

SHENZHEN ZHONGHENG HUAFU CO., LTD.

SEMI-ANNUAL REPORT 2022

【23 Aug,2022】

Section I. Important Notice, Contents and Interpretation

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

Li Zhongqiu, Principal of the Company, Chen Zhigang, person in charge of accounting works and Chuai Guoxu, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of 2022 Semi-Annual Report is authentic, accurate and complete.

All directors are attended the Board Meeting for report deliberation.

Concerning the forward-looking statements with future planning involved in the Report, they do not constitute a substantial commitment for investors. Majority investors are advised to exercise caution of investment risks.

Risks factors are being well-described in the Report, found more in risks factors and countermeasures disclosed in Prospects for Future Development of the Board of Directors' Report.

The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.

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Documents Available for Reference

- I. Financial statement carrying the signatures and seals of the person in charge of the Company, principal of the accounting works and person in charge of accounting organ;
- II. All documents of the Company and manuscripts of public notices that disclosed in the *Securities Times* and *Hong Kong Commercial Daily* designated by CSRC in the report period;
- III. Article of Association
- IV. Other relevant files.

Interpretation

Items	Refers to	Contents
Company, Shen HUAFA	Refers to	SHENZHEN ZHONGHENG HUAFA CO., LTD.
Hengfa Technology	Refers to	Wuhan Hengfa Technology Co., Ltd.
HUAFA Property	Refers to	Shenzhen Zhongheng HUAFA Property Co., Ltd
HUAFA Lease	Refers to	Shenzhen HUAFA Property Lease Management Co., Ltd
Wuhan Zhongheng Group	Refers to	Wuhan Zhongheng New Science & Technology Industrial Group Co., Ltd
HK Yutian	Refers to	Hong Kong Yutian International Investment Co., Ltd.
Hengsheng Photo-electricity	Refers to	Wuhan Hengsheng Photo-electricity Industry Co., Ltd.
Hengsheng Yutian	Refers to	Wuhan Hengsheng Yutian Industrial Co., Ltd.
Yutian Henghua	Refers to	Shenzhen Yutian Henghua Co., Ltd.
HUAFA Hengtian	Refers to	Shenzhen HUAFA Hengtian Co., Ltd.
HUAFA Hengtai	Refers to	Shenzhen HUAFA Hengtai Co., Ltd.
Shenzhen Vanke	Refers to	Shenzhen Vanke Real Estate Co., Ltd, renamed as“Shenzhen Vanke Development Co., Ltd”
Vanke Guangming	Refers to	Shenzhen Vanke Guangming Real Estate Development Co., Ltd
V& T Law Firm	Refers to	Shenzhen V& T Law Firm
Zhongheng Semiconductor (former Huafa Technology)	Refers to	Shenzhen Zhongheng Semiconductor Co., Ltd. (former Zhongheng Huafa Technology Co., Ltd)

Section II. Company Profile and Main Financial Indexes

I. Company profile

Short form of the stock	Shen HUAFA -A, Shen HUAFA- B	Stock code	000020
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	深圳中恒华发股份有限公司		
Short form of the Company (in Chinese) (if applicable)	深华发		
Foreign name of the Company (if applicable)	SHENZHEN ZHONGHENG HUAFA CO., LTD.		
Legal representative	Li Zhongqiu		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Niu Zhuo	
Contact add.	618, 6/F, East Tower, Huafa Building, No.411 Building, Huafa (N) Road, Futian District, Shenzhen	
Tel.	0755-86360201	
Fax.	0755-86360201	
E-mail	huafainvestor@126.com.cn	

III. Others

1. Way of contact

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

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in Annual Report 2021.

2. Information disclosure and preparation place

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

Applicable Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2021.

3. Other relevant information

Whether other relevant information has changed in the reporting period

Applicable Not applicable

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	Same period last year	Changes in the current reporting period compared with the same period of the previous year (+,-)
Operating income(RMB)	354,146,920.81	391,633,808.55	-9.57%
Net profit attributable to shareholders of the listed company(RMB)	8,806,785.10	6,989,362.48	26.00%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	4,150,928.94	7,034,198.78	-40.99%
Net cash flow arising from operating activities(RMB)	49,720,222.38	-21,818,369.59	327.88%
Basic earnings per share(RMB/Share)	0.0311	0.0248	25.40%
Diluted earnings per share(RMB/Share)	0.0311	0.0248	25.40%
Weighted average ROE	2.53%	2.07%	0.46%
	End of current period	End of last year	Changes at the end of the reporting period compared with the end of the previous year (+,-)
Total assets(RMB)	638,152,495.34	659,933,225.57	-3.30%
Net assets attributable to shareholder of listed company(RMB)	352,257,424.41	343,450,639.31	2.56%

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

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

Applicable Not applicable

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

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

Applicable Not applicable

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

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

Applicable Not applicable

Unit: RMB/CNY

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	789,308.26	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are continuously enjoyed at a fixed or quantitative basis according to certain standards)	4,515,323.81	
Gain/loss of entrusted investment or assets management	180,088.19	
Other non-operating income and expenditure except for the aforementioned items	25,266.61	
Less: Impact on income tax	854,130.71	
Total	4,655,856.16	

Specific information on other items of profits/losses that qualified the definition of non-recurring profit(gain)/loss

Applicable Not applicable

The Company does not have other items of profits/losses that qualified the definition of non-recurring profit(gain)/loss

Information on the definition of non-recurring profit(gain)/loss that listed in the *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary (non-recurring) Profit(gain)/loss* as the recurring profit(gain)/loss

Applicable Not applicable

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

Section III Management Discussion and Analysis

I. Main businesses of the company in the reporting period

After years of development, the company has gradually formed two main businesses in industry and property management. Among them, the industrial business mainly includes injection molding, Styrofoam (light-weight packaging materials), and complete machine production and sales of liquid crystal display, property management business is mainly the lease of its own property.

II. Core competitiveness analysis

All industrial lands of the Company located in Shenzhen were taken into the first batch of plan under 2010 Shenzhen urban upgrade planning. In the future, development and operation of self-owned land resources would become the income source of the Company on a long-term and stable basis.

III. Main business analysis

Overview

See the “I. Main businesses of the company in the reporting period”

Change of main financial data on a y-o-y basis

Unit: RMB/CNY

	Current period	Same period of last year	y-o-y changes (+,-)	Reasons
Operation income	354,146,920.81	391,633,808.55	-9.57%	
Operation cost	311,845,943.49	334,523,805.25	-6.78%	
Sales expenses	9,503,158.57	14,094,617.96	-32.58%	Decrease in commodity wastage
Administrative expenses	17,627,621.80	22,680,307.24	-22.28%	
Financial cost	1,940,816.62	5,241,702.86	-62.97%	Decrease in foreign exchange losses
Income tax expense	2,858,046.44	1,584,720.39	80.35%	Increase in profitability
Net cash flow arising from operation activities	49,720,222.38	-21,818,369.59	-327.88%	Decrease in inventories and assets occupancy
Net cash flow arising from investment activities	2,353,325.62	-2,316,374.60	201.60%	Disposal of fixed assets
Net cash flow arising from financing activities	-24,458,104.11	23,182,219.89	-205.50%	Decrease in long-term loans

Net increase of cash and cash equivalent	27,879,096.12	-1,355,867.36	2,156.18%	Decrease in inventories and assets occupancy
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Major changes on profit composition or profit resources in reporting period

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

Constitution of operation income

Unit: RMB/CNY

	Current period		Same period of lat year		Increase/decrease y-o-y(+,-)
	Amount	Ratio in operation income	Amount	Ratio in operation income	
Total operation income	354,146,920.81	100%	391,633,808.55	100%	-9.57%
According to industries					
Computer, communications and other electronic equipment manufacturing	203,847,819.16	57.56%	205,727,604.15	52.53%	-0.91%
Rubber and plastic products industry	122,229,453.44	34.51%	160,400,235.93	40.96%	-23.80%
Leasing and others	28,069,648.21	7.93%	25,505,968.47	6.51%	10.05%
According to products					
Display	203,847,819.16	57.56%	205,727,604.15	52.53%	-0.91%
Plastic injection hardware	99,672,642.36	28.33%	137,963,397.80	35.23%	-27.75%
Foam parts	22,556,811.08	6.37%	22,437,585.36	5.73%	0.53%
Property leasing and others	28,069,648.21	7.74%	25,505,221.24	6.51%	10.05%
According to region					
Domestic	303,461,034.26	85.69%	295,887,424.63	75.55%	2.56%
Overseas	50,685,886.55	14.31%	95,746,383.92	24.45%	-47.06%

The industries, products, or regions accounting for over 10% of the company's operating revenue or operating profit

√Applicable □ Not applicable

Unit: RMB/CNY

	Operation income	Operation cost	Gross profit ratio	Increase/decrease of operation income y-o-y	Increase/decrease of operation cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Computer, communications and other electronic equipment manufacturing	203,847,819.16	191,933,490.52	5.84%	-0.91%	3.83%	-4.31%
Rubber and plastic products	122,229,453.44	114,807,915.44	6.07%	-23.80%	-20.62%	-3.76%

industry						
According to products						
Display	203,847,819.16	191,933,490.52	5.84%	-0.91%	3.83%	-4.31%
Plastic injection hardware	99,672,642.36	90,817,327.84	8.88%	-27.75%	-26.39%	-1.69%
According to region						
Domestic	303,461,034.26	263,711,937.83	13.10%	2.56%	5.46%	-2.39%
Overseas	50,685,886.55	48,134,005.66	5.03%	-47.61%	-43.01%	-6.76%

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

Applicable Not applicable

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

Applicable Not applicable

IV. Analysis of the non-main business

Applicable Not applicable

Unit: RMB/CNY

	Amount	Ratio in total profit	Description of formation	Whether be sustainable (Y/N)
Investment income	180,088.19	1.54%	Invoicing margin earnings	N
Non-operation revenue	40,574.92	0.35%	Three generation fee	N
Non-operation expense	15,308.31	0.13%	Tax late fees	N
Other income	4,515,323.81	38.71%	Government subsidy	N

V. Assets and liability analysis

1. Major changes of assets composition

Unit: RMB/CNY

	End of the current period		End of last year		Ratio changes(+,-)	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	75,664,614.16	11.86%	34,426,043.11	5.22%	6.64%	Increase in management efficiency of inventory, and the capital occupancy declined
Account receivable	133,872,767.55	20.98%	128,675,327.97	19.50%	1.48%	
Inventory	66,100,631.11	10.36%	90,585,670.27	13.73%	-3.37%	Improve the management efficiency of inventory and reduced the inventory

Investment real estate	45,327,612.66	7.10%	46,191,777.80	7.00%	0.10%	
Fixed assets	183,280,126.25	28.72%	187,889,261.50	28.47%	0.25%	
Construction in process	740,000.00	0.12%	740,000.00	0.11%	0.01%	
Right-of-use assets	156,974.04	0.02%	209,298.72	0.03%	-0.01%	
Short-term loans	11,433,573.00	1.79%	26,480,857.00	4.01%	-2.22%	Decrease in inventory, operational loans declined
Contract liability	273,518.20	0.04%	736,355.70	0.11%	-0.07%	
Lease liability	86,325.75	0.01%	115,101.00	0.02%	-0.01%	

2. Major overseas assets

Applicable Not applicable

3. Assets and liability measured by fair value

Applicable Not applicable

4. Assets right restriction till end of reporting period

Item	Ending book value	Restriction reasons		
Monetary fund	14,890,386.86	Note payable margin		
Fixed assets	11,972,048.26	Collateral for borrowing		
Intangible assets	6,463,333.15	Collateral for borrowing		
Monetary fund	92,568.28	Judicial freeze		
Investment real estate	33,323,610.66	Collateral for borrowing		
Disposal of fixed assets	92,857,471.69	Court seizure		
Total	159,599,418.90			

VI. Investment analysis

1. Overall situation

Applicable Not applicable

2. The major equity investment obtained in the reporting period

Applicable Not applicable

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

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

The Company has no securities investment in the Period

(2) Derivative investment

Applicable Not applicable

The Company has no derivatives investment in the Period.

5. Application of raised proceeds

Applicable Not applicable

The Company has no application of raised proceeds in the Period.

VII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

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

2. Sales of major equity

Applicable Not applicable

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

Applicable Not applicable

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

Unit: RMB/CNY

Company name	Type	Main business	Register capital	Total assets	Net assets	Operation income	Operation profit	Net profit
Hengfa	Subsidiary	Production	181,643,11	490,082,27	224,594,86	326,746,16	694,597.45	583,906.55

Technology Company		& sales	1.00	4.87	3.57	9.37		
HUAFA Property Company	Subsidiary	Property management	1,000,000.00	17,055,193.87	1,798,595.87	3,278,337.44	1,271,549.03	1,497,741.96

Particular about subsidiaries obtained or disposed in report period

Applicable Not applicable

Explanation of main holding company and stock-jointly companies

IX. Structured vehicle controlled by the Company

Applicable Not applicable

X. Risks and countermeasures

(1)Risk analysis

Wuhan Hengfa Technology, as an important subsidiary of the company, is faced with increasing pressure under the influence of intensifying market competition and tight supply of raw and auxiliary materials and other factors, the key to solve the dilemma is to upgrade technology, enhance the added value of technology, and improve profitability; In the context of downstream consumer demand upgrading, it improves production efficiency by increasing the research and development of new products, adjusting and improving the product structure, and improving the production process; At the same time, it expands upstream supply channels of raw and auxiliary materials to avoid material shortage affecting production.

For a certain period of time, property leasing is still another important business for the development of the company. Making full use of the self-owned property to provide operation, leasing and service businesses will bring a certain contribution to the company's cash flow. After the gradual implementation of the urban renewal project, it will bring long-term and stable sources of income for the company.

(2) Countermeasures

◆Industrial Business Upgrade

The epidemic of COVID-19 is not over yet, and all colleagues in the company continued to work hard to serve existing customers, vigorously expanded the market, and gained more market share; Meanwhile, the Company will intensify the development of raw & auxiliary materials suppliers in shortage within the market, try to avoid the negative impact of upstream material shortage on the Company's production. On the basis of maintaining customers, actively looked for high-quality technology projects in consumer electronics, and gradually realized industrial upgrading through technology optimization and management optimization; at the same time, it strengthened management, improved production efficiency, improved product quality, and made full use of the geographical advantages of the company to make the business bigger and stronger.

◆Promote the urban renewal project

Speed up the promotion of renewal unit project of Huafa District, Gongming Street, Guangming New District, Shenzhen and the renewal project renovation progress of Huafa Building, Huaqiang North Street, Futian District, Shenzhen, accelerate the settlement of project procedures, and strive to make stage progress as early as possible.

◆ Continue to focus on strengthening the company's internal control

In 2022, the company will further optimize the corporate governance structure and improve the internal control system and process and strictly implement and improve the executive ability of relevant system in accordance with the governance requirements of listed companies, the company's management and relevant departments will execute the administrative provisions for approval procedures of fund utilizing, management system of related transactions, working system of internal audit, internal reporting system of major information in strict accordance with the requirements of internal control documents.

Section IV Corporate Governance

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

1. Shareholders' General Meeting in the report period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Resolutions
Annual General Meeting of 2021	AGM	48.15%	2022-06-09	2022-06-10	http://www.cninfo.com.cn/new/disclosure/detail?stockCode=000020&announcementId=1213660641&orgId=gsz0000020&announcementTime=2022-06-10

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

Applicable Not applicable

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Position held	Type	Date	Causes
Yang Bin	Deputy GM, CFO	Leaving office	2022-02-17	Personal reasons
Chen Zhigang	Deputy GM, CFO	Appointments	2022-02-18	Appointments
Jiang Junming	Director, Deputy President	Leaving office	2022-06-08	Personal reasons
Yang Hongyu	Director, Deputy President	Be elected	2022-06-09	Be elected

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

Applicable Not applicable

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

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

Applicable Not applicable

The Company had no stock incentive plan, employee stock ownership plan or other employee incentive in the reporting period.

Section V. Environmental and Social Responsibility

I. Important environmental issues

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

Yes No

Administrative penalties imposed for environmental issues during the reporting period

The company or subsidiary	Reasons for penalty	Violations	Penalty results	Impact on the production & operation of listed company	Corrective measures
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information disclosed with reference to the key emission units

Not applicable

Measures taken to reduce carbon emission during the reporting period and their effectiveness

Applicable Not applicable

Reasons for not disclosed other environmental information

Not applicable

II. Social responsibility

N/A

Section VI. Important Matters

I. Commitments that the actual controller, shareholders, related party, offeror and committed party as the Company etc. have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

There were no commitments that the actual controller, shareholders, related party, offeror and committed party as the Company etc. have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

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

Applicable Not applicable

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

III. Guarantee outside against the regulation

Applicable Not applicable

No guarantee outside against the regulation in Period.

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

Whether the financial report has been audited or not

Yes no

The company's semi-annual report has not been audited.

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

Applicable Not applicable

VI. Explanation from the Board for “Qualified Opinion” of last year’s

Applicable Not applicable

VII. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period

VIII. Lawsuits

Significant lawsuits and arbitration

√Applicable □Not applicable

The basic situation of litigation (Arbitration)	Amount of money involved (in 10 thousand Yuan)	Predicted liabilities (Y/N)	Advances in litigation (Arbitration)	The results and effects of litigation (Arbitration)	Execution of the litigation (Arbitration)	Disclosure date	Disclosure index
In September 2016, Wuhan Zhongheng Group Co., Ltd. and the Company and Shenzhen Vanke were applied for arbitration due to the dispute case of “Contract for the Cooperative Operation of the Old Projects at Huafa Industrial Park, Gongming Street, Guangming New District”.	46,460	N	Ruling on 16 August 2017; put forward the application for dismantling by the Company and controlling shareholder, the application was rejected by the court	Found more in announcement of the Company	In September 2018, Shenzhen Vanke applied for compulsory execution. In October 2019, due to the outsider's application of "objection to execution" and "non-enforcement", the execution procedure was terminated. If the outsider's application was rejected by the Shenzhen Intermediate People's Court, Shenzhen Vanke would have the right to continue to apply for the resumption of compulsory execution.	2018-02-09	http://www.cninfo.com.cn/cninfo-new/disclosure/szse_main/bulletin_detail/true/1204406606?announcementTime=2018-02-09 ; http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&stockCode=000020&announcementId=1205326846&announcementTime=2018-08-25
Application for	1,940.2	N	The arbitration has been	A decision was issued and the	Implementing	2018-11-14	http://www.cninfo.com.cn

arbitration in case of contract dispute between the V&T Law Firm and Shenzhen Zhongheng Huafa Co., Ltd. and Wuhan Zhongheng Group			heard	Company's motion to dismiss was denied			/new/disclosure/detail?plate=szse&stockCode=000020&announcementId=1205602053&announcementTime=2018-11-14
Shenzhen Zhongheng Huafa Semiconductor Co., Ltd bring a suit against the Company, request for continuation of the assets replacement contract. According to the contract, the two parcels of lands are transferred to Semiconductor or Company and compensated economic losses of 52 million yuan	5,200	N	The judgment (2020) Yue 03 Min Chu No.17 was issued in May 2021, all claims of Semiconductor or Company were rejected	Semiconductor or Company has filed an appeal	Trial in progress	2021-06-03	http://www.cninfo.com.cn/new/disclosure/detail?stockCode=000020&announcementId=1210151395&orgId=gssz0000020&announcementTime=2021-06-03
Shenzhen Zhongheng Huafa Semiconductor Co., Ltd bring a suit against the Company, Zhongheng Group and Shenzhen Vanke, request for judgment that the above Business Cooperation Contract is invalid	0	N	The second trial has issued a verdict	The second trial has issued a verdict	The second trial has issued a verdict	2022-03-05	http://www.cninfo.com.cn/new/disclosure/detail?stockCode=000020&announcementId=1212510555&orgId=gssz0000020&announcementTime=2022-03-05

Other lawsuits

Applicable Not applicable

IX. Penalty and rectification

Applicable Not applicable

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

Applicable Not applicable

XI. Major related transaction

1. Related transaction with routine operation concerned

Applicable Not applicable

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price	Related transaction amount (in 10 thousand Yuan)	Proportion in similar transactions	Trading limit approved (in 10 thousand Yuan)	Whether over the approved limit or not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
Hong Kong Yutian International Investment Co., Ltd.	Controlled by same controlling shareholder and ultimate controller	Procurement	Displays and materials	Determined by fair market trading price	Determined by fair market trading price	3,209.34	40.55%	12,751.4	N	Wire transfer	The average market price refers to the price of same specifications which is searched from through the world famous professional market survey	2022-04-26	The "Prediction on the Related Transaction for year of 2022 for the Video and Telecommunication Business" (Notice No: 2022-16) on Juchao Website

											company website http://www.witsview.com recognized authority in the industry and LCD professional market survey company website	te (www.cninfo.com.cn)	
Wuhan Hengheng Photo-electricity Industry Co., Ltd.	Controlled by same controlling shareholder and ultimate controller	Procurement	Display	Determined by fair market trading price	Determined by fair market trading price	4,496.09	56.81%	12,751.4	N	Wire transfer	ditto	2022-04-26	The "Prediction on the Related Transaction for year of 2022 for the Video and Telecommunication Business" (Notice No: 2022-16) on Juchao Website (www

