份有限公司

Shandong Molong Petroleum Machinery Company Limited*

I. I , a , C, e . a d De i i, .

The b, a d , f di ec , . , he . ' e . i , c, i ee a d he di ec , . , . ' e . i , . a d . e i, a age e , f he C, a he eb a a, ha he e a e , fal e e e a i, . , i leadi g . a e e . , a e ial , i . i, . c, ai ed i, he A , ' al Re , , a d j, i, l a d . e e all acce fi ll e , . ibili f, he ' hfi l e . , acc ' ac a d c, le e e . , f i . c, e . .

Ya g Yi ' L, g, he legal e e e a i e , f he C, a , Li Mi , he e . , i, cha ge , f acc, ' i g de a e, a d Zha g Xi é Mei, he head , f he acc, ' i g de a e , decla e ha he g á a ee he ' hfi l e . , acc ' ac a d c, le e e . , f he , a cial . a e e . i, he A , ' al Re , .

All Di ec , . a e ded he B, a d ee i g f, c, . ide i g hi e , .

Thi e , i . . l e f, a d-l , ki g . a e e . ab, ' fi h e la . , hich d, , c, . i ' e ac ' al c, i e . , i, e , . b he C, a . l, e , . a d he a ie c, ce ed . h, ' ld ai, ai, . ' fficie k, ledge , f he ' de l i g i k a d ' de . a d he diffe e ce a . g la . , jec i, . a d c, i e . . l, e , . a e ad i ed , ake he . el e a a e , f he i k a . , cia ed i h i, e e .

The C, a ha de c ibed i, de ail he , e ial i k i, he . ec i, headed Di ' i, a d A al . i , f O e a i, . i, Sec i, IV , f hi e , . l, e , . a e ad i ed , ead ca efi ll he c, e . he e, f.

The C, a d, e , , . e a a e , f ca h di ide d , a i . ' e , f b, ' . ha e , a a . fe , f e e . e , ca i al.

C, e .

Sec i, I	I , a , C, e . a d De i i, .	1
Sec i, II	C, a P , le a d Ke Fi, a cial l dica , .	3
Sec i, III	S ' a , f he C, a B . ' i, e .	9
Sec i, IV	Di ' i, a d A al . i , f O e a i, .	13
Sec i, V	Di ec , . ' Re ,	33
Sec i, VI	Ma e ial Ma e .	41
Sec i, VII	Cha ge i, Sha e a d Sha eh, lde .	56
Sec i, VIII	P efe ed Sha e	63
Sec i, IX	C, . e ible C, , a e B, d	64
Sec i, X	Di ec , . , S ' e . i , . , Se i, Ma age e a d E l, ee	65
Sec i, XI	C, , a e G, . e a ce	74
Sec i, XII	C, , a e B, d	99
Sec i, XIII	Fi a cial S a e e .	100
Sec i, XIV	D, ' e . A ailable f, l . ec i,	258

Definitions

Term	De□nition
C, a , a e c, a , a d Sha d, g M, l, g	Sha d, g M, l, g Pe , le l Machi e C, a Li i ed
G , r l	C, llec i el , he C, a a d i . r b idia ie
SZSE	The She -he S , ck E cha ge
SEHK	The S , ck E cha ge , f H, g K, g Li i ed
Li i g R le	The R le G, . e i g he Li i g , f Seo i ie , The S , ck E cha ge , f H, g K, g Li i ed
CSRC	Chi a Seo i ie Reg la , C, i . i,
Sh, r g a g Ba, l, g	壽光寶隆石油器材有限公司 (Sh, r g a g Ba, l, g Pe , le l E i i e, C, ., L d.)
Weihai Ba, l, g	威海市寶隆石油專材有限公司 (Weihai Ba, l, g S ecial Pe , le l Ma e ial C, ., L d.)
Sh, r g a g Ma, l, g	壽光燃隆新材料技術開發有限公司 (Sh, r g a g Ma, l, g Ne Ma e ial Tech , l, g De el, e C, ., L d.)
M, l, g E e g	山東墨龍能源科技有限公司 (Sha d, g M, l, g E e g Tech , l, g C, ., L d.)
M, l, g I&E	山東墨龍進出口有限公司 (Sha d, g M, l, g I , & E , C, ., L d.)
MPM	MPM l e a i, al Li i ed
M, l, g L, gi ic	壽光墨龍物流有限公司 (Sh, r g a g M, l, g L, gi ic C, ., L d.)
M, l, g E i i e,	壽光墨龍機電設備有限公司 (Sh, r g a g M, l, g Elec , - echa ical E i i e, C, a Li i ed)
Ba, l, g C, . r l a c	壽光市寶隆管理諮詢有限公司 (Sh, r g a g Ba, l, g Ma age e, a d C, . r l a c C, ., L d.)
Sh, r g a g Ji i	山東壽光金鑫投資發展控股集團有限公司 (Sha d, g Sh, r g a g Ji i l, e e, De el, e, H, ldi g G , r l Li i ed)
Sh, r g a g SAB	S a e-, ed A . e . S l e . i i, a d Ad i i a i, B ea l f Sh, r g a g Ci (壽光市國有資產監督管理局)
M, l, g H, ldi g	壽光墨龍控股有限公司 (Sh, r g a g M, l, g H, ldi g C, ., L d.)
e , i g e i, d	1 Ja a 2020 , 31 Dece be 2020
RMB , RMB h, r . a d , RMB e, h, r . a d	Re i bi, h, r . a d Re i bi, e, h, r . a d Re i bi

II. C, a P , le a d Ke Fi a cial I dica , .

I. Company Profile

S , ck Na e Abb e. ia i,	山東墨龍
S , ck E cha ge , f Li ed Seo i ie	The She he S , ck E cha ge, The H, g K, g S , ck E cha ge
Chi e e Na e , f he C, a	山東墨龍石油機械股份有限公司
Abb e. ia i, , f he Chi e e Na e	山東墨龍
E gli h Na e , f he C, a (if a)	Sha d, g M, l, g Pe , le l Machi e C, a Li i ed
Abb e. ia i, , f he E gli h Na e (if a)	Sha d, g M, l, g
Legal Re e e a i. e , f he C, a	Ya g Yi L, g
Regi e ed Add e .	N, . 999 We She g S ee , Sh, g a g Ci , Sha d, g P . i ce
P, . al C, de , f Regi e ed Add e .	262700
Of ce Add e .	N, . 999 We She g S ee , Sh, g a g Ci , Sha d, g P . i ce
P, . al C, de , f Of ce Add e .	262700
Web i e , f he C, a	h . :// . , l, gg , l .c,
E ail Add e .	d h@ , l, gg , l .c,

II. Contact Persons and Contact Information

	Secretary to the Board
Na e	Zha, Xia, T, g
C, ac Add e .	N, . 999 We She g S ee , Sh, g a g Ci , Sha d, g P . i ce
Tele h, e	0536-5100890
Fac i ile	0536-5100888
E ail Add e .	d h@ , l, gg , l .c,

III. Information Disclosure and Places for Inspection

De ig a ed Ne . a e . f, l f, a i, Di cl, . e	Chi a Seo i ie J, l al, Sha ghai Seo i ie Ne . , Seo i ie Dail a d Seo i ie Ti e
De ig a ed D, e ic Web i e f, he Pl blica i, , f he A al Re , a a . ed b Chi a Seo i ie Regl la , C, i . i,	D, e ic: h :// .c, i, f, .c, .c, ; O, e . ea : h :// .hke .c, .hk
Place f, l . ec i, , f he C, a ' A al Re ,	B, a d , f Di ec , . Of ce , f he C, a

IV. Registry Changes

O ga, i a i, , N, .	N, cha, ge
Cha, ge i, i, ci al, e a i, , . . i, ce he C, a, '. li i, g	N, cha, ge
All cha, ge i, c, , , lli, g . ha eh, lde .	O, 28 Se e be 2020, Zha, g E, R, , g, he , igi, al c, , , lli, g . ha eh, lde a, d ac r al c, , , lle , f he C, a, , a, d Sha, d, , g Sh, r g a, g Ji, i, I, . e e, De, el, e, H, ldi, g G , r ' Li i ed e, e ed i, , he V, i, g Righ . N, i, a i, , Ag ee e, be ee, Sha, d, , g Sh, r g a, g Ji, i, I, . e e, De, el, e, H, ldi, g G , r ' Li i ed a, d Zha, g E, R, , g , , he 29.53% Sha e , f Sha, d, , g M, l, , g Pe , le r ' Machi, e C, a, Li i ed. Pr ' r a, , hich, Zha, g E, R, , g , , i, a ed Sh, r g a, g Ji, i, , e e ci e all he , , i, g igh . c, e , , di, g , 235,617,000 . ha e , f he C, a, held b hi (acc, r ' i, g f, 29.53% , f he , al . ha e ca i al , f he li ed c, a,). The c, , , lli, g . ha eh, lde , f he C, a, ha cha, ged , Sh, r g a, g Ji, i, , a, d he ac r al c, , , lle , f he C, a, ha cha, ged , he S a e-, , ed A . e . S r ' e . i i, , a, d Ad i, i a i, , B r ' ea r ', f Sh, r g a, g Ci .

V. Other Relevant Information

Acc, r ' i, g e, gaged b he C, a,

Na e , f he acc, r ' i, g	Shi, eWi, g Ce i ed Pr blic Acc, r ' a, .
Of ce add e . , f he acc, r ' i, g	9 h Fl, , , Fr h r a b r ildi, g A, N, . 8 Cha, a, g e, N, h S ee , D, , gche, g Di ic , Beiji, g
Na e , f he . ig, i, g ce i ed r blic acc, r ' a, .	Ka, Ji, g Pi, g, Zha, g Cha,

S , , . , i, . i r ' i, , hich e eo ' e c, , i, r , ' r . ' . r ' e . i i, , d r ' ie d r ' i, g he e , i, g e i, d e, gaged b he C, a,

☐ A licable N, a licable

Fi, a, cial c, , . r l ' a, hich e eo ' e c, , i, r , ' r . ' . r ' e . i i, , d r ' ie d r ' i, g he e , i, g e i, d e, gaged b he C, a,

☐ A licable N, a licable

VI. Key Accounting Data and Financial Indicators

Whe he he C, a, ade e , ac i. e adj .' e, , e a ed acc, r, ' i, g da a i, e. i, r .' ea .

☐ Ye N,

	2020	2019	Yea -, , - ea i, c ea e/dec ea e	2018
O e a i, g e. e, r é (RMB)	**3,009,719,029.66**	4,388,904,215.91	31.42%	4,452,014,810.12
Ne , a ib' lable , . ha eh, lde . , f li ed c, a, (RMB)	**32,178,630.99**	(196,309,267.90)	116.39%	92,476,375.01
Ne , af e e a, di, a gai, . , l, . . e a ib' lable , . ha eh, lde . , f li ed c, a, (RMB)	**(266,995,839.08)**	(195,511,134.59)	36.56%	76,871,118.68
Ne ca h , . ge, e a ed f , e a i, g ac i, i ie (RMB)	**206,901,178.06**	688,353,418.08	69.94%	369,589,596.32
Ba ic ea , i, g e Sha e (RMB/ ha e)	**0.04**	(0.25)	116.00%	0.1159
Dil' ed ea , i, g e Sha e (RMB/ ha e)	**0.04**	(0.25)	116.00%	0.1159
Weigh ed a e age a e , f e r ' , , , e a . e .	**1.82%**	10.63%	12.45%	4.82%
	As at the end of 2020	A a he e, d , f 2019	Yea -, , - ea i, c ea e/dec ea e	A a he e, d , f 2018
T, al a . e . (RMB)	**5,175,635,815.38**	5,735,752,344.59	9.77%	6,607,536,593.37
Ne a . e . a ib' lable , . ha eh, lde . , f li ed c, a, (RMB)	**1,780,737,084.59**	1,747,518,970.85	1.90%	1,944,091,288.19

The l, e , f he C, a, '. , e , bef, e a, d af e dedi ć i, , , f e a, di, a gai, . , l, . . e i, ega, i, e, a, d he a di e , , f he la e ea . h, . ha he C, a, '. abili , c, , i, r é , e a i, , . i r ' ce ai,

☐ Ye N,

The l, e , f he, e , bef, e a, d af e dedi ć i, , , f e a, di, a gai, . , l, . . e i, ega, i, e

Ye ☐ N,

Items	2020	2019	Re a k
O e a i, g e. e, r é (RMB)	**3,009,719,029.66**	4,388,904,215.91	Mai, l c, i ed, f e. e, r é f , . ale , f , di c. , a e ial a, d a e
Dedi ć i, , a , r ' f , , e a i, g e. e, r é (RMB)	**63,827,875.19**	74,136,120.90	Mai, l c, i ed, f e. e, r é f , . ale , f a e ial a, d a e
O e a i, g e. e, r é af e dedi ć i, , a , r ' (RMB)	**2,945,891,154.47**	4,314,768,095.01	Mai, l c, i ed, f e. e, r é f , . ale , f , di c.

VII. Differences in accounting data under domestic and overseas accounting standards

1. Differences in net pro□ts and net assets in the □nancial statements as disclosed under the International Accounting Standards ("IASs") and PRC Generally Accepted Accounting Principles ("PRC GAAP")

□ A licable N, a licable

D i g he e , i g e i, d, he e e e , diffe e ce i e , a d e a . e . i he a cial . a e e . a di cl, . ed d de he IAS. a d PRC GAAP.

2. Differences in net pro□t and net assets in the □nancial statements as disclosed under the overseas accounting standards and PRC GAAP

□ A licable N, a licable

D i g he e , i g e i, d, he e e e , diffe e ce i e , a d e a . e . i he a cial . a e e . a di cl, . ed d de he , . e . ea acc, d i g . a da d. a d PRC GAAP.

3. Explanation of reasons for differences in accounting data under domestic and overseas accounting standards

□ A licable N, a licable

VIII. Key financial indicators by quarter

U i : RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
O e a i g e. e é	526,079,581.62	820,298,110.20	875,271,364.45	788,069,973.39
Ne , a ib able , . ha eh, lde . , f li ed c, a	(74,046,605.73)	(35,278,887.28)	(136,664,317.23)	278,168,441.23
Ne , af e e a, di a gai . , l, . . e a ib able , . ha eh, lde . , f li ed c, a	(73,949,340.08)	(33,731,108.46)	(119,999,165.37)	(39,316,225.17)
Ne ca h , . f , , e a i g ac i. i ie	(121,768,899.10)	184,236,200.40	27,666,911.37	116,766,965.39

Whe he he ab . e a cial i dica . . , agg ega e i a e ial diffe e f , he ele a a cial i dica . . di cl, . ed i í a e e , . , . e i-a , á l e , . , f he C, a

□ Ye N,

IX. Extraordinary gain or loss items and amounts

A licable ☐ N, a licable

U, i : RMB

II. C, a, P, le a, d Ke Fi, a, cial I, dica, .

Rea , , . h, r ld be gi. e, if he C, a, ha cla . i ed a, e a, di, a , , l, . . i e . (a de , ed a, d li. ed i, he E la, a , A, , , r , ce e, N, . 1 , , l, f, a i, , Di cl, . r e f, C, a, ie Offe i, g Thei Seo i ie , he Pi blic E a, di, a P , a, d L, . .) a eo i, g gai, a, d l, . . i e . .

☐ A licable N, a licable

The C, a, did , , cla . if a, e a, di, a , fi a, d l, . . i e . (a. defi, ed a, d li. ed i, he E la, a , A, , , r , ce e, N, . 1 , , l, f, a i, , Di cl, . r e f, C, a, ie Offe i, g Thei Seo i ie , he Pi blic E a, di, a P , a, d L, . .) a eo i, g gai, a, d l, . . i e . d i, g he e , i, g e i, d.

I. Principal businesses of the Company during the reporting period

(I) Descriptions of the Company's principal businesses during the reporting period

D[illegible]i[illegible]g he e[illegible], i[illegible]g e[illegible]i[illegible]d, he C[illegible], a[illegible] a[illegible]ai[illegible]l e[illegible]gaged i[illegible] de[illegible]ig[illegible], e[illegible]ea ch a[illegible]d de[illegible]el[illegible], e[illegible], [illegible]ce[illegible]i[illegible]g a[illegible]d a[illegible]r[illegible] fac[illegible]r[illegible]i[illegible]g, [illegible]. ale[illegible]. e[illegible]. ice a[illegible]d e[illegible], [illegible]ade[illegible], f[illegible], di[illegible]c[illegible]. f[illegible], he e[illegible]e[illegible]g e[illegible]i[illegible]' e[illegible], i[illegible]di[illegible]. [illegible]. The ai[illegible], di[illegible]c[illegible]. i[illegible]cl[illegible]ded e[illegible], le[illegible]' [illegible]-d[illegible]illi[illegible]g achi[illegible]e e[illegible]i[illegible]' e[illegible], e[illegible], le[illegible]' a[illegible]d a[illegible]r[illegible]al ga[illegible] a[illegible]. [illegible], a i[illegible], e[illegible]i[illegible]' e[illegible], e[illegible], le[illegible]' a[illegible]d a[illegible]r[illegible]al ga[illegible]. e[illegible] l[illegible], i a i[illegible], e[illegible]i[illegible]' e[illegible] a[illegible]d aj[illegible], c[illegible]i[illegible]ical c[illegible], [illegible], e[illegible]. a[illegible]d ca[illegible]i[illegible]g a[illegible]d f[illegible], gi[illegible]g, di[illegible]c[illegible]. The C[illegible], a[illegible]' [illegible], di[illegible]c[illegible]. e[illegible]e ai[illegible]l r[illegible].[illegible]ed i[illegible] e[illegible], le[illegible]' [illegible], a[illegible]r[illegible]al ga[illegible], c[illegible], albed e ha[illegible]e, [illegible]. hale ga[illegible] a[illegible]d [illegible], he e[illegible]e[illegible]g d[illegible]illi[illegible]g, achi[illegible]e[illegible], ce[illegible]. i[illegible]g, r[illegible]'ba[illegible] i[illegible]e[illegible], e[illegible], k, e[illegible]c. D[illegible]i[illegible]g he e[illegible], i[illegible]g e[illegible]i[illegible]d, [illegible]. ale[illegible], f i[illegible]e[illegible], di[illegible]c[illegible]. acc[illegible], r[illegible]' [illegible]ed f[illegible], [illegible], e 80%, f he C[illegible], a[illegible]' [illegible]e. e[illegible], hich a he ai[illegible]. [illegible], r[illegible]'ce, f he [illegible]e. e[illegible], r[illegible]' [illegible]e[illegible]a[illegible]d [illegible], [illegible], f he C[illegible], a[illegible]. D[illegible]i[illegible]g he e[illegible], i[illegible]g e[illegible]i[illegible]d, he e[illegible] a[illegible], [illegible]a[illegible]e ial cha[illegible]ge i[illegible] he c[illegible], [illegible]. i[illegible]i[illegible], [illegible], f C[illegible], a[illegible]' ai[illegible] br[illegible].[illegible]i[illegible]e. e[illegible].

The C[illegible], a[illegible]' ai[illegible], di[illegible]c[illegible]. e[illegible]e i[illegible]e[illegible], di[illegible]c[illegible]., hich [illegible]e[illegible]e di[illegible]ided i[illegible], API. a[illegible]da d[illegible], di[illegible]c[illegible]. a[illegible]d [illegible], [illegible]-API. a[illegible]da d[illegible], di[illegible]c[illegible]. The C[illegible], a[illegible] ad[illegible], ed a[illegible]. ale[illegible]-ba ed[illegible], di[illegible]c[illegible], [illegible] br[illegible].[illegible]i[illegible]e. [illegible], del f[illegible], [illegible], di[illegible]c[illegible]i[illegible], [illegible], i.e. he [illegible], di[illegible]c[illegible]i[illegible], [illegible]. [illegible]. [illegible]e[illegible], f he C[illegible], a[illegible] ill[illegible], di[illegible]c[illegible]e, i[illegible]. ec a[illegible]d deli[illegible]e he [illegible], di[illegible]c[illegible]. acc[illegible], di[illegible]g [illegible], he[illegible], de[illegible]laced b[illegible] o[illegible].[illegible], e[illegible]. ecif[illegible]i[illegible]g he e[illegible]i[illegible]'ed[illegible]. eci[illegible]ca i[illegible], a[illegible]d [illegible]i[illegible]a[illegible] i[illegible]. The C[illegible], a[illegible] ad[illegible], ed a ce[illegible] ali[illegible]ed[illegible], o[illegible]'e[illegible]e[illegible], del[illegible]r[illegible]'de hich all a[illegible] a[illegible]e ial[illegible], [illegible], r[illegible]ld[illegible]. a[illegible]d e[illegible]i[illegible]' e[illegible] e[illegible]e ce[illegible] all r[illegible]'cha[illegible]ed b[illegible] he[illegible], o[illegible]'e[illegible]e[illegible], de a[illegible]e[illegible] a[illegible]d i[illegible] a[illegible]al[illegible], e[illegible], [illegible]. ible f[illegible], he[illegible]. ig[illegible]i[illegible]g, f[illegible], o[illegible]'e[illegible]e[illegible] c[illegible], ac[illegible]., [illegible], o[illegible]'e[illegible]e[illegible]. a[illegible]r[illegible].[illegible]f, ll[illegible], [illegible]-[illegible]', facili[illegible]a i[illegible]g [illegible]i[illegible]'ali[illegible] i[illegible] [illegible]. e[illegible]e[illegible], f a[illegible] a[illegible]e ial. The [illegible], o[illegible]'e[illegible]e[illegible] de a[illegible]e[illegible] a[illegible]. ic l c[illegible], [illegible], lled he. elec i[illegible], [illegible], f[illegible].[illegible]r[illegible]' lie[illegible]. ba ed[illegible], [illegible] he c[illegible], ehe[illegible]. i[illegible]e[illegible]. e all e[illegible]. al[illegible]'[illegible]i[illegible], [illegible] i[illegible]de[illegible]. [illegible]. e[illegible], f[illegible]. e ed[illegible] [illegible]'ali[illegible] a[illegible]e[illegible]. a[illegible]d de[illegible]el[illegible], ed l[illegible], g-e[illegible] a[illegible]d. able[illegible]. a egic a[illegible]e[illegible]. hi[illegible]. The C[illegible], a[illegible] had a ela[illegible]i[illegible]el a[illegible]r[illegible]'e[illegible]. ale[illegible], e[illegible], k a[illegible]d ha[illegible]e abli[illegible]hed dedica ed[illegible], fe[illegible]. i[illegible], al ea[illegible]. f[illegible], [illegible]. ale[illegible]. a[illegible]d i[illegible], a[illegible]d e[illegible], [illegible], e[illegible], [illegible]. ible f[illegible], d[illegible], e[illegible]ic a[illegible]d i[illegible], e[illegible]a i[illegible], al a ke e ea ch, e ea ch a[illegible]d de[illegible]el[illegible], e[illegible], [illegible], di[illegible]c[illegible]. ale[illegible]. a[illegible]d [illegible]. [illegible]-ale[illegible]. e[illegible]. ice[illegible], e[illegible] ec[illegible]i[illegible]el[illegible].

