

# **Shenzhen Textile (Holdings) Co., Ltd.**

## **2024 Semi-annual Financial Report**



**August 2024**

## 1. Audit Report

Whether the semi-annual report has been audited

Yes  No

The Company's semi-annual financial report is unaudited.

## 2. Financial statements

The unit of the financial statements in the notes is RMB

### 1. Consolidated Balance Sheet

Prepared by: Shenzhen Textile (Holdings) Co., Ltd.

June 30,2024

In RMB

Items	Ending balance	Opening balance
Current asset:		
Monetary fund	225,910,430.39	472,274,448.00
Deposit reservation for balance		
Lending funds		
Transaction financial assets	958,694,300.63	821,946,114.68
Derivative financial assets		
Note receivable	36,077,741.23	50,963,943.01
Accounts receivable	989,669,064.26	820,134,833.95
Financing of receivables	1,764,753.26	22,839,459.13
Prepayments	19,440,071.68	19,499,886.80
Premiums receivable		
Cession premiums receivable		
Provision of cession receivable		
Other account receivable	2,869,233.51	3,220,285.42
Including: Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Redemptory monetary capital for sale		
Inventories	846,922,170.06	736,392,172.27
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current asset	48,163,125.23	60,773,457.39
Total of current assets	3,129,510,890.25	3,008,044,600.65
Non-current assets:		
Loans and advances offered		

Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	121,622,822.15	127,682,020.70
Other equity instruments investment	145,988,900.00	145,988,900.00
Other non-current financial assets		
Investment real estate	120,798,298.63	125,603,207.18
Fixed assets	1,956,105,719.74	2,066,006,237.73
Construction in process	35,178,323.03	31,307,060.74
Productive biological assets		
Oil and gas assets		
Use right assets	15,681,910.23	11,999,466.57
Intangible assets	37,363,216.15	39,564,422.80
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	0.00	0.00
Long-term expenses to be amortized	4,571,279.35	3,503,660.94
Deferred income tax asset	54,006,722.74	60,605,365.42
Other non-current asset	27,721,656.15	29,517,420.71
Total of non-current assets	2,519,038,848.17	2,641,777,762.79
Total of assets	5,648,549,738.42	5,649,822,363.44
Current liabilities:		
Short-term borrowing	0.00	8,000,000.00
Borrowing from the central bank		
Borrowed funds		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	10,743,421.84	31,049,291.49
Account payable	474,563,073.82	408,548,136.24
Advance receipts	1,384,783.04	1,450,096.30
Contract liabilities	11,015,753.50	1,436,943.34
Financial assets sold for repurchase		
Deposits from customers and interbank		
Receivings from vicariously traded securities		
Funds received as stock underwrite		
Employees' wage payable	48,445,066.44	56,437,162.09
Tax payable	6,775,687.17	4,340,895.14

Other payable	180,013,733.22	184,528,344.55
Including: Interest payable	0.00	0.00
Dividend payable	0.00	0.00
Service charges and commissions payable		
Cession premiums payable		
Liabilities held for sale		
Non-current liability due within 1 year	109,541,121.89	108,102,752.99
Other current liability	58,881,472.16	80,082,477.22
Total of current liability	901,364,113.08	883,976,099.36
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowing	454,656,644.56	505,578,314.56
Bonds payable		
Including: preferred stock		
Perpetual bonds		
Lease liabilities	10,179,476.70	6,687,317.22
Long-term payables		
Long-term employee benefits payable		
27. Estimated liabilities		
Deferred income	92,717,923.24	97,485,986.89
Deferred income tax liability	43,951,002.93	44,177,287.45
Other non-current liabilities		
Total non-current liabilities	601,505,047.43	653,928,906.12
Total of liability	1,502,869,160.51	1,537,905,005.48
Owner's equity:		
Share capital	506,521,849.00	506,521,849.00
Other equity instruments		
Including: preferred stock		
Perpetual bonds		
Capital reserves	1,961,599,824.63	1,961,599,824.63
Less: treasury stock		
Other comprehensive income	93,491,555.75	93,607,380.81
Special reserve		
Special reserve	104,262,315.64	104,262,315.64
General risk provisions		
Retained profit	227,131,054.65	216,160,896.14
Total equity attributable to the owner of the parent company	2,893,006,599.67	2,882,152,266.22
Minority shareholders' equity	1,252,673,978.24	1,229,765,091.74
Total owner's equity	4,145,680,577.91	4,111,917,357.96
Total liabilities and owner's equity	5,648,549,738.42	5,649,822,363.44

Legal representative: Yin Kefei    Principal in charge of accounting: Liu Yu    Principal of accounting agency: Huang Min

## 2. Balance Sheet of parent company

In RMB

Items	Ending balance	Opening balance
Current asset:		
Monetary fund	18,669,477.61	9,125,800.27
Transaction financial assets	707,161,943.00	741,243,309.42
Derivative financial assets		
Note receivable		
Accounts receivable	12,513,509.31	12,671,623.65
Financing of receivables		
Prepayments	9,239.29	0.00
Other account receivable	26,806,548.49	14,013,552.95
Including: Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Inventories	36,079.05	32,814.05
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current asset		
Total of current assets	765,196,796.75	777,087,100.34
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	2,081,473,612.24	2,087,532,810.79
Other equity instruments investment	131,185,500.00	131,185,500.00
Other non-current financial assets		
Investment real estate	98,602,072.25	102,430,682.27
Fixed assets	2,294,808.14	2,522,229.44
Construction in process		
Productive biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	134,652.30	191,875.56
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	0.00	0.00
Long-term expenses to be	2,136,988.39	0.00

amortized		
Deferred income tax asset	0.00	0.00
Other non-current asset	26,911,346.35	27,823,005.45
Total of non-current assets	2,342,738,979.67	2,351,686,103.51
Total of assets	3,107,935,776.42	3,128,773,203.85
Current liabilities:		
Short-term borrowing		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	411,743.57	411,743.57
Advance receipts	540,673.07	540,673.07
Contract liabilities		
Employees' wage payable	13,036,827.06	15,810,919.71
Tax payable	3,613,447.07	3,115,369.56
Other payable	107,742,753.21	106,722,393.87
Including: Interest payable		
Dividend payable	0.00	0.00
Liabilities held for sale		
Non-current liability due within 1 year		
Other current liability		
Total of current liability	125,345,443.98	126,601,099.78
Non-current liabilities:		
Long-term borrowing		
Bonds payable		
Including: preferred stock		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
27. Estimated liabilities		
Deferred income	150,000.00	200,000.00
Deferred income tax liability	40,628,383.59	40,855,186.12
Other non-current liabilities		
Total non-current liabilities	40,778,383.59	41,055,186.12
Total of liability	166,123,827.57	167,656,285.90
Owner's equity:		
Share capital	506,521,849.00	506,521,849.00
Other equity instruments		
Including: preferred stock		
Perpetual bonds		
Capital reserves	1,577,392,975.96	1,577,392,975.96
Less: treasury stock		

Other comprehensive income	83,514,005.75	83,629,830.81
Special reserve		
Special reserve	104,262,315.64	104,262,315.64
Retained profit	670,120,802.50	689,309,946.54
Total owner's equity	2,941,811,948.85	2,961,116,917.95
Total liabilities and owner's equity	3,107,935,776.42	3,128,773,203.85

### 3. Consolidated income statement

In RMB

Items	Semi-annual 2024	Semi-annual 2023
I. Total operating income	1,623,384,151.90	1,490,095,669.55
Including: Operating income	1,623,384,151.90	1,490,095,669.55
Interest income		
Premiums earned		
Income from service charges and commissions		
II. Total operating cost	1,509,523,068.26	1,412,490,369.86
Including: Operating costs	1,389,606,053.06	1,286,170,472.71
Interest expenses		
Expenditures of service charges and commissions		
Surrender value		
Net payments for insurance claims		
Withdrawal of net provision for insurance contracts		
Expenditure of policy dividend		
Reinsurance costs		
Business tax and surcharge	4,614,482.79	4,397,329.78
Sale expenses	18,259,030.20	16,439,473.30
Administrative expenses	59,979,111.15	65,299,409.82
R & D expenses	47,870,863.46	36,004,188.62
Financial expenses	-10,806,472.40	4,179,495.63
Including: Interest expense	11,411,878.99	13,965,081.41
Interest income	4,864,600.64	5,318,571.16
Add: Other income	18,891,082.37	19,369,307.55
Investment income ("-" for losses)	3,206,756.62	7,743,354.69
Including: income from investment in associates and joint ventures	-4,247,734.12	-2,111,260.03
Financial assets measured at amortized cost cease to be recognized as income		

Foreign exchange gains ("-" for losses)		
Net exposure hedging income ("-" for losses)		
Gains from changes in fair value ("-" for losses)	1,283,637.11	0.00
Credit impairment losses ("-" for losses)	-8,275,241.40	-8,669,369.85
Asset impairment losses ("-" for losses)	-48,933,632.55	-35,512,897.29
Asset disposal income ("-" for losses)	0.00	321.08
3. Operating profits ("-" for losses)	80,033,685.79	60,536,015.87
Add: Non-Operating income	162,935.79	401,387.79
Less: Non-Operating expenses	2,311,469.51	3,037,581.05
4. Total profits ("-" for total losses)	77,885,152.07	57,899,822.61
Less: Income tax expenses	11,082,190.34	5,713,017.38
5. Net profits ("-" for net losses)	66,802,961.73	52,186,805.23
(I) Classified by operating sustainability		
1. Net profit from continuing operations ("-" for net losses)	66,802,961.73	52,186,805.23
2. Net profit from discontinued operations ("-" for net losses)		
(II) Classified by attribution of the ownership		
1. Net profit attributable to shareholders of the parent company ("-" for net losses)	43,894,075.23	36,307,162.97
2. Minority interest income ("-" for net losses)	22,908,886.50	15,879,642.26
VI. Net of tax from other comprehensive income	-115,825.06	352,684.20
OCI attributable to owners of the parent company	-115,825.06	233,590.80
(I) Other comprehensive incomes that cannot be reclassified into profit and loss	0.00	0.00
1. Changes in re-measurement of the defined benefit plan	0.00	0.00
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method	0.00	0.00
3. Changes in the fair value of investments in other equity instruments	0.00	0.00
4. Changes in the fair value of the company's credit risks	0.00	0.00
5. Other	0.00	0.00
(II) Other comprehensive income that can be re-classified into profit and loss	-115,825.06	233,590.80



1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.	0.00	0.00
2. Changes in the fair value of investments in other debt obligations	0.00	178,640.10
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment reserves of other debt investment		
5. Cash flow hedge reserve	0.00	0.00
6. Translation difference of foreign currency financial statements	-115,825.06	54,950.70
7. Other	0.00	0.00
Net of profit of other comprehensive income attributable to Minority shareholders' equity	0.00	119,093.40
VII. Total comprehensive income	66,687,136.67	52,539,489.43
Total comprehensive income attributable to owners of the parent company	43,778,250.17	36,540,753.77
Total comprehensive income attributable minority shareholders	22,908,886.50	15,998,735.66
VIII. Earnings per share:		
(I) Basic earnings per share	0.0867	0.0717
(II) Diluted earnings per share	0.0867	0.0717

In the current period, for business combinations under common control, the net profit realized by the entity being merged before the combination was: RMB 0.00, and the net profit realized by the entity being merged in the previous period was: RMB 0.00.

Legal representative: Yin Kefei    Principal in charge of accounting: Liu Yu    Principal of accounting agency: Huang Min

#### 4. Profit Statement of Parent Company

In RMB

Items	Semi-annual 2024	Semi-annual 2023
1. Operating income	37,598,506.94	39,239,619.43
Less: Operating cost	4,849,806.55	4,156,707.01
Business tax and surcharge	1,557,197.01	1,518,980.53
Sale expenses	28,576.00	103,182.40
Administrative expenses	18,630,597.44	24,244,619.96
R & D expenses	0.00	0.00
Financial expenses	-1,041,915.34	-1,137,285.05
Including: Interest expense	5,709.68	10,480.78
Interest income	1,142,495.37	1,206,551.01
Add: Other income	114,150.75	103,012.52
Investment income ("-" for losses)	4,103,395.00	7,701,351.64
Including: income from investment in associates and joint ventures	-4,247,734.12	-2,111,260.03

Gains from derecognition of financial assets measured at amortized cost ("-" for losses)		
Net exposure hedging income ("-" for losses)		
Gains from changes in fair value ("-" for losses)	257,446.36	0.00
Credit impairment losses ("-" for losses)	-11,329.80	-38,616.99
Asset impairment losses ("-" for losses)	0.00	0.00
Asset disposal income ("-" for losses)	0.00	0.00
2. Operating profits ("-" for losses)	18,037,907.59	18,119,161.75
Add: Non-Operating income	0.00	0.00
Less: Non-Operating expenses	18,097.45	263.13
3. Total profits ("-" for total losses)	18,019,810.14	18,118,898.62
Less: Income tax expenses	4,285,037.46	4,446,788.74
4. Net profits ("-" for net losses)	13,734,772.68	13,672,109.88
(1) Net profit from continuing operations ("-" for net losses)	13,734,772.68	13,672,109.88
(2) Net profit from discontinued operations ("-" for net losses)		
V. Net after-tax of other comprehensive income	-115,825.06	54,950.70
(I) Other comprehensive incomes that cannot be reclassified into profit and loss	0.00	0.00
1. Changes in re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5. Other		
(II) Other comprehensive income that can be re-classified into profit and loss	-115,825.06	54,950.70
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.	0.00	0.00
2. Changes in the fair value of investments in other debt obligations	0.00	0.00
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment reserves		

of other debt investment		
5. Cash flow hedge reserve	0.00	0.00
6. Translation difference of foreign currency financial statements	-115,825.06	54,950.70
7. Other	0.00	0.00
VI. Total comprehensive income	13,618,947.62	13,727,060.58
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

In RMB

Items	Semi-annual 2024	Semi-annual 2023
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,485,990,801.73	1,289,316,287.70
Net increase in deposits from customers and interbank		
Net increase in borrowings from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash received for premiums under the original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits from the insured and investment funds		
Cash received for interest, service charges and commissions		
Net increase in borrowed funds		
Net increase in funds of repurchasing business		
Net cash received from vicariously traded securities		
Tax returned	6,793,213.50	2,508,619.13
Other cash received from business operation	56,983,404.25	77,994,829.70
Subtotal of cash inflow received from operation activities	1,549,767,419.48	1,369,819,736.53
Cash paid for purchasing of merchandise and services	1,347,905,854.18	1,119,566,064.13
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and deposits from interbank		
Cash paid for the compensation under the original insurance contract		
Net increase in lending funds		
Cash paid for interest, service		

charges and commissions		
Cash paid for policy dividends		
Cash paid to staffs or paid for staffs	124,223,211.21	132,029,182.07
Taxes paid	15,045,793.07	25,728,838.24
Other cash paid for business activities	50,757,711.08	78,092,678.49
Subtotal of cash outflow received from operation activities	1,537,932,569.54	1,355,416,762.93
Net cash flow arising from operating activities	11,834,849.94	14,402,973.60
II. Cash flow generated by investing		
Cash received from investment retrieving	0.00	0.00
Cash received as investment gains	7,303,767.71	1,456,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	0.00	7,050.00
Net cash received from disposal of subsidiaries or other operational units	0.00	0.00
Other investment-related cash received	965,100,513.30	195,000,000.00
Subtotal of cash inflow received from investing activities	972,404,281.01	196,463,050.00
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	6,988,462.82	13,286,475.07
Cash paid as investment	0.00	0.00
Net increase in pledged loans	0.00	0.00
Net cash received from subsidiaries and other operational units	0.00	0.00
Other cash paid for investment activities	1,099,000,000.00	631,537,000.00
Subtotal of cash outflow for investment activities	1,105,988,462.82	644,823,475.07
Net cash flow arising from investment activities	-133,584,181.81	-448,360,425.07
III. Cash flow generated by financing		
Cash received as investment	0.00	0.00
Including: Cash received as investment from minor shareholders	0.00	0.00
Cash received as loans	257,600.00	3,000,000.00
Other financing –related cash received	0.00	0.00
Subtotal cash inflow received from financing activities	257,600.00	3,000,000.00
Cash to repay debts	58,921,670.00	49,284,364.34
Cash paid as dividend, profit, or interests	44,157,958.67	44,088,760.65
Including: Dividends and profits paid by subsidiaries to minority shareholders	0.00	0.00
Other cash paid for financing activities	6,463,136.37	4,141,770.57
Subtotal cash outflow for financing	109,542,765.04	97,514,895.56

activities		
Net cash flow arising from financing activities	-109,285,165.04	-94,514,895.56
IV. Influence of exchange rate alternation on cash and cash equivalents	-6,440,394.95	-318,751.44
V. Net increase in cash and cash equivalents	-237,474,891.86	-528,791,098.47
Add: opening balance of cash and cash equivalents	461,420,457.33	874,474,834.46
VI. Closing balance of cash and cash equivalents	223,945,565.47	345,683,735.99

## 6. Cash Flow Statement of Parent Company

In RMB

Items	Semi-annual 2024	Semi-annual 2023
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	40,534,005.59	39,612,023.57
Tax returned	67,999.80	1,636,664.57
Other cash received from business operation	4,967,943.81	1,679,622.51
Subtotal of cash inflow received from operation activities	45,569,949.20	42,928,310.65
Cash paid for purchasing of merchandise and services	1,110,239.45	6,111,142.09
Cash paid to staffs or paid for staffs	19,875,978.31	22,248,006.25
Taxes paid	8,337,487.47	12,755,344.10
Other cash paid for business activities	18,437,225.42	3,654,514.20
Subtotal of cash outflow received from operation activities	47,760,930.65	44,769,006.64
Net cash flow arising from operating activities	-2,190,981.45	-1,840,695.99
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving	0.00	0.00
Cash received as investment gains	9,003,767.71	1,456,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	0.00	0.00
Net cash received from disposal of subsidiaries or other operational units	0.00	0.00
Other investment-related cash received	885,100,513.30	135,000,000.00
Subtotal of cash inflow received from investing activities	894,104,281.01	136,456,000.00
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	1,288,821.77	512,293.90
Cash paid as investment		
Net cash received from subsidiaries and other operational units		

Other cash paid for investment activities	850,000,000.00	401,537,000.00
Subtotal of cash outflow for investment activities	851,288,821.77	402,049,293.90
Net cash flow arising from investment activities	42,815,459.24	-265,593,293.90
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	257,600.00	0.00
Other financing –related cash received	1,585,151.73	0.00
Subtotal cash inflow received from financing activities	1,842,751.73	0.00
Cash to repay debts	0.00	0.00
Cash paid as dividend, profit, or interests	32,923,916.72	30,406,699.21
Other cash paid for financing activities	0.00	0.00
Subtotal cash outflow for financing activities	32,923,916.72	30,406,699.21
Net cash flow arising from financing activities	-31,081,164.99	-30,406,699.21
IV. Influence of exchange rate alternation on cash and cash equivalents	364.54	-27,939.81
V. Net increase in cash and cash equivalents	9,543,677.34	-297,868,628.91
Add: opening balance of cash and cash equivalents	9,125,800.27	310,322,528.19
VI. Closing balance of cash and cash equivalents	18,669,477.61	12,453,899.28

## 7. Consolidated Statement of Changes in Owner's Equity

Amount in current period

In RMB

Items	Semi-annual 2024													Minority shareholders' equity	Total owner's equity
	Equity attributable to owners of the parent company														
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Special reserve	General risk provisions	Retained profit	Other	Subtotal		
	Pref erred stock	Per petual bonds	Oth er												
1. Balance at the end of the previous year	506,521,849.00				1,961,599,824.63		93,607,380.81		104,262,315.64		216,160,896.14		2,882,152,266.22	1,229,765,091.74	4,111,357.96
Add: Change of													0.00	0.00	0.00

accounting policy																
Correcting of previous errors													0.00	0.00	0.00	
Other													0.00	0.00	0.00	
2. Balance at the beginning of the current year	506,521,849.00	0.00	0.00	0.00	1,961,599.82	0.00	93,607,380.81	0.00	104,262,315.64	0.00	216,160,896.14	0.00	2,882,152.26	1,229,765.09	4,111,917.35	
3. Changes in increase/decrease in the current period ("-" for decrease)	0.00	0.00	0.00	0.00	0.00	0.00	-115,825.06	0.00	0.00	0.00	10,970,158.51	0.00	10,854,333.45	22,908,880.00	33,763,219.95	
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	-115,825.06	0.00	0.00	0.00	43,894,075.23	0.00	43,778,250.17	22,908,880.00	66,687,136.67	
(II) Contribution and withdrawal of capital by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1. Common stock contributed by owners													0.00	0.00	0.00	
2. Capital invested by holders of other equity instruments													0.00		0.00	
3. Share-based payment recognized in owners' equity													0.00		0.00	
4. Others													0.00		0.00	
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-32,923,916.7	0.00	-32,923,916.7	0.00	32,923,916.7	

											2		2		2
1. Withdrawal of surplus reserve													0.0		0.0
													0		0
2. Withdrawal of general risk reserves													0.0		0.0
													0		0
3. Distribution to owners (or shareholders)											-		-		-
											32,923,916.72		32,923,916.72		32,923,916.72
4. Others													0.0		0.0
													0		0
(4) Internal carry-forward of owners' equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Capital reserve transferred to paid-in capital (or share capital)													0.0		0.0
													0		0
2. Surplus reserve transferred to paid-in capital (or share capital)													0.0		0.0
													0		0
3. Making up losses by surplus reserves.													0.0		0.0
													0		0
4. Changes in defined benefit plans carried forward to retained earnings													0.0		0.0
													0		0
5. Other comprehensive income transferred to retained													0.0		0.0
													0		0



earnings															
6. Others													0.0		0.0
(V) Special reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Withdrawal in the current period													0.0	0.0	0.0
0													0	0	0
2. Utilization in the current period													0.0	0.0	0.0
0													0	0	0
(VI) Others					0.0								0.0	0.0	0.0
0					0								0	0	0
4. Balance at the end of the current period	506				1,9		93,		104		227		2,8	1,2	4,1
,52	,52	0.0	0.0	0.0	61,		491		,26		,13		93,	52,	45,
1,8	1,8	0	0	0	599	0.0	,55	0.0	2,3	0.0	1,0	0.0	006	673	680
49.	49.				,82		5.7		15.		54.		,59	,97	,57
00	00				4.6		5		64		65		9.6	8.2	7.9
					3								7	4	1

Year 2023

In RMB

Items	Semi-annual 2023														Minority shareholders' equity	Total owner's equity
	Equity attributable to owners of the parent company															
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Special reserve	General risk provisions	Retained profit	Other	Subtotal			
	Preferred stock	Perpetual bonds	Other													
1. Balance at the end of the previous year	506				1,9		109		100		170		2,8	1,1	4,0	
,52	,52	0.0	0.0	0.0	61,		,59		,90		,63		49,	81,	31,	
1,8	1,8	0	0	0	599	0.0	6,6	0.0	9,6	0.0	6,6	0.0	264	777	042	
49.	49.				,82		09.		61.		10.		,55	,77	,32	
00	00				4.6		31		32		95		5.2	0.2	5.4	
					3								1	1	2	
Add: Change of accounting policy													0.0	0.0	0.0	
													0	0	0	
Correcting of previous errors													0.0	0.0	0.0	
													0	0	0	
Other													0.0	0.0	0.0	
													0	0	0	
2. Balance at the beginning of	506	0.0	0.0	0.0	1,9	0.0	109	0.0	100	0.0	170	0.0	2,8	1,1	4,0	
,52	,52	0	0	0	61,		,59		,90		,63		49,	81,	31,	
1,8	1,8				599		6,6		9,6		6,6		264	777	042	

the current year	49.00				,824.63		09.31		61.32		10.95		,555.21	,770.21	,325.42
3. Changes in increase/decrease in the current period ("-" for decrease)	0.00	0.00	0.00	0.00	0.00	0.00	233,590.80	0.00	0.00	0.00	5,915,852.03	0.00	6,149,442.83	15,998,735.66	22,148,178.49
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	233,590.80	0.00	0.00	0.00	36,307,162.97	0.00	36,540,753.77	15,998,735.66	52,539,489.43
(II) Contribution and withdrawal of capital by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Common stock contributed by owners													0.00	0.00	0.00
2. Capital invested by holders of other equity instruments													0.00		0.00
3. Share-based payment recognized in owners' equity													0.00		0.00
4. Others													0.00		0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-30,391,310.94	0.00	-30,391,310.94	0.00	-30,391,310.94
1. Withdrawal of surplus reserve													0.00		0.00
2. Withdrawal of general risk reserves													0.00		0.00
3.											-		-		-

Distribution to owners (or shareholders)												30,391,310.94		30,391,310.94		30,391,310.94
4. Others														0.00		0.00
(4) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capital reserve transferred to paid-in capital (or share capital)														0.00		0.00
2. Surplus reserve transferred to paid-in capital (or share capital)														0.00		0.00
3. Making up losses by surplus reserves.														0.00		0.00
4. Changes in defined benefit plans carried forward to retained earnings														0.00		0.00
5. Other comprehensive income transferred to retained earnings														0.00		0.00
6. Others														0.00		0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal in the current period														0.00	0.00	0.00
2. Utilization														0.00	0.00	0.00

in the current period															
(VI) Others													0.00	0.00	0.00
4. Balance at the end of the current period	506,521,849.00	0.00	0.00	0.00	1,961,599,824.63	0.00	109,830,200.11	0.00	100,909,661.32	0.00	176,552,462.98	0.00	2,855,413,998.04	1,197,776,505.87	4,053,190,503.91

## 8. Variation of equity attributable to owners of the parent company

Amount in current period

In RMB

Items	Semi-annual 2024											Total owner's equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Special reserve	Retained profit	Other	
		Preferred stock	Perpetual bonds	Other								
1. Balance at the end of the previous year	506,521,849.00	0.00	0.00	0.00	1,577,392,975.96	0.00	83,629,830.81	0.00	104,262,315.64	689,309,946.54		2,961,116,917.95
Add: Change of accounting policy												0.00
Correcting of previous errors												0.00
Other												0.00
2. Balance at the beginning of the current year	506,521,849.00	0.00	0.00	0.00	1,577,392,975.96	0.00	83,629,830.81	0.00	104,262,315.64	689,309,946.54	0.00	2,961,116,917.95
3. Changes in increase/decrease in the current period ("-" for decrease)	0.00	0.00	0.00	0.00	0.00	0.00	115,825.06	0.00	0.00	19,189,144.04	0.00	19,304,969.10
(I) Total	0.00	0.00	0.00	0.00	0.00	0.00	115,825.06	0.00	0.00	13,734,772.04	0.00	13,618,947.10

comprehensive income							25.06			.68		.62
(II) Contribution and withdrawal of capital by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Common stock contributed by owners												0.00
2. Capital invested by holders of other equity instruments												0.00
3. Share-based payment recognized in owners' equity												0.00
4. Others												0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	- 32,923,916.72	0.00	- 32,923,916.72
1. Withdrawal of surplus reserve												0.00
2. Distribution to owners (or shareholders)										- 32,923,916.72		- 32,923,916.72
3. Other												0.00
(4) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capital reserve transferred to paid-in capital (or share capital)												0.00
2. Surplus reserve transferred												0.00

to paid-in capital (or share capital)												
3. Making up losses by surplus reserves.												0.00
4. Changes in defined benefit plans carried forward to retained earnings												0.00
5. Other comprehensive income transferred to retained earnings												0.00
6. Others												0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal in the current period												0.00
2. Utilization in the current period												0.00
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Balance at the end of the current period	506,521,849.00	0.00	0.00	0.00	1,577,392,975.96	0.00	83,514,005.75	0.00	104,262,315.64	670,120,802.50	0.00	2,941,811,948.85

Year 2023

In RMB

Items	Semi-annual 2023											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Special reserve	Retained profit	Other	Total owner's equity
		Preferred stock	Perpetual bonds	Other								
1. Balance at the end of the	506,521,849.00	0.00	0.00	0.00	1,577,392,975.9	0.00	98,855,668.75	0.00	100,909,661.32	689,527,368.58		2,973,207,523.6

previous year					6							1
Add: Change of accounting policy												0.00
Correcting of previous errors												0.00
Other												0.00
2. Balance at the beginning of the current year	506,521,849.00	0.00	0.00	0.00	1,577,392,975.96	0.00	98,855,668.75	0.00	100,909,661.32	689,527,368.58	0.00	2,973,207,523.61
3. Changes in increase/decrease in the current period ("-" for decrease)	0.00	0.00	0.00	0.00	0.00	0.00	54,950.70	0.00	0.00	-16,719,201.06	0.00	-16,664,250.36
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	54,950.70	0.00	0.00	13,672,109.88	0.00	13,727,060.58
(II) Contribution and withdrawal of capital by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Common stock contributed by owners												0.00
2. Capital invested by holders of other equity instruments												0.00
3. Share-based payment recognized in owners' equity												0.00
4. Others												0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-30,391,310.94	0.00	-30,391,310.94

1. Withdrawal of surplus reserve												0.00
2. Distribution to owners (or shareholders)										- 30,39 1,310 .94		- 30,39 1,310 .94
3. Other												0.00
(4) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capital reserve transferred to paid-in capital (or share capital)												0.00
2. Surplus reserve transferred to paid-in capital (or share capital)												0.00
3. Making up losses by surplus reserves.												0.00
4. Changes in defined benefit plans carried forward to retained earnings												0.00
5. Other comprehensive income transferred to retained earnings												0.00
6. Others												0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal in the												0.00



current period												
2. Utilization in the current period												0.00
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Balance at the end of the current period	506,521,849.00	0.00	0.00	0.00	1,577,392,975.96	0.00	98,910,619.45	0.00	100,909,661.32	672,808,167.52	0.00	2,956,543,273.25

### 3. Company profile

Shenzhen Textile (Holdings) Co., Ltd (hereinafter referred to as "the Company") is a company limited by shares registered in Guangdong Province, formerly known as Shenzhen Textile Industry Company and established in 1984. The Company was listed on the Shenzhen Stock Exchange in August 1994. The Company publicly issued RMB ordinary shares (A shares) and domestic listed foreign capital shares (B shares) to the domestic and foreign public respectively and listed them for trading.