													.cninfo.com.cn)
Wuhan Hengheng Photo-electricity Industry Co., Ltd.	Controlled by same controlling shareholder and ultimate controller	Procurement	Display	Determined by fair market trading price	Determined by fair market trading price	1,091.61	96.41%	5,100.56	N	Wire transfer	ditto	2022-04-26	The "Prediction on the Related Transaction for year of 2022 for the Video and Telecommunication Business" (Notice No: 2022-16) on Juchao Website (www.cninfo.com.cn)
Hong Kong Yutian International Investment Co., Ltd.	Controlled by same controlling shareholder and ultimate controller	Sales	Display and materials	Determined by fair market trading price	Determined by fair market trading price	3,568.06	17.50%	15,939.25	N	Wire transfer	ditto	2022-04-26	The "Prediction on the Related Transaction for year of 2022 for the Video and Telecommunication Business"

													ess” (Notice No: 2022-16) on Juchao Website (www.cninfo.com.cn)
Wuhan Hengheng Photo-electricity Industry Co., Ltd.	Controlled by same controlling shareholder and ultimate controller	Sales	liquid crystal display glass	Determined by fair market trading price	Determined by fair market trading price	0	0.00%	318.79	N	Wire transfer	ditto	2022-04-26	The “Prediction on the Related Transaction for year of 2022 for the Video and Telecommunication Business” (Notice No: 2022-16) on Juchao Website (www.cninfo.com.cn)
Wuhan Hengheng Photo-electricity Industry Co., Ltd.	Controlled by same controlling shareholder and ultimate controller	Sales	Liquid crystal Display	Determined by fair market trading price	Determined by fair market trading price	2,788.65	13.68%	6,375.7	N	Wire transfer	ditto	2022-04-26	The “Prediction on the Related Transaction for year of

Ltd.	controller												2022 for the Video and Telecommunication Business” (Notice No: 2022-16) on Juchao Website (www.cninfo.com.cn)
Wuhan Hengheng Photo-electricity Industry Co., Ltd.	Controlled by same controlling shareholder and ultimate controller	Sales	Liquid crystal display related products; Plastic injection hardware	Determined by fair market trading price	Determined by fair market trading price	62.65	0.63%	510.06	N	Wire transfer	ditto	2022-04-26	The “Prediction on the Related Transaction for year of 2022 for the Video and Telecommunication Business” (Notice No: 2022-16) on Juchao Website (www.cninfo.com.cn)

Total	--	--	15,216.4	--	53,747.16	--	--	--	--	--
Detail of sales return with major amount involved	N/A									
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period(if applicable)	During the reporting period, Hengfa Technology actually has 32.0934 million yuan procurement from HK Yutian, 25.17% of the annual amount predicted at the beginning of the year; purchased LCD monitor from Hengsheng Photo-electricity with 44.9609 million yuan approximately, 35.26% of the annual amount predicted at the beginning of the year; purchasing LCD Display from Hengsheng Photo-electricity with about 10.9161 million yuan, 21.4% of the annual amount predicted at the beginning of the year; sold LCD Display whole machine to HK Yutian with 35.6806 million yuan approximately, 22.39% of the annual amount predicted at the beginning of the year; sold LCD display to Hengsheng Photo-electricity with about 27.8865 million yuan, 43.74% of the annual amount predicted at the beginning of the year; and sold LCD relevant products of plastic injection hardware to Hengsheng Photo-electricity with about 626,500 yuan,12.28% of the annual amount predicted at the beginning of the year									
Reasons for major differences between trading price and market reference price	N/A									

2. Related transactions of assets or equity acquisition and sold

Applicable Not applicable

There were no related transactions of assets or equity acquisition and sold during the reporting period

3. Main related transactions of mutual investment outside

Applicable Not applicable

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

4. Contact of related credit and debt

Applicable Not applicable

No contact of related credit and debt during the reporting period.

5. Contact with the related finance companies

Applicable Not applicable

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

6. Contact between the finance companies that controlled by the Company and related parties

Applicable Not applicable

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

7. Other significant related transactions

Applicable Not applicable

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

XII. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

No trusteeship for the Company in reporting period.

(2) Contract

Applicable Not applicable

No contract for the Company in reporting period.

(3) Leasing

Applicable Not applicable

Explanation on leasing

Wuhan Hengfa Technology Co., Ltd entered into the storage area lease contract with TCL Air Conditioner (Wuhan) Co., Ltd due to production and operation requirements. Leased 300 square meters warehouses for business use, the contract expires at end of 2023 and the Company exercised the right of first renewal in 2021. Relevant accounting treatment are recognized as Right-of-use assets and Lease liability in line with the new leasing standards.

Projects that bring gain/loss to the Company accounting to 10% or more of the total profit for the reporting period

Applicable Not applicable

There was no leasing projects that bring gain/loss to the Company accounting to 10% or more of the total profit during the reporting period

2. Major guarantees

Applicable Not applicable

In 10 thousand Yuan

Particulars about the external guarantee of the Company (Barring the guarantee for subsidiaries)										
Name of the Company	Related Announcement disclosure	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee term	Implemented (Y/N)	Guarantee for related party

guaranteed	date									(Y/N)
					Joint and several liability guarantee				N	N
Guarantee to subsidiary by the Company										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee term	Implemented (Y/N)	Guarantee for related party (Y/N)
Wuhan Hengfa Technology Co., Ltd.	2022-04-26	20,000		1,143.36	Joint and several liability guarantee		Wuhan Hengfa Technology Co., Ltd offering a counter-guarantee to Shenzhen Zhongheng Huafa Technology Co., Ltd within the scope of 36 million yuan	One year	N	Y
Total amount of approving guarantee for subsidiaries in report period (B1)		20,000		Total amount of actual occurred guarantee for subsidiaries in report period (B2)						3,633.3
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		20,000		Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)						1,143.36
Guarantee of the subsidiaries for the subsidiaries										
Name of	Related	Guarantee	Actual	Actual	Guarantee	Collateral (if any)	Counter guarantee	Guarantee	Comple	Guarantee

the Company guaranteed	Announcement disclosure date	Limit	date of happening	guarantee limit	type		(if any)	term	implemented or not	for related party	
Total amount of guarantee of the Company (total of three above mentioned guarantee)											
Total amount of approving guarantee in report period (A1+B1+C1)		20,000		Total amount of actual occurred guarantee in report period (A2+B2+C3)						3,633.3	
Total amount of approved guarantee at the end of report period (A3+B3+C2)		20,000		Total balance of actual guarantee at the end of report period (A4+B4+C4)						1,143.36	
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+ B4+C4)											3.25%
Including:											

Explanation on compound guarantee

3.Trust financing

Applicable Not applicable

No trust financing occurred in the reporting period

4. Other material contracts

Applicable Not applicable

No other material contracts for the Company in reporting period.

XIII. Explanation on other significant events

Applicable Not applicable

(1) The Company signed Asset Exchange Contract with Wuhan Zhongheng New Science & Technology Industrial Group Co., Ltd (hereinafter referred to as Wuhan Zhongheng Group) on 29 April 2009 (details were referred to in the announcement dated 30 April 2009), and pursuant to the contract, since part of the assets of the Company (namely two parcel of industrial lands located at Huafa road, Gongming town, Guangming new district, Shenzhen (the property certificate No. were SFDZ No.7226760 and SFDZ No.7226763, No. of parcels were A627-005 and A627-007, and the aggregate area was 48,200 sq.m) were the lands listed in the first batch of plan for 2010 Shenzhen urbanization unit planning preparation plan. For promotion of such urbanization project and joint cooperation, the Company has not completed the transfer procedures in respect of the aforesaid land.

The Company convoked the first extraordinary meeting of the Board in 2015 on February 16, 2015 and the first extraordinary general meeting of the Board in 2015 on March 4, 2015, which considered and approved the “Motion on promoting and implementing the urban renewal project for the renewal units of Huafa area at Gongming street, Guangming new district, Shenzhen”, specified that the Company and Wuhan Zhongheng Group shall obtain the corresponding compensatory consideration for removal from the respectively owned project plots and the respectively contributed and constructed above-ground buildings before the land development, it is estimated that the compensatory consideration obtained by the Company accounts for 50.5% of the total consideration and Wuhan Zhongheng Group accounts for 49.5% by calculation.

The sixth extraordinary meeting of the board of directors in 2015 and the third extraordinary general meeting of 2015 have considered and adopted the “Proposal on the project promotion and implementation of urban renewal and the progress of related transactions of ‘the updated units at Huafa Area, Gong Ming Street, Guangming New District, Shenzhen’”, the company has signed the “Agreement on the cooperation of urban renewal project of the updated units at Huafa Area, Gong Ming Street, Guangming New District, Shenzhen”, “Contract for the cooperative venture of reconstruction project for Huafa Industrial Park, Gong Ming Street, Guangming New District” on 26 August 2015, and “Agreement on housing acquisition and removal compensation and resettlement” with Wuhan Zhongheng Group, Shenzhen Vanke Real Estate Co., Ltd. (hereinafter referred to as “Shenzhen Vanke”), and Shenzhen Vanke Guangming Real Estate Development Co., Ltd. (hereinafter referred to as “Vanke Guangming”).

On 12 September 2016, Shenzhen Vanke applied for arbitration in respect of “Agreement on the cooperation of urban renewal project of the updated units at Huafa Area, Gong Ming Street, Guangming New District, Shenzhen” against the Company and Wuhan Zhongheng Group. Shenzhen Court of International Arbitration (SCIA) has given a ruling in August 2017. On August 29, 2018, the court accepted the compulsory execution application of Shenzhen Vanke. In October 2019, as a number of outsiders filed an “execution objection” and applied for “no execution” to Shenzhen Intermediate People’s Court, the Shenzhen Intermediate People’s Court ruled to terminate the enforcement procedure on March 20, 2020. If the “execution objection” and “no execution” proposed by outsiders are rejected according to law, Shenzhen Vanke may continue to apply to the Shenzhen Intermediate People’s Court to resume execution.

In April 2020, Zhongheng Semiconductor sued the company to Shenzhen Intermediate People’s Court, and requested the company to transfer the above mentioned two pieces of lands and compensate the economic loss of 52 million yuan, the first and second trial judgments reject the Semiconductor’s appeal; Zhongheng Semiconductor sued the Company and the invalid of “Agreement on the cooperation of urban renewal project of the updated units at Huafa Area, Gong Ming Street, Guangming New District, Shenzhen” signed by Wuhan Zhongheng Group Company and Vanke, the second trial rejects all claims of Zhongheng Semiconductor. Progress of the case found more in the Notices released on Juchao website dated 14 Sept. 2016, 1 Nov. 2016, 16 Nov. 2016, on 18 Feb. 2017, 24 March 2017, 25 April 2017, 1 July 2017, 18 August 2017, 9 Feb. 2018, 25 Aug. 2018, 7 Sept.

2018, 21 Apr. 2020, 3 Jun, 2021, 22 Jul. 2021 and Mar. 5, 2022 respectively.

(2) On 31 December 2015, the 88,750,047 shares held by Wuhan Zhongheng Group, are pledge to China Merchants Securities Assets Co., Ltd. with due date of 31 December 2016. On 1 Feb. 2016, Wuhan Zhongheng Group pledge the 27,349,953 shares held to China Merchants Securities Assets Co., Ltd. with due date of 31 December 2016. The above-mentioned pledged shares are deferred by Wuhan Zhongheng Group; pledge expired on 31 December 2017. The trading day for repurchase put off to the date when pledge actually removed. Till end of this period released, controlling shareholder still not removed the pledge and the Company has apply by letter, relevant Notice of Presentment on Stock Pledge from Controlling Shareholder was released. Found more in notice released on Juchao website date 2 Feb. 2018.

In March 2021, Wuhan Zhongheng Group received the judgment on case of “pledged securities repurchase dispute” brought by China Merchants Securities Assets Management Co., Ltd from High People’s Court of Guangdong Province. Wuhan Zhongheng Group appealed to the Supreme People’s Court against the decision. Found more in notice released on Juchao Website dated March 19, 2021.

(3) The controlling shareholder Wuhan Zhongheng Group holds 119,289,894 shares of the Company’ stock, accounting for 42.13% of the total share capital of the Company, of which 116,489,894 shares were judicially frozen by Shenzhen Intermediate People's Court (hereinafter referred to as "Shenzhen Intermediate Court") on September 27, 2016, which were frozen again by the Shenzhen Intermediate People's Court on December 14, 2018, with a frozen period of 36 months; the remaining 2,800,000 shares were frozen by the Shenzhen Intermediate People's Court on May 29, 2019, and were frozen again by the Higher People’s Court of Guangdong Province on July 5, 2019. For details, please refer to the company’s announcements published on Juchao Website dated October 27, 2016, January 11, 2019, May 31, 2019 and August 7, 2019.

(4) On September 29, 2016, the company and its controlling shareholder, Wuhan Zhongheng Group, signed the “Agency Contract” with V&T Law Firm. On October 8, 2016, the three parties also signed the “Supplemental Agreement for Agency Contract”, it was agreed that V&T acted as an agent for the company and Wuhan Zhongheng Group to deal with the arbitration case with Shenzhen Vanke. After losing the lawsuit, due to differences in the payment of attorney fees, V&T sued our company and Wuhan Zhongheng Group to the Shenzhen Court of International Arbitration, and applied to the court to seize a bank account under our company’s name and part of our company dormitories, please refer to “Other Announcements on the Progress Involving Litigation and Arbitration” (Announcement Numbers: 2018-43, 2019-02) released on Juchao Website dated November 14, 2018 and March 6, 2019. In November 2019, the Shenzhen Court of International Arbitration ruled that the company and Wuhan Zhongheng Group paid the corresponding fees. According to the relevant agreement of the “Entrusted Agency Contract” and “Supplementary Agreement” signed by the three parties, loss of the ruling in the case shall be fully borne by Wuhan Zhongheng Group, therefore, it has no impact on the profit of the

Company. Found more on “Other Announcements on the Progress Involving Litigation and Arbitration” (Announcement No.: 2019-34) released on Juchao Website dated November 25, 2019.

(5) Business of the Company - Styrofoam is a traditional manufacturing industry. The industry has stepping into the maturity with severe overcapacity, the oversupply leads to a low gross margin and downward trend of profitability of the Company’s products. The “proposal to shut down the Styrofoam business from wholly-owned subsidiary” was deliberated and approved by the third interim meeting of BOD of 2022. Closure of the plant is progressing steadily.

XIV. Significant event of subsidiary of the Company

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

Unit: Share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Public reserve transfer into share capital	Others	Subtotal	Amount	Proportion
I. Restricted shares	0	0.00%	0	0	0	0	0	0	0.00%
1. State-owned shares									
2. State-owned legal person's shares									
3. Other domestic shares									
Including: Domestic legal person's shares									
Domestic natural person's shares									
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural person's shares									
II. Unrestricted shares	283,161,227	100.00%	0	0	0	0	0	283,161,227	100.00%
1. RMB ordinary shares	181,165,391	63.98%	0	0	0	0	0	181,165,391	63.98%
2. Domestically listed foreign shares	101,995,836	36.02%	0	0	0	0	0	101,995,836	36.02%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	283,161,227	100.00%	0	0	0	0	0	283,161,227	100.00%

Reasons for share changed

Applicable Not applicable

Approval of share changed

Applicable Not applicable

Ownership transfer of share changed

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes of lock-up stocks

Applicable Not applicable

II. Securities issuance and listing

Applicable Not applicable

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

Unit: Share

Total common stock shareholders in reporting period-end		24,938		Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (see note 8)			0	
Particulars about common shares held above 5% by shareholders or top ten common shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of common shares held at the end of reporting period	Changes in report period	Amount of restricted common shares held	Amount of common shares held without restriction	Information of shares pledged, tagged or frozen	
							State of share	Amount
Wuhan Zhongheng Group	Domestic non-state-owned legal person	42.13%	119,289,894	0	0	119,289,894	Frozen	119,289,894
SEG (HONG KONG) CO., LTD.	Overseas legal person	5.85%	16,569,560	0	0	16,569,560		
GOOD HOPE CORNER INVESTM	Overseas legal person	2.50%	7,072,000	0	0	7,072,000		

ENTS LTD.								
Changjiang Securities Brokerage (Hong Kong) Co., Ltd.	Overseas legal person	1.89%	5,355,249	0	0	5,355,249		
Guoyuan Securities Brokerage (Hong Kong) Limited	Overseas legal person	1.37%	3,870,117	0	0	3,870,117		
Li Zhongqiu	Overseas nature person	1.00%	2,830,000	0	0	2,830,000		
Jin Guoping	Domestic nature person		1,849,300		0	1,849,300		
He Wei	Domestic nature person		1,818,319		0	1,818,319		
Yao Ming	Domestic nature person		1,577,300		0	1,577,300		
Li Wei	Domestic nature person		1,546,800		0	1,546,800		
Strategy investor or general legal person becoming the top 10 common shareholders by placing new shares (if applicable) (see note 3)	N/A							
Explanation on associated relationship among the aforesaid shareholders	Among the top ten shareholders, Li Zhongqiu is the actual controller of Wuhan Zhongheng New Science & Technology Industrial Group Co., Ltd. and is a party acting in concert. The Company neither knew whether there exists associated relationship among the other shareholders, nor they belong to consistent actors that are prescribed in Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies.							
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from	N/A							

voting rights.			
Special note on the repurchase account among the top 10 shareholders (if applicable) (see note 11)	N/A		
Particular about top ten shareholders with un-lock up common stocks held			
Shareholders' name	Amount of common shares held without restriction at Period-end	Type of shares	
		Type	Amount
Wuhan Zhongheng Group	119,289,894	RMB common share	119,289,894
SEG (HONG KONG) CO., LTD.	16,569,560	Domestically listed foreign shares	16,569,560
GOOD HOPE CORNER INVESTMENTS LTD.	7,072,000	Domestically listed foreign shares	7,072,000
Changjiang Securities Brokerage (Hong Kong) Co., Ltd.	5,355,249	Domestically listed foreign shares	5,355,249
Guoyuan Securities Brokerage (Hong Kong) Limited	3,870,117	Domestically listed foreign shares	3,870,117
Li Zhongqiu	2,830,000	Domestically listed foreign shares	2,830,000
Jin Guoping	1,849,300	RMB common share	1,849,300
He Wei	1,818,319	Domestically listed foreign shares	1,818,319
Yao Ming	1,577,300	Domestically listed foreign shares	1,577,300
Li Wei	1,546,800	Domestically listed	1,546,800

		foreign shares	
Expiation on associated relationship or consistent actors within the top 10 un-lock up common shareholders and between top 10 un-lock up common shareholders and top 10 common shareholders	Among the top ten shareholders, Li Zhongqiu is the actual controller of Wuhan Zhongheng New Science & Technology Industrial Group Co., Ltd. and is a party acting in concert. The Company neither knew whether there exists associated relationship among the other shareholders, nor they belong to consistent actors that are prescribed in Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies.		
Explanation on top 10 common shareholders involving margin business (if applicable) (see note 4)	Among the top ten shareholders, Jin Guoping holds 0 shares through regular securities account and 1,849,300 shares through credit securities account.		

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

Yes No

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

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

Applicable Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2021.

V. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

Applicable Not applicable

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

Change of actual controller during the reporting period

Applicable Not applicable

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

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.

Section IX. Corporate Bonds

Applicable Not applicable

Section X. Financial Report

I. Audit report

Whether the semi annual report is audited

Yes No

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

II. Financial Statement

Statement in Financial Notes are carried Unit: RMB/CNY/CNY

1. Consolidated Balance Sheet

Prepared by SHENZHEN ZHONGHENG HUAFA CO., LTD.