(II) Basic information of the Company's industry during the reporting period

The C[illegible], a[illegible] i[illegible], he e[illegible]e[illegible]g e[illegible]i[illegible]' e[illegible], i[illegible]di[illegible]. [illegible]. e[illegible]. i[illegible]g f[illegible], [illegible], il[illegible], a[illegible]r[illegible]'al ga[illegible], [illegible]. hale ga[illegible], c[illegible], al, c[illegible], albed e ha[illegible]e, a[illegible]d [illegible]., [illegible], [illegible]. The i[illegible]di[illegible]. [illegible]' i[illegible], e[illegible], b[illegible]. i[illegible], r[illegible]'[illegible] affec ed b[illegible] cha[illegible]ge i[illegible] he ec[illegible], [illegible], ic de[illegible]el[illegible], e[illegible] c cle, cha[illegible]ge i[illegible] a ke de[illegible] a[illegible]d f[illegible], c[illegible], [illegible]. r[illegible]' [illegible]i[illegible], [illegible], c clical cha[illegible]ge i[illegible] c[illegible] de[illegible], il ice[illegible] a[illegible]d c clical cha[illegible]ge i[illegible] a[illegible] a[illegible]e ial ice[illegible]. [illegible], 2020, a[illegible] id he COVID-19 a[illegible]de ic a[illegible]d he e ce[illegible]. i[illegible]. el[illegible]. [illegible], la ile i[illegible] e[illegible], a i[illegible], [illegible], al, il ice[illegible], he ca aci[illegible] r[illegible]'ili[illegible] a i[illegible], [illegible], a e[illegible], f d[illegible], e[illegible]ic a[illegible]d [illegible]. e[illegible]. ea[illegible], il eld d illi[illegible]g, e[illegible] a i[illegible], [illegible]. decli[illegible]ed. Pe[illegible], le[illegible]' c[illegible], a[illegible]ie[illegible]ed[illegible] ced ca i al e[illegible], di[illegible]r[illegible]'e f[illegible], r[illegible]'. ea[illegible] e[illegible] l[illegible], a i[illegible], [illegible], a[illegible]d de[illegible]el[illegible], e[illegible], [illegible], hich had a g ea e i[illegible] ac[illegible], [illegible], he[illegible], il eld. e[illegible]. ice i[illegible], di[illegible]r[illegible]' [illegible].

H[illegible], [illegible]e[illegible], i[illegible] he edi[illegible]r[illegible]' a[illegible]d l[illegible], [illegible]g e[illegible], he[illegible], a i[illegible], [illegible]al e[illegible]g [illegible]. eo[illegible]'i[illegible] [illegible]. a egie[illegible], f he PRC [illegible]. ide[illegible]. [illegible], [illegible]g.r[illegible]' [illegible], f[illegible], he de[illegible]el[illegible], e[illegible], f he [illegible], il[illegible]. e[illegible]. ice i[illegible], di[illegible]r[illegible]' [illegible]. Agai[illegible], [illegible]. he backd[illegible], [illegible], f he C[illegible], r[illegible]' [illegible]' C[illegible], [illegible], i[illegible]r[illegible]ed high[illegible] e[illegible], al de[illegible] e[illegible]de[illegible]ce[illegible], [illegible] c[illegible]de[illegible], il a[illegible]d a[illegible]r[illegible]'al ga[illegible], he[illegible], al[illegible], f[illegible]. abili[illegible]i[illegible]g[illegible], il a ke a[illegible]d i[illegible]c ea i[illegible]g de a[illegible]d f[illegible], [illegible], a[illegible]r[illegible]'al ga[illegible] [illegible], r[illegible]ld[illegible], cha[illegible]ge. The hi[illegible] a[illegible] e[illegible] i led E[illegible]e[illegible]g i[illegible] Chi[illegible]a'. Ne[illegible] E a i[illegible]dica ed ha[illegible], il a[illegible]d ga[illegible] e[illegible] l[illegible], a i[illegible], [illegible], a[illegible]d de[illegible]el[illegible], e[illegible], eff[illegible]. ill be[illegible]. ig[illegible], r[illegible]'[illegible] i[illegible]c ea ed[illegible], il a[illegible]d ga[illegible] e[illegible] e[illegible]. a[illegible]d [illegible], di[illegible]c[illegible]i[illegible], ill be [illegible], [illegible], ed, a[illegible]d he [illegible]'ali[illegible], f[illegible] e[illegible]g [illegible].r[illegible]' [illegible] a[illegible]d he abili[illegible], e[illegible].r[illegible]'e[illegible]. afe ill c[illegible], i[illegible]r[illegible]'[illegible]. [illegible] be i[illegible] [illegible]. ed. Fr[illegible]'[illegible] he [illegible], e, i[illegible] h he fi[illegible]ll[illegible], e[illegible], i[illegible]g r[illegible]' [illegible], f he C[illegible], r[illegible]' [illegible]', il a[illegible]d ga[illegible] e[illegible] l[illegible], a i[illegible], [illegible], a[illegible]d de[illegible]el[illegible], e[illegible] a ke[illegible], [illegible], i[illegible] a e a[illegible]d f[illegible], eig[illegible]-i[illegible]. e ed c[illegible], a[illegible]ie[illegible] a[illegible]d diffe[illegible]e[illegible]. ec[illegible]., [illegible], r[illegible]ld ha[illegible]e he[illegible], [illegible], r[illegible]'i[illegible]ie[illegible], f i[illegible]. e i[illegible]g ca i al i[illegible], he d[illegible], e[illegible]ic a ke[illegible], [illegible], b i[illegible]g[illegible] e bl[illegible], d f[illegible], he PRC'[illegible], il a[illegible]d ga[illegible] e[illegible] l[illegible], a i[illegible], [illegible], a[illegible]d de[illegible]el[illegible], e[illegible], a[illegible]d [illegible]d[illegible]i[illegible] e he[illegible] e de a[illegible]d f[illegible], he e[illegible]e[illegible]g e[illegible]i[illegible]' e[illegible], i[illegible]di[illegible]. [illegible].

Wi[illegible] h he[illegible]. [illegible]. e a ic[illegible], [illegible], i[illegible], [illegible], f he COVID-19[illegible]. acci[illegible]e i[illegible] he[illegible], [illegible]. -e ide[illegible] ic e a, he gl[illegible], bal[illegible], di[illegible]c[illegible]i[illegible], [illegible], a[illegible]d [illegible]a[illegible]el[illegible] a[illegible] e[illegible]e ec[illegible]ed[illegible], g adi[illegible]all[illegible] e[illegible]r[illegible]' e[illegible]. T[illegible] ge he[illegible] i[illegible]h he[illegible]. ead i[illegible] le[illegible]e[illegible], a i[illegible], [illegible], f he US[illegible]. cal[illegible]. i[illegible] r[illegible]ll[illegible].[illegible]' [illegible], lic[illegible], he de[illegible] a[illegible]d f[illegible], [illegible], il a[illegible]d ga[illegible] ill c[illegible], [illegible], i[illegible]r[illegible]e[illegible], [illegible], i[illegible]c ea[illegible]e. The [illegible]. e all de[illegible] a[illegible]d [illegible], f he e[illegible]e[illegible]g e[illegible]i[illegible]' e[illegible], i[illegible]di[illegible]. [illegible]' ill g adi[illegible]all[illegible] a[illegible]. ce[illegible]d he l[illegible], [illegible], i[illegible] a[illegible]d e[illegible]e he ec[illegible]. e[illegible]. age, a[illegible]d he d[illegible], e[illegible]ic, il a[illegible]d ga[illegible] e[illegible] l[illegible], a i[illegible], [illegible], a[illegible]d de[illegible]el[illegible], e[illegible], a ke i[illegible] e ec[illegible]ed[illegible], ai[illegible] ai[illegible] l[illegible], g-e[illegible] [illegible]. able g[illegible], h.

II. Significant changes in major assets

1. Signi□cant changes in major assets

Major asset	Description of signi□cant change
Fi ed a . e.	A a he e, d , f he e , i, g e i, d, ed a . e. dec ea ed b 8.53% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he . ale , f a , f r e b he C, a, d i, g he o l e, e i, d.
I, a, gible a . e.	A a he e, d , f he e , i, g e i, d, i, a, gible a . e. dec ea ed b 11.18% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he . ale , f a , f he la, d b he C, a, d i, g he o l e, e i, d.
C, , . r ć i, , i, , g e.	A a he e, d , f he e , i, g e i, d, c, , . r ć i, , i, , g e. dec ea ed b 86.15% c, a ed , he begi, , i, g , f he ea , i a il becar .le a , f he c, , . r ć i, , i, , g e. , jec . ha, e c, le ed a, d a, . fe ed , ed a . e. i, he o l e, e i, d.
M, , e a fr, d	A a he e, d , f he e , i, g e i, d, , , e a fr, d i, c ea ed b 40.75% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , a , f he , ceed ece i, ed f , he . ale , f a . e. a he e, d , f he e i, d.
Bill ece i, able	A a he e, d , f he e , i, g e i, d, bill ece i, able dec ea ed b 35.98% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he decli, e i, , e a i, g e. e, r é f, he o l e, e i, d a, d c, e , , di, g dec ea e i, ade acce a, ce bill ece i, ed.
Rece i, able	A a he e, d , f he e , i, g e i, d, ece i, able dec ea ed b 43.27% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he decli, e i, he C, a, ' , e a i, g e. e, r é f, he o l e, e i, d.
Fi, a, ci, g ece i, able	A a he e, d , f he e , i, g e i, d, , a, ci, g ece i, able dec ea ed b 65.08% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he decli, e i, , e a i, g e. e, r é f, he o l e, e i, d a, d c, e , , di, g dec ea e i, ba, k acce a, ce bill ece i, ed.
L, a, . a, d ad. a, ce	A a he e, d , f he e , i, g e i, d, l, a, . a, d ad. a, ce dec ea ed b 94.42% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he ec, . e , f l, a, . g a, ed i, he e. i, r .l e i, d b . r b idia ie di, g he o l e, e i, d a, d . . i i, , , f i ai e, .
P e a e, .	A a he e, d , f he e , i, g e i, d, e a e, . dec ea ed b 39.89% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he dec ea e i, e a e, . f, a e ial a a he e, d , f he e , i, g e i, d.
O he ece i, able	A a he e, d , f he e , i, g e i, d, , he ece i, able i, c ea ed b 434.28% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he C, a, ' . ale , f a . e. a, d he i, cl . i, , , f he a , r . , , di é acc di, g , he ag ee e, i, hi . r bjec i, he o l e, e i, d.
Righ -, f- .le a . e.	A a he e, d , f he e , i, g e i, d, igh -, f- .le a . e. a i, c ea ed f , 0 , 4,591,910.73, i a il a ibr lable , . ale-lea eback , f a , f he h, r .le a, d la, d di, g he e , i, g e i, d
O he o l e, a . e.	A a he e, d , f he e , i, g e i, d, , he o l e, a . e. dec ea ed b 37.78% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he dec ea e i, . . al é-added a e ai, ed a a he e, d , f he e , i, g e i, d.
O he , , -o l e, a . e.	A a he e, d , f he e , i, g e i, d, , he , , -o l e, a . e. dec ea ed b 92.43% c, a ed , he begi, , i, g , f he ea , i a il a ibr lable , he a , i. al , f ce ai, e f i l e, i e . di, g he o l e, e i, d hich e e r cha ed b e a e, . i, he e. i, r .l e i, d a, d ec, . e , f ce ai, e a e, . b . r b idia ie .

2. Condition of major overseas assets

□ A licable N, a licable

III. Analysis of core competitiveness

1. Strength in technological research and development and innovation

The C[illegible] a[illegible] ha[illegible] . [illegible],[illegible]g R&D ca abili ie[illegible] i[illegible] he field [illegible], f . ecial e[illegible]i[illegible] e[illegible] f[illegible] e[illegible]e g e[illegible]i[illegible] e[illegible] , a[illegible]d ha[illegible] r[illegible]de ake[illegible] , e ha[illegible] 70 [illegible], a i[illegible], al a[illegible]d [illegible]. i[illegible]cial-le[illegible]. el ela ed . cie[illegible] ific e ea ch [illegible], jec[illegible]. . We a e he leadi[illegible]g e[illegible] e i e i[illegible] Chi[illegible]a' e[illegible]e g e[illegible]i[illegible] e[illegible] ba e i h Sha[illegible]d[illegible], g P[illegible]. i[illegible]cial E[illegible] e i e Tech[illegible], l[illegible], g Ce[illegible] e , Sha[illegible]d[illegible], g Pe , le[illegible] ' S ecial Pi e E[illegible]gi[illegible]ee i[illegible]g Tech[illegible], l[illegible], g Re ea ch Ce[illegible] e , a[illegible]d Na i[illegible], al Acc edi a i[illegible], Lab[illegible], a , a[illegible]d Weifa[illegible]g Pe , le[illegible] ' Machi[illegible]e E[illegible]gi[illegible]ee i[illegible]g Tech[illegible], l[illegible], g Re ea ch Ce[illegible] e a[illegible]d , he i[illegible]. . a i[illegible], la f[illegible] . i[illegible] lace. The C[illegible] a[illegible] ha[illegible] bi il a , fe . i[illegible], al a[illegible]d . able . cie[illegible] ific e ea ch ea h , [illegible]gh i de e[illegible]de ai[illegible] i[illegible]g, i[illegible] , di[illegible]c i[illegible], f ale[illegible] . , a[illegible]d c[illegible], e a i[illegible], i h[illegible] [illegible]i[illegible]. e . i ie a[illegible]d e ea ch i[illegible]. i[illegible] 'e , hich i c ea i[illegible]g he e[illegible] e i e - ba ed a[illegible]d a ke -, ie[illegible] ed ech[illegible], l[illegible], g i[illegible]. . a i[illegible], . . e i h i[illegible]-de h i[illegible] eg a i[illegible], f , di[illegible]c i[illegible], edi[illegible]ca i[illegible], a[illegible]d e ea ch.

2. Strength in product quality

The C[illegible] a[illegible] a ache i , a[illegible]ce , a[illegible]age e[illegible] , f , di[illegible]c [illegible]ali . The C[illegible] a[illegible] i ell-e[illegible]i[illegible] ed i h i[illegible]. ec i[illegible], a[illegible]d , i , i[illegible]g e[illegible]i[illegible] e[illegible] . The C[illegible] a[illegible] ha l[illegible], g bee[illegible] acc edi ed ISO9001 i[illegible] e[illegible], a i[illegible], al [illegible]ali . . e ce i ca i[illegible], , ISO14001 e[illegible]. i[illegible], e[illegible] al a[illegible]age e[illegible] . . e ce i ca i[illegible], a[illegible]d OHSAS18001 , co[illegible]' a i[illegible], al heal h a[illegible]d . afe a[illegible]age e[illegible] . . e ce ifica i[illegible], a[illegible]d a . ed he QES a[illegible]age e[illegible] . . e f, ll, [illegible]' e- ce i ca i[illegible], . Wi h he ai[illegible] , di[illegible]c . bei[illegible]g a . . ed , [illegible]. e he i[illegible]di[illegible]' l, g, , f A e ica[illegible] Pe , le[illegible] ' l[illegible]. i[illegible] e (abb e ia ed a API), he C[illegible] a[illegible] . [illegible]cce . fi ll gai[illegible]ed acce . , he d, e ic a[illegible]d gl, bal , il eld a ke . . The ai[illegible] , di[illegible]c . , a el ca i[illegible]g . . al e , [illegible]d [illegible]' li e . , eci i[illegible], . ai[illegible]le . . eel f, gi[illegible]g , h ee ki[illegible]d , f , il [illegible]' i[illegible]g [illegible]i . a[illegible]d acce . , ie , a e highl a ke able gl, ball i[illegible] aj, , il- , di[illegible]ci[illegible]g egi[illegible], . [illegible]ch a Ea[illegible]', e, he A e ica a[illegible]d he Middle Ea , a[illegible]d a e ell- ecei ed b l, cal a[illegible]d . e . ea o[illegible].', e . .

3. Strength in marketing

The C[illegible] a[illegible] . e . f, , h, ld i[illegible] Chi[illegible]a a[illegible]d g, e gl, bal. O[illegible] e he ea . , f de el, e[illegible] , he C[illegible] a[illegible] ha[illegible] bi il a [illegible]e , k . idi[illegible]g l[illegible], g- e , able, fa a[illegible]d effec i e . ale . e ice a[illegible]d e abli hed a l, al, l[illegible], g-la i[illegible]g a[illegible]d i[illegible]- i[illegible] a [illegible]e . hi i h a . o[illegible].', e . . l[illegible] he d, e ic a ke , he C[illegible] a[illegible] ha[illegible] a ela i el . able o[illegible].', e ba e hich i[illegible] cl de , i h, [illegible]' li i a i[illegible], [illegible] , , il a[illegible]d ga c, a[illegible]ie . [illegible]ch a Pe , Chi[illegible]a, Si[illegible], ec, CNOOC a[illegible]d Ya[illegible]cha[illegible]g Pe , le[illegible] '. The aj, . . e . ea a ke . a e c, [illegible]' ie a[illegible]d egi[illegible], . i[illegible] cl di[illegible]g he Middle Ea , Me ic, , Ca[illegible]ada, R[illegible]. ia, N[illegible] h Af ica. The C[illegible] a[illegible] ' a ke i[illegible]g ea c[illegible], . i . , f ale[illegible] . h, a e , fe . i[illegible], al i[illegible] i[illegible] e[illegible] a i[illegible], al ade a[illegible]d a ke i[illegible]g a[illegible]d ha[illegible] e ela i el e e[illegible]. i e e ie[illegible]ce a[illegible]d . . [illegible]g br . i[illegible] e . c[illegible] e e[illegible]ce, hich all[illegible] . he C[illegible] a[illegible] , e[illegible]j, , , a ce ai[illegible] e e[illegible] , c[illegible] e i . i e edge i[illegible] a ke i[illegible]g , f e[illegible] e g e[illegible]i[illegible] e[illegible] , di[illegible]c . .

4. Strength in furnace rehabilitation technology

Hl el fi [illegible]ace ehabili a i[illegible], ech[illegible], l[illegible], g i a fi [illegible]ace ehabili a i[illegible], e all[illegible]gical ech[illegible], l[illegible], g , f Sha[illegible]d[illegible], g M[illegible], l[illegible], g hich ac i el f, ll, . he [illegible], a i[illegible], al a[illegible]r fac[illegible]r i[illegible]g a[illegible]. f, a i[illegible], a[illegible]d [illegible]r [illegible]g ade, c[illegible], i[illegible]r é , de el, he ec cli[illegible]g ec[illegible], a[illegible]d bi ild a g ee[illegible] e all[illegible]gical e[illegible] e i e. The C[illegible] a[illegible] ha all he ech[illegible]ical i[illegible] ellec[illegible]r al , e igh . , f Hl el , he , l Hl el i[illegible] di[illegible]' ial che ical la[illegible] i[illegible] he , ld, ich e e ie[illegible]ce i[illegible] Hl el la[illegible] , e a i[illegible], a[illegible]d ai[illegible] e[illegible]a ce a[illegible]d . . [illegible]g e[illegible]i[illegible] e[illegible] R&D a[illegible]d a[illegible]r fac[illegible]r i[illegible]g ca abili ie . The C[illegible] a[illegible] ha . b ai[illegible]ed Hl el fi [illegible]ace ehabili a i[illegible], ech[illegible], l[illegible], g . e ie a e[illegible] . a[illegible]d a[illegible]r 'h, [illegible]-a i[illegible], . . Af e he ide[illegible] ifica i[illegible], , f . cie[illegible] ific a[illegible]d ech[illegible], l[illegible], gical achie e e[illegible] . , ga[illegible]i ed b he Chi[illegible]e e S, cie f, Me al , Sha[illegible]d[illegible], g M[illegible], l[illegible], g Hl el fi [illegible]ace ehabili a i[illegible], ech[illegible], l[illegible], g ha eached he i[illegible] e[illegible], a i[illegible], al leadi[illegible]g le el. The a lica i[illegible], a[illegible]d . , i[illegible], f Hl el fi [illegible]ace ehabili a i[illegible], ech[illegible], l[illegible], g i e ec ed , bec, e a[illegible]e , g , h , i[illegible] f, he C[illegible] a[illegible] ' fi h 'e de el, e[illegible] .

5. Strength in new products

D[illegible]i[illegible]g he e[illegible], i[illegible]g e i[illegible]d, he C[illegible], a[illegible] c[illegible] le ed [illegible], e ha[illegible] e[illegible] achie[illegible]e e[illegible]. i[illegible], e [illegible], d[illegible] c[illegible] de[illegible]. el[illegible] e[illegible] a[illegible] d ech[illegible], l[illegible], gical i[illegible]. e e[illegible] i[illegible] li[illegible]e i h a ke de a[illegible] d. The bi e allic c[illegible], [illegible]. i e i e i[illegible] de e[illegible] de[illegible] l de[illegible]. el[illegible] ed b he C[illegible], a[illegible] ha bee[illegible] [illegible]. [illegible]ed i[illegible] Xi[illegible] jia[illegible] g [illegible], il eld [illegible], e lace i [illegible], ed [illegible], d[illegible] c[illegible]. . O[illegible] [illegible] ML125V a[illegible] d ML110TS[illegible] [illegible] a-high-[illegible]. e[illegible] g h a[illegible] d high-[illegible], [illegible] é ca i[illegible] g. ha[illegible]. e bee[illegible] [illegible] [illegible]cce[illegible]. fi ll e ed i[illegible] he S[illegible], [illegible]h e Oil a[illegible] d Ga Field. We ha[illegible]. e [illegible]. ig[illegible] ed a ech[illegible], ical ag ee e[illegible] i h he Ta i Oil eld i[illegible] S[illegible], [illegible]h Xi[illegible] jia[illegible] g ega di[illegible] g he140HC[illegible] [illegible] a-high [illegible]. eel g ade, high a[illegible] i-c[illegible], lla [illegible]. e ca i[illegible] g. The [illegible] e a[illegible] i-leakage [illegible], il [illegible] [illegible] [illegible]. , d[illegible] al h[illegible] [illegible] ge a[illegible] i-[illegible] cali[illegible] g [illegible], il [illegible] [illegible] [illegible]. , a[illegible] d a[illegible]. eli[illegible] g ba el a[illegible] i-[illegible] cali[illegible] g [illegible], il [illegible] [illegible] [illegible]. ha[illegible]. e bee[illegible] [illegible] [illegible]cce[illegible]. fi ll [illegible] [illegible] i[illegible] he Da [illegible]i[illegible] g Oil eld. High [illegible]. al[illegible] é-added i e [illegible], d[illegible] c[illegible]. i[illegible] ch di[illegible] g he [illegible]. ea le[illegible]. [illegible]. eel i e f[illegible], a le[illegible], h d a[illegible] lic[illegible]. [illegible] [illegible] i e a[illegible] d c[illegible], ld-d a i[illegible] g [illegible]. ea le[illegible]. [illegible]. eel i e ha[illegible]. e bee[illegible] [illegible] [illegible] lied [illegible], o[illegible] [illegible], e[illegible]. i[illegible] ba che[illegible].