Headquartered in Shenzhen, Guangdong Province, the main business of the Company and its subsidiaries (hereinafter referred to as "the Group") includes the research and development, production and marketing of polarizers for liquid crystal display, as well as property management business mainly located in the prosperous commercial area of Shenzhen and textile and garment business.

The consolidated and parent company financial statements have been approved by the Board of Directors of the Company on August 21, 2024.

### 4. Preparation Basis of Financial Statements

#### 1. Basis of preparation

The Group implements the accounting standards for enterprises and related regulations promulgated by the Ministry of Finance. In addition, the Group also discloses relevant financial information in accordance with the No. 15 Compilation Rules for Disclosure of Information by Companies of Issuing Securities to the Public-General Provisions for Financial Reporting (2023 Revision).

#### 2. Going concern

The Group evaluated its ability to continue as a going concern for the 12 months from June 30, 2024 and found no matters or circumstances that raised significant doubts about its ability to continue as a going concern. Accordingly, the present financial report has been prepared on the basis of going concern assumptions.

### 5. Important accounting policies and estimates

Tips on specific accounting policies and accounting estimates:

The Group's accounting is based on the accrual basis. Except for certain financial instruments-which are measured at fair value, the financial report uses the historical cost as the measurement basis. If the asset is impaired, the corresponding impairment provision will be made in accordance with the relevant regulations.

Under historical cost measurement, an asset is measured at the fair value of the amount of cash or cash equivalents paid or the consideration paid at the time of acquisition. Liabilities are measured by the amount of money or assets actually received as a result of the present obligation is assumed, or the contractual amount of the present obligation is incurred, or the amount of cash or cash equivalents expected to be paid in the ordinary course of life to repay the liability.

Fair value is the price that market participants shall have to receive for the sale of an asset or shall to pay for a transfer of a liability in an orderly transaction that occurs on the measurement date. Whether the fair value is observable or estimated using valuation techniques, the fair value measured and disclosed in this financial report is determined on that basis.

For financial assets that use the transaction price as the fair value at the time of initial recognition, and a valuation technique involving unobservable inputs is used in subsequent measures of fair value, the valuation technique is corrected during the valuation process so that the initial recognition result determined by the valuation technique is equal to the transaction price.

Fair value measurement is divided into three levels as to the observability of fair value inputs, and the importance of such inputs to fair value measurement as a value inputs, and the importance of such inputs to fair value measurement as a whole:

The first level of input is the unadjusted quotation of the same asset or liability in an active market that can be obtained at the measurement date.

The second-level input value is the input value that is directly or indirectly observable for the underlying asset or liability in addition to the first-level input.

The third level input value is the unobservable input value of the underlying asset or liability.

## **1. Statement of Compliance with Accounting Standard for Business Enterprises**

The financial report prepared by the Company complies with the requirements of the Accounting Standards for Business Enterprises and truly and completely reflects the consolidated and parent financial position of the Company as of June 30, 2024 and the consolidated and parent operating results, the consolidated and parent shareholders' equity changes and the consolidated and parent cash flows for 2024 semi-year.

## **2. Accounting period**

The fiscal year of the Company is the Gregorian calendar year, i.e. from January 1 to December 31 of each year.

## **3. Operating cycle**

The operating cycle is the period from the time an enterprise purchases an asset for processing to the realization of cash or cash equivalents. The Company's business cycle is 12 months.

## **4. Functional currency**

RMB is the currency in the main economic environment in which the Company and its domestic subsidiaries operate, and the Company and its domestic subsidiaries use RMB as the base accounting currency. The overseas

subsidiaries of the Company determine RMB as their base accounting currency according to the currency of the main economic environment in which they operate. The currency used by the Company in the preparation of this financial report is RMB.

## 5. Determination method and selection basis of materiality criteria

Applicable  Not applicable

Items	Material criteria
Receivables for a significant single provision for bad debts	The proportion of individual item exceeds 0.5% of total assets
Important accounts receivable for the recovery or reversal of bad debt reserves	The amount of single recovery or reversal accounts for more than 10% of the total amount of recovery or reversal of bad debt reserves of corresponding receivables, and the amount exceeds RMB 10 million
Significant prepayments that are more than 1 year old	The proportion of individual item exceeds 0.5% of total assets
Important accounts payable, account collected in advance, contract liabilities, and other payables that are over one year old	The proportion of individual item exceeds 0.5% of total assets
Cash received in connection with significant investment activities	Amount exceeding RMB 50 million
Payments of cash in connection with significant investment activities	Amount exceeding RMB 50 million
Significant non-wholly owned subsidiary	More than 10% of total assets, or total revenues or total profits
Significant joint ventures or associates	Net assets account for more than 5%

## 6. Accounting treatment methods of business merger under the common control and not under the common control

Business combinations are divided into business combinations under common control and business combinations under non-common control.

### 6.1 Business combinations under common control

The enterprises participating in the merger are ultimately controlled by the same party or multiple parties before and after the merger, and the control is not temporary, therefore it is a business combination under the common control.

Assets and liabilities acquired in a business combination are measured at their carrying value on the consolidated party at the date of consolidation. The difference between the carrying amount of net assets acquired by the merging party and the carrying amount of the merger consideration paid is adjusted for the equity premium in the capital reserve or for retained earnings if the equity premium is insufficient to be offset.

Direct expenses incurred in connection with the business combination are recognized in profit or loss for the period when incurred.

### 6.2 Business combinations and goodwill under non-common control

The enterprises participating in a merger are not ultimately controlled by the same party or multiple parties before and after the merger, therefore it is a business combination under non-common control.

Consolidation cost is the fair value of assets paid, liabilities incurred or assumed and equity instruments issued to gain control of the acquired party by the purchaser. Intermediary fees such as auditing, legal services, valuation consulting and other related management expenses incurred by the purchaser for the business combination are recognized in the profit or loss of the period when incurred.

The identifiable assets, liabilities and contingent liabilities of the acquiree that are eligible for recognition acquired by the purchaser in the merger are measured at fair value at the date of purchase.

The excess of the cost of the combination over the fair value of the acquirer's share of the identifiable net assets acquired is recognized, as an asset, as goodwill and initially measured at cost. If the cost of the merger is less than the fair value share of the acquiree's identifiable net assets acquired in the merger, the fair value of the acquired acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the merger are first reviewed, and if the consolidated cost after review is still less than the fair value share of the acquiree's identifiable net assets share acquired in the merger, which shall be included in profit or loss for the period occurred.

Goodwill resulting from business combinations is presented separately in the consolidated financial statement and measured at cost less accumulated impairment provisions.

## **7. Control criteria and preparation method of consolidated financial statements**

### **7.1 Criteria for control judgment**

Control means that the investor has the power over the investee, enjoys variable returns by participating in the related activities of the investee, and has the ability to influence the amount of returns by using the power over the investee. The Group will reassess the relevant elements involved in the above definition of controls as a result of changes in the relevant facts and circumstances.

### **7.2. Methodology for the preparation of consolidated financial statement**

The consolidated scope of the consolidated financial statement is determined on a control basis.

The merger of subsidiaries begins when the Group acquires control of the subsidiary and terminates when the Group loses control of the subsidiary.

For subsidiaries disposed of by the Group, the results of operations and cash flows prior to the date of disposal (the date of loss of control) have been duly included in the consolidated statement of income and the consolidated statement of cash flows.

For subsidiaries acquired through a business combination under non-common control, the results of operations and cash flows from the date of purchase (the date of acquisition of control) have been appropriately included in the consolidated statement of income and the consolidated statement of cash flows.

For subsidiaries acquired through a business combination under common control, regardless of when the business combination takes place in any point of the reporting period, the subsidiary shall be deemed to be included in the scope of the Group's consolidation on the date on which the subsidiary is under the control of the ultimate controlling party, the results of operations and cash flows from the beginning of the earliest period of the reporting period are duly included in the consolidated income statement and the consolidated statement of cash flows.

The principal accounting policies and the accounting periods adopted by the subsidiaries are determined in accordance with the accounting policies and accounting periods uniformly prescribed by the Company.

The impact of the Company's internal transactions with its subsidiaries and between subsidiaries on the consolidated financial statement is offset at the time of consolidation.

The shares of the subsidiary's ownership interest that are not part of the parent company are shown as minority interests under the item "minority interests" under the item on shareholders' equity in the consolidated balance sheet. The shares of the subsidiary's net profit or loss for the period that belongs to minority interests is shown under the item "minority profit and loss" under the net profit item in the consolidated statement of income.

The minority shareholders' share of the subsidiary's losses exceeds the minority shareholders' share of ownership interest enjoyed in the beginning of the period, and its balance is still offset by the minority shareholders' equity.

For transactions that purchase minority stakes in a subsidiary or dispose of part of the equity investment without losing control of the subsidiary, it's accounted as equity transactions, and the carrying amount of the owner's interest and minority interest attributable to the parent company is adjusted to reflect their change in the relevant interest in the subsidiary. The difference between the adjustment of minority interests and the fair value of the consideration paid/received is adjusted to the capital reserve, and if the capital reserve is insufficient to offset it, then it's adjusted to the retained earnings.

## **8. Classification of joint venture arrangements and accounting treatment of joint operations**

Joint arrangements are divided into commonly-operated ventures and jointly-operated ventures, which are determined in accordance with the rights and obligations of the joint venture parties in the joint venture arrangement by taking into account factors such as the structure, legal form and contractual terms of the arrangement. Commonly-operated refers to a joint arrangement in which the joint venture parties enjoy the assets related to the arrangement and bear the liabilities related to the arrangement. The jointly-operated is a joint arrangement in which the joint venture party has rights only to the net assets of the joint arrangement.

The Group's investments in joint ventures are accounted by using the equity method. Please see Note "Long-term equity investments".

## **9. Recognition criteria for cash and cash equivalents**

Cash refers to cash on hand and deposits that can be used to pay at any time. Cash equivalents refer to investments held by the Group for a short period (generally within three months from the date of purchase), highly liquid, easily convertible into a known amount of cash, and with little risk of change in value.

## 10. Foreign currency transactions and conversion of foreign currency financial statements

### 10.1 Foreign currency transactions

Foreign currency transactions are initially recognized at an exchange rate similar to the spot exchange rate on the date of the transaction, and the exchange rate similar to the spot rate on the date of the transaction is determined in a systematic and reasonable manner.

At the balance sheet date, foreign currency monetary items are converted into RMB using the spot exchange rate on that date, and the exchange difference arising from the difference between the spot exchange rate on that date and the spot exchange rate at the time of initial recognition or the day preceding the balance sheet date, except: (1) the exchange difference of foreign currency special borrowings eligible for capitalization is capitalized during the capitalization period and included in the cost of the underlying asset; (2) The exchange difference of hedging instruments for hedging in order to avoid foreign exchange risk is treated according to the hedge accounting method; (3) The exchange difference results from changes in other carrying balances other than amortized cost for monetary items classified as measured at fair value and changes in which are included in other comprehensive income, it shall be recognized as profit or loss for the period.

Where the preparation of the consolidated financial statement involves overseas operations, if there are foreign currency monetary items that substantially constitute net investment in overseas operations, the exchange difference arising from exchange rate changes is included in the "foreign currency statement translation difference" item included in other comprehensive income; When disposing of overseas operations, it is included in the profit or loss of the period of disposal.

Foreign currency non-monetary items measured at historical cost are still measured at the base currency amount translated at the spot exchange rate on the date of the transaction. Foreign currency non-monetary items measured at fair value are converted at the spot exchange rate of the fair value determination date. The difference between the converted amount in the functional currency and the original recorded amount in the functional currency is treated as a fair value change (including changes of exchange rate), and is recognized in the current profit or loss or as other comprehensive income.

### 10.2 Translation of foreign currency financial statements

For the purpose of preparing consolidated financial statement, foreign currency financial statements for overseas operations are converted into RMB statements in the following manner: all assets and liabilities in the balance sheet are converted at the spot exchange rate at the balance sheet date; Shareholders' equity items are converted at the spot exchange rate at the time of incurrence; All items in the income statement and items reflecting the amount of profit distribution are converted at an exchange rate similar to the spot exchange rate on the date of the transaction; The difference between the converted asset items and the total of liability items and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated using exchange rates similar to the spot exchange rate on the occurrence date of cash flow, and the impact amount of exchange rate changes on cash and cash equivalents is used as a reconciliation item and is shown separately in the statement of cash flows as "Impact of exchange rate changes on cash and cash equivalents".

The prior-year year-end amounts and the prior-year actual are presented on the basis of the amounts converted from the prior-year financial statement.

Where the Group loses control of overseas operations due to disposing of all the ownership interests in overseas operations or the disposal of part of the equity investment or other reasons, the difference in the translation of the foreign currency statements in the ownership interests attributable to the parent company related to the overseas operations shown below the items of shareholders' equity in the balance sheet shall be transferred to the profit or loss of the period of disposal.

Where the proportion of equity interests held in overseas operations decreases due to the disposal of part of the equity investment or other reasons without lost the control of the overseas operations, the difference in the translation of foreign currency statements related to the disposal part of the overseas operations shall be attributed to the minority shareholders' interests and shall not be transferred to the profit or loss of the period. When disposing of a portion of equity in overseas operations that are joint ventures or associates, the foreign currency translation differences related to the overseas operations are transferred to the disposal period's profit or loss in proportion to the disposal scale.

## 11. Financial instruments

The Group recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

In the case of the purchase or sale of financial assets in the usual manner, it shall recognize the assets to be received and the liabilities to be incurred on the transaction date, or derecognize the assets sold on the transaction date.

Financial assets and financial liabilities are measured at fair value at initial recognition (For the method of determining the fair value of financial assets and financial liabilities, please refer to the relevant disclosure of "Accounting Basis and Pricing Principles" in Note (II)). For financial assets and financial liabilities measured at fair value and changes in which are recorded in profit or loss for the period, the related transaction costs are recognized directly in profit or loss for the period; For other categories of financial assets and financial liabilities, the related transaction costs are included in the initial recognition amount. Where the Group initially recognizes accounts receivable that do not contain a material financing component or do not take into account the financing component in a contract not older than one year in accordance with No. 14 Accounting Standard for Business Enterprises-Revenue (the "Revenue Standard"), the initial measurement is made at the transaction price as defined by the revenue standard.

The effective interest rate method refers to the method of calculating the amortized cost of financial assets or financial liabilities and apportioning interest income or interest expense into each accounting period.

The effective interest rate is the interest rate used to discount the estimated future cash flows of a financial asset or financial liability over the expected life of the financial asset to the carrying balance of the financial asset or the amortized cost of the financial liability. In determining the effective interest rate, the expected cash flow is estimated taking into account all contractual terms of the financial asset or financial liability (such as early repayment, rollover, call option or other similar option, etc.), without taking into account the expected credit loss.

The amortized cost of a financial asset or financial liability is the amount initially recognized less the principal repaid, plus or minus the accumulated amortization resulting from the amortization of the difference between the initial recognition amount and the amount due date using the effective interest rate method, and then deduct the accumulated provision for losses (for financial assets only).

#### 11.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group conducts subsequent measurements of different classes of financial assets at amortized cost, measured at fair value and changes in which are recognized in other comprehensive income, or measured at fair value and changes in which are recorded in profit or loss for the period.

The contractual clauses of a financial asset provide that the cash flows generated on a given date are only the payment of principal and interest based on the outstanding principal amount, and the Group's business model is aimed for managing the financial asset is to collect contractual cash flows, then the Group classifies the financial asset as a financial asset measured at amortized cost. Such financial assets mainly include monetary funds, notes receivable, accounts receivable and other receivables.

If the contractual terms of a financial asset stipulate that the cash flows generated on a specific date are solely payments of principal and interest on the outstanding principal amount, and the Group's business model for managing the financial asset is both to collect contractual cash flows and to sell the financial asset, then the financial asset is classified as measured at fair value through other comprehensive income. Such financial assets with a maturity of more than one year from the date of acquisition are listed as other debt investments, and if they mature within one year (inclusive) from the balance sheet date, they are shown as non-current assets maturing within one year; Accounts receivable and notes receivable classified as measured at fair value and changes in which are recognized in other comprehensive income at the time of acquisition are shown in receivables financing, and the other acquired with a maturity of one year (inclusive) are shown in other current assets.

At initial recognition, the Group may irrevocably designate investments in non-tradable equity instruments other than contingent consideration recognized in business combinations that are under non-common control as financial assets measured at fair value and changes in which are recognized in other comprehensive income on a single financial asset basis. Such financial assets are listed as investments in other equity instruments.

Where a financial asset meets any of the following conditions, it indicates that the Group's purpose in holding the financial asset is transactional:

The purpose of acquiring the underlying financial asset is primarily for the purpose of the recent sale.

The underlying financial assets were part of a centrally managed portfolio of identifiable financial instruments at the time of initial recognition and there was objective evidence of an actual pattern of short-term profits in the recent.

The related financial asset is a derivative instrument. Except for derivatives that meet the definition of financial guarantee contract and derivatives that are designated as effective hedging instruments.

Financial assets measured at fair value and changes in which are recorded in profit or loss for the period include financial assets classified as measured at fair value and changes in which are recorded in profit or loss for the period



and financial assets designated as measured at fair value and changes in which are recorded in profit or loss for the period:

Financial assets that do not qualify as financial assets measured at amortized cost and financial assets measured at fair value and changes in which are included in other comprehensive income are classified as financial assets measured at fair value and changes in which are recorded in profit or loss for the period.

At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group may irrevocably designate financial assets as financial assets measured at fair value and changes in which are recorded in profit or loss for the period.

Financial assets measured at fair value through the current profit or loss are presented as trading financial assets. Financial assets that are due to mature (or have no fixed maturity) more than one year from the Balance Sheet date and are expected to be held for more than one year are presented as other non-current financial assets.

#### 11.1.1 Financial assets measured at amortized cost

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest rate method, and the gains or losses arising from impairment or derecognition are included in profit or loss for the period.

The Group recognizes interest income on financial assets measured at amortized cost in accordance with the effective interest rate method. For financial assets purchased or derived that have incurred credit impairment, the Group determines interest income based on the amortized cost of the financial asset and the credit-adjusted effective interest rate from the initial recognition. In addition, the Group determines interest income based on the carrying balance of financial assets multiplied by the effective interest rate.

#### 11.1.2 Financial assets measured at fair value and changes in which are recorded in other comprehensive income

Impairment losses or gains and interest income calculated using the effective interest rate method related to financial assets classified as measured at fair value and changes in which are included in other comprehensive income are recognized in profit or loss for the period, and except that, changes in the fair value of such financial assets are recognized in other comprehensive income. The amount of the financial asset recognized in profit or loss for each period is equal to the amount that is recognized in profit or loss for each period as if it had been measured at amortized cost. When the financial asset is derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss for the period.

Changes in fair value in investments in non-traded equity instruments designated as measured at fair value and the change in which are recognized in other comprehensive income are recognized in other comprehensive income, and when the financial asset is derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings. During the period during which the Group holds the investment in the non-tradable equity instrument, the dividend income is recognized and recorded in profit or loss for the period when the Group's right to receive dividends has been established, the economic benefits associated with the dividends are likely to flow into the Group and the amount of the dividends can be reliably measured.

### 11.1.3 Financial assets measured at fair value and changes in which are recorded in profit or loss for the period

Financial assets measured at fair value and changes in which are recorded in profit or loss for the period are subsequently measured at fair value, and gains or losses resulting from changes in fair value and dividends and interest income related to the financial asset are recorded in profit or loss for the period.

### 11.2 Impairment of financial instruments

The Group performs impairment accounting and recognizes loss provisions for financial assets measured at amortized cost, financial assets classified as measured at fair value and changes in which are recognized in other comprehensive income, and lease receivables based on expected credit losses.

The Group measures the loss provision at an amount equivalent to the expected credit loss over the life of notes receivable and accounts receivable formed by transactions regulated by revenue standards that do not contain a material financing element or do not take into account the financing component of contracts not exceeding one year, as well as operating leases receivable arising from transactions regulated by No. 21 Accounting Standard for Business Enterprises -Leases.

For other financial instruments, the Group assesses the change in the credit risk of the relevant financial instruments since initial recognition at each balance sheet date, except for financial assets purchased or derived that have incurred credit impairment. If the credit risk of the Financial Instrument has increased significantly since the initial recognition, the Group measures its loss provision by an amount equivalent to the expected credit loss over the life of the financial instrument; If the credit risk of the financial instrument does not increase significantly since the initial recognition, the Group measures its loss provision by an amount equivalent to the expected credit loss of the financial instrument in the next 12 months. Increases or reversals of credit loss provisions are recognized as impairment losses or gains in profit or loss for the period, except for financial assets classified as measured at fair value and changes in which are recognized in other comprehensive income. For financial assets classified as measured at fair value and the change thereof is recorded in other comprehensive income, the Group recognizes a credit loss provision in other comprehensive income and includes impairment losses or gains in profit or loss for the period without reducing the carrying amount of the financial asset as shown in the balance sheet.

Where the Group has measured a loss provision in the preceding accounting period by an amount equivalent to the expected credit loss over the life of the financial instrument, but the financial instrument is no longer subject to a significant increase in credit risk since the initial recognition at the period balance sheet date, the Group measures the loss provision for the financial instrument at the period balance sheet date by an amount equivalent to the expected credit loss in the next 12 months, and the resulting reversal amount for loss provision is recognized as an impairment gain in profit or loss for the period.

#### 11.2.1 Significant increase in credit risk

Using reasonably and evidence-based forward-looking information available, the Group compares the risk of default on financial instruments at the balance sheet date with the risk of default on the initial recognition date to determine whether the credit risk of financial instruments has increased significantly since initial recognition.

In assessing whether credit risk has increased significantly, the Group will consider the following factors:

(1) Whether the internal price indicators have changed significantly due to changes in credit risk.

(2) Whether the interest rate or other terms of an existing financial instrument have changed significantly (e.g., stricter contractual terms, additional collateral or higher yields) if the existing financial instrument is derived or issued as a new financial instrument at the balance sheet date.

(3) Whether there has been a significant change in the external market indicators of the credit risk of the same financial instrument or similar financial instruments with the same estimated duration. These indicators include: credit spreads, credit default swap prices for borrowers, the length and extent to which the fair value of financial assets is less than their amortized cost, and other market information relevant to borrowers (such as changes in the price of borrowers' debt or equity instruments).

(4) Whether there has been a significant change in the external credit rating of the financial instrument in fact or expectation.

(5) Whether the actual or expected internal credit rating of the debtor has been downgraded.

(6) Whether there has been an adverse change in business, financial or economic circumstances that is expected to result in a significant change in the debtor's ability to meet its debt servicing obligations.

(7) Whether there has been a significant change in the debtor's operational results, either actual or expected.

(8) Whether the credit risk of other financial instruments issued by the same debtor has increased significantly.

(9) Whether there has been a significant adverse change in the regulatory, economic or technical environment in which the debtor is located.

(10) Whether there has been a significant change in the value of the collateral used as collateral for the debt or in the quality of the guarantee or credit enhancement provided by a third party. These changes are expected to reduce the economic incentive for the debtor to repay the loan within the term specified in the contract or affect the probability of default.

(11) Whether there has been a significant change in the economic incentive expected to reduce the borrower's repayment within the term agreed in the contract.

(12) Whether there has been a change in the expectations of the loan contract, including the waiver or amendment of contractual obligations that may result from the anticipated breach of the contract, the granting of interest-free periods, interest rate jumps, requests for additional collateral or guarantees, or other changes to the contractual framework of financial instruments.

(13) Whether there has been a significant change in the debtor's expected performance and repayment behavior.

(14) Whether the Group's credit management methods for financial instruments have changed.

Regardless of whether the credit risk has increased significantly after the above assessment, when the payment of a financial instrument contract has been overdue for more than (inclusive) 30 days, it indicates that the credit risk of the financial instrument has increased significantly.

At the balance sheet date, if the Group determines that a financial instrument has only a low credit risk, the Group assumes that the credit risk of the financial instrument has not increased significantly since its initial recognition. A financial instrument is considered to have a low credit risk if it has a low risk of default, the borrower's ability to meet its contractual cash flow obligations in the short term is strong, and even if there are adverse changes in the economic situation and operating environment over a longer period of time that do not necessarily reduce the borrower's performance of its contractual cash obligations.

#### 11.2.2 Financial assets that have undergone credit impairment

Where one or more events occur in which the Group expects to adversely affect the future cash flows of a financial asset, the financial asset becomes a financial asset that has experienced credit impairment. Evidence that credit impairment of financial assets has occurred includes the following observable information:

Significant financial difficulties of the issuer or debtor;

Breach of contract by the debtor, such as default or delay in payment of interest or principal;

The creditor gives the debtor concessions under economic or contractual considerations relating to the debtor's financial difficulties that would not have been made under any other circumstances;

The debtor is likely to go bankrupt or undergo other financial restructuring;

The financial difficulties of the issuer or debtor that result in the disappearance of an active market for that financial asset;

Purchase or derive a financial asset at a substantial discount that reflects the fact that a credit loss has occurred.

