at a price that is much lower than its fair value, so it can be reasonably determined that the lessee will take the option at the very beginning of the lease; (3) the leasing term accounts for most time of the useful life (ordinarily accounting for 75% or higher) even if the ownership does not transfer to the lessee; (4) the present value of the minimum amount of rent that the lessee has to pay at the first day of the lease amounts to 90% or higher of its fair value at the same date; or the present value of the minimum amount of rent that the lessor collects at the first day of the lease amounts to 90% or higher of its fair value at the same date; and/or (5) the leased assets are of such a specialized nature that only the lessee can use them without major modifications. Fixed assets rented-in under finance lease are recorded at the lower of fair value and the present value of the minimum lease payment at the inception of the lease, and are depreciated following the depreciation policy for self-owned fixed assets.

25. Construction in progress

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

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

26. Borrowing expenses

Nil

27. Biological assets

Nil

28. Oil and gas asset

Nil

29. Right-of-use asset

Nil

30. Intangible assets

(1) Valuation method, service life and impairment test

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

2. Intangible assets with limited service life should be amortized systematically and reasonably in their service lives as per the expected form of realization economic benefits relating to the said intangible assets. If the form of realization cannot be reliably determined, the intangible assets should be amortized on a straight-line basis.

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

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

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

31. Impairment of long-term assets

Nil

32. Long-term expenses to be apportioned

Long-term expenses to be apportioned are booked by actual amount occurred, and apportioned evenly during the benefit period or regulated period. In case that the long-term deferred expenses are not likely to benefit the

subsequent accounting periods, the outstanding value of the item to be amortized shall be included in current profit or loss in full.

33. Contract liability

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

34. Employee compensation

(1) Accounting treatment for short-term compensation

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

(2) Accounting treatment for post-employment benefit

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

(3) Accounting for retirement benefits

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

earlier.

(4) Accounting for other long-term employee benefits

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

35. Lease liabilities

Nil

36. Accrual liability

Nil

37. Share-based payment

(1) Types of share-based payment

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

(2) Determination of fair value of equity instruments

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

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

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

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

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

1) Equity-settled share-based payment

For equity instruments that may be exercised immediately after the grant, the fair value of such instrument shall, on the date of the grant, be recognized in relevant costs or expenses with the increase in the capital reserve accordingly. For equity-settled share-based payment made in return for the rendering of employee services that

cannot be exercised until the services are fully rendered during vesting period or specified performance targets are met, on each balance sheet date within the vesting period, the services acquired in the current period shall, based on the best estimate of the number of exercisable instruments, be recognized in relevant costs or expenses and the capital reserves at the fair value of such instruments on the date of the grant.

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

2) Cash-settled share-based payment

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

3) Revision and termination of share-based payment schemes

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

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

If the Company cancels the equity instruments granted or settles the equity instruments granted during the vesting

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

38. Other financial instruments including senior shares and perpetual bonds

Nil

39. Revenue

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

(1) Recognition of revenue

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

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

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

(2) Principles of income measurement

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

2) If there is variable consideration in the contract, the company shall determine the best estimate of the variable consideration based on the expected value or the amount most likely to incur, but the transaction price including the variable consideration shall not exceed the amount at which the accumulatively recognized income is most likely not be subject to a significant reversal when the relevant uncertainty is eliminated.

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

4) If the contract contains two or more performance obligations, the company will allocate the transaction prices to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods promised by each individual performance obligation on the commencement date of contract.

(3) Specific method of revenue recognition:

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

40. Government subsidy

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

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

(3) Aggregate method for government subsidy:

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

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

(4) Net method for government subsidy

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

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

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

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

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

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

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

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

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

2) Where subsidy funds are paid directly to the Company, the Company will offset the corresponding subsidy against the relevant borrowing expenses.

41. Deferred income tax assets/Deferred income tax liabilities

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

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

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

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

42. Lease

(1) Accounting for operating lease

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

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

(2) Accounting for financing lease

When the company acts as lessee, at the inception of lease, the lower of fair value of leased assets at the inception of lease and the present value of minimum lease payment is recognized as the value of leased assets. The

minimum lease payment is recognized as the value of long-term payable. Their difference is recorded as unrecognized finance costs with any initial direct expense incurred recorded in the value of leased assets. For each period of the lease term, current finance cost is calculated using effective interest method.

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

43. Other important accounting policy and estimation

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

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

The enterprise shall separately list profit and loss from continuing operations and profit and loss from discontinuing operations in the profit statement. For non-current assets held for sale or disposal groups that do not meet the definition of discontinuing operations, the impairment losses and reversal amounts and disposal gains and losses should be presented as profit or loss from continuing operations. Operational gains and losses and disposal profits and losses such as impairment losses and reversal amounts of discontinuing operations should be reported as profits or losses of discontinuing operations.

44. Changes of important accounting policy and estimation

(1) Changes of important accounting policy

√ Applicable □ Not applicable

The contents and reasons of accounting policy changes	Examination and approval procedures	Note
According to the regulations of "Accounting Standards for Business Enterprises No. 21 - Lease" of the Ministry of Finance, the enterprise that are required to be listed both domestically and	Deliberated and approved by 31 st session of 10 th BOD	The changes in accounting policy will not have a material impact on the financial status, operation results and cash flow of the Company

internationally and enterprises that are listed outside of China and adopt IFRS or ASBE to prepare their financial statements, will be effective from January 1, 2019. Other enterprises implementing the ASBEs will be effective from 1 Jan. 2021.		
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The Company applies simplified treatment to lease and chooses not to recognize the right-of-use assets and lease liability, and in each period of lease term, charged to the cost of relevant assets or current gain/loss on a straight-line basis or other systematic and reasonable basis, no need to adjust the items of balance sheet at the beginning of the year.

(2) Changes of important accounting estimation

Applicable Not applicable

(3) Adjust the financial statement items at beginning of the year when first implemented the New Lease Standards since 2021

Applicable

Whether adjusted the item of balance sheet at year-begin or not

Yes No

Explanation of reasons for not requiring adjustment of the items of balance sheet at beginning of the year

Mainly the short-term lease and low-value assets, the Company applies simplified treatment to lease and chooses not to recognize the right-of-use assets and lease liability, and in each period of lease term, charged to the cost of relevant assets or current gain/loss on a straight-line basis or other systematic and reasonable basis, no need to adjust the items of balance sheet at the beginning of the year.

(4) Explanation on retrospective adjustment of prior period comparative data for the first implementation of new leasing standards from 2021

Applicable Not applicable

45. Other

nil

VI. Taxes

1. Main tax category and tax rate

Tax category	Tax calculation evidence	Tax rate
Value added tax	Sales of goods, taxable labor service revenue, taxable income, intangible assets income and income from property leasing	5%, 6%, 13%

Tax for maintaining and building cities	Turnover tax payable	7%
Enterprise income tax	Taxable income	2.5%, 10%, 15%
Educational surtax	Turnover tax payable	3%
Local educational surtax	Turnover tax payable	2%

Disclose reasons for different taxpaying body

Taxpaying body	Income tax rate
The Company	15.00%
Shenzhen Emmelle Industry Co., Ltd.	2.5%, 10%
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	2.5%, 10%
Shenzhen Emmelle Cloud Technology Co., Ltd.	2.5%, 10%

2. Tax preference

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

2) : According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the "Notice of the State Taxation Administration and Ministry of Finance on the Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises" (CS[2019] No. 13) and Announcement of the Implementation of Preferential Income Tax Policies for Small & Micro Enterprises and Individual Entrepreneurs by the Ministry of Finance and the State Administration of Taxation (CS[2021] No.12) and other provisions, from January 1, 2021 to December 31, 2022, the portion of the annual taxable income of small, low-profit enterprises that does not exceed 1 million yuan will be included in the taxable income by 25%, and the corporate income tax will be paid at a tax rate of 20%. On the basis of this preferential policy, the tax will be halved (the effective tax rate is 2.5%); The part of annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan shall be deducted by 50% and included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20% (the effective tax rate is 10%). Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd., Shenzhen Emmelle Industry Co., Ltd., and Shenzhen Emmelle Cloud Technology Co., Ltd., the Company's subsidiaries, are small and low-profit enterprises, so the above preferential tax rate is applicable to them.