6. Strength in brand name

The C[illegible], a[illegible] i[illegible]. a li[illegible] ed c[illegible], a[illegible] ha[illegible]. eciali[illegible]. e i[illegible] he de[illegible]. ig[illegible], [illegible]. e ea ch a[illegible] d de[illegible]. el[illegible] e[illegible], [illegible], ce[illegible]. a[illegible] [illegible] fac[illegible] [illegible] i[illegible] g, [illegible]. ale[illegible]. a[illegible] d e[illegible], [illegible]. [illegible], f e[illegible] g e[illegible] [illegible] i[illegible] e[illegible]. The C[illegible], a[illegible] i[illegible]. al[illegible]. , a [illegible] [illegible]alified [illegible]. [illegible] [illegible] lie[illegible], f he la ge[illegible]. f[illegible], [illegible] [illegible], il c[illegible], gl[illegible]. e a e[illegible] i[illegible] Chi[illegible] a a[illegible] d [illegible], e[illegible], f he [illegible], f[illegible], [illegible] [illegible]. [illegible] [illegible] lie[illegible]. [illegible], f Pe[illegible], Chi[illegible] a'[illegible]. T e I[illegible], d[illegible] c[illegible]. . The C[illegible], a[illegible] ha al a[illegible]. adhe ed [illegible], i[illegible]. i[illegible] ci[illegible] le[illegible], f e[illegible] c[illegible], [illegible] [illegible]agi[illegible] g all e[illegible], le[illegible], ab[illegible]., bi[illegible] g all hi[illegible] k[illegible], c[illegible], llec i[illegible] g all c[illegible], [illegible], ib[illegible] [illegible]i[illegible], [illegible]. a[illegible] d c ea i[illegible] g all achie[illegible]. e[illegible] [illegible]. . Th[illegible], [illegible] gh e a[illegible]. i[illegible], [illegible], f[illegible]. cale a[illegible] d e e[illegible]. i[illegible], [illegible], f [illegible], d[illegible] c[illegible] i[illegible], chai[illegible]., he C[illegible], a[illegible] ha gai[illegible] ed g[illegible], d e [illegible] [illegible]a i[illegible], [illegible] a[illegible] d[illegible]., lid [illegible], i i[illegible], [illegible] i[illegible] he e[illegible] e g e[illegible] i[illegible] [illegible] e[illegible] a ke [illegible]. ec[illegible], . The M[illegible], l[illegible], [illegible] g ade a k[illegible], f he C[illegible], a[illegible] i[illegible], [illegible] a ed a a fa [illegible], [illegible]. [illegible] ade a k[illegible], f Sha[illegible] d[illegible], [illegible] g P[illegible]. . i[illegible] ce[illegible], a[illegible] d he [illegible], d[illegible] c[illegible]. , f he C[illegible], a[illegible] ha[illegible]. e bec[illegible] e a ke e [illegible], b a[illegible] d f[illegible], [illegible], [illegible] [illegible]i[illegible] g a[illegible] d de[illegible]. el[illegible] e[illegible] i[illegible] Sha[illegible] d[illegible], [illegible] g P[illegible]. . i[illegible] ce.

IV. Di ɑ . ! i, a, d A, al . i , f O e a i, , .

I. Overview

D ' i, g he e , i, g e i, d, he gl, bal . ead , f COVID-19 hi he , di, a ec, , ic ac_i. i ie. i, all i, d . ' ie. a

II. Analysis of principal businesses

1. Overview

See I. Overview under Discussion and Analysis of Operations for details.

2. Revenue and cost

(1) Composition of operating revenue

Unit: RMB

	2020		2019		
	Amount	Percentage of operating revenue	Amount	Percentage of operating revenue	Year-on-year increase/decrease
Total operating revenue	**3,009,719,029.66**	**100.00%**	4,388,904,215.91	100.00%	31.42%
By industry					
Special equipment manufacturing	**3,009,719,029.66**	**100.00%**	4,388,904,215.91	100.00%	31.42%
By product					
Piece product	**2,458,265,692.32**	**81.68%**	3,456,742,513.39	78.76%	28.88%
Threeking forging	**40,046,101.68**	**1.33%**	43,755,412.12	1.00%	8.48%
Peripheral machine	**8,346,558.77**	**0.28%**	34,536,314.66	0.79%	75.83%
Tribe blank	**178,497,433.73**	**5.93%**	699,060,843.61	15.93%	74.47%
High-end casting and forging	**241,350,397.49**	**8.02%**	59,767,421.27	1.36%	303.82%
Other	**83,212,845.67**	**2.76%**	95,041,710.86	2.16%	12.45%
By region					
Within China	**2,717,360,137.40**	**90.29%**	3,724,722,383.35	84.87%	27.05%
Outside China	**292,358,892.26**	**9.71%**	664,181,832.56	15.13%	55.98%

(2) Industries, products or regions that accounted for over 10% of the Company's operating revenue or operating pro□ts

A licable □ N[illegible] a licable

U[illegible] i : RMB

	Operating revenue	Operating costs	Gross pro□t margin	Year-on-year increase/ decrease in operating revenue	Year-on-year increase/ decrease in operating costs	Year-on-year increase/ decrease in gross pro□t margin
B[illegible]						
S[illegible]ecial e[illegible]						
a[illegible] fac[illegible]	2,699,616,089.81	2,594,555,233.81	3.89%	23.23%	18.03%	6.09%
B[illegible]						
Pi[illegible]	2,458,265,692.32	2,364,201,945.42	3.83%	28.88%	23.98%	6.20%
High-e[illegible]d ca[illegible]						
a[illegible]d f[illegible]	241,350,397.49	230,353,288.39	4.56%	303.82%	316.90%	2.99%
B[illegible]						
Wi[illegible] Chi[illegible]a	2,418,225,438.22	2,358,765,301.40	2.46%	16.29%	10.50%	6.31%
O[illegible]ide Chi[illegible]a	281,390,651.59	235,789,932.41	16.21%	55.17%	55.50%	0.62%

Af[illegible] adj[illegible] e[illegible] e[illegible] ade[illegible] he da[illegible] a[illegible] ical calibe[illegible] f he C[illegible] a[illegible] i[illegible]ci al b[illegible] e[illegible] e[illegible] he e[illegible] i[illegible]g e i[illegible]d, he da[illegible] f he C[illegible] a[illegible] i[illegible]ci al b[illegible] e[illegible] f[illegible] he[illegible] ece[illegible] 1 ea[illegible] adj[illegible] ed ba[illegible]ed[illegible] he calibe[illegible] he e[illegible]d[illegible] f he e[illegible] i[illegible]g e i[illegible]d

A licable □ N[illegible] a licable

U[illegible] i : RMB

	Operating revenue	Operating costs	Gross pro□t margin	Year-on-year increase/ decrease in operating revenue	Year-on-year increase/ decrease in operating costs	Year-on-year increase/ decrease in gross pro□t margin
B[illegible]						
S[illegible]ecial e[illegible]						
a[illegible] fac[illegible]	4,215,570,778.27	3,879,062,349.30	7.98%	0.19%	9.35%	8.03%
B[illegible]						
Pi[illegible]	3,456,742,513.39	3,110,087,307.89	10.03%	11.80%	4.34%	7.02%
T[illegible]be bla[illegible]k	699,060,843.61	713,720,931.00	2.10%	136.28%	146.30%	4.15%
High-e[illegible]d ca[illegible]						
a[illegible]d f[illegible]	59,767,421.27	55,254,110.41	7.55%	596.97%	798.28%	20.72%
B[illegible]						
Wi[illegible] Chi[illegible]a	3,587,852,343.58	3,349,194,326.59	6.65%	8.40%	2.81%	10.18%
O[illegible]ide Chi[illegible]a	627,718,434.69	529,868,022.71	15.59%	104.59%	83.04%	9.94%

Rea , ( ) f, he cha ge , f calibe

Rega di g he , dr c cla . i ca i, , he , dr c i, a d . ale , . , lr ' e , f he C, a ' i e , dr c . d , ed i 2020 dr e , he a de ic. I ligh , f hi , a age e , f he C, a , , k ac i e . e . i adj . ' i g br . ' i e . . a egie , i i ia i g adj . ' e , , dr c i , fr ' he de el, i g he ca i g a d f, gi g a ke , a d i c ea i g eff, i he , , i, , f high-e d ca i g a d f, gi g . The , dr c i, a d . ale , . , lr ' e , f high-e d ca i g a d f, gi g e e he ef, e fr ' he i c ea ed. Dr ' i g he e , i g e i d, high-e d ca i g a d f, gi g acc r ' ed f, 8.02% , f , e a i g e e r e a d 19.65% , f . eg e , e a i g , fi . The e e ce age eached he e í i e e , . f, . e a a e e e a i, a d di cl, . r ' e. Dr ' i g he e , i g e i d, he e e e , cha ge i he calibe . , f i dr . ' a d egi, cla . i ca i, . .

(3) Whether the Company's revenue from sales of physical goods is more than income from the provision of labour services

Ye ☐ N,

Industry type	Item	Unit	2020	2019	Year-on-year increase/ decrease
S ecial	Sale , . , lr ' e	Te h, r . ' a d , , , e	62.7	87.49	28.33%
e í i ' e	P , dr c i, , . , lr ' e	Te h, r . ' a d , , , e	58.16	88.03	33.93%
a r fac r ' i g	S , ck , . , lr ' e	Te h, r . ' a d , , , e	6.16	10.7	42.43%

Rea , ( ) f, ea -, - ea cha ge , f , . e 30% i he r ' de l i g da a

A licable ☐ N, a licable

I 2020, he C, a ' . ale , . , lr ' e a d , dr c i, , . , lr ' e dec ea ed b 28.33% a d 33.93% e ec i el c, a ed i h he . a e e i d la ea . Sr ch dec ea e e e i a il a ibr ' able , he i ac , f he a de ic dr ' i g he ɑ ' e e i d r ' de hich i e a i, al c r de , il ice r c r a ed . ig i ca l , he de a d , f d, e ic a d , . e . ea , il eld eake ed, e r l ' i g he . ig i ca dec ea e i he , de . , . ale , . , lr ' e a d , dr c i, , . , lr ' e.

(4) Performance of the contracted material sales contract of the Company at the end of the reporting period

☐ A licable N, a licable

(5) Composition of operating cost

By product

Unit: RMB

Product type	Item	2020 Amount	2020 Percentage to operating cost	2019 Amount	2019 Percentage to operating cost	Year-on-year increase/decrease
Piezoelectric	Material	**1,679,292,641.83**	**71.03%**	2,201,630,805.26	70.79%	23.73%
Piezoelectric	Depreciation	**165,966,976.57**	**7.02%**	229,524,443.32	7.38%	27.69%
Piezoelectric	Labor cost	**176,133,044.93**	**7.45%**	233,567,556.82	7.51%	24.59%
Piezoelectric	Energy	**342,809,282.09**	**14.50%**	445,364,502.49	14.32%	23.03%
Three-dimensional integrated	Material	**24,813,408.06**	**66.94%**	24,901,997.04	66.21%	0.36%
Three-dimensional integrated	Depreciation	**2,846,832.60**	**7.68%**	2,933,629.01	7.80%	2.96%
Three-dimensional integrated	Labor cost	**6,983,636.21**	**18.84%**	7,349,116.78	19.54%	4.97%
Three-dimensional integrated	Energy	**2,424,255.88**	**6.54%**	2,425,885.53	6.45%	0.07%
Penetrating	Material	**5,342,853.06**	**71.30%**	20,566,510.74	70.91%	74.02%
Penetrating	Depreciation	**687,901.70**	**9.18%**	2,671,239.09	9.21%	74.25%
Penetrating	Labor cost	**1,040,844.73**	**13.89%**	4,089,519.13	14.10%	74.55%
Penetrating	Energy	**421,883.07**	**5.63%**	2,846,832.60		

(6) Whether consolidation scope changed during the reporting period

Ye ☐ N,

壽光市懋隆廢舊金屬回收有限公司 (Sh, r g a g Ma, l, g Old Me al Rec cle C, ., L d.) a d 文登市寶隆再生資源有限公司 (We, de, g Ba, l, g Rec clable Re , r ce C, ., L d.), e e e , . ed f , he c, , . , lida i, , . c, e , f he C, a, f, he e , i, g e i, d.

O, 29 Oc , be 2019, he C, a, held he f h ee i, g , f he . i h . e . i, , , f he B, a d, a hich he Re , l i, , , , he De egi a i, , , f Wh, ll -, , ed S b idia ie a a . ed, hich , , . ed , c, , d c ce, ali ed di , . al , f 壽光市懋隆廢舊金屬回收有限公司 (Sh, r g a g Ma, l, g Old Me al Rec cle C, ., L d.) a d 文登市寶隆再生資源有限公司 (We, de, g Ba, l, g Rec clable Re , r ce C, ., L d.), b, h . r b idia ie , f he C, a, , b li i ida i, , a, d de egi a i, , (A, , , r ce e, , r be 2019-029).

O, 24 Dece be 2019, he C, a, ece i ed a , ice , f de egi a i, , a , . al f , he Ad i, i a i e E a i, a i, , a, d A , . al Se . ice B ea r , de he Ad i, i a i, , f, Ma ke Reg la i, , , f We, de, g Di ic , f Weihai Ci , , , if i, g c, le i, , , f he ela ed de egi a i, , , ced e f, We, de, g Ba, l, g. O, 18 Feb a 2020, he C, a, ece i ed a , ice f , he Ad i, i a i e E a i, a i, , a, d A , . al Se . ice B ea r , f Sh, r g a, g Ci , ega di, g he g a, , f de egi a i, , a , . al a, d , , if i, g ha he de egi a i, , , ced e f, Ma, l, g Rec cle e e c, le ed (A, , , r ce e, , r be 2019-033 a, d 2020-002).

The ab, . e , . r b idia ie a e , , l, ge i, cl ded i, he c, , . , lida i, , . c, e d i, g he e , i, g e i, d.

(7) Information related to signi□cant change or adjustment of the Company's business, product or service during the reporting period

☐ A licable N, a licable

(8) Information on major customers and major suppliers

Information on the major customers of the Company

Total sales from the top five customers (RMB)	1,178,769,045.03
Percentage of total sales from the top five customers to the total sales of the year	39.16%
Percentage of total sales from connected parties in the top five customers to the total sales of the year	0.00%

Information on the Company's top 5 customers

No.	Name of customer	Sales amount (RMB)	Percentage to the annual total sales amount
1	Entity 1	308,537,099.03	10.25%
2	Entity 2	286,915,574.10	9.53%
3	Entity 3	230,067,750.90	7.64%
4	Entity 4	185,920,768.90	6.18%
5	Entity 5	167,327,852.10	5.56%
Total		1,178,769,045.03	39.16%

Particulars of the major customers

☐ Applicable N/A

Information on the major suppliers of the Company

Total purchase amount from the top five suppliers (RMB)	808,455,784.72
Percentage of total purchase amount from the top five suppliers to the total purchase amount of the year	32.57%
Percentage of total purchase amount from connected parties in the top five suppliers to the total purchase amount of the year	0.00%

Information on the Company's top 5 suppliers

No.	Name of the supplier	Purchases amount (RMB)	Percentage to the annual total purchase amount
1	E, i 1	248,002,143.15	9.99%
2	E, i 2	235,887,382.86	9.50%
3	E, i 3	118,793,196.19	4.79%
4	E, i 4	115,479,637.84	4.65%
5	E, i 5	90,293,424.68	3.64%
T, al		808,455,784.72	32.57%

Pa iɑ l'a . , f he aj, . ı ' lie .

☐ A licable N, a licable

3. Expenses

U, i : RMB

	2020	2019	Year-on-year increase/ decrease	Description of signi□cant change
Selli, g e e, . e	**14,948,332.92**	84,340,449.53	82.28%	Dı 'i, g he e , i, g e i, d, he . ale , f , dı c . i, he , il eld a ke decli, ed, e ı l'i, g i, a ea -, , - ea dec ea e i, he C, a, ' f eigh ; he C, a, i, cl ded he f eigh a, d i cella, e, ı . ' e e, . e i, ɑ ' ed bef, e a, . fe i, g he c, , , l igh , f , dı c . , he bı 'e i, , e a i, g c, . . i, acc, da, ce i h he e, e, ı e . a, da d i, he ɑ ' e, e i, d, hich e ı l'ed i, a la ge ea -, , - ea dec ea e i, . elli, g e e, . e .
Ad i, i a i, e e e, . e	**194,470,836.86**	193,606,016.95	0.45%	N, . ig, i ca, cha, ge
Fi, a, ce e e, . e	**159,212,583.52**	146,326,178.28	8.81%	N, . ig, i ca, cha, ge
Re ea ch a, d de. el, e, e e, di ı 'e	**52,542,810.96**	63,830,329.90	17.68%	N, . ig, i ca, cha, ge

IV. Di ɑ . ˈ i, ˌ a ˌ d A ˌ al . i , f O e a i, ˌ .

4. Investments in research and development

A licable ☐ N, A licable

The G , ɪ ˈ ˈ aj, e ea ch a ˌ d de. el, e ˌ , jec . ela ed , ɪ ˈbi ˌ g a ˌ d ca. i ˌ g , f diffe e ˌ , del. a ˌ d a e ial .

Wi h efe e ˌ ce , he ˌ a ɪ ˈe , f e e ˌ di ɪ ˈe. a ˌ d he he he ɪ ˈl i a e f, a i, ˌ , f i ˌ a ˌ gible a . e i. i h g ea ɪ ˌ ˈce ai ˌ e e ˌ di ɪ ˈe , ˌ e ea ch a ˌ d de. el, e ˌ , f he G , ɪ ˈ i. di. ided i ˌ , e e ˌ di ɪ ˈe , ˌ he e ea ch ha e a ˌ d e e ˌ di ɪ ˈe , ˌ he de. el, e ˌ ha e.

F , ea l i ˌ . e iga i, ˌ . , he a lica i, ˌ . af e a ɪ ˈi , he ˌ e , dɪ ˈc R&D , jec . , f he G , ɪ ˈ . hall ɪ ˌ ˈde g, he , ha e , f e ea ch a ˌ d de. el, e ˌ : he ha e , f e ea ch i ˌ cl ˈde . ɪ ˈch . age a i ˌ . e iga i, ˌ , . ɪ ˈb. a ˌ ia i, ˌ , he i ˌ i ia i, ˌ a ˌ d a ˌ . al , f a ˌ ˌ ɪ ˈal ˌ e , dɪ ˈc R&D la ˌ . , ea l e ea che (i ˌ cl ˈdi ˌ g f, ɪ ˈla de. ig ˌ , , ce . de. ig ˌ , e ˈ i ˈ e ˌ . elec i, ˌ , f, ɪ ˈla i, ˌ , f ech ˌ ical . a ˌ da d. , e c.), he e a a i, ˌ a ˌ d a ˌ . al , f , ˌ hl ˌ e , dɪ ˈc R&D la ˌ . a ˌ d . , , ˌ , a , ˌ g hich he c, le i, ˌ , f a ˌ . al , f , ˌ hl ˌ e , dɪ ˈc R&D la ˌ . . b, li e he e ˌ d , f he ha e , f e ea ch f, a ˌ e , dɪ ˈc . The ha e , f de. el, e ˌ i ˌ cl ˈde . eci call . ɪ ˈch . age a ial , dɪ ˈc i, ˌ , f he ˌ e , dɪ ˈc , , jec acce a ˌ ce, e c., he la e , f hich . b, li e he e ˌ d , f he ha e , f de. el, e ˌ f, a ˌ e , dɪ ˈc .

S a i e , f he ha e , f de. el, e ˌ : he , i ˌ he ˌ he a ˌ . al , f , ˌ hl ˌ e , dɪ ˈc R&D la ˌ . i. c, le ed, he ea l e ea che a e c, le ed a ˌ d he f, ɪ ˈla, , dɪ ˈc i, ˌ , ce . a ˌ d ech ˌ ical . a ˌ da d. f, he , dɪ ˈc a e ˌ ali ed.

E e ˌ di ɪ ˈe , ˌ he e ea ch ha e i. ec, g ˌ i ed i ˌ , . . , l, . . e i ˌ he ɑ ˈ e ˌ e i, d i ˌ hich i i. i ˌ ɑ ˈ ed.