Based on the Group's internal credit risk management, the Group considers an event of default to have occurred when the internally advised or externally obtained information indicates that the debtor of the financial instrument cannot fully pay creditors including the Group (without regard to any security obtained by the Group).

Notwithstanding the above assessment, if a contract payment for a financial instrument is overdue for more than 90 days(inclusive), the Group presumes that the financial instrument has defaulted.

#### 11.2.3 Determination of expected credit loss

For financial assets and lease receivables, the expected credit loss is the present value of the difference between the contractual cash flows due to the Group and the cash flows expected to be collected.

The reflection factors of the Group's methodology for measuring expected credit losses on financial instruments include: an unbiased probability-weighted average amount determined by evaluating a range of possible outcomes; the time value of money; reasonable and well-founded information about past events, current conditions, and

projections of future economic conditions that can be obtained at the balance sheet date without unnecessary additional costs or efforts.

#### 11.2.4 Write-down of Financial Assets

Where the Group no longer reasonably expects that the contractual cash flows of financial assets will be recovered in whole or in part, the carrying balance of the financial assets will be written down directly. Such write-downs constitute derecognition of the underlying financial assets.

#### 11.3 Transfer of Financial Assets

Financial assets that meet one of the following conditions are derecognized: (1) the contractual right to receive cash flows from the financial asset is terminated; (2) the financial asset has been transferred and substantially all of the risks and rewards in the ownership of the financial asset have been transferred to the transferring party; (3) the financial asset has been transferred, and although the Group has neither transferred nor retained substantially all of the risks and rewards in the ownership of the financial asset, it has not retained control over the financial asset.

Where the Group neither transfers nor retains substantially all of the risks and rewards in ownership of a financial asset, and retains control of the financial asset, it will continue to recognize the transferred financial asset to the extent that it continues to be involved in the transferred financial asset and recognize the relevant liabilities accordingly. The Group measures the related liabilities as follows:

For transferred financial assets measured at amortized cost, the carrying amount of the related liability equals the carrying amount of the continuing involvement in the transferred financial assets minus the amortized cost of any rights retained by the Group (if the Group retained any rights due to the transfer of financial assets) plus the amortized cost of any obligations assumed by the Group (if the Group has assumed any obligations due to the transfer of financial assets), and the related liabilities are not designated as financial liabilities at fair value through current profit or loss.

Where the transferred financial assets are measured at fair value, the carrying amount of the relevant liabilities is equal to the carrying amount of the financial assets that continue to be involved in the transferred financial assets less the fair value of the rights retained by the Group (if the Group retains the relevant rights as a result of the transfer of financial assets) plus the fair value of the obligations assumed by the Group (if the Group has assumed such obligations as a result of the transfer of financial assets), the fair value of such rights and obligations is the fair value when measured on an independent basis.

If the overall transfer of financial assets satisfies the conditions for derecognition, the difference between the carrying amount of the transferred financial assets at the derecognition date and the consideration received as a result of the transfer of the financial and the sum of the amount corresponding to the derecognition portion of the accumulated fair value change originally included in other comprehensive income is included in profit or loss for the period. If the Group transfers financial assets that are investments in non-traded equity instruments designated as measured at fair value and changes in which are recognized in other comprehensive income, the accrued gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and recorded in retained earnings.

If a partial transfer of financial assets satisfies the conditions for derecognition, the carrying amount of the financial assets as a whole before the transfer is apportioned between the derecognized portion and the continuing recognition portion at the respective relative fair value on the transfer date, and the difference between the sum of the amount of the consideration received in the derecognized portion and the amount corresponding to the derecognized portion of the accumulated fair value change originally included in other comprehensive income and the carrying amount of the derecognized portion at the derecognition date is included in profit or loss for the current period. If the Group transfers financial assets that are investments in non-traded equity instruments designated as measured at fair value and changes in which are recognized in other comprehensive income, the accrued gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and recorded in retained earnings.

If the conditions for derecognition are not met for the overall transfer of financial assets, the Group continues to recognize the transferred financial assets as a whole and recognizes the consideration received as a liability.

#### 11.4 Classification of financial liabilities and equity instruments

The Group classifies the financial instruments or their components as financial liabilities or equity instruments at initial recognition according to the contract terms of the financial instruments issued and their economic essence, not just in legal form, combined with the definitions of financial liabilities and equity instruments.

##### 11.4.1 Classification, recognition and measurement of financial liabilities

Financial liabilities are classified into financial liabilities measured at fair value through profit or loss and other financial liabilities at initial recognition.

###### 11.4.1.1 Financial liabilities measured at fair value through current profit or loss

Financial liabilities measured at fair value and whose changes are included in current profits and losses include transactional financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated as measured at fair value and whose changes are included in current profits and losses. Except for derivative financial liabilities which are listed separately, financial liabilities measured at fair value and whose changes are included in current profits and losses are listed as transactional financial liabilities.

Financial liabilities that meet one of the following conditions, indicate that the purpose of the Group's financial liabilities is transactional:

The purpose of undertaking relevant financial liabilities is mainly to repurchase in the near future.

The relevant financial liabilities are part of the identifiable financial instrument portfolio under centralized management at the initial recognition, and there is objective evidence to show the actual short-term profit model in the near future.

Related financial liabilities are derivatives. Except for derivatives that meet the definition of financial guarantee contract and derivatives that are designated as effective hedging instruments.

The Group can designate financial liabilities that meet one of the following conditions as financial liabilities measured at fair value and whose changes are included in current profits and losses at initial recognition: (1) The

designation can eliminate or significantly reduce accounting mismatch; (2) According to the risk management or investment strategy stated in the formal written documents of the Group, the financial liability portfolio or the portfolio of financial assets and financial liabilities are managed and evaluated on the basis of fair value, and reported to key management personnel within the Group on this basis; (3) Qualified mixed contracts containing embedded derivatives.

Transactional financial liabilities are subsequently measured at fair value, and gains or losses caused by changes in fair value and dividends or interest expenses related to these financial liabilities are included in current profits and losses.

For financial liabilities designated as being measured at fair value and whose changes are included in the current profits and losses, the changes in fair value of the financial liabilities caused by changes in the Group's own credit risk are included in other comprehensive income, and other changes in fair value are included in the current profits and losses. When the financial liabilities are derecognized, the accumulated change of its fair value caused by the change of their own credit risk previously included in other comprehensive income is carried forward to retained income. Dividends or interest expenses related to these financial liabilities are included in the current profits and losses. If the accounting mismatch in profit and loss will be caused or enlarged by handling the impact of the changes in credit risk of these financial liabilities in the above way, the Group will include all the gains or losses of the financial liabilities (including the amount affected by the changes in credit risk) in the current profits and losses.

#### 11.4.1.2 Other financial liabilities

Other financial liabilities, except those caused by the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets, are classified as financial liabilities measured in amortized cost and subsequently measured in amortized cost. The gains or losses arising from derecognition or amortization are included in the current profits and losses.

If the modification or renegotiation of the contract between the Group and the counterparty does not result in the termination of the recognition of the financial liabilities that are subsequently measured according to amortized cost, but the cash flow of the contract changes, the Group recalculates the book value of the financial liabilities and records the relevant gains or losses into the current profits and losses. The recalculated book value of such financial liabilities is determined by the Group according to the present value of discounted contract cash flow that will be renegotiated or modified according to the original actual interest rate of the financial liabilities. For all costs or expenses arising from the modification or renegotiation of the contract, the Group adjusts the book value of the modified financial liabilities and amortizes them within the remaining term of the modified financial liabilities.

#### 11.4.2 Derecognition of financial liabilities

If all or part of the current obligations of financial liabilities have been discharged, the recognition of financial liabilities or part thereof shall be terminated. If the Group (the Borrower) and the Lender will sign an agreement to replace the original financial liabilities by undertaking new financial liabilities, and the contract terms of the new financial liabilities are substantially different from those of the original financial liabilities, the Group will derecognize the original financial liabilities and recognize the new financial liabilities at the same time.

If all or part of the financial liabilities are derecognized, the difference between the book value of the derecognized part and the consideration paid (including the transferred non-cash assets or the new financial liabilities undertaken) will be included in the current profits and losses.

#### 11.4.3 Equity instruments

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

The distribution of equity instrument holders by the Group is treated as profit distribution, and the stock dividends paid do not affect the total shareholders' equity.

#### 11.5 Offset of financial assets and financial liabilities

When the Group has the legal right to offset the recognized financial assets and financial liabilities, and this legal right is currently enforceable, and the Group plans to settle the financial assets on a net basis or realize the financial assets and pay off the financial liabilities at the same time, the financial assets and financial liabilities are listed in the balance sheet at the amount after offsetting each other. In addition, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset against each other.

## 12. Notes receivable

#### 12.1 Methods for determining and accounting treatment for expected credit losses of notes receivable

The Group individually assesses notes receivable for which there has been a significant increase in credit risk to determine credit losses, including notes receivable that are overdue without being accepted, or where there is clear evidence that the acceptor is likely unable to fulfill its acceptance obligations. Other notes receivable are assessed for credit losses based on their credit risk characteristics on a portfolio basis.

The increase or reversal of the provision for expected credit losses of notes receivable shall be recognized in profit or loss for the current period as credit impairment losses or gains.

#### 12.2 Portfolio types and basis for determining credit loss provisions based on credit risk characteristics

Except for the notes receivable that assess the credit risk individually, the rest of the notes receivable are divided into different portfolios based on their credit risk characteristics:

Portfolio Category	Determining basis
Portfolio 1	Bank acceptance
Portfolio 2	Trade acceptance



### **13. Accounts receivable**

#### 13.1 Methods for determining expected credit losses and accounting treatment of accounts receivable

The Group uses an impairment matrix to determine the credit losses of accounts receivable on a portfolio basis. The increase or reversal of the provision for expected credit losses of accounts receivable shall be recognized in profit or loss for the current period as credit impairment losses or gains.

13.2 The type of portfolio and the basis for determining the provision for credit losses based on the credit risk characteristics of the portfolio.

The Group classifies accounts receivable into portfolio 1 and 2 based on credit risk characteristics of counterparties in different businesses. Portfolio 1 is the accounts receivable generated from polarizer business income, and the credit loss reserve is accrued according to the overdue aging of credit period; Portfolio 2 is the accounts receivable generated from property leasing and other business income, and the credit loss reserve is accrued according to natural aging.

#### 13.3 Calculation method of aging for credit risk characteristics portfolio recognized by aging

The Group uses the aging of accounts receivable as a credit risk characteristic and uses an impairment matrix to determine its credit losses. Aging is calculated from the date of its initial recognition. If the terms and conditions of the accounts receivable are modified but do not result in the derecognition of the accounts receivable, the aging shall be calculated consecutively.

#### 13.4 Determining standard of individual provision according to individual provision for bad debts

The Group assesses credit risk of accounts receivable individually due to its significant differences in credit risk with evidence demonstrated greater credit risk.

### **14. Receivables financing**

#### 14.1 Determination method and accounting treatment method for expected credit loss of accounts receivable financing

The Group determines credit losses for receivables financing based on individual assets. The Group recognizes credit loss provisions for accounts receivable financing in other comprehensive income and includes credit impairment losses or gains in the current period's profit and loss, without reducing the carrying amount of accounts receivable financing presented in the balance sheet.

#### 14.2 Judgment criteria for individual provision of credit loss reserves based on individual provision

The Group evaluates the financing of corresponding receivables based on the acceptance bank credit status of bank acceptance bills and makes provisions for credit losses.

## 15. Other receivables

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

### 15.1 Methods for determining expected credit losses and accounting treatment of other receivables

The Group determines the credit losses on other receivables on a portfolio basis. The increase or reversal of the provision for expected credit losses of other accounts receivable shall be recognized in profit or loss for the current period as credit impairment losses or gains.

### 15.2 Portfolio types and basis for determining credit loss provisions based on credit risk characteristics

The Group classifies other receivables into different categories based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include initial recognition date, remaining contract term, and overdue time, etc.

### 15.2 Calculation method of aging for credit risk characteristics portfolio recognized by aging

Aging is calculated from the date of its initial recognition. If the terms and conditions of other receivables are modified but do not result in the derecognition of other receivables, the aging shall be calculated consecutively.

## 16. Contract assets

No

## 17. Inventories

17.1 Inventory Category, Goods Out Pricing Method, Inventory System, Amortization Method for Low-Value Consumables and Packaging

### 17.1.1 Inventory Category

The Group's inventory mainly includes raw materials, products in process, finished products and materials entrusted for processing. Inventory is initially measured at cost, which includes purchasing cost, processing cost and other expenses incurred to make inventory reach the current place and use state.

### 17.1.2 Inventory issuance valuation method

When the inventory is issued, the actual cost of the issued inventory is determined by the weighted mean method.

### 17.1.3 Inventory system

The inventory system is perpetual inventory system.

### 17.1.4 Amortization method of low-value consumables and packaging materials

Turnover materials and low-value consumables are amortized by straight-line method or one-time write-off method.

#### 17.2 Recognition criteria and accrual method of provision for inventory falling price loss

On the balance sheet date, inventories are measured according to the lower of cost and net realizable value. When the net realizable value is lower than the cost, the inventory depreciation provision is withdrawn.

Net realizable value refers to the estimated selling price of inventory minus the estimated cost, estimated sales expenses and related taxes and fees at the time of completion in daily activities. When determining the net realizable value of inventory, it is based on the conclusive evidence obtained, and the purpose of holding inventory and the influence of events after the balance sheet date are also considered.

After the inventory depreciation provision is withdrawn, if the influencing factors of previous write-down of inventory value have disappeared, resulting in the net realizable value of inventory being higher than its book value, it will be reversed within the original amount of inventory depreciation provision, and the reversed amount will be included in the current profits and losses.

Inventory depreciation provision is generally provisioned for on an individual inventory item basis.

### **18. Assets held for sale**

No

### **19. Debt investment**

No

### **20. Other debt investment**

### **21. Long-term receivables**

No

### **22. Long-term equity investments**

#### 22.1 Criteria for joint control and important influence

Control means that the investor has the power over the investee, enjoys variable returns by participating in the related activities of the investee, and has the ability to influence the amount of returns by using the power over the investee. Joint control refers to the common control of an arrangement according to the relevant agreement, and that the related activities of the arrangement must be unanimously agreed by the participants who share the control rights before making decisions. Significant influence refers to the power to participate in decision-making on the financial and operating policies of the investee, but it cannot control or jointly control the formulation of these policies with other parties. When determining whether the investee can be controlled or exert significant influence, the potential voting

rights factors such as convertible corporate bonds and current executable warrants of the investee held by investors and other parties have been considered.

## 22.2 Determination of initial investment cost

For the long-term equity investment obtained by business merger under the same control, the initial investment cost of the long-term equity investment shall be the share of the book value of the owners' equity of the merged party in the consolidated financial statements of the final controlling party on the merger date. The capital reserve shall be adjusted for the difference between the initial investment cost of long-term equity investment and the book value of cash paid, non-cash assets transferred and debts undertaken; If the capital reserve is insufficient to be offset, the retained income shall be adjusted. If equity securities are issued as the merger consideration, the initial investment cost of long-term equity investment shall be the share of the book value of the owners' equity of the merged party in the consolidated financial statements of the final controlling party on the merger date, the share capital shall be the total face value of issued shares, and the capital reserve shall be adjusted according to the difference between the initial investment cost of long-term equity investment and the total face value of the issued shares; If the capital reserve is insufficient to be offset, the retained income shall be adjusted.

For the long-term equity investment obtained from the business merger not under the same control, the initial investment cost of the long-term equity investment shall be the merger cost on the purchase date.

Intermediary expenses such as audit, legal services, evaluation and consultation and other related management expenses incurred by the merging party or the purchaser for business merger are included in the current profits and losses when incurred.

Long-term equity investment obtained by other means except the long-term equity investment formed by business merger shall be initially measured at cost. If the additional investment can exert a significant influence or implement joint control which however does not constitute control on the investee, the long-term equity investment cost is the sum of the fair value of the original equity investment determined in accordance with the Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments plus the new investment cost.

## 22.3 Subsequent measurement and profit and loss recognition method

### 22.3.1 Long-term equity investment calculated by cost method

The parent company's financial statements use the cost method to calculate the long-term equity investment in subsidiaries. Subsidiaries refer to the invested entities over which the Group can exercise control.

Long-term equity investment accounted by cost method is measured at the initial investment cost. Add or recover investment to adjust the cost of long-term equity investment. The current investment income is recognized according to the cash dividend or profit declared by the investee.

### 22.3.2 Long-term equity investment calculated by equity method

The Group's investment in associated enterprises and joint ventures is accounted for by the equity method. An associated enterprise refers to the investee over which the Group can exert significant influence, and a joint venture refers to a joint venture arrangement in which the Group has rights only over the net assets of the arrangement.

When accounting using the equity method, if the initial investment cost of a long-term equity investment is greater than the share of the fair value of identifiable net assets of the invested entity at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; If the initial investment cost is less than the fair value share of the identifiable net assets of the investee, the difference shall be included in the current profits and losses, and the cost of long-term equity investment shall be adjusted.

When accounting by the equity method, the investment income and other comprehensive income are recognized respectively according to the share of the net profit and loss and other comprehensive income realized by the investee, and the book value of long-term equity investment is adjusted; The share is calculated according to the profit or cash dividend declared by the investee, and the book value of long-term equity investment is reduced accordingly; For other changes in the owners' equity of the investee except the net profit and loss, other comprehensive income and profit distribution, the book value of the long-term equity investment shall be adjusted and included in the capital reserve. When recognizing the share of the net profit and loss of the investee, the net profit of the investee shall be adjusted and recognized based on the fair value of the identifiable assets of the investee at the time of investment. If the accounting policies and accounting periods adopted by the investee are inconsistent with those of the Company, the financial statements of the investee shall be adjusted according to the accounting policies and accounting periods of the Company, so as to recognize the investment income and other comprehensive income. For the transactions between the Group and the associated enterprises and joint ventures, if the assets invested or sold do not constitute business, the unrealized internal transaction gains and losses shall be offset by the portion belonging to the Group according to the proportion enjoyed, and the investment gains and losses shall be recognized on this basis. However, the unrealized internal transaction losses between the Group and the investee belong to the impairment losses of the transferred assets and shall not be offset.

When recognizing the share of the net loss of the investee, the book value of the long-term equity investment and other long-term rights and interests that substantially constitute the net investment of the investee shall be written down to zero. In addition, if the Group is obligated to bear additional losses to the investee, the estimated liabilities will be recognized according to the expected obligations and included in the current investment losses. If the investee realizes the net profit in the future, the Group will resume the recognition of the income share after the income share makes up for the unrecognized loss share.

#### 22.4 Disposal of long-term equity investment

When disposing of long-term equity investment, the difference between its book value and the actual purchase price is included in the current profits and losses. For the long-term equity investment accounted by the equity method, if the remaining equity after disposal is still accounted by the equity method, other comprehensive income originally accounted by the equity method shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the investee; Owners' equity recognized by changes in other owners' equity of the investee except net profit and loss, other comprehensive income and profit distribution shall be carried forward to current profits and losses in proportion. If the long-term equity investment accounted for by the cost method is still accounted for by the cost method after disposal, the other comprehensive income recognized by the equity method accounting or the recognition of financial instruments and accounting standards before gaining control of the investee shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the investee; Changes in owners' equity other than net profit and loss, other comprehensive income and profit distribution in the net assets of the investee recognized by using the equity method are carried forward to the current profits and losses in proportion.

If the Group loses the control over the investee due to disposal of part of equity investments, in the preparation of individual financial statements, the remaining equity after disposal that can exercise joint control or significant influence over the investee shall be subject to accounting treatment under the equity method, and the remaining equity shall be deemed to have been adjusted under the equity method since acquisition. If the remaining equity after disposal cannot be jointly controlled or exert significant influence on the investee, it shall be accounted for according to the relevant provisions of the standards for the recognition and measurement of financial instruments, and the difference between its fair value and book value on the date of control loss shall be included in the current profits and losses. For other comprehensive income recognized by the Group before it gains control of the investee, when it loses control of the investee, it shall be treated on the same basis as the direct disposal of related assets or liabilities by the investee. Changes in owners' equity in the net assets of the investee, except net profit and loss, other comprehensive income and profit distribution, shall be carried forward to current profits and losses when it loses control of the investee. If the remaining equity after disposal is accounted by the equity method, other comprehensive income and other owners' equity will be carried forward in proportion; If the remaining equity after disposal is changed to accounting treatment according to the recognition and measurement standards of financial instruments, all other comprehensive income and other owners' equity will be carried forward.

If the Group loses joint control or significant influence on the investee due to the disposal of some equity investments, the remaining equity after disposal shall be accounted for according to the recognition and measurement standards of financial instruments, and the difference between its fair value and book value on the date of joint control loss or significant influence shall be included in the current profits and losses. Other comprehensive income recognized by the original equity investment due to accounting by the equity method shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities by the investee when the equity method is terminated. All the owners' equity recognized by the investee due to changes in other owners' equity except net profit and loss, other comprehensive income and profit distribution shall be carried forward to the current investment income when the equity method is terminated.

The Group disposes of the equity investment in its subsidiaries step by step through multiple transactions until it loses control. If the above transactions belong to a package transaction, each transaction will be treated as a transaction that disposes of the equity investment in its subsidiaries and loses control. Before losing control, the difference between the price of each disposal and the book value of the long-term equity investment corresponding to the disposed equity will be recognized as other comprehensive income, and then carried forward to the current profits and losses when it loses control. Provision for inventory falling price loss is generally made on the basis of a single inventory item.

## **23. Investment properties**

Measurement model of investment property

Measured under cost method

Depreciation or amortization method

Investment real estate refers to real estate held to earn rent or capital appreciation, or both, including rented houses and buildings.

Investment real estate is initially measured at cost. Subsequent expenditures related to investment real estate are included in the cost of investment real estate if the economic benefits related to the asset are likely to flow in and the

cost can be measured reliably. Other subsequent expenditures are included in the current profits and losses when incurred.

The Group adopts a cost model for subsequent measurement of investment properties, and adopts the average life method to provide depreciation over the useful life. The depreciation methods, depreciation periods, estimated residual value rates and annual depreciation rates for various types of investment real estate are as follows:

Category	Depreciation method	Depreciation period (years)	Residual value rate (%)	Annual Depreciation Rate (%)
Houses, buildings	Average life method	10-40	0.00-4.00	2.40-10.00

When the investment real estate is disposed of, or permanently withdrawn from use, and it is not expected to obtain economic benefits from its disposal, the recognition of the investment real estate will be terminated.

The difference between the disposal income from the sale, transfer, scrapping or damage of investment real estate after deducting its book value and related taxes is included in the current profits and losses.

## 24. Fixed assets

### (1) Recognition conditions

Fixed assets refer to tangible assets held for producing goods, providing services, leasing or management, with a service life of more than one fiscal year. Fixed assets are recognized only when the economic benefits related to them are likely to flow into the Group and their costs can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets if the economic benefits related to the fixed assets are likely to flow in and the cost can be measured reliably, and the book value of the replaced part shall be derecognized. Other subsequent expenditures are included in the current profits and losses when incurred.

### (2) Depreciation methods

Category	Depreciation method	Depreciation period	Residual value rate	Annual depreciation rate
Houses & buildings	Average life method	10-40	0.00%-4.00%	2.40%-10.00%
Machinery equipment	Average life method	10-14	4.00%	6.86%-9.60%
Transportation equipment	Average life method	8	4.00%	12.00%
Electronic equipment and others	Average life method	5	4.00%	19.20%

Fixed assets shall be depreciated within their service life by using the life-average method from the month following the scheduled serviceable state. The depreciation methods, depreciation periods, estimated residual value rates and annual depreciation rates for various types of fixed assets are as above.

Estimated net salvage refers to the amount that the Group currently obtains from the disposal of fixed assets after deducting the estimated disposal expenses, assuming that the expected service life of the fixed assets has expired and is in the expected state at the end of the service life.

When the fixed assets are disposed of or it is expected that no economic benefits can be generated through the use or disposal, the fixed assets is derecognized. The difference between the disposal income from the sale, transfer, scrapping or damage of fix assets after deducting its book value and related taxes is included in the current profits and losses.

At least at the end of the year, the Group will review the service life, estimated net salvage and depreciation method of fixed assets, and if there is any change, it will be treated as a change in accounting estimate.

## 25. Construction in progress

The construction in progress is measured according to the actual cost, which includes various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches the scheduled serviceable state and other related expenses. No depreciation is allowed for construction in progress.

Construction in progress is carried forward as a fixed asset when it reaches the intended usable state. The standards and timing points for the carry-forward of various types of projects under construction into fixed assets are as follows:

Category	The criteria for carrying forward to fixed assets	The time point at which it is carried forward to a fixed asset
Installation of machinery and equipment	The equipment has been accepted by asset management personnel and user personnel and meets one or more of the following conditions according to the actual situation: (1) Relevant equipment and other supporting facilities have been installed; (2) The equipment can maintain normal and stable operation for a period of time after debugging; (3) The production equipment can stably produce qualified products for a period of time.	It has reached the intended usable state

## 26. Borrowing costs

Borrowing costs that can be directly attributed to the purchase, construction or production of assets that meet the capitalization conditions will be capitalized when the asset expenditure has occurred, the borrowing costs have occurred, and the necessary purchase, construction or production activities to make the assets reach the predetermined serviceable or saleable state have begun; Capitalization shall stop when the assets that meet the capitalization conditions purchased, constructed or produced reach the predetermined serviceable state or saleable state. The remaining borrowing costs are recognized as expenses in the current period.

## 27. Biological assets

No



**28. Oil and gas assets**

No

**29. Intangible assets****(1) Service life and its determination basis, estimation, amortization method or review procedure**

Intangible assets include land use rights, software and patent rights.

Intangible assets are initially measured at cost. Intangible assets with limited service life shall be amortized by straight-line method in equal installments within their expected service life from the time they are available for use. Intangible assets with uncertain service life shall not be amortized. The amortization method, service life and estimated net salvage of various intangible assets are as follows:

Category	Amortization method	Service life (year) and determination basis	Residual value rate (%)
Land use right	Straight-line method	50(Legal Right to Use)	-
Software	Straight-line method	5 (The useful life is determined by the period of time that is expected to bring economic benefits to the Company)	-
Patent	Straight-line method	15 (The useful life is determined by the period of time that is expected to bring economic benefits to the Company)	-

At the end of the period, the service life and amortization method of intangible assets with limited service life shall be reviewed and adjusted if necessary.

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

Expenditure in the research stage is included in the current profits and losses when incurred.

Expenditures in the development stage are recognized as intangible assets if they meet the following conditions at the same time. Expenditures in the development stage that cannot meet the following conditions are included in the current profits and losses:

(1) It is technically feasible to complete the intangible assets so that they can be used or sold;

(2) Having the intention to complete the intangible assets and use or sell them;

(3) The ways in which intangible assets generate economic benefits, including the ability to prove that the products produced by using the intangible assets exist in the market or the intangible assets themselves exist in the market, and the intangible assets will be used internally, which can prove their usefulness;

(4) Having sufficient technical, financial and other resources to support the development of the intangible assets, and having the ability to use or sell the intangible assets;

(5) Expenditure attributable to the development stage of the intangible assets can be reliably measured.

If it is impossible to distinguish between research stage expenditure and development stage expenditure, all the R&D expenditures incurred shall be included in the current profits and losses. The cost of intangible assets formed by internal development activities only includes the total expenditure from the time when the capitalization conditions are met to the time when the intangible assets reach the intended use, and the expenditure that has been expensed into profit and loss before the capitalization conditions are met in the development process will not be adjusted.