Unit: RMB/CNY

Item	June 30, 2022	January 1, 2022
Current assets:		
Monetary funds	75,664,614.16	34,426,043.11
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable	60,827,292.54	105,922,317.60
Account receivable	133,872,767.55	128,675,327.97
Receivable financing		500,000.00
Accounts paid in advance	19,963,828.94	7,996,570.95
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	4,628,853.27	4,520,412.70
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	66,100,631.11	90,585,670.27
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	105,743.48	3,732,033.86
Total current assets	361,163,731.05	376,358,376.46
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	45,327,612.66	46,191,777.80
Fixed assets	183,280,126.25	187,889,261.50
Construction in progress	740,000.00	740,000.00
Productive biological asset		
Oil and gas asset		
Right-of-use assets	156,974.04	209,298.72
Intangible assets	38,310,208.33	39,171,573.09
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	1,528,018.90	1,691,257.89
Deferred income tax asset	7,645,824.11	7,681,680.11
Other non-current asset		
Total non-current asset	276,988,764.29	283,574,849.11
Total assets	638,152,495.34	659,933,225.57
Current liabilities:		
Short-term loans	11,433,573.00	26,480,857.00
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	22,605,511.76	21,554,981.30
Account payable	95,152,390.13	88,529,478.96
Accounts received in advance		
Contractual liability	273,518.20	736,355.70
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	4,427,543.85	3,844,381.07
Taxes payable	14,566,092.54	14,657,117.69
Other account payable	40,932,188.01	30,448,913.14
Including: Interest payable	93,178.03	113,080.26
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		

Non-current liabilities due within one year	55,104,400.61	61,104,400.61
Other current liabilities	37,185,847.90	64,644,280.61
Total current liabilities	281,681,066.00	312,000,766.08
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	86,325.75	115,101.00
Long-term account payable		
Long-term wages payable		
Accrual liability	801,159.18	801,159.18
Deferred income	3,326,520.00	3,565,560.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	4,214,004.93	4,481,820.18
Total liabilities	285,895,070.93	316,482,586.26
Owner's equity:		
Share capital	283,161,227.00	283,161,227.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	146,577,771.50	146,577,771.50
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	77,391,593.25	77,391,593.25
Provision of general risk		
Retained profit	-154,873,167.34	-163,679,952.44
Total owner's equity attributable to parent company	352,257,424.41	343,450,639.31
Minority interests		
Total owner's equity	352,257,424.41	343,450,639.31
Total liabilities and owner's equity	638,152,495.34	659,933,225.57

Legal Representative: Li Zhongqiu

Person in charge of accounting works: Chen Zhigang

Person in charge of accounting institute: Chuai Guoxu

2. Balance Sheet of Parent Company

Unit: RMB/CNY

Item	June 30, 2022	January 1, 2022
Current assets:		
Monetary funds	819,726.82	619,099.39
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable		
Receivable financing		
Accounts paid in advance	402,189.53	52,129.33
Other account receivable	95,039,705.78	92,468,697.71
Including: Interest receivable		
Dividend receivable		
Inventories	14,806.50	14,806.50
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets		
Total current assets	96,276,428.63	93,154,732.93
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	186,618,400.00	186,618,400.00
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	22,840,740.28	23,444,941.60
Fixed assets	96,561,485.97	96,839,357.63
Construction in progress	740,000.00	740,000.00
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	4,191,344.94	4,263,817.80
Research and development costs		
Goodwill		
Long-term deferred expenses	969,444.45	969,444.45
Deferred income tax assets	7,555,266.74	7,555,266.74
Other non-current assets		
Total non-current assets	319,476,682.38	320,431,228.22
Total assets	415,753,111.01	413,585,961.15
Current liabilities:		
Short-term borrowings		
Trading financial liability		
Derivative financial liability		

Notes payable		
Account payable	10,745,840.16	10,745,840.16
Accounts received in advance		
Contractual liability	269,268.20	263,321.38
Wage payable	939,175.02	1,209,937.19
Taxes payable	7,802,338.58	9,236,248.86
Other accounts payable	23,797,881.84	21,695,466.51
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	55,000,000.00	61,000,000.00
Other current liabilities		13,859.02
Total current liabilities	98,554,503.80	104,164,673.12
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	801,159.18	801,159.18
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	801,159.18	801,159.18
Total liabilities	99,355,662.98	104,965,832.30
Owners' equity:		
Share capital	283,161,227.00	283,161,227.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	146,587,271.50	146,587,271.50
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	77,391,593.25	77,391,593.25
Retained profit	-190,742,643.72	-198,519,962.90
Total owner's equity	316,397,448.03	308,620,128.85
Total liabilities and owner's equity	415,753,111.01	413,585,961.15

3. Consolidated Profit Statement

Unit: RMB/CNY

Item	2022 semi-annual	2021 semi-annual
I. Total operating income	354,146,920.81	391,633,808.55
Including: Operating income	354,146,920.81	391,633,808.55
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	347,992,076.14	381,924,442.73
Including: Operating cost	311,845,943.49	334,523,805.25
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	2,051,860.11	1,428,361.92
Sales expense	9,503,158.57	14,094,617.96
Administrative expense	17,627,621.80	22,680,307.24
R&D expense	5,022,675.55	3,955,647.50
Financial expense	1,940,816.62	5,241,702.86
Including: Interest expenses	2,729,221.86	3,774,381.48
Interest income	-88.74	189,945.55
Add: Other income	4,515,323.81	3,553.35
Investment income (Loss is listed with “-”)	180,088.19	149,767.58
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	0.00	-1,350,000.00
Income from assets disposal (Loss is listed with “-”)	789,308.26	
III. Operating profit (Loss is listed with “-”)	11,639,564.93	8,512,686.75
Add: Non-operating income	40,574.92	276,599.04
Less: Non-operating expense	15,308.31	215,202.92
IV. Total profit (Loss is listed with “-”)	11,664,831.54	8,574,082.87
Less: Income tax expense	2,858,046.44	1,584,720.39

V. Net profit (Net loss is listed with “-”)	8,806,785.10	6,989,362.48
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	8,806,785.10	6,989,362.48
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	8,806,785.10	6,989,362.48
2.Minority shareholders’ gains and losses		
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	8,806,785.10	6,989,362.48
Total comprehensive income attributable to owners of parent Company	8,806,785.10	6,989,362.48
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0311	0.0248
(ii) Diluted earnings per share	0.0311	0.0248

As for the enterprise combined under the same control, net profit of 0 Yuan achieved by the merged party before combination

while 0 Yuan achieved last period.

Legal Representative: Li Zhongqiu

Person in charge of accounting works: Chen Zhigang

Person in charge of accounting institute: Chuai Guoxu

4. Profit Statement of Parent Company

Unit: RMB/CNY

Item	2022 semi-annual	2021 semi-annual
I. Operating income	24,122,414.00	22,146,204.31
Less: Operating cost	4,518,020.17	4,439,887.16
Taxes and surcharge	590,485.14	572,280.19
Sales expenses		
Administration expenses	6,887,075.97	7,444,373.84
R&D expenses		
Financial expenses	2,812,875.27	3,381,988.26
Including: Interest expenses	2,812,961.00	52,129.33
Interest income	-88.74	
Add: Other income	4,085.02	3,306.96
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)	254,400.00	
II. Operating profit (Loss is listed with “-”)	9,572,442.47	6,310,981.82
Add: Non-operating income	22,167.01	0.35
Less: Non-operating expense	240.23	8,500.00
III. Total Profit (Loss is listed with “-”)	9,594,369.25	6,302,482.17
Less: Income tax	1,817,050.07	1,236,934.73
IV. Net profit (Net loss is listed with “-”)	7,777,319.18	5,065,547.44
(i) continuous operating net profit (net loss listed with “-”)	7,777,319.18	5,065,547.44
(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	7,777,319.18	5,065,547.44
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB/CNY

Item	2022 semi-annual	2021 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	296,973,278.94	244,756,106.28
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	2,582,436.42	2,152,394.35
Other cash received concerning operating activities	13,894,131.24	16,266,093.74
Subtotal of cash inflow arising from operating activities	313,449,846.60	263,174,594.37
Cash paid for purchasing commodities and receiving labor service	174,717,587.41	180,586,052.16
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	30,684,125.76	38,342,263.84
Taxes paid	18,183,319.71	13,863,743.82
Other cash paid concerning operating activities	40,144,591.34	52,200,904.14
Subtotal of cash outflow arising from operating activities	263,729,624.22	284,992,963.96
Net cash flows arising from operating activities	49,720,222.38	-21,818,369.59
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	180,088.19	186,685.90
Net cash received from disposal of fixed, intangible and other long-term assets	3,855,290.26	21,750.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	57,000,000.00	
Subtotal of cash inflow from investing activities	61,035,378.45	208,435.90
Cash paid for purchasing fixed, intangible and other long-term assets	1,682,052.83	2,524,810.50
Cash paid for investment		
Net increase of mortgaged loans	0.00	
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	57,000,000.00	
Subtotal of cash outflow from investing activities	58,682,052.83	2,524,810.50
Net cash flows arising from investing activities	2,353,325.62	-2,316,374.60
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	18,332,990.00	57,190,879.00
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	18,332,990.00	57,190,879.00
Cash paid for settling debts	39,754,209.00	30,430,404.00
Cash paid for dividend and profit distributing or interest paying	3,036,885.11	3,578,255.11

Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	42,791,094.11	34,008,659.11
Net cash flows arising from financing activities	-24,458,104.11	23,182,219.89
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	263,652.23	-403,343.06
V. Net increase of cash and cash equivalents	27,879,096.12	-1,355,867.36
Add: Balance of cash and cash equivalents at the period -begin	32,802,562.90	60,968,053.58
VI. Balance of cash and cash equivalents at the period -end	60,681,659.02	59,612,186.22

6. Cash Flow Statement of Parent Company

Unit: RMB/CNY

Item	2022 semi-annual	2021 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	14,657,628.10	2,336,572.26
Write-back of tax received	0.00	0.00
Other cash received concerning operating activities	404,017.91	12,794,492.62
Subtotal of cash inflow arising from operating activities	15,061,646.01	15,131,064.88
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	555,796.92	548,093.93
Taxes paid	5,094,652.76	3,454,113.92
Other cash paid concerning operating activities	398,328.69	1,380,064.32
Subtotal of cash outflow arising from operating activities	6,048,778.37	5,382,272.17
Net cash flows arising from operating activities	9,012,867.64	9,748,792.71
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		
Cash paid for purchasing fixed, intangible and other long-term assets		
Cash paid for investment		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities		
Net cash flows arising from investing activities		

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	6,000,000.00	6,000,000.00
Cash paid for dividend and profit distributing or interest paying	2,812,240.21	3,383,290.96
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	8,812,240.21	9,383,290.96
Net cash flows arising from financing activities	-8,812,240.21	-9,383,290.96
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-1,509.10	0.00
V. Net increase of cash and cash equivalents	199,118.33	365,501.75
Add: Balance of cash and cash equivalents at the period -begin	526,531.11	966,379.17
VI. Balance of cash and cash equivalents at the period -end	725,649.44	1,331,880.92

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

Current Amount

Unit: RMB/CNY

Item	2022 semi-annual														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	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal			
I. The ending balance of the previous year	283,161,271.00				146,577,771.50				77,391,593.25		-163,679,952.44		343,450,639.31		343,450,639.31	
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	283,161,277.00			146,577,771.50				77,391,593.25		-163,679,952.44		343,450,639.31		343,450,639.31
III. Increase/Decrease in the period (Decrease is listed with “-”)										8,806,785.10		8,806,785.10		8,806,785.10
(i) Total comprehensive income										8,806,785.10		8,806,785.10		8,806,785.10
(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 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	283,161,227.00				146,577,771.50				77,391,593.25		-154,873,167.34		352,257,424.41	352,257,424.41

Amount of the previous period

Unit: RMB/CNY

Item	2021 semi-annual													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	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal		
		Preferred stock	Perpetual capital securities	Other											
I. The ending balance of the previous year	283,161,227.00				146,577,771.50				77,391,593.25		-170,881,854.46		336,248,737.29	336,248,737.29	
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	283,161,227.00			146,577,771.50				77,391,593.25		-170,881,854.46		336,248,737.29		336,248,737.29	
III. Increase/Decrease in the period (Decrease is listed with “-”)										6,989,362.48		6,989,362.48		6,989,362.48	
(i) Total comprehensive income										6,989,362.48		6,989,362.48		6,989,362.48	
(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 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	283,161,27.00				146,577,771.50				77,391,593.25			-163,892,491.98			343,238,099.77	343,238,099.77

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

Current Amount

Unit: RMB/CNY

Item	2022 semi-annual												
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses reserve	Retained profit	Other	Total owners' equity	
		Preferred stock	Perpetual capital securities	Other									
I. The ending balance of the previous year	283,161,27.00				146,587,271.50					77,391,593.25	-198,519,962.90		308,620,128.85
Add: Changes of accounting policy													
Error correction of the last period													
Other													
II. The beginning	283,161,27.00				146,587,271.50					77,391,593.25	-198,519,962.90		308,620,128.85

balance of the current year	7.00				50				5	519,962.90		
III. Increase/Decrease in the period (Decrease is listed with “-”)										7,777,319.18		7,777,319.18
(i) Total comprehensive income										7,777,319.18		7,777,319.18
(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	283,161,227.00				146,587,271.50				77,391,593.25	190,742,643.72	-	316,397,448.03

Amount of the previous period

Unit: RMB/CNY

Item	2021 semi-annual											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred	Perpetual	Other								

		d stoc k	capit al secu ritie s				incom e					
I. The ending balance of the previous year	283,161,227.00				146,587,271.50			77,391,593.25	-206,887,603.69			300,252,488.06
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	283,161,227.00				146,587,271.50			77,391,593.25	-206,887,603.69			300,252,488.06
III. Increase/Decrease in the period (Decrease is listed with “-”)									5,065,547.44			5,065,547.44
(i) Total comprehensive income									5,065,547.44			5,065,547.44
(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	283,161,227.00				146,587,271.50				77,391,593.25	-201,822,056.25		305,318,035.50

III. Company profile

1. The registration place of the enterprise, the form of organization and the headquarters address

Shenzhen Zhongheng HUAFA Company Limited (hereinafter referred to as Company or the Company), established on 8 December 1981. Uniform social credit code 91440300618830372G.

Registered place and head office of the Company: 411 Bldg., Huafa (N) Road, Futian District, Shenzhen

Legal representative: Li Zhongqiu

Registered capital: RMB 283,161,227.00

2. The nature of the business and the main business activities.

The Company belongs to the computer, telecommunication and manufacturing of other electronic equipment. Business scope: producing and sales of vary color TV set, liquid crystal display, LCD (operates in branch), radio-recorder, sound equipment, electronic watch, electronic game and computers, the printed wiring board, precision injection parts, light packaging material (operates in Wuhan) and hardware (including tool and mould) for various electronic products and supporting parts, plating and surface treatment and tin wire, development and operation of real estate (Shen Fang Di Zi No.: 7226760) and property management. Funded affiliated companies in Wuhan and Jilin. Setting up branches in capital of the province (Lhasa City excluded) in China and municipality directly under the central government.

3. Relevant party offering approval reporting of financial statements and date thereof

The financial statement has been deliberated and approved by BOD on August 20, 2022.

Main subsidiaries included in the consolidate scope of the statement found in Note VIII-Equity in other subjects

IV. Preparation basis of Financial Statements

1. Preparation basis

Base on the running continuously and actual transactions and events, in line with the Accounting Standards for Business Enterprise – Basic Standards and specific principle of accounting standards issued by the Ministry of Finance (hereinafter collectively referred to as Accounting Standards for Business Enterprise), the Company prepared and formulate the financial statement lies on the followed important accounting policy and estimation.

2. Going concern

The Company expects that the production and sales will be in a virtuous cycle within 12 months from the end of he reporting period, and there is no risk that affects the continued operations.

V. Important accounting policy and estimation

Notes on specific accounting policies and accounting estimation:

The following disclosure has covered the specific accounting policies and accounting estimates formulated by the Company according to the actual production and operation characteristics.

1. Declaration of obedience to Accounting Standards for Business Enterprise

The Financial Statements of the Company are up to requirements of *Accounting Standards for Business Enterprise* and also a true and thorough reflection to the relevant information as the Company's financial position dated 30th June 2022 and the operation results as well as cash flow from January to June of 2022.

2. Accounting period

The Company's accounting year is Gregorian calendar year, namely from 1st January to 31st December of every year.

3. Business cycle

The Company's business cycle is one year (12 months) as a normal cycle, and the business cycle is the determining criterion for the liquidity of assets and liabilities of the Company.

4. Bookkeeping standard currency

The Renminbi (RMB) is taken as the book-keeping standard currency.

5. Accounting methods for consolidation of enterprises under the same control or otherwise

5.1 Consolidation of enterprises under the same control

Where the Company for long term equity investment arising from business combination under common control satisfies the combination consideration by payment of cash, transfer of non-cash assets or assumption of debt, the carrying value of the net assets of the acquire in combined financial statement of the ultimate controller shared by the Company as at the combination date shall be deemed as the initial investment cost of such long term equity investment. If the equity instrument issued by combining party are consider as the combination consideration, than the total value of the issuing shares are consider as the share capital. The difference between the initial cost of long-term equity investment and book value of consideration (or total face value of the shares issued) paid, capital surplus adjusted; if the capital surplus not enough to written down, than retained earning adjusted.

5.2 Business combination not under common control

As for business combination not under common control, combination costs refer to the sum of the fair value of the assets paid, liabilities occurred or assumed as well as equity securities issued by the acquirer to obtain control over the acquire as at the acquisition date. As for acquiree that obtained by consolidation not under the same control, the qualified confirmation of identified assets, liability and contingency liabilities should calculated by fair value on day of purchased. If the consolidation cost larger than the fair value amount of identified net assets from acquiree's, the differences should be recognized as goodwill. If the consolidation cost less than the fair value amount of identified net assets from acquiree's, the differences should reckoned into current non-operating income.

6. Preparation methods for consolidated financial statements

6.1 Consolidation financial statement range

The Company includes all the subsidiaries (including the separate entities controlled by the Company) into consolidated financial statement, including companies controlled by the Company, non-integral part of the investees and structural main body.

6.2 Centralize accounting policies, balance sheet dates and accounting periods of parent and subsidiaries.

As for the inconsistency between the subsidiaries and the Company in the accounting policies and periods, the necessary adjustment is made on the subsidiaries' financial statements in the preparation of the consolidated financial statements according to the Company's accounting policies and periods.

6.3 Offset of consolidated financial statement

The consolidated financial statements shall be prepared on the basis of the balance sheet of the parent company and subsidiaries, which offset the internal transactions incurred between the parent company and subsidiaries and within subsidiaries. The owner's equity of the subsidiaries not attributable to the parent company shall be presented as minority equity under the owner's equity item in the consolidated balance sheet. The long term equity investment of the parent company held by the subsidiaries, deemed as treasury stock of the corporate group as well as the reduction of owners' equity, shall be presented as "Less: treasury stock" under the owners' equity item in the consolidated balance sheet.

6.4 Accounting for acquisition of subsidiary through combination

For subsidiaries acquired under enterprise merger involving enterprises under common control, the assets, liabilities, operating results and cash flows of the subsidiaries are included in the consolidated financial statements from the beginning of the financial year in which the combination took place. When preparing the consolidated financial statements, for the subsidiaries acquired from business combination not involving entities under common control, the identifiable net assets of the subsidiaries are adjusted on the basis of their fair values on the date of acquisition.

6.5 Accounting treatment of disposal subsidiaries

In the case of partial disposal of long-term equity investments in subsidiaries without loss of control, in the consolidated financial statements, the difference between the disposal price and the net asset share corresponding to the disposal of long-term equity investments and enjoying the subsidiaries' continued calculation from the purchase date or the merger date is used to adjust the capital reserve (capital premium or equity premium). If the capital reserve is insufficient to offset, the retained earnings are adjusted.

7. Determination criteria of cash and cash equivalent

The cash recognized in the preparation of the cash flow statements, is the Company's storage cash and deposits available for payment anytime. The cash equivalents recognized in the preparation of the cash flow statements refers to the investment held by the Company with characteristic of short-term, strong mobility, easy transfer to known sum cash and has slim risk from value changes.

8. Foreign currency exchange and the conversion of foreign currency statements

8.1 Foreign currency exchange

The approximate exchange rate of the spot exchange rate on transaction occurred should be used for standard money conversion while foreign currency exchange occurred On the balance sheet day, the monetary items are

converted on the current rate on the balance sheet day, concerning the exchange differences between the spot exchange rate on that date and initial confirmation or the sport exchange rate on previously balance sheet date, should reckoned in to current gains/losses except the capitalizing on exchange differences for foreign specific loans, which was reckoned into cost for capitalizing. The non-monetary items measured on the historic cost are still measured by the original bookkeeping rate with the sum of the bookkeeping standard currency unchanged. Items of non-monetary foreign currency which was calculated by fair value, should converted by spot exchange rate on the confirmation day of fair value, difference between the converted amount of bookkeeping currency and original amount of bookkeeping currency, was treated as changes of fair value (including exchange rate changed) reckoned into current gains/losses or recognized as other consolidated income.

8.2 Conversion of foreign currency financial statements

Upon the conversion of the foreign currency financial statements of the controlling subsidiaries, joint enterprises, and the affiliated enterprises on the bookkeeping standard currency different from the Company's, the accounting check and preparation of the consolidated financial statements are made. Assets and liabilities items in the balance sheet are converted on the current rate on the balance sheet day; owners' equity items besides the "retained profit" item, the other items are converted on the actual rate. Items of revenue and expenses in profit statement, should converted by the approximate exchange rate of spot exchange rate on occurring date. The conversion difference of the foreign currency financial statements is listed specifically in the owners' equity in the balance sheet. If the foreign cash flow determined by rational system method, the approximate exchange rate of spot exchange rate on occurring date should prevail. The cash influenced by the rate fluctuation is listed specifically in the cash flow statement. As for the foreign operation, the conversion difference of the foreign currency statement related to the foreign operation is transferred in proportion into the disposal of the current loss/gain.

9. Financial instrument

9.1 Category and recognition of financial instrument

Financial instrument is the contract that taken shape of the financial asses for an enterprise and of the financial liability or equity instrument for other units.

(1) Financial assets

The Company classifies financial assets that meet the following conditions as financial assets measured at amortized cost: ① The Company's business model for managing financial assets is to collect contractual cash flows as its goal; ② The contractual terms of the financial assets 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 investment in non-trading equity instruments, the Company may irrevocably designate it as a financial asset measured at fair value and its changes included in other comprehensive income at initial recognition. The

designation is made on the basis of a single investment, and the relevant investment meets the definition of equity instruments from the perspective of the issuer.

Except for financial assets classified as financial assets measured at amortized cost and financial assets measured at fair value and whose changes are included in other comprehensive income, the Company classifies the financial assets as financial assets measured at fair value and whose changes are included in current profit or loss. At the initial recognition, if the accounting mismatch can be eliminated or reduced, the Company can irrevocably designate the financial asset as a financial asset measured at fair value and its changes are included in the current profit and loss.