3. Other

Nil

VII. Notes to Items in Consolidated Financial Statements

1. Monetary fund

In RMB

Item	Ending balance	Opening balance
Cash on hand	29,702.26	21,530.26
Cash in bank	17,405,190.98	19,866,447.79

Total	17,434,893.24	19,887,978.05
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Other explanation

Nil

2. Trading financial assets

In RMB

Item	Ending balance	Opening balance
Including:		
Including:		

Other explanation:

Nil

3. Derivative financial assets

In RMB

Item	Ending balance	Opening balance

Other explanation:

Nil

4. Notes receivable

(1) Category

In RMB

Item	Ending balance	Opening balance

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										
Total	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00

Bad debt provision accrual on single basis:

In RMB

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

Total	0.00	0.00	--	--
-------	------	------	----	----

Bad debt provision accrual on single basis:

In RMB

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

Bad debt provision accrual on single basis:

In RMB

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

Bad debt provision accrual on single basis:

In RMB

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

Bad debt provision accrual on portfolio:

In RMB

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

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

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

Explanation on portfolio basis:

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

Applicable Not applicable

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

Accrual of bad debt provision in the period:

In RMB

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

Total	0.00	0.00	0.00	0.00	0.00	0.00
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Including important amount of bad debt provision collected or reversal in the period:

Applicable Not applicable

(3) Note receivable pledged at period-end

In RMB

Item	Amount pledged at period-end
Total	0.00

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

In RMB

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

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

In RMB

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

Other explanation

Nil

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

In RMB

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

In RMB

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

Explanation on note receivable charge-off:

Nil

5. Account receivable

(1) Category

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual by single basis	6,176,655.91	10.43%	3,492,318.65	56.54%	2,684,337.26	10,400,557.65	17.33%	4,821,546.38	46.36%	5,579,011.27
Including:										
Accounts with single minor amount but with bad debts provision accrued individually	6,176,655.91	10.43%	3,492,318.65	56.54%	2,684,337.26	10,400,557.65	17.33%	4,821,546.38	46.36%	5,579,011.27
Account receivable with bad debt provision accrual by portfolio	53,027,163.38	89.57%	159,081.49	0.30%	52,868,081.89	49,601,217.08	82.67%	148,803.65	0.30%	49,452,413.43
Including:										
Account receivable withdrawal bad debt provision by group of credit risk characteristics (Aging analysis method)	53,027,163.38	89.57%	159,081.49	0.30%	52,868,081.89	49,601,217.08	82.67%	148,803.65	0.30%	49,452,413.43
Total	59,203,819.29	100.00%	3,651,400.14	6.17%	55,552,419.15	60,001,774.73	100.00%	4,970,350.03	8.28%	55,031,424.70

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

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Sichuan Wanling Electric Technology Co., Ltd.	1,102,072.20	1,102,072.20	100.00%	Expected to be difficult to recover

Zhengzhou Guiguan Tech. Trade. Co., Ltd	1,007,233.79	302,170.14	30.00%	Expected to be difficult to recover
Suzhou Jiaxin Economic Trade Co., Ltd.	888,757.00	266,627.10	30.00%	Expected to be difficult to recover
Shijiazhuang Dasong Tech. Co., Ltd	797,064.00	797,064.00	100.00%	Expected to be difficult to recover
Dongguan Daxiang New Energy Co., Ltd.	746,734.00	224,020.20	30.00%	Expected to be difficult to recover
Suzhou Daming Vehicle Industry Co., Ltd.	552,596.42	276,298.21	50.00%	Expected to be difficult to recover
Guangdong Xinlingjia New Energy Co., Ltd.	348,136.00	104,440.80	30.00%	Expected to be difficult to recover
Suzhou Daming Vehicle Industry Co., Ltd.	449,195.00	134,758.50	30.00%	Expected to be difficult to recover
Shanghai Swen Electric Vehicle Co., Ltd.	284,867.50	284,867.50	100.00%	Expected to be difficult to recover
Total	6,176,655.91	3,492,318.65	--	--

Bad debt provision accrual on single basis:

In RMB

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

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

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Within one year (one year included)	50,855,577.44	152,566.73	0.30%
1-2 years (2 years included)	2,171,585.94	6,514.76	0.30%
Total	53,027,163.38	159,081.49	--

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please

refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

In RMB

Account age	Ending balance
Within one year (one year included)	46,671,675.70
Within one year	46,671,675.70
1-2 years	4,659,969.93
2-3 years	5,668,169.96
Over 3 years	2,204,003.70
3-4 years	304,867.50
4-5 years	1,102,072.20
Over 5 years	797,064.00
Total	59,203,819.29

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Charge-off	Other	
Bad debt provision for accounts receivable	4,970,350.03	38,984.24	1,357,934.13			3,651,400.14
Total	4,970,350.03	38,984.24	1,357,934.13			3,651,400.14

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

In RMB

Enterprise	Amount collected or reversal	Collection way
Shenzhen Jiahaosong Technology Co., Ltd.	718,081.13	Bank transfer, payment of goods arrears
Shenzhen Weterui New Energy Technology Co., Ltd.	501,291.32	Bank transfer, payment of goods arrears
Total	1,219,372.45	--

After the Company sent a lawyer's letter, the other party offset arrears by part of the goods after negotiation, and the rest was paid by bank transfer. Because the customer has not paid the debt according to the time limit agreed in the contract, which is more than one year overdue, and the debt recovery is expected to be difficult, so the bad debt is set aside at 30% of impairment.

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

In RMB

Item	Amount charge-off
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Including major account receivables charge-off:

In RMB

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

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

In RMB

Name	Ending balance of accounts receivable	Proportion of total closing balance of accounts receivable	Ending balance of bad bet provision
Guangshui Jiayu Energy Technology Co., Ltd.	19,875,160.22	33.57%	59,625.48
Shenzhen Yunshang Jewelry Co., Ltd.	11,810,930.58	19.95%	35,432.79
Fuzhou Rongrun Jewelry Co., Ltd.	10,254,982.87	17.32%	30,764.95
Xi'an Grom Trading Co., Ltd.	5,178,103.39	8.75%	15,534.31
Xi'an Zhongjinpu Trading Co., Ltd.	1,696,559.60	2.86%	5,089.68
Total	48,815,736.66	82.45%	

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

Nil

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

Nil

Other explanation:

Nil

6. Receivables financing

In RMB

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

Change of receivables financing and fair value in the period

Applicable Not applicable

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

Applicable Not applicable

Other explanation:

Nil

7. Account paid in advance

(1) By account age

In RMB

Account age	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	4,382,245.09	100.00%	816,541.52	100.00%
Total	4,382,245.09	--	816,541.52	--

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

Nil

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

Enterprise	Relationship with the Company	Amount	Account age	Nature	Ratio in total advance payment (%)
Shenzhen Lianzhonghe Technology Co., Ltd.	Non-related party	1,642,320.00	Within one year	Payment	37.48
Shenzhen Guanhong Weiye Technology Co., Ltd.	Non-related party	721,000.00	Within one year	Payment	16.45
Shenzhen Qunli Information Technology Co., Ltd.	Non-related party	467,837.00	Within one year	Payment	10.67
Shenzhen Longrui Langshi Technology Development Co., Ltd.	Non-related party	400,000.00	Within one year	Payment	9.13
Liancheng Kedeyi New Energy Technology Co., Ltd.	Non-related party	322,600.00	Within one year	Payment	7.36
Total		3,553,757.00			81.09

Other explanation:

Nil

8. Other account receivable

In RMB

Item	Ending balance	Opening balance
Other account receivable	654,021.99	576,770.36
Total	654,021.99	576,770.36

(1) Interest receivable

1) Category

In RMB

Item	Ending balance	Opening balance
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2) Important overdue interest

In RMB

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

Other explanation:

Nil

3) Accrual of bad debt provision

Applicable Not applicable

(2) Dividend receivable

1) Category

In RMB

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

In RMB

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

3) Accrual of bad debt provision

Applicable Not applicable

Other explanation:

Nil

(3) Other account receivable

1) By nature

In RMB

Account nature	Ending book balance	Opening book balance
Deposit or margin	647,093.00	618,609.00
Payment for equipment	311,400.00	311,400.00
Personal loan of employees	59,396.96	10,396.88
Total	1,017,889.96	940,405.88

2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on January 1, 2021	363,635.52			363,635.52
January 1, 2021 balance in the current period	—	—	—	—
Accrued in this period	358.54			358.54
Reversal in Current Period	126.09			126.09
Balance on June 30, 2021	363,867.97			363,867.97

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

Applicable Not applicable

By account age

In RMB

Account age	Ending balance
Within one year (one year included)	540,019.96
Within one year (one year included)	540,019.96

1-2 years	62,000.00
2-3 years	53,970.00
Over 3 years	361,900.00
3-4 years	40,200.00
4-5 years	11,700.00
Over 5 years	310,000.00
Total	1,017,889.96

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Charge-off	Other	
Bad debt provision for other receivables	363,635.52	358.54	126.09			363,867.97
Total	363,635.52	358.54	126.09			363,867.97

Nil

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

In RMB

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

Nil

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

In RMB

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

Including major other account receivables charge-off:

In RMB

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

Other Explanation on account receivable charge-off

Nil

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

In RMB

Enterprise	Nature	Ending Balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
Shenzhen Luwei Mechatronic Equipment Co., Ltd	Payment for equipment	300,000.00	Over 5 years	29.47%	300,000.00
Shenzhen Gangdelong Industrial Co., Ltd.	Margin or deposit	211,840.00	Within one year	20.81%	635.52
Shenye Pengji (Group) Co., Ltd.	Margin or deposit	111,927.00	Within one year	10.99%	335.78
Alipay (China) Network Technology Co., Ltd. customer reserve fund	Margin or deposit	110,000.00	Within 3 years	10.81%	330.00
Quick Money Payment Clearing Information Co., Ltd. Customer Reserve Fund	Margin or deposit	30,000.00	Within one year	2.95%	90.00
Total	--	763,767.00	--	75.03%	301,391.30

6) Account receivable with government grants involved

In RMB

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

7) Other account receivable derecognition due to financial assets transfer

Nil

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

Nil

Other explanation:

Nil

9. Inventory

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

No

(1) Category

In RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value
Raw materials	3,231,813.44		3,231,813.44	1,298,565.61		1,298,565.61
Inventory goods	3,065,640.50	250,864.51	2,814,775.99	2,545,994.24	278,533.53	2,267,460.71
Goods sold				5,656.40		5,656.40
Consigned processing materials	1,554,486.34		1,554,486.34	4,157,643.22		4,157,643.22
Total	7,851,940.28	250,864.51	7,601,075.77	8,007,859.47	278,533.53	7,729,325.94

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

Item	Category	Amount(yuan)	Percentage
Finished product	Jewelry	1,370,407.91	22.08%
	Gold jewelry	—	—
	Other	—	—
	Total	1,370,407.91	22.08%
Raw materials	Gold	821,910.81	13.24%
	Platinum	—	—
	Diamonds	2,612,048.33	42.08%
	Total	3,433,959.14	55.32%
Packaging		51,215.71	0.83%
Goods in process		1,352,340.64	21.78%
Total		6,207,923.40	100.00%

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

In RMB

Item	Opening balance	Current increased		Current decreased		Ending balance
		Accrual	Other	Switch back or charge-off	Other	
Inventory goods	278,533.53			27,669.02		250,864.51
Total	278,533.53			27,669.02		250,864.51

Nil

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

Nil

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

Nil

10. Contractual assets

In RMB

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

Book value of contract assets has major changes and causes:

In RMB

Item	Amount changes	Reason for change
Total	0.00	—

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

Applicable Not applicable

Accrual of impairment provision in the period

In RMB

Item	Accrued in this period	Reversal in Current Period	Reversal/Charge-off in the period	Causes
Total	0.00	0.00	0.00	--

Other explanation:

Nil

11. Assets held for sale

In RMB

Item	期末 Book balance	Impairment provision	Ending book value	公允价值	预计处置费用	预计处置时间
Total	0.00	0.00	0.00	0.00	0.00	--

Other explanation:

Nil

12. Non-current asset due within one year

In RMB

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

In RMB

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

Other explanation:

Nil

13. Other current assets

In RMB

Item	Ending balance	Opening balance
Tax credit and input tax to be certified	3,340,005.35	2,652,771.13
Prepaid corporate income tax		51,574.09
Prepaid input tax		11,080.09
Total	3,340,005.35	2,715,425.31

Other explanation:

Nil

14. Creditors' investment

In RMB

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

Important creditors' investment

In RMB

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

Accrual of impairment provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
January 1, 2021 balance in the current period	—	—	—	—

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

Applicable Not applicable

Other explanation:

Nil

15. Other creditors' investment

In RMB

Item	Opening balance	Accrued interest	Change of fair value in the period	Ending Balance	Cost	Cumulative changes of fair value	Cumulative loss impairment recognized in other comprehensive income	Note
Total		0.00	0.00		0.00	0.00	0.00	—

Important other creditors' investment

In RMB

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

Accrual of impairment provision

In RMB

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

	losses over next 12 months	the entire duration (without credit impairment occurred)	the entire duration (with credit impairment occurred)	
January 1, 2021 balance in the current period	—	—	—	—

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

Applicable Not applicable

Other explanation:

Nil

16. Long-term account receivable

(1) Long-term account receivable

In RMB

Item	Ending balance			Opening balance			折现率区间
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Total	0.00	0.00		0.00	0.00		--

Impairment of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
January 1, 2021 balance in the current period	—	—	—	—

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

Applicable Not applicable

Nil

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

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

Other explanation

17. Long-term equity investments

In RMB

The	Opening	Changes in the period (+, -)	Ending	Ending

invested entity	balance (Book value)	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	Balance (Book value)	balance of impairment provision
I. Joint venture											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Associated enterprise											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Other explanation

Nil

18. Other equity instrument investment

In RMB

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

In RMB

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

Nil

19. Other non-current financial assets

In RMB

Item	Ending balance	Opening balance
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Other explanation:

Nil

20. Investment real estate

(1) Investment real estate measured at cost

Applicable Not applicable

(2) Investment real estate measured at fair value

Applicable Not applicable

(3) Investment real estate without property rights certificate

In RMB

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

Nil

21. Fixed assets

In RMB

Item	Ending balance	Opening balance
Fixed assets	3,612,186.01	3,792,133.36
Total	3,612,186.01	3,792,133.36

(1) Fixed assets

In RMB

Item	Housing and buildings	Machinery equipment	Means of transportation	Electronic equipment and other	Total
I. Original book value:					
1. Opening balance	2,959,824.00	1,414,480.77	958,593.21	248,254.93	5,581,152.91
2. Current increased				5,272.56	5,272.56
(1) Purchase				5,272.56	5,272.56
(2) Construction in process transfer-in					
(3) The increase in business					

combination					
3.Current decreased					
(1) Disposal or scrap					
4.Ending balance	2,959,824.00	1,414,480.77	958,593.21	253,527.49	5,586,425.47
II. Accumulated depreciation					
1.Opening balance	599,364.36	316,423.81	690,963.97	182,267.41	1,789,019.55
2.Current increased	66,596.04	63,651.72	46,751.52	8,220.63	185,219.91
(1) Accrual	66,596.04	63,651.72	46,751.52	8,220.63	185,219.91
3.Current decreased					
(1) Disposal or scrap					
4.Ending balance	665,960.40	380,075.53	737,715.49	190,488.04	1,974,239.46
III. Impairment provision					
1.Opening balance					
2.Current increased					
(1) Accrual					
3.Current decreased					
(1) Disposal or scrap					
4.Ending balance					
IV. Book value					
1.Ending book value	2,293,863.60	1,034,405.24	220,877.72	63,039.45	3,612,186.01

2. Opening book value	2,360,459.64	1,098,056.96	267,629.24	65,987.52	3,792,133.36
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(2) Fixed assets temporary idle

In RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
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(3) Fixed assets leasing-out by operational lease

In RMB

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

In RMB

Item	Book value	Reasons for failing to complete the property rights certificate
Six properties in Lianxin Garden	2,293,863.60	The six properties of Lianxin Garden 7-20F with original value of 2,959,824.00 Yuan. The property purchasing refers to the indemnificatory housing for enterprise talent buying from Shenzhen Housing and Construction Bureau of Luohu District. According to the agreement, the enterprise shall not carrying any kind of property trading with any units or individuals except the government, and the company has no property certification on the above mentioned properties.