The scope of R&D expenditure collection includes wages and welfare expenses of personnel directly engaged in R&D activities, and materials, fuel, and power costs directly consumed in R&D activities, etc.

### **30. Long-term assets impairment**

On each balance sheet date, the Group checks whether there are signs that long-term equity investment, investment real estate measured by cost method, fixed assets, construction in progress, right-to-use assets and intangible assets with definite service life may be impaired. If these assets show signs of impairment, the recoverable amount is estimated. Intangible assets with uncertain service life and intangible assets that have not yet reached the serviceable state are tested for impairment every year, regardless of whether with signs of impairment.

Estimating the recoverable amount of an asset is based on a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group is determined based on the asset group to which the asset belongs. The recoverable amount is the higher of the net amount of the fair value of the asset or asset group minus the disposal expenses or the present value of its expected future cash flow.

If the recoverable amount of an asset is lower than its book value, the asset impairment provision shall be accrued according to the difference and included in the current profits and losses.

Goodwill shall be tested for impairment at least at the end of each year. When testing the impairment of goodwill, it shall be conducted in combination with the related asset group or asset group portfolio. That is, from the purchase date, the book value of goodwill is allocated to the asset group or asset group portfolio that can benefit from the synergistic effect of business merger in a reasonable way. If the recoverable amount of the asset group or asset group portfolio containing the allocated goodwill is lower than its book value, the corresponding impairment loss will be recognized. The amount of impairment loss will firstly deduct the book value of goodwill allocated to the asset group or asset group portfolio, and then deduct the book value of other assets according to the proportion of the book value of assets other than goodwill in the asset group or asset group portfolio.

Once the above-mentioned asset impairment losses are recognized, they will not be reversed in future accounting periods.

### **31. Long-term deferred expenses**

Long-term deferred expenses refer to the expenses that have occurred but should be borne by the current period and subsequent periods with an amortization period of more than one year. Long-term deferred expenses shall be amortized evenly by stages during the expected benefit period.

## 32. Contract liabilities

Contractual liabilities refer to the obligation of the Group to transfer goods or services to customers for consideration received or receivable from customers. Contract assets and liabilities under the same contract are listed on a net basis.

## 33. Employee compensation

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

During the accounting period when employees provide services for the Group, the Group recognizes the actual short-term remuneration as a liability, and records it into the current profits and losses or related asset costs. The employee welfare expenses incurred by the Group are included in the current profits and losses or related asset costs according to the actual amount when actually incurred. If employee welfare expenses are non-monetary benefits, they shall be measured at fair value.

The social insurance premiums such as medical insurance premium, work injury insurance premium and maternity insurance premium and housing provident fund paid by the Group for employees, as well as the trade union funds and employee education funds withdrawn by the Group according to regulations, shall be calculated according to the stipulated accrual basis and accrual ratio during the accounting period when employees provide services for the Group to determine the employee compensation amount, and recognize the corresponding liabilities, and be included in the current profits and losses or related asset costs.

### (2) Accounting treatment method for post employment benefits

Post-employment benefits are all defined contribution plans.

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

### (3) Accounting treatment method for dismissal benefits

If the Group provides dismissal benefits to employees, the employee compensation liabilities arising from the dismissal benefits shall be recognized at the earlier of the following two dates, and included in the current profits and losses: when the Group cannot unilaterally withdraw the dismissal benefits provided by the plan to terminate labor relations or the proposal to cut back; When the Group recognizes the costs or expenses related to the reorganization involving the payment of dismissal benefits.

### (4) Accounting treatment of other long-term employee benefits

No

### 34. Estimated liabilities

When the obligation related to contingencies such as customer return are the current obligations undertaken by the Group, and the fulfillment of this obligation is likely to lead to the outflow of economic benefits, and the amount of this obligation can be measured reliably, it is recognized as estimated liabilities.

On the balance sheet date, considering the risk, uncertainty and time value of money related to contingencies, the estimated liabilities are measured according to the best estimate of the expenditure required to fulfill the relevant current obligations. If the time value of money is significant, the best estimate is determined by the discounted amount of expected future cash outflow.

### 35. Share-based payment

No

### 36. Other financial instruments like preferred shares and perpetual bonds

No

### 37. Revenue

Disclosure of accounting policies adopted for recognition and measurement of revenue by business type

#### 37.1 Accounting policy used for measurement and revenue recognition disclosure according to type of business

The Group has fulfilled its contractual obligation, that is, when the customer obtains the control right of the relevant goods or services, the income will be recognized according to the transaction price allocated to the performance obligation. Performance obligation refers to the commitment of the Group to transfer clearly distinguishable goods or services to customers in the contract.

The Group evaluates the contract on the start date of the contract, identifies the individual performance obligations contained in the contract, and determines whether each individual performance obligation is performed within a certain period of time or at a certain point of time. If one of the following conditions is met, it belongs to the performance obligation within a certain period of time, and the Group recognizes the income within a certain period of time according to the performance progress: (1) The customer obtains and consumes the economic benefits brought by the performance of the Group; (2) The customer can control the goods under construction during the performance of the Group; (3) The goods produced by the Group during the performance of the contract have no alternative use, and the Group has the right to collect payment for the performance completed to date throughout the contract period. Otherwise, the Group recognizes revenue at the point in time when the customer obtains control of the related goods or services.

For goods sold to customers, the Group recognizes income when the control of the goods is transferred, that is, when the goods are delivered to the designated place of the other party and signed by the other party. The Group recognizes income in the process of providing property and leasing services.

Transaction price refers to the amount of consideration that the Group expects to be entitled to receive as a result of the transfer of goods or services to the customer, but does not include payments received on behalf of a third party and amounts expected to be refunded to the customers by the Group. In determining the transaction price, the Group takes into account the impact of factors such as variable consideration, significant financing elements in the contract, non-cash consideration, consideration payable to customers, etc.

If the contract contains two or more performance obligations, the Group will allocate the transaction price to each individual performance obligation on the contract start date according to the relative proportion of the separate selling price of the goods or services promised by each individual performance obligation. However, if there is conclusive evidence that the contract discount or variable consideration is only related to one or more (but not all) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to one or more related performance obligations. Separate selling price refers to the price at which the Group sells goods or services to customers separately. If the separate selling price cannot be directly observed, the Group comprehensively considers all relevant information that can be reasonably obtained, and estimates the separate selling price by using observable input values to the maximum extent.

For sales with return clauses, when the customer obtains the control right of the relevant goods, the Group recognizes the income according to the amount of consideration expected to be charged due to the transfer of goods to the customer (that is, excluding the amount expected to be refunded due to sales return), and recognizes the liabilities according to the amount expected to be refunded due to sales return; At the same time, according to the book value of the expected returned goods at the time of transfer, the balance after deducting the expected cost of recovering the goods (including the loss of the value of the returned goods) is recognized as an asset, and the net carry-over cost of the above assets is deducted according to the book value of the transferred goods at the time of transfer.

For sales with quality assurance clauses, if the quality assurance provides a separate service in addition to assuring customers that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Group shall handle the quality assurance responsibility in accordance with the Accounting Standards for Business Enterprises No.13-Contingencies.

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

If the Group receives the payment for the sale of goods or services from customers in advance, it will first recognize the payment as a liability, and then change it to income when the relevant performance obligations are fulfilled. When the advance payment of the Group does not need to be returned, and the customer may give up all or part of its contractual rights, if the Group is expected to be entitled to the amount related to the contractual rights given up by the customer, the above amount will be recognized as income in proportion according to the mode of the customer's exercise of contractual rights; Otherwise, the Group will only convert the relevant balance of the above

liabilities into income when it is extremely unlikely that the customer will demand to perform the remaining performance obligations.

Different revenue recognition and measurement methods involved in different business models adopted by the same type of business

No

### **38. Contract costs**

No

### **39. Government subsidies**

Government subsidies refer to the monetary assets and non-monetary assets obtained by the Group from the government free of charge. Government subsidies are recognized when they can meet the conditions attached to government subsidies and can be received.

If government subsidies are monetary assets, they shall be measured according to the amount received or receivable.

#### **39.1 Judgment basis and accounting treatment method of government subsidies related to assets**

As long-term assets can be formed in the production line subsidies and equipment subsidies of the Group's government subsidies, these government subsidies are government subsidies related to assets.

Government subsidies related to assets are recognized as deferred income, and are included in the current profits and losses in installments according to the straight-line method within the service life of the related assets.

#### **39.2 Judgment basis and accounting treatment method of government subsidies related to income**

As the Group's government subsidies, such as industry development support funds, enterprise development support funds and tax subsidies, cannot form long-term assets, these government subsidies are government subsidies related to income.

Government subsidies related to income, if used to compensate related costs and losses in future periods, will be recognized as deferred income, and are included in the current profits and losses during the period when related costs or expenses are recognized; if used to compensate the related costs and losses that have occurred, will be directly included in the current profits and losses.

Government subsidies related to the daily activities of the Group are included in other income according to the nature of economic business. Government subsidies unrelated to the daily activities of the Group are included in non-operating income.

When the confirmed government subsidy needs to be returned, if there is a relevant deferred revenue balance, the relevant deferred income book balance will be offset, and the excess will be included in the current profits and losses; If there is no relevant deferred income, it will be directly included in the current profits and losses.

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

Income tax expenses include current income tax and deferred income tax.

##### **40.1 Current income tax**

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and previous periods shall be measured by the expected income tax payable (or refunded) calculated in accordance with the provisions of the tax law.

##### **40.2 Deferred income tax assets and deferred income tax liabilities**

For the difference between the book values of some assets and liabilities and their tax basis, and the temporary difference between the book values of items that are not recognized as assets and liabilities but can be determined in tax basis according to the provisions of the tax law and tax basis, the balance sheet liability method is adopted to recognize deferred income tax assets and deferred income tax liabilities.

In general, all temporary differences are recognized as related deferred income tax. However, for deductible temporary differences, the Group recognizes related deferred income tax assets to the extent that it is likely to obtain taxable income to offset the deductible temporary differences. In addition, for the temporary differences related to the initial recognition of goodwill and the initial recognition of assets or liabilities arising from transactions that are neither business merger nor affect accounting profits and taxable income (or deductible losses), the relevant deferred income tax assets or liabilities are not recognized.

For deductible losses and tax deductions that can be carried forward to future years, the corresponding deferred income tax assets are recognized to the extent that it is likely to obtain future taxable income for deducting deductible losses and tax deductions.

The Group recognizes deferred income tax liabilities arising from taxable temporary differences related to investments in subsidiaries, associated enterprises and joint ventures, unless the Group can control the time when the temporary differences are reversed, and the temporary differences are unlikely to be reversed in the foreseeable future. For deductible temporary differences related to the investments of subsidiaries, associated enterprises and joint ventures, the Group recognizes the deferred income tax assets only when the temporary differences are likely to be reversed in the foreseeable future and the taxable income used to offset the deductible temporary differences is likely to be obtained in the future.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be measured according to the applicable tax rate during the expected recovery of related assets or settlement of related liabilities.

Except that the current income tax and deferred income tax related to transactions and events directly included in other comprehensive income or shareholders' equity are included in other comprehensive income or shareholders' equity, and the deferred income tax arising from business merger adjusts the book value of goodwill, the remaining

current income tax and deferred income tax expenses or gains are included in the current profits and losses. On the balance sheet date, the book value of deferred income tax assets shall be rechecked.

On the balance sheet date, the book value of deferred tax assets shall be reexamined. If it is unlikely to obtain sufficient taxable income to offset the benefit of the deferred tax assets, the book value of the deferred income tax assets shall be written down. When it is likely to earn sufficient taxable income, the write-down amount shall be reversed.

#### 40.3 Offset of income tax

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

When the taxpayer has the legal right to settle the current income tax assets and liabilities on a net basis, and the deferred income tax assets and liabilities are related to the income tax levied by the same tax collection department on the same taxpayer or to different taxpayers, but in the future, the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis, or acquire assets and pay off liabilities at the same time, the Group's deferred income tax assets and liabilities are presented on an offset net basis.

## 41. Leasing

### (1) Accounting treatment method of leasing as a lessee

Lease refers to a contract in which the lessor transfers the right to use assets to the lessee for consideration within a certain period of time.

On the commencement date of the contract, the Group evaluates whether the contract is a lease or contains a lease. Unless the terms and conditions of the contract change, the Group will not re-evaluate whether the contract is a lease or contains a lease.

#### 41.1 The Group as the lessee

##### 41.1.1 Split of lease

If the contract contains one or more leased and non-leased parts at the same time, the Group will split each separate leased and non-leased part and allocate the contract consideration according to the relative proportion of the sum of the separate prices of each leased part and the non-leased part.

##### 41.1.2 Right-to-use assets

Except for short-term leases, the Group recognizes the right-to-use assets on the start date of lease term. The start date of lease term refers to the start date when the lessor provides the leased assets for the use of the Group. The right-to-use assets is initially measured according to the cost. The cost includes:

Initial measurement amount of lease liabilities;



For the lease payment paid on or before the start date of the lease term, if there are lease incentives, deduct the amount related to the lease incentives enjoyed;

Initial direct expenses incurred by the Group;

The estimated costs incurred by the Group for dismantling and removing the leased assets, restoring the premises where the leased assets are located or restoring the leased assets to the state agreed in the lease clauses.

The Group refers to the depreciation provisions in Accounting Standards for Business Enterprises No.4-Fixed Assets, and accrues depreciation for right-to-use assets. If the Group can reasonably determine that it has acquired the ownership of the leased assets at the expiration of the lease term, the right-to-use assets will be depreciated within the remaining service life of the leased assets. If it cannot be reasonably determined that the ownership of the leased assets can be obtained at the expiration of the lease term, depreciation shall be accrued during the lease term or the remaining service life of the leased assets, whichever is shorter.

According to the Accounting Standards for Business Enterprises No.8-Impairment of Assets, the Group determines whether the right-to-use assets have been impaired, and carries out accounting treatment for the identified impairment losses.

#### 41.1.3 Lease liabilities

Except for short-term leases, the Group initially measures the lease liabilities on the start date of lease term according to the present value of the unpaid lease payment on that date. When calculating the present value of the lease payment, the Group uses the lease interest rate as the discount rate. When the lease interest rate cannot be determined, incremental borrowing rate is used as discount rate.

Lease payments refer to payments made by the Group to the lessor related to the right to use the leased asset during the lease term, including:

Fixed payment amount and substantial fixed payment amount. If there is lease incentive, the relevant amount of lease incentive shall be deducted;

Variable lease payment amount depending on index or ratio;

The exercise price of the option reasonably determined by the Group to be exercised;

The amount to be paid to terminate the lease when the lease term reflects that the Group will exercise the option;

The amount expected to be paid according to the residual value of the guarantee provided by the Group.

After the start of the lease term, the Group calculates the interest expense of the lease liabilities in each period of the lease term at a fixed periodic interest rate, and includes it in the current profits and losses or related asset costs.

After the commencement of the lease term, if the following circumstances occur, the Group will re-measure the lease liabilities and adjust the corresponding right-to-use assets. If the book value of the right-to-use assets has been

reduced to zero, but the lease liabilities still need to be further reduced, the Group will include the difference in the current profits and losses:

If the lease term changes or the evaluation result of the purchase option changes, the Group will re-measure the lease liabilities according to the present value calculated by the changed lease payment amount and the revised discount rate;

If the estimated payable amount according to the guarantee residual value or the index or proportion used to determine the lease payment changes, the Group will re-measure the lease liabilities according to the present value calculated by the changed lease payment amount and the original discount rate.

41.1.4 As the judgment basis and accounting treatment method for the lessee to simplify the treatment of the short-term lease

For the short-term lease of some factories and some rented warehouses, the Group chooses not to recognize the right-to-use assets and lease liabilities. Short-term lease refers to the lease that does not exceed 12 months and does not include the option to purchase on the start date of the lease term. The Group will charge the lease payment for short-term lease to the current profits and losses or related asset costs in accordance with the straight-line method in each period of the lease term.

#### 41.1.5 Lease change

If the lease changes and the following conditions are met at the same time, the Group will carry out accounting treatment on the lease change as a separate lease:

The lease change expands the lease scope by increasing the right to use one or more leased assets;

The increased consideration is equivalent to the individual price of the expanded part of the lease scope adjusted according to the contract situation.

If a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Group reapportions the consideration of the modified contract, re-determines the lease term and re-measures the lease liability based on the present value of the modified lease payments and a revised discount rate.

If the lease scope is reduced or the lease term is shortened due to lease change, the Group shall correspondingly reduce the book value of the right-to-use assets, and include the related gains or losses of partial or full termination of lease in the current profits and losses. If other lease changes lead to the re-measurement of lease liabilities, the Group will adjust the book value of the right-to-use assets accordingly.

## **(2) Accounting treatment method of leasing as a lessor**

### 41.2 The Group as the lessor

#### 41.2.1 Split of lease

If the contract contains both leased and non-leased parts, the Group will allocate the contract consideration according to the provisions of the Accounting Standards for Business Enterprises Revenues on transaction price allocation, and the basis of allocation is the separate prices of the leased part and the non-leased part.

#### 41.2.2 Classification and accounting treatment for rental housing leases

A lease that essentially transfers almost all the risks and rewards related to the ownership of the leased assets is a financial lease. Other leases except financing lease are operating leases.

##### 41.2.2.1 The Group as a lessor records the operating lease business

During each period of the lease term, the Group adopts the straight-line method to recognize the lease receipts from operating lease as rental income. The initial direct expenses incurred by the Group in connection with operating leases are capitalized when incurred, apportioned on the same basis as rental income recognition during the lease term, and included in current profits and losses in installments.

The variable lease receipts related to operating leases obtained by the Group, which are not included in the lease receipts, are included in the current profits and losses when actually incurred.

#### 41.2.3 Lease change

If there is a change in an operating lease, the Group accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable relating to the lease prior to the change is deemed to be the amount received under the new lease.

## 42. Other significant accounting policies and accounting estimates

The Group had no significant changes in accounting policies during the current year.

## 43. Changes in significant accounting policies and estimates

### (1) Changes in significant accounting policies

Applicable  Not applicable

### (2) Changes in significant accounting estimates

Applicable  Not applicable

### (3) Adjustment of items related to the financial statements at the beginning of the year when the new accounting standards are implemented for the first time since 2024

Applicable  Not applicable

## 44. Others

No

## 6. Taxes

### 1. Main taxes and tax rates

Tax category	Tax basis	Tax rate
VAT	The balance after deducting the deductible input tax from the output tax; The tax calculation method of "exemption, offset and refund" is applied to sales of export products	The output tax for domestic sales is calculated according to 13%, 9%, 6% and 5% of the sales amount calculated according to relevant tax regulations, and the tax rebate rate for export products is 13%
Urban maintenance and construction tax	Payable turnover tax	7%
Business income tax	Payable turnover tax	25%, 20%, 15%, 8.25%
Surcharge for education	Payable turnover tax	3%
Local education surcharge	Payable turnover tax	2%
Property tax	Residual value or rental income after deducting 30% from the original value of property at one time	1.2%

Disclosure of information about taxpayers with different enterprise income tax rates

Name of taxpayer	Income tax rate
Shenzhen Textile (Holdings) Co., Ltd	25%
Shenzhen Shenfang Real Estate Management Co., Ltd.	25%
Shenzhen Beauty Century Garment Co., Ltd.	20% (Note 1)
Shenzhen Lisi Industrial Co., Ltd.	20% (Note 1)
Shenzhen Shenfang Sungang Real Estate Management Co., Ltd.	20% (Note 1)
Shenzhen Huaqiang Hotel Co., Ltd	20% (Note 1)
Shengtou (HK) Co., Ltd.	8.25% ( Note 2)
Shenzhen SAPO Photoelectric Co., Ltd.	15% (Note 3)

### 2. Tax preference

(1) In 2022, SAPO Photoelectric, a subsidiary of the Company, was jointly recognized as a high-tech enterprise by Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration, respectively, with a certification period of 3 years, and the certificate numbers of GR202244204504 respectively. It shall apply the preferential tax policies for high-tech enterprises within three years after it is recognized as a high-tech enterprise, and pay enterprise income tax at the rate of 15% after being filed by the competent tax bureau.

(2) The Company's subsidiaries Shenzhen Beauty Century Garment Co., Ltd., Shenzhen Huaqiang Hotel Co., Ltd., Shenzhen Lisi Industrial Development Co., Ltd. and Shenzhen Shenfang Sungang Property Management Co., Ltd. are qualified small and low-profit enterprises, and according to the Announcement of the State Taxation Administration and the Ministry of Finance on Further Supporting the Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (No. 12 of 2023), for small and low-profit enterprises, the taxable income will be reduced by 20%, and the enterprise income tax policy will be paid at the rate of 20%, which will continue to be implemented until December 31, 2027.

(3) In accordance with the relevant provisions of the Notice of the State Administration of Taxation of the General Administration of Customs of Ministry of Finance on Import Tax Policies for Supporting the Development of the New Display Device Industry (No. 19[2021]Cai Guan Shui), SAPO Photoelectric, a subsidiary of the Company, meets the

relevant conditions and enjoys the policy of exemption from import duties for related products from January 1, 2021 to December 31, 2030.

(4) In accordance with the Announcement on the Advanced Manufacturing Enterprise VAT Super-Deduction Policy (Ministry of Finance and State Taxation Administration Announcement [2023] No. 43), the subsidiary SAPO Photoelectric meets the relevant conditions and is allowed to deduct an additional 5% of the deductible input VAT from the payable VAT amount from January 1, 2023, to December 31, 2027.

(5) The Company's subsidiaries Shenzhen Beauty Century Garment Co., Ltd., Shenzhen Huaqiang Hotel Co., Ltd., Shenzhen Lisi Industrial Development Co., Ltd. and Shenzhen Shenfeng Sungang Property Management Co., Ltd. are qualified small and low-profit enterprises, and according to the Announcement of the State Taxation Administration and the Ministry of Finance on Further Supporting the Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (No. 12 of 2023), from January 1, 2023, to December 31, 2027, the resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding securities transaction stamp duty), farmland occupation tax, education surcharge, and local education surcharge for VAT small-scale taxpayers, small and micro-profit enterprises, and individual industrial and commercial households are halved.

(6) According to the Announcement on Further Supporting Key Groups in Entrepreneurship and Employment Related Tax Policies of Ministry of Finance, State Taxation Administration, Ministry of Human Resources and Social Security, and Ministry of Agriculture and Rural Affairs (No. 15 of 2023), the subsidiary SAPO Photoelectric meets the relevant conditions. From January 1, 2023 to December 31, 2027, enterprises that employ people lifted out of poverty, as well as those registered with the public employment service agencies of the Ministry of Human Resources and Social Security for more than six months and holding the Employment and Entrepreneurship Certificate or Employment Unemployment Registration Certificate (indicating "Enterprise Absorption Tax Policy"), and sign labor contracts with them for a period of more than one year and legally pay social insurance premiums, will receive a fixed amount deduction of VAT, urban maintenance and construction tax, education surcharge, local education surcharge, and corporate income tax benefits based on the actual number of people employed, for up to 3 years from the month of signing the labor contract and paying social insurance premiums. The fixed amount standard is RMB 6,000 per person per year.

### 3. Others

Note 1: See Notes (VI), 2(2) for details.

Note 2: According to the Tax Ordinance of Hong Kong, Hong Kong companies applied the two-tier system of profits tax, and the first profit of HK\$ 2 million will be calculated and paid at 8.25%, and the profits generated thereafter will be calculated at 16.5%.

Note 3: See Notes (VI), 2(1) for details.

## 7. Notes to items in the consolidated financial statements

### 1. Monetary funds

In RMB

Items	Ending balance	Opening balance
Cash on hand	1,710.83	1,710.40
Cash in bank	224,263,719.56	462,967,619.54

Other monetary funds	1,645,000.00	9,305,118.06
Total	225,910,430.39	472,274,448.00
Including : The total amount of deposit abroad	0.00	0.00

## Other notes

Note 1: Bank deposits include demand deposits and seven-day notice deposit interest totaling RMB 319,864.92.

Note 2: As of June 30, 2024, the Company's other monetary funds include a foreign exchange contract margin of RMB 1,645,000.00.

## 2. Trading financial assets

In RMB

Items	Ending balance	Opening balance
Financial assets measured at fair value and whose changes are included in the current profits and losses	958,694,300.63	821,946,114.68
Including:		
Monetary funds, structured deposits, and wealth management products	959,498,109.87	821,946,114.68
Foreign Exchange Derivative Products	-803,809.24	0.00
Designated financial assets measured at fair value with changes recognized in the current period's profit or loss.	0.00	0.00
Including:		
Total	958,694,300.63	821,946,114.68

Other notes: Foreign exchange derivative products are forward foreign exchange contracts designated as hedging instruments that do not meet the conditions for the application of hedge accounting methods held by the company at the end of the reporting period. To cope with the risk of exchange rate fluctuations, the company selectively carries out foreign exchange derivative transactions for proper foreign exchange risk management; for those foreign exchange derivative products that do not meet the requirements of hedge accounting standards, the gains or losses arising from changes in their fair value are directly recognized in the current period's profit or loss.

## 3. Derivative financial assets

No

## 4. Notes receivable

### (1) Classified presentation of notes receivable

In RMB

Items	Ending balance	Opening balance
Bank acceptance	36,077,741.23	50,963,943.01
Total	36,077,741.23	50,963,943.01

**(2) Disclosure under the methods of provision for bad debts by category**

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Including:										
Notes receivable with provision for bad debts by combination	36,077,741.23	100.00%	0.00	0.00%	36,077,741.23	50,963,943.01	100.00%	0.00	0.00%	50,963,943.01
Including:										
Bank acceptance	36,077,741.23	100.00%	0.00	0.00%	36,077,741.23	50,963,943.01	100.00%	0.00	0.00%	50,963,943.01
Total	36,077,741.23	100.00%	0.00	0.00%	36,077,741.23	50,963,943.01	100.00%	0.00	0.00%	50,963,943.01

If the provision for bad debts of notes receivable is made according to the general expected credit loss model:

Applicable  Not applicable

**(3) Status of bad debt provision, recovery, or reversal for the period**

Provision for bad debts for the current period: None

Where accounts receivable with significant from provision for bad debts or recovered in the current period

Applicable  Not applicable

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

No

**(5) Receivables notes or discounted at period-end not yet due on the Company's balance sheet date**

In RMB

Items	Termination confirmation amount at period-end	Unconfirmed amount at period-end
Bank acceptance	0.00	34,511,748.51
Total	0.00	34,511,748.51

**(6) Situation of notes receivable actually written off in the current period**

Explanation of notes receivable write-off:

No actual write-off of notes receivable occurred during the Company's reporting period.