(2) Financial liabilities

Financial liabilities are classified as financial liabilities measured at fair value and whose changes are included in the current profit or loss, financial liabilities formed by the transfer of financial assets that does not meet the conditions for derecognition or continues to be involved in the transferred financial assets, and financial liabilities measured at amortized cost at initial recognition. All financial liabilities are not reclassified.

9.2 Measurement of financial instruments

The initial recognition of the Company's financial instruments is measured at fair value. For financial assets and financial liabilities measured at fair value and whose changes are included in the current profit and loss, the related transaction costs are directly included in the current profit and loss; for other types of financial assets or financial liabilities, the related transaction costs are included in the initial recognition amount. For the accounts receivable or bills receivable arising from the sale of products or the provision of labor services, not containing or not considering significant financing components, the Company shall use the amount of consideration expected to be received as the initial recognition amount. The subsequent measurement of financial instruments depends on their classification.

(1) Financial assets

① Financial assets measured at amortized cost. After initial recognition, such financial assets are measured at amortized cost by using the effective interest method. Gains or losses arising from financial assets that are measured at amortized cost and do not belong to any hedging relationship are included in the current profit or loss when they are derecognized, reclassified, amortized in accordance with the effective interest rate method, or recognized for impairment.

② Financial assets measured at fair value and whose changes are included in the current profit and loss. After initial recognition, for such financial assets (except for a part of financial assets that belong to the hedging relationship), the fair value is used for subsequent measurement, and the resulting gains or losses (including interest and dividend income) are included in the current profit and loss.

③ Investment in debt instruments measured at fair value and whose changes are included in other comprehensive income. After initial recognition, the subsequent measurement of such financial assets is conducted at fair value. Interest, impairment losses or gains calculated by using the effective interest rate method and the exchange gains and losses are included in the current profit and loss, and other gains or losses are included in other comprehensive income. In derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in the current profit and loss.

(2) Financial liabilities

① Financial liabilities measured at fair value and whose changes are included in the current profit and loss. Such financial liabilities include trading financial liabilities (including derivatives that belong to financial liabilities) and financial liabilities designated to be measured at fair value and whose changes are included in the current profit and loss. After initial recognition, the subsequent measurement of such financial liabilities is at fair value, except for those related to hedge accounting, gains or losses (including interest expenses) resulting from changes in the fair value of trading financial liabilities are included in the current profit and loss. If a financial liability designated to be measured at fair value and whose changes are included in the current profit or loss, the amount of change in the fair value of the financial liability caused by changes in the enterprise's own credit risk is included in other comprehensive income, other changes in fair value are included in the current profit and loss. If the impact of changes in the financial liability's own credit risk included in other comprehensive income causes or expands the accounting mismatch in profit or loss, the Company will include all gains or losses on the financial liability in the current profit and loss.

② Financial liabilities measured at amortized cost. After initial recognition, such financial liabilities are measured at amortized cost by using the effective interest method.

9.3 The Company's methods for confirming the fair value of financial instruments

If the financial instrument has an active market, the fair value is determined by the quoted price in the active market; if the financial instrument doesn't have an active market, the fair value is determined by adopting the valuation technique. Valuation techniques mainly include market approach, income approach and cost approach. In limited circumstances, if the recent information used to determine fair value is insufficient, or the range of possible estimated amounts of fair value is widely distributed, and the cost represents the best estimate of fair value within this range, the cost may represent the appropriate estimates of fair value within this distribution range. The Company uses all information on the performance and operation of the investee gettable after the initial recognition date to determine whether the cost represents the fair value or not.

9.4 Confirmation basis and measurement method for the transfer of liabilities of financial assets

(1) Financial assets

If the Company's financial asset meets one of the following conditions, it shall be terminated for confirmation: ①

The contract right to receive the cash flow of the financial asset is terminated; ② The financial asset has been transferred, and the Company has transferred almost all risks and rewards of ownership of the financial asset; ③ The financial asset has been transferred, although the Company has neither transferred nor retained almost all the remuneration in the ownership of the financial asset, it has not retained control of the financial asset.

If the transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts shall be included in the current profit and loss: ① The book value of the transferred financial assets on the date of derecognition; ② The sum of the consideration received for the transfer of financial assets and the amount corresponding to the derecognized part of the cumulative amount of changes in fair value that was directly included in other comprehensive income (the financial assets involved in the transfer are classified as financial assets measured at fair value and their changes are included in other comprehensive income).

(2) Financial liability

If the current obligation of the financial liability (or part of it) has been discharged, the Company derecognizes the financial liability (or part of the financial liability).

If the financial liability (or part of it) is derecognized, the Company shall include the difference between its book value and the consideration paid (including non-cash assets transferred out or liabilities assumed) into the current profit and loss.

10. Note receivable

10.1 How to determine expected credit losses

Based on expected credit losses, the Company makes impairment accounting treatment and confirm loss provisions for financial assets (including receivables) measured at amortized cost and financial assets (including receivables financing) that are measured at fair value and whose changes are included in other comprehensive income, and lease receivables.

The Company assesses on each balance sheet date whether the credit risk of relevant financial instruments has increased significantly since initial recognition, and divides the process of credit impairment of financial instruments into three stages, and adopts different accounting treatment methods for financial instruments impairment at different stages: (1) In the first stage, if the credit risk of a financial instrument has not increased significantly since its initial recognition, the Company shall measure the loss provisions according to the expected credit losses of the financial instrument in the next 12 months, and calculate the interest income according to its book balance (i.e. without deducting impairment) and actual interest rate; (2) In the second stage, if the credit risk of a financial instrument has increased significantly since the initial recognition but no credit impairment has

occurred, the Company shall measure the loss provisions according to the expected credit losses of the financial instrument during the entire duration, and calculate the interest income according to its book balance and actual interest rate; (3) In the third stage, if the credit impairment occurs after initial recognition, the Company shall measure loss provisions based on the expected credit losses of the financial instrument for the entire duration, and calculate the interest income according to its book balance and actual interest rate.

(1) Methods of measuring loss provisions for financial instruments with lower credit risk

For financial instruments with lower credit risk on the balance sheet date, the Company can directly make the assumption that the credit risk of the instrument has not increased significantly since the initial recognition without comparing with the credit risk at the initial recognition.

If the default risk of financial instruments is low, the debtor's ability to fulfill its contractual cash flow obligations is strong in the short term, and even if there are adverse changes in the economic situation and operating environment over a long period of time, it may not necessarily reduce the borrower's ability to fulfill the contractual cash flow obligations, the financial instrument shall be considered to have lower credit risk.

(2) Methods of measuring loss provisions for accounts receivable and lease receivables

① Receivables that do not contain significant financing components. For the receivables formed by transactions regulated by "Accounting Standards for Business Enterprises No.14-Revenue" and without containing significant financing components, the Company adopts a simplified method, that is, it always calculates the loss provisions based on the expected credit losses for the entire duration.

Based on the nature of financial instruments, the Company assesses whether credit risk has increased significantly on the basis of individual financial assets or financial assets portfolios. The Company divides the notes receivable and accounts receivable into several portfolios based on the characteristics of credit risk, and calculates the expected credit losses on the basis of the portfolios, the basis for determining the portfolios is as follows:

Accounts receivable portfolio 1: A portfolio that uses the aging of accounts receivables as credit risk characteristics,

Accounts receivable portfolio 2: Combination of related parties included in the scope of consolidated statements

Notes receivable portfolio 1: Same as the division of accounts receivable portfolio

Notes receivable portfolio 2: Management evaluates that this type of fund is bank acceptance portfolio with lower credit risk

For the accounts receivable and notes receivable being divided into portfolio 1, the Company refers to the historical credit loss experience, combines with the current conditions and the prediction of future economic situation, and prepares a comparison table of the aging of accounts receivable and the expected credit loss rate of the entire duration, and calculates the expected credit losses.

For accounts receivable and notes receivable being divided into portfolio 2, the Company refers to historical credit loss experience, combines with the current conditions and the predictions of future economic conditions, and calculates the expected credit losses of 0% through default risk exposure and expected credit loss rate for the entire duration.

②Accounts receivables and leases receivables that contain significant financing components. For accounts receivables that contain significant financing components and leases receivables regulated by “Accounting Standards for Business Enterprises No. 21-Leases”, the Company measures loss provisions in accordance with the general method, that is, the “third stage” model.

(3) Methods of measuring loss reserves for other financial assets

For financial assets other than the above, such as debt investment, other debt investment, other receivables, long-term receivables other than lease receivables, etc., the Company uses the general method, that is, the three-stage model to measure loss reserves.

When measuring the credit impairment of financial instruments, the Company considers the following factors in assessing whether the credit risk has increased significantly:

The Company divides other receivables into a number of portfolios based on the nature of the money, and calculates the expected credit loss on the basis of the portfolio. The basis for determining the portfolio is as follows:

Other receivables portfolio 1: A portfolio of unrelated parties with provision for impairment in accordance with the expected loss rate

Other receivables portfolio 2: A portfolio of related parties included in the scope of the consolidated statement

For other receivables classified into portfolio 1, the Company refers to historical credit loss experience, combines with current conditions and forecasts of future economic conditions, compiles a comparison table of accounts receivable aging and expected credit loss rate of the entire duration, and calculates the expected credit loss.

For other receivables classified into portfolio 2, the Company refers to historical credit loss experience, combines with current conditions and forecasts of future economic conditions, and calculates an expected credit loss of 0% through the default risk exposure and the expected credit loss rate of the entire duration .

(4)Accrual method of bad debt provision for those accrual by account age as the portfolio

Account age	Expected credit loss rate of receivable (%)	Expected credit loss rate of other receivable (%)
Within one year (one year included)	0	0

1-2 years 5 5
2-3 years 10 10
Over 3 years 30 30

10.2 Accounting treatment methods of expected credit losses

In order to reflect the changes in the credit risk of financial instruments since initial recognition, the Company remeasures the expected credit losses on each balance sheet date, and the resulting increase or reversal of the loss provisions should be counted as an impairment loss or gain and included in the current profit and loss, and based on the type of financial instrument, offsets the book value of the financial asset listed in the balance sheet or includes in the estimated liability (loan commitment or financial guarantee contract) or includes in other comprehensive income (debt investments measured at fair value and whose changes are included in other comprehensive income).

11. Account receivable

Same as 10. Note receivable

12.Receivable financing

Same as 10. Note receivable

13. Other account receivable

Determination and accounting treatment on the expected credit losses of other account receivable

Same as 10. Note receivable

14. Inventory

14.1 Categories of inventory

The inventory is goods or manufactured products held for sale, products in process, and materials and matters utilized in the production or supply of labor. Mainly including raw material, revolving materials (wrappage and low-value consumption goods etc.), outside processing materials, goods in process, semi-finished goods, stocks and so on.

14.2 Accounting method for inventory delivery

When inventories are issued, the actual cost is determined by weighted average method.

14.3 Accrual method inventory falling price reserves

On the balance sheet day, the inventory is measured on the lower one between the cost and the net realizable value, and the provision for the falling price reserves is accrued on each inventory item; however, as for the inventory of large quantity and low price, the provision is accrued on the inventory category.

14.4 Inventory system

Inventory system of the Company is perpetual inventory system

14.5 Amortization method for the low-value consumables and wrap page

Low-value consumables and packages are amortized by one-point method

15. Contract assets

The Company lists the right to receive consideration (and this right depends on factors other than the passage of time) that has transferred goods or services to the customer as a contract asset.

Impairment of contract assets is based on expected credit losses. For the determination method and accounting treatment method of the expected credit loss of the contract assets of the Company, please refer to (11) Notes Receivable.

16. Contract costs

The Company's contract cost includes the incremental cost for obtaining contracts and contract performance cost. The incremental cost incurred to obtain a contract (contract acquisition cost) is the cost that would not have been incurred if the contract had not been obtained. If the cost is expected to be recovered, the Company shall recognize it as an asset as the contract acquisition cost.

If the cost incurred by the Company for performing the contract does not fall within the scope of the inventory and other accounting standards and meets the following conditions at the same time, it shall be recognized as an asset as the contract performance cost:

1. The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing overhead (or similar expenses), cost clearly borne by the user, and other cost incurred solely as a result of the contract;
2. The cost increases the Company's future resources for fulfilling its performance obligations;

3. The cost is expected to be recovered.

The Company amortizes the asset (hereinafter referred to as the “asset related to the contract cost”) recognized by the contract acquisition cost and the contract performance cost on the same basis as the revenue from the commodity related to the asset, and includes it in the current profit and loss. If the amortization period of the asset formed by the incremental cost for obtaining the contract does not exceed one year, it shall be included in the current profit and loss when it occurs.

When the book value of the asset related to the contract cost is higher than the difference between the following two items, the Company shall make provision for impairment of the excess and recognize it as an asset impairment loss:

1. The remaining consideration expected to be obtained due to the transfer of commodity related to the asset;
2. The estimated cost to be incurred for the transfer of the relevant commodity.

17. Long-term equity investment

17.1 Recognition of initial investment cost

For a long-term equity investment obtained by a business combination, if it is a business combination under the same control, take the share of the combine party obtained in the book value of the net assets in the consolidated financial statements of the ultimate controlling party on the combination date as the initial investment cost; in the case of the consolidation of enterprises not under the same control, recognized as the initial cost is the recognized consolidation cost on the purchase day. As for the long term equity investment obtained by cash payment, the initial investment cost is the actual purchase payment. As for the long term equity investment obtained by the equity securities offering, the initial investment cost is the fair value of the equity securities. As for the long-term equity investment obtained by debt reorganization, initial investment cost of such investment should determine by relevant regulation of the “Accounting Standards for Business Enterprise No.12- Debt Reorganization”; as for the long term equity investment obtained by the exchange of the non-monetary assets, the initial investment cost is recognized on the relevant rules in the “Accounting Standards for Business Enterprise No. 7- Exchange of Non-Monetary Assets”

17.2 Subsequent measurement and profit or loss recognition

Where the company has a control over the investee, long-term equity investments are measured using cost method. Long-term equity investments in associates and joint ventures are measured using equity method. Where part of the equity investments of an investor in its associates are held indirectly through venture investment institutions, common fund, trust companies or other similar entities including investment linked insurance funds, such part of equity investments indirectly held by the investor shall be measured at fair value through profit or loss according to according to relevant requirements of Accounting Standards for Business Enterprises No.22—Recognition and measurement of Financial Instruments regardless whether the above entities have significant influence on such part of equity investments, while the remaining part shall be measured using equity method.

17.3 Basis of conclusion for common control and significant influence over the investee

Joint control over an investee refers to where the activities which have a significant influence on return on certain arrangement could be decided only by mutual consent of the investing parties sharing the control, which includes the sales and purchase of goods or services, management of financial assets, acquisition and disposal of assets, research and development activities and financing activities, etc.; Significant influence on the investee refers to that: significant influence over the investee exists when holding more than 20% but less than 50% of the shares with voting rights or even if the holding is below 20%, there is still significant influence if any of the following conditions is met: there is representative in the board of directors or similar governing body of the investee; participation in the investee's policy setting process; assign key management to the investee; the investee relies on the technology or technical information of the investing company; or major transactions with the investee.

18. Investment real estate

Measurement for investment real estate

Cost method

Depreciation or amortization method

The leased buildings in the Company's investment property adopts straight-line depreciation to calculate and distill depreciation, specific accounting policy are same as part of the fixed assets. The leased land use rights in the investment property and the land use rights to be transferred after appreciation adopt straight-line amortization, specific accounting policy are same as part of the intangible assets.

19. Fixed assets

(1) Recognition

Fixed assets refers to the tangible assets holding for purpose of producing goods, providing labor services, leasing or operation management, which has one accounting fiscal year of using life. Meanwhile as up to the following conditions, they are recognized: the economic interest related to the fixed assets probably flow into the Company; the cost of the fixed assets can be measured reliably.

(2) Depreciation method

Category	Depreciation method	Depreciation life (year)	Salvage rate	Annual depreciation rate
House building	Straight-line depreciation	20-50	10	1.80-4.50
Machinery equipment	Straight-line depreciation	10	10	9
Mold equipment	Straight-line	3	10	30

	depreciation			
Transportation equipment	Straight-line depreciation	5	10	18
Instrument equipment	Straight-line depreciation	5	10	18
Tool equipment	Straight-line depreciation	5	10	18
Office equipment	Straight-line depreciation	5	10	18

The fixed assets under financing lease are the lease that has substantially transferred all the risks and rewards associated with asset ownership. The initial valuation of the fixed assets under financing lease is to take the lower one between the fair value of the leased assets and the present value of the minimum lease payments on the start date of the lease period as the entry value; the subsequent valuation of the fixed assets under financing lease adopts the depreciation policy consistent with the own fixed assets to make depreciation and impairment provision.

(3) Recognition basis, valuation and depreciation method for fixed assets under financing lease

The fixed assets under financing lease are the lease that has substantially transferred all the risks and rewards associated with asset ownership. The initial valuation of the fixed assets under financing lease is to take the lower one between the fair value of the leased assets and the present value of the minimum lease payments on the start date of the lease period as the entry value; the subsequent valuation of the fixed assets under financing lease adopts the depreciation policy consistent with the own fixed assets to make depreciation and impairment provision.

20. Construction in process

21. Borrowing expenses

21.1 Recognition principle on capitalization of borrowing expenses

As for the Company's actual borrowing expenses directly attributable to the assets construction or production, it is capitalized and reckoned into the relevant assets cost; as for other borrowing expenses, it is recognized on the actual sum and reckoned into the current loss/gain. The assets up to the capitalization are assets as the capital assets, investment real estate, and inventory reaching the expectant availability or sale ability.

21.2 Calculation of the capitalization

Capitalization term: the period from the time starts to capitalization to the time the capitalization ends. The period of capitalization suspended is not included. The capitalization of borrowing expenses should be suspended while the abnormal interrupt, which surpass three months continuously, in the middle of acquisition or construction or production.

As for the borrowing of the specific borrowing, the capitalization sum is recognized on the current actual

interest expenses less the interest income of the borrowing capital not utilized but deposited in the bank or the return of the temporary investment; As for the appropriation of the general borrowing, the capitalization sum is recognized on the weighted average of, the accumulative assets expenditure above the specific borrowing, and times the capitalization rate of the appropriation; As for the discount or premium of the borrowing, the discount or premium to be diluted in every accounting period is recognized in the actual rate method.

The effective interest method is the method for the measurement of the diluted discount or premium or interest expenses on the actual interest rate; and the actual interest rate is the interest rate used in the discount of the future cash flow in the expectant duration period as the current book value of the borrowing.

22. Right-of-use assets

For right-of-use assets, if the lessee can reasonably determine that the ownership of the leased asset can be obtained when the lease term expires, it shall accrue depreciation over the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining useful life of the leased asset. At the same time, the lessee needs to determine whether the right-of-use asset is impaired, and conducts accounting treatment for the recognized impairment loss.

23. Intangible assets

(1) Accounting method, service life and impairment test

1. Recognition principle on capitalization of borrowing expenses

As for the Company's actual borrowing expenses directly attributable to the assets construction or production, it is capitalized and reckoned into the relevant assets cost; as for other borrowing expenses, it is recognized on the actual sum and reckoned into the current loss/gain. The assets up to the capitalization are assets as the capital assets, investment real estate, and inventory reaching the expectant availability or sale ability.

2. Calculation of the capitalization

Capitalization term: the period from the time starts to capitalization to the time the capitalization ends. The period of capitalization suspended is not included. The capitalization of borrowing expenses should be suspended while the abnormal interrupt, which surpass three months continuously, in the middle of acquisition or construction or production.

As for the borrowing of the specific borrowing, the capitalization sum is recognized on the current actual interest expenses less the interest income of the borrowing capital not utilized but deposited in the bank or the return of the temporary investment; As for the appropriation of the general borrowing, the capitalization sum is recognized on the weighted average of, the accumulative assets expenditure above the specific borrowing, and

times the capitalization rate of the appropriation; As for the discount or premium of the borrowing, the discount or premium to be diluted in every accounting period is recognized in the actual rate method.

The effective interest method is the method for the measurement of the diluted discount or premium or interest expenses on the actual interest rate; and the actual interest rate is the interest rate used in the discount of the future cash flow in the expectant duration period as the current book value of the borrowing.

(2) Accounting policies for internal research and development expenditure

Specific criteria for the research phase and development phase of internal R&D projects, and specific criteria for development phase expenditures to qualify for capitalization

Expenditures for internal research and development projects at the research phase shall be included in the current profit or loss when incurred; expenditures incurred at the development phase and recognized as intangible assets shall be transferred to intangible assets accounting.

24. Long-term assets impairment

Long-term equity investments, investment properties measured at cost and long-term assets such as fixed assets, construction in progress, productive biological assets at cost method, oil and gas assets, intangible assets and goodwill are tested for impairment if there is any indication that an asset may be impaired at the balance date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill arising from a business combination is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each

asset.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

25. Long-term deferred expenses

The Company's long-term deferred expenditure are expenses paid out and with one year above (one-year excluded) benefit period. The long-term deferred expenses are diluted by periods according to the benefit period. As the long-term deferred expenses cannot enable the accounting period's beneficiary, all dilution values of the project undiluted yet, are transferred into the current loss/gain.

26. Contract liability

The company presents the obligation to transfer goods or provide services to customers for consideration received or receivable as a contract liability.