Other explanation

Nil

(5) Fixed assets disposal

In RMB

Item	Ending balance	Opening balance
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Other explanation

Nil

22. Construction in progress

In RMB

Item	Ending balance	Opening balance
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(1) Construction in progress

In RMB

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

(2) Changes in significant construction in progress

In RMB

Item	Budget	Opening balance	increased in the Period	Fixed assets transfer-in in the Period	Other decrease in the Period	Ending balance	Proportion of project investment in budget	Progress	Accumulated amount of interest capitalization	including interest capitalized amount of the year	Interest capitalization rate of the year	Source of funds
Total	0.00	0.00	0.00	0.00	0.00	0.00	--	--	0.00	0.00	0.00%	--

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

In RMB

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

Other explanation

Nil

(4) Engineering materials

In RMB

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

Other explanation:

Nil

23. Productive biological asset

(1) Productive biological assets measured by cost

Applicable Not applicable

(2) Productive biological assets measured by fair value

Applicable Not applicable

24. Oil and gas asset

Applicable Not applicable

25. Right-of-use asset

In RMB

Item	Total
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Other explanation:

Nil

26. Intangible assets

(1) Intangible assets

In RMB

Item	Land use right	Patent	Non-patent technology	Trademark	Total
I. Original book value					
1. Opening balance				5,271,000.00	5,271,000.00
2. Current increased					
(1) Purchase					
(2) Internal R & D					
(3) The increase in business					

combination					
3.Current decreased					
(1) Disposal					
4.Ending balance				5,271,000.00	5,271,000.00
II. Accumulated depreciation					
1.Opening balance				5,271,000.00	5,271,000.00
2.Current increased					
(1) Accrual					
3.Current decreased					
(1) Disposal					
4.Ending balance				5,271,000.00	5,271,000.00
III. Impairment provision					
1.Opening balance					
2.Current increased					
(1) Accrual					
3.Current decreased					
(1) Disposal					
4.Ending balance					
IV. Book value					

1. Ending book value					
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

In RMB

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

- 1) There is no mortgage for intangible assets at the end of the period.
- 2) At the end of the period, no signs of impairment of intangible assets were found, and no impairment provision was made.

27. Expense on Research and Development

In RMB

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

Other explanation

Nil

28. Goodwill

(1) Original book value of goodwill

In RMB

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

(2) Impairment provision of goodwill

In RMB

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

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

Nil

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

Nil

Impact of impairment test for goodwill

Nil

Other explanation

Nil

29. Long-term expenses to be apportioned

In RMB

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

Other explanation

Nil

30. Deferred income tax assets/Deferred income tax liabilities

(1) Deferred income tax assets without offset

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Impairment provision of assets	793,170.75	3,172,682.98	793,170.75	3,172,682.98
Total	793,170.75	3,172,682.98	793,170.75	3,172,682.98

(2) Deferred income tax liabilities without offset

In RMB

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

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

In RMB

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		793,170.75		793,170.75

(4) Details of unrecognized deferred income tax assets

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

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

In RMB

Year	Ending amount	Opening amount	Note
Total	0.00	0.00	--

Other explanation:

Nil

31. Other non-current assets

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Advance payment for house	400,000.00	0.00	400,000.00	400,000.00	0.00	400,000.00
Fixed increase intermediary fee	735,849.05	0.00	735,849.05			
Total	1,135,849.05	0.00	1,135,849.05	400,000.00	0.00	400,000.00

Other explanation:

As of June 30, 2021, the Housing and Construction Bureau of Luohu District, Shenzhen City has not delivered houses for enterprise talents in Luohu District.

32. Short-term loans

(1) Category

In RMB

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

(2) Overdue outstanding short-term loans

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

In RMB

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

Other explanation:

Nil

33. Trading financial liability

In RMB

Item	Ending balance	Opening balance
Including:		
Including:		

Other explanation:

Nil

34. Derivative financial liability

In RMB

Item	Ending balance	Opening balance
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Other explanation:

Nil

35. Notes payable

In RMB

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

36. Account payable

(1) Account payable

In RMB

Item	Ending balance	Opening balance
Within one year (one year included)	9,071,697.05	8,691,337.93
1-2 years (2 years included)	423,346.08	423,346.08
2-3 years (3 years included)	487,016.93	487,016.93
3-4 years (4 years included)	1,240.00	1,240.00
4-5 years (5 years included)		
Over 5 years	3,204.00	3,204.00
Total	9,986,504.06	9,606,144.94

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

In RMB

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

Other explanation:

Nil

37. Account received in advance

(1) Account received in advance

In RMB

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

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

In RMB

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

Other explanation:

Nil

38. Contract liability

In RMB

Item	Ending balance	Opening balance
Cooperative received in advance	9,174,311.93	9,174,311.93
Rent received in advance	5,306,666.67	5,511,111.11
Goods received in advance	2,218,170.13	569,290.34
Total	16,699,148.73	15,254,713.38

Book value has major changes in the period and causes

In RMB

Item	Amount changes	Reason for change
Goods received in advance	1,648,879.79	Goods received in advance
Total	1,648,879.79	—

39. Wage payable

(1) Wage payable

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	1,459,244.07	3,442,252.67	4,087,559.60	813,937.14
II. Post-employment benefit-Defined contribution plan		263,291.38	263,291.38	
Total	1,459,244.07	3,705,544.05	4,350,850.98	813,937.14

(2) Short-term compensation

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wages, bonus, allowances and subsidy	1,452,981.20	3,128,974.64	3,773,774.72	808,181.12
3. Social insurance		109,324.60	109,324.60	
Including: Medical insurance		100,844.32	100,844.32	
Work injury insurance		2,304.18	2,304.18	

Maternity insurance		6,176.10	6,176.10	
4. Housing accumulation fund		167,955.60	167,955.60	
5. Labor union expenditure and personnel education expense	6,262.87	35,997.83	36,504.68	5,756.02
Total	1,459,244.07	3,442,252.67	4,087,559.60	813,937.14

(3) Defined contribution plan

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance		259,342.82	259,342.82	
2. Unemployment insurance		3,948.56	3,948.56	
Total		263,291.38	263,291.38	

Other explanation:

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

40. Taxes payable

In RMB

Item	Ending balance	Opening balance
Value added tax	698,016.27	551,216.66
Corporate income tax	48,403.51	140,959.81
Individual income tax	2,497.35	23,398.74
Tax for maintaining and building cities	860.57	431.55
Stamp tax	2,552.93	6,043.60
Educational surtax	614.70	270.66
Total	752,945.33	722,321.02

Other explanation:

Nil

41. Other account payable

In RMB

Item	Ending balance	Opening balance
Other account payable	37,658,215.37	37,882,805.52
Total	37,658,215.37	37,882,805.52

(1) Interest payable

In RMB

Item	Ending balance	Opening balance
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Important interest overdue without paid:

In RMB

Borrower	Amount overdue	Overdue reason
Total	0.00	--

Other explanation:

Nil

(2) Dividend payable

In RMB

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

Nil

(3) Other account payable

1) By nature

In RMB

Item	Ending balance	Opening balance
Custodian and common benefit debts	18,728,866.44	18,728,866.44
Warranty and guarantee money	10,589,040.00	10,589,040.00
Intercourse funds	6,500,000.00	6,500,000.00
Other payable service charge (intermediary services included)	832,359.55	832,359.55
Collection and payment	654,997.35	654,997.35
Other	352,952.03	577,542.18
Total	37,658,215.37	37,882,805.52