**5. Accounts receivable****(1) Disclosure by aging**

In RMB

Aging	Book balance at period end	Beginning book balance
Within 1 year (including 1 year)	1,027,346,527.54	848,526,236.04
1-2 years	33,704.93	1,640,043.18
2-3 years	606,936.92	618,907.34
Over 3 years	13,530,118.63	12,911,211.29
3-4 years	618,907.34	0.00
4 to 5 years	454,035.81	454,035.81
Over 5 years	12,457,175.48	12,457,175.48
Total	1,041,517,288.02	863,696,397.85

**(2) Disclosure under the methods of provision for bad debts by category**

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Accounts receivable with provision for bad debts by individual	53,287,891.34	5.12%	21,498,029.24	40.34%	31,789,862.10	71,687,951.26	8.30%	27,464,002.48	38.31%	44,223,948.78
Including:										
Accounts receivable with provision for bad	988,229,396.68	94.88%	30,350,194.52	3.07%	957,879,202.16	792,008,446.59	91.70%	16,097,561.42	2.03%	775,910,885.17



debts by combination										
Including:										
Portfolio 1	976,596,693.97	93.77%	30,154,543.62	3.09%	946,442,150.35	779,372,185.30	90.24%	15,882,600.54	2.04%	763,489,584.76
Portfolio 2	11,632,702.71	1.11%	195,650.90	1.68%	11,437,051.81	12,636,261.29	1.46%	214,960.88	1.70%	12,421,300.41
Total	1,041,517,288.02	100.00%	51,848,223.76	4.98%	989,669,064.26	863,696,397.85	100.00%	43,561,563.90	5.04%	820,134,833.95

Provision for bad debts by individual item category name: RMB 21,498,029.24

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual proportion	Provision Reason
Customer A	25,768,718.27	5,153,743.65	19,626,409.15	3,925,281.83	20.00%	Total
Customer B	11,106,091.92	2,221,218.38	7,414,294.75	1,482,858.95	20.00%	Total
Customer C	11,086,378.19	2,217,275.64	10,114,193.60	2,022,838.72	20.00%	Total
Customer D	2,797,016.81	2,797,016.81	2,797,016.81	2,797,016.81	100.00%	Impairment loss incurred
Customer E	1,694,849.81	1,694,849.81	1,694,849.81	1,694,849.81	100.00%	Impairment loss incurred
Other	19,234,896.26	13,379,898.19	11,641,127.22	9,575,183.12	82.25%	Total
Total	71,687,951.26	27,464,002.48	53,287,891.34	21,498,029.24		

Provision for bad debt by combination category name: RMB 30,154,543.62

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual proportion
During the credit period	976,596,693.97	30,154,543.62	3.09%
Total	976,596,693.97	30,154,543.62	

Description of the basis for determining the combination:

Based on the industry nature and credit status of customers, different credit risk levels are associated with varying overdue days, so different credit loss rates are applied to customers with different overdue periods.

Provision for bad debt by combination category name: RMB 195,650.90

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual proportion
Within one year	11,565,452.71	175,475.90	1.52%
2-3 years	67,250.00	20,175.00	30.00%
Total	11,632,702.71	195,650.90	

Description of the basis for determining the combination:

For group customers other than SAPO Photoelectric, primarily leasing customers, credit impairment is provisioned based on the aging method combination.

If the provision for bad debts of accounts receivable is made according to the general expected credit loss model:

Applicable  Not applicable

### (3) Status of bad debt provision, recovery, or reversal for the period

Provision for bad debts in the current period:

In RMB

Category	Opening balance	Amount of change for the period				Ending balance
		Accrual	Recovery or reversal	Write-off	Other	
Bad debt provision	43,561,563.90	38,180,731.92	- 29,894,072.06	0.00	0.00	51,848,223.76
Total	43,561,563.90	38,180,731.92	- 29,894,072.06	0.00	0.00	51,848,223.76

Where accounts receivable with significant from provision for bad debts or recovered in the current period

No significant recovery or reversal of bad debt provision occurred during the Company's reporting period.

### (4) Situation of accounts receivable actually written off in the current period

Explanation of account receivable write-off:

No actual write-off of account receivable occurred during the Company's reporting period.

### (5) Accounts receivable and contractual assets collected from the debtors which rank the first five at the end of period

In RMB

Name	Accounts receivable balance at the end of period	Ending balance of contractual assets	Ending balance of accounts receivable and contractual assets	Proportion in the total ending balance of accounts receivable and contractual assets	Ending balance of provision for bad debts of accounts receivable and provision for impairment of contractual assets
Customer A	237,062,399.19	0.00	237,062,399.19	22.76%	7,325,228.13
Customer B	119,594,837.94	0.00	119,594,837.94	11.48%	3,695,480.49
Customer C	116,851,911.97	0.00	116,851,911.97	11.22%	3,610,724.08
Customer D	93,726,121.24	0.00	93,726,121.24	9.00%	2,896,137.15
Customer E	73,980,827.05	0.00	73,980,827.05	7.10%	2,286,007.56
Total	641,216,097.39	0.00	641,216,097.39	61.56%	19,813,577.41

**6. Contract assets****(1) Contract asset status**

No

**(2) Significant changes in book value during the reporting period, amounts and reasons**

No

**(3) Disclosure under the methods of provision for bad debts by category**

No

Provision for bad debts made according to the general expected credit loss model

 Applicable  Not applicable**(4) Status of bad debt provision, recovery, or reversal for the period**

No

**(5) Actual write-offs of contract assets for the current period**

No

**7. Receivables financing****(1) Presentation of financings receivable classifications**

In RMB

Items	Ending balance	Opening balance
Bank acceptance	1,764,753.26	22,839,459.13
Total	1,764,753.26	22,839,459.13

**(2) Disclosure under the methods of provision for bad debts by category**

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Including:										
Withdrawal of bad debt provision	1,764,753.26	100.00%	0.00	0.00%	1,764,753.26	22,839,459.13	100.00%	0.00	0.00%	22,839,459.13

n by portfolio										
Including:										
Bank acceptance	1,764,753.26	100.00%	0.00	0.00%	1,764,753.26	22,839,459.13	100.00%	0.00	0.00%	22,839,459.13
Total	1,764,753.26	100.00%	0.00	0.00%	1,764,753.26	22,839,459.13	100.00%	0.00	0.00%	22,839,459.13

Provision for bad debts made according to the general expected credit loss model

No

The basis for the division of each stage and the ratio of provisions for bad debts

No

Explanation of significant changes in the book balance of accounts receivable financing subject to loss provision changes during the current period:

No

### (3) Status of bad debt provision, recovery, or reversal for the period

No

Other notes:

The Company considers that the bank acceptance bills held by the Company have a high credit rating and do not have significant credit risks, thus no provision for bad debts has been made.

### (4) The Company's pledged accounts receivable financing at the end of the period

In RMB

Items	Amount pledged at the end of the period
Bank acceptance	0.00

### (5) Financing of receivables that have been endorsed or discounted by the Company and have not expired on the balance sheet date

In RMB

Items	Termination confirmation amount at period-end	Unconfirmed amount at period-end
Bank acceptance	78,263,227.37	0.00
Total	78,263,227.37	0.00

### (6) Financing of receivables actually written off in the current period

The Company had no actual write-off of receivables financing during the reporting period.

**(7) Increase/decrease in the current period and changes in fair value of accounts receivable financing**

No

**(8) Other notes**

There was no pledged accounts receivable financing during the reporting period.

**8. Other receivables**

In RMB

Items	Ending balance	Opening balance
Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Other account receivable	2,869,233.51	3,220,285.42
Total	2,869,233.51	3,220,285.42

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

No

**2) Significant overdue interest**

There was no significant overdue interest during the reporting period.

**3) Disclosure under the methods of provision for bad debts by category** Applicable  Not applicable**4) Status of bad debt provision, recovery, or reversal for the period**

No

**5) Situation of interest receivable actually written off in the current period**

No

**(2) Dividends receivable****1) Classification of dividends receivable**

In RMB

Project (or investee)	Ending balance	Opening balance
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Total	0.00	0.00
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**2) Important dividends receivable with aging over 1 year**

No

**3) Disclosure under the methods of provision for bad debts by category** Applicable  Not applicable**4) Status of bad debt provision, recovery, or reversal for the period**

No

**5) Situation of dividends receivable actually written off in the current period**

No

**(3) Other receivables****1) Classification of other receivables by nature**

In RMB

Payment nature	Book balance at period end	Beginning book balance
Deposit and security deposit	2,079,463.78	2,000,722.80
Transactions with non-related parties	15,787,006.48	15,350,589.97
Export rebate	709,028.48	710,026.13
Reserve funds and employee loans	832,393.94	577,183.94
Other	1,444,853.16	2,576,693.37
Total	20,852,745.84	21,215,216.21

**2) Disclosure by aging**

In RMB

Aging	Book balance at period end	Beginning book balance
Within 1 year (including 1 year)	1,810,258.02	1,860,613.92
1-2 years	367,403.83	548,779.55
2-3 years	303,664.18	690,301.34
Over 3 years	18,371,419.81	18,115,521.40
3-4 years	557,920.96	320,903.45
4 to 5 years	19,830.90	234,916.25
Over 5 years	17,793,667.95	17,559,701.70
Total	20,852,745.84	21,215,216.21

**3) Disclosure under the methods of provision for bad debts by category** Applicable  Not applicable

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Including:										
Withdrawal of bad debt provision by portfolio	20,852,745.84	100.00%	17,983,512.33	86.24%	2,869,233.51	21,215,216.21	100.00%	17,994,930.79	84.82%	3,220,285.42
Including:										
Other receivables for which provision for credit losses is made based on the credit risk characteristics portfolio	20,852,745.84	100.00%	17,983,512.33	86.24%	2,869,233.51	21,215,216.21	100.00%	17,994,930.79	84.82%	3,220,285.42
<b>Total</b>	<b>20,852,745.84</b>	<b>100.00%</b>	<b>17,983,512.33</b>	<b>86.24%</b>	<b>2,869,233.51</b>	<b>21,215,216.21</b>	<b>100.00%</b>	<b>17,994,930.79</b>	<b>84.82%</b>	<b>3,220,285.42</b>

Provision for doubtful debts by combination category name:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual proportion
Other receivables for which provision for credit losses is made based on the credit risk characteristics portfolio	20,852,745.84	17,983,512.33	86.24%
<b>Total</b>	<b>20,852,745.84</b>	<b>17,983,512.33</b>	

Description of the basis for determining the combination:

Determined based on aging and customer credit risk.

Provision for bad debts made according to the general expected credit loss model:

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next	Expected credit loss throughout the	Expected credit loss throughout the	

	12 months	duration (no credit impairment)	duration (credit impairment has occurred)	
Balance as of Jan. 1, 2024	73,918.97	268,296.26	17,652,715.56	17,994,930.79
Balance on Jan. 1, 2024 in the current period				
- Transfer to phase II	-3,805.21	3,805.21	0.00	0.00
- Transfer to phase III	0.00	-173,051.14	173,051.14	0.00
Provision in the current period	61,370.85	18,063.49	114,443.70	193,878.04
Reversal in the current period	-57,344.07	0.00	-147,952.43	-205,296.50
Balance as of June 30, 2024	74,140.54	117,113.82	17,792,257.97	17,983,512.33

The basis for the division of each stage and the ratio of provisions for bad debts

Changes in book balance with significant amount of loss provision in the current period

Applicable  Not applicable

#### 4) Status of bad debt provision, recovery, or reversal for the current period

Provision for bad debts in the current period:

In RMB

Category	Opening balance	Amount of change for the period				Ending balance
		Accrual	Recovery or reversal	Write-off or cancellation	Other	
Credit impairment losses during existence	17,994,930.79	193,878.04	-205,296.50			17,983,512.33
Total	17,994,930.79	193,878.04	-205,296.50			17,983,512.33

Where the bad debt provision amount recovered or reversed this period is important:

No significant recovery or reversal of bad debt provision during the Company's reporting period.

#### 5) Situation of other accounts receivable actually written off in the current period

No actual write-off of other receivables during the Company's reporting period.

#### 6) Other receivables collected from the debtors which rank the first five at the end of period

In RMB

Name	The nature of the amount	Ending balance	Aging	Proportion in the total ending balance of other	End-of-period balance of provision for bad
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				receivables	debt
The total amount of other receivables with the top five balances at the end of the year	Account current receivables of external units	15,896,829.51	Over 3 years	76.23%	15,896,829.51
Total		15,896,829.51		76.23%	15,896,829.51

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

In RMB

Other notes:

No presentation in other receivables due to centralized management of funds during the Company's reporting period.

## 9. Prepayments

### (1) Prepayments are presented by aging

In RMB

Aging	Ending balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	16,829,734.85	86.57%	16,927,119.84	86.81%
1-2 years	36,217.55	0.19%	969,677.39	4.97%
2-3 years	971,029.71	4.99%	1,603,089.57	8.22%
Over 3 years	1,603,089.57	8.25%	0.00	
Total	19,440,071.68		19,499,886.80	

Reasons for not timely settlement of prepayments with aging over 1 year and significant amount:

No prepayments with aging over 1 year and significant amount during the Company's reporting period.

### (2) Top five of advances to suppliers in terms of the ending balance presented by advance receivers

The total amount of the top five prepayments by payee at the end of the current year is RMB 18,730,187.24, accounting for 96.35% of the scale of the year-end prepayments balance.

Other notes:

## 10. Inventories

Whether the Company needs to comply with the disclosure requirements of the real estate industry  
No

### (1) Classification of inventory

In RMB

Items	Ending balance			Opening balance		
	Book balance	Provision for impairment of inventory or contract performance costs	Book value	Book balance	Provision for impairment of inventory or contract performance costs	Book value
Raw materials	460,776,051.42	22,277,155.00	438,498,896.42	403,031,948.06	7,506,047.48	395,525,900.58
Processing products	351,314,969.03	34,956,736.49	316,358,232.54	309,068,674.96	64,610,590.25	244,458,084.71
Merchandise inventory	127,084,217.44	35,056,533.93	92,027,683.51	137,596,740.37	43,501,540.31	94,095,200.06
Commissioned materials	96,547.07	59,189.48	37,357.59	2,406,793.65	93,806.73	2,312,986.92
Total	939,271,784.96	92,349,614.90	846,922,170.06	852,104,157.04	115,711,984.77	736,392,172.27

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

No

**(3) Provision for impairment of inventory or contract performance costs**

In RMB

Items	Opening balance	Increase for the current period		Decrease amount in the current period		Ending balance
		Accrual	Other	Write-off	Other	
Raw materials	7,506,047.48	15,933,192.60		1,162,085.08		22,277,155.00
Processing products	64,610,590.25	26,421,240.67		56,075,094.43		34,956,736.49
Merchandise inventory	43,501,540.31	47,364,094.61		55,809,100.99		35,056,533.93
Commissioned materials	93,806.73	0.00	0.00	34,617.25	0.00	59,189.48
Total	115,711,984.77	89,718,527.88	0.00	113,080,897.75	0.00	92,349,614.90

Items	The specific basis for determining the net realizable value	The reason for the reversal or resale of the provision for inventory price decline in the current year
Raw materials, work-in-progress product, and consignment materials	The net realizable value is determined by the estimated selling price of the relevant finished product, less the estimated costs to be incurred at completion, and less the estimated selling expenses and the relevant taxes	Get used or sold in the year
Semi-finished	The net realizable value of the inventory is determined by the estimated selling price minus the estimated selling expenses and related taxes	Sold in the year

The provision for inventory depreciation by combination

No

Provision criteria for provision of inventory depreciation reserve by combination

No

#### **(4) Notes to the ending balance of inventories including the capitalization amount of borrowing costs**

As of June 30, 2024, there was no amount in the inventory balance for guarantee and no amount for capitalization of borrowing costs.

#### **(5) Notes to the amortization amount of contract performance costs in the current period**

No

#### **11. Assets held for sale**

No

#### **12. Non-current assets due within one year**

No

#### **(1) Debt investments due within one year**

Applicable  Not applicable

#### **(2) Other debt investments due within one year**

Applicable  Not applicable

#### **13. Other current assets**

In RMB

Items	Ending balance	Opening balance
Receivable return cost	21,704,328.56	33,326,525.34
VAT to be deducted and input tax to be certified	26,411,762.08	27,399,897.46
Advance payment of income tax	47,034.59	47,034.59
<b>Total</b>	<b>48,163,125.23</b>	<b>60,773,457.39</b>

Other notes:

#### **14. Debt investments**

#### **(1) Debt investments situation**

No

**(2) Important debt investments at the end of the period**

Significant debt investment

No

**(3) Provision for impairment**

No

**(4) Situation of debt investments actually written off in the current period**

No

Debt investment write-off explanation:

Changes in book balance with significant amount of loss provision in the current period

 Applicable  Not applicable**15. Other debt investments****(1) Other debt investments situation**

No

**(2) Other important debt investments at the end of the period**

No

**(3) Provision for impairment**

No

**(4) Situation of other debt investments actually written off in the current period**

No

Other debt investment write-off explanation:

Changes in book balance with significant amount of loss provision in the current period

 Applicable  Not applicable

Other notes:

**16. Investment in other equity instruments**

In RMB

Name	Opening balance	Gains recognize d in other	Losses recognize d in other	Cumulativ e gains recognize	Cumulativ e losses recognize	Dividend income recognize	Ending balance	Reasons for designatin
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		comprehensive income for the period	comprehensive income for the period	deducted in other comprehensive income at period end	deducted in other comprehensive income at period end	deducted in the period		measured at fair value through other comprehensive income
Union Development Co., Ltd.	110,457,700.00			107,857,700.00		208,000.00	110,457,700.00	Planned to be held by the Group for a long time.
Shenzhen Dailishi Underwear Co., Ltd.	17,741,900.00			15,182,043.74		550,000.00	17,741,900.00	Planned to be held by the Group for a long time.
Shenzhen South Textile Co., Ltd.	14,803,400.00			13,303,400.00			14,803,400.00	Planned to be held by the Group for a long time.
Shenzhen Xinfang Knitting Co., Ltd.	2,985,900.00			2,461,900.00		200,000.00	2,985,900.00	Planned to be held by the Group for a long time.
Jintian Industry (Group) Co., Ltd.	0.00				14,831,681.50		0.00	Planned to be held by the Group for a long time.
<b>Total</b>	<b>145,988,900.00</b>			<b>138,805,043.74</b>	<b>14,831,681.50</b>	<b>958,000.00</b>	<b>145,988,900.00</b>	

De-recognition in the period

No

Segmented disclosure of non-trading equity instrument investments in current period

Other notes:

The Company has no derecognition of investments in other equity instruments during the reporting period.

## 17. Long-term receivables

### (1) Long-term receivables

No

**(2) Disclosure under the methods of provision for bad debts by category**

No

**(3) Status of bad debt provision, recovery, or reversal for the period**

No

**(4) Situation of accounts receivable actually written off in the current period**

No

**18. Long-term equity investments**

In RMB

Investees	Beginning balance (book value)	Beginning balance of provision for impairment	Increase or decrease in the current period								Ending balance (book value)	End-of-period balance of provision for impairment	
			investment	Profits and losses on investments	Equity method affirmative profit and loss on investments	Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision	Other			
<b>I. Joint ventures</b>													
Shenzhen Guan hua Printing & Dyeing Co., Ltd.	122,370,494.08	0.00	0.00	0.00	-4,224,706.30	0.00	0.00	0.00	0.00	0.00	0.00	118,145,787.78	0.00
Subtotal	122,370,494.08	0.00	0.00	0.00	-4,224,706.30	0.00	0.00	0.00	0.00	0.00	0.00	118,145,787.78	0.00
<b>2. Affiliated company</b>													
Shenzhen Changlianfa Printing & dyeing Company	3,358,117.09	0.00	0.00	0.00	124,432.13	0.00	0.00	-346,150.00	0.00	0.00	0.00	3,136,399.22	0.00

Hongkong Yehui International Co., Ltd.	1,953,409.53	0.00	0.00	-1,349,489.37	-147,459.95	-115,825.06	0.00	0.00	0.00	0.00	340,635.15	0.00
Subtotal	5,311,526.62	0.00		-1,349,489.37	-23,027.82	-115,825.06	0.00	-346,150.00	0.00	0.00	3,477,034.37	0.00
Total	127,682,020.70	0.00		-1,349,489.37	-4,247,734.12	-115,825.06	0.00	-346,150.00	0.00	0.00	121,622,822.15	0.00

The recoverable amount is determined by the net amount of the fair value less the disposal expenses

Applicable  Not applicable

The recoverable amount is determined at the present value of the expected future cash flows

Applicable  Not applicable

Reasons for the difference between the aforementioned information and the information used in the impairment test of previous years or external information

No

Reasons for the difference between the information used in the Company's impairment test in previous years and the actual situation in the current year

No

Other notes

No

## 19. Other non-current financial assets

No

## 20. Investment properties

### (1) Investment property measured at cost

Applicable  Not applicable

In RMB

Items	Houses, buildings	Land use right	Construction in process	Total
I. Original price				
1. Beginning balance	350,367,442.40			350,367,442.40
2. Increase for	0.00			0.00

the current period				
(1) Outsourcing	0.00			0.00
(2) Transfers from inventories\fixed assets\construction in progress	0.00			0.00
(3) Increase from business combinations	0.00			0.00
3. Decrease for the current period	0.00			0.00
(1) Disposal	0.00			0.00
(2) Other transfers out	0.00			0.00
4. Ending balance	350,367,442.40			350,367,442.40
II. Accumulated amortization				
1. Beginning balance	224,764,235.22			224,764,235.22
2. Increase for the current period	4,804,908.55			4,804,908.55
(1) Provision or amortization	4,804,908.55			4,804,908.55
3. Decrease for the current period	0.00			0.00
(1) Disposal	0.00			0.00
(2) Other transfers out	0.00			0.00
4. Ending balance	229,569,143.77			229,569,143.77
III. Impairment provision				
1. Beginning balance	0.00			0.00
2. Increase for the current period	0.00			0.00
(1) Provision	0.00			0.00
3. Decrease for the current period	0.00			0.00
(1) Disposal	0.00			0.00



(2) Other transfers out	0.00			0.00
4. Ending balance	0.00			0.00
IV. Book value				
1. Ending book value	120,798,298.63			120,798,298.63
2. Beginning book value	125,603,207.18			125,603,207.18

The recoverable amount is determined by the net amount of the fair value less the disposal expenses

Applicable  Not applicable

The recoverable amount is determined at the present value of the expected future cash flows

Applicable  Not applicable

Reasons for the difference between the aforementioned information and the information used in the impairment test of previous years or external information

No

Reasons for the difference between the information used in the Company's impairment test in previous years and the actual situation in the current year

Other notes:

## (2) Investment property measured at fair value

Applicable  Not applicable

## (3) Convert to investment property and measure at fair value

No

## (4) Investment property without certificate of title

In RMB

Items	Book value	Reason
Houses and Building	12,172,717.76	Unable to apply for warrants due to historical reasons

Other notes

## 21. Fixed assets

In RMB

Items	Ending balance	Opening balance
Fixed assets	1,956,105,719.74	2,066,006,237.73
Total	1,956,105,719.74	2,066,006,237.73

**(1) Status of fixed assets**

In RMB

Items	Houses & buildings	Machinery equipment	Transportation equipment	Electronic equipment and Other	Total
I. Original price					
1. Beginning balance	727,679,833.94	2,711,433,903.98	17,090,895.87	44,539,622.55	3,500,744,256.34
2. Increase for the current period	0.00	3,177,076.51	124,424.77	660,609.47	3,962,110.75
(1) Acquisitions	0.00	3,177,076.51	124,424.77	660,609.47	3,962,110.75
(2) Transfer from construction in progress	0.00	0.00	0.00	0.00	0.00
(3) Increase from business combinations	0.00	0.00	0.00	0.00	0.00
3. Decrease for the current period	0.00	0.00	0.00	564,935.61	564,935.61
(1) Disposal or scrapping	0.00	0.00	0.00	564,935.61	564,935.61
4. Ending balance	727,679,833.94	2,714,610,980.49	17,215,320.64	44,635,296.41	3,504,141,431.48
II. Accumulated depreciation					
1. Beginning balance	189,420,295.28	1,179,132,635.63	7,869,614.58	33,092,767.56	1,409,515,313.05
2. Increase for the current period	11,566,705.73	99,124,552.68	1,021,614.91	2,120,640.37	113,833,513.69
(1) Provision	11,566,705.73	99,124,552.68	1,021,614.91	2,120,640.37	113,833,513.69
3. Decrease for the current period	0.00	0.00	0.00	535,820.56	535,820.56
(1) Disposal or scrapping	0.00	0.00	0.00	535,820.56	535,820.56
4. Ending balance	200,987,001.01	1,278,257,188.31	8,891,229.49	34,677,587.37	1,522,813,006.18

III. Impairment provision					
1. Beginning balance	9,820,261.26	15,149,037.18	6,126.41	247,280.71	25,222,705.56
2. Increase for the current period	0.00	0.00	0.00	0.00	0.00
(1) Provision	0.00	0.00	0.00	0.00	0.00
3. Decrease for the current period	0.00	0.00	0.00	0.00	0.00
(1) Disposal or scrapping	0.00	0.00	0.00	0.00	0.00
4. Ending balance	9,820,261.26	15,149,037.18	6,126.41	247,280.71	25,222,705.56
IV. Book value					
1. Ending book value	516,872,571.67	1,421,204,755.00	8,317,964.74	9,710,428.33	1,956,105,719.74
2. Beginning book value	528,439,277.40	1,517,152,231.17	9,215,154.88	11,199,574.28	2,066,006,237.73

**(2) Temporarily idle fixed assets**

No

**(3) Fixed assets leased out through operating leases**

No

**(4) Fixed assets without certificates of title**

In RMB

Items	Book value	Reasons for not completing the certificate of title
Houses and Building	11,004,437.57	Unable to apply for warrants due to historical reasons

Other notes

For fixed assets mortgaged for bank loans during the reporting period, refer to notes "31. Assets with restricted ownership or use rights".

**(5) Impairment test of fixed assets**

Applicable  Not applicable

**(6) Liquidation of fixed assets**

No

**22. Construction in progress**

In RMB

Items	Ending balance	Opening balance
Construction in process	35,178,323.03	31,307,060.74
Total	35,178,323.03	31,307,060.74

**(1) Status of construction in progress**

In RMB

Items	Ending balance			Opening balance		
	Book balance	Closing balance of impairment provision	Book value	Book balance	Closing balance of impairment provision	Book value
Installation of machinery and equipment	35,178,323.03	0.00	35,178,323.03	31,307,060.74	0.00	31,307,060.74
Total	35,178,323.03	0.00	35,178,323.03	31,307,060.74	0.00	31,307,060.74

**(2) Changes in important construction in progress in the current period**

No

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

No

**(4) Status of impairment test of construction in progress** Applicable  Not applicable**(5) Project materials**

No

**23. Productive biological assets****(1) Productive biological assets measured at cost** Applicable  Not applicable

**(2) Impairment test of productive biological assets measured at cost**

Applicable  Not applicable

**(3) Productive biological assets measured at fair value**

Applicable  Not applicable

**24. Oil and gas assets**

Applicable  Not applicable

**25. Right-of-use assets****(1) Right-of-use assets situation**

In RMB

Items	Houses & buildings	Machinery equipment	Total
I. Original price			
1. Beginning balance	33,450,802.23		33,450,802.23
2. Increase for the current period	6,422,357.96	2,044,236.48	8,466,594.44
(1) Newly increased	6,422,357.96	2,044,236.48	8,466,594.44
3. Decrease for the current period			
4. Ending balance	39,873,160.19	2,044,236.48	41,917,396.67
II. Accumulated depreciation			
1. Beginning balance	21,451,335.66	0.00	21,451,335.66
2. Increase for the current period	4,113,325.52	670,825.26	4,784,150.78
(1) Provision	4,113,325.52	670,825.26	4,784,150.78
3. Decrease for the current period			
(1) Disposal			
4. Ending balance	25,564,661.18	670,825.26	26,235,486.44
III. Impairment provision			
1. Beginning balance			
2. Increase for the current period			
(1) Provision			
3. Decrease for the current period			
(1) Disposal			

4. Ending balance			
IV. Book value			
1. Ending book value	14,308,499.01	1,373,411.22	15,681,910.23
2. Beginning book value	11,999,466.57	0.00	11,999,466.57

## (2) Impairment test of right-of-use assets

Applicable  Not applicable

Other notes:

## 26. Intangible assets

### (1) Intangible assets

In RMB

Items	Land use right	Patent	Non-Patent Technology]	Software	Total
I. Original price					
1. Beginning balance	48,258,239.00	11,825,200.00		22,600,069.86	82,683,508.86
2. Increase for the current period	0.00	0.00		117,623.76	117,623.76
(1) Acquisitions	0.00	0.00		117,623.76	117,623.76
(2) Internal research and development	0.00	0.00		0.00	0.00
(3) Increase from business combinations	0.00	0.00		0.00	0.00
3. Decrease for the current period	0.00	0.00		0.00	0.00
(1) Disposal	0.00	0.00		0.00	0.00
4. Ending balance	48,258,239.00	11,825,200.00		22,717,693.62	82,801,132.62
II. Accumulated amortization					
1. Beginning balance	16,165,713.67	11,825,200.00		15,128,172.39	43,119,086.06
2. Increase for the current	445,782.66	0.00		1,873,047.75	2,318,830.41

period					
(1) Provision	445,782.66	0.00		1,873,047.75	2,318,830.41
3. Decrease for the current period	0.00	0.00		0.00	0.00
(1) Disposal	0.00	0.00		0.00	0.00
4. Ending balance	16,611,496.33	11,825,200.00		17,001,220.14	45,437,916.47
III. Impairment provision					
1. Beginning balance	0.00	0.00		0.00	0.00
2. Increase for the current period	0.00	0.00		0.00	0.00
(1) Provision	0.00	0.00		0.00	0.00
3. Decrease for the current period	0.00	0.00		0.00	0.00
(1) Disposal	0.00	0.00		0.00	0.00
4. Ending balance	0.00	0.00		0.00	0.00
IV. Book value					
1. Ending book value	31,646,742.67	0.00		5,716,473.48	37,363,216.15
2. Beginning book value	32,092,525.33	0.00		7,471,897.47	39,564,422.80

The proportion of intangible assets formed by the Company's internal research and development at the end of the current period to the balance of intangible assets is 0.00%

## (2) Data resources recognized as intangible assets

No

## (3) Land use right without certificate of title

No

Other notes

For intangible assets pledged due to bank loans during the reporting period, refer to notes '31. Assets with restricted ownership or use rights'.