27. Employees remuneration

(1) Accounting for short-term benefits

In the period of employee services, short-term benefits are actually recognized as liabilities and charged to profit or loss, or if otherwise required or allowed by other accounting standards, to the related costs of assets for the current period. At the time of actual occurrence, The Company's employee benefits are recorded into the profits and losses of the current year or assets associated costs according to the actual amount. The non-monetary employee benefits are measured at fair value. Regarding to the medical and health insurance, industrial injury insurance, maternity insurance and other social insurances, housing fund and labor union expenditure and personnel education that the Company paid for employees, the Company should recognize corresponding employees benefits payable according to the appropriation basis and proportion as stipulated by relevant requirements and recognize the corresponding liabilities and include these expenses in the profits or losses of the current period or recognized as respective assets costs.

(2) Accounting for post-employment benefits

During the accounting period in which an employee provides service, the amount payable calculated under defined contribution scheme shall be recognized as a liability and recorded in profit and loss of the current period or in assets. In respect of the defined benefit scheme, the Company shall use the projected unit credit method and attribute the welfare obligations calculated using the formula stipulated by the defined benefit scheme to the service period of the employee, and record the obligation in the current profit and loss or related assets cost.

(3) Accounting for termination benefits

The Company recognizes a liability and expenses in the current profit or loss for termination benefits at the earlier of the following dates: when the Company can no longer withdraw the offer of those benefits; and when the Company recognizes costs for restructuring involving the payment of termination costs.

(4) Accounting for other long-term employee benefits

The Company provides other long-term employee benefits to its employees. For those falling within the scope of defined contribution scheme, the Company shall account for them according to relevant requirements of the defined contribution scheme. In addition, the Company recognizes and measures the net liabilities or net assets of the other long-term employee benefits according to relevant requirements of the defined contribution scheme.

28. Lease liability

For the lease liabilities, the lessee shall calculate the interest expenses on the lease liability for each period of the lease term and reckon into current gain/loss.

29. Accrual liability

The obligation related to contingencies is the current obligation assumed by the company, and performing this obligation may result in an outflow of economic benefits, and this obligation can be determined as the estimated liabilities when the amount can be reliably measured. The Company makes initial measurement in accordance with the best estimate for performing the related current obligation, if the expenditure as needed has a continuous range, and the likelihood of occurrence of various results in this range is the same, the best estimate is determined by the median value within the range; if a number of items are involved, the best estimate is determined by the calculation of various possible outcomes and related probabilities.

At the balance sheet date, the book value of estimated liabilities should be rechecked, if there is conclusive evidence indicates that this book value cannot truly reflect the current best estimate, and then the book value should be adjusted in accordance with the current best estimate.

30. Revenue (income)

Accounting policy for recognition and measurement of revenue(income)

Different business models of similar business resulted in different accounting policies for revenue recognition

31. Government subsidy

31.1 Category of government subsidy and accounting treatment

Governments subsidy of the Company refer to the monetary and non-monetary assets obtained from government for free (excluding the capital invested by government as an owner). If the government grants are monetary assets, it shall be measured according to the amount received or receivable. If the government grants are non-monetary assets, it shall be measured at fair value; if the fair value cannot be obtained reliably, it shall be measured at the nominal amount.

Government grants related to daily activities are included in other income in accordance with the economic business. Government grants not related to daily activities are included in the non-operating income and expenditure.

Government grants that the government documents clearly stipulate to be used for the purchase and establishment or forming long-term assets in other way are recognized as government grants related to assets. For the government grants that the government documents do not clearly specify the subsidy target and can form long-term assets, the part corresponding to the asset value is recognized as the government grants related to the assets, and the rest is recognized as the government grants related to the income. For the government grants which are difficult to be distinguished, recognize the whole as the government grants related to the income. Government grants related to assets are recognized as deferred income. The amount recognized as deferred income is included in the current profit and loss in a reasonable and systematic manner within the useful life of the relevant asset.

Government grants other than government grants related to assets are recognized as government grants related to income. If the government grants related to the income are used to compensate the related expenses or losses of the enterprise in the future period, recognize them as deferred income and include them in the current profit and loss during the period of recognizing the related expenses. The government grants used to compensate the relevant expenses or losses incurred by the enterprise are directly included in the current profit and loss.

The Company obtained the policy preferential loan interest subsidy, and the finance allocated the interest subsidy funds to the loan bank, and the loan bank provides loans to the Company at a preferential interest rate, take the actual amount of the loan received as the entry value of the loan, and calculate the relevant borrowing costs according to the loan principal the policy preferential interest rate. If the finance directly appropriates the interest subsidy funds to the Company, the Company will offset the relevant borrowing costs with the corresponding interest subsidy.

31.2 Time points to recognize the government grants

Government grants are recognized when they meet the conditions attached to government grants and can be received. Government grants measured in accordance with the amount receivable are recognized when there is conclusive evidence at the end of the period that it meets the relevant conditions stipulated in the financial support

policy and is expected to receive financial support funds. Other government grants other than government grants measured in accordance with the receivable amount are recognized when the grant is actually received.

32. Deferred income tax asset / deferred income tax liability

32.1 Where there is difference between the carrying amount of the assets or liabilities and its tax base, (as for an item that has not been recognized as an asset or liability, if its tax base can be determined in light of the tax law, the tax base shall recognized as the difference) the deferred income tax and deferred income tax liabilities shall be determined according to the applicable tax rate in period of assets expected to recover or liability expected to pay off.

32.2 The deferred income tax assets shall be 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. On balance sheet date, if there have concrete evidence of obtaining, in future period, enough taxable amounts to deduct the deductible temporary difference, the un-confirmed deferred income tax assets in previous accounting period shall be recognized. If there has no enough taxable amounts, obtained in future period, to deducted the deferred income tax assets, book value of the deferred income tax assets shall be kept in decreased.

32.3 The taxable temporary differences related to the investments of subsidiary companies and associated enterprises shall recognized as deferred income tax liability, unless the Company can control the time of the reverse of temporary differences and the temporary differences are unlikely to be reversed in the expected future. As for the deductible temporary difference related to the investment of the subsidiary companies and associated enterprises, deferred income tax assets shall be recognized while the temporary differences are likely to be reversed in the expected future and it is likely to acquire any amount of taxable income tax that may be used for making up the deductible temporary differences.

33. Leasing

(1) Accounting treatment for operating lease

Operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period.

(2) Accounting treatment for finance lease

Accounting treatment for finance lease: At the commencement of the lease term, the Group records the leased

asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge, using the effective interest method amortization during the lease term. Minimum lease payments deducting unrecognized financing charges are listed as long-term payable.

34. Changes in important accounting policies and estimates

(1) Changes in important accounting policies

Applicable Not applicable

(2) Changes in important accounting estimates

Applicable Not applicable

VI. Taxes

1. Major tax and tax rate

Taxes	Taxation basis	Tax rate
VAT	Domestic sales revenue	13%, 9%, 6%, 5%, 3%
Consumption tax	Turnover tax payable	7%
Corporate income tax	Taxable income	15%, 25%
Educational surtax	Turnover tax payable	3%
Local educational surtax	Turnover tax payable	2%
Property tax	70% of original value of the property	1.2%

Explain the different taxation entity of the enterprise income tax

Taxation entity	Income tax rate
Wuhan Hengfa Technology Co., Ltd.	15%

2. Tax preferences

According to the “Measures for the Determination of High-tech Enterprises”, and through the enterprise application, expert review, and public announcement and other procedures, the Company’s wholly-owned subsidiary, Wuhan Hengfa Technology Co., Ltd., has been identified as a high-tech enterprise, and obtained the “High-tech Enterprise Certificate” jointly issued by the Science and Technology Department of Hubei Province, Hubei Provincial Finance Department, Hubei Provincial Office, SAT, and Local Taxation Bureau of Hubei Province on December 1, 2020, the certificate number is GR202042003237, which is valid for 3 years. The applicable corporate income tax rate of the subsidiary Wuhan Hengfa Technology Co., Ltd. for 2022 was 15%.

VII. Notes to main items in consolidated financial statement

1. Monetary fund

Unit: RMB/CNY

Item	Ending balance	Opening balance
Cash on hand	460.00	220,467.15
Bank deposit	60,773,767.30	32,674,664.03
Other monetary fund	14,890,386.86	1,530,911.93
Total	75,664,614.16	34,426,043.11
The total amount of money that has restrictions on use due to mortgage, pledge or freezing	92,568.28	92,568.28

Other explanation

Amount of the restricted monetary funds at end of the period was 14,982,955.14 yuan, including bank deposits of 92,568.28 yuan, which were restricted due to the freezing of litigation; other monetary fund was 14,890,386.86 yuan, which were restricted due to the note deposit. Other than that, the Company has no other amounts that are subject to restriction on use and potential recovery risks due to mortgages, pledges or freezes.

2. Trading financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Including:		
Including:		

Other note:

3. Derivative financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

4. Note receivable

(1) Category

Unit: RMB/CNY

Item	Ending balance	Opening balance
Bank acceptance bill	2,298,990.09	62,186,577.09
Commercial acceptance bill	58,528,302.45	43,735,740.51
Total	60,827,292.54	105,922,317.60

Unit: RMB/CNY

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Including:	62,827,292.54	100.00%	0.00	0.00%	62,827,292.54	105,922,317.60	100.00%	0.00	0.00%	105,922,317.60

						0				0
Note receivable with bad debt provision accrual by combination										
Including:	2,298,990.09	3.66%	0.00	0.00%	2,298,990.09	62,186,577.09	58.71%	0.00	0.00%	62,186,577.09
Bank acceptance bill	60,528,302.45	96.34%	0.00	0.00%	60,528,302.45	43,735,740.51	41.29%	0.00	0.00%	43,735,740.51
Commercial acceptance bill	62,827,292.54	100.00%	0.00	0.00%	62,827,292.54	105,922,317.60	100.00%	0.00	0.00%	105,922,317.60
Total	62,827,292.54	100.00%	0.00	0.00%	62,827,292.54	105,922,317.60	100.00%	0.00	0.00%	105,922,317.60

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

Applicable Not applicable

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

Bad debt provision accrual in the period:

Unit: RMB/CNY

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	

Including major amount bad debt provision that collected or reversal in the period:

Applicable Not applicable

(3) Notes receivable that the company has pledged at the end of the period

Unit: RMB/CNY

Item	Amount pledge at period-end
Commercial acceptance bill	7,715,431.89
Total	7,715,431.89

(4) Notes endorsement or discount and undue on balance sheet date

Unit: RMB/CNY

Item	Amount derecognition at period-end	Amount not derecognition at period-end
Commercial acceptance bill		37,185,847.90
Total		37,185,847.90

5. Account receivable

(1) Category

Unit: RMB/CNY

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proport	Amount	Accrual		Amount	Proport	Amount	Accrual	

	t	ion	t	l ratio		t	ion	t	ratio	
Account receivable with bad debt provision accrual on a single basis	13,146,290.18	9.94%	13,146,290.18	100.00%		13,146,290.18	9.27%	13,146,290.18	100.00%	
Including:										
Account receivable with bad debt provision accrual by combination	133,911,789.32	91.06%	39,021.77	0.03%	133,872,767.55	128,714,349.74	90.73%	39,021.77	0.03%	128,675,327.97
Including:										
Combination 1: Take account ages of receivables as a combination of credit risk characteristics	133,911,789.32	91.06%	39,021.77	0.03%	133,872,767.55	128,714,349.74	90.73%	39,021.77	0.03%	128,675,327.97
Total	147,058,079.50	100.00%	13,185,311.95	8.97%	133,872,767.55	141,860,639.92	100.00%	13,185,311.95	9.29%	128,675,327.97

Accrual of bad debt provision on single basis: 13,146,290.18

Unit: RMB/CNY

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Shenzhen Portman Bowling Club Co., Ltd.	2,555,374.75	2,555,374.75	100.00%	Uncollectible
Hong Kong Haowei Industrial Co., Ltd.	1,870,887.18	1,870,887.18	100.00%	Uncollectible
TCL ACE ELECTRIC APPLIANCE (HUIZHOU) CO., LTD.	1,325,431.75	1,325,431.75	100.00%	Uncollectible
Qingdao Haier Parts Procurement Co., Ltd.	1,225,326.15	1,225,326.15	100.00%	Uncollectible
SKYWORTH Multimedia (Shenzhen) Co., Ltd.	579,343.89	579,343.89	100.00%	Uncollectible
Shenzhen Huixin Video Technology Co., Ltd.	381,168.96	381,168.96	100.00%	Uncollectible
Shenzhen Wandelai Digital Technology Co., Ltd.	351,813.70	351,813.70	100.00%	Uncollectible
Shenzhen Dalong Electronic Co., Ltd.	344,700.00	344,700.00	100.00%	Uncollectible
Shenzhen Keya Electronic Co., Ltd.	332,337.76	332,337.76	100.00%	Uncollectible
Shenzhen Qunping Electronic Co., Ltd.	304,542.95	304,542.95	100.00%	Uncollectible
China Galaxy Electronics (Hong Kong) Co., Ltd.	288,261.17	288,261.17	100.00%	Uncollectible
Dongguan Weite Electronic Co., Ltd.	274,399.80	274,399.80	100.00%	Uncollectible
Chuangjing	247,811.87	247,811.87	100.00%	Uncollectible
Hong Kong New Century Electronics Co., Ltd.	207,409.40	207,409.40	100.00%	Uncollectible
Shenyang Beitai Electronic Co., Ltd.	203,304.02	203,304.02	100.00%	Uncollectible
Beijing Xinfang Weiye Technology Co., Ltd.	193,000.00	193,000.00	100.00%	Uncollectible
TCL Electronics	145,087.14	145,087.14	100.00%	Uncollectible

(Hong Kong) Co., Ltd.				
Huizhou TCL Xinte Electronics Co., Ltd.	142,707.14	142,707.14	100.00%	Uncollectible
Sky Worth – RGB Electronic Co., Ltd.	133,485.83	133,485.83	100.00%	Uncollectible
Other	2,039,896.72	2,039,896.72	100.00%	Uncollectible
Total	13,146,290.18	13,146,290.18		

Accrual of bad debt provision on portfolio: 39,021.77

Unit: RMB/CNY

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Within one year	133,167,210.49		0.00%
1-2 years	718,833.35	35,941.67	5.00%
2-3 years	23,217.71	2,321.77	10.00%
Over 3 years	2,527.77	758.33	30.00%
Total	133,911,789.32	39,021.77	

Explanation on portfolio basis:

Take account ages of receivables as a combination of credit risk characteristics

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

Applicable Not applicable

By account age

Unit: RMB/CNY

Account ages	Book balance
Within one year (one year included)	146,313,500.67
1-2 years	718,833.35
2-3 years	23,217.71
Over 3 years	2,527.77
3-4 years	2,527.77
Total	147,058,079.50

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

Bad debt provision accrual in the period:

Unit: RMB/CNY

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	
Accounts receivable with provision for bad debts based on individual assessments	13,146,290.18					13,146,290.18
Accounts receivable with provision for bad debts by combination	39,021.77					39,021.77
Total	13,185,311.95					13,185,311.95

Including major amount bad debt provision that collected or reversal in the period:

Unit: RMB/CNY

Company	Amount collected or reversal	Way of collection
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(3) Actual written-off accounts receivable in the current period

Unit: RMB/CNY

Item	Written-off amount
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Including the important accounts receivable written-off situation:

Unit: RMB/CNY

Name	Nature of accounts receivable	Written-off amount	Written-off reason	Written-off procedure performed	Whether the payment is generated by related party transactions
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Written-off description of accounts receivable:

(4) Top 5 account receivables collected by arrears party at ending balance

Unit: RMB/CNY

Company	Ending balance of account receivable	Proportion in total account receivables at period-end	Ending balance of bad debt provision
Qingdao Haidayuan Purchasing Service Co., Ltd.	31,949,615.40	23.87%	
Hefei Hangjia Display Technology Co., Ltd.	29,729,570.68	22.21%	
ViewSonic Technology (China) Co., Ltd.	13,159,959.00	9.83%	
Xiamen Edmond Electronic Technology Co., Ltd.	8,261,850.62	6.17%	
TCL Air Conditioner (Wuhan) Co., Ltd.	7,306,764.13	5.46%	
Total	90,407,759.83	67.54%	

6. Receivable financing

Unit: RMB/CNY

Item	Ending balance	Opening balance
Notes receivable		500,000.00
Total		500,000.00

Receivable financing Changes in the period and changes in fair value

 Applicable Not applicable

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

 Applicable Not applicable

Other explanation:

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

Unit: RMB/CNY

Account ages	Ending balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within one year	19,963,828.94	100.00%	7,996,570.95	100.00%
Total	19,963,828.94		7,996,570.95	

Explanation on reasons of failure to settle on important account paid in advance with age over one year:

Not applicable

(2) Top 5 account paid in advance at ending balance by prepayment object

Name of supplier	Amount	Ratio
Hong Kong Yutian International Investment Co., Ltd.	14,502,424.33	72.64%
AU Optronics Co., Ltd.	1,549,115.87	7.76%
Mingyan Technology (Shenzhen) Co., Ltd.	876,919.77	4.39%
Nanjing CLP Panda LCD Technology Co., Ltd.	616,945.60	3.09%
Zhengzhou Haier Air Conditioner Co., Ltd.	441,126.00	2.21%
Total	17,986,531.57	90.09%

Other explanation:

8. Other account receivable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Other account receivable	4,628,853.27	4,520,412.70
Total	4,628,853.27	4,520,412.70

(1) Interest receivable

1) Category of interest receivable

Unit: RMB/CNY

Item	Ending balance	Opening balance
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2) Significant overdue interest

Unit: RMB/CNY

Borrower	Ending balance	Overdue time	Reason for overdue	Whether there is impairment and its judgment basis
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Other note:

3) Accrual of bad debt provision

Applicable Not applicable

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	

Balance of 1 Jan. 2022 in the period				
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Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

(2) Dividend receivable

1) Category of dividend receivable

Unit: RMB/CNY

Item (or invested unit)	Ending balance	Opening balance
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2) Important dividend receivable with account age over one year

Unit: RMB/CNY

Item (or invested unit)	Ending balance	Account age	Reasons for non-recovery	Whether there is impairment and its judgment basis
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3) Accrual of bad debt provision

Applicable Not applicable

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of 1 Jan. 2022 in the period				

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

Applicable Not applicable

Other note:

(3) Other account receivable

1) Other account receivable by nature

Unit: RMB/CNY

Nature	Ending book balance	Opening book balance
Margin & deposit	279,076.70	1,829,768.00
Borrow money	3,031,923.33	1,481,984.12
Intercourse funds	8,723,023.54	7,844,053.53
Rental receivable	7,013,623.97	6,999,971.21
Other	141,721.91	925,152.02
Less: Bad debt provision	-14,560,516.18	-14,560,516.18
Total	4,628,853.27	4,520,412.70

2) Accrual of bad debt provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on 1 Jan. 2022			14,560,516.18	14,560,516.18
Balance of 1 Jan. 2022 in the period				
Balance on Dec. 31, 2022			14,560,516.18	14,560,516.18

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

 Applicable Not applicable

By account age

Unit: RMB/CNY

Account ages	Book balance
Within one year (one year included)	1,697,997.65
1-2 years	1,725,961.49
2-3 years	265,630.40
Over 3 years	15,790,653.83
3-4 years	15,790,653.83
Total	19,480,243.37

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

Bad debt provision accrual in the period:

Unit: RMB/CNY

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	

Including the important amount collected or switches back in the period:

Unit: RMB/CNY

Company	Amount collected or switches back	Way of collection

4) The actual written-off other receivables in the current period

Unit: RMB/CNY

Item	Written-off amount

Including the important written-off situation of other receivables:

Unit: RMB/CNY

Name	Nature of other receivables	Written-off amount	Written-off reason	Written-off procedure performed	Whether the payment is generated by related party transactions

Description of other receivables written-off:

5) Top 5 other receivables collected by arrears party at ending balance

Unit: RMB/CNY

Company	Nature	Ending balance	Account ages	Proportion in total other receivables at period-end	Ending balance of bad debt provision
Portman	Rental receivable	4,021,734.22	Over 3 years	20.96%	4,021,734.22
Jackfang Investment 1F 1076	Rental receivable	1,380,608.00	Over 3 years	7.19%	1,380,608.00
TPV Electronic Technology (Fujian) Co., Ltd.	Margin	800,000.00	Over 3 years	4.17%	
Jiang Hong	Borrow money	600,000.00	Within 1 year	3.13%	
Compensation for traffic accidents	Intercourse funds	555,785.81	Over 3 years	2.90%	555,785.81
Total		7,358,128.03		38.34%	5,958,128.03

6) Receivables involving government subsidies

Unit: RMB/CNY

Name	Government subsidy item	Ending balance	Ending account age	Estimated time, amount and basis of receipt
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7) Other receivable for termination of confirmation due to the transfer of financial assets

8) The amount of assets and liabilities that are transferred other receivable and continued to be involved

Other note:

9. Inventories

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

No

(1) Category

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value
Raw materials	38,396,272.13	2,085,289.46	36,310,982.67	51,030,203.86	2,085,289.46	48,944,914.40
Inventory goods	23,660,783.35	2,210,144.58	21,450,638.77	32,258,568.10	2,210,144.58	30,048,423.52
Low priced and easily worn articles	97,988.60	21,905.99	76,082.61	141,953.08	21,905.99	120,047.09
Homemade semi-finished products	8,588,301.98	325,374.92	8,262,927.06	11,797,660.18	325,374.92	11,472,285.26
Total	70,743,346.06	4,642,714.95	66,100,631.11	95,228,385.22	4,642,714.95	90,585,670.27