E e ˌ di ɪ ˈe , ˌ he de. el, e ˌ ha e i. ec, g ˌ i ed a a ˌ i ˌ a ˌ gible a . e he ˌ all , f he f, ll, i ˌ g c, ˌ di i, ˌ . a e . a i. ed:

(1) I i. ech ˌ icall fea ible , c, le e he i ˌ a ˌ gible a . e . , ha i ill be a. ailable f, ɪ . ˈe , . ale;

(2) The a ˌ age e ˌ ˈ i ˌ e ˌ i, ˌ , c, le e, ɪ . ˈe , . ell he i ˌ a ˌ gible a . e ;

(3) The G , ɪ ˈ ca ˌ de , ˌ . a e he a . i ˌ hich he i ˌ a ˌ gible a . e ill ge ˌ e a e ec, ˌ , ic be ˌ efi . ,

Research and development expenditures of the Company

	2020	2019	Pe ce, age cha, ge
N ' be , f e ea ch a, d de. el, e, e . , , , el	**327**	358	8.66%
P , , i, , , f e ea ch a, d de. el, e, e . , , , el	**11.31%**	11.15%	0.16%
A , r ' , f e ea ch a, d de. el, e, e e, di r 'e (RMB)	**53,013,350.91**	67,212,847.28	21.13%
Pe ce, age , f e ea ch a, d de. el, e, e e, di r 'e , , e a i, g e. e, r é	**1.76%**	1.53%	0.23%
A , r ' , f ca i ali. ed e ea ch a, d de. el, e, e e, di r 'e (RMB)	**8,225,125.47**	10,864,448.29	24.29%
Pe ce, age , f ca i ali. ed e ea ch a, d de. el, e, e e, di r 'e , e ea ch a, d de. el, e, e e, di r 'e	**15.52%**	16.16%	0.64%

Rea , , f, . ig, i ca, cha, ge i, he , , i, , , f , al e ea ch a, d de. el, e, e e, di r 'e , , e a i, g e. e, r é he, c, a ed i h la ea

☐ A licable N, A licable

Rea , , a, d a i, , ali e lai, f, . ig, i ca, cha, ge i, ca i ali. ed e ea ch a, d de. el, e, e e, di r 'e a e

☐ A licable N, A licable

5. Cash ☐ows

U, i : RMB

Item	2020	2019	Yea -, , - ea i, c ea e/dec ea e
S r b , al , f ca h i, , . f , , e a i, g ac. i. i ie	**3,404,156,862.00**	4,795,671,135.13	29.02%
S r b , al , f ca h , r ' , . f , , e a i, g ac. i. i ie	**3,197,255,683.94**	4,107,317,717.05	22.16%
Ne ca h , . ge, e a ed f , , e a i, g ac. i. i ie	**206,901,178.06**	688,353,418.08	69.94%
S r b , al , f ca h i, , . f , i, . e i, g ac. i. i ie	**359,686,419.62**	118,365,023.70	203.88%
S r b , al , f ca h , r ' , . f , i, . e i, g ac. i. i ie	**45,411,071.25**	77,287,258.35	41.24%
Ne ca h , . ge, e a ed f , i, . e i, g ac. i. i ie	**314,275,348.37**	41,077,765.35	665.07%
S r b , al , f ca h i, , . f , , a, ci, g ac. i. i ie	**2,852,941,196.24**	3,178,031,000.00	10.23%
S r b , al , f ca h , r ' , . f , , a, ci, g ac. i. i ie	**3,159,078,404.30**	3,995,278,611.23	20.93%
Ne ca h , ge, e a ed f , , a, ci, g ac. i. i ie	**(306,137,208.06)**	(817,247,611.23)	62.54%
Ne i, c ea e i, ca h a, d ca h e i. i ale, .	**203,732,360.30**	(82,667,646.02)	346.45%

IV. Di. ɑ . ! i, , a, d A, al . i , f O e a i, , .

E la, a i, , . , , ai, effec . , f . ig, i ca, cha, ge. i, ela ed da a , . e he . a e e i, d , f la ea

A licable ☐ N, A licable

(1) Ne ca h , . ge, e a ed f , , e a i, g ac_i. i ie. dec ea ed b 69.94% c, a ed i h he . a e e i, d , f la ea , ai, l a ib ʼable , he i ac , f he a, de ic dʼi, g he ɑ ʼe, e i, d ʼ, de hich i, e , a i, , al c ʼde , il ice. ʼc ʼ a ed . ig, i ca, l a, d he de a, d , f d, e. ic a, d , . e . ea , il eld. eake, ed, e ʼ l ʼi, g he dec ea e i, he C, a, ʼ. , e a i, g e. e, ʼ e.

(2) Ne ca h , . ge, e a ed f , i, . e i, g ac_i. i ie. i, c ea ed b 665.07% c, a ed i h he . a e e i, d , f la ea , ai, l a ib ʼable , he ca h ece_i. ed f , di. , . al , f a , f he a . e . i, he ɑ ʼe, e i, d.

(3) Ne ca h , . ge, e a ed f , , a, ci, g ac_i. i ie. i, c ea ed b 62.54 % c, a ed i h he . a e e i, d , f la ea , ai, l a ib ʼable , he dec ea e i, ca h aid f, deb . i, he ɑ ʼe, e i, d.

E la, a i, , , , ai, ea , , . f, he a e ial diffe e, ce be ee, , e ca h , . f , , e a i, g ac_i. i ie. dʼi, g he e , i, g e i, d a, d , e , f, he ea

A licable ☐ N, A licable

Dʼi, g he e , i, g e i, d, he C, a, ʼ. , e ca. h fl, . ge, e a ed f , , e a i, g ac_i. i ie. a. a e iall diffe e, f , i . , e , , he ea , , . , f hich a ai, l dʼe , he c, bi, ed effec . , f he gai, . , , di. , . al a . e . b he C, a, dʼi, g he e , i, g e i, d a, d de ecia i, , , f fi ed a . e . , a , i. a i, , , f i, a, gible a . e . , he ela_i. el . ig, ifica, a , ʼ , f fi, a, ce e e, . e. a, d dec ea e i, i, . e, , ie. dʼi, g he e , i, g e i, d.

III. Analysis of non-principal businesses

A licable ☐ N, A licable

U, i : RMB

	Amount	Percentage of total pro□t	Reason(s) for the incurrence	Is it recurring
I, . e e, i, c, e	(39,767.09)	0.23%	Mai, l a ib ˈable , he l, . . , f a . , cia e .	N,
I ai e, , f a . e .	(1,047,770.83)	5.98%	Mai, l a ib ˈable , he , . i i, , . f, i ai e, , f i, . e, , ie acc, di, g , he ASBE.	N,
N, , -, e a i, g i, c, e	7,928,370.13	45.23%	Mai, l a ib ˈable , he i, c, e , , c, e, . a i, , . , f clai . f, defa l ˈ i, he ɑ ˈ e, e i, d.	N,
N, , -, e a i, g e e, . e	28,574,721.15	163.02%	Mai, l a ib ˈable , he , . i i, , f, c, e, . a i, , . f, clai . ela ed , i, . e , . ' li iga i, , i, he ɑ ˈ e, e i, d.	N,
C edi i ai e,	1,142,033.60	6.52%	Mai, l a ib ˈable , he , . i i, , . f, i ai e, , f acc, ı ˈ . ecei, able, bill ecei, able, l, a, . a, d ad, a, ce a, d , he a . e . ı ˈ . ı a, , he e i ˈ i e e, . , f he ASBE .	N,
O he gai, .	17,770,915.00	101.38%	Mai, l a ib ˈable , he C, a, ˈ ecei . , f g, . e , e, . ı b idie f, e, e i e .	N,
Gai, , , di , . al , f a . e .	353,358,239.23	2,015.90%	Mai, l a ib ˈable , he gai, . , , di , . al , f a . e . b he C, a, i, he ɑ ˈ e, e i, d.	N,

IV. Analysis of assets and liabilities

1. Significant changes in the composition of assets

The Company implemented the new revenue standard and adjusted the relevant items of the financial statements at the beginning of the year

Not applicable

Unit: RMB

	As at the end of 2020		As at the end of 2019		Increase/decrease percentage	Description of significant changes
	Amount	Percentage to total assets	Amount	Percentage to total assets		
Monetary funds	759,979,803.03	14.68%	539,942,128.18	9.41%	5.27%	Mainly due to the increase in funds collected from the issuance of shares to specific investors
Accounts receivable	287,920,595.28	5.56%	507,559,024.95	8.85%	3.29%	Mainly due to the decline in the Company's operating revenue
Inventories	787,377,614.78	15.21%	934,907,320.58	16.30%	1.09%	Mainly due to the sale of finished goods
Long-term equity investments	2,314,697.29	0.04%	2,557,061.01	0.04%	0.00%	No significant change.
Fixed assets	2,493,577,016.35	48.18%	2,726,157,716.13	47.53%	0.65%	Mainly due to depreciation of fixed assets
Construction in progress	7,620,542.62	0.15%	55,034,853.27	0.96%	0.81%	Mainly because the Company's construction projects entered the acceptance and settlement stage
Short-term borrowings	2,054,225,378.29	39.69%	1,929,510,883.39	33.64%	6.05%	No significant change.
Long-term borrowings	114,063,150.53	2.20%	0.00	0.00%	2.20%	Mainly due to the increase in long-term borrowings from the beginning of the period
Bills payable	164,945,170.51	3.19%	257,635,279.11	4.49%	1.30%	Mainly due to the decline in the Company's operating revenue and the corresponding decline in bills payable
Financing receivables	33,575,777.00	0.65%	96,155,523.75	1.68%	1.03%	Mainly due to the decline in the Company's operating revenue and the corresponding decline in bills payable
Other payables	156,486,818.72	3.02%	29,289,226.01	0.51%	2.51%	Mainly due to the additional withholding of the Company's employees' personal income tax and social insurance premiums
Long-term deferred income	951,005.30	0.02%	17,046,915.97	0.30%	0.28%	Mainly due to the recognition of government subsidy income in the current period
Prepayments	24,755,942.84	0.48%	41,184,464.45	0.72%	0.24%	Mainly due to the decrease in prepayments for materials
Other receivables	21,904,932.90	0.42%	35,206,341.97	0.61%	0.19%	Mainly due to the decrease in value-added tax deductible
Intangible assets	393,688,845.70	7.61%	443,223,548.01	7.73%	0.12%	Mainly due to the amortization of land use rights
Accounts payable	648,352,428.48	12.53%	924,020,613.80	16.11%	3.58%	Mainly due to the reduction in accounts payable as the Company reduced the scale of procurement
Bills payable	121,472,511.10	2.35%	281,588,603.88	4.91%	2.56%	Mainly due to the reduction in bills payable as the Company reduced the scale of procurement
Taxes payable	27,192,105.60	0.53%	13,393,461.51	0.23%	0.30%	Mainly due to the increase in income tax payable at the end of the period
Contract liabilities	83,749,468.02	1.62%	32,463,654.22	0.57%	1.05%	Mainly due to the increase in customer deposits received in advance at the end of the period
Non-current liabilities due within one year	139,784,923.46	2.70%	482,636,906.78	8.41%	5.71%	Mainly due to the reclassification of long-term borrowings due within one year at the end of the period

2. Assets and liabilities measured at fair value

A licable ☐ N, A licable

Item	Beginning amounts	Gains and losses from changes in fair value for the current period	Cumulative changes in fair value included in equity	Provision for impairment for the current period	Purchase amount for the current period	Selling amount for the current period	Other changes	Closing amounts
Fi, a, cial a . e .								
Fi, a, ci, g ecei, able	96,155,523.75	0.00	0.00	0.00	0.00	0.00	(62,579,746.75)	33,575,777.00
T, al , f he ab, . e	96,155,523.75	0.00	0.00	0.00	0.00	0.00	(62,579,746.75)	33,575,777.00
Fi, a, cial liabili ie	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

O he cha, ge

O he cha, ge i, he , a, ci, g ecei, able a e he , e a , r , ' , f , e a, d d r e , e, d, . ed ba, k acce a, ce bill d r ' i, g he ɑ ' e, e i, d.

D r ' i, g he e , i, g e i, d, he he he ea r ' e e, a ib r ' e , f he C, a, ' ai, a . e . ha, e cha, ged . ig, i ca, l

☐ Ye N,

3. Restrictions on asset rights as at the end of the reporting period

Item	Book value at the end of the year	Reason(s) for the restriction
M, , e a fr , ' d	**249,576,453.10**	Seɑ ' i de , . i .
M, , e a fr , ' d	**326,106.55**	F ee-e f, li iga i, ,
Bill ecei, able	**117,520,033.97**	Pledge , f bill
Fi, a, ci, g ecei, able	**8,000,000.00**	Pledge , f bill
Acc, r , ' . ecei, able	**29,368,652.94**	Fac , i, g , a, ci, g , f acc, r , ' . ecei, able
Fi ed a . e .	**230,351,714.63**	Pledge f, b, , i, g
I, a, gible a . e .	**158,156,941.10**	Pledge f, b, , i, g
Total	**793,299,902.29**	

V. Analysis of investments

1. General

☐ Applicable N/A Applicable

2. Significant equity investments acquired during the reporting period

☐ Applicable N/A Applicable

3. Significant non-equity investments in progress during the reporting period

☐ Applicable N/A Applicable

4. Investments in financial assets

(1) Investments in securities

☐ Applicable N/A Applicable

The Company did not hold any equity investments during the reporting period.

(2) Investments in derivatives

☐ Applicable N/A Applicable

The Company did not hold any derivative investments during the reporting period.

5. Use of raised funds

☐ Applicable N/A Applicable

The Company had no use of raised funds during the reporting period.

VI. Material disposals of assets and equity interests

1. Disposal of significant assets

Applicable ☐ Not Applicable

Counterparty	Assets disposed	Disposal date	Transaction price (RMB ten thousand)	The net profit contributed by the asset to the listed company from the beginning of the current period to the date of disposal (RMB ten thousand)	Impact on the Company	The proportion of the net profit contributed by the asset disposal to the total net profit of the listed company	Pricing principle for the asset disposal	Whether it is a related transaction	Related relationship with the counterparty (applicable to related transaction)	Whether the property rights of the assets involved have all been transferred	Whether all the credits and debts involved have been transferred	Whether it is implemented as planned and on schedule, if not, the reasons and the measures the Company has taken	Disclosure date	Disclosure index
Shandong Shuguang Vegetable Wholesale Market Co., Ltd. (山東壽光蔬菜批發市場有限公司)	Partial equity	17 December 2020	50,280.8	35,329.08	Implementing the Company's strategic adjustment and industrial upgrading plan, and improving the Company's asset quality and profitability. The annualized net profit of RMB353 million will no longer be included in the Company's consolidated financial statements. The annualized net profit is calculated based on the net profit of the subsidiary in 2020.	1,097.91%	Pricing based on appraised value	No	No	Yes	Yes	Yes	19 November 2020	http://cninf.cninf.com

2. Disposal of material equity interests

☐ Applicable Not Applicable

VII. Analysis of major controlled and invested companies

Applicable ☐ Not Applicable

Major subsidiaries and investees affecting the Company's net profit by more than 10% of the Company's net profit

Unit: RMB

Name of company	Type of company	Principal businesses	Registered Capital (RMB ten thousand)	Total assets	Net assets	Operating revenue	Operating profit	Net Profit
Shandong Bailing	Subsidiary	Production and sale of milk powder products	15,000	792,230,697.97	(107,200,226.40)	1,686,441,547.74	(65,813,774.70)	(66,556,791.93)
Weihai Bailing	Subsidiary	Manufacturing and sale of special medical purpose formula food	2,600	174,779,556.39	111,184,057.85	286,165,122.64	(35,499,844.62)	(36,267,922.21)
Shandong Mailing	Subsidiary	Research, formulation and production of special medical purpose formula food; production and sale of milk powder products; medical nursing and rehabilitation; elderly care services	71,238	1,450,829,719.56	348,358,964.32	1,419,210,306.59	(73,846,277.96)	(67,296,831.88)

Ac í i' i i, , . a, d di , . al , f . r b. idia ie. d' i, g he e , i, g e i, d

A licable ☐ N, A licable

Name of company	Method of acquisition and disposal of the subsidiary during the reporting period	Impact on overall production, operation and results
Sh, r g' a, g Ma, l, , g Old Me al Rec cle C, ., L d.	De egi a i, ,	N, i ac

Information on major controlled and invested companies

O, 29 Oc , be 2019, he f h ee i, g , f he . i h . e . i, , , f he b, a d , f di ec , . , f he C, a, c, . ide ed a, d a . ed a Re . , l' i, , , he De egi a i, , , f a Wh, ll -, , ed S' b. idia (

According to the World Energy Outlook (2020 edition), fossil energy will continue to hold the global energy structure dominant position during the long-term period from now to 2040, and the demand for oil and natural gas will still grow to a certain extent. The International Energy Agency indicated that, oil and gas will remain the mainstay of the global energy consumption structure. Nevertheless, the energy industry will undergo profound changes. The Chinese government proposed to achieve the peak of carbon dioxide emissions and carbon neutrality. New Energy indicated that, oil and gas will remain the mainstay of the energy consumption structure, but the energy industry will undergo profound changes. The Company will continue to implement the development strategy of "Focusing on Oil and Gas, Developing Clean Energy", and the China National Petroleum Corporation (CNPC) and China National Offshore Oil Corporation (CNOOC) will further deepen the Strategic Cooperation Agreement, and the Company will continue to consolidate and expand the oil and gas exploration and development business, and actively develop clean energy business. By 2025, the Company's annual oil and gas equity production is expected to reach 65 million barrels of oil equivalent.

In addition, the Company has completed the acquisition of the remaining 49% equity interest in Penglai 19-9 Oilfield, Penglai 19-3 Oilfield and Penglai 19-9 Oilfield Development Project, and the Company will continue to consolidate and expand the oil and gas exploration and development business, and actively develop clean energy business. With the acceleration of the development of oil and gas exploration and development business, the Company will further increase the investment in oil and gas exploration and development business, and actively develop clean energy business. It will continue to promote the implementation of the annual production target.

(II) Business plans of the Company for 2021:

In 2021, Shandong Molong will adhere to the general principle of making progress while maintaining stability, and will focus on the main business of oil and gas development, with the goal of building a high-quality oil and gas development company with international competitiveness. The Company will implement the development strategy of "Focusing on Oil and Gas, Developing Clean Energy", and will accelerate the development of high-quality oil and gas development projects, and will actively promote the development of clean energy projects, and will continuously improve the technological innovation capability, and will actively promote the implementation of the annual production target, and will continuously improve the safety and environmental protection management, and will actively promote the implementation of the annual production target.

1. Optimise the corporate governance and facilitate the standardised operation

Shandong Molong will further improve the corporate governance structure according to the requirements of the laws, regulations and regulatory documents, and will further improve the effectiveness of the corporate governance, and will further improve the corporate governance system, and will further improve the decision-making, supervision and incentive mechanism, and will further improve the corporate governance structure, and will further improve the corporate governance system, and will further improve the corporate governance structure, and will further improve the corporate governance system, and will further improve the corporate governance structure, and will further improve the corporate governance system

3.

(III) Major risk factors for future development strategy and business goals of the Company:

(1) Market risk

The C, a , e a e i he e e g e í i e a r fac r i g i di . hich i di ec l ele a , he de el e a d , . e i , f he e e g i di . The r c r à i , . , f c r de , il ice a e affec ed b gl bal ec , ic g , h a e, egi , al, , li ical, , a cial, . r l a d de a d a d a , he fac , . , a d ha e . , g c clicali a d . , la ili . A he i e he , il ice a e l , , il a d ga c a ie ill ed c ce ca i al e e di r e acc di gl , ake le . i , e e i e l a i , a d de el e a d ha e l e de a d f e í i e a d . e . ice i he , il a d ga i di . The C, a ill adj . , d c . r c r e a d a ke . e i g i a i el a , e acc di g , a ke cha ge .

(2) Raw material price □uctuation risk

A r c r à i , . i a a e ial ice ill di ec l affec he a r fac r i g c . . , f , d c . a d ill, i r , ha e di ec i ac , , d c ice . The C, a ill cl . el , i , if he e i a r c r à i , i

V. Di ec , . ' Re ,

Sustainability Initiatives

The G , r l ha bee, c, i ed , c, , ibr l i, g , he . r . l ai, abili , f he e, . i , e, a, d ai, ai, i, g a high . a, da d , f c, , a e g, . e , a, ce e . e, ial f, c ea i, g a f a e , k f, , i. a i, g . aff a, d , i, g . r . l ai, able ela i, , . hi . i h o . l , e . , . r l lie . , . e . ice, . e, d, . , eg lla , . a, d . ha eh, lde . , a, d c, , ibr le , he c, r , i i, hich e c, , dr c , r l br . l i, e . e f, c ea i, g a . r . l ai, able e r l , , he G , r l . The G , r l ha i le e, ed e, e g . a. i, g ac ice i, , f ce a, d b a, ch e i e he e a licable.

The G , r l ha c, lia, ce a, d i k a, age e, , licie a, d , ced le i, lace, a, d e be . , f he . e, i, a, age e, a e delega ed i h he c, , i, r i, g e , , . ibili , , , i , adhe e, ce a, d c, lia, ce i h all . ig, i ca, legal a, d eg lla , e f i le e, . . The e , licie a, d , ced le a e e. ie ed eg lla l . A fa a he C, a, i a a e, i ha c, lied i, a e ial a ec . i h he ele. a, la . a, d eg lla i, , . ha ha. e a . ig, i ca, i ac . , he br . l i, e . a, d , e a i, , , f he C, a, a, d i . . r b idia ie .

Financial Review

Dr l i, g he e , i, g e i, d, he C, a, achie. ed , e a i, g e. e, r e , f RMB3.010 billi, , , e e. e, i, g a decli, e , f 31.42% ea -, , - ea . Ne , a ibr lable , . ha eh, lde . , f he li ed c, a, a , r l ed , RMB32.179 illi, , , e e e, i, g a, i, c ea e , f RMB228.488 illi, , c, a ed , RMB-196.309 illi, , i, he . a e e i, d , f la ea . Ba ic ea , i, g e . ha e a RMB0.04 e . ha e, e e. e, i, g a, i, c ea e , f RMB0.29 e . ha e c, a ed , RMB-0.25 e . ha e i, he . a e e i, d , f la ea . The G , r l '. , a, cial e. ie f, he ea e, ded 31 Dece be 2020 i . e , r l i, he Fi, a, cial S a e e, . . ec i, , , f hi a, , r al e , .

Property, Plant and Equipment

De ail . , f cha, ge i, he , e , la, a, d e í i l e, , f he G , r l f, 2020 a e . e , r l i, he Fi, a, cial S a e e, . . ec i, , , f hi e , .

Long-term Equity Investments and Fixed Assets

De ail . , f l, , g- e e í i l i, . e e, . a, d ed a . e . , f he C, a, a e . e , r l i, he Fi, a, cial S a e e, . . ec i, , , f hi e , , e ec. i. el .

Share Capital and Share Options

The . . e e, . i, he C, a, ' a h, i ed a, d i . r ed . ha e dr l i, g he Yea a e . e , r l i, he Cha, ge i, Sha e a, d Sha eh, lde . . ec i, , a, d he Fi, a, cial S a e e, . . ec i, , , f hi e , .

Dr l i, g he Yea , he C, a, did , . , e a e a, . ha e , i, , . che e.

Pre-emptive Rights

The e i , , . i i, , f, e-e i e igh . r l de he A icle , he la . , f he PRC hich , r ld , blige he C, a, , , ffe , e . ha e . , , a , a a ba i , e i i, g Sha eh, lde . .

Repurchase, Sale or Redemption of Securities

N. , e , f he C, a , a , f i. .r b idia ie ha e r cha ed, . , ld , edee ed a li ed . eo i ie , f he G , r a , f 2020.

Reserves and Distributable Reserves

De ail , f cha ge i he e e . e a d di ib able e e . e , f he G , r f, 2020 a e . e , r i he U di ib ed P , . .r b ec i , f , e (VII) , he Fi a cial S a e e , .

Major Customers and Suppliers

D i g he ea r de e ie , . ale , he G , r ' . e la ge o . , e . acc, r ed f, a , i a el 39.16 % , f he G , r ' , al . ale f, he Yea . Of hich, . ale , he la ge o . , e acc, r ed f, a , i a el 10.25% , f he G , r ' , al . ale .

P cha e f, he G , r ' . e la ge . r lie . acc, r ed f, a , i a el 32.57 % , f he G , r ' , al r cha e f, he Yea . Of hich, r cha e f, he la ge . r lie acc, r ed f, a , i a el 9.99% , f he G , r ' , al r cha e .

T, he be k , ledge , f he Di ec , . , , e , f he Di ec , . , a , f hei cl, . e a . , cia e , , a e i i g . ha eh, lde . (h, , , e ha 5% , f he C, a ' i . r ed . ha e ca i al), had a i e e i he G , r ' . e la ge o . , e . , . r lie . .