#### (4) Impairment test of intangible assets

Applicable  Not applicable

### 27. Goodwill

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

In RMB

Name of the investee or matters that form goodwill	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Formed through business combination		Disposal		
Shenzhen SOPO Photoelectric Co., Ltd.	9,614,758.55					9,614,758.55
Shenzhen Beauty Century Garment Co., Ltd.	2,167,341.21					2,167,341.21
<b>Total</b>	<b>11,782,099.76</b>					<b>11,782,099.76</b>

#### (2) Provision for impairment of goodwill

In RMB

Name of the investee or matters that form goodwill	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Accrual		Disposal		
Shenzhen SOPO Photoelectric Co., Ltd.	9,614,758.55					9,614,758.55
Shenzhen Beauty Century Garment Co., Ltd.	2,167,341.21					2,167,341.21
<b>Total</b>	<b>11,782,099.76</b>					<b>11,782,099.76</b>

#### (3) Information on the asset group or combination of asset groups where the goodwill is located

Name	Composition and basis of the asset group or portfolio	Operating segments and their basis	Consistency with previous years
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Changes in asset group or asset portfolio

Name	Composition before change	Composition after change	Objective facts and basis for changes
------	---------------------------	--------------------------	---------------------------------------

Other notes

**(4) Specific determination method of recoverable amount**

The recoverable amount is determined by the net amount of the fair value less the disposal expenses

 Applicable  Not applicable

The recoverable amount is determined at the present value of the expected future cash flows

 Applicable  Not applicable

Reasons for the difference between the aforementioned information and the information used in the impairment test of previous years or external information

Reasons for the difference between the information used in the Company's impairment test in previous years and the actual situation in the current year

**(5) Completion of performance commitments and corresponding impairment of goodwill**

Goodwill formed with performance commitments during the reporting period or the previous period within the performance commitment period

 Applicable  Not applicable

Other notes

**28. Long-term deferred expenses**

In RMB

Items	Opening balance	Increase for the current period	Amortization amount for the current period	Other reduction amount	Ending balance
Decoration and facilities renovation fee	3,503,660.94	2,347,034.33	1,279,415.92		4,571,279.35
Total	3,503,660.94	2,347,034.33	1,279,415.92		4,571,279.35

Other notes

**29. Deferred tax assets/deferred tax liabilities****(1) Deferred income tax assets without offset**

In RMB

Items	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset
Asset impairment provision	178,026,209.35	28,243,972.64	192,506,873.67	30,414,966.51
Unrealized profit from internal transactions	2,101,406.20	315,210.93	2,145,963.47	321,894.52

Deductible loss	101,414,354.40	15,212,153.16	127,769,387.40	19,165,408.11
Deferred income	92,101,907.70	13,815,286.16	96,647,256.82	14,497,088.52
Changes in fair value of investment in other equity instruments	14,831,681.50	3,707,920.38	14,831,681.50	3,707,920.38
Employees' wage payable	4,173,800.00	1,043,450.00	4,173,800.00	1,043,450.00
Lease liabilities	17,302,726.46	2,595,408.97	12,177,572.68	1,826,635.90
Total	409,952,085.61	64,933,402.24	450,252,535.54	70,977,363.94

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

In RMB

Items	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax liability	Deductible temporary difference	Deferred income tax liability
Asset appraisal appreciation from business combination not under common control	62,083,693.36	15,520,923.34	62,083,693.36	15,520,923.34
Changes in fair value of investment in other equity instruments	138,805,043.74	34,701,260.94	138,805,043.74	34,701,260.94
Rent receivable	9,212,846.48	2,303,211.62	10,108,726.81	2,527,181.70
Use right assets	15,681,910.23	2,352,286.53	11,999,466.57	1,799,919.99
Total	225,783,493.81	54,877,682.43	222,996,930.48	54,549,285.97

**(3) Deferred tax assets or liabilities presented by net amount after offset**

In RMB

Items	Amount of deferred tax assets and liabilities offset at the end of the period	Ending balance of deferred tax assets or liabilities after offset	Amount of deferred tax assets and liabilities offset at the beginning of the period	Balance of deferred tax assets or liabilities after offset at the beginning of the period
Deferred income tax asset	-10,926,679.50	54,006,722.74	-10,371,998.52	60,605,365.42
Deferred income tax liability	-10,926,679.50	43,951,002.93	-10,371,998.52	44,177,287.45

**(4) Details of unrecognized deferred tax assets**

In RMB

Items	Ending balance	Opening balance
Deductible temporary difference	3,086,695.01	14,740,965.97
Deductible loss	427,899,981.65	442,263,671.30

Total	430,986,676.66	457,004,637.27
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**(5) The deductible losses of the unrecognized deferred tax assets will become due in the following years:**

In RMB

Year	Ending amount	Beginning amount	Remarks
2024	67,804,103.36	69,053,143.67	
2025			
2026	53,989,578.07	53,989,578.07	
2027	10,067,397.50	10,067,397.50	
2028	39,988,583.76	39,988,583.76	
2029	129,732,249.98	129,732,249.98	
2030	75,352,814.24	75,352,814.24	
2031			
2032			
2033	50,965,254.74	64,079,904.08	
Total	427,899,981.65	442,263,671.30	

Other notes

**30. Other non-current assets**

In RMB

Items	Ending balance			Opening balance		
	Book balance	Closing balance of impairment provision	Book value	Book balance	Closing balance of impairment provision	Book value
Prepayment for engineering and equipment	1,961,569.88	0.00	1,961,569.88	3,757,334.44	0.00	3,757,334.44
Investment funds to be liquidated	25,760,086.27	0.00	25,760,086.27	25,760,086.27	0.00	25,760,086.27
Total	27,721,656.15	0.00	27,721,656.15	29,517,420.71	0.00	29,517,420.71

Other notes:

**31. Assets with restricted ownership or usage rights**

In RMB

Items	End of period				Beginning of period			
	Book balance	Book value	Restricted type	Restricted circumstances	Book balance	Book value	Restricted type	Restricted circumstances
Monetary fund	1,645,000.00	1,645,000.00	Restricted right of use	Deposit	9,305,118.06	9,305,118.06	Restricted right of use	Account Freezing and Margin
Note	34,511,74	34,511,74	Restricted	The	42,665,95	42,665,95	Restricted	The

receivable	8.51	8.51	right of use	endorsement of the note is not terminated	4.11	4.11	right of use	endorsement of the note is not terminated
Fixed assets	572,261,261.14	446,366,105.88	Restricted right of use	Mortgage	572,261,261.14	454,185,881.22	Restricted right of use	Mortgage
Intangible assets	44,770,083.00	31,650,569.11	Restricted right of use	Mortgage	44,770,083.00	32,092,525.33	Restricted right of use	Mortgage
Total	653,188,092.65	514,173,423.50			669,002,416.31	538,249,478.72		

Other notes:

## 32. Short-term loans

### (1) Classification of short-term debts

In RMB

Items	Ending balance	Opening balance
Credit loans	0.00	8,000,000.00
Total	0.00	8,000,000.00

Explanation of short-term borrowing classification:

### (2) Overdue and outstanding short-term debts

The total amount of overdue outstanding short-term borrowings at the end of the current period is RMB 0.00, among which the significant overdue outstanding short-term borrowings are as follows:

No

## 33. Trading financial liabilities

No

## 34. Derivative financial liabilities

No

## 35. Notes payable

In RMB

Items	Ending balance	Opening balance
Bank acceptance	10,743,421.84	31,049,291.49
Total	10,743,421.84	31,049,291.49

The total amount of notes payable due but not paid at the end of the current period is RMB 0.00, with the reason for non-payment being

**36. Accounts payable****(1) Presentation of accounts payable**

In RMB

Items	Ending balance	Opening balance
Payment for goods	435,971,009.55	386,767,637.00
Service charge	35,459,137.27	13,817,610.72
Loyalties	3,132,927.00	2,207,166.50
Subcontracting payment	0.00	4,584,423.60
Other	0.00	1,171,298.42
<b>Total</b>	<b>474,563,073.82</b>	<b>408,548,136.24</b>

**(2) Significant payable aging over 1 year or overdue**

The Company had no significant accounts payable aging over 1 year or overdue during the reporting period.

**37. Other payables**

In RMB

Items	Ending balance	Opening balance
Interest payable	0.00	0.00
Dividend payable	0.00	0.00
Other payable	180,013,733.22	184,528,344.55
<b>Total</b>	<b>180,013,733.22</b>	<b>184,528,344.55</b>

**(1) Interest payable**

No

**(2) Dividends payable**

No

**(3) Other payables****1) Other payable listed by nature**

In RMB

Items	Ending balance	Opening balance
Engineering equipment payment	70,135,840.91	67,176,881.34
Current payment	55,704,466.53	56,444,481.12
Deposit and security deposit	40,023,495.26	48,208,919.61
Other	14,149,930.52	12,698,062.48
<b>Total</b>	<b>180,013,733.22</b>	<b>184,528,344.55</b>

**2) Other significant payable with aging over 1 year or overdue**

The Company had no other significant payables aging over 1 year or overdue during the reporting period.

**38. Advance receipts****(1) Presentation of advances received**

In RMB

Items	Ending balance	Opening balance
Rent and other	1,384,783.04	1,450,096.30
Total	1,384,783.04	1,450,096.30

**(2) Significant advance receivable with aging over 1 year or overdue**

The Company had no significant advance receivable aging over 1 year during the reporting period.

**39. Contract liabilities**

In RMB

Items	Ending balance	Opening balance
Amount for the disposal of waste iodine solution	10,594,097.31	0.00
Payment for goods	421,656.19	1,436,943.34
Total	421,656.19	1,436,943.34

Significant contractual liabilities with aging over 1 year

No

Significant changes in book value during the reporting period, amounts and reasons

No

**40. Employee compensation****(1) Employee compensation breakdown**

In RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensations	53,853,081.65	105,149,865.39	111,000,206.40	48,002,740.64
II. Post-employment benefits - defined contribution plans	0.00	8,555,861.68	8,555,861.68	0.00
III. Termination benefits	2,584,080.44	2,533,171.54	4,674,926.18	442,325.80
Total	56,437,162.09	116,238,898.61	124,230,994.26	48,445,066.44

**(2) Short-term compensation breakdown**

In RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Wages, bonus, allowance and subsidy	50,484,811.72	92,196,498.99	98,327,820.07	44,353,490.64
2. Staff welfare	0.00	4,379,478.21	4,379,478.21	0.00
3. Social insurance premium	0.00	2,266,661.37	2,266,661.37	0.00
Including: Medical insurance	0.00	1,747,840.68	1,747,840.68	0.00
Work injury insurance	0.00	196,782.08	196,782.08	0.00
Maternity insurance	0.00	322,038.61	322,038.61	0.00
4. Housing provident funds	0.00	3,897,839.72	3,897,839.72	0.00
5. Labor Union fee and staff education expenses	3,368,269.93	2,409,387.10	2,128,407.03	3,649,250.00
Total	53,853,081.65	105,149,865.39	111,000,206.40	48,002,740.64

**(3) Defined contribution plan breakdown**

In RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	0.00	7,060,060.83	7,060,060.83	0.00
2. Unemployment insurance premium	0.00	330,717.73	330,717.73	0.00
3. Enterprise annuity payment	0.00	1,165,083.12	1,165,083.12	0.00
Total	0.00	8,555,861.68	8,555,861.68	0.00

## Other notes

The Company participates in pension insurance and unemployment insurance plans established by government agencies according to regulations, and according to the plans, the Company pays fees to these plans according to the prescribed standards. In addition to the above-mentioned monthly deposit fees, the Company will no longer assume further payment obligations. The corresponding expenses are included in the current profits and losses or the related asset costs when incurred.

During the reporting period, the Company contributed RMB 7,060,060.83 and RMB 330,717.73 to the pension and unemployment insurance plans, respectively (for the first half of 2023: RMB 5,633,933.03 and RMB 140,977.99). During the reporting period, the Company fully paid the amounts due for the pension and unemployment insurance plans.

**41. Taxes payable**

In RMB

Items	Ending balance	Opening balance
VAT	595,374.83	582,961.29
Business income tax	1,821,926.28	2,080,849.81
Individual Income tax	378,799.93	1,080,628.82
Other	3,979,586.13	596,455.22
Total	6,775,687.17	4,340,895.14

Other notes

**42. Liabilities held for sale**

No

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

In RMB

Items	Ending balance	Opening balance
Long-term loans maturing within one year	102,417,872.13	102,612,497.53
Lease liabilities due within one year	7,123,249.76	5,490,255.46
Total	109,541,121.89	108,102,752.99

Other notes:

**44. Other current liabilities**

In RMB

Items	Ending balance	Opening balance
Return payable	24,329,008.76	37,244,449.90
Endorsed and unexpired acceptance bill	34,511,748.51	42,665,954.11
To be rescheduled	40,714.89	172,073.21
Total	58,881,472.16	80,082,477.22

Changes in short-term bonds payable:

No

**45. Long-term loans****(1) Classification of long-term loans**

In RMB

Items	Ending balance	Opening balance
Secured loans	557,074,516.69	608,190,812.09
Less: Long-term loans due within one year	-102,417,872.13	-102,612,497.53



Total	454,656,644.56	505,578,314.56
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Description of long-term loans classification:

Additional information, including interest rate range:

Note: SAPO Photoelectric, a subsidiary of the Company, mortgaged its real estate rights such as the factory building, and the Company and HMEV provided 60% and 40% joint guarantee for the loan respectively.

## 46. Bonds payable

### (1) Bonds payable

No

### (2) Increase/decrease in bonds payable (excluding preferred stock, perpetual bonds and other financial instruments divided into financial liabilities)

No

### (3) Notes to convertible corporate bonds

No

### (4) Description of other financial instruments divided into financial liabilities

No

## 47. Lease liabilities

In RMB

Items	Ending balance	Opening balance
Lease liabilities	17,302,726.46	12,177,572.68
Less: Lease liabilities due within one year	-7,123,249.76	-5,490,255.46
Total	10,179,476.70	6,687,317.22

Other notes:

## 48. Long-term payable

No

### (1) Long-term payable listed by nature

No

### (2) Special payable

No

**49. Long-term employee compensation payable****(1) Table of long-term employee compensation payable**

No

**(2) Changes in defined benefit plans**

No

**50. Estimated liabilities**

No

**51. Deferred income**

In RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Reason
29. Government subsidies	97,485,986.89	6,603,095.11	11,371,158.76	92,717,923.24	Received the government subsidies
Total	97,485,986.89	6,603,095.11	11,371,158.76	92,717,923.24	

Other notes:

**52. Other non-current liabilities**

No

**53. Capital stock**

In RMB

	Opening balance	Increase/decrease in this change (+, -)					Ending balance
		Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	
Total of capital shares	506,521,849.00	0.00	0.00	0.00	0.00	0.00	506,521,849.00

Other notes:

**54. Other equity instruments**

(1) Basic information of preferred stock, perpetual bonds and other financial instruments issued at the end of the period

(2) Table of changes in preferred stock, perpetual bonds and other financial instruments issued at the end of the period

No

**55. Capital reserve**

In RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (equity premium)	1,826,482,608.54	0.00	0.00	1,826,482,608.54
Other capital reserves	135,117,216.09	0.00	0.00	135,117,216.09
Total	1,961,599,824.63	0.00	0.00	1,961,599,824.63

Other notes, including the changes in the current period and the reasons for the changes:

**56. Treasury stock**

No

**57. Other comprehensive income**

In RMB

Items	Opening balance	Amount for the current period						Ending balance
		Amount before income tax for the current period	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Prior period included in other composite income transfer to retained income in the current period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
I. Other comprehensive income	92,317,307.32	0.00	0.00	0.00	0.00	0.00	0.00	92,317,307.32

can't be reclassified into profit or loss									
Changes in fair value of other debt investments	92,317,307.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	92,317,307.32
II. Reclassify other comprehensive income that is to be included in profit or loss.	1,290,073.49	-115,825.06	0.00	0.00	0.00	-115,825.06	0.00	0.00	1,174,248.43
Translation difference of foreign currency financial statements	1,290,073.49	-115,825.06	0.00	0.00	0.00	-115,825.06	0.00	0.00	1,174,248.43
Total of other comprehensive income	93,607,380.81	-115,825.06	0.00	0.00	0.00	-115,825.06	0.00	0.00	93,491,555.75

Additional information, including adjustments to the initial recognition amount of the hedged item for the effective portion of cash flow hedge gains and losses:

## 58. Special reserves

No

## 59. Surplus reserve

In RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	104,262,315.64			104,262,315.64
Total	104,262,315.64			104,262,315.64

Description of surplus reserves, including the changes in the current period and the reasons for the changes:

**60. Undistributed profits**

In RMB

Items	Increase for the current	Previous period
Undistributed profit at the end of the previous period before adjustment	216,160,896.14	170,636,610.95
Total adjusted undistributed profit at the beginning of the period (increase +, decrease -)	0.00	0.00
Undistributed profit at the beginning of the period after adjustment	216,160,896.14	170,636,610.95
Add: Net profit attributable to owners of the parent company for the current period	43,894,075.23	79,268,250.45
Less: Withdrawal of statutory surplus reserve	0.00	3,352,654.32
Common stock dividends payable	32,923,916.72	30,391,310.94
Undistributed profit at the end of the period	227,131,054.65	216,160,896.14

Details of undistributed profit at the beginning of the period after adjustment

- 1) Due to the retrospective adjustment of the Accounting Standards for Business Enterprises and its relevant new provisions, the retained profit at the beginning of the period was affected by RMB0.00.
- 2) Due to the change in accounting policies, the retained profit at the beginning of the period was affected by RMB0.00.
- 3) Due to the correction of major accounting errors, the retained profit at the beginning of the period was affected by RMB0.00.
- 4) Due to the change in the scope of consolidation caused by the same control, the retained profit at the beginning of the period was affected by RMB0.00.
- 5) The total impact of other adjustments on the retained profit at the beginning of the period was RMB0.00.

**61. Operating income and operating costs**

In RMB

Items	Amount for the current period		Amount for the previous period	
	Income	Cost	Income	Cost
Main business	1,597,753,543.24	1,389,109,924.42	1,470,203,939.11	1,286,170,472.71
Other business	25,630,608.66	496,128.64	19,891,730.44	0.00
Total	1,623,384,151.90	1,389,606,053.06	1,490,095,669.55	1,286,170,472.71

Breakdown of operating income and operating cost:

In RMB

Classification of contracts	Total	
	Operating income	Operation cost
Business type		
Including:		
Polarizer sales	1,540,330,898.01	1,374,275,754.64
Lease of Property and others	83,053,253.89	15,330,298.42
Classified by business area		

Including:		
Domestic	1,550,122,549.78	1,331,504,165.72
Overseas	73,261,602.12	58,101,887.34
Total	1,623,384,151.90	1,389,606,053.06

Information related to performance obligations:

No

Other notes

The Company's goods sales are mainly the production and sales of polarizer and textile-related goods. For goods sold to customers, the Group recognizes income when the control of the goods is transferred, that is, when the goods are delivered to the designated place of the other party and signed by the other party. Since the delivery of goods to customers represents the right to unconditionally receive the contract consideration, the maturity of the money only depends on the passage of time, so the Group recognizes a receivable when the goods are delivered to professional customers. When the customer prepays the payment, the Group recognizes the transaction amount received as a contractual liability until the goods are delivered to the customer.

The Company provides property and leasing services to customers, which is a performance obligation to be fulfilled within a certain period of time. The Company recognizes income in the process of providing property and leasing services.

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

At the end of the reporting period, the revenue amount corresponding to performance obligations that have been contracted but not yet fulfilled or not yet fully fulfilled is RMB 11,015,753.50, of which RMB 11,015,753.50 is expected to be recognized as revenue in the fiscal year 2024.

Information about variable consideration in the contract:

Changes in major contracts or adjustments to major transaction prices

No

## 62. Taxes and surcharges

In RMB

Items	Amount for the current period	Amount for the previous period
Urban maintenance and construction tax	202,090.93	280,887.35
Surcharge for education	147,375.53	204,444.12
Property tax	3,166,336.07	2,918,264.56
Land use tax	185,756.26	188,021.08
Vehicle and vessel usage tax	1,980.00	4,200.00
Stamp duty	897,237.63	794,946.41
Other	13,706.37	6,566.26
Total	4,614,482.79	4,397,329.78

Other notes:

**63. Administrative expenses**

In RMB

Items	Amount for the current period	Amount for the previous period
26. Employee Remuneration	41,752,060.58	44,414,164.48
Depreciation and amortization costs	8,054,404.08	8,025,284.78
Lease and utilities expenses	1,216,751.91	2,328,829.65
Intermediary agency fees	2,441,780.86	4,330,104.04
Travel expense	236,009.25	224,064.04
Office allowance	363,280.79	449,240.06
Business entertainment	603,802.23	746,448.25
Other	5,311,021.45	4,781,274.52
<b>Total</b>	<b>59,979,111.15</b>	<b>65,299,409.82</b>

Other notes

**64. Selling expenses**

In RMB

Items	Amount for the current period	Amount for the previous period
26. Employee Remuneration	7,946,065.86	10,230,501.01
Sales service charge	7,435,247.07	3,893,275.02
Other	1,991,994.74	1,443,073.92
Business entertainment	403,569.45	481,984.21
Travel expense	482,153.08	390,639.14
<b>Total</b>	<b>18,259,030.20</b>	<b>16,439,473.30</b>

Other notes:

**65. Research and development expenses**

In RMB

Items	Amount for the current period	Amount for the previous period
26. Employee Remuneration	7,295,182.68	8,292,440.77
Material consumption	38,356,905.93	25,540,854.61
Depreciation cost	1,667,334.64	1,686,985.39
Other	551,440.21	483,907.85
<b>Total</b>	<b>47,870,863.46</b>	<b>36,004,188.62</b>

Other notes

**66. Financial expenses**

In RMB

Items	Amount for the current period	Amount for the previous period
Interest expense (note)	11,411,878.99	13,965,081.41
Less: capitalized interest expense	0.00	0.00
Less: interest income	-4,864,600.64	-5,318,571.16
Exchange difference	-20,379,528.28	-7,582,000.80
Handling fees and others	3,025,777.53	3,114,986.18
<b>Total</b>	<b>-10,806,472.40</b>	<b>4,179,495.63</b>

Other notes

Note: The interest expense on lease liabilities during the reporting period is RMB 351,557.2.