(2) Inventories fall provision or contract performance costs impairment provision

Unit: RMB/CNY

Item	Opening balance	Current increased		Current decreased		Ending balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	2,085,289.46					2,085,289.46
Inventory goods	2,210,144.58					2,210,144.58
Homemade semi-finished products	325,374.92					325,374.92
Low priced and easily worn articles	21,905.99					21,905.99
Total	4,642,714.95					4,642,714.95

(3) Explanation on capitalization of borrowing costs at ending balance of inventory**(4) Assets completed without settlement from construction contract at period-end****10. Contract assets**

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

The amount and reasons for major changes in the book value of contract assets during the current period:

Unit: RMB/CNY

Item	Change amount	Reason for change
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If the provision for bad debts of contract assets is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose related information about bad-debt provisions:

Applicable Not applicable

Accrual provision for impairment of contract assets in the current period

Unit: RMB/CNY

Item	Current accrual	Current reversal	Current resell/Written-off	Reason
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Other note:

11. Assets held for sale

Unit: RMB/CNY

Item	Ending book balance	Provision for impairment	Ending book value	Fair value	Estimated disposal cost	Estimated disposal time
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Other note:

12. Non-current assets due within one year

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Important debt investment/other debt investment

Unit: RMB/CNY

Creditor's Rights Item	Ending balance				Opening balance			
	Face value	Coupon rate	Real interest rate	Expiry date	Face value	Coupon rate	Real interest rate	Expiry date

Other note:

13. Other current assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Value-added tax to be deducted		3,732,033.86
Gain/loss on properties held for disposal	105,743.48	
Total	105,743.48	3,732,033.86

Other explanation:

14. Debt investment

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

Important debt investment

Unit: RMB/CNY

Creditor's Rights Item	Ending balance				Opening balance			
	Face value	Coupon rate	Real interest rate	Expiry date	Face value	Coupon rate	Real interest rate	Expiry date

Provision for impairment accrual

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of 1 Jan. 2022 in the period	—	—	—	—

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

 Applicable Not applicable

Other note:

15. Other debt investment

Unit: RMB/CNY

Item	Opening balance	Accrued interest	Fair value changes in this period	Ending balance	Cost	Cumulative fair value changes	Accumulated loss reserves recognized in other comprehensive income	Note
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Important other debt investment

Unit: RMB/CNY

Other Creditor's Rights Item	Ending balance				Opening balance			
	Face value	Coupon rate	Real interest rate	Expiry date	Face value	Coupon rate	Real interest rate	Expiry date

Provision for impairment accrual

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of 1 Jan. 2022 in the period	—	—	—	—

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

 Applicable Not applicable

Other note:

16. Long-term receivables**(1) Long-term receivables**

Unit: RMB/CNY

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

Bad debt provision impairment

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of 1 Jan. 2022 in the period	—	—	—	—

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

 Applicable Not applicable**(2) Long-term receivables derecognized due to the transfer of financial assets****(3) The amount of assets and liabilities formed by the transfer of long-term receivables and continued involvement**

Other note

17. Long-term equity investment

Unit: RMB/CNY

Enterprise	Opening balance	Current changes (+, -)								Ending balance (book)	Ending balance of
		Additio nal	Capital reducti	Investm ent	Other compre	Other equity	Cash dividen	Impair ment	Other		

	(book value)	investment	on	gain/loss recognized under equity	comprehensive income adjustment	change	disposal or profit announced to issued	accrual		(value)	depreciation reserves
I. Joint venture											
II. Associated enterprise											

Other note

18. Other equity instrument investment

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Itemized disclosure of investment in non-trading equity instruments for the current period

Unit: RMB/CNY

Item	Recognized dividend income	Cumulative gain	Accumulated loss	The amount of comprehensive income transferred to retained earnings	Reasons designated as fair value measurement and its changes included in other comprehensive income	Reason for transferring comprehensive income to retained income
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Other note:

19. Other non-current financial assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

20. Investment real estate**(1) Investment real estate measured at cost**√ Applicable Not applicable

Unit: RMB/CNY

Item	House and building	Land use right	Construction in process	Total
I. Original book value				
1. Opening balance	134,798,893.94			134,798,893.94
2. Current increased				
(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in				
(3) Increased by combination				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				

4. Ending balance	134,798,893.94			134,798,893.94
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	88,607,116.14			88,607,116.14
2. Current increased	864,165.14			864,165.14
(1) Accrual or amortization	864,165.14			864,165.14
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	89,471,281.28			89,471,281.28
III. Impairment provision				
1. Opening balance				
2. Current increased				
(1) Accrual				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	45,327,612.66			45,327,612.66
2. Opening book value	46,191,777.80			46,191,777.80

(2) Investment real estate measured by fair value

Applicable Not applicable

(3) Investment real estate without property certification held

Unit: RMB/CNY

Item	Book value	Reason without property certification held
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Other note

21. Fixed assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Fixed assets	83,306,441.83	95,031,789.81
Disposal of fixed assets	99,973,684.42	92,857,471.69
Total	183,280,126.25	187,889,261.50

(1) Fixed asset

Unit: RMB/CNY

Item	House	Machinery	Means of	Office	Instrument	Tool	Mold	Total
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	building	equipment	transportation	equipment	equipment	equipment	equipment	
I. Original book value								
1. Opening balance	72,063,410.41	95,810,002.45	3,473,225.86	8,470,322.17	3,424,013.01	9,766,024.86	27,439,464.52	220,446,463.28
2. Current increased							1,503,759.73	1,503,759.73
(1) Purchasing							1,503,759.73	1,503,759.73
(2) Construction in process transfer-in								
(3) Increased by combination								
3. Current decreased		17,472,879.92		7,822.14	42,777.24	636,484.30		18,159,963.60
(1) Disposal or scrapping		17,472,879.92		7,822.14	42,777.24	636,484.30		18,159,963.60
4. Ending balance	72,063,410.41	78,337,122.53	3,473,225.86	8,462,500.03	3,381,235.77	9,129,540.56	28,943,224.25	203,790,259.41
II. Accumulative depreciation								
1. Opening balance	22,443,385.19	66,166,210.12	1,467,827.24	6,590,289.96	2,881,961.79	5,946,957.87	19,918,041.30	125,414,673.47
2. Current increased	1,372,440.94	3,905,303.66	40,471.06	159,101.19	165,847.79	569,841.46	1,477,365.31	7,690,371.41
(1) Accrual	1,372,440.94	3,905,303.66	40,471.06	159,101.19	165,847.79	569,841.46	1,477,365.31	7,690,371.41
3. Current decreased		12,132,347.82		38,190.65	127,945.12	307,465.30	15,278.41	12,621,227.30
(1) Disposal or scrapping		12,132,347.82		38,190.65	127,945.12	307,465.30	15,278.41	12,621,227.30
4. Ending balance	23,815,826.13	57,939,165.96	1,508,298.30	6,711,200.50	2,919,864.46	6,209,334.03	21,380,128.20	120,483,817.58
III. Depreciation reserves								
1. Opening balance								
2. Current increased								
(1) Accrual								
3. Current decreased								
(1)								

Disposal or scrapping								
4. Ending balance								
IV. Book value								
1. Ending book value	48,247,584.28	20,397,956.57	1,964,927.56	1,751,299.53	461,371.31	2,920,206.53	7,563,096.05	83,306,441.83
2. Opening book value	49,620,025.22	29,643,792.33	2,005,398.62	1,880,032.21	542,051.22	3,819,066.99	7,521,423.22	95,031,789.81

(2) Temporarily idle fixed assets

Unit: RMB/CNY

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Note
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(3) Fixed assets leasing-out by operational lease

Unit: RMB/CNY

Item	Ending book value
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(4) Fixed assets without property certification held

Unit: RMB/CNY

Item	Book value	Reason without property certification held
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Other note

(5) Disposal of fixed assets

Unit: RMB/CNY

Item	Ending balance	Opening balance
Renovation of Gongming Huafa Electric Town	92,857,471.69	92,857,471.69
Disposal of aged equipment and others	7,116,212.73	
Total	99,973,684.42	92,857,471.69

Other explanation

22. Construction in process

Unit: RMB/CNY

Item	Ending balance	Opening balance
Construction in process	740,000.00	740,000.00
Total	740,000.00	740,000.00

(1) Construction in process

Unit: RMB/CNY

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

		provision			provision	
Huafa Building Reconstruction Project	240,000.00		240,000.00	240,000.00		240,000.00
Gongming Electronic City Reconstruction Project	500,000.00		500,000.00	500,000.00		500,000.00
Total	740,000.00		740,000.00	740,000.00		740,000.00

(2) Changes of major projects under construction

Unit: RMB/CNY

Item	Budget	Opening balance	Current increased	Fixed assets transferred-in in the Period	Other decreased in the Period	Ending balance	Proportion of project investment in budget	Progress	Accumulated amount of interest capitalization	including: interest capitalized amount of the year	Interest capitalization rate of the year	Source of funds
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(3) The provision for impairment of construction projects

Unit: RMB/CNY

Item	Current accrual amount	Accrual reason
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Other note

(4) Engineering materials

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

Other note:

23. Right to use assets

Unit: RMB/CNY

Item	House building	Total
I. Original book value		
1. Opening balance	313,948.08	313,948.08
2. Current increased		
3. Current decreased		
4. Ending balance	313,948.08	313,948.08
II. Accumulative depreciation		
1. Opening balance	104,649.36	104,649.36
2. Current increased	52,324.68	52,324.68
(1) Accrual	52,324.68	52,324.68
3. Current decreased		
(1) Disposal		

4. Ending balance	156,974.04	156,974.04
III. Depreciation reserves		
1. Opening balance		
2. Current increased		
(1) Accrual		
3. Current decreased		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	156,974.04	156,974.04
2. Opening book value	209,298.72	209,298.72

Other note:

24. Intangible assets

(1) Intangible assets

Unit: RMB/CNY

Item	Land use right	Patent right	Non-patented technology	Computer software	Total
I. Original book value					
1. Opening balance	55,415,814.36			3,172,234.92	58,588,049.28
2. Current increased					
(1) Purchasing					
(2) Internal R&D					
(3) Increased by combination					
3. Current decreased				498,858.97	498,858.97
(1) Disposal				498,858.97	498,858.97
4. Ending balance	55,415,814.36			2,673,375.95	58,089,190.31
II. Accumulated amortization					
1. Opening balance	18,096,524.31			1,210,523.98	19,307,048.29
2. Current increased	722,744.45			139,090.94	861,835.39
(1) Accrual	722,744.45			139,090.94	861,835.39
3. Current decreased				499,329.60	499,329.60
(1) Disposal				499,329.60	499,329.60
4. Ending balance	18,819,269.00			850,285.32	19,669,554.08
III. Depreciation reserves					
1. Opening balance				109,427.90	109,427.90
2. Current increased					

(1) Accrual					
3. Current decreased					
(1) Disposal					
4. Ending balance				109,427.90	109,427.90
IV. Book value					
1. Ending book value	36,596,545.60			1,713,662.73	38,310,208.33
2. Opening book value	37,319,290.05			1,852,283.04	39,171,573.09

The proportion of intangible assets form by internal R&D in total book value of intangible assets at period-end

(2) The situation of land use rights that have not completed the ownership certificate

Unit: RMB/CNY

Item	Book value	Reason without property certification held
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Other note:

25. Development expenditure

Unit: RMB/CNY

Item	Opening balance	Increase in the current period			Decrease in the current period			Ending balance
		Internal development expenditure	Other		Recognized as intangible assets	Transferred into current profit and loss		
Total								

Other note

26. Goodwill

(1) Goodwill original book value

Unit: RMB/CNY

Invested name or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Formed by business combination		Dispose		
Total						

(2) Goodwill provision for impairment

Unit: RMB/CNY

Invested name or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Accrual		Dispose		
Total						

Information about the asset group or combination of asset groups where the goodwill is located

Explain the process of goodwill impairment testing, key parameters (such as the growth rate of the forecast period when the present value of future cash flows are expected, the growth rate of the stable period, the profit rate, the discount rate, the forecast period, etc.) and the confirmation method of the impairment loss of goodwill:

The impact of goodwill impairment testing

Other note

27. Long-term deferred expenses

Unit: RMB/CNY

Item	Opening balance	Current increased	Amortized in Period	Other decreased	Ending balance
Lawyer fee	969,444.45				969,444.45
Amortization of cloud service fees	512,893.11		109,905.66		402,987.45
Huafa Building Central Air Conditioning Overhaul Project	150,787.00				150,787.00
China Telecom Corporation Limited Shenzhen Branch	4,800.00				4,800.00
Huafa Building Elevator Overhaul Project	53,333.33		53,333.33		0.00
Total	1,691,257.89		163,238.99		1,528,018.90

Other explanation

28. Deferred income tax assets/Deferred income tax liabilities

(1) Deferred income tax assets without offset

Unit: RMB/CNY

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for assets impairment	29,705,573.64	6,946,556.32	29,705,573.64	6,946,556.32
Accrual liability	801,159.18	200,289.79	801,159.18	200,289.79
Deferred income	3,326,520.00	498,978.00	3,565,560.00	534,834.00
Total	33,833,252.82	7,645,824.11	34,072,292.82	7,681,680.11

(2) Deferred income tax liabilities that are not offset

Unit: RMB/CNY

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

(3) Amount of deferred income tax asset and deferred income tax liability after trade-off

Unit: RMB/CNY

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		7,645,824.11		7,681,680.11

(4) Deferred income tax asset without recognized

Unit: RMB/CNY

Item	Ending balance	Opening balance
Deductible temporary differences	3,163,837.81	3,163,837.81
Deductible loss	5,081,160.28	5,081,160.28
Total	8,244,998.09	8,244,998.09

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

Unit: RMB/CNY

Year	Ending amount	Opening amount	Note
2027 and future years (applicable to high-tech enterprises and technology-based SMEs)	5,079,572.71	5,079,572.71	
2026	1,587.57	1,587.57	
2025			
2024			
2023			
2022			
Total	5,081,160.28	5,081,160.28	

Other explanation:

29. Other non-current assets

Unit: RMB/CNY

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

Other explanation:

30. Short-term borrowings**(1) Category**

Unit: RMB/CNY

Item	Ending balance	Opening balance
Mortgage loan		7,290,000.00
Secured portfolio loan	11,433,573.00	19,190,857.00
Total	11,433,573.00	26,480,857.00

Explanation on category of short-term loans:

(2) Short-term loans that have been overdue and have not been repaid

The total amount of short-term loans that were overdue and not repaid at the end of the period was RMB 0.00, and the important short-term loans that were overdue and not repaid are as follows:

Unit: RMB/CNY

Borrower	Ending balance	Borrowing rate	Overdue time	Overdue interest rate
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Other note:

31. Trading financial liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
Including:		
Including:		

Other note:

32. Derivative financial liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

33. Notes payable

Unit: RMB/CNY

Category	Ending balance	Opening balance
Bank acceptance draft	22,605,511.76	21,554,981.30
Total	22,605,511.76	21,554,981.30

Totally 0 Yuan due note payable are paid at period-end

34. Account payable**(1) Account payable**

Unit: RMB/CNY

Item	Ending balance	Opening balance
Within one year	84,279,098.42	76,362,296.93
Over one year	10,873,291.71	12,167,182.03
Total	95,152,390.13	88,529,478.96

(2) Major account payable over one year

Unit: RMB/CNY

Item	Ending balance	Reasons for non-payment or carry over
Shenzhen Yuehai Global Logistics Co., Ltd.	2,858,885.97	Without settlement
LG	1,906,267.50	Without settlement
Tokin Electronics (Nanjing) Plasma Co., Ltd.	617,963.45	Without settlement
Total	5,383,116.92	--

Other explanation:

35. Accounts received in advance

(1) Accounts received in advance

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(2) Important accounts received in advance with account age over one year

Unit: RMB/CNY

Item	Ending balance	Reasons for outstanding or carry-over
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Other note:

36. Contract liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
Lease received in advance	4,250.00	473,034.32
Sales received in advance	269,268.20	263,321.38
Total	273,518.20	736,355.70

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

Unit: RMB/CNY

Item	Change Amount	Reason for change
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37. Wage payable

(1) Wage payable

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during the period	Ending balance
I. Short-term benefits	3,844,381.07	30,004,922.98	29,423,338.40	4,427,543.85
II. Post-employment benefits-defined contribution plans		2,923,103.38	2,923,103.38	
III. Dismiss welfare		17,830.00	17,830.00	
Total	3,844,381.07	32,945,856.36	32,364,271.78	4,427,543.85

(2) Short-term benefits

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during the period	Ending balance
1. Wages, bonuses, allowances and subsidies	2,813,561.11	26,048,826.55	25,425,203.47	3,437,184.19
2. Employee benefits	51,391.40	2,419,193.30	2,460,442.70	10,142.00
3. Social insurance premium	22,287.98	1,304,063.69	1,304,852.79	23,077.08
Including:	22,287.98	1,171,767.28	1,170,978.18	23,077.08

Medical insurance				
Work injury insurance		50,802.86	50,802.86	
Maternity insurance		82,282.65	82,282.65	
4. Housing accumulation fund	24,310.00	171,415.44	171,415.44	24,310.00
5. Labor union expenditure and personnel education expense	932,830.58	61,424.00	61,424.00	932,830.58
Total	3,844,381.07	30,004,922.98	29,423,338.40	4,427,543.85

(3) Defined contribution plans

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during the period	Ending balance
1. Basic endowment insurance		2,824,232.22	2,824,232.22	
2. Unemployment insurance		98,871.16	98,871.16	
Total		2,923,103.38	2,923,103.38	

Other explanation:

38. Taxes payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
VAT	5,512,451.48	4,271,423.08
Corporate income tax	6,153,723.35	7,387,839.94
Individual income tax	9,766.38	22,943.65
Urban maintenance and construction tax	406,704.84	658,864.50
Property tax	588,618.67	544,525.98
Land use tax	251,640.57	107,577.53
Educational surtax	175,459.14	283,138.75
Local educational surtax	86,688.01	159,099.46
Dike fee	1,665.00	1,665.00
Stamp tax	27,875.10	34,839.80
Disposal fund of waste electrical products	1,351,500.00	1,185,200.00
Total	14,566,092.54	14,657,117.69

Other explanation:

39. Other accounts payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Interest payable	93,178.03	113,080.26
Other payable	40,839,009.98	30,335,832.88
Total	40,932,188.01	30,448,913.14

(1) Interest payable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Interest of short-term loans payable	93,178.03	113,080.26
Total	93,178.03	113,080.26

Significant overdue and unpaid interest:

Unit: RMB/CNY

Loan unit	Overdue amount	Reason for overdue

Other explanation:

(2) Dividend payable

Unit: RMB/CNY

Item	Ending balance	Opening balance

Other note, including important dividends payable that have not been paid for more than 1 year, should disclose the reasons for the non-payment:

(3) Other accounts payable**1) Other account payable by nature**

Unit: RMB/CNY

Item	Ending balance	Opening balance
Margin & deposit	13,943,459.17	11,702,750.67
Lease management fee	3,647,788.39	3,647,788.39
Intercourse funds	13,732,977.24	5,411,882.45
After sale and repairmen	3,043,012.42	1,920,745.00
Energy consumption (Water, electricity and steam)	781,678.27	2,554,906.95
Shipping	1,355,093.10	1,762,758.03
Reserve fund	1,300,000.00	1,300,000.00
Other	3,035,001.39	2,035,001.39
Total	40,839,009.98	30,335,832.88

2) Significant other account payable with over one year age

Unit: RMB/CNY

Item	Ending balance	Reasons for non-payment or carry over
Shenzhen SED Property Development Co., Ltd.	2,158,060.75	Without settlement
Shenzhen Huayongxing Environmental Protection Technology Co., Ltd.	1,000,000.00	Deposit
Linghang Technology (Shenzhen) Co., Ltd.	656,345.28	Without settlement
Shenzhen Tongxing Electronics Co., Ltd.	578,259.83	Without settlement
Shenzhen Yongdasheng Investment Development Co., Ltd.	558,970.00	Deposit
Total	4,951,635.86	

Other explanation

Nil

40. Non-current liabilities due within one year

Unit: RMB/CNY

Item	Ending balance	Opening balance
Long-term loans due within one year	55,000,000.00	61,000,000.00
Lease liabilities due within one year	104,400.61	104,400.61
Total	55,104,400.61	61,104,400.61

Other explanation:

41. Other current liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
Unterminated confirmation on note receivable	37,185,847.90	64,546,944.94
Pending sales tax		97,335.67
Total	37,185,847.90	64,644,280.61

Changes in short-term bonds payable:

Unit: RMB/CNY

Name of bond	Face value	Issue date	Bond maturity	Issue Amount	Opening balance	Current issue	Interest accrued at face value	Premium and discount amortization	Repayment in the current period		Ending balance
Total											

Other explanation:

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

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Description of Long-term loans classification:

Other explanation, including interest rate range:

43. Bonds payable**(1) Bonds payable**

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(2) Changes in increase or decrease in bonds payable (excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities)

Unit: RMB/CNY

Name	Face	Issue	Bond	Issue	Opening	Current	Interest	Premium	Repay		Closing
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of bond	value	date	maturity	Amount	g balance	issue	accrued at face value	m and discount amortization	ment in the current period		balance
Total		--									