Environmental, Social and Governance Report and Social responsibility

The e . i , e al , ec i , licie ad, ed b he G , r a d he fi l ll e , f . , cial e , . ibili ie a e . e , r i he S, cial Re , . ibili Re , , f he Ma e ial Ma e . . ec i , , f hi a , r al e , . The e . i , e al, . , cial a d g . e a ce e , e i ed b he H, g K, g li i g r le ill be r bli hed . e a a el b he C, a bef, e 29 J e 2021.

Employees

De ail , f e l, ee a d e r e a i , lic , f he G , r a e . e , r i he . ec i , head Di ec , . , S r e . i , . , Se i, Ma age e a d E l, ee , f hi a , r al e , .

Donations

The C, a aid g ea a e i , he c ea i , f . , cial . al é a d laced , r f, o . , f fi l lli g . , cial e , . ibili , ac i el a ici a i g i . , cial . e . ice . We ha e . a ed , eff, , j, i . , cial . e . ice a d cha i ac i, i ie a d , ga i e r e , r . d, a i, . i h a . ie , e a di g he . , cie i hi , r ca aci . D i g he Yea , he G , r ' . e a , i a el RMB16.5 e h, r a d , cha i able d, a i, . a d a cial a . i a ce , . aff i , eed.

V. Di ec , . ' Re ,

Directors

The e i i g Di ec , . d i g he Yea a d , he da e , f hi a , r l e , e e:

Executive Directors:

M . Ya g Yi L g
M . Yi a Ri i
M . Li Mi
M . Li Zhi Xi

Non-executive Directors:

M . Ya, Y, r Li g
M . Wa g Q a H, g

Independent non-executive Directors:

M . Ta g Qi g Bi
M . S, g Zhi Wa g
M . Cai Zh, g Jie

Supervisors:

M . Wei Zha, Qia g
M . Wa g Mi g H a
M . Li B,

The bi, g a hical de ail , f he Di ec , . a e . e , r i he . ec i, head Di ec , ., S e . i , ., Se i, Ma age e a d E l, ee , f hi a , r l e , .

Directors' and Supervisors' Service Contracts or Letters of Appointment

Each , f he Di ec , . a d S e . i , . (i cl di g he i de e de , . , -e ec i e Di ec , . a d he S e . i , .) ha e e ed i , a . e . ice c, ac , le e , f a , i e i h he C, a , e ec i el . N, e , f he Di ec , . , S e . i , . ha e e ed i , a . e . ice c, ac . i h he C, a hich i , de e i able b he C, a i hi , e ea i h, r a e c e . a i, , , he ha . a r , c e . a i, .

Remuneration of the Directors and Supervisors and Five Highest Paid Individuals

F, he i f, a i, , , he e r e a i, , f he Di ec , ., S e . i , . a d . e highe aid i di id al , f he C, a i 2020, lea e efe , C, e . a i, , f Ke Ma age e Pe . , el i he Fi a cial S a e e . . ec i, , f hi e , .

Directors' and Supervisors' Rights to Acquire Shares or Debentures

N, e , f he Di ec , . , S l e . i , . , hei e ec i e a . , cia e (a de ed l de he R le 1.01 , f he Li i g R le) a g a ed b he C, a , i . . b idia ie a igh . , ac i'e a . ha e i , debe e , f he C, a , had e e ci ed a . ch igh . i 2020.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

A a 31 Dece be 2020, , he be k , ledge , f he Di ec , . , S l e . i , . a d chief e eo i e , f he C, a , a i dica ed i he egi e , f i e e . a d/, . h, . i i , . e i'ed , be ai ai ed l a , he . i i , . , f Di i i , . 2 a d 3 , f Pa XV , f he SFO , he egi e e i'ed , be ke l de Sec i , 336 , f SFO, he . b a ial . ha eh, lde . a d , he e . , . had he f, ll, i g i e e . a d/, . h, . i i , . i he Sha e , l de l i g Sha e , f he C, a a f, ll, . :

Long positions in the shares of the Company

Name	Type of interest	Number of A shares	Percentage of A shares

V. Di ec , . ' Re ,

T, .r l , he , e a i, , a, d de. el, e , f he C, a, a, d edr ce he fi, a, ce c, . . , Sha, d, , g Sh, r gr a, g Ji, i, l. e e, De. el, e, H, ldi, g. G , r l Li i ed, he c, , lli, g. ha eh, lde , f he C, a, , . . ided , a, cial . r l , , f , , e ha, RMB350 illi, , , he C, a, af e he a , . al a he f h e a, di, a ee i, g , f he . i h . e . i, , , f he B, a d , f he C, a, a, d he 2020 fi . e a, di, a ge, e al ee i, g i h efe e, ce , he a ke i, e e a e. The C, a, i , , e í i l ed , , . ide a, f, , f . eo l i . r ch a gr a, ee , , gage a, d ledge f, he , a, cial . r l , , .

E ce f, he ab, . e a e . , he C, a, ha , , , he ela ed a, . ac i, , . , a, d , , e , f he ela ed a a, . ac i, , . di cl, . ed i, he Fi, a, cial S a e e, . , f hi e , c, , i r le a ela ed a, . ac i, , ha , eed , be di cl, . ed a de , ed b he Li i, g R, lle . The C, a, c, , ed ha i ha c, lied i h he di cl, . r le e í i l e e, . , f Cha e 14A , f he Li i, g R, lle .

Competition and Conflict of Interests

N, , e , f he Di ec , . , he a, age e, . ha eh, lde . , . r b a, ial . ha eh, lde . , f he C, a, , a, , f hei e ec, i e a . , cia e ha e, gaged i, a, b r . l i, e . e (a de , ed i, he Li i, g R, lle) ha c, e e , a c, e e, ei he di ec l , i, di ec l , i h he b r . l i, e . , f he G , r l , , ha a, , he c, , ic , f i, e e . i h he G , r l d r l i, g he Yea .

Corporate Governance

De ail , f c, , a e g, . e , a, ce , f he C, a, a e . e , r l i, he C, , a e G, . e , a, ce . ec i, , f hi e , .

Sufficiency of Public Float

The C, a, ha ai, ai, ed a . r f cie, r blic , a h , r gh, r l he ea e, ded 31 Dece be 2020. T, he be k, , ledge , f he Di ec , . , he C, a, ha fi l' lled he r blic , a e í i' e e, . r , de R, le 8.08 , f he Li i, g R, le .

Closure of Register of Members

The egi e , f e be . , f he C, a, ill be cl, . ed f , M, , da , 17 Ma 2021 , F ida , 21 Ma 2021, b, h da . i, cl . i. e, d r i, g hich e i, d , , a, . fe , f . ha e ill be egi e ed. l , de , be eligible , a e, d a, d . , e a he a , , r al ge, e al ee i, g, all a, . fe . r . l be l, dged i h he C, a, ' . ha e egi a , T ic, l, . e , Se, ice Li i ed a Le, el 22, H, e ell Ce, e, 183 Q ee, ' R, ad Ea , H, g K, g , la e ha, 4:30 . . , F ida , 14 Ma 2021.

Auditors

The C, a, ha a , i, ed Shi, eWi, g Ce i ed Pr blic Acc, r l a, . a he a r di , , f he C, a, . Shi, eWi, g Ce i ed Pr blic Acc, r l a, . ill e i e a, d a e , h i, , f, i . e-a , i, e, a a r di , . , f he C, a, ill be , , . ed a he f, hc, i, g a , , r al ge, e al ee i, g , f he C, a, . The e ha bee, , cha ge i, he C, a, ' a r di , . i, he a h ee ea . .

Events after the Reporting Period

A di cl, . ed i, he C, a, ' a, , . , ce e, da ed 23 Feb , a 2021, M . Zha, g E, R, g a, d Sh, , g a, g M, l, , g H, ldi, g C, ., L d. (a di ec h, ll -, , ed . , b. idia , f Sha, d, , g Sh, , g a, g Ji, i, l, . e e, De. el, e, H, ldi, g G , , ' Li i ed (Sh, , g a, g Ji, i,), M, l, , g H, ldi, g) e, e ed i, , a, Sha e Ta, . fe Ag ee e, , , 23 Feb , a 2021, , ' , a, , hich M . Zha, g E, R, , g a, . fe ed 235,617,000 A . ha e , f he C, a, (he Ta ge Sha e) , M, l, , g H, ldi, g. a, d M, l, , g H, ldi, g. ag eed , ece, e he Ta ge Sha e acc, di, g , he e . a, d c, , di i, , . . i , la ed i, he Sha e Ta, . fe Ag ee e, (Sha e Ta, . fe). The c, , . ide a i, , f, he Sha e Ta, . fe i. RMB3.50 e A . ha e, i h a , al c, , . ide a i, , , f RMB824,659,500. O, 24 Ma ch 2021, he C, a, ece, ed he C, , a i, , , f Seo ' i ie Ta, . fe Regi a i, , i . , ed b Chi, a Seo ' i ie De , . i , a, d Clea i, g C, , a i, , Li i ed f , M, l, , g H, ldi, g. a, d a i, f, ed ha he egi a i, , f, ali ie i, ela i, , , he Sha e Ta, . fe Ag ee e, e e c, le ed , , 23 Ma ch 2021. Af e he c, le i, , , f he Sha e Ta, . fe , M, l, , g H, ldi, g. be, e ciall h, ld. 235,617,000 A . ha e . f he C, a, , e e e, i, g 29.53% , f he , al . ha e ca i al i, i . , e , f he C, a, , a, d M . Zha, g E, R, g , , l, , ge h, ld a, . ha e , f he C, a, .

Sa. e f, he ab, . e- e, i, , ed e. e, . . , b. e , e, , he bala, ce . hee da e a, d he i, f, a i, , di cl, . ed ab, . e, he G , , ' had , , , he . , b. a, ial e. e, . .

O, behalf , f he B, a d
Shandong Molong Petroleum Machinery Company Limited
Chairman
Yang Yun Long

Sha, d, , g, he PRC, 26 Ma ch 2021

I. Profit distribution for the ordinary shares of the Company and conversion of capital reserves into share

P , di ibu i , f he , di a . ha e , e eciall he f, u la i, , i le e a i, , adj . e , f ca h di ide d di i g he e , i g e i, d

☐ A licable N, a licable

The , . al , di ide d di ibu i , f , di a . ha e a d c, . e . i, , f ca i al e e . e i, , . ha e ca i al i, he a h ee ea . (he e , i g e i, d i, cl i e)

I, he a h ee ea . , he C, a, did , i le e a , . al , di ide d di ibu i , f , di a . ha e , , . al , c, . e . i, , f ca i al e e . e i, , . ha e ca i al.

Cash dividend of the ordinary shares for the last three years (the reporting period inclusive)

U, i : RMB

Year of distribution	Amount of cash dividends (including tax)	Net profit attributable to ordinary shareholders of the listed Company per consolidated statement for the year of distribution	Percentage of amount of cash dividends to net profit attributable to ordinary shareholders of the listed company per consolidated statements	Amount of cash dividends in other forms (such as repurchases of shares)	Percentage of amount cash dividends in other forms to net profit attributable to ordinary shareholders of the listed company per consolidated statements	Amount of cash dividends (including other forms)	Percentage of amount of cash dividends (including other forms) to net profit attributable to ordinary shareholders of the listed company per consolidated statements
2020	0.00	32,178,630.99	0.00%	0.00	0.00%	0.00	0.00%
2019	0.00	(196,309,267.90)	0.00%	0.00	0.00%	0.00	0.00%
2018	0.00	92,476,375.01	0.00%	0.00	0.00%	0.00	0.00%

The C, a, ge, e a ed , a, d he a e, c, a, ge, e a ed , . i, i, e di ibu able , f, , di a . ha eh, lde . di i, g he e , i g e i, d bu , ca h di ide d di ibu i, , , . al a e e, ed di i, g he e , i g e i, d

A licable ☐ N, a licable

The reason for no cash dividend distribution proposal was presented although there were positive pro□t generated by the Company and pro□ts generated by the parent company distributable for ordinary shareholders during the reporting period

D i g he e , i g e i, d, he C, a achie. ed e , . a ib le able , . ha eh, lde . , f he li ed c, a , f RMB32,178,630.99, di ib ed , . a ib able , . ha eh, lde . , f he li ed c, a , f RMB 66,030,056.80, , f hich di ib able , , f he a e c, a a , ed , RMB686,906,157.86. Al h, gh he C, a ed l, . . e i , gai . i 2020, i . ill ha he high e . e, f. h, - e deb e a e , la ge a cial e e. e a d high gea i g a i, .

The purpose and use plan of the Company's undistributed pro□ts

The e ai ed di ib ed , . , f he C, a e e ai l . ed f, . le e i g he li i idi e i ed i dail , e a i, , e . e he C, a . ead de. el, e a d l i a el , a i -e . ha eh, lde . ' i e e . .

l acc da ce i h he ele. a e i'e e . i he N, ice , Ma e . i Rela i , F he I le e i g Ca h Di ide d Di ib i , f Li ed C, a ie a d he Reg la , Gi ideli e f, Li ed C, a ie N, . 3 Ca h Di ide d , f Li ed C, a ie b Chi a Sec i ie Reg la , C, i . i, a d he ele. a . i i, . , di ib i, i, he A icle , f A . , cia i, , a d ba ed , he C, a ' , di ib i, i, ci le , f . e . i g , ea , able i . e e e . , i . e , . hile ai ai i g i . . ai able de. el, e , i h c, i i a d . abili ai ai ed f, i . , di ib i, , licie , , e . e he c, i , . , able a d heal h de. el, e , f he li ed c, a , a d be e . afeg a d he l, g- e i e e . , f all . ha eh, lde . , he C, a , ld , , . e ca h di ide d , b, . ha e , ca i ali a i, , f ca i al e e . e i 2020 af e aki g i , acc , he 2021 b . i e . la a d ca i al eed a d a . al b he e h ee i g , f he . i h . e . i, , f he B, a d , f he C, a .

II. Profit distribution and conversion of capital reserves into share capital during the reporting period

□ A licable N, a licable

The C, a ha , la , di ib e ca h b, . , , i . a ce , f b, . ha e a d , ca i al e e . e ca i ali a i, .

III. Performance of commitment

1. Undertakings made by parties involved in undertakings including the Company's bene□cial controllers, shareholders, related parties, bidders and the Company during the reporting period or prior periods but subsisting to the end of the reporting period

□ A licable N, a licable

D i g he e , i g e i, d, he e a , de aki g ade b a ie i . l, ed i de aki g i cl di g he C, a ' be e cial c, , lle . , . ha eh, lde . , ela ed a ie , bidde . a d he C, a d i g he e , i g e i, d , i e i, d. b . b. i g , he e d, f he e , i g e i, d.

2. Corporate assets or project has profit forecast, and still in the period of the pro□t forecast at reporting period. Explanation for pro□t forecast of corporate assets or project receives pro□t forecast its reasons

□ A licable N, a licable

IV. Non-operating capital of the listed company by the controlling shareholder and its related parties

□ A licable N, a licable

The e i , , , -, e a i g ca i al , f li ed c, a b c, , lli g . ha eh, lde a d ela ed a ie , f he C, a d i g he e , i g e i, d.

V. Explanation for Board, Supervisory Committee and independent Director (if any) regarding the "modified auditor's report" for the current period by the accounting firm

□ A licable N, a licable

VI. Explanation for the change in accounting policy, accounting estimate and accounting method as compared to the financial report of last year

□ A licable N, a licable

D i g he e , i g e i, d, he e e e , cha ge i he acc, i g , licie , acc, i g e i a e a d acc, i g e h, d , f he C, a .

VII. Explanation for major accounting errors correction that need to trace the restatement

□ A licable N, a licable

N, aj, acc, i g e , . c, ec i, , eed , ace he e a e e d i g he e , i g e i, d.

VIII. Explanation for the change of the consolidated statements range as compared to the financial report of last year

A licable ☐ N, a licable

C, a ed i h he la ea , , .r b. idia ie , f We, de, g Ba, l, , g Rec clable Re , r ce C, ., L d. a, d Sh, r gr a, g Ma, l, , g Old Me al Rec cle C, ., L d. e e ed ced d é , he de egi a i, , hi ea .

O, 29 Oc , be 2019, he f h ee i, g , f he . i h . e . i, , , f he b, a d , f di ec , . , f he C, a, c, . ide ed a, d a . ed a Re , h i, , , , he De egi a i, , , f Wh, ll -, , ed Sr b. idia ie (《關於註銷全資子公司的議案》), hich , , . ed , c, , d c ce, all ed di , . al , f Sh, r gr a, g Ma, l, , g Old Me al Rec cle C, ., L d. a, d We, de, g Ba, l, , g Rec clable Re , r ce C, ., L d., h, ll -, , ed . r b. idia ie , f he C, a, , b a , f li í ida i, , a, d de egi a i, , (A, , , r ce e, , r be : 2019-029).

O, 24 Dece be 2019, he C, a, ece. ed a , ice , f de egi a i, , a . al f , he Ad i, i a. i, e E a i, a i, , a, d A . al Se . ice Br ea r de he Ad i, i a i, , f, Ma ke Reg la i, , , f We, de, g Di ic , f Weihai Ci , , if i, g ha he , ced e f, de egi e i, g We, de, g Ba, l, , g ha, e bee, c, le ed. O, 18 Feb a 2020, he C, a, ece. ed f , Sh, r gr a, g Ad i, i a. i, e E a i, a i, , a, d A . al Se . ice Br ea a , ice , f de egi a i, , a . al, , , if i, g ha he , ced e f, de egi e i, g Ma, l, , g Rec cle ha, e bee, c, le ed (A, , , r ce e, , r be : 2019-033, 2020-002).

IX. Appointment, dismissal of accounting firm

The accounting rm currently appointed

Na e , f he d, e ic acc, r , i, g	Shi, e i, g Ce i ed Pr blic Acc, r , a, .
C, e, . a i, , , f he d, e ic acc, r , i, g (U, i : RMB'0,000)	145
C, , i, r ed e , f . e . ice , f he d, e ic acc, r , i, g	8
Na e , f CPA , f he d, e ic acc, r , i, g	Ka, Ji, g Pi, g, Zha, g Cha,
C, , i, r ed e , f . e . ice , f ce i ed r blic acc, r , a, . , f he d, e ic acc, r , i, g	4, 1
Na e , f he f, eig, acc, r , i, g (if a,)	N, a licable
C, , i, r ed e , f . e . ice , f he f, eig, acc, r , i, g (if a,)	N, a licable
Na e , f ce i ed r blic acc, r , a, , f he f, eig, acc, r , i, g (if a,)	N, a licable
C, , i, r ed e , f . e . ice , f ce i ed r blic acc, r , a, , f he f, eig, acc, r , i, g (if a,)	N, a licable

Whether change appointed accounting rm at current period

☐ Ye N,

Engagement of accounting rm, nancial consultant or sponsor for audit of internal controls

☐ A licable N, a licable

X. Delisting after disclosure of annual report

☐ A licable N, a licable

XI. Matter related to bankruptcy and reorganization

☐ A licable N, a licable

The e i , a e ela ed , ba k ' c a d e, ga i a i, d i g he e , i g e i, d.

XII. Significant lawsuit and arbitration

A licable ☐ N, a licable

Basic information about litigation (arbitration)	Amount involved (RMB'0,000)	Will estimated liability be incurred or not	Progress of litigation (arbitration)	Judgment result of the litigation (arbitration) and its impacts	Judgment execution of the litigation (arbitration)	Disclosure date	Disclosure index
l , e , la . i'.	12,005.79	Ye	(F, de ail , lea e efe , XIV.2 C, i ge cie i he . ec i, , f Fi a cial S a e e , . , f hi e ,)	The C, a ha ade , . i i, , . , f e i a ed liabili ie f, he la . i'. .	The C, a i i he , ce . , f a i g clai . i e ec , f he cl, . ed ca e .		h :// .c i f. .c .c

XIII. Punishment and rectification

☐ A licable N, a licable

The e a , a e ial ' ' i h e , ec i ca i, d i g he e , i g e i, d.

XIV. Integrity of the Company and its controlling shareholders and de facto controllers

☐ A licable N, a licable

XV. Implementation of the stock incentive plan, employee shareholding plan or other employee incentive measure of the Company

☐ A licable N, a licable

The e a , . , ck i ce _i. e la , e l, ee . ha eh, ldi g la , , he e l, ee i ce _i. e ea ' e a d i . i le e a i, d i g he e , i g e i, d.

XVI. Significant related party transactions

1. Related party transactions associated with the day-to-day operations

☐ A licable N, a licable

The C, a did , c, d c a ela ed a a . ac i, i he , di a c, ! e, f b . ! i e . d ! i g he e , i g e i, d.

2. Related party transaction in connection with purchase or sale of assets or equity interests

☐ A licable N, a licable

The e a , ela ed a a . ac i, i c, ec i, i h ! cha e , . ale, f a . e . , e í i ! i, e e d ! i g he e , i g e i, d.

3. Related party transaction in connection with joint external investment

☐ A licable N, a licable

The e a , ela ed a a . ac i, i c, ec i, i h j, i e e al i . e e d ! i g he e , i g e i, d.

4. Amounts due from/to related parties

A licable ☐ N, a licable

A , - ade a , ! . d é f , / , ela ed a ie

A licable ☐ N, a licable

Deb . a able , ela ed a

Related Party	Related relationship	Reasons	Balance at the beginning of the period (RMB ten thousand)	Amount increased during the current period (RMB ten thousand)	Amount repaid during the current period (RMB ten thousand)	Interest rate	Interest during the current period (RMB ten thousand)	Balance at the end of the period (RMB ten thousand)
Sh, ! g a g Ji, i	C, , lli g . ha eh, lde	Fi, a cial ! ,	0	35,000	25,000	3.85%	74.43	10,000

Effec , f ela ed deb . , he , e a i, g e ! l . a d , a cial , . i i, , f he C, a

T, ! , he , e a i, a d de, el, e , f he C, a a d ed ce he , a ce c, . . , Sh, ! g a g Ji, i , he c, , lli g . ha eh, lde , f he C, a , , . ided , a cial ! , , f , , e ha RMB 350 illi, , he C, a i h a e le . ha , e ea af e he a , . al a he f h e a di a ee i g , f he . i h . e . i, , f he B, a d , f he C, a a d he 2020 . e a di a ge e al ee i g . S ch a ! , ca be e . ed i hi he li i , f l, a a d . alid e i, d a d he i e e a e, f hich a de e i ed b efe i g , he a ke i e e a e. The C, a i , e í i ed , . ide a f , f . eo ! i . ! cha g a a ee , gage a d ledge f, he , a cial . ! , .

5. Other signi□cant related party transaction

□ A licable N, a licable

XVII. Significant contracts and their implementation

1. Entrustment, Contracting and leasing

(1) Entrustment

□ A licable N, a licable

The C, a had , e r . e d i g he e , i g e i, d.

(2) Contracting

□ A licable N, a licable

The C, a had , c ac i g d i g he e , i g e i, d.