## 67. Other income

In RMB

Sources of other income	Amount for the current period	Amount for the previous period
29. Government subsidies	11,371,158.76	19,190,714.87
2. Tax preference	7,355,228.89	30,941.62
Other	164,694.72	147,651.06
Total	18,891,082.37	19,369,307.55

## 68. Net exposure hedging income

No

## 69. Gains from changes in fair value

In RMB

Sources of income from changes in fair value	Amount for the current period	Amount for the previous period
Transaction financial assets	1,283,637.11	0.00
Including: Gains from fair value changes of derivative financial instruments	-803,809.24	0.00
Transaction financial liabilities	0.00	0.00
Investment real estate measured at fair value	0.00	0.00
Total	1,283,637.11	0.00

Other notes:

## 70. Investment income

In RMB

Items	Amount for the current period	Amount for the previous period
Long-term equity investment income calculated by equity method	-4,247,734.12	-2,111,260.03
Investment income of transactional financial assets during the holding period	6,496,490.74	8,948,614.72
Dividend income from other equity instrument investments during the holding period	958,000.00	906,000.00
Total	3,206,756.62	7,743,354.69

Other notes



**71. Credit impairment losses**

In RMB

Items	Amount for the current period	Amount for the previous period
Losses from bad debt in accounts receivable	-8,286,659.86	-9,052,893.75
Losses from bad debt in accounts receivable	11,418.46	383,523.90
Total	-8,275,241.40	-8,669,369.85

Other notes

**72. Asset impairment losses**

In RMB

Items	Amount for the current period	Amount for the previous period
1. Inventory depreciation loss and contract performance cost impairment loss	-48,933,632.55	-35,512,897.29
Total	-48,933,632.55	-35,512,897.29

Other notes:

**73. Income from asset disposals**

In RMB

Source of income from assets disposal	Amount for the current period	Amount for the previous period
Gain or loss on disposal of fixed assets	0.00	321.08

**74. Non-operating income**

In RMB

Items	Amount for the current period	Amount for the previous period	Recorded in the amount of the non-recurring gains and losses
Compensation expenses	87,183.29	71,816.74	87,183.29
Non-current asset retirement gains	62,242.48	0.00	62,242.48
Other	13,510.02	329,571.05	13,510.02
Total	162,935.79	401,387.79	162,935.79

Other notes:

**75. Non-operating expenditure**

In RMB

Items	Amount for the current period	Amount for the previous period	Recorded in the amount of the non-recurring gains and losses
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Compensation expenses	2,279,213.52	3,009,886.86	2,279,213.52
Non-current asset Disposition loss	31,924.07	8,807.87	31,924.07
Other	331.92	18,886.32	331.92
<b>Total</b>	<b>2,311,469.51</b>	<b>3,037,581.05</b>	<b>2,311,469.51</b>

Other notes:

## 76. Income tax expense

### (1) Table of income tax expense

In RMB

Items	Amount for the current period	Amount for the previous period
Current income tax expense	4,709,832.18	4,063,609.65
Deferred income tax expense	6,372,358.16	1,649,407.73
<b>Total</b>	<b>11,082,190.34</b>	<b>5,713,017.38</b>

### (2) Accounting profit and income tax expense adjustment process

In RMB

Items	Amount for the current period
Total profits	77,885,152.07
Current income tax expense accounted by tax and relevant	19,471,288.02
Influence of different tax rates applied by some subsidiaries	-5,868,605.84
The impact of non-taxable income	-216,629.25
Non-deductible costs, expenses and losses	530.10
Impact of unrecognized deferred tax assets due to deductible temporary differences or losses in the current period	4,158,173.88
ax impact of research and development fee plus deduction	-6,462,566.57
<b>Income tax expenses</b>	<b>11,082,190.34</b>

Other notes

## 77. Other comprehensive income

Refer to notes 57

## 78. Cash flow statement items

### (1) Cash related to operating activities

Cash received from other operating activities

In RMB

Items	Amount for the current period	Amount for the previous period
Letter of Credit Deposit	23,834,297.67	8,087,465.25
Current account	22,024,376.05	59,933,695.82
Government subsidies	6,113,796.59	8,752,204.09
Interest income (excluding financial	5,010,933.94	1,221,464.54

products)		
Total	56,983,404.25	77,994,829.70

Notes of cash received from other operating activities

Other cash payments relating to operating activities

In RMB

Items	Amount for the current period	Amount for the previous period
Current account	31,939,233.10	67,303,982.70
Letter of Credit Deposit	18,818,477.98	10,788,695.79
Total	50,757,711.08	78,092,678.49

Notes of cash paid for other operating activities

## (2) Cash related to investing activities

Cash received from other investing activities

In RMB

Items	Amount for the current period	Amount for the previous period
Structured deposits, financial products,	965,100,513.30	195,000,000.00
Total	965,100,513.30	195,000,000.00

Cash received from significant investing activities

In RMB

Items	Amount for the current period	Amount for the previous period
Structural deposits	700,000,000.00	
Fixed deposit	165,100,513.30	195,000,000.00
Currency fund and others	100,000,000.00	
Total	965,100,513.30	195,000,000.00

Explanation of other cash received relating to investing activities:

Cash paid for other investing activities

In RMB

Items	Amount for the current period	Amount for the previous period
Structured deposits, financial products,	1,099,000,000.00	631,537,000.00
Total	1,099,000,000.00	631,537,000.00

Cash paid for important investing activities

In RMB

Items	Amount for the current period	Amount for the previous period
Structural deposits	200,000,000.00	400,000,000.00
Fixed deposit	649,000,000.00	80,000,000.00
Currency fund and others	250,000,000.00	151,537,000.00
Total	1,099,000,000.00	631,537,000.00

Explanation of other cash payments relating to investing activities:

## (3) Cash related to financing activities

Cash received from other financing activities

In RMB

Items	Amount for the current period	Amount for the previous period
Total	0.00	0.00

Explanation of cash received relating to other financing activities:

Cash paid for other financing activities

In RMB

Items	Amount for the current period	Amount for the previous period
Lease payment	6,463,136.37	4,141,770.57
Total	6,463,136.37	4,141,770.57

Notes of cash paid for other financing activities:

Changes in liabilities arising from financing activities

Applicable  Not applicable

In RMB

Items	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Changes in cash	Non-cash changes	Changes in cash	Non-cash changes	
Short-term borrowing	8,000,000.00	0.00	0.00	8,000,000.00	0.00	0.00
Long-term borrowing	608,190,812.09	0.00	10,936,255.43	62,052,550.83	0.00	557,074,516.69
Lease liabilities	12,177,572.68	0.00	11,588,290.15	6,463,136.37	0.00	17,302,726.46
Total	628,368,384.77	0.00	22,524,545.58	76,515,687.20	0.00	574,377,243.15

#### (4) Notes to net presentation of cash flows

No

#### (5) Major activities and financial impacts that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the cash flows of the enterprise in the future

### 79. Supplementary information to the cash flow statement

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

In RMB

Items	Amount in current period	Amount of previous period
1. Reconciliation of net profit to cash flows from operating activities		
Net Profit	66,802,961.73	52,186,805.23
Add: asset impairment provision	57,208,873.95	44,182,267.14
Depreciation of fixed assets, consumption of oil and gas assets and productive biological assets	118,638,422.24	113,129,673.90
Depreciation of right-of-use	4,784,150.78	4,577,501.46

asset		
Amortization of intangible assets	2,318,830.41	2,472,075.72
Amortization of Long-term deferred expenses	1,279,415.92	1,010,991.86
Losses from disposal of fixed assets, intangible assets and other long-term assets (income to be listed with "-")		-321.08
Losses from discarding of fixed assets (income to be listed with "-")		
Losses from fair value changes (income to be listed with "-")	-1,283,637.11	0.00
Financial expenses (income to be listed with "-")	-22,218,351.39	-9,785,585.78
Investment loss (income to be listed with "-")	-729,654.78	-7,387,354.69
Decrease in deferred income tax assets (increase to be listed with "-")	6,598,642.68	1,105,321.71
Increase in deferred income tax liabilities (decrease to be listed with "-")	-226,284.52	544,086.02
Decrease in inventory (increase to be listed with "-")	-159,463,630.34	-140,167,792.05
Decrease in operating receivables (increase to be listed with "-")	-133,162,455.63	-172,947,643.53
Increase in operating payables (decrease to be listed with "-")	71,287,566.00	125,482,947.69
Other		
Net cash flow arising from operating activities	11,834,849.94	14,402,973.60
2. Significant investing and financing activities not related to cash deposit and withdrawal		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
3. Net change in cash and cash equivalents		
Ending balance of cash	223,945,565.47	345,683,735.99
Less: Beginning balance of cash	461,420,457.33	874,474,834.46
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		

Net increase in cash and cash equivalents	-237,474,891.86	-528,791,098.47
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**(2) Net cash paid for acquisition of subsidiaries in the current period**

No

**(3) Net cash received from disposal of subsidiaries in the current period**

No

**(4) Composition of cash and cash equivalents**

In RMB

Items	Ending balance	Opening balance
I. Cash	223,945,565.47	461,420,457.33
Including: Cash at hand	1,710.83	1,710.40
Demand bank deposit	223,943,854.64	461,418,746.93
III. Closing balance of cash and cash equivalents	223,945,565.47	461,420,457.33
Including: cash and cash equivalents restricted for use by the parent company or subsidiaries within the group	0.00	0.00

**(5) The situation where the scope of use is limited but still belongs to the presentation of cash and cash equivalents**

No

**(6) Cash not belonging to cash and cash equivalents**

In RMB

Items	Amount in current period	Amount of previous period	Reasons not classified as cash and cash equivalents
The principal and interest of certificates of deposit maturing more than three months	0.00	265,946,593.76	Cannot be used for payment at any time
Guarantee deposit	1,645,000.00	4,595,637.31	Cannot be used for payment at any time
Interest on demand deposits	319,864.92	16,175.93	Cannot be used for payment at any time
Total	1,964,864.92	270,558,407.00	

Other notes: None

**(7) Description of other major activities****80. Notes to items of the statement of changes in Owners' equity**

Details of adjustments to the 'Other' items and amounts for the end-of-previous-year balance:

**81. Foreign currency monetary items****(1) Foreign currency monetary items**

In RMB

Items	Foreign currency ending balance	Exchange rate	Balance converted into RMB at the end of the period
Monetary fund			112,609,230.68
Including: USD	10,882,523.89	7.1268	77,557,571.26
EUR			
HKD	89,011.01	0.9127	81,240.35
Yen	782,335,997.00	0.0447	34,970,419.07
Accounts receivable			65,650,654.08
Including: USD	9,176,161.52	7.1268	65,396,667.92
EUR			
HKD	278,280.00	0.9127	253,986.16
Other account receivable			502,629.12
Including: USD	70,526.62	7.1268	502,629.12
Account payable			254,891,043.20
Including: USD	6,414,583.40	7.1268	45,715,452.98
Yen	4,677,542,009.00	0.0447	209,086,127.80
HKD	98,019.52	0.9127	89,462.42
Other payable			4,754,710.89
Including: USD	663,186.00	7.1268	4,726,393.98
HKD	31,025.43	0.9127	28,316.91
Long-term borrowing			
Including: USD			
EUR			
HKD			

Other notes:

**(2) Description of overseas operating entities, including for important overseas operating entities, the main overseas business place, functional currency and selection basis shall be disclosed, and the reasons for changes in functional currency shall also be disclosed.**

Applicable  Not applicable

## 82. Leasing

### (1) The Company as the lessee

Applicable  Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable  Not applicable

Simplified treatment of short-term leases or leasing fees for low-value assets

Applicable  Not applicable

The Company has leased a number of assets, including houses and buildings, with lease terms ranging from 1 to 10 years. The above-mentioned right-of-use assets cannot be used for the purpose of loan mortgage, guarantee, etc.

The Company does not have variable lease payments that are not included in the measurement of lease liabilities.

The simplified treatment of short-term lease expenses recognized in the current profit and loss is RMB 676,430.33 (previous year: RMB1,097,491.43).

The total cash outflow related to leases for the current year is RMB 6,547,136.37 (previous year: RMB 4,218,770.57).

Circumstances involving sale and leaseback transactions

No sale-and-leaseback transactions during the reporting period.

### (2) The Company as the lessor

Operating lease as a lessor

Applicable  Not applicable

In RMB

Items	Lease income	Thereinto: Income related to variable lease payments that are not included in lease receipts
Houses & buildings	49,398,187.41	0.00
Total	49,398,187.41	0.00

Financing lease as a lessor

Applicable  Not applicable

Undiscounted lease receipts for each of the next five years

Applicable  Not applicable

In RMB

Items	Undiscounted lease receipts per annum	
	Ending amount	Beginning amount
First year	93,303,684.15	74,399,477.80
Second year	54,224,939.16	54,475,653.29
Third year	46,820,127.61	44,564,404.34
Fourth year	23,571,049.27	29,708,115.33
Fifth year	19,527,179.06	9,346,233.32
Total undiscounted lease receipts after five years	17,128,800.00	7,327,310.40

Reconciliation table of undiscounted lease receipts and net lease investment



**(3) Recognize profit or loss on finance lease sales as a manufacturer or distributor**

Applicable  Not applicable

**83. Data resources****84. Others****8. R&D expenditure**

In RMB

Items	Amount for the current period	Amount for the previous period
26. Employee Remuneration	7,295,182.68	8,292,440.77
Material consumption	38,356,905.93	25,540,854.61
Depreciation cost	1,667,334.64	1,686,985.39
Other	551,440.21	483,907.85
<b>Total</b>	<b>47,870,863.46</b>	<b>36,004,188.62</b>
Including: Expensed R&D expenditures	47,870,863.46	36,004,188.62
Capitalized R&D expenditures	0.00	0.00

**1. R&D projects eligible for capitalization**

Note: The Group has no R&D project development expenditure that meets the conditions for capitalization.

**2. Important outsourcing projects under research**

The Group has no significant outsourced R&D projects under development.

**9. Changes in the scope of consolidation****1. Business combination not under common control****(1) Business combination not under common control occurred in the current period**

No

**(2) Combination costs and goodwill**

No

**(3) Identifiable assets and liabilities of the acquiree on the acquisition date**

No

**(4) Gains or losses arising from the re-measurement of equity held before the acquisition date at fair value**

Whether there is a transaction that achieves the business combination step by step through multiple transactions and obtains the control during the reporting period

Yes  No

**(5) Relevant explanations for the inability to reasonably determine the acquisition consideration or the fair value of identifiable assets and liabilities of the acquiree at the acquisition date or the end of the reporting period of combination.**

**(6) Other notes**

**2. Business combination under common control**

**(1) Business combination under common control occurred in the current period**

No

**(2) Combination cost**

No

**(3) Book value of the combined party's assets and liabilities on the combination date**

No

**3. Reverse acquisition**

Basic transaction information, the basis for the transaction constituting a reverse acquisition, assets retained by the listed company, whether liabilities constitute a business and the basis thereof, determination of the merger cost, and the amount and calculation of equity adjustments when treated as an equity transaction:

**4. Disposal of subsidiaries**

Whether there is any transaction or event that results in the loss of control over the subsidiaries in the current period

Yes  No

Whether there is a situation where the investment in subsidiaries is disposed of through multiple transactions and the control is lost in the current period

Yes  No

**5. Changes in the scope of consolidation for other reasons**

Explain changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries) and their relevant circumstances:

There have been no changes in the scope of consolidation for the Group.

## 6. Others

### 10. Equity interests in other entities

#### 1. Equity in subsidiaries

##### (1) Composition of the enterprise group

In RMB

Subsidiary name	Registered capital	Main place of business	Place of registration	Business nature	Proportion of shares held (%)		Acquisition method
					Direct	Indirect	
Shenzhen Lisi Industrial Co., Ltd.	2,360,000.00	Shenzhen	Shenzhen	Lease of property	100.00%		Establishment
Shenzhen Huaqiang Hotel Co., Ltd	10,005,300.00	Shenzhen	Shenzhen	Lease of property	100.00%		Establishment
Shenzhen Shenfang Real Estate Management Co., Ltd.	1,600,400.00	Shenzhen	Shenzhen	Property management	100.00%		Establishment
Shenzhen Beauty Century Garment Co., Ltd.	13,000,000.00	Shenzhen	Shenzhen	Textile production and sales	100.00%		Establishment
Shenzhen Shenfang Sungang Real Estate Management Co., Ltd.	1,000,000.00	Shenzhen	Shenzhen	Property management	100.00%		Establishment
Shenzhen SOPO Photoelectric Co., Ltd.	583,333.33	Shenzhen	Shenzhen	Production and sales of polarizer	60.00%		Acquisition
Shengtou (HK) Co., Ltd.	HKD10,000.00	Hongkong	Hongkong	Sales of polarizer		100.00%	Establishment

Description of the shareholding ratio in the subsidiary that is different from the voting rights ratio:

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

For important structured entities included in the scope of consolidation, basis for control:

Basis for determining whether the company is an agent or a principal:

Other notes:

**(2) Significant non-wholly-owned subsidiaries**

In RMB

Subsidiary name	Minority shareholding ratio	Profit or loss attributable to minority shareholders for the current period	Dividends declared to minority shareholders for the current period	Balance of minority equity at the end of the period
Shenzhen SOPO Photoelectric Co., Ltd.	40.00%	22,908,886.50	0.00	1,252,673,978.24

Description of the shareholding ratio in the minority shareholders of subsidiary that is different from the voting rights ratio:

Other notes:

**(3) Main financial information of significant non-wholly-owned subsidiaries**

In RMB

Subsidiary name	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liability	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liability
Shenzhen SOPO Photoelectric Co., Ltd.	2,374,836.845.04	2,103,139.936.87	4,477,976.781.91	794,714.542.90	556,938,028.96	1,351,652.571.86	2,224,998.868.32	2,215,651.449.74	4,440,650.318.06	762,685.435.65	608,912,888.60	1,371,598.324.25

In RMB

Subsidiary name	Amount for the current period				Amount for the previous period			
	Operating income	Net Profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net Profit	Total comprehensive income	Cash flow from operating activities
Shenzhen SOPO Photoelectric Co., Ltd.	1,570,484,564.74	57,272,216.24	0.00	2,305,968.09	1,417,425,087.50	39,699,105.65	0.00	13,933,905.32

Other notes:

**(4) Major restrictions on the use of the assets of the enterprise group and the settlement of the debts of the enterprise group****(5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements**

Other notes:

## 2. Transactions of changes in the share of Owners' equity in subsidiaries and still control the subsidiaries

### (1) Description of changes in the share of Owners' equity in subsidiaries

### (2) Impact of the transaction on minority equity and equity attributable to shareholders

No

## 3. Equity in joint venture arrangements or associates

### (1) Important joint ventures or associated enterprises

No

### (2) Main financial information of important joint ventures

No

### (3) Main financial information of important associated enterprise

No

### (4) Summary financial information of insignificant joint ventures and associated enterprise

In RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in the previous period
Joint ventures		
Associated enterprise		
Total book value of investment	118,145,787.78	127,314,050.41
Total of the following items calculated by shareholding ratio		
-Net profit	-4,224,706.30	-2,192,221.35
-Other comprehensive income	0.00	0.00
-Total comprehensive income	-4,224,706.30	-2,192,221.35
Associated enterprise		
Total book value of investment	3,477,034.37	5,111,476.00
Total of the following items calculated by shareholding ratio		
-Net profit	-23,027.82	80,961.32
-Other comprehensive income	-115,825.06	54,950.70
-Total comprehensive income	-138,852.88	135,912.02

Other notes

**(5) Explanation on significant restrictions on the ability of joint ventures or associated enterprises to transfer funds to the Company****(6) Excess losses incurred by joint ventures or associated enterprise**

No

**(7) Unrecognized commitments related to investment in joint ventures****(8) Contingent liabilities related to investments in joint ventures or associated enterprise****4. Important joint operation**

No

**5. Equity in structured entities not included in the scope of consolidated financial statements**

Explanation related to structured entities not included in the consolidated financial statements:

**6. Others****11. Government subsidies****1. Government subsidies recognized as receivable at the end of the reporting period** Applicable  Not applicable

Reasons for not receiving the anticipated amount of government subsidies at the expected time

 Applicable  Not applicable**2. Liability items involving government subsidies** Applicable  Not applicable

In RMB

Accounting item	Opening balance	Amount of new subsidies in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Related to assets/income
Deferred income	97,485,986.89	3,500,000.00	0.00	8,268,063.65	0.00	92,717,923.24	Asset-related
Deferred income	0.00	3,103,095.11	0.00	3,103,095.11	0.00	0.00	Earnings related

**3. Government subsidies included in the current period's profit and loss** Applicable  Not applicable

In RMB

Accounting item	Amount for the current period	Amount for the previous period
Other income	11,371,158.76	19,369,307.55

Other notes:

## 12. Risks related to financial instruments

### 1. Various risks arising from financial instruments

THE COMPANY'S MAIN FINANCIAL INSTRUMENTS INCLUDE MONETARY FUNDS, TRANSACTIONAL FINANCIAL ASSETS, NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, ACCOUNTS RECEIVABLE FINANCING, OTHER RECEIVABLES, OTHER EQUITY INSTRUMENTS INVESTMENT, SHORT-TERM LOANS, ACCOUNTS PAYABLE, OTHER PAYABLES, OTHER CURRENT LIABILITIES, LONG-TERM LOANS AND LEASE LIABILITIES, ETC. AT THE END OF THIS REPORTING PERIOD, THE FINANCIAL INSTRUMENTS HELD BY THE COMPANY ARE AS FOLLOWS. THE RISKS ASSOCIATED WITH THESE FINANCIAL INSTRUMENTS AND THE RISK MANAGEMENT POLICIES ADOPTED BY THE COMPANY TO REDUCE THESE RISKS ARE AS FOLLOWS. THE MANAGEMENT OF THE COMPANY MANAGES AND MONITORS THESE RISK EXPOSURES TO ENSURE THAT THE ABOVE RISKS ARE CONTROLLED WITHIN A LIMITED RANGE.

Items	Ending balance	Unit: RMB
		Opening balance
<b>Financial assets</b>		
<b><i>Measured at fair value, with its changes included in current profits and losses</i></b>		
Transaction financial assets	958,694,300.63	821,946,114.68
<b><i>Measured at fair value, with its changes included in other comprehensive income</i></b>		
Financing of receivables	1,764,753.26	22,839,459.13
Other equity instruments investment	145,988,900.00	145,988,900.00
<b><i>Measured in amortized cost</i></b>		
Monetary fund	225,910,430.39	472,274,448.00
Note receivable	36,077,741.23	50,963,943.01
Accounts receivable	989,669,064.26	820,134,833.95
Other account receivable	2,869,233.51	3,219,287.77
<b>Financial Liability</b>		

<i>Measured in amortized cost</i>		
Short-term borrowing	-	8,000,000.00
Notes payable	10,743,421.84	31,049,291.49
Account payable	474,563,073.82	408,548,136.24
Other payable	180,013,733.22	184,528,344.55
Other current liability	34,511,748.51	42,665,954.11
Long-term borrowing	557,074,516.69	608,190,812.09

THE COMPANY USES SENSITIVITY ANALYSIS TECHNOLOGY TO ANALYZE THE POSSIBLE IMPACT OF REASONABLE AND POSSIBLE CHANGES IN RISK VARIABLES ON CURRENT PROFITS AND LOSSES AND SHAREHOLDERS' EQUITY. BECAUSE ANY RISK VARIABLE RARELY CHANGES IN ISOLATION, AND THE CORRELATION BETWEEN VARIABLES WILL HAVE A GREAT IMPACT ON THE FINAL AMOUNT OF A RISK VARIABLE CHANGE, THE FOLLOWING CONTENTS ARE CARRIED OUT UNDER THE ASSUMPTION THAT EACH VARIABLE CHANGE IS INDEPENDENT.

#### **1. Risk management objectives, policies and procedures, and changes occurred during the year**

THE COMPANY'S GOAL IN RISK MANAGEMENT IS TO STRIKE A PROPER BALANCE BETWEEN RISKS AND BENEFITS, REDUCE THE NEGATIVE IMPACT OF RISKS ON THE COMPANY'S OPERATING PERFORMANCE TO THE LOWEST LEVEL, AND MAXIMIZE THE INTERESTS OF SHAREHOLDERS AND OTHER EQUITY INVESTORS. BASED ON THIS RISK MANAGEMENT GOAL, THE BASIC STRATEGY OF THE COMPANY'S RISK MANAGEMENT IS TO IDENTIFY AND ANALYZE ALL KINDS OF RISKS FACED BY THE GROUP, ESTABLISH AN APPROPRIATE RISK TOLERANCE BOTTOM LINE AND CONDUCT RISK MANAGEMENT, AND TIMELY AND RELIABLY SUPERVISE ALL KINDS OF RISKS TO CONTROL THE RISKS WITHIN A LIMITED RANGE.

##### 1.1 MARKET RISK

##### 1.1.1 FOREIGN EXCHANGE RISK

Foreign exchange risk refers to the risk of losses caused by exchange rate changes. The Group's foreign exchange risks are mainly related to US dollars, Japanese yen, Hong Kong dollars and euros. Except for some import purchases and export sales of the Group's companies located in Chinese mainland which are mainly settled in US dollars, Japanese yen, Hong Kong dollars and Euros, other major business activities of the Company are settled in RMB.



As of June 30, 2024, the Company's assets and liabilities were all RMB balances, except for the monetary items in foreign currencies mentioned in Notes 81. The foreign exchange risks arising from the assets and liabilities with foreign currency balances (converted into RMB) described in the table below may have an impact on the Company's operating results.

Items	Ending balance		Unit: RMB
	Assets	Liabilities	
	USD	143,456,868.30	50,441,846.96
Yen	34,970,419.07	209,086,127.80	
EUR	-	-	
HKD	335,226.51	117,779.33	
Subtotal	178,762,513.88	259,645,754.09	

The Company pays close attention to the impact of exchange rate changes on the Group's foreign exchange risk, and takes any measures to avoid foreign exchange risks based on actual situation.

Sensitivity analysis of foreign exchange risk

SENSITIVITY ANALYSIS OF FOREIGN EXCHANGE RISK ASSUMES THAT ALL NET INVESTMENT HEDGING AND CASH FLOW HEDGING OF OVERSEAS OPERATIONS ARE HIGHLY EFFECTIVE.

ON THE BASIS OF THE ABOVE ASSUMPTIONS, WITH OTHER VARIABLES UNCHANGED, THE PRE-TAX IMPACT OF POSSIBLE REASONABLE EXCHANGE RATE CHANGES ON CURRENT PROFITS AND LOSSES AND SHAREHOLDERS' EQUITY IS AS FOLLOWS:

Items	Changes in exchange rate	Amount for the current period		Unit: RMB
		Impact on profits	Impact on shareholders' equity	
		All foreign currencies	Appreciation of RMB by 5%	-4,044,162.01
All foreign currencies	Depreciation of RMB by 5%	4,044,162.01	4,044,162.01	

1.1.2. Interest rate risk - risk of cash flow change

The Company's risk of cash flow changes of financial instruments caused by interest rate changes is mainly related to bank loans with floating interest rate. The Company continues to pay close attention to the impact of interest rate changes on the Company's interest rate risk. The Company's policy is to maintain floating interest rates on these loans, and there is no interest rate swap arrangement at present.

SENSITIVITY ANALYSIS OF INTEREST RATE RISK

WITH OTHER VARIABLES UNCHANGED, THE PRE-TAX IMPACT OF POSSIBLE REASONABLE INTEREST RATE CHANGES ON CURRENT PROFITS AND LOSSES AND SHAREHOLDERS' EQUITY IS AS FOLLOWS:

Items	Changes in exchange rate	Amount for the current period		Unit: RMB

		Impact on profits	Impact on shareholders' equity
Floating-rate loan	Increase by 1%	-5,564,997.85	-5,564,997.85
Floating-rate loan	Decrease by 1%	5,564,997.85	5,564,997.85

### 1.2. Credit risk

As at June 30, 2024, the largest credit risk exposure that may cause the Company's financial losses mainly came from the loss of the Group's financial assets caused by the failure of the other party to the contract, including monetary funds, transactional financial assets, notes receivable, accounts receivable, receivables financing and other receivables. On the balance sheet date, the book value of the Company's financial assets has represented its maximum credit risk exposure.

In order to reduce the credit risk, the Company arranges special personnel to determine the credit limit, conduct credit approval and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue debts. In addition, the Group reviews the recovery of financial assets on each balance sheet date to ensure that sufficient credit loss provision has been made for relevant financial assets. Therefore, the management of the Company believes that the credit risk assumed by the Group has been greatly reduced.

The Company's monetary funds are deposited in banks with high credit ratings, so the monetary funds only have low credit risk.

As at June 30, 2024, the balance of accounts receivable of the Group to the top five customers was RMB 641,216,097.39, accounting for 61.56% of the balance of accounts receivable of the Group. In addition, the Company has no other significant credit risk exposure concentrated in a single financial asset or financial asset portfolio with similar characteristics.

### 1.3 Liquidity risk

When managing liquidity risk, the Company maintains sufficient cash and cash equivalents as deemed by the management and monitors them to meet the Company's business needs and reduce the impact of cash flow fluctuations. The management of the Company monitors the use of bank loans and ensures compliance with the loan agreement.

AS OF JUNE 30, 2024, THE COMPANY'S UNUSED COMPREHENSIVE BANK CREDIT LINE WAS RMB 880,030,000.