(3) Description of the conditions and time for the conversion of convertible corporate bonds

(4) Description of other financial instruments classified as financial liabilities

Basic situation of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Unit: RMB/CNY

Financial instruments issued	Beginning of period		Increase in the current period		Decrease in the current period		Ending of period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Explanation of the basis for the classification of other financial instruments into financial liabilities

Other note

44. Lease liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
Lease liability	86,325.75	115,101.00
Total	86,325.75	115,101.00

Other note

45. Long-term payables

Unit: RMB/CNY

Item	Ending balance	Opening balance
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(1) List long-term payables according to the nature of the payment

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

(2) Special accounts payable

Unit: RMB/CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Cause of formation
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Other note:

46. Long-term Wages payable**(1) Long-term Wages payable**

Unit: RMB/CNY

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

Present value of defined benefit plan obligations:

Unit: RMB/CNY

Item	The Period	Last Period
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Plan assets:

Unit: RMB/CNY

Item	The Period	Last Period
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Defined benefit plan net liabilities (net assets)

Unit: RMB/CNY

Item	The Period	Last Period
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Description of the content of the defined benefit plan and related risks, the impact on the company's future cash flow, time and uncertainty:

Explanation of major actuarial assumptions and sensitivity analysis results of defined benefit plans:

Other note:

47. Accrual liability

Unit: RMB/CNY

Item	Ending balance	Opening balance	Causes
Pending action	801,159.18	801,159.18	
Total	801,159.18	801,159.18	

Other explanations, including important assumptions and estimation about important estimated liabilities:

48. Deferred income

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during the period	Ending balance	Causes
Government subsidy	3,565,560.00		239,040.00	3,326,520.00	
Total	3,565,560.00		239,040.00	3,326,520.00	

Items involving Government subsidy:

Unit: RMB/CNY

Liability	Opening balance	New subsidy increased in the period	Amount reckoned in non-operating income in the period	Amount included in other income in the current period	Amount of cost and expense offset in the current period	Other change	Ending balance	Assets-related/Income-related
Provincial special fund for transform	1,400,000.00			100,000.00			1,300,000.00	Assets-related

tion and upgrading of traditional industry for 2018								
Incentive fund for Wuhan industrial intelligent transformation demonstration project in 2019	413,560.00			29,540.00			384,020.00	Assets-related
Special funds for industrial investment and technological transformation and intelligent transformation in 2020	1,752,000.00			109,500.00			1,642,500.00	Assets-related

Other explanation:

49. Other non-current liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
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Other note:

50. Share capital

Unit: RMB/CNY

	Opening balance	Changes in the Period (+,-)					Ending balance
		Issuing new shares	Bonus shares	Shares transfer from public reserves	Other	Subtotal	
Total shares	283,161,227.00						283,161,227.00

Other explanation:

51. Other equity instruments

(1) Basic information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

(2) Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Unit: RMB/CNY

Financial instruments issued	Beginning of period		Increase in the current period		Decrease in the current period		Ending of period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Other equity instruments' changes in the current period, explanations of the reasons for the changes, and the basis for related accounting treatments:

Other note:

52. Capital public reserve

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during the period	Ending balance
Capital premium (equity premium)	146,577,771.50			146,577,771.50
Total	146,577,771.50			146,577,771.50

Other explanation, including changes and reasons of changes:

53. Treasury stocks

Unit: RMB/CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
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Other note, including changes in the current period and explanations of the reasons for the changes:

54. Other comprehensive income

Unit: RMB/CNY

Item	Opening balance	The Period						Ending balance
		Account before income tax in the year	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	Less: income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	

				current period				
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Other explanation, including the adjustment on initial recognition for arbitrage items that transfer from the effective part of cash flow hedge profit/loss:

55. Surplus public reserve

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during the period	Ending balance
Statutory surplus reserves	77,391,593.25			77,391,593.25
Total	77,391,593.25			77,391,593.25

Other explanation, including changes and reasons for changes:

56. Retained profit

Unit: RMB/CNY

Item	Current period	Last period
Retained profit at the end of the previous period before adjustment	-163,679,952.44	-170,881,854.46
Retained profit at period-begin after adjustment	-163,679,952.44	-170,881,854.46
Add: net profit attributable to owners of the parent company	8,806,785.10	6,989,362.48
Retained profit at period-end	-154,873,167.34	-163,892,491.98

Details about adjusting the retained profits at the beginning of the period:

- 1) The retroactive adjustments to Accounting Standards for Business Enterprises and its relevant new regulations affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 2) The changes in accounting policies affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 3) The major accounting error correction affects the retained profits at the beginning of the period amounting to 0 Yuan
- 4) Merge scope changes caused by the same control affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 5) Other adjustments affect the retained profits at the beginning of the period amounting to 0 Yuan

57. Operating revenue and cost

Unit: RMB/CNY

Item	Current Period		Last Period	
	Revenue	Cost	Revenue	Cost
Main business	343,768,461.90	302,427,802.11	323,468,602.68	282,596,348.19
Other business	10,378,458.91	9,418,141.38	68,165,205.87	47,447,861.39
Total	354,146,920.81	311,845,943.49	391,633,808.55	330,044,209.58

Information relating to revenue:

Unit: RMB/CNY

Category	Branch 1	Branch 2		Total
Product types				
Including:				
Display	201,380,980.94			201,380,980.94

Plastic injection hardware	92,476,910.14			92,476,910.14
Foam parts	22,509,819.38			22,509,819.38
Property lease	26,482,662.15			26,482,662.15
Material income	9,553,238.60			9,553,238.60
Utility bills and others	1,743,309.60			1,743,309.60
Classification by business area				
Including:				
Domestic	303,461,034.26			303,461,034.26
Overseas	50,685,886.55			50,685,886.55
Market or customer type				
Including:				
Contract types				
Including:				
Classification by time of goods transfer				
Including:				
Classification by contract duration				
Including:				
Classification by sales channel				
Including:				
Total	354,146,920.81			354,146,920.81

Information relating to performance obligations:

Nil

Information related to the transaction price apportioned to the remaining performance obligations:

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

58. Tax and surcharges

Unit: RMB/CNY

Item	Current Period	Last Period
Urban maintenance and construction tax	524,812.63	53,181.85
Educational surtax	337,932.44	23,402.05
Property tax	803,504.10	671,892.72
Land use tax	140,595.85	380,897.71
Vehicle use tax	420.00	
Stamp tax	225,040.10	283,562.58
Local education development fee	19,554.99	15,425.01
Total	2,051,860.11	1,428,361.92

Other explanation:

59. Sales expense

Unit: RMB/CNY

Item	Current Period	Last Period
Employee compensation	1,511,113.24	1,940,607.71
Customs fee	428,889.32	204,766.55
After-sales service fee	2,181,327.83	3,190,859.79
Business entertainment expense	103,382.79	264,119.35
Transportation fee	3,362,898.88	4,858,694.34
Commodity loss and others	1,915,546.51	3,635,570.22
Total	9,503,158.57	14,094,617.96

Other explanation:

60. Administrative expense

Unit: RMB/CNY

Item	Current Period	Last Period
Salary	4,569,059.54	6,033,625.10
Depreciation	1,034,235.99	1,259,331.29
Social security fee	1,196,121.34	1,182,922.32
Business entertainment expense	721,167.15	1,829,623.45
Employee benefits	451,211.62	1,205,669.37
Travel expenses	304,754.99	705,255.91
Depreciation and amortization cost	956,561.62	863,491.01
Transportation expenses	190,138.32	220,781.91
Intermediary agency service fee	1,392,751.91	2,163,145.90
Security fee	783,054.02	460,539.40
Repair cost	2,792,908.99	3,428,358.44
Office expenses	612,830.43	1,075,155.32
Communication fee	70,790.74	61,127.20
Securities Information Disclosure Fee	33,532.00	46,361.00
Environmental protection fee	312,500.95	47,617.53
Staff education and labor union funds	99,228.19	12,689.53
Water and electricity	262,980.96	284,729.15
Property insurance premium	145,636.56	
Litigation fee	502,311.00	
Other expenses	1,195,845.48	1,799,883.41
Total	17,627,621.80	22,680,307.24

Other explanation:

61. R&D expenses

Unit: RMB/CNY

Item	Current Period	Last Period
Personnel labor costs	3,349,821.11	3,424,760.68
Depreciation and amortization expense	461,134.94	437,009.74
Maintenance and inspection fees	972,301.14	
Other related expenses	239,418.36	93,877.08
Total	5,022,675.55	3,955,647.50

Other explanation:

62. Financial expense

Unit: RMB/CNY

Item	Current Period	Last Period
Interest costs	3,018,586.99	3,731,443.17
Less: Interest income	-197,692.42	203,041.26
Exchange loss	1,232,863.24	4,068,036.84
Less: exchange gains	2,188,048.69	2,461,568.22
Handing expense	73,802.64	106,832.13
Total	1,940,816.62	5,241,702.86

Other explanation:

63. Other income

Unit: RMB/CNY

Sources	Current Period	Last Period
Three generations of fees refunds	4,283.81	3,553.35
Special funds of 2021 provincial foreign trade and economic development	3,500,000.00	
Special funds of 2021 provincial foreign trade and economic development (processing trade matters)	575,800.00	
Special funds of 2020 Caidian District Industrial enterprise technology transformation	130,000.00	
Special funds of 2021 Central foreign economic and trade development (to promote the development of foreign trade SMEs)	66,200.00	
Provincial special fund for transformation and upgrading of traditional industry for 2018	100,000.00	
Incentive fund for Wuhan industrial intelligent transformation demonstration project in 2019	29,540.00	
Special funds for industrial investment and technological transformation and intelligent transformation in 2020	109,500.00	
Total	4,515,323.81	3,553.35

64. Investment income

Unit: RMB/CNY

Item	Current Period	Last Period
Financial income	180,088.19	149,767.58
Total	180,088.19	149,767.58

Other explanation:

65. Credit impairment loss

Unit: RMB/CNY

Item	Current Period	Last Period
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Other explanation:

66. Losses on assets impairment

Unit: RMB/CNY

Item	Current Period	Last Period
II. Inventory falling price loss and impairment loss of contract performance cost		-1,350,000.00
Total	0.00	-1,350,000.00

Other explanation:

67. Asset disposal income

Unit: RMB/CNY

Source of asset disposal income	Current Period	Last Period
Fixed assets disposal	789,308.26	

68. Non-operating income

Unit: RMB/CNY

Item	Current Period	Last Period	Amount included in current non-recurring profits or losses
Government subsidy		256,000.00	
Handling fee and others	40,574.92	20,599.04	40,574.92
Total	40,574.92	276,599.04	40,574.92

Government subsidy reckoned into current gains/losses:

Unit: RMB/CNY

Item	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

Other explanation:

69. Non-operating expenditure

Unit: RMB/CNY

Item	Current Period	Last Period	Amount included in current non-recurring profits or losses
Other	15,308.31	215,202.92	15,308.31
Total	15,308.31	215,202.92	15,308.31

Other explanation:

70. Income tax expense**(1) Statement of income tax expense**

Unit: RMB/CNY

Item	Current Period	Last Period
Current income tax expense	2,858,046.44	1,584,720.39
Total	2,858,046.44	1,584,720.39

(2) Adjustment on accounting profit and income tax expenses

Unit: RMB/CNY

Item	Current Period
Total profit	11,664,831.54
Income tax based on statutory/applicable rate	2,935,595.03
Impact by different tax rate applied by subsidies	77,548.59
Income tax expense	2,858,046.44

Other explanation

Nil

71. Other comprehensive income

See note

72. Annotation of cash flow statement**(1) Cash received with other operating activities concerned**

Unit: RMB/CNY

Item	The Period	Last Period
Unit intercourse account	9,264,523.28	15,891,476.38
Repayment from employees	8,000.00	81,510.67
Margin and deposit	308,402.50	3,420.00
Interest income	41,205.46	30,133.34
Government subsidy	4,272,000.00	259,553.35
Total	13,894,131.24	16,266,093.74

Note of cash received with other operating activities concerned:

Nil

(2) Cash paid with other operating activities concerned

Unit: RMB/CNY

Item	The Period	Last Period
Unit intercourse account	17,410,896.15	19,499,576.94
Employee loan	2,418,943.00	47,686.67
Deposit and security deposit	310,606.20	1,804,581.00
Communication fee	315,763.72	165,926.34
Utility bill	1,791,131.38	4,662,103.00
Travel expenses	168,703.63	1,168,068.54
Shipping fee	3,191,066.04	2,706,778.65
Repair cost	1,114,725.46	1,369,952.77
Consultation fee		1,400,000.00
Office expenses	6,485.97	19,086.70
Communication fee	56,794.86	437,439.91
Other	13,359,474.93	18,919,703.62
Total	40,144,591.34	52,200,904.14

Note of cash paid with other operating activities concerned:

"Other" refers to note receivable margin, which is restricted funds.

(3) Cash received with other investment activities concerned

Unit: RMB/CNY

Item	Current Period	Last Period
Financial redemption	57,000,000.00	
Total	57,000,000.00	

Note of cash received with other investment activities concerned:

(4) Cash paid related with investment activities

Unit: RMB/CNY

Item	Current Period	Last Period
Investment and financial management	57,000,000.00	
Total	57,000,000.00	

Note of cash paid related with investment activities:

(5) Other cash received related to financing activities

Unit: RMB/CNY

Item	Current Period	Last Period
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Description of other received cash related to financing activities:

(6) Cash paid related with financing activities

Unit: RMB/CNY

Item	Current Period	Last Period
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Note of cash paid related with financing activities:

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

Unit: RMB/CNY

Supplementary information	This Period	Last Period
1. Net profit adjusted to cash flow of operation activities:		
Net profit	8,806,785.10	6,989,362.48
Add: Assets impairment provision		1,350,000.00
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	7,690,371.41	5,855,066.65
Depreciation of right-of-use assets	52,324.68	
Amortization of intangible assets	362,505.79	875,257.88
Amortization of long-term deferred expenses	163,238.99	114,127.72
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain is listed with "-")	-789,308.26	
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 “-”)	1,940,816.62	5,241,702.86
Investment loss (gain is listed with “-”)	-180,088.19	-149,767.58
Decrease of deferred income tax asset ((increase is listed with “-”)	35,856.00	
Increase of deferred income tax liability (decrease is listed with “-”)		
Decrease of inventory (increase is listed with “-”)	24,485,039.16	-61,101,647.02
Decrease of operating receivable accounts (increase is listed with “-”)	28,321,886.92	97,224,785.91
Increase of operating payable accounts (decrease is listed with “-”)	-21,169,205.84	-78,217,258.49
Other		
Net cash flows arising from operating activities	49,720,222.38	-21,818,369.59
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	60,681,659.02	59,612,186.22
Less: Balance of cash equivalent at year-begin	32,802,562.90	60,968,053.58
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increase of cash and cash equivalents	27,879,096.12	-1,355,867.36

(2) Net cash payment for the acquisition of a subsidiary in the period

Unit: RMB/CNY

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

Other note:

(3) Net cash received from the disposal of subsidiaries

Unit: RMB/CNY

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

Other note:

(4) Constitution of cash and cash equivalent

Unit: RMB/CNY

Item	Ending balance	Opening balance
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I. Cash	60,681,659.02	32,802,562.90
Including: Cash on hand	460.00	220,467.15
Bank deposit available for payment at any time	75,664,154.16	32,582,095.75
III. Balance of cash and cash equivalent at period-end	60,681,659.02	32,802,562.90

Other explanation:

74. Note of the changes of owners' equity

Explain the items and amount at period-end adjusted for "Other" at end of the last year:

Nil

75. Assets with ownership or use right restricted

Unit: RMB/CNY

Item	Ending book value	Limited reason
Monetary fund	14,890,386.86	Note payable margin
Fixed assets	11,972,048.26	Collateral for borrowing
Intangible assets	6,463,333.15	Collateral for borrowing
Monetary fund	92,568.28	Judicial freeze
Investment real estate	33,323,610.66	Collateral for borrowing
Disposal of fixed assets	92,857,471.69	Court seizure
Total	159,599,418.90	

Other explanation:

76. Item of foreign currency

(1) Item of foreign currency

Unit: RMB/CNY

Item	Ending balance of foreign currency	Rate of conversion	Ending RMB balance converted
Monetary funds			
Including: USD	144,521.39	6.6863	966,313.38
Euro			
HKD			
Account receivable			
Including: USD	3,148,466.55	6.6863	21,051,591.91
Euro			
HKD			
Long-term loans			
Including: USD			
Euro			
HKD			

Other explanation:

(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

77. Government subsidy

(1) Government subsidy

Unit: RMB/CNY

Category	Amount	Item for presentation	Amount reckoned into current gains/losses
Special funds of 2021 provincial foreign trade and economic development	3,500,000.00	Other income	3,500,000.00
Special funds of 2021 provincial foreign trade and economic development (processing trade matters)	575,800.00	Other income	575,800.00
Special funds of 2020 Caidian District Industrial enterprise technology transformation	130,000.00	Other income	130,000.00
Special funds of 2021 Central foreign economic and trade development (to promote the development of foreign trade SMEs)	66,200.00	Other income	66,200.00
Provincial special fund for transformation and upgrading of traditional industry for 2018	100,000.00	Other income	100,000.00
Incentive fund for Wuhan industrial intelligent transformation demonstration project in 2019	29,540.00	Other income	29,540.00
Special funds for industrial investment and technological transformation and intelligent transformation in 2020	109,500.00	Other income	109,500.00
Three generation of fees	4,283.81	Other income	4,283.81

(2) Government grants rebate

Applicable Not applicable

Other explanation:

VIII. Equity in other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation place	Registration place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Wuhan Hengfa Technology Co., Ltd.	Wuhan	Wuhan	Production & sales	100.00%		Investment establishment
Shenzhen Zhongheng HUAFA Property Co., Ltd	Shenzhen	Shenzhen	Property management	100.00%		Investment establishment
Shenzhen HUAFA Hengtian Co., Ltd.	Shenzhen	Shenzhen	Property management	100.00%		Investment establishment
Shenzhen HUAFA Hengtai Co., Ltd.	Shenzhen	Shenzhen	Property management	100.00%		Investment establishment
Shenzhen HUAFA Property Lease Management Co., Ltd	Shenzhen	Shenzhen	Property management	100.00%		Investment establishment
Ruth Co., Ltd.	Hong Kong, China	Hong Kong, China		100.00%		Equity acquisition

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

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

Major structured entity included in consolidates statement:

The scope of consolidate financial statement is determined on a control basis, which not only includes the subsidiaries determined on the basis of voting rights themselves or in combination with other arrangements, but also structured subjects determined on the basis of one or more contractual arrangements.

The control means that the Company owns a power over the investee, obtains variable returns through participation in the investee's related activities, and has the ability to use its power over the investee to influence the amount of variable returns. The subsidiary is the subject that are controlled by the Company, the structured subjects are subjects that are not designed to have voting rights as a determinant in determining the controlling party.

Basis of termination of agent or consignors:

Other explanation

IX. Related party and related party transactions

1. Parent company of the enterprise

Parent company	Registration place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
Wuhan Zhongheng New Science & Technology Industrial Group Co., Ltd	Wuhan	Production and sales, real estate development and sales, housing leasing and management	138,000,000.00	42.13%	42.13%

Explanation on parent company of the enterprise

Nil

The ultimate control of the enterprise is Li Zhongqiu.

Other note:

2. Subsidiary of the Enterprise

Found more in VIII. Equity in other entity in the Note

3. Other related party

Other Related party	Relationship with the Enterprise
Shenzhen Zhongheng Semiconductor Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan Hengsheng Yutian Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan Hengsheng Photo-electricity Industry Co., Ltd.	Control by same controlling shareholder and ultimate controller
Hong Kong Yutian International Investment Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan New Oriental Real Estate Development Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan Zhongheng Property Management Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan Optical Valley Display System Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan Yutian Dongfang Property Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan Xiahua Zhongheng Electronics Co. Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan Zhongheng Yutian Trading Co., Ltd	Control by same controlling shareholder and ultimate controller
Wuhan Yutian Hongguang Real Estate Co., Ltd.	Control by same controlling shareholder and ultimate controller
Shenzhen Zhongheng Huayu Investment Holding Co., Ltd.	Control by same controlling shareholder and ultimate controller
Famous Sky Capital Limited	Control by same controlling shareholder and ultimate controller
Hong Kong Zhongheng Yutian Co., Ltd.	Control by same controlling shareholder and ultimate controller
Shenzhen Zhongheng Yongye Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Shenzhen Yutian Hengrui Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wuhan Henglian Optoelectronics Co., Ltd.	Control by same controlling shareholder and ultimate controller

Other note

4. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

Unit: RMB/CNY

Related party	Content	Current Period	Trading limit	Whether over the	Last Period
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			approved	approved limited or not (Y/N)	
Hong Kong Yutian International Investment Co., Ltd.	Purchasing	32,093,434.47	127,514,000.00	N	37,751,811.11
Wuhan Hengsheng Photo-electricity Industry Co., Ltd.	Purchasing	55,876,974.75	178,519,600.00	N	60,509,427.57
Total		87,970,409.22	306,033,600.00	N	98,261,238.68

Goods sold/labor service providing

Unit: RMB/CNY

Related party	Content	Current Period	Last Period
Hong Kong Yutian International Investment Co., Ltd.	Sales	35,680,578.23	62,100,265.79
Wuhan Hengsheng Photo-electricity Industry Co., Ltd.	Sales	28,513,041.72	17,319,716.68
Total		64,193,619.95	79,419,982.47

Explanation on goods purchasing, labor service providing and receiving

(2) Related guarantee

As the guarantor

Unit: RMB/CNY

Secured party	Amount guarantee	Start	End	Completed or not (Y/N)
Wuhan Hengfa Technology Co., Ltd.	36,000,000.00	2022-04-21	2026-04-21	N

As the secured party

Unit: RMB/CNY

Guarantor	Amount guarantee	Start	End	Completed or not (Y/N)
Li Zhongqiu	90,000,000.00	2019-07-01	2022-07-01	Y

Explanation on related guarantee

5. Receivable/payable items of related parties**(1) Receivable**

Unit: RMB/CNY

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Hong Kong Yutian International Investment Co., Ltd.	17,899,401.57		24,428,463.68	
Account receivable	Wuhan Hengsheng Photo-electricity Industry Co., Ltd.	12,099.44		13,902,449.94	

Advance payment	Hong Kong Yutian International Investment Co., Ltd.	14,502,424.33			
Total		32,413,925.34		38,330,913.62	

(2) Payable

Unit: RMB/CNY

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Wuhan Hengsheng Photo-electricity Industry Co., Ltd.	21,924,311.63	17,295,609.05
Accounts payable	Hong Kong Yutian International Investment Co., Ltd.		10,025,769.59
Total		21,924,311.63	27,321,378.64

X. Commitments or contingency**1. Important commitments**

Important commitments on balance sheet date

As of the date of this report, the company has no important commitments that should be disclosed but not disclosed.