(3) Leasing

□ A licable N, a licable

The C, a had , lea i g d i g he e , i g e i, d.

2. Signi□cant guarantee

A licable □ N, a licable

(1) Guarantees

U, i : RMB e, h, r . a, d

De ail , f. he ic g a ee

O 15 Ma 2020, he hi d. ecial ee i g , f he . i h . e . i, , f he b, a d , f di ec , . , f he C, a c, . ide ed a d a . ed he Re , h i, , . he P . i i, , f G a ee f, Sh, g a g Ma, l, g (《關於為壽光懋隆提供擔保的議案》). I a ag eed ha Sh, g a g Ma, l, g (a h, ll -, ed . b idia). h, ld c, e ce he . i i, , f c, ehe . i e cial . e . ice i h Chi a G ea Wall A . e Ma age e C, ., L d. Sha d, g B a ch i h a , al a , f , e ceedi g RMB20,000 e h, . a d f, a e i, d , f , l, ge ha 36 , h , a d ha he C, a , Sh, g a g Ba, l, g a d Weihai Ba, l, g . h, ld . ide ce ai , f hei eal , e ie a d la d . e igh . , e ec i el , a . eo i , f g a a ee i e ec , f he c, e ce e , f he ab . e b . i e . b Sh, g a g Ma, l, g. S ch g a a ee ha bee c, . ide ed a d a . ed a he a , al ge e al ee i g 2019 , f he C, a . De ail a e a ailable , he eb i e , f c, i f, (h :// .c, i f, .c, .c,) i he a , . ce e , ' be ed 2020-030.

(2) Illegal external guarantees

☐ A licable N, a licable

The e e e , illegal e e al g a a ee d i g he e , i g e i, d.

3. Entrust others to manage cash assets

(1) Entrusted wealth management

A licable ☐ N, a licable

Particulars of entrusted wealth management during the reporting period

U i : RMB'0,000

Speci□c type	Source of funds for entrusted wealth management	Number for entrusted wealth management	Outstanding

(2) Particulars of entrusted loans

☐ A licable N, a licable

The C, a had , e r.ed l, a. di g he e , i g e i, d.

4. Major contracts during daily operations

☐ A licable N, a licable

5. Other signi□cant contracts

☐ A licable N, a licable

The C, a had , , he .ig i ca c, ac. di g he e , i g e i, d.

XVIII. Social Responsibility Report

1. Performing social responsibility

D i g he e , i g e i, d, he C, a a ached g ea i , a ce , he e f, a ce , f. , cial e , . ibili , a d ha ake a , ac i. e. a ce i fi l lli g. , cial e , . ibili hich a e i, i ed i he f, ll, i g a ec. :

1. Safeguarding shareholders' interest

The C, a had e abli hed a ela i el ell-e abli hed g. e a ce . r c r e a d a c, ehe . i. e i e al c, , l. . e . Si ch ea r e g a a eed he . r d e. a d he le el , f c, , l , f he deci i, aki g echa i , f he C, a , a e ial i. r e. A ge e al ee i g , he C, a ad ed b, h , - he- , l. , li e. , i g , e ha ce he a ici a i, , f. ha eh, lde. . The a . e bl , c, . e i, a d . . , i g , ced e , f he ee i g c, lied i h he e fi e e , f he la . , egi la i, . a d he A icle , f A . , cia i, . The C, a e abli hed . a i, r. f, . , f c, r ica i, la f, . a d cha el i h he i, e . h , r gh diffe e ea r e a d c, d c ed i el , r e, aco a e a d c, ehe . i e egi la i, f, a i, di cl, . r e i. ic c, lia ce i h he ele a la . , egi la i, . , he A icle , f A . , cia i, a d he e fi e e , f he ele a . . e , f he C, a i , de , e. r e ha all . ha eh, lde. , f he C, a e e gi e fai , j. , e a d ade fi a e , r i ie , ac fi e he i f, a i, , f he C, a , hich i ai a , ec i g . a i, r. legal igh . , f all . ha eh, lde. a . i la ed b he la . , egi la i, . a d a icle i a fai a e .

2. Safeguarding employees' interest

The C, a highl e ha i ed he r r e, f ale . . We . i ed , i . e he fi ali , f, r . aff a d eali ed r h al g , h , f, r . aff a d he e e i e b , ffe i g , r . aff i h ca ee la i g a d , ga i i g . a i, r. c, , a e ai i g. The C, a , ffe ed . a i, r. . , cial i . r la ce , , r . aff a d e abli hed elief fi d , ca e a d . r , . aff i diffic l i e. a d c ea ed a ha , i, r. , ki g e . i, e . l 2020, he C, a elea ed a , al , f RMB45,000 f , he elief fi d , gi e. r , , e l, ee ha i g fa il dif c l ie .

3. Actively participating in social undertakings

The C, a aid g ea a e i, , he c ea i, , f . , cial . ali e a d laced , f, o . , f fi l' lli g . , cial e , . ibili , ac i el a ici a i, g i, . , cial . e . ice . We . a ed , eff, , j, i, . , cial , de aki, g a d cha i ac i, i ie a d , ga, ed , e , . d, a i, . i h a . ie , e a di, g he . , cie i hi, , ca aci . l 2020, he C, a , i h he ai , hel . e alle. ia i, , d, a ed RMB12 e h, . a d , el. ca e a d e a d he fi i, a , ce . i, g la, i, D, g ia, g C, , Ga, P . i ce. We . i i el e , ded , he call f, bl, , d d, a i, , f E ide ic P e. e, i, a d C, , l Of ce , f Sh, g á g Ci b a , f i ia i, g a d , ga, i, g a , d 100 . aff. , a ici a e i, . . , li a bl, , d d, a i, r blic elfa e ac i, i ie a d , ac i. el a ici a i, g i, . , cial elfa e de aki, g , hich de , . a ed he . , cial e , . ibili a d de aki, g , f he C, a , .

2. Ful□llment of social responsibility regarding targeted poverty alleviation

(1) Targeted poverty alleviation plan

D i, g he e , i, g e i, d, he C, a had , a ge ed . e alle. ia i, ac i, i , a d al. , , . b. e fé a ge ed . e alle. ia i, la .

3. Information relating to environmental protection

Whe he , , he li ed c, a a d i. . b idia ie a e a , g a li , f aj, e, i ie di cha gi, g , li a . elea ed b e, . i, e al , ec i, de a e, .

Ye □ N,

The name of the Company or subsidiary	Name of major pollutant and speci□c pollutant	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Implemented standards for pollutant discharge	Total volume of discharge	Approved total volume of discharge	Excessive discharge
Sha d, g M, l, g	S lfi 'di, ide	O ga, ed	1	P, d c i, c le	0.00 g/ —	50.00 g/ —	0.00		N,
Sha d, g M, l, g	Ni , ge , ide	O ga, ed	1	P, d c i, c le	17.00 g/ —	150.00 g/ —	2.28 , e		N,
Sha d, g M, l, g	Pa io la e a e	O ga, ed	1	P, d c i, c le	6.75 g/ —	10.00 g/ —	0.87 , e		N,
Sha d, g M, l, g	S lfi 'di, ide	O ga, ed	1	P, d c i, c le	0.00 g/ —	50.00 g/ —	0		N,
Sha d, g M, l, g	Ni , ge , ide	O ga, ed	1	P, d c i, c le	37.00 g/ —	150.0 g/ —	27.36 kil, g a .		N,
Sha d, g M, l, g	Pa io la e a e	O ga, ed	1	P, d c i, c le	8.90 g/ —	10.00 g/ —	6.58 kil, g a .		N,
Sha d, g M, l, g	S lfi 'di, ide	O ga, ed	1	P, d c i, c le	0.00 g/ —	50.00 g/ —	0.00		N,
Sha d, g M, l, g	Ni , ge , ide	O ga, ed	1	P, d c i, c le	77.00 g/ —	150.00 g/ —	0.66 , e		N,
Sha d, g M, l, g	Pa io la e a e	O ga, ed	1	P, d c i, c le	7.20 g/ —	10.00 g/ —	61.0 kil, g a .		N,
Sha d, g M, l, g	S lfi 'di, ide	O ga, ed	1	P, d c i, c le	0.00 g/ —	50.00 g/ —	0.00		N,
Sha d, g M, l, g	Ni , ge , ide	O ga, ed	1	P, d c i, c le	66.00 g/ —	150.00 g/ —	0.71 , e		N,
Sha d, g M, l, g	Pa io la e a e	O ga, ed	1	P, d c i, c le	6.90 g/ —	10.00 g/ —	74.63 kil, g a .		N,
Sha d, g M, l, g	Pa io la e a e	O ga, ed	1	P, d c i, c le	5.80 g/ —	10.00 g/ —	9.19 kil, g a .		N,
Sha d, g M, l, g	H d, ge chl, ide	O ga, ed	1	P, d c i, c le	5.80 g/ —	15.00 g/ —	0.61 , e		N,
Sha d, g M, l, g	H d, ge chl, ide	O ga, ed	1	P, d c i, c le	5.80 g/ —	15.00 g/ —	0.68 , e		N,

VI. Ma e ial Ma e .

The name of the Company or subsidiary	Name of major pollutant and speci□c pollutant	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Implemented standards for pollutant discharge	Total volume of discharge	Approved total volume of discharge	Excessive discharge
Sha d, g M, l, g	Be e e	O ga ied	1	P, d c , le	0.00 g/ —	0.50 g/ —	0.00		N,
Sha d, g M, l, g	T, l e	O ga ied	1	P, d c , le	0.00 g/ —	5.00 g/ —	0.00		N,
Sha d, g M, l, g	X le e	O ga ied	1	P, d c , le	0.00 g/ —	15.00 g/ —	0.00		N,
Sha d, g M, l, g	VOC	O ga ied	1	P, d c , le	2.74 g/ —	50.00 g/ —	59.00 kil, g a .		N,
Sha d, g M, l, g	S l fi di, ide	O ga ied	1	P, d c , le	1.05 g/ —	50.00 g/ —	0.12 , e		N,
Sha d, g M, l, g	Ni , ge , ide	O ga ied	1	P, d c , le	14.60 g/ —	150.00 g/ —	1.80 , e		N,
Sha d, g M, l, g	Pa io la e a e	O ga ied	1	P, d c , le	0.71 g/ —	10.00 g/ —	80.90 kil, g a .		N,
Sha d, g M, l, g	S l fi di, ide	O ga ied	1	P, d c , le	9.00 g/ —	50.00 g/ —	0.19 , e		N,
Sha d, g M, l, g	Ni , ge , ide	O ga ied	1	P, d c , le	70.00 g/ —	150.00 g/ —	1.56 , e		N,
Sha d, g M, l, g	Pa io la e a e	O ga ied	1	P, d c , le	5.00 g/ —	10.00 g/ —	0.11 , e		N,
Sha d, g M, l, g	S l fi di, ide	O ga ied	1	P, d c , le	6.00 g/ —	50.00 g/ —	0.11 , e		N,
Sha d, g M, l, g	Ni , ge , ide	O ga ied	1	P, d c , le	61.00 g/ —	150.00 g/ —	1.22 , e		N,
Sha d, g M, l, g	Pa io la e a e	O ga ied	1	P, d c , le	7.40 g/ —	10.00 g/ —	0.15 , e		N,
Sha d, g M, l, g	Pa io la e a e	O ga ied	1	P, d c , le	6.30 g/ —	10.00 g/ —	87.12 kil, g a .		N,
Sha d, g M, l, g	Pa io la e a e	O ga ied	1	P, d c , le	5.80 g/ —	10.00 g/ —	0.71 , e		N,
Sha d, g M, l, g	Pa io la e a e	O ga ied	1	P, d c , le	7.40 g/ —	10.00 g/ —	0.22 , e		N,
Sha d, g M, l, g	Be e e	O ga ied	1	P, d c , le	0.00 g/ —	0.50 g/ —	0.00		N,
Sha d, g M, l, g	T, l e	O ga ied	1	P, d c , le	0.03 g/ —	5.00 g/ —	1.58 kil, g a .		N,
Sha d, g M, l, g	X le e	O ga ied	1	P, d c , le	0.00 g/ —	15.00 g/ —	0.00		N,
Sha d, g M, l, g	VOC	O ga ied	1	P, d c , le	32.20 g/ —	50.00 g/ —	1.63 , e		N,
Sh, ghai g Ma, l, g	S l fi di, ide	O ga ied	1	P, d c , le	22.50 g/ —	50.00 g/ —	25.50 , e		N,
Sh, ghai g Ma, l, g	Ni , ge , ide	O ga ied	1	P, d c , le	13.90 g/ —	150.00 g/ —	13.30 , e		N,
Sh, ghai g Ma, l, g	Pa io la e a e	O ga ied	1	P, d c , le	1.25 g/ —	10.00 g/ —	1.42 , e		N,
Sh, ghai g Ba, l, g	Pa io la e a e	O ga ied	1	P, d c , le	1.76 g/ —	10.00 g/ —	1.18 kil, g a .		N,
Sh, ghai g Ba, l, g	Pa io la e a e	O ga ied	1	P, d c , le	0.56 g/ —	10.00 g/ —	1.37 kil, g a .		N,
Sh, ghai g Ba, l, g	Pa io la e a e	O ga ied	1	P, d c , le	6.20 g/ —	10.00 g/ —	33.58 kil, g a .		N,
Sh, ghai g Ba, l, g	Pa io la e a e	O ga ied	1	P, d c , le	6.20 g/ —	10.00 g/ —	355.44 kil, g a .		N,

The name of the Company or subsidiary	Name of major pollutant and speci□c pollutant	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge p.ts	Discharge p.ts	Discha05 107.7165 680.602Otu0b.Tj0.556 -1.235 Td(discharge)Tj1.

Environmental Self-monitoring Program

Dr i g he e , i g e i d, he C, a a d i . . r b idia ie , ked cl . el i h l cal e . i , e al i . ec i , de a e . , e i dic . r e . i , i . ec i , . . F r . e . , f e har . , li e , i , i g e i i e e e i , , al , e a i , . l e gaged hi d a i . ec i , . , , i , hei di cha ge . a i ic , a eg la ba i , i h a ai , ee i dr . a da d a d e i i e e . , f l cal e . i , e al ar h i ie . M , hl . a le e i g , he ela ed e . i , e al . a i ic , . r e . i i , , . able , e a i , , f a e a e a d e har . ea e facili ie a e c , dr c ed , effec i el e . r e . , r d a age e , f i e al di cha ge , f a e a e a d e har . .

Other discloseable environmental information

The e a , , he di cl . eable e . i , e al i f a i , .

Other environmentally related information

The e a , , he e . i , e all ela ed i f a i , .

XIX. Explanation for other matters of significance

A licable ☐ N a licable

1. A a he da e , f he e a cial . a e e . , he , ceedi g agai . he C, a b i . e , . ega di g fal e . a e e . ab r . eo i ie ha e bee e e ai ed b he l e edia e Pe le C , r , f Ji a , a d he agg ega e . r i , l ed a RMB120,057,935.29. Gr e l , he , al a , r i , l ed i ca e ha ha e bee jr dged , cl . ed h , r gh edia i , a RMB102,371,348.16, i h . e le e a , r , f RMB57,625,145.83. F cl . ed , ceedi g , he C, a i e f , i g i . , bliga i , . acc di g , he jr dg e e r l . . F , he r cl . ed , ceedi g , if he e r l , f . i . a ce jr dge e c e , r , a e i a ed liabili ie , f RMB4,218,964.87 e e . ided i acc da ce i h he a , r jr dged i he . i . a ce. F h . e , ceedi g ha ha e bee hea d br e di g jr dg e a d h . e , ceedi g ha ha e , bee hea d, a e i a ed liabili ie , f RMB10,173,859.77 e e . ided a a a e , f 85% i h efe e ce , he , ceedi g al ead cl . ed. The , al a , r , f e i a ed liabili ie . ided f hi a e b he C, a a RMB72,017,970.47.

2. Completion of deregistration of subsidiaries

O 29 Oc be 2019, he f h ee i g , f he . i h . e . i , , f he b a d , f di ec , . , f he C, a c , . ide ed a d a . ed a Re . l i , , , he De egi a i , , f a Wh ll - , ed Sr b idia (《關於註銷全資子公司的議案》), hich , . ed , c , dr c ce all ed di , . al , f Sh r gr a g Ma l g Old Me al Rec cle C , ., L d., a h ll - , ed . r b idia , f he C, a , b a , f li i ida i , a d de egi a i , (A , r ce e , r be : 2019-029). O 18 Feb r a 2020, he C, a ecei ed f , Sh r gr a g Ad i i a i e E a i a i , a d A . al Se ice Br ea a , ice , f de egi a i , a . al , , if i g ha he , ced e f de egi e i g Ma l g Rec cle ha e bee c le ed (A , r ce e , r be : 2020-002). U , he de egi a i , , Ma l g Rec cle i , l ge c , . lida ed i , he C, a .

3. Progress of the proposed deregistration of a subsidiary

The C, a c , . e ed he . i h ee i g , f he . i h . e . i , , f he b a d , f di ec , . a d he . i h ee i g , f he . i h . e . i , , f . r e . i , c i ee e ec i el , 27 Ma ch 2020, a d c , . ide ed a d a . ed a Re . l i , , , he De egi a i , , f a C , lled Sr b idia (《關於註銷控股子公司的議案》), hich , . ed , di , . e Sh r gr a g Ba l g Ma age e a d C , . r l a c C , ., L d. (a c , lled . r b idia), b a , f li i ida i , a d de egi a i , (A , r ce e , r be : 2020-017). U , he da e , f di cl . r e , f he e , , he li i ida i , a d de egi a i , , f he . r b idia ha e , bee c le ed.

4. Change of control of the Company

O 28 Se e be 2020, Zha g E R g, he igi al c lli g ha eh lde a d ac ial c lle f he C a , a d Sha d g Sh g á g Ji i l e e De el e H ldi g G r Li i ed e ed i , he V i g Righ . N i a i, Ag ee e be ee Sha d g Sh g á g Ji i l e e De el e H ldi g G r Li i ed a d Zha g E R g , he 29.53% Sha e f Sha d g M l g Pe le Machi e C a Li i ed. Pi á , hich, Zha g E R g , i a ed Sh g á g Ji i , e e ci e all he , i g igh c e , di g , 235,617,000 ha e f he C a held b hi (acc i g f 29.53% f he al ha e ca i al f he li ed c a). The c , lli g ha eh lde f he C a ha cha ged Sh g á g Ji i , a d he ac ial c lle f he C a ha cha ged he S a e- ed A e . S e i i, a d Ad i i a i, Bi ea f Sh g á g Ci .

5. Progress of the disposal of assets

The C a c . e ed he i h e a di a ee i g f he i h . e i, f he b a d f di ec , 18 N . e be 2020, a d a hich he Re , h i, he Di , al f A . e . (《關於出售資產的議案》) a c , ide ed a d a . ed, hich a al c , ide ed a d a . ed b he C a ' ec d e a di a ge e al ee i g i 2020. Acc di g e í i e e f he C a ' a egic de el e a d , i -e he , di ć i, la a d achie e i e . i e , di ć i, a age e , he C a . ld , á a f he la d a d e , Sha d g Sh g á g Vege able Wh le ale Ma ke C ., L d. (A , ce e N . 2020-056). O 17 Dece be 2020, he C a ece i ed a , ice f Sha d g Sh g á g Vege able Wh le ale Ma ke C ., L d., if i g ha he egi a i, , ced e f he a . fe f eal e a e i . l ed i he di , al f a . e had bee c le ed.

XX. Significant events of subsidiaries of the Company

☐ A licable N a licable

I. Changes in Share Capital

1. Changes in Shares

Unit: share

	Prior to the change		Increase/decrease as a result of the change (+, -)					After the change	
	Number of shares	Percentage	New issue of shares	Bonus issue	Transfer from capital reserve	Others	Subtotal	Number of shares	Percentage
I. Shares subject to lock-up	106,500	0.01%						106,500	0.01%
1. State-owned shares		0.00%							0.00%
2. State-owned legal shares		0.00%							0.00%
3. Other domestic shares	106,500	0.01%						106,500	0.01%
Including: Domestic legal shares		0.00%							0.00%
Domestic natural shares	106,500	0.01%						106,500	0.01%
4. Foreign shares		0.00%							0.00%
Including: Overseas legal shares		0.00%							0.00%
Overseas natural shares		0.00%							0.00%
II. Shares not subject to lock-up	797,741,900	99.99%						797,741,900	99.99%
1. RMB ordinary shares	541,615,500	67.88%						541,615,500	67.88%
2. Domestically-listed foreign shares		0.00%							0.00%
3. Overseas-listed foreign shares	256,126,400	32.10%						256,126,400	32.10%
4. Other		0.00%							0.00%
III. Total number of shares	797,848,400	100.00%						797,848,400	100.00%

Reasons (if) for change in shares

☐ Applicable N/a applicable

Approval for the change in shares

☐ Applicable N/a applicable

Transfer for the change in shares

☐ Applicable N/a applicable

Shares for the buy-back

☐ Applicable N/a applicable

Shares for reduction of registered capital through cancelled bidding

☐ Applicable N/a applicable

VII. Cha, ge i, Sha e a, d Sha eh, lde .

Effec . , f he cha, ge i, . ha e , , , a, cial i, dica , . . r ch a ba ic ea , i, g e . ha e, dil ed ea , i, g e . ha e a, d , e a . e . a ib able , , di, a . ha eh, lde . , f he C, a, e Sha e f, he , . ece, ea a, d e i, d

☐ A licable N, a licable

O he di cl, . r e he e e e c, , . ide ed , ece . a b he C, a, , e i i ed b . eo i ie eg la , a h, i ie

☐ A licable N, a licable

2. Changes in locked-up shares

☐ A licable N, a licable

II. Issuance and listing of securities

1. Securities issuance (exclusive of preferred share) during the reporting period

☐ A licable N, a licable

2. Explanation for the changes in total shares of the Company and shareholding structure and movement in the assets and liability structure of the Company

☐ A licable N, a licable

3. Existing internal staff shares

☐ A licable N, a licable

III. Profiles of the shareholders and actual controller

1. Number of corporate shareholders and shareholding

U, i : . ha e

T, al, r be , f , di, a . ha eh, lde . a he e, d , f e , i, g e i, d	29,712 (, f hich 29,666 e e f, A . ha e a, d 46 e e f, H . ha e)	T, al, r be , f , di, a . ha eh, lde . a he e, d , f la , , h bef, e he a, , r al e , di cl, . r e da	29,372	T, al, r be , f . , ed ec, . e efe ed . ha eh, lde a he e, d , f e , i, g e i, d	0	T, al, r be , f . , ed ec, . e efe ed . ha eh, lde a he e, d , f la , , h bef, e he a, , r al e , di cl, . r e da	0

VII. Cha, ge i, Sha e a, d Sha eh, lde.

Shareholders holding more than 5% of the shares or shareholding of the top ten shareholders

Name of shareholder	Nature of shareholders	Percentage of shareholding	Number of shares held at the end of reporting period	Increase/ decrease in the reporting period	Number of lock-up shares held	Number of non-lock up shares held	Pledged or frozen	
							Status of shares	Number of shares
HKSCC N, i, ee Li i ed	O, e. ea legal e., ,	30.93%	246,766,590	61,200	0	246,766,590		
Zha, g E, R, g	D, e ic, a, ' al e., ,	29.53%	235,617,000	0	0	235,617,000	F, ee	15,000,000
Zha, g Yi, Sa,	D, e ic, a, ' al e., ,	4.03%	32,168,400	0	0	32,168,400		
Li, Fi L, g	D, e ic, a, ' al e., ,	3.08%	24,602,700	(1,559,300)	0	24,602,700		
Chi, a AMC Ce, al Hi ij, A. e Ma, age e, C., Ld Chi, a AMC Si, gle A. e Ma, age e, Pla, , f Hi ij, A. e Ma, age e,	O he.	1.03%	8,205,600	(5,330,500)	0	8,205,600		
R, ghe Pha e II .i a e. eo 'i ie i, e e, fi, d, f She, he, Qia, hai Ji, g ei R, ghe A. e Ma, age e, C., Ld. (深圳前海經緯融和資產管理有限公司)	O he.	0.46%	3,697,552	(47,700)	0	3,697,552		
H, g K, g Seo 'i ie Clea i, g C, a, Li i ed	O, e. ea legal e., ,	0.34%	2,703,515	2,152,875	0	2,703,515		
G, ' Li Mi,	D, e ic, a, ' al e., ,	0.32%	2,588,700	2,588,700	0	2,588,700		
Wa, g Jia, Se,	D, e ic, a, ' al e., ,	0.25%	2,006,100	2,006,100	0	2,006,100		
Xie Ke, '	D, e ic, a, ' al e., ,	0.25%	1,999,600	1,999,600	0	1,999,600		

Re a k., , . a egic i, .e . , , di, a legal e., , bec, i, g , 10. ha eh, lde. af e laci, g, f, e . ha e (if a,)

N, a licable

C, , , ec ed ela i, , hi , Ac i, g i, c, ce ela i, , hi a , , g he ab, . e. ha eh, lde.