2) Significant other payable with over one year age

In RMB

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

Other explanation

Nil

42. Liability held for sale

In RMB

Item	Ending balance	Opening balance

Other explanation:

Nil

43. Non-current liabilities due within one year

In RMB

Item	Ending balance	Opening balance

Other explanation:

Nil

44. Other current liabilities

In RMB

Item	Ending balance	Opening balance
Corresponding taxes of contract liability	1,374,986.67	1,175,251.38
Total	1,374,986.67	1,175,251.38

Changes of short-term bond payable:

In RMB

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

Other explanation:

Nil

45. Long-term loans

(1) Category

In RMB

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

Nil

Other explanation, including interest rate section:

Nil

46. Bonds payable

(1) Bonds payable

In RMB

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

In RMB

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

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

Nil

(4) Other financial instruments classify as financial liability

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

Nil

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

In RMB

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

Basis for financial liability classification for other financial instrument

Nil

Other explanation

Nil

47. Lease liability

In RMB

Item	Ending balance	Opening balance
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Other explanation

Nil

48. Long-term account payable

In RMB

Item	Ending balance	Opening balance
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(1) By nature

In RMB

Item	Ending balance	Opening balance
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Other explanation:

Nil

(2) Special payable

In RMB

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

Other explanation:

Nil

49. Long-term wages payable

(1) Long-term wages payable

In RMB

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

Present value of the defined benefit plans:

In RMB

Item	Current Period	Last Period
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Scheme assets:

In RMB

Item	Current Period	Last Period
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Net liability (assets) of the defined benefit plans

In RMB

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

Nil

Major actuarial assumption and sensitivity analysis:

Nil

Other explanation:

Nil

50. Accrual liability

In RMB

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

Nil

51. Deferred income

In RMB

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

Item with government grants involved:

In RMB

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

Nil

52. Other non-current liabilities

In RMB

Item	Ending balance	Opening balance
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Other explanation:

Nil

53. Share capital

In RMB

	Opening balance	Changes in the period (+, -)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Total shares	551,347,947.00					0.00	551,347,947.00

Other explanation:

Nil

54. Other equity instrument

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

Nil

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

In RMB

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

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

Nil

Other explanation:

Nil

55. Capital public reserve

In RMB

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

Other explanation, including changes and reasons for changes:

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

56. Treasury stock

In RMB

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

Other explanation, including changes and reasons for changes:

Nil

57. Other comprehensive income

In RMB

Item	Opening balance	Current Period						Ending balance
		Account before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less: income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	
Total other comprehensive income		0.00	0.00	0.00	0.00	0.00	0.00	

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

Nil

58. Reasonable reserve

In RMB

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

Other explanation, including changes and reasons for changes:

Nil

59. Surplus public reserve

In RMB

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

Other explanation, including changes and reasons for changes:

Nil

60. Retained profit

In RMB

Item	Current period	Last Period
Retained profit at period-end before adjustment	-1,200,950,240.88	-1,204,736,075.56
Retained profit at period-begin after adjustment	-1,200,950,240.88	-1,204,736,075.56
Add: net profit attributable to shareholders of parent company for this year	1,365,493.34	2,797,643.50
Retained profit at period-end	-1,199,584,747.54	-1,201,938,432.06

Adjustment for retained profit at period-begin:

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

61. Operation revenue and operation cost

In RMB

Item	Current Period		Last Period	
	Revenue	Cost	Revenue	Cost
Main business	49,792,562.36	46,176,297.27	36,004,701.56	32,454,948.30
Other business	4,337,755.24	2,413,822.85	6,651,653.65	3,645,817.35

Total	54,130,317.60	48,590,120.12	42,656,355.21	36,100,765.65
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Revenue:

In RMB

Contract type	1# Division	2# Division		Total
Product type	40,728,749.57	13,401,568.03		54,130,317.60
Including:				
Jewelry Gold	40,728,749.57			40,728,749.57
Bicycle lithium battery materials and other		13,401,568.03		13,401,568.03
Including:				
Including:				
Including:				
Including:				
Including:				
Including:				

Information relating to performance obligation:

Nil

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

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

Other explanation

Nil

62. Tax and extras

In RMB

Item	Current Period	Last Period
Tax for maintaining and building cities	10,660.81	432.52
Educational surtax	7,614.86	308.94
Stamp tax	22,989.10	19,157.58
Total	41,264.77	19,899.04

Other explanation:

Nil

63. Sales expenses

In RMB

Item	Current Period	Last Period
Salary and Social Security Provident Fund	483,485.38	654,651.76
Expenses of network sales	277,385.45	420,049.56
Other	115,318.30	403,677.46
Total	876,189.13	1,478,378.78

Other explanation:

Nil

64. Administrative expenses

In RMB

Item	Current Period	Last Period
Salary and Social Security Provident Fund	1,860,932.66	1,474,643.26
Other	758,184.82	205,076.18
Total	2,619,117.48	1,679,719.44

Other explanation:

Nil

65. R&D expenses

In RMB

Item	Current Period	Last Period
Salary and Social Security Provident Fund	1,564,057.10	753,742.20
Factory rent and utilities	253,115.15	
Depreciation of fixed assets	46,628.10	
Other	256,589.20	
Total	2,120,389.55	753,742.20

Other explanation:

Nil

66. Financial expenses

In RMB

Item	Current Period	Last Period
Interest income	-74,408.45	-31,929.72

Commission charge etc.	24,985.94	12,669.33
Total	-49,422.51	-19,260.39

Other explanation:

Nil

67. Other income

In RMB

Sources	Current Period	Last Period
Individual tax withholding fee	2,516.00	10,105.77

68. Investment income

In RMB

Item	Current Period	Last Period
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Other explanation:

Nil

69. Net exposure hedge gains

In RMB

Item	Current Period	Last Period
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Other explanation:

Nil

70. Income from change of fair value

In RMB

Sources	Current Period	Last Period
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Other explanation:

Nil

71. Credit impairment loss

In RMB

Item	Current Period	Last Period
Bad debt loss of other account receivable	-232.47	849.07
Bad debt losses of accounts receivable	1,318,949.89	169,538.78
Total	1,318,717.42	170,387.85

Other explanation:

Nil

72. Losses of devaluation of asset

In RMB

Item	Current Period	Last Period
II. Loss of inventory falling price and loss of contract performance cost impairment	27,669.02	
Total	27,669.02	

Other explanation:

Nil

73. Income from assets disposal

In RMB

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

74. Non-operating income

In RMB

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
政府补助	300,000.00		300,000.00
Other	157,664.40	744,788.91	157,664.40
Total	457,664.40	744,788.91	457,664.40

Government grants reckoned into current gains/losses:

In RMB

Government grants	Issuing subject	Offering causes	Nature	Subsidy impact current gains/losses (Y/N)	The special subsidy (Y/N)	Amount in the Period	Amount in last period	Assets-related/income-related
High-tech enterprise recognition support fund	Science and Technology Innovation Bureau of Luohu District, Shenzhen	Subsidy	Subsidies received due to compliance with local government investment	N	N	300,000.00	0.00	Income-related

			promotion and other local support policies					
--	--	--	---	--	--	--	--	--

Other explanation:

Nil

75. Non-operating expenses

In RMB

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
Other		2,676.80	0.00
Total		2,676.80	0.00

Other explanation:

Nil

76. Income tax expenses

(1) Income tax expenses

In RMB

Item	Current Period	Last Period
Current income tax expense	161,386.48	107,598.95
Deferred income tax expense		62,439.81
Total	161,386.48	170,038.76

(2) Adjustment on accounting profit and income tax expenses

In RMB

Item	Current Period
Total Profit	1,739,225.90
Income tax measured by statutory/applicable tax rate	161,386.48
Income tax expenses	161,386.48

Other explanation

Nil

77. Other comprehensive income

Found more in Note 57

78. Items of cash flow statement

(1) Other cash received in relation to operation activities

In RMB

Item	Current Period	Last Period
Interest, rent, utilities, etc.	1,443,148.59	2,356,618.56
Deposit, security deposit, advance payment received	6,200,000.00	10,556,000.00
Government subsidy	300,000.00	
Other	788,879.22	2,094,036.84
Total	8,732,027.81	15,006,655.40