THE COMPANY'S HELD FINANCIAL LIABILITIES ARE ANALYZED BY THE MATURITY OF THE UNDISCOUNTED REMAINING CONTRACTUAL OBLIGATIONS AS FOLLOWS:

				Unit: RMB
Items	Within one year	1-5 years	Over 5 years	Total

Short-term borrowing	-			-
Notes payable	10,743,421.84			10,743,421.84
Account payable	474,563,073.82			474,563,073.82
Other payable	180,013,733.22			180,013,733.22
Other current liability	34,511,748.51			34,511,748.51
Long-term borrowing	118,165,372.13	483,539,244.56		601,704,616.69
Lease liabilities	7,654,102.24	7,854,890.47	3,770,478.69	19,279,471.40

## 2. Hedging

### (1) The company carries out hedging business for risk management

Applicable  Not applicable

### (2) The company carries out eligible hedge business and applies hedge accounting

No

### (3) The company carries out hedging business for risk management, and is expected to achieve the risk management objectives but has not applied hedge accounting

Applicable  Not applicable

## 3. Financial assets

### (1) Classification of transfer methods

Applicable  Not applicable

In RMB

Transfer method	The nature of the transferred financial assets	The amount of financial assets transferred	Derecognition information	The basis for determining the situation of derecognition
Endorsement transfer	Outstanding banker's acceptance bill that is classified as financings receivable	78,263,227.37	Derecognition	The credit risk level of the accepting bank of the banker's acceptance bill transferred by endorsement is relatively high, and the risks and rewards of the financing ownership of the corresponding receivables have almost all been transferred.
Endorsement transfer	Unexpired banker's acceptance bill classified as bills receivable	34,511,748.51	Non-derecognition	The credit risk level of the accepting bank of the banker's acceptance bill

				transferred by endorsement is not high, and almost all the risks and rewards of the ownership of the related bills receivable are reserved.
Total		112,774,975.88		

**(2) Financial assets derecognized due to transfer**
 Applicable  Not applicable

In RMB

Items	Method for the financial assets transferred	The amount of the financial asset derecognized	Gains or losses related to derecognition
Financing of receivables	Endorsement transfer	78,263,227.37	0.00
Total		78,263,227.37	0.00

**(3) Assets transfer financial assets that continue to be involved**
 Applicable  Not applicable

In RMB

Items	Asset transfer method	Amount of assets resulting from continued involvement	Amount of liability arising from continued involvement
Note receivable	Endorsement transfer	0.00	34,511,748.51
Total		0.00	34,511,748.51

Other notes

**13. Disclosure of fair value****1. Ending fair value of assets and liabilities measured at fair value**

In RMB

Items	Fair value at the end of the period			
	Fair value measurement of Level 1	Fair value measurement of Level 2	Fair value measurement of Level 3	Total
I. Ongoing fair value measurement	--	--	--	--
(I) Trading financial assets		958,694,300.63		958,694,300.63
1. Financial assets measured at fair value with changes recognized in the current profit or loss		958,694,300.63		958,694,300.63
(III) Other equity			145,988,900.00	145,988,900.00

instrument investments				
(VI) Financing of accounts receivable			1,764,753.26	1,764,753.26
Total assets continuously measured at fair value		958,694,300.63	147,753,653.26	1,106,447,953.89
II. Non-recurring fair value measurements	--	--	--	--

**2. Basis for determining the market price of items measured at fair value of the first level on a continuous and non-continuous basis**

**3. Qualitative and quantitative information on valuation techniques and important parameters adopted for continuous and non-continuous Level 2 fair value measurement items**

Items	End of the year	Valuation technique	Unit: RMB
	Fair value		Input value
Transaction financial assets	958,694,300.63	Discounted cash flow technique	Expected yield

**4. Qualitative and quantitative information on valuation techniques and important parameters adopted for continuous and non-continuous Level 3 fair value measurement items**

Items	End of the year	Valuation technique	Unit: RMB
	Fair value		Input value
Financing of receivables	1,764,753.26	Discounted cash flow technique	Discount rate
Other equity instruments investment	145,988,900.00	Comparison of listed companies	P/B ratio of similar listed companies
		Comparable income method	Market price
		Statement adjustment method	Book value

## 5. Sensitivity analysis of adjustment information and non-observable parameters between opening and closing book value of continuous third-level fair value measurement items

## 6. For items measured at fair value on a going concern, if there is any transfer between different levels in the current period, the reason for the transfer and the policy for determining the transfer time

## 7. Changes in valuation techniques in the current period and the reasons for the changes

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

Financial assets and liabilities not measured at fair value mainly include monetary funds, notes receivable, accounts receivable, other receivables, short-term loans, accounts payable, other payables, long-term loans and lease liabilities.

The management of the Company believes that the book values of financial assets and financial liabilities measured in amortized cost in the financial statements are close to their fair values.

## 9. Others

## 14. Related parties and related transactions

### 1. Parent company information

Name of parent company	Place of registration	Business nature	Registered capital	Shareholding scale of the parent company in the Company	Voting rights scale of the parent company in the Company
Shenzhen Investment Holdings Co., Ltd.	18/F, Investment Building, Shennan Road, Futian District, Shenzhen	Equity investment, real estate development, etc	32,686,000,000.00	46.21%	46.21%

#### Description of the parent company

The parent company of the Company is a wholly state-owned company approved and authorized by the Shenzhen Municipal Government, and exercises the investor function for the state-owned enterprises within the authorized scope according to law.

During the reporting period, the changes in the registered capital of the parent company are as follows:

In RMB 10,000

Balance as at January 1, 2023	Increase this year	Decrease this year	December 31, 2023
3,235,900.00	32,700.00	-	3,268,600.00

The ultimate controlling party of the enterprise is the State-owned Assets Regulatory Commission of Shenzhen Municipal People's Government.

Other notes:

## 2. Subsidiaries of the Company

For details of the subsidiaries of the Company, please refer to notes 10. Equity interests in other entities.

## 3. Joint ventures and associates of the Company

See notes 10. Equity interests in other entities for details of the important joint ventures or associates of the enterprise.

The following joint ventures or associates had transactions with the Company during the current period, or had balances formed from transactions in previous periods:

No

## 4. Other related parties

Names of other related parties	Relationship between other related parties and the enterprise
Shenzhen Xinfang Knitting Co., Ltd.	The Company's shareholding company and the chairman of the company are the employees of the Group
Shenzhen Dailishi Underwear Co., Ltd.	The Company's shareholding company and the chairman of the company are the employees of the Group
Hengmei Photoelectric Co., Ltd.	Minority shareholder of SAPO Photoelectric , a subsidiary of the Company, one of whose directors is a supervisor of SAPO Photoelectric
Shenzhen Shentou Property Development Co.Ltd	A subsidiary of Shenzhen Investment Holdings Limited, the parent company of the Company
Shenzhen Investment Building Hotel Co., Ltd	A subsidiary of Shenzhen Investment Holdings Limited, the parent company of the Company
Shenzhen Investment Building Property Management Co., Ltd	A subsidiary of Shenzhen Investment Holdings Limited, the parent company of the Company
Shenzhen SGE Longyan Energy Technology Co., Ltd.	A subsidiary of Shenzhen Investment Holdings Limited, the parent company of the Company
Guoren P&C Co., Ltd. Shenzhen Branch	A subsidiary of Shenzhen Investment Holdings Limited, the parent company of the Company
Shenzhen Talent Service Center (Shenzhen Talent Market)	A subsidiary of Shenzhen Investment Holdings Limited, the parent company of the Company
Shenzhen Property Management Co., Ltd.	A subsidiary of Shenzhen Investment Holdings Limited, the parent company of the Company
Shenzhen Legal Training Centre Co., Ltd.	A subsidiary of Shenzhen Investment Holdings Limited, the parent company of the Company

Other notes

## 5. Related party transactions

### (1) Related transactions for the purchase and sale of commodities, the provision and receipt of services

Purchase of goods/receipt of labor services

In RMB

Related party	Content of related party transaction	Amount for the current period	Approved transaction limit	Whether the transaction limit is exceeded	Amount for the previous period
Hengmei	Optical film	2,874.60			4,514,981.37

Photoelectric Co., Ltd.	materials and processing				
Shenzhen SGE Longyan Energy Technology Co., Ltd.	Purchasing electricity	513,812.22			540,788.98
Guoren P&C Co., Ltd. Shenzhen Branch	Insurance expenses	103,331.85			0.00
Shenzhen Talent Service Center (Shenzhen Talent Market)	Outsourcing service fee	31,865.09			0.00
Shenzhen Property Management Co., Ltd.	Property management fee	21,132.37			0.00
Shenzhen Legal Training Centre Co., Ltd.	Training fees	1,485.00			0.00

Sales of goods/rendering of services

In RMB

Related party	Content of related party transaction	Amount for the current period	Amount for the previous period
Hengmei Photoelectric Co., Ltd.	Polarizer sheet	0.00	4,744,631.12
Shenzhen Shentou Property Development Co.Ltd	Textile	0.00	54,991.15
Shenzhen Investment Building Hotel Co., Ltd.	Textile	0.00	40,614.16
Shenzhen Investment Building Property Management Co., Ltd.	Textile	0.00	26,247.79
Shenzhen Investment Holdings Co., Ltd.	Textile	0.00	15,371.68

Description of related transactions for buying and selling goods, and providing and receiving services

## (2) Associated trusteeship/contracting and commissioned management/outsourcing situation

Explanation of associated trusteeship/contracting situations

No associated trusteeship/contracting situations during the reporting period.

Explanation of associated management/outsourcing situations

No associated management/outsourcing situations during the reporting period.

## (3) Related leasing

No related leasing situations during the reporting period.



**(4) Related guarantees**

No related guarantee situations during the reporting period.

**(5) Loans from and to related parties**

In RMB

Related party	Borrowing amount	Start date	Due date	Notes
Borrowing				
Shenzhen Guanhua Printing & Dyeing Co., Ltd.	3,806,454.17	July 30, 2019	July 31, 2024	The annual lending rate is 0.30%
Lending				

**(6) Assets transfer and debt restructuring of related parties**

No

**(7) Remuneration of key management personnel**

In RMB

Items	Amount for the current period	Amount for the previous period
Rewards for the key management personnel	2,266,711.24	2,653,076.00

**(8) Other related party transactions****6. Receivables from and payable to related parties****(1) Receivable items**

In RMB

Name	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Other account receivable	Shenzhen Dailishi Underwear Co., Ltd.	550,000.00	27,500.00	1,100,000.00	58,850.00
Other account receivable	Shenzhen Guanhua Printing & Dyeing Co., Ltd.	0.00	0.00	41,325.00	0.00

**(2) Payable items**

In RMB

Name	Related party	Book balance at period end	Beginning book balance
Other payable	Hongkong Yehui	1,124,656.60	1,124,656.60

	International Co., Ltd.		
Other payable	Shenzhen Changlianfa Printing & dyeing Company	2,281,299.95	2,023,699.95
Other payable	Shenzhen Guanhua Printing & Dyeing Co., Ltd.	3,816,981.88	3,811,272.20
Other payable	Shenzhen Xinfang Knitting Co., Ltd.	244,789.85	244,789.85
Other payable	Shenzhen Investment Holdings Co., Ltd.	0.00	485,189.00

## 7. Commitments of related parties

No commitments of related parties during the reporting period.

## 8. Others

## 15. Share-based payment

### 1. Overall situation of share-based payment

Applicable  Not applicable

### 2. Equity-settled share-based payment

Applicable  Not applicable

### 3. Cash-settled share-based payment

Applicable  Not applicable

### 4. Share-based payment expenses in the current period

Applicable  Not applicable

### 5. Modification and termination of share-based payment

## 6. Others

## 16. Commitments and contingencies

### 1. Important commitments

Significant commitments existing on the Balance Sheet Date

Unit: RMB

Items	Ending amount	Beginning amount
Contracted but not recognized in the financial statements		
Commitment to purchase and build long-term	1,462,417.00	2,413,823.52

assets		
--------	--	--

## 2. Contingencies

### (1) Significant contingencies existing on the Balance Sheet Date

No pending litigation, external guarantees and other contingencies that shall be disclosed during the reporting period.

### (2) If the Company has no important contingencies required to be disclosed, it shall also be explained

There were no significant contingencies required to be disclosed.

## 3. Others

## 17. Events after the balance sheet date

### 1. Important non-adjusting matters

No

### 2. Profit distribution

No

### 3. Sales returns

### 4. Notes to other events after the Balance Sheet Date

## 18. Other significant events

### 1. Correction of accounting previous errors

#### (1) Retrospective restatement method

No

#### (2) Future applicable law

No

**2. Debt restructuring****3. Assets replacement****(1) Exchange of non-monetary assets****(2) Replacement of other assets****4. Annuity plan****5. Discontinued operation**

No

**6. Segment information****(1) Determination basis and accounting policies for report segments**

According to the Company's internal organizational structure, management requirements and internal reporting system, the Company's business operations are divided into three business segments, and the management of the Company regularly evaluates the operating results of these segments to determine the allocation of resources and evaluate the performance. On the basis of operating segments, the Company has identified the following three reporting segments: polarizer business, property leasing business and textile business.

The information reported by each segment is disclosed according to the accounting policies and measurement standards adopted by each segment when reporting to the management, and these measurement bases are consistent with those used when preparing financial statements

**(2) Financial information of report segments**

In RMB

Items	Polarizer sheet	Lease of Property and others	Inter-segment offsets	Total
Operating income:				
External transaction income	1,565,218,878.94	58,165,272.96		1,623,384,151.90
Inter-segment transaction income		1,353,373.96	-1,353,373.96	
Total operating income of segment	1,565,218,878.94	59,518,646.92	-1,353,373.96	1,623,384,151.90
Operating expenses (note)	1,466,802,290.16	44,045,235.30	-1,324,457.20	1,509,523,068.26
Operating profit	61,588,154.93	20,174,447.62	-1,728,916.76	80,033,685.79
Net Profit	53,484,741.63	15,050,465.40	-1,732,245.30	66,802,961.73
Total assets of	4,430,368,471.46	3,246,993,793.77	-2,028,812,526.81	5,648,549,738.42

segment				
Total liabilities of segment	1,349,172,802.62	214,495,505.66	-60,799,147.77	1,502,869,160.51

**(3) If the Company has no report segments, or cannot disclose the total assets and total liabilities of each report segment, it shall explain the reasons**

**(4) Other notes**

Note: This item includes operating costs, taxes and surcharges, management costs, R&D expenses, sales expenses and financial expenses.

**7. Other important transactions and events that affect the decision-making of investors**

**8. Others**

**19. Notes to the major items of the parent company's Financial Statements**

**1. Accounts receivable**

**(1) Disclosure by aging**

In RMB

Aging	Book balance at period end	Beginning book balance
Within 1 year (including 1 year)	10,071,575.08	10,190,859.62
2-3 years		2,485,076.00
Over 3 years	2,485,076.00	
3-4 years	2,485,076.00	
Total	12,556,651.08	12,675,935.62

**(2). Disclosure under the methods of provision for bad debts by category**

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Including:										
Accounts receivable with provision for bad debts	12,556,651.08	100.00%	43,141.77	0.34%	12,513,509.31	12,675,935.62	100.00%	4,311.97	0.03%	12,671,623.65

by combination										
Including:										
Total	12,556,651.08	100.00%	43,141.77	0.34%	12,513,509.31	12,675,935.62	100.00%	4,311.97	0.03%	12,671,623.65

Category name of provision for bad debts by portfolio: Provision for bad debts by portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual proportion
Withdrawal of bad debt provision by portfolio	12,556,651.08	43,141.77	0.34%
Total	12,556,651.08	43,141.77	

Description of the basis for determining the combination:

As of June 30, 2024, the provision for bad debts is made based on the simplified model of expected credit losses.

If the provision for bad debts of accounts receivable is made according to the general expected credit loss model:

Applicable  Not applicable

### (3) Status of bad debt provision, recovery, or reversal for the period

Provision for bad debts in the current period:

In RMB

Category	Opening balance	Amount of change for the period				Ending balance
		Accrual	Recovery or reversal	Write-off	Other	
Bad debt provision	4,311.97	113,819.52	-74,989.72			43,141.77
Total	4,311.97	113,819.52	-74,989.72			43,141.77

Where accounts receivable with significant from provision for bad debts or recovered in the current period

No significant recovery or reversal of provision for bad debts occurred in the current period.

### (4) Situation of accounts receivable actually written off in the current period

No actual write-off of account receivable occurred in the current period.

### (5) Accounts receivable and contractual assets collected from the debtors which rank the first five at the end of period

In RMB

Name	Accounts	Ending balance	Ending balance	Proportion in the	Ending balance
------	----------	----------------	----------------	-------------------	----------------

	receivable balance at the end of period	of contractual assets	of accounts receivable and contractual assets	total ending balance of accounts receivable and contractual assets	of provision for bad debts of accounts receivable and provision for impairment of contractual assets
Total receivables of the top five balances on June 30, 2024	12,315,731.26		12,315,731.26	98.08%	30,890.44
Total	12,315,731.26		12,315,731.26	98.08%	30,890.44

## 2. Other receivables

In RMB

Items	Ending balance	Opening balance
Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Other account receivable	26,806,548.49	14,013,552.95
Total	26,806,548.49	14,013,552.95

### (1) Interest receivable

#### 1) Classification of interest receivable

In RMB

Items	Ending balance	Opening balance
Total	0.00	0.00

#### 2) Significant overdue interest

No

#### 3) Disclosure under the methods of provision for bad debts by category

 Applicable  Not applicable

#### 4) Status of bad debt provision, recovery, or reversal for the period

No

#### 5) Situation of interest receivable actually written off in the current period

No

**(2) Dividends receivable****1) Classification of dividends receivable**

In RMB

Project (or investee)	Ending balance	Opening balance
Total	0.00	0.00

**2) Important dividends receivable with aging over 1 year**

No

**3) Disclosure under the methods of provision for bad debts by category** Applicable  Not applicable**4) Status of bad debt provision, recovery, or reversal for the period**

No

**5) Situation of dividends receivable actually written off in the current period**

No

**(3) Other receivables****1) Classification of other receivables by nature**

In RMB

Payment nature	Book balance at period end	Beginning book balance
Deposit and security deposit	10,000.00	10,000.00
External unit transactions	14,799,339.97	15,349,339.97
Related party transactions within the consolidation scope	25,821,695.88	12,553,241.09
Reserve funds and employee loans	65,000.00	0.00
Other	1,346,538.60	1,364,497.85
Total	42,042,574.45	29,277,078.91

**2) Disclosure by aging**

In RMB

Aging	Book balance at period end	Beginning book balance
Within 1 year (including 1 year)	14,322,360.17	1,683,810.52
1-2 years	253,734.24	2,213,073.28
2-3 years	7,086,284.93	10,100,800.01
Over 3 years	20,380,195.11	15,279,395.10
3-4 years	5,100,800.01	0.00



4 to 5 years	0.00	234,716.25
Over 5 years	15,279,395.10	15,044,678.85
Total	42,042,574.45	29,277,078.91

### 3) Disclosure under the methods of provision for bad debts by category

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Including:										
Withdrawal of bad debt provision by portfolio	42,042,574.45	100.00%	15,236,025.96	36.24%	26,806,548.49	29,277,078.91	100.00%	15,263,525.96	52.13%	14,013,552.95
Including:										
Provision for bad debts based on credit risk characteristics by combination	42,042,574.45	100.00%	15,236,025.96	36.24%	26,806,548.49	29,277,078.91	100.00%	15,263,525.96	52.13%	14,013,552.95
Total	42,042,574.45	100.00%	15,236,025.96	36.24%	26,806,548.49	29,277,078.91	100.00%	15,263,525.96	52.13%	14,013,552.95

Category name of provision for bad debts by portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual proportion
Provision for bad debts based on credit risk characteristics by combination	42,042,574.45	15,236,025.96	36.24%
Total	42,042,574.45	15,236,025.96	

Description of the basis for determining the combination:

Based on the aging of accounts, credit risk characteristics are recognized, and other receivables are divided into different groups based on common credit risk characteristics.

Provision for bad debts made according to the general expected credit loss model:

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit loss throughout the duration (no credit impairment)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of Jan. 1, 2024	53,328.60	8,991.44	15,201,205.92	15,263,525.96
Balance on Jan. 1, 2024 in the current period				
Provision in the current period	27,500.00			27,500.00
Reversal in the current period	-55,000.00			-55,000.00
Balance as of June 30, 2024	25,828.60	8,991.44	15,201,205.92	15,236,025.96

The basis for the division of each stage and the ratio of provisions for bad debts

Changes in book balance with significant amount of loss provision in the current period

Applicable  Not applicable

#### 4) Status of bad debt provision, recovery, or reversal for the current period

Provision for bad debts in the current period:

In RMB

Category	Opening balance	Amount of change for the period				Ending balance
		Accrual	Recovery or reversal	Write-off or cancellation	Other	
Bad debt provision	15,263,525.96	27,500.00	-55,000.00			15,236,025.96
Total	15,263,525.96	27,500.00	-55,000.00			15,236,025.96

Where the bad debt provision amount recovered or reversed this period is important:

There is no bad debt provision recovered or reversed with amounts significant during the year.

#### 5) Situation of other accounts receivable actually written off in the current period

No actual write-off of other receivables occurred during the Company's reporting period.

#### 6) Other receivables collected from the debtors which rank the first five at the end of period

In RMB

Name	The nature of the amount	Ending balance	Aging	Proportion in the total ending balance of other receivables	End-of-period balance of provision for bad debt
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Total other receivables of the top five balances on June 30, 2024	Current payment receivable between companies and internal current payment	40,621,455.85	Over 1-5 years	96.62%	14,799,759.97
Total		40,621,455.85		96.62%	14,799,759.97

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

No

## 3. Long-term equity investments

In RMB

Items	Ending balance			Opening balance		
	Book balance	Closing balance of impairment provision	Book value	Book balance	Closing balance of impairment provision	Book value
Investments in subsidiaries	1,976,433,419.39	16,582,629.30	1,959,850,790.09	1,976,433,419.39	16,582,629.30	1,959,850,790.09
Investments in associates and joint ventures	121,622,822.15	0.00	121,622,822.15	127,682,020.70	0.00	127,682,020.70
Total	2,098,056,241.54	16,582,629.30	2,081,473,612.24	2,104,115,440.09	16,582,629.30	2,087,532,810.79

### (1) Investment in subsidiaries

In RMB

Investees	Beginning balance (book value)	Beginning balance of provision for impairment	Increase or decrease in the current period				Ending balance (book value)	End-of-period balance of provision for impairment
			investment	Profits and losses on investments	Withdrawal of impairment provision	Other		
Shenzhen SOPO Photoelectric Co., Ltd.	1,910,247,781.94	14,415,288.09					1,910,247,781.94	14,415,288.09
Shenzhen Lisi Industrial Co., Ltd.	8,073,388.25	0.00					8,073,388.25	0.00
Shenzhen Beauty Century Garment Co., Ltd.	18,499,458.34	2,167,341.21					18,499,458.34	2,167,341.21

Shenzhen Huaqiang Hotel Co., Ltd	15,489,351.08	0.00								15,489,351.08	0.00
Shenzhen Shenfang Real Estate Management Co., Ltd.	1,713,186.55	0.00								1,713,186.55	0.00
Shenzhen Shenfang Sungang Real Estate Management Co., Ltd.	5,827,623.93	0.00								5,827,623.93	0.00
<b>Total</b>	<b>1,959,850,790.09</b>	<b>16,582,629.30</b>								<b>1,959,850,790.09</b>	<b>16,582,629.30</b>

**(2) Investments in associates and joint ventures**

In RMB

Investment unit	Beginning balance (book value)	Beginning balance of provision for impairment	Increase or decrease in the current period								Ending balance (book value)	End-of-period balance of provision for impairment
			investment	Profits and losses on investments	Equity method affirmative profit and loss on investments	Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision	Other		
<b>I. Joint ventures</b>												
Shenzhen Guanhua Printing & Dyeing Co., Ltd.	122,370,494.08	0.00	0.00	0.00	-4,224,706.30	0.00	0.00	0.00	0.00	0.00	118,145,787.78	0.00
<b>Subtotal</b>	<b>122,370,494.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,224,706.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>118,145,787.78</b>	<b>0.00</b>
<b>2. Affiliated company</b>												
Shenzhen Chan	3,358,117.09	0.00	0.00	0.00	124,432.13	0.00	0.00	-346,150.00	0.00	0.00	3,136,399.22	0.00

glianfa Printing & dyeing Company													
Hongkong Yehui International Co., Ltd.	1,953,409.53	0.00	0.00	-1,349,489.37	-147,459.95	-115,825.06	0.00	0.00	0.00	0.00	0.00	340,635.15	0.00
Subtotal	5,311,526.62	0.00	0.00	-1,349,489.37	-23,027.82	-115,825.06	0.00	-346,150.00	0.00	0.00	0.00	3,477,034.37	0.00
Total	127,682,020.70	0.00	0.00	-1,349,489.37	-4,247,734.12	-115,825.06	0.00	-346,150.00	0.00	0.00	0.00	121,622,822.15	0.00

The recoverable amount is determined by the net amount of the fair value less the disposal expenses

Applicable  Not applicable

The recoverable amount is determined at the present value of the expected future cash flows

Applicable  Not applicable

Reasons for the difference between the aforementioned information and the information used in the impairment test of previous years or external information

Reasons for the difference between the information used in the Company's impairment test in previous years and the actual situation in the current year

### (3) Other notes

## 4. Operating income and operating costs

In RMB

Items	Amount for the current period		Amount for the previous period	
	Income	Cost	Income	Cost
Main business	37,598,506.94	4,849,806.55	39,239,619.43	4,156,707.01
Total	37,598,506.94	4,849,806.55	39,239,619.43	4,156,707.01

Breakdown of operating income and operating cost:

In RMB

Classification of contracts	Total	
	Operating income	Operation cost
Business type	37,598,506.94	4,849,806.55
Including:		
Lease of property	37,598,506.94	4,849,806.55
Classified by business area		

Including:		
Domestic	37,598,506.94	4,849,806.55
Total	37,598,506.94	4,849,806.55

Information related to performance obligations:

No

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

At the end of the reporting period, the revenue amount corresponding to performance obligations that have been contracted but not yet fulfilled or not yet fully fulfilled is RMB 0.00, of which RMB 0.00 is expected to be recognized as revenue in the fiscal year 2024.

Changes in major contracts or adjustments to major transaction prices

No

## 5. Investment income

In RMB

Items	Amount for the current period	Amount for the previous period
Income from long-term equity investment measured by adopting the cost method	1,700,000.00	
Long-term equity investment income calculated by equity method	-4,247,734.12	-2,111,260.03
Investment income of transactional financial assets during the holding period	5,693,129.12	8,906,611.67
Dividend income from other equity instrument investments during the holding period	958,000.00	906,000.00
Total	4,103,395.00	7,701,351.64

## 6. Others

No

## 20. Additional information

### 1. Breakdown of current non-recurring profit and loss

Applicable  Not applicable

In RMB

Items	Amount	Notes
Government subsidies recognized in the current profit or loss (excluding those closely related to the Company's normal operations, compliant with national policy,	3,540,504.40	Mainly for the government subsidies.

entitled according to set standards, and with a sustained impact on the Company's profit or loss)		
Except for effective hedging business related to the normal operation of the Company, the fair value gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises, as well as the gains and losses arising from the disposal of financial assets and financial liabilities	1,283,637.11	Mainly for the gains or losses on the change in fair value of financial assets held by the company.
Reversal of the provision for impairment of accounts receivable undergoing impairment test individually	13,878,342.02	
Other non-business income and expenditures other than the above	-2,148,533.72	Mainly for quality compensation expenses.
Less: Influenced amount of income tax	2,487,233.14	
Influenced amount of minor shareholders' equity (after tax)	5,430,398.23	
Total	8,636,318.44	--

Details of other profit and loss items that meet the non-recurring profit and loss definition

Applicable  Not applicable

The Company does not have details of other profit and loss items that meet the non-recurring profit and loss definition.

Non-recurring gain /loss items recognized as recurring gain /loss items as defined in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public - Non-recurring Gains and Losses

Applicable  Not applicable

## 2. Return on equity and Earnings per share

Profit of report period	Weighted average ROE(%)	Earnings per share	
		Basic earning per share (Yuan/Share)	Diluted gains per share (Yuan/Share)
Net profit attributable to the Common stock shareholders of Company.	1.52%	0.0867	0.0867
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	1.22%	0.0696	0.0696

## 3. Differences in accounting data under domestic and overseas accounting standards

### (1) Differences in net profit and net assets in the financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

Applicable  Not applicable

**(2) Differences in net profit and net assets in the financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards**

Applicable  Not applicable

**(3) Explanation of the reasons for the differences in accounting data under domestic and overseas accounting standards. If the data has been audited by an overseas audit institution for difference adjustment, the name of the overseas institution shall be indicated**

**4. Others**