Zha, g E, R, g i he fa he , f Zha, g Yi, ' Sa, . The C, a, i, . a a e, f a, c, , , ec ed ela i, , hi , c, ce - a ela i, , hi a , , g, he . ha eh, lde. .

De c i i, , . fe, r. ' i, g/bei, g e, r. ' ed. , i, g igh. , ai i, g. , i, g igh. , f he ab, . e Sha eh, lde.

O, 28 Se e be 2020, Zha, g E, R, g, he igi, al c, , . lli, g. ha eh, lde a, d ac, al c, , , lle , f he C, a, , a, d Sha, d, g Sh, r g' a, g Ji, i, . e e, De el e, H, ldi, g G, r ' Li i ed e, e ed i, , he V, i, g Righ. N, i, a i, Ag ee e, be ee, Sha, d, g Sh, r g' a, g Ji, i, . e e, De el e, H, ldi, g G, r ' Li i ed a, d Zha, g E, R, g, , he 29.53% Sha e, f Sha, d, g M, l, g Pe , le ' Machi, e C, a, Li i ed. Pa ' i a, , hich, Zha, g E, R, g, , i, a ed Sh, r g' a, g Ji, i, , e ec ie all he, , i, g igh. c, e . , di, g , 235,617,000. ha e , f he C, a, held b hi (acc, r, ' i, g f, 29.53%, f he , al. ha e ca i al, f he li ed c, a,). The c, , , lli, g. ha eh, lde , f he C, a, ha cha, ged , Sh, r g' a, g Ji, i, , a, d he ac, al c, , , lle , f he C, a, ha cha, ged , he Sa e-, , ed A. e. Sc 'e, i. i, , a, d Ad i, i a i, , Bo 'ea ', f Sh, r g' a, g Ci .

VII. Cha, ge i, Sha e a, d Sha eh, lde.

Shareholdings of the top ten shareholders of non-lock shares			
Name of shareholder	Number of lock-up shares held at the end of the reporting period	Class of shares	
		Class of shares	Amount
HKSCC N, i,ee Li i ed	246,766,590	Q.e. ea li ed f, eig, . ha e	246,766,590
Zha, g E, R, g	235,617,000	RMB, di, a . ha e	235,617,000
Zha, g Yi, Sa,	32,168,400	RMB, di, a . ha e	23,108,000
		Q.e. ea li ed f, eig, . ha e	9,060,400
Li, Fi L, g	24,602,700	RMB, di, a . ha e	24,602,700
Chi, a AMC Ce, al Hi ji, A. e Ma, age e, C., L d Chi, a AMC Si, gle A. e Ma, age e, Pla, f Hi ji, A. e Ma, age e,	8,205,600	RMB, di, a . ha e	8,205,600
R, ghe Pha e ll .i a e. eo i ie i, e e, fi, d, f She, he, Qia, hai Ji, g ei R, ghe A. e Ma, age e, C., L d. (深圳前海經緯融和資產管理有限公司)	3,697,552	RMB, di, a . ha e	3,697,552
H, g K, g Seo i ie Clea i, g C, a, Li i ed	2,703,515	RMB, di, a . ha e	2,703,515
G, i Li Mi,	2,588,700	RMB, di, a . ha e	2,588,700
Wa, g Jia, Se,	2,006,100	RMB, di, a . ha e	2,006,100
Xie Ke, i	1,999,600	RMB, di, a . ha e	1,999,600

E la, a i, , f. he c, , , ec ed ela i, , hi , c, , ce - a ela i, , hi i, he , e, h, lde. . f, , , - e ic ed cio la i, g. ha e , a, d be ee, , e, h, lde. . f, , , - e ic ed cio la i, g. ha e a, d T, e, . ha eh, lde.	Zha, g E, R, g i he fa he , f Zha, g Yi, Sa, . The C, a, i , , a a e ab, r i he he he e e i . c, , , ec ed ela i, , hi , c, , ce - a ela i, , hi a . , g, he . ha eh, lde. .
E la, a i, , f. , e, c. . , . , ckh, lde. a ici a e i, . eo i ie a gi, adi, g (if a,)	N, a licable

A, c, , ac ed e r i cha e a, . ac i, , . e e e, e ed i, , b he , 10 , di, a . ha eh, lde. a, d he , 10 , , , - l, cked r i , di, a . ha eh, lde. d i i, g he e , i, g e i, d

☐ Ye. N,

The , 10 , di, a . ha eh, lde. a, d he , 10 , , , -l, cked r i , di, a . ha eh, lde. did , , e, e a, c, , ac ed e r i cha e a, . ac i, , . d i i, g he e , i, g e i, d.

2. Controlling shareholders of the Company

Nature of controlling shareholder: regional state-owned enterprise
Type of controlling shareholder: legal person

Name of shareholder	Legal representative/ Person in charge of the unit	Date of establishment	Enterprise code	Principal business
Sha d g Sh r g a g Ji i l e e De el e H ldi g G r Li i ed	Ya g Yr L g	16 Dece be 2005	91370783785039174G	Maki g e e al i e e . r i g . elf- ed fr d (e cl di g br i e . e i ela i , a ce, . eo i ie , fr r e , eal h a age e , fr d ai i g, a ci g; . ided ha a cial br i e . e . r ch a de , . i - aki g, a ci g g a a ee a d eal h a age e f clie . a e , e i ed i h, r he a . al , f a cial eg la , a h i ie); P e a age e ; e i e e i g; la d c , . lida i , a d de el e ; e hibi i , . e . ice ; c , a e a age e ; a cial c , r l a i , a d c , r l a i , . e . ice f he ab . e- e i , ed , e a i , . (, jec . hich eed a . al acc di g , he la . . hall be . r bjec , he a . al , f ele a a h i ie bef e , e a i , ac i i ie ca be ca ied , r)
Sha eh ldi g , f c , lli g . ha eh lde . h ha e c , l h ld . ha e i , he d e ic , . e . ea li ed c a ie d i g he e , i g e i d	Dr i g he e , i g e i d, Sh r g a g Ji i h ld 45.21% e i i i e e . i Che i g H ldi g C , ., L d, hich di ec l a d i di ec l h ld a , al , f 821,454,482 . ha e i Che i g Pa e (S , ck C de: 000488, 200488, 01812), e e e i g 27.53% , f he , al . ha e ca i al , f Che i g Pa e .			

Change of controlling shareholders during the reporting period

A licable ☐ N a licable

Na e , f he e c , lli g . ha eh lde	Sha d g Sh r g a g Ji i l e e De el e H ldi g G r Li i ed
Da e , f cha ge	28 Se e be 2020
I de , he eb i e de ig a ed	h :// .c i f .c .c
Di cl , r e da e , he eb i e de ig a ed	29 Se e be 2020

3. De facto controllers and the persons acting in concert with them

Nature of de facto controller: Regional state-owned assets administration authority
Type of de facto controller: legal person

Name of de facto controller	Legal representative/ Person in charge of the unit	Date of establishment	Enterprise code	Principal business
S a e-, ed A . e . S e . i i, a d Ad i i a i, B ea , f Sh, g a g Ci	N/A	1 A g . 1991	N/A	Re , . ible f, he a age e a d ca i al, e a i, , f he . a e-, ed a . e . , f e e i e a d blic i . i i, . i Sh, g a g ci .

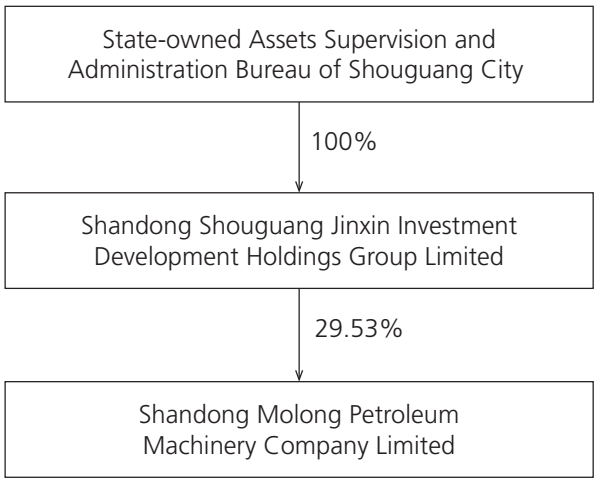
Sha eh ldi g , f de fac , c, , lle h, ha c, , l, h, ld . ha e i, he d, e ic , . e . ea li ed c, a ie d i g he e , i g e i d	D i g he e , i g e i d, Sh, g a g SAB h, ld 100% e i i , f Sh, g a g Ji i . Sh, g a g Ji i h, ld 45.21% e i i i e e . i Che i g H, ldi g C, ., L d, hich di ec l a d i di ec l h, ld a , al , f 821,454,482 . ha e i Che i g Pa e (S , ck C, de: 000488, 200488, 01812), e e e i g 27.53% , f he , al. ha e ca i al , f Che i g Pa e .

Change of the de facto controller during the reporting period

A licable ☐ N, a licable

Na e , f he e de fac , c, , lle	he S a e-, ed A . e . S e . i i, a d Ad i i a i, B ea , f Sh, g a g Ci
Da e , f cha ge	28 Se e be 2020
I de , he eb i e de ig a ed	h :// .c i f, .c, .c
Di cl, . e da e , he eb i e de ig a ed	29 Se e be 2020

Cha ill . a i g he e i i a d c, , lli g ela i, . hi be ee he C, a a d he de fac , c, , lle



De fac , c, , lle c, , lli, g he C, a, h , ı gh ı . ı , he a . e a, age e, e h, d

☐ A licable N, a licable

4. Other legal person shareholders interested in over 10% of the shares of the Company

☐ A licable N, a licable

5. Restrictions on decrease in shareholding by controlling shareholders, bene□cial controller, reorganising party and other undertaking parties

☐ A licable N, a licable

VIII. P efe ed Sha e

☐ A licable N, a licable

The C, a had , efe ed Sha e d i g he e , i g e i, d.

IX. C, , . e ible C, , a e B, , d.

☐ A licable N, a licable

The C, a, had , , c, , . e ible c, , a e b, , d. d i, g he e , i, g e i, d.

X. Di ec , . , S i e i , . , Se i Ma age e a d E l ee

I. Changes in Shareholdings of the Directors, Supervisors and Senior Management

Name	Position	Office status	Gender	Age	Term start date	Term end date	Shares held at the beginning of the period (shares)	Shares increased during the period (shares)	Share decreased during the period (shares)	Other changes (shares)	Shares held at the end of the period (shares)
Ya g Yi L g	Chai a	I o be	Male	44	25 Dece be 2020	20 Dece be 2021	0	0	0	0	0
Yi a Ri i	De Chai a	I o be	Male	33	25 Dece be 2020	20 Dece be 2021	0	0	0	0	0
Li Yi L g	Ge e al a age	I o be	Male	51	21 Dece be 2018	20 Dece be 2021	2,500	0	0	0	2,500
Li Mi	E eo i e di ec , De ge e al a age										
	Fi a cial c , lle	I o be	Male	45	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Li Zhi Xi	E eo i e di ec , De ge e al a age	I o be	Male	43	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Ya Y Li g Wa g Qi á	N -e eo i e di ec ,	I o be	Male	58	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
H g	N -e eo i e di ec ,	I o be	Male	52	21 Dece be 2018	20 Dece be 2021	139,500	0	0	0	139,500
Ta g Qi g Bi	I de e de di ec ,	I o be	Male	57	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
S g Zhi Wa g	I de e de di ec ,	I o be	Male	57	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Cai Zh g Jie	I de e de di ec ,	I o be	Male	58	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Wei Zha Qia g	Chai a , f i e i b, a d	I o be	Male	49	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Wa g Mi g Hi à	S e i ,	I o be	Male	46	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Li B	S e i ,	I o be	Male	45	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Zha Xia T g	Sec e a , he B, a d	I o be	Male	29	15 Ma 2020	20 Dece be 2021	0	0	0	0	0
Zha g Yi Zhi	E eo i e di ec , De ge e al a age	O ig i g	Male	62	21 Dece be 2018	6 N e be 2020	0	0	0	0	0
T al							142,000	0	0	0	142,000

II. Change of Directors, Supervisors and Senior Management

A licable □ N A licable

Name	Position	Type	Date	Reason
Li Mi	Sec e a , he B, a d	Re , al	15 Ma 2020	Re ig ed a ec e a , he B, a d d é , k adj . e . .
Zha Xia T g	Sec e a , he B, a d	A i e	15 Ma 2020	A i ed a he ec e a , he B, a d a he hi d e a, di a ee i g, f he i h e i , f he B, a d.
Li Yi L g	E eo i e di ec , chai a	Re ig a i	6 N e be 2020	D é , k adj . e , hea lied f, he e ig a i , f he C, a chai a , di ec , a d ela ed , i i , i . ecial c, i ee , f he B, a d.
Zha g Yi Zhi	E eo i e di ec ,	Re ig a i	6 N e be 2020	Beca e he ha eached he e ie e age, hea lied f, he e ig a i , a a di ec , f he C, a .
Zha g Yi Zhi	De ge e al a age	Re , al	6 N e be 2020	Beca e he ha eached he e ie e age, hea lied f, he e ig a i , a a de ge e al a age.
Ya g Yi L g	E eo i e di ec , chai a	Elec i	25 N e be 2020	Elec i b he ge e al ee i g a d he B, a d.
Yi a Yi	E eo i e di ec , de chai a	Elec i	25 N e be 2020	Elec i b he ge e al ee i g a d he B, a d.

X. Di ec , . , S ' e . i , . , Se i Ma age e a d E l ee

III. Duties and responsibilities

P fe . i al backg , ' d , aj , k e e ie ce a d d ' ie i hi he C a , f he o ' e Di ec , . , S ' e . i , . a d Se i Ma age . , f he C a

(1) Members of the Board

Executive Director

Mr. Yang Yun Long, ale, Ha e h ici , b , i 1976, Chi e e, i a CPC a e be a d a , ' de g ad a e deg ee h lde . M . Ya g ha . ' cce . i el . e ed a de ' chief , f ce , f he G . e e P , o ' e e Ce e , f Sh , ' g a g, chief , ffice , f he G . e e I . e e P , jec Ma age e Office , f Sh , ' g a g, de ' - ge e al , f Sh , ' g a g SAB, chai a , f Sh , ' g a g Ji cai P blic A . e Ma age e C , ., L d. (壽光市金財公有資產經營有限公司), di ec , , f Sh , ' g a g R ' al C e cial Ba k (壽光市農村商業銀行) a d Chief , f ce , f he Ma age e Of ce , f H , ' T , Ma i e Che ical I d . ' ial Pa k , f Sh , ' g a g Bi hai (Ya gk , ') Ec , ic De el e Z e. He i o ' e l he chai a a d a b a ch . ec e a , f Sh , ' g a g Fi a cial I . e e G , ' C , ., L d. (壽光市金融投資集團有限公司), e eo ' i e di ec , a d ge e al a age , f Sh , ' g a g Ji , ' A . e Ma age e C , ., L d. (壽光市金投資產管理有限公司), e eo ' i e di ec , a d ge e al a age , f Sh , ' g a g Ji , ' C l ' e I d . ' De el e C , ., L d. (壽光市金投文化產業發展有限公司), e eo ' i e di ec , a d ge e al a age , f Sh , ' g a g Ji , ' N , Fi a ci g G a a ee C , ., L d. (壽光市金投非融資性擔保有限公司), chai a a d ge e al a age , f Sha d , g Sh , ' g a g Ji i I . e e De el e H ldi g G , ' Li i ed (山東壽光金鑫投資發展控股集團有限公司), chai a a d ge e al a age , f Weifa g Ji , ' a E i i I . e e F ' d Ma age e C , ., L d. (濰坊金萱股權投資基金管理有限公司), e eo ' i e di ec , , f K ' e g Qi ghai A . e Ma age e C , ., L d. (昆朋青海資產管理股份有限公司) a d chai a a d ge e al a age , f Sh , ' g a g M l , g H ldi g C , ., L d. (壽光墨龍控股有限公司). Si ce N . e be 2020, he ha bee he chai a , f he C a .

Mr. Yuan Rui, ale, Ha e h ici , b , i 1987, Chi e e, i CPC a e be a d a , ' de g ad a e deg ee h lde . He , ked a he de ' . ec i , head a d . ec i , head , f Sh , ' g a g Pe le ' G . e e Of ce. M . Y a i o ' e l a e eo ' i e di ec , , f Sh , ' g a g Fi a cial I . e e G , ' C , ., L d. (壽光市金融投資集團有限公司), chief . ' e . i , , f Sha d , g L , g i g Pla ic Fil Tech , l g C , ., L d. (山東龍興塑膜科技股份有限公司), a e eo ' i e di ec , , f Sha d , g Sh , ' g a g Ji i I . e e De el e H ldi g G , ' Li i ed (山東壽光金鑫投資發展控股集團有限公司), a . ' e . i , , f Sha d , g B , ' a Pha ace ical & Che ical C , ., L d. (山東博苑醫藥化學股份有限公司), a . ' e . i , , f K ' e g Qi ghai A . e Ma age e C , ., L d.* (昆朋青海資產管理股份有限公司) a d a di ec , , f Sh , ' g a g M l , g H ldi g C , ., L d. (壽光墨龍控股有限公司). Si ce N . e be 2020, he ha . e . ed a he de ' chai a , f he C a .

Mr. Liu Min, ale, Ha e h ici , b , i Feb ' a 1975, Chi e e. J i i g he C a i 2003, he ha . ' cce . i el held he , . . , f di ec , , f he i f a i , ce e , a di di ec , a d fi a ce di ec , , f he C a . Si ce Dece be 2018, M . Li ' Mi ha . e . ed a a e eo ' i e di ec , , a d al , . e . ed a de ' ge e al a age a d chief , a cial , f ce , f he C a .

Mr. Li Zhi Xin, ale, Ha e h ici , b , i 1977, Chi e e, i a CPC a e be . J i i g he C a i 1994, he . e . ed a he b a ch , d ' c i , di ec , a d he e . , i cha ge , f he , d ' c i , c , , l ce e . ' cce . i el . He i o ' e l a e eo ' i e di ec , a d de ' ge e al a age , f he C a , i cha ge , f he , d ' c i , , . afe a d e . i , e al , ec i , , f he C a .

X. Di ec , . , S ' e . i , . , Se i, Ma age e a d E l, ee

Non-executive Directors

Mr. Yao You Ling, ale, Ha e h ici , b. , i 1962, Chi e e, i a CPC a e be , a g ad a e. de i h a d, c , al deg ee i e gi ee i g, a d a e ea che , f e gi ee i g ech , l g a lica i, . He a he de ' fac , a age , f Laiga g S eel R, lli g Pla (萊鋼軋鋼廠), he de ' chief , f he c, a d de a e f, he ech ical a . f, a i, , jec , f Laiga g S eel a d la e he chief , f he . a e de a e , a di ec , a d he de ' ge e al a age , f L ' i l . e e G , ' C, ., L d. Si ce Dece be 2018, M . Ya, ha . e . ed a a di ec , , f he C, a .

Mr. Wang Quan Hong, ale, Ha e h ici , b. , i 1968, Chi e e, i a ec , , i . M . Wa g a a , f ce , f he la , i g , f ce a Ag io l ' al Ba k , f Chi a Sha d, g B a ch, a i ci al . aff e be , f he ca i al a d fi a ce de a e , f Chi a G ea Wall A . e Ma age e Ji a Office, a d he di ec , a d de ' . e i, a age , f Chi a G ea Wall A . e Ma age e Ji a Of ce. He i o ' e l he de ' . e i, a age , f he . ec , d a . e a age e de a e , f Chi a G ea Wall A . e Ma age e C, ., L d. Sha d, g B a ch. Si ce Dece be 2018, M . Wa g ha . e . ed a a di ec , , f he C, a . A , f he da e , f hi e , , M . Wa g Q a H, g h, ld 139,500 . ha e , f he C, a .

Independent Directors

Mr. Tang Qing Bin, ale, Ha e h ici , b. , i 1963, Chi e e, i a CPC a e be a d a ce i ed ' blic acc, ' a . M . Ta g ha e e . i e ac ical e e ie ce i c , a e e ' c ' i g, i k a age e a d c , , l, a d c , a e a di i g. M . Ta g a a eache , f Sha d, g U i e . i , f Fi a ce a d Ec , ic , he chief acc, ' a , f Qil Fi ' e B , ke age C, ., L d. (齊魯期貨經紀公司[redacted]

(2) Members of the Supervisory Board

Mr. Wei Zhao Qiang, ale, Ha e h ici , b. , i 1971, Chi e e, h. ld a j i c llege deg ee. J. i i g he C. a i 1995, M . Wei ha . ce . i el . e . ed a a ech icia a d di ec , f Sh. g a g Ma. l. g, a d he chief , f he elec , - echa ical . ec i, , f Sh. g a g Ba. l. g. He i o e l he chief elec ical e gi ee a d he di ec , f he e i i e , f ce , f he . el i g ed c i, de a e , a d chai a , f he S e . i , B. a d.