Explanation on other cash received in relation to operation activities:

Nil

(2) Other cash paid in relation to operation activities

In RMB

Item	Current Period	Last Period
Deposits and security deposits paid	6,000,000.00	4,000,000.00
Payment of period expenses, operating expenses and common debts, etc.	4,660,629.28	6,968,482.31
Total	10,660,629.28	10,968,482.31

Explanation on other cash paid in relation to operation activities:

Nil

(3) Cash received from other investment activities

In RMB

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

Nil

(4) Cash paid related with investment activities

In RMB

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

Nil

(5) Other cash received in relation to financing activities

In RMB

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

Explanation on other cash received in relation to financing activities:

Nil

(6) Cash paid related with financing activities

In RMB

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

Nil

79. Supplementary information to statement of cash flow**(1) Supplementary information to statement of cash flow**

In RMB

Supplementary information	Current period	Last Period
1. Net profit adjusted to cash flow of operation activities:	--	--
Net profit	1,577,839.42	3,420,613.90
Add: Assets impairment provision	-1,346,386.44	-170,387.85
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	185,219.91	200,112.95
Depreciation of right-of-use assets		
Amortization of intangible assets		376,500.00
Amortization of long-term deferred expenses		
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain is listed with "-")		-24,936.44
Losses on scrapping of fixed assets (gain is listed with "-")		
Gain/loss of fair value changes (gain is listed with "-")		
Financial expenses (gain is listed		

with “-”)		
Investment loss (gain is listed with “-”)		
Decrease of deferred income tax asset ((increase is listed with “-”)		62,439.81
Increase of deferred income tax liability (decrease is listed with “-”)		
Decrease of inventory (increase is listed with “-”)	128,250.17	1,952,473.39
Decrease of operating receivable accounts (increase is listed with “-”)	-4,177,306.87	-8,239,522.04
Increase of operating payable accounts (decrease is listed with “-”)	1,185,256.99	3,773,102.22
Other		
Net cash flows arising from operating activities	-2,447,126.82	1,350,395.94
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	17,434,893.24	12,214,263.85
Less: Balance of cash equivalent at year-begin	19,887,978.05	6,074,367.91
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increase of cash and cash equivalents	-2,453,084.81	6,139,895.94

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

In RMB

	Amount
Including:	--
Including:	--

Including:	--
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Other explanation:

Nil

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

In RMB

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

Other explanation:

Nil

(4) Constitution of cash and cash equivalent

In RMB

Item	Ending balance	Opening balance
I. Cash	17,434,893.24	19,887,978.05
Including: Cash on hand	29,702.26	21,530.26
Bank deposit available for payment at any time	17,405,190.98	19,866,447.79
III. Balance of cash and cash equivalent at period-end	17,434,893.24	19,887,978.05

Other explanation:

Nil

80. Notes of changes of owners' equity

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

Nil

81. Assets with ownership or use right restricted

In RMB

Item	Ending book value	Restriction reasons
Total	0.00	--

Other explanation:

Nil

82. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary fund	--	--	
Including: USD			
EURO			
HKD			
Account receivable	--	--	
Including: USD			
EURO			
HKD			
Long-term loans	--	--	
Including: USD			
EURO			
HKD			

Other explanation:

Nil

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

Applicable Not applicable

83. Hedging

Disclosed hedging items and relevant hedging instrument based on hedging's category, disclosed qualitative and quantitative information for the arbitrage risks:

Nil

84. Government grants

(1) Government grants

In RMB

Category	Amount	Item	Amount reckoned into current gains/losses
High-tech enterprise recognition support fund	300,000.00	Non-operating income	300,000.00

(2) Government grants rebate

Applicable Not applicable

Other explanation:

Nil

85. Other

Nil

VIII. Changes of consolidation range

1. Enterprise combined under different control

(1) Enterprise combined under different control in the Period

In RMB

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

Nil

(2) Combination cost and goodwill

In RMB

Combination cost

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

Nil

Main reasons for large goodwill resulted:

Nil

Other explanation:

Nil

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

In RMB

	Fair value on purchasing date	Book value on purchasing date

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

Nil

Contingent liability of the acquiree bear during combination:

Nil

Other explanation:

Nil

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

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

Yes No

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

Nil

(6) Other explanation

Nil

2. Enterprise combine under the same control

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

In RMB

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

					combination date	combination date		
--	--	--	--	--	---------------------	---------------------	--	--

Other explanation:

(2) Combination cost

In RMB

Combination cost	
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Explanation on contingent consideration and its changes:

Other explanation:

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

In RMB

	Combination date	At end of last period

Contingent liability of the combined party bear during combination:

Other explanation:

3. Counter purchase

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

4. Subsidiary disposal

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

Yes No

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

Yes No

5. Other reasons for consolidation range changed

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

6. Other

IX. Equity in other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shenzhen Emmelle Industry Co., Ltd.	Shenzhen	Shenzhen	Sales of bicycles and spare parts	70.00%		Investment
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	Shenzhen	Shenzhen	Jewelry, diamonds, gold sales	65.00%		Investment
Shenzhen Emmelle Cloud Technology Co., Ltd.	Shenzhen	Shenzhen	Software and information technology service sales		49.00%	Investment

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

Nil

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

Subsidiary of the Company-Shenzhen Emmelle Industry Co., Ltd. (with 70% equity held by the Company) holds 70% equity of Shenzhen Emmelle Cloud Technology Co., Ltd.

Controlling basis for the structuring entity included in consolidated range

Nil

Basis on determining to be an agent or consignee:

Nil

Other explanation:

Nil

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shenzhen Emmelle	30.00%	-129,838.34		1,463,235.67

Industry Co., Ltd.				
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	35.00%	405,941.59		12,943,996.76
Shenzhen Emmelle Cloud Technology Co., Ltd.	51.00%	-63,757.17		542,172.35

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

Nil

Other explanation:

Subsidiary of the Company-Shenzhen Emmelle Industry Co., Ltd. (with 70% equity held by the Company) holds 70% equity of Shenzhen Emmelle Cloud Technology Co., Ltd.

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

In RMB

Subsidiary	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Shenzhen Emmelle Industry Co., Ltd.	12,115,698.50	2,368,134.13	14,483,832.63	9,606,380.42		9,606,380.42	12,402,502.99	2,418,250.69	14,820,753.68	9,510,506.99	0.00	9,510,506.99
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	45,037,424.78	36,552.02	45,073,976.80	9,498,271.75		9,498,271.75	44,211,849.29	36,552.02	44,248,401.31	9,832,529.38	0.00	9,832,529.38
Shenzhen Emmelle Cloud Technology Co., Ltd.	3,636,331.59		3,636,331.59	1,749,719.14		1,749,719.14	2,037,694.53	0.00	2,037,694.53	26,068.02	0.00	26,068.02

In RMB

Subsidiary	Current Period	Last Period
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	Operation revenue	Net profit	Total comprehensive income	Cash flow from operation activity	Operation revenue	Net profit	Total comprehensive income	Cash flow from operation activity
Shenzhen Emmelle Industry Co., Ltd.	773,553.50	-432,794.48	-432,794.48	-20,947.65	1,638,684.75	363,445.66	363,445.66	-2,879,621.36
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	40,728,749.57	1,159,833.12	1,159,833.12	-358,689.39	25,097,387.76	1,468,390.57	1,468,390.57	-9,359,387.83
Shenzhen Emmelle Cloud Technology Co., Ltd.	332,743.53	-125,014.06	-125,014.06	-1,476,987.94				

Other explanation:

Nil

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

Nil

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

Nil

Other explanation:

Nil

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

(1) Owners equity shares changed in subsidiary

Nil

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

In RMB

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Other explanation

Nil

3. Equity in joint venture and associated enterprise

(1) Important joint venture or associated enterprise

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

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

Nil

Basis of the voting rights with 20% below but with major influence, or without major influence but with over 20% (20% included) voting rights hold:

Nil

(2) Main financial information of the important joint venture

In RMB

	Ending balance/Current Period	Opening balance/Last Period

Other explanation

Nil

(3) Main financial information of the important associated enterprise

In RMB

	Ending balance/Current Period	Opening balance/Last Period

Other explanation

Nil

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

In RMB

	Ending balance/Current Period	Opening balance/Last Period
Joint venture:	--	--
Total numbers measured by share-holding ratio	--	--
Associated enterprise:	--	--

Total numbers measured by share-holding ratio	--	--
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Other explanation

Nil

(5) Assets transfer ability has major restriction from joint venture or associated enterprise

Nil

(6) Excess losses from joint venture or associated enterprise

In RMB

Joint venture or associated enterprise	Cumulative un-confirmed losses	Un-confirmed losses not recognized in the Period (or net profit enjoyed in the Period)	Cumulative un-confirmed losses at period-end

Other explanation

Nil

(7) Un-confirmed commitment with investment concerned with joint venture

Nil

(8) Contingent liability with investment concerned with joint venture or associated enterprise

Nil

4. Co-runs operation

Name	Main operation place	Registered place	Business nature	Share-holding ratio/share enjoyed	
				Directly	Indirectly

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

Nil

If the co-runs entity is the separate entity, basis of the co-runs classification

Nil

Other explanation

Nil

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

Relevant explanation

Nil

6. Other

Nil

X. Risk related with financial instrument

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

1. Risk management targets and policies

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

(1) Credit risk

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

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

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

(2) Liquidity risk

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

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

2. Capital management

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

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

The Company monitors capital structure based on gearing ratio (total liabilities divided by total assets). As at 30 June 2021, the gearing ratio of the Company was 71.20 % (31 December 2020: 72.05%)

XI. Disclosure of fair value

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

In RMB

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	--	--	--	--
II. Non-sustaining measured by fair value	--	--	--	--

2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order

Nil

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

Nil

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

Nil

5. Adjustment information and sensitivity analysis of unobservable parameters for the fair value measure sustaining and non-persistent on third-order

Nil

6. Sustaining items measured by fair value, as for the conversion between at all levels, reasons for conversion and policy for conversion time point

Nil

7. Changes of valuation technique in the Period

Nil

8. Financial assets and liability not measured by fair value

Nil

9. Other

Nil

XII. Related party and related transactions

1. Parent company of the enterprise

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

The Company has no parent company so far

Ultimate controller of the Company: nil

Other explanation:

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

2. Subsidiary of the Enterprise

Found more in Note IX-1

3. Associated enterprise and joint venture

Found more in Note IX-3

Other associated enterprise and joint venture that have related transaction with the Company in the Period or occurred in previous period:

Joint venture or associated enterprise	Relationship with the Company
--	-------------------------------

Other explanation

Nil

4. Other related party

Other related party	Relationship with the Company
Shenzhen Guosheng Energy Investment Development Co., Ltd.	The first majority shareholder

Other explanation

11.52 percent shares of the Company are held by Shenzhen Guosheng Energy Investment Development Co., Ltd.

5. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

In RMB

Related party	Transaction content	Current Period	Approved transaction amount	Whether more than the transaction amount	Last Period

Goods sold/labor service providing

In RMB

Related party	Transaction content	Current Period	Last Period

Explanation on goods purchasing, labor service providing and receiving

Nil

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

Trusteeship/contract

In RMB

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

Explanation on related trusteeship/contract

Nil

Delegated administration/outsourcing

In RMB

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

Explanation on related administration/outsourcing

Nil

(3) Related lease

As a lessor for the Company:

In RMB

Lessee	Assets type	Lease income in recognized in the Period	Lease income in recognized last the Period
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As a lessee for the Company:

In RMB

Lessor	Assets type	Lease income in recognized in the Period	Lease income in recognized last the Period
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Explanation on related lease

Nil

(4) Related guarantee

As a guarantor for the Company

In RMB

Secured party	Amount guarantee	Starting date	Maturity date	Guarantee completed (Y/N)
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As a secured party for the Company

In RMB

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

Explanation on related guarantee

Nil

(5) Borrowed funds of related party

In RMB

Related party	Borrowed funds	Starting date	Due date	Note
Borrowing				
Lending				

(6) Assets transfer and debt restructuring of related party

In RMB

Related party	Transaction content	Current Period	Last Period
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(7) Remuneration of key manager

In RMB

Item	Current Period	Last Period
Remuneration of key manager	789,400.00	728,400.00

(8) Other related transactions

Nil

6. Receivable/payable items of related parties

(1) Receivable item

In RMB

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision

(2) Payable item

In RMB

Item	Related party	Ending book balance	Opening book balance
Other account payable	Shenzhen Guosheng Energy Investment Development Co., Ltd.	6,500,000.00	6,500,000.00

7. Commitments of related party

Nil

8. Other

Nil

XIII. Share-based payment

1. General share-based payment

Applicable Not applicable

2. Share-based payment settled by equity

Applicable Not applicable

3. Share-based payment settled by cash

Applicable Not applicable

4. Revised and termination on share-based payment

Nil

5. Other

Nil

XIV. Commitment or contingency

1. Important commitments

Important commitments in balance sheet date

Nil

2. Contingency

(1) Contingency on balance sheet date

Nil

(2) For the important contingency not necessary to disclosed by the Company, explained reasons

The Company has no important contingency that need to disclosed

3. Other

Nil

XV. Events after balance sheet date

1. Important non-adjustment items

In RMB

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

2. Profit distribution

In RMB

3. Sales return

Nil

4. Other events after balance sheet date

Nil

XVI. Other important events

1. Previous accounting errors collection

(1) Retrospective restatement

In RMB

Correction content	Treatment procedures	Impact items of statement during a comparison	Cumulative impacted number
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(2) Prospective application

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

2. Debt restructuring

3. Assets replacement

(1) Non-monetary assets change

(2) Other assets replacement

4. Pension plan

5. Discontinued operations

In RMB

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

6. Segment

(1) Recognition basis and accounting policy for reportable segment

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

—Group company business division.

—Jewelry gold business division.

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

(2) Financial information for reportable segment

In RMB

Item	Jewelry Gold Business Division	Bicycle lithium battery materials and other business segments	Offset between segments	Total
Main business income	40,728,749.57	13,401,568.03		54,130,317.60
Main business cost	37,322,674.70	11,267,445.42		48,590,120.12
The total profit	1,321,219.59	418,006.31		1,739,225.90
Income tax expense	161,386.47	0.01		161,386.48
Net profit	1,159,833.12	418,006.30		1,577,839.42
Total assets	45,073,976.80	69,392,269.33	19,960,379.73	94,505,866.40
Total liabilities	9,498,271.75	57,787,465.55		67,285,737.30
Shareholders' equity Total	35,575,705.05	11,604,803.78	19,960,379.73	27,220,129.10

(3) The Company has no reportable segments, or unable to disclose total assets and total liability for reportable segments, explain reasons

Nil

(4) Other explanation

Nil

7. Major transaction and events makes influence on investor's decision

Nil

8. Other

Nil

XVII. Principle notes of financial statements of parent company

1. Account receivable

(1) By category

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual by single basis	3,440,055.79	13.42%	1,032,016.74	30.00%	2,408,039.05	7,503,671.53	28.23%	2,251,101.47	30.00%	5,252,570.06
Including:										
Accounts with single minor amount but with bad debts provision accrued individually	3,440,055.79	13.42%	1,032,016.74	30.00%	2,408,039.05	7,503,671.53	28.23%	2,251,101.47	30.00%	5,252,570.06
Account receivable with bad debt provision accrual by portfolio	22,187,469.22	86.58%	66,562.40	0.30%	22,120,906.82	19,079,604.72	71.77%	57,238.82	0.30%	19,022,365.90
Including:										
Account receivable withdrawal bad debt provision by group of credit risk characteristics (Aging analysis method)	22,187,469.22	86.58%	66,562.40	0.30%	22,120,906.82	19,079,604.72	71.77%	57,238.82	0.30%	19,022,365.90
Total	25,627,525.01	100.00%	1,098,579.14	4.29%	24,528,945.87	26,583,276.25	100.00%	2,308,340.29	8.68%	24,274,935.96