2. Contingency**(1) Contingency on balance sheet date**

As of the date of this report, the company has no undisclosed contingencies that should be disclosed.

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

The Company has no important contingency that need to disclosed

XI. Other important events**1. Previous accounting errors collection****(1) Retrospective restatement method**

Unit: RMB/CNY

Correction of accounting errors	Processing program	Names of report items in each comparison period affected	Cumulative influence
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(2) Future applicable law

Correction of accounting errors	Approval procedure	Reasons for adopting future applicable law
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2. Debt restructuring**3. Assets replacement****(1) Exchange of non-monetary assets****(2) Other asset replacement****4. Pension plan****5. Termination of operation**

Unit: RMB/CNY

Item	Income	Expense	Total profit	Income tax expense	Net profit	Termination of operation profit attributable to owners of the parent company
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Other note

6. Segment**(1) Recognition basis and accounting policy for reportable segment****(2) Financial information for reportable segment**

Unit: RMB/CNY

Item	Offset of segment	Total
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(3) If the company has no reportable segments or is unable to disclose the total assets and liabilities of each reportable segment, it should state the reasons

(4) Other explanations**7. Major transaction and events makes influence on investor's decision****8. Other**

(1) The Company signed Asset Exchange Contract with Wuhan Zhongheng New Science & Technology Industrial Group Co., Ltd (hereinafter referred to as Wuhan Zhongheng Group) on 29 April 2009 (details were referred to in the announcement dated 30 April 2009), and pursuant to the contract, since part of the assets of the Company (namely two parcel of industrial lands located at Huafa

road, Gongming town, Guangming new district, Shenzhen (the property certificate No. were SFDZ No.7226760 and SFDZ No.7226763, No. of parcels were A627-005 and A627-007, and the aggregate area was 48,200 sq.m) were the lands listed in the first batch of plan for 2010 Shenzhen urbanization unit planning preparation plan. For promotion of such urbanization project and joint cooperation, the Company has not completed the transfer procedures in respect of the aforesaid land.

The Company convoked the first extraordinary meeting of the Board in 2015 on February 16, 2015 and the first extraordinary general meeting of the Board in 2015 on March 4, 2015, which considered and approved the “Motion on promoting and implementing the urban renewal project for the renewal units of Huafa area at Gongming street, Guangming new district, Shenzhen”, specified that the Company and Wuhan Zhongheng Group shall obtain the corresponding compensatory consideration for removal from the respectively owned project plots and the respectively contributed and constructed above-ground buildings before the land development, it is estimated that the compensatory consideration obtained by the Company accounts for 50.5% of the total consideration and Wuhan Zhongheng Group accounts for 49.5% by calculation.

The sixth extraordinary meeting of the board of directors in 2015 and the third extraordinary general meeting of 2015 have considered and adopted the “Proposal on the project promotion and implementation of urban renewal and the progress of related transactions of ‘the updated units at Huafa Area, Gong Ming Street, Guangming New District, Shenzhen’”, the company has signed the “Agreement on the cooperation of urban renewal project of the updated units at Huafa Area, Gong Ming Street, Guangming New District, Shenzhen”, “Contract for the cooperative venture of reconstruction project for Huafa Industrial Park, Gong Ming Street, Guangming New District” on 26 August 2015, and “Agreement on housing acquisition and removal compensation and resettlement” with Wuhan Zhongheng Group, Shenzhen Vanke Real Estate Co., Ltd. (hereinafter referred to as “Shenzhen Vanke”), and Shenzhen Vanke Guangming Real Estate Development Co., Ltd. (hereinafter referred to as “Vanke Guangming”).

On 12 September 2016, Shenzhen Vanke applied for arbitration in respect of “Agreement on the cooperation of urban renewal project of the updated units at Huafa Area, Gong Ming Street, Guangming New District, Shenzhen” against the Company and Wuhan Zhongheng Group. Shenzhen Court of International Arbitration (SCIA) has given a ruling in August 2017. On August 29, 2018, the court accepted the compulsory execution application of Shenzhen Vanke. In October 2019, as a number of outsiders filed an “execution objection” and applied for “no execution” to Shenzhen Intermediate People’s Court, the Shenzhen Intermediate People’s Court ruled to terminate the enforcement procedure on March 20, 2020. If the “execution objection” and “no execution” proposed by outsiders are rejected according to law, Shenzhen Vanke may continue to apply to the Shenzhen Intermediate People’s Court to resume execution.

In April 2020, Zhongheng Semiconductor sued the company to Shenzhen Intermediate People’s Court, and requested the company to transfer the above mentioned two pieces of lands and compensate the economic loss of 52 million yuan, the first and second trial judgments reject the Semiconductor’s appeal; Zhongheng Semiconductor sued the Company and the invalid of “Agreement on the cooperation of urban renewal project of the updated units at Huafa Area, Gong Ming Street, Guangming New District, Shenzhen” signed by Wuhan Zhongheng Group Company and Vanke, the second trial rejects all claims of Zhongheng Semiconductor. Progress of the case found more in the Notices released on Juchao website dated 14 Sept. 2016, 1 Nov. 2016, 16 Nov. 2016, on 18 Feb. 2017, 24 March 2017, 25 April 2017, 1 July 2017, 18 August 2017, 9 Feb. 2018, 25 Aug. 2018, 7 Sept. 2018, 21 Apr. 2020, 3 Jun, 2021, 22 Jul. 2021 and Mar. 5, 2022 respectively.

(2) On 31 December 2015, the 88,750,047 shares held by Wuhan Zhongheng Group, are pledge to China Merchants Securities Assets Co., Ltd. with due date of 31 December 2016. On 1 Feb. 2016, Wuhan Zhongheng Group pledge the 27,349,953 shares held to China Merchants Securities Assets Co., Ltd. with due date of 31 December 2016. The above-mentioned pledged shares are deferred by Wuhan Zhongheng Group; pledge expired on 31 December 2017. The trading day for repurchase put off to the date when pledge actually removed. Till end of this period released, controlling shareholder still not removed the pledge and the Company has apply by

letter, relevant Notice of Presentment on Stock Pledge from Controlling Shareholder was released. Found more in notice released on Juchao website date 2 Feb. 2018.

In March 2021, Wuhan Zhongheng Group received the judgment on case of “pledged securities repurchase dispute” brought by China Merchants Securities Assets Management Co., Ltd from High People’s Court of Guangdong Province. Wuhan Zhongheng Group appealed to the Supreme People’s Court against the decision. Found more in notice released on Juchao Website dated March 19, 2021.

(3) The controlling shareholder Wuhan Zhongheng Group holds 119,289,894 shares of the Company’ stock, accounting for 42.13% of the total share capital of the Company, of which 116,489,894 shares were judicially frozen by Shenzhen Intermediate People’s Court (hereinafter referred to as “Shenzhen Intermediate Court”) on September 27, 2016, which were frozen again by the Shenzhen Intermediate People’s Court on December 14, 2018, with a frozen period of 36 months; the remaining 2,800,000 shares were frozen by the Shenzhen Intermediate People’s Court on May 29, 2019, and were frozen again by the Higher People’s Court of Guangdong Province on July 5, 2019. For details, please refer to the company’s announcements published on Juchao Website dated October 27, 2016, January 11, 2019, May 31, 2019 and August 7, 2019.

(4) On September 29, 2016, the company and its controlling shareholder, Wuhan Zhongheng Group, signed the “Agency Contract” with V&T Law Firm. On October 8, 2016, the three parties also signed the “Supplemental Agreement for Agency Contract”, it was agreed that V&T acted as an agent for the company and Wuhan Zhongheng Group to deal with the arbitration case with Shenzhen Vanke. After losing the lawsuit, due to differences in the payment of attorney fees, V&T sued our company and Wuhan Zhongheng Group to the Shenzhen Court of International Arbitration, and applied to the court to seize a bank account under our company’s name and part of our company dormitories, please refer to “Other Announcements on the Progress Involving Litigation and Arbitration” (Announcement Numbers: 2018-43, 2019-02) released on Juchao Website dated November 14, 2018 and March 6, 2019. In November 2019, the Shenzhen Court of International Arbitration ruled that the company and Wuhan Zhongheng Group paid the corresponding fees. According to the relevant agreement of the “Entrusted Agency Contract” and “Supplementary Agreement” signed by the three parties, loss of the ruling in the case shall be fully borne by Wuhan Zhongheng Group, therefore, it has no impact on the profit of the Company. Found more on “Other Announcements on the Progress Involving Litigation and Arbitration” (Announcement No.: 2019-34) released on Juchao Website dated November 25, 2019.

(5) Business of the Company - Styrofoam is a traditional manufacturing industry. The industry has stepping into the maturity with severe overcapacity, the oversupply leads to a low gross margin and downward trend of profitability of the Company’s products. The “proposal to shut down the Styrofoam business from wholly-owned subsidiary” was deliberated and approved by the third interim meeting of BOD of 2022. Closure of the plant is progressing steadily.

XII. Principle notes of financial statements of parent company

1. Account receivable

(1) Category of account receivable

Unit: RMB/CNY

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

	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Account receivable with bad debt provision accrual on a single basis	10,293,424.29	100.00 %	10,293,424.29	100.00 %		10,293,424.29	100.00 %	10,293,424.29	100.00 %	
Including:										
Including:										
Total	10,293,424.29	100.00 %	10,293,424.29	100.00 %		10,293,424.29	100.00 %	10,293,424.29	100.00 %	

Accrual of bad debt provision on single basis: 10,293,424.29

Unit: RMB/CNY

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Hong Kong Haowei Industrial Co., Ltd.	1,870,887.18	1,870,887.18	100.00%	Uncollectible
TCL ACE ELECTRIC APPLIANCE (HUIZHOU) CO., LTD.	1,325,431.75	1,325,431.75	100.00%	Uncollectible
Qingdao Haier Parts Procurement Co., Ltd.	1,225,326.15	1,225,326.15	100.00%	Uncollectible
SKYWORTH Multimedia (Shenzhen) Co., Ltd.	579,343.89	579,343.89	100.00%	Uncollectible
Shenzhen Huixin Video Technology Co., Ltd.	381,168.96	381,168.96	100.00%	Uncollectible
Shenzhen Wandelai Digital Technology Co., Ltd.	351,813.70	351,813.70	100.00%	Uncollectible
Shenzhen Dalong Electronic Co., Ltd.	344,700.00	344,700.00	100.00%	Uncollectible
Shenzhen Keya Electronic Co., Ltd.	332,337.76	332,337.76	100.00%	Uncollectible
Shenzhen Qunping Electronic Co., Ltd.	304,542.95	304,542.95	100.00%	Uncollectible
China Galaxy Electronics (Hong Kong) Co., Ltd.	288,261.17	288,261.17	100.00%	Uncollectible
Dongguan Weite Electronic Co., Ltd.	274,399.80	274,399.80	100.00%	Uncollectible
Hong Kong New Century Electronics Co., Ltd.	207,409.40	207,409.40	100.00%	Uncollectible
Shenyang Beitai Electronic Co., Ltd.	203,304.02	203,304.02	100.00%	Uncollectible
Beijing Xinfang Weiye Technology Co., Ltd.	193,000.00	193,000.00	100.00%	Uncollectible
TCL Electronics (Hong Kong) Co., Ltd.	145,087.14	145,087.14	100.00%	Uncollectible
Huizhou TCL Xinte Electronics Co., Ltd.	142,707.14	142,707.14	100.00%	Uncollectible
Sky Worth – RGB Electronic Co., Ltd.	133,485.83	133,485.83	100.00%	Uncollectible
Other	1,990,217.45	1,990,217.45	100.00%	Uncollectible
Total	10,293,424.29	10,293,424.29		--

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

Applicable Not applicable

By account age

Unit: RMB/CNY

Account age	Ending balance
Over 3 years	10,293,424.29
Over 5 years	10,293,424.29
Total	10,293,424.29

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

Bad debt provision accrual in the period:

Unit: RMB/CNY

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	

Including major amount bad debt provision that collected or reversal in the period:

Unit: RMB/CNY

Name	Amount collected or reversal	Way of collection
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(3) Actual written-off accounts receivable in the current period

Unit: RMB/CNY

Item	Written-off amount
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Including the important accounts receivable written-off situation:

Unit: RMB/CNY

Name	Nature of accounts receivable	Written-off amount	Written-off reason	Written-off procedure performed	Whether the payment is generated by related party transactions
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Written-off description of accounts receivable:

(4) Top 5 account receivables collected by arrears party at ending balance

Unit: RMB/CNY

Company	Ending balance of account receivable	Proportion in total account receivables at period-end	Ending balance of bad debt provision
Hong Kong Haowei Industrial Co., Ltd.	1,870,887.18	18.18%	1,870,887.18
TCL ACE ELECTRIC APPLIANCE (HUIZHOU) CO., LTD.	1,325,431.75	12.88%	1,325,431.75
Qingdao Haier Parts Procurement Co., Ltd.	1,227,646.55	11.93%	1,227,646.55
SKYWORTH Multimedia (Shenzhen) Co., Ltd.	579,343.89	5.63%	579,343.89
Shenzhen Huixin Video Technology Co., Ltd.	381,168.96	3.70%	381,168.96
Total	5,384,478.33	52.32%	

(5) Account receivable derecognition due to financial assets transfer**(6) Assets and liabilities resulted by account receivable transfer and continues involvement**

Other note:

2. Other account receivable

Unit: RMB/CNY

Item	Ending balance	Opening balance
Other account receivable	95,039,705.78	92,468,697.71
Total	95,039,705.78	92,468,697.71

(1) Interest receivable**1) Category of interest receivable**

Unit: RMB/CNY

Item	Ending balance	Opening balance
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2) Significant overdue interest

Borrower	Ending balance	Overdue time	Overdue reason	Whether there is impairment and its judgment basis
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Other note:

3) Accrual of bad debt provision Applicable Not applicable**(2) Dividend receivable****1) Category of dividend receivable**

Unit: RMB/CNY

Item (or invested unit)	Ending balance	Opening balance
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2) Important dividend receivable with account age over one year

Unit: RMB/CNY

Item (or invested unit)	Ending balance	Account age	Reasons for non-recovery	Whether there is impairment and its judgment basis
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3) Accrual of bad debt provision Applicable Not applicable

Other note:

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

Unit: RMB/CNY

Nature	Ending book balance	Opening book balance
Intercourse funds	103,557,917.67	101,523,586.62
Borrow money	2,779,815.03	1,441,111.12
Margin & deposit	85,304.70	304,608.00
Rent receivable and utilities	7,001,429.97	6,999,971.21
Other	141,721.91	725,904.26
Less: Bad debt provision	-18,526,483.50	-18,526,483.50
Total	95,039,705.78	92,468,697.71

2) Accrual of bad debt provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on 1 Jan. 2022			18,526,483.50	18,526,483.50
Balance of 1 Jan. 2022 in the period				
Balance on Jun. 30, 2022			18,526,483.50	18,526,483.50

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

 Applicable Not applicable

By account age

Unit: RMB/CNY

Account age	Ending balance
Within one year (one year included)	16,763,629.05
1-2 years	4,969,630.70
2-3 years	73,307,622.03
Over 3 years	18,525,307.50
Over 5 years	18,525,307.50
Total	113,566,189.28

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

Bad debt provision accrual in the period:

Unit: RMB/CNY

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	

Including the important amount collected or switches back in the period:

Unit: RMB/CNY

Name	Amount collected or switches back	Way of collection
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4) The actual written-off other receivables in the current period

Unit: RMB/CNY

Item	Written-off amount
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Including the important written-off situation of other receivables:

Unit: RMB/CNY

Name	Nature of other receivables	Written-off amount	Written-off reason	Written-off procedure performed	Whether the payment is generated by related party transactions
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Description of other receivables written-off:

5) Top 5 other receivables collected by arrears party at ending balance

Unit: RMB/CNY

Company	Nature	Ending balance	Account ages	Proportion in total other receivables at period-end	Ending balance of bad debt provision
Wuhan Hengfa Technology Co., Ltd.	Intercourse funds	79,365,808.06	Within 1 year/1-2 years/2-3 years	69.89%	
Shenzhen Zhongheng HUAFA Property Co., Ltd	Intercourse funds	20,661,335.28	Within 1 year	18.19%	
Shenzhen HUAFA Property Leasing Co., Ltd.	Rent receivable	4,559,659.15	Over 5 years	4.01%	4,559,659.15
Portman	Rent receivable	4,021,734.22	Over 5 years	3.54%	4,021,734.22
Jackfang Investment 1F 1076	Rent receivable	1,380,608.00	Over 5 years	1.22%	1,380,608.00
Total		109,989,144.71		96.85%	9,962,001.37

6) Receivables involving government subsidies

Unit: RMB/CNY

Name	Government subsidy item	Ending balance	Ending account age	Estimated time, amount and basis of receipt
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7) Other receivable for termination of confirmation due to the transfer of financial assets**8) The amount of assets and liabilities that are transferred other receivable and continued to be involved**

Other note:

3. Long-term equity investments

Unit: RMB/CNY

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

Investment for subsidiary	187,218,400.00	600,000.00	186,618,400.00	187,218,400.00	600,000.00	186,618,400.00
Total	187,218,400.00	600,000.00	186,618,400.00	187,218,400.00	600,000.00	186,618,400.00

(1) Investment for subsidiary

Unit: RMB/CNY

The invested entity	Opening balance (Book value)	Changes in the period				Closing balance (Book value)	Closing balance of impairment provision
		Additional investment	Reduce investment	Accrual of impairment provision	Other		
Wuhan Hengfa Technology Co., Ltd.	183,608,900.00					183,608,900.00	
Shenzhen Zhongheng HUAFA Property Co., Ltd	1,000,000.00					1,000,000.00	
Shenzhen HUAFA Hengtian Co., Ltd.	1,000,000.00					1,000,000.00	
Shenzhen HUAFA Hengtai Co., Ltd.	1,000,000.00					1,000,000.00	
Shenzhen HUAFA Property Leasing Co., Ltd.							600,000.00
Ruth Co., Ltd.	9,500.00					9,500.00	
Total	186,618,400.00					186,618,400.00	600,000.00

4. Operating revenue and cost

Unit: RMB/CNY

Item	The Period		Last Period	
	Revenue	Cost	Revenue	Cost
Other business	24,122,414.00	4,518,020.17	22,146,204.31	4,439,887.16
Total	24,122,414.00	4,518,020.17	22,146,204.31	4,439,887.16

Information relating to revenue:

Unit: RMB/CNY

Category	Branch 1	Branch 2		Total
Product types				
Including:				
Property lease	22,853,967.50			22,853,967.50
Utility bill	1,268,446.50			1,268,446.50
Classification by business area				
Including:				
Domestic	24,122,414.00			24,122,414.00

Market or customer type				
Including:				
Contract types				
Including:				
Classification by time of goods transfer				
Including:				
Classification by contract duration				
Including:				
Classification by sales channel				
Including:				
Total	24,122,414.00			24,122,414.00

Information relating to performance obligations:

Nil

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

At end of the period, the corresponding revenue amount for performance obligations that have been signed but have not been performed or have not been performed is 0.00 yuan, of which, yuan expected to recognized as revenue in the year.

Other explanation:

XIII. Supplementary Information

1. Current non-recurring gains/losses

Applicable Not applicable

Unit: RMB/CNY

Item	Amount	Note
Gains/losses from the disposal of non-current asset	789,308.26	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are continuously enjoyed at a fixed or quantitative basis according to certain standards)	4,515,323.81	
Gain/loss of entrusted investment or assets management	180,088.19	
Other non-operating income and expenditure except for the aforementioned items	25,266.61	
Less: Impact on income tax	854,130.71	
Total	4,655,856.16	--

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

Applicable Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

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

Applicable Not applicable

2. ROE and earnings per share

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	2.53%	0.0311	0.0311
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	1.19%	0.0147	0.0147

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