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

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Zhengzhou Guiguan Tech. Trade. Co., Ltd	1,007,233.79	302,170.14	30.00%	Expected to be difficult to recover
Dongguan Daxiang New Energy Co., Ltd.	746,734.00	224,020.20	30.00%	Expected to be difficult to recover
Suzhou Jiaxin Economic Trade Co., Ltd.	888,757.00	266,627.10	30.00%	Expected to be difficult to recover
Guangdong Xinlingjia New Energy Co., Ltd.	348,136.00	104,440.80	30.00%	Expected to be difficult to recover
Suzhou Daming Vehicle Industry Co., Ltd.	449,195.00	134,758.50	30.00%	Expected to be difficult to recover
Total	3,440,055.79	1,032,016.74	--	--

Bad debt provision accrual on single basis:

In RMB

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

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

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Within one year (one year included)	20,015,883.28	60,047.64	0.30%
1-2 years (2 years included)	2,171,585.94	6,514.76	0.30%
Total	22,187,469.22	66,562.40	--

Explanation on portfolio basis:

Nil

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

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

Applicable Not applicable

By account age

In RMB

Account age	Ending balance
Within one year (one year included)	20,015,883.28
Within one year	20,015,883.28
1-2 years	5,611,641.73
Over 3 years	0.00
Total	25,627,525.01

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Charge-off	Other	
Bad debt provision for accounts receivable	2,308,340.29	37,561.98	1,247,323.13			1,098,579.14
Total	2,308,340.29	37,561.98	1,247,323.13			1,098,579.14

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

In RMB

Enterprise	Amount collected or reversal	Collection way
Shenzhen Jiahaosong Technology Co., Ltd.	718,081.13	Bank transfer, payment of goods arrears
Shenzhen Weterui New Energy Technology Co., Ltd.	501,291.32	Bank transfer, payment of goods arrears
Total	1,219,372.45	--

After the Company sent a lawyer's letter, the other party offset arrears by part of the goods after negotiation, and the rest was paid by bank transfer. Because the customer has not paid the debt according to the time limit agreed in the contract, which is more than one year overdue, and the debt recovery is expected to be difficult, so the bad debt is set aside at 30% of impairment.

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

In RMB

Item	Amount charge-off
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Including major account receivables charge-off:

In RMB

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

Explanation on account receivable charge-off:

Nil

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

In RMB

Name	Ending balance of accounts receivable	Proportion of total closing balance of accounts receivable	Ending balance of bad bet provision
Guangshui Jiaxu Energy Technology Co., Ltd.	19,875,160.22	77.55%	59,625.48
Hubei Testun Electronic Technology Co., Ltd.	1,045,000.00	4.08%	3,135.00
Zhengzhou Guiguan Tech. Trade. Co., Ltd	1,007,233.79	3.93%	302,170.14
Suzhou Jiabin Economic Trade Co., Ltd.	888,757.00	3.47%	266,627.10
Dongguan Daxiang New Energy Co., Ltd.	746,734.00	2.91%	224,020.20
Total	23,562,885.01	91.94%	

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

Nil

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

Nil

Other explanation:

Nil

2. Other account receivable

In RMB

Item	Ending balance	Opening balance
Other account receivable	129,953.19	115,263.05
Total	129,953.19	115,263.05

(1) Interest receivable

1) Category

In RMB

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

2) Important overdue interest

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

Other explanation:

Nil

3) Accrual of bad debt provision

Applicable Not applicable

(2) Dividend receivable

1) Category

In RMB

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

In RMB

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

3) Accrual of bad debt provision

Applicable Not applicable

Other explanation:

Nil

(3) Other account receivable

1) By nature

In RMB

Account nature	Ending book balance	Opening book balance
Deposit or margin	106,263.00	105,713.00
Payment for equipment	11,400.00	11,400.00
Reserve fund	24,846.88	10,396.88
Total	142,509.88	127,509.88

2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on January 1, 2021	12,246.83			12,246.83
January 1, 2021 balance in the current period	—	—	—	—
Accrued in this period	309.86			309.86
Balance on June 30, 2021	12,556.69			12,556.69

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

Applicable Not applicable

By account age

In RMB

Account age	Ending balance
Within one year (one year included)	128,609.88
Within one year (one year included)	128,609.88
1-2 years	2,000.00
Over 3 years	11,900.00
3-4 years	200.00
4-5 years	11,700.00
Total	142,509.88

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Charge-off	Other	
Bad debt provision for other receivables	12,246.83	309.86				12,556.69
Total	12,246.83	309.86				12,556.69

Nil

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

In RMB

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

Nil

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

In RMB

Item	Amount charge-off

Including major other account receivables charge-off:

In RMB

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

Other Explanation on account receivable charge-off

Nil

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

In RMB

Enterprise	Nature	Ending Balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
Shenye Pengji (Group) Co., Ltd.	Deposit or margin	60,222.00	Within 2 years	42.26%	180.67

Huang Zeqi	Reserve fund	20,000.00	Within one year	14.03%	60.00
Chen Yanjun	Reserve fund	15,000.00	Within one year	10.52%	45.00
Shenzhen Hongkang Instrument Technology Co., Ltd.	Payment for equipment	11,400.00	4-5 years	8.00%	11,400.00
Shenzhen Pengji Property Management Service Co., Ltd.	Deposit or margin	10,441.00	Within 2 years	7.33%	31.32
Total	--	117,063.00	--	82.14%	11,716.99

6) Account receivable with government grants involved

In RMB

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

7) Other account receivable derecognition due to financial assets transfer

Nil

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

Nil

Other explanation:

Nil

3. Long-term equity investment

In RMB

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

(1) Investment for subsidiary

In RMB

The invested entity	Opening balance (Book value)	Changes in the period (+, -)				Ending Balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Accrual of impairment provision	Other		
Shenzhen Emmelle Industry Co., Ltd.	10,379.73					10,379.73	1,389,620.27
Shenzhen Xinsen Jewelry Gold Supply Chain Co., Ltd.	19,950,000.00					19,950,000.00	
Total	19,960,379.73	0.00	0.00	0.00	0.00	19,960,379.73	1,389,620.27

(2) Investment for associates and joint venture

In RMB

Funded enterprise	Opening balance (Book value)	Changes in the period (+, -)								Ending Balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Associated enterprise											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		

(3) Other explanation

Nil

4. Operation revenue and operation cost

In RMB

Item	Current Period		Last Period	
	Revenue	Cost	Revenue	Cost
Main business	8,037,060.02	8,099,218.05	9,271,106.93	8,988,379.05

Other business	4,341,623.90	2,413,822.85	6,679,717.49	3,645,817.35
Total	12,378,683.92	10,513,040.90	15,950,824.42	12,634,196.40

Revenue:

In RMB

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

Information relating to performance obligation:

Nil

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

The amount of income corresponding to the performance obligations that have been signed at the end of this reporting period but have not yet been fulfilled or have not done with fulfillment is 0.00 yuan, among them, yuan of revenue is expected to be recognized in YEAR, yuan of revenue is expected to be recognized in YEAR, and yuan of revenue is expected to be recognized in YEAR.

Other explanation:

Nil

5. Investment income

In RMB

Item	Current Period	Last Period
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6. Other

Nil

XVIII. Supplementary Information

1. Current non-recurring gains/losses

Applicable Not applicable

In RMB

Item	Amount	Note
Governmental subsidy reckoned into current gains/losses (not including the subsidy	300,000.00	

enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)		
Switch back of the impairment provision for account receivable with impairment test on single basis and contract assets	1,357,466.13	
Other non-operating income and expenditure except for the aforementioned items	157,664.40	
(-) Impact on minority shareholders' equity	33,042.90	
Total	1,782,087.63	--

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

Applicable Not applicable

2. ROE and EPS

Profits during report period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profits belong to common stock stockholders of the Company	11.78%	0.0025	0.0025
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	-3.60%	-0.0008	-0.0008

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
25 August 2021**