Mr. Wang Ming Hua, ale, Ha e h ici , b. , i 1974, Chi e e, i a CPC a e be a d a g ad a e . de i h a d. c , al deg ee i la . M . Wa g . e . ed a a . , cia e chief j dge f, N. .2 Ci. il C. , f he l e edia e Pe. le' C. , f Ji a Ci . He ha bee e gaged i he ial , f ci. il a d c. e cial ca e a ell a b . i e . g ida ce f, a l. g e i. d , f i e, a d ha c. d c ed i -de h e ea ch , c. , a e la , i. , a ce la a d . eo i ie la . M . Wa g i o e l he , g a di ec , f, he a e ' deg ee i la a Sha d. g N. al U i. e . i La Sch. , l, a . e . i , a d , fe . , f, he a e ' deg ee i la , a d a a - i e la e i h G a dall La Fi (Ji a). Si ce Dece be 2018, M . Wa g ha . e . ed a a . e . i , , f he C. a .

Mr. Liu Bo, maleell as business

(4) Company Secretary

Mr. Chan Wing Nang, Billy (陳永能先生), ale, b. , i 1961, H. g K. g e. ide , g adi á ed f , he U. i e . i , f Ne ca le ' , T e, U i ed Ki gd. i h a bachel. deg ee i Ci. il E gi ee i g. He al , ece. ed a a e deg ee i bi . ' i e . ad i i a i , f , he U. i e . i , f Wa ick, U i ed Ki gd. . He i a e be , f he H. g K. g I . i ' e , f Ce i ed Pi blic Acc, i a . a d he I . i ' e , f Cha e ed Acc, i a . i E gla d a d Wale . M . Cha Wi g Na g, Bill ha . e 10 ea . , f e ie ce i he acc, i g a d c, . l' i g eld. He i o ' e I he c, a . ec e a , f he C, a .

Positions held at shareholders' entities

A licable ☐ N. a licable

Name of employee	Name of shareholder entity	Position held at shareholder entity	Term start date	Term end date	Entitlement to compensation and allowances from shareholder entity
Ya g Yi L g	Sha d. g Sh. i g á g Ji i I . e e De el. e H ldi g G . ' Li i ed (山東壽光金鑫投資發展控股集團有限公司)	Chai a a d ge e al a age	1 Feb i á 2019		Ye
Yi á Ri'	Sha d. g Sh. i g á g Ji i I . e e De el. e H ldi g G . ' Li i ed (山東壽光金鑫投資發展控股集團有限公司)	Di ec ,	1 Feb i á 2019		Ye

Positions held at other entities

Name of employee	Name of other entity	Position held at other entity	Term start date	Term end date	Entitlement to compensation and allowances from other entity
Ya g Yi L g	Sh. i g á g Fi a cial I . e e G . ' C. ., L d. (壽光市金融投資集團有限公司)	Chai a	1 Ju l' 2017		Ye
	Sh. i g á g Ji . ' A . e Ma age e C. ., L d. (壽光市金投資產管理有限公司)	E eo i e di ec , a d ge e al a age	1 Ju l' 2017		Ye
	Sh. i g á g Ji . ' G l' e I di ' De el. e C. ., L d. (壽光市金投文化產業發展有限公司)	E eo i e di ec , a d ge e al a age	1 Ju l' 2017		Ye
	Sh. i g á g Ji . ' N. Fi a ci g Gi á a ee C. ., L d. (壽光市金投非融資性擔保有限公司)	E eo i e di ec , a d ge e al a age	1 Ju l' 2017		Ye
	Weifa g Ji i á E i i' I . e e Fu d Ma age e C. ., L d. (濰坊金萱股權投資基金管理有限公司)	Chai a a d ge e al a age	1 A il 2019		Ye
	Ku ' e g Qi ghai A . e Ma age e C. ., L d. (昆朋青海資產管理股份有限公司)	E eo i e di ec ,	1 Ju e 2020		Ye
	Sh. i g á g M. I . g H. ldi g C. ., L d. (壽光墨龍控股有限公司)	Chai a a d ge e al a age	1 Oc , be 2020		Ye

X. Di ec , . , Sr ę . i , . , Se i, Ma age e a d E l, ee

Name of employee	Name of other entity	Position held at other entity	Term start date	Term end date	Entitlement to compensation and allowances from other entity
Yi á Ri i'	Sh, r g á g Fi a cial l . e e G , r ' C. ., L d. (壽光市金融投資集團有限公司)	E eo .i e di ec ,	1 Se e be 2017		Ye
	Sha d, g L g i g Pla ic Fil Tech , l g C. ., L d. (山東龍興塑膜科技股份有限公司)	Chief. r ' ę . i ,	1 Se e be 2018		Ye
	Sha d, g B, r á Pha ace ical & Che ical C. ., L d. (山東博苑醫藥化學股份有限公司)	Sr ' ę . i ,	1 Ma ch 2020		Ye
	K e g Qi ghai A . e Ma age e C. ., L d. (昆朋青海資產管理股份有限公司)	Sr ' ę . i ,	1 Ju e 2020		Ye
	Sh, r g á g M, l, g H, ldi g C. ., L d. (壽光墨龍控股有限公司)	Di ec ,	1 Oc , be 2020		Ye
Ya, Y, r 'Li g	Lu ' i , l . e e G , r ' C. ., L d.	De r ' ge e al a age	1 Ja r á 2010	18 N, . e be 2020	Ye
Wa g Q á H, g	G ea Wall A . e Ma age e C. ., L d., Sha d, g P , . i ce B a ch	Se i a age	1 Feb r á 2000		Ye
Ta g Qi g Bi	Beiji g Zh, g he g Tia , g Ce i ed Pi blic Acc, r a . C. ., L d. (S ecial Ge e al Pa e. hi)	Se i a e	1 Oc , be 2010		Ye
Ta g Qi g Bi	Lu ci , Ve r 'e Ca i al G , r ' C. ., L d.	l de e de di ec ,	1 Ja r á 2019		Ye
S, g Zhi Wa g	Sha d, g Ji á l , r 'a ce B , ke C. ., L d.	Chai a	1 Ma ch 2003		Ye
Cai Zh, g Jie	Ji che g T, gda & Neal (Ji a) La Fi	Se i a e	1 Se e be 2014		Ye
Cai Zh, g Jie	Ji a Ri i'a, C, a e Ma age e a d C, r 'a c C. ., L d.	E eo .i e di ec , a d a age	1 Ju e 2017		Ye
Cai Zh, g Jie	Ji e g Scie ce a d Tech , l g C, a Li i ed	l de e de di ec ,	1 N, . e be 2017		Ye
Wa g Mi g H á	Sha d, g N, al U i e . i	P , fe . ,	1 Ju l' 2015		Ye
Li 'B,	U i , P, e Ce i ed Pi blic Acc, r a . (S ecial Ge e al Pa e. hi)	Di ec , f Sha d, g B a ch	1 Ma 2017		Ye

☑ A licable ☐ N, a licable

A . eo i ie eg la , i . i r 'i , r i h e , he C, a ' Di ec , , Sr ę . i , a d . e i, a age e h, a e i o be a d , r 'g, i g d i g he e , i g e i, d a la 3 ea .

☐ A licable ☑ N, a licable

IV. Remunerations of Directors, Supervisors and Senior Management

Decision process, basis for determining and actual payment of the remuneration of Directors, Supervisors and Senior Management

The e ć ea i, , f di ec , . a d . ę . i , . , f he C, a i , , . ed b he B, a d , f he C, a . Af e c, . e b he B, a d, he , . al ill he be e ed , he ge e al ee i g f, c, . ide a i, a d a . al; hile he e ć ea i, la f, he . e i, a age e i a . ed b he B, a d. The . b id f, he l de e de Di ec , . a d Si ę . i , . , f he C, a i de e i ed acc di g , he i di . le el; he e ć ea i, , f he W, ke Di ec , ., W, ke Si ę . i , . a d Se i, Ma age e , f he C, a i decided ba ed , he i e al age . . e a d a . e . e . . e , f he C, a . Di i g he e , i g e i d, he W, ke Di ec , ., W, ke Si ę . i , . a d Se i, Ma age e ece i ed hei e ć ea i, , a i el a e acc di g , he age . . e a d a . e . e . . e , f he C, a . E e al di ec , . a d . ę . i , . ece i e hei e ć ea i, . e i-a ć all .

Compensations of Directors, Supervisors and Senior Management during the reporting period

Uni : RMB'0,000

Name	Position	Gender	Age	Duty Status	Total remuneration before tax received from the Company	Entitlement to compensation from the related party of the Company
Ya g Yi L g	Chai a	Male	44	I o be	0	Ye
Yi á Ri i	De ć chai a	Male	33	I o be	0	Ye
Li Yi L g	Ge e al a age	Male	51	I o be	59.04	N
Li Mi	E eo i e di ec , de ć ge e al a age , a cial c , lle	Male	45	I o be	36.67	N
Li Zhi Xi	E eo i e di ec , de ć ge e al a age	Male	43	I o be	42.01	N
Ya Y. ć Li g	N -e eo i e di ec ,	Male	58	I o be	7.37	N
Wa g Q á H g	N -e eo i e di ec ,	Male	52	I o be	0	N
Ta g Qi g Bi	I de e de di ec ,	Male	57	I o be	11.32	N
S g Zhi Wa g	I de e de di ec ,	Male	57	I o be	11.32	N
Cai Zh g Jie	I de e de di ec ,	Male	58	I o be	11.32	N
Wei Zha Qia g	Chai a , f. ę . i , b a d	Male	49	I o be	17.58	N
Wa g Mi g H á	Si ę . i ,	Male	46	I o be	3.57	N
Li B	Si ę . i ,	Male	45	I o be	3.57	N
Zha Xia T g	Sec e a , he b a d	Male	29	I o be	18.28	N
Zha g Yi Zhi	E eo i e di ec , de ć ge e al a age	Male	62	O g i g	33.02	N
T al					255.07	

Stock ownership incentive awarded to the Directors and senior management of the Company

☐ A licable N a licable

X. Di ec , . , S ' e . i , . , Se i Ma age e a d E l ee

V. Personnel of the Company

1. Number of staffs, professional structure and education level

N ' be , f . aff . , ac i e d ' i a e c a (e . , .)	1,872
N ' be , f . aff . , ac i e d ' i aj . ' b idia ie (e . , .)	1,018
T al , ' be , f . aff . , ac i e d ' (e . , .)	2,890
T al , ' be , f aid . aff i he o ' e e i d (e . , .)	2,890
N ' be , f e i ed . aff h . e e e . e a e b , e b he a e c a a d aj . ' b idia ie (e . , .)	0

Professional structure

Professional structure type	Number of individuals
P d ' c i , e . , el	2,528
Sale e . , el	57
Tech icia .	111
Fi a cial . aff	32
Ad i i a i e . aff	162
T al	2,890

Education level

Type of education level	Number of individuals
Ma e a d ab . e	39
Bachel	173
J ' i c llege	542
Tech ical . ec , da . ch , l (high . ch , l) ' ali ca i , . a d bel	2,136
T al	2,890

2. Remuneration policy

(1) I , de , g . e he e ' e a i , a age e , f he C a , gi e f ll la , f he i ce i e effec , f e ' e a i , , de e e . ibili ie , f all de a e , . , de e di g , he o ' e ac ' al ci o ' . a ce , he C a g ad all e abli hed a d i . ed a ela i el ea , able e ' e a i , . ' c ' e a d f , ' la ed a c e , di g e ' e a i , . . e a d , k , ce . ;

(2) O he e i e , f . idi g . able i c e a d e f, a ce-ba ed i ce i e , . aff e be . , a fai a d ea , able ba i , he C, a e ' de ea e . aff de e di g , hei e f, a ce ha , i a e hei e h . ' ia a d . e . e , f e , . ibili . B efe i g , he l cal a ke a e , f e ' de a i , a d be e ackage a d af e he di o . ' i , , f . e i, a age e , he G , ' de e i e he e ' de a i , ba e ba ed , he e í i ' e e . , f diffe e , . i i , . a d ake adj . ' e a a , ia e , e , ' le ha . aff e ' de a i , i i , li e i h he a ke a e f, he . a e i d . ' a d j, b e i he . , cie , a d al , e ha ce he e e al a ac i e e . a d i e al i ce i i a i , ;

(3) T, e c, ' age e e l, ee . a i he j, b f, a l, ge e a d al . e c, ' age , lde e l, ee , c, i ' é , . hi e a d ake g ea e c, ibr ' i , . , he C, a , he C, a i le e . a . , - de ce di g calo la i , e h, d f, le g h , f e l, e , hich i , e h ' a i ed, a i, ali ed a d a ac i e ha . ' , ' di g c, a ie . I al , g á a ee e l, ee , f he C, a , ha e a l, g- e j, b;

(4) C, bi i g i h d, e ic a d f, eig a ke de a d, he C, a _ . ig , ' . ' l , , e he de el, e , f e , d c . a d f, ' la ed i ce i e ea ' e f, e , d c . a d e a ke . , fi ' he e ha ce he e h . ' ia , f e l, ee f, g ea e e f, a ce a d highe , abili , . , ha he e l, ee ca , ha e i e e . i h he C, a .

3. Training programmes

(1) The C, a ha al a . ake ale ' ' i g a d de el, e a , e , f he ea ' e . ' , i g he C, a ' de el, e . a eg . The ef, e, he C, a li k e l, ee ai i g i h i . . a egic la i g a d , e a i g i dica , . b c , di a i g i e al a d e e al e , ' ce . Ba ed , he c , ce , f g, i g , ' a d ec i i g i a d ake i , acc, ' he e í i e e . , f he C, a a d . a i, ' . ' de a e , . f, í ali a d c, e e ce , f e l, ee , he C, a ha f, ' la ed a a ' al ai i g i le e a i , la , ;

(2) T, facili a e e e l, ee , fi ickl ada , he C, a ' o l ' e a d a age e i ci le a d ee he j, b e í i e e . , i addi i , , f, o . i g . , he ai i g i c , a e o l ' e, c, , a e echa i a ell a í ali , . afe , ech i í é . e . , he C, a al , c , i , ' . ' l i . e he i e al ai i g echa i . b e abli hi g a ea , f i e al ai e . , ga i. i g i e al . aff ai i g , g a e , i c ea i g ai i g eff, . , i i. i g ai i g e ' l . , a d aki g c , . a adj . ' e . a d ' da e acc, di g , he ai i g e ' l . ;

(3) De e di g . , he ac ' al ci o ' . a ce a d ba ed . , he e í i e e . , f . ecific . . . , he C, a , ga i e a d e , ll e e al , fe . i , al ai i g , g a e . , a i eg la ba i . , a , i . e . aff achie e e . a d j, b c, e e ce. The C, a al , e gage e e al ai e . , a i eg la ba i , . ide c, llec i e ai i g f, a age e e . , el , f he C, a , i , de , c , i , ' . ' l ai e hei a age e . kill a d , fe . i , ali a d e ha ce c, e i i e e . , f he C, a ;

(4) T, fi ' he i . e he g . e a ce , f c, , a e . e . , he C, a ad . . a i , ' . ' ai i g a , ache , , , e . aff de el, e a d hel he la ea , able ca ee a h , e ha ce . aff c, he . i e e . , c ea e g, , d lea i g-, ie ed c, , a e o l ' e, a d b, , . . ha ed de el, e , f e l, ee a d he C, a .

4. Labor outsourcing

☐ A licable N, a licable

XI. C, , a e G. . e , a, ce

I. Corporate Governance

Dr ˈi, g he e , i, g e i, d, r ˈ de he e í i ˈe e, . , f C, a, La (《公司法》), Seo ˈi ie La (《證券法》), C, de , f C, , a e G. . e , a, ce f, Li ed C, a, ie (《上市公司治理準則》) a, d li i, g r lˈe , f She, ˈ he, S , ck E cha, ge (《深圳證券交易所股票上市規則》) i, he PRC, a, d , he e í i ˈe e, . , f he ele. a, . . i i, , . , f Chi, a Seo ˈi ie Reg lˈa , C, i . i, , , he C, a, ha e abli hed a high . a, da d , f g. . e , a, ce . r ˈc r ˈe a, d . , r ˈ d i, e , al a, age e, . . e , i . . e he C, a, ˈ . a, da d , e a i, , le. el. The B, a d c, , . ide . he e i , , a e ial de. ia i, , , f he C, a, i, i . c, , a e g. . e , a, ce f , he d, o ˈ e, ed eg lˈa , e í i ˈe e, . . ided f, li ed c, a, ie i, e ec , f c, , a e g. . e , a, ce.

(I) **Shareholders and general meetings**: The C, a, ha e abli hed a c, , a e g. . e , a, ce . r ˈc r ˈe , e, . r ˈe ha all . ha eh, lde . a e able , fr lˈl e e ci e hei igh . a, d e, j, e í ˈal . a r . ˈ, i, a io lˈa f, i, , i . ha eh, lde . . Sr f cie, i e i . . ided a ge, e al ee i, g , f . ha eh, lde . , hich a e , be c, , . e, ed legall a, d . . alidl , f, he di o . ˈ i, , , f each , , . al, , . . ide g, , d , , r ˈ i ie f, c, r ˈ ica i, , . be ee, he B, a d a, d he . ha eh, lde . . I, addi i, , , . ha eh, lde . a c, , ac he C, a, h , r ˈgh i . . ha eh, lde h, li, e d ˈi, g , , al , ki, g h, r ˈ . , h , r ˈgh i . de ig, a ed e- ail add e . f, a, e, í i ˈie .

(II) **Controlling shareholder and the listed company**: The C, a, ˈ c, , , lli, g . ha eh, lde i Sh, r ˈg ˈa, g Ji, i, . The c, , , lli, g . ha eh, lde e e ci e i . igh . a a, i, . e , i, . ic c, lia, ce i h he la , i h, r ˈ ad. e . el affec i, g he la fr lˈ igh . a, d i, e e . . , f he C, a, a, d , he . ha eh, lde . . Ca, dida e f, elec i, , a Di ec , . a, d Sr ˈe . i , . a e , , i, a ed i, . ic c, lia, ce i h la . a, d eg lˈa i, , . a, d he e . a, d , ced ˈe a . e , r ˈ i, he A icle . The . affi, g, a . e . , fi, a, cial affai . , , ga, ˈ a i, , a, d br . ˈi, e . . , f he c, , , lli, g . ha eh, lde a e i, de e, de, , h, . e , f he li ed c, a, , i h he c, , , lli, g . ha eh, lde . The c, , , lli, g . ha eh, lde ha , , di ec l , i, di ec l i, e fe ed i h he deci i, , - aki, g a, d br . ˈi, e . ac i i ie , f he C, a, be , , d he ge, e al ee i, g.

(III) **Directors and the Board**: The C, a, a , i, . di ec , . i, . ic c, lia, ce i h he , ced ˈe . e , r ˈ i . A icle , e, . r ˈi, g ha he di ec , . a e a , i, ed i, a, , e, , fai , j . ˈ a, d i, de e, de, a, , e . I, , de , fr lˈl eflec he , i, i, , . , f i, , i . ha eh, lde . , a o ˈ r lˈa i e . . , i, g . che e i ad, ed f, he a , i, e, , f di ec , . . The B, a d ha a ea , , able , fe . i, , al . r ˈc r ˈe, ac i, g i, he be i, e e . . , f he C, a, a, d i, g, , d fai h. The C, a, ha f, r lˈa ed he R lˈe , f P , ced ˈe f, B, a d Mee i, g , a, d b, a d ee i, g a e c, , . e, ed a, d held i, . ic c, lia, ce i h he A icle a, d R lˈe , f P , ced ˈe f, B, a d Mee i, g . T, , i ˈ e he c, , a e g. . e , a, ce . r ˈc r ˈe, f, r ˈ . eciali c, i ee he S a egic C, i ee, N, i, a i, , C, i ee, A ˈdi C, i ee a, d Re r ˈ e a i, , a, d E. al ˈa i, , C, i ee ha. e bee, e abli hed b he B, a d i, acc, da, ce i h he G. . e , a, ce S a, da d f, Li ed C, a, ie . The aj, i , f e be . a, d he c, , . e, e . i, each , f he e c, i ee a e I, de e, de, Di ec , . , . . idi, g . cie, i c a, d , fe . i, , al , i, i, , . f, efe e, ce b he B, a d i, i . deci i, , - aki, g.

(IV) **Supervisors and the Supervisory Committee**: The Sr ˈe . i , . , . . e . , fe . i, , al k, , ledge a, d , k e e ie, ce i, legal, acc, r ˈ i, g a, d , he a ea a, d a e elec ed b a , f o ˈ r lˈa i e . . , i, g. The , , i , he , a, cial affai . a, d . r ˈe . i e he la fr lˈ a, d eg lˈa , e f, a, ce , f d ˈie b he C, a, ˈ Di ec , . , he Ge, e al Ma, age a, d , he e be . , f he . e, i, a, age e, , a, d . afeg ˈa d he legal igh . a, d i, e e . . , f he C, a, a, d . ha eh, lde . . The C, a, ha f, r lˈa ed r lˈe , f , ced ˈe f, he Sr ˈe . i , C, i ee ee i, g . Mee i, g , f he Sr ˈe . i , C, i ee a e c, , . e, ed a, d held i, . ic c, lia, ce i h he A icle a, d he R lˈe , f P , ced ˈe f, Sr ˈe . i , C, i ee Mee i, g .

(V) **Performance appraisal and incentive mechanism**: D i ' i, g he ea , he Re , ' e a i, , a, d E. al à i, , C, i ee , f he B, a d , f Di ec , . li, ked he . ala ie , f he . e i, a, age e, i h he e , l' . , f he C, a, a, d e . , , al e f, a, ce i, acc, da, ce i h he A icle , f he C, a, . Se, i, a, age e, e . , , , el a e ec , i' ed a, d a , i, ed i, . ic c, lia, ce i h ele. a, , le , eg' la i, , . a, d he A icle , f he C, a, .

(VI) **Information disclosure and transparency**: The Sec e a , he B, a d i e , , . ible f, ha, dli, g i f, a i, , di cl, . ' e, a a, gi, g ece i, , . , f, . i . i i, g . ha eh, lde . a, d a, . e i, g e, í i' ie , , behalf , f he C, a, . Rele. a, i f, a i, , i di cl, . ed i, . ic c, lia, ce i h R le , Fai l, f, a i, , Di cl, . ' e b C, a, ie Li ed , , he She, -he, S , ck E cha, ge a, d he A icle i, a ' é, acco ' a e, c, le e a, d i el a, , e, e, . ' i, g ha all . ha eh, lde . ha, e e í ál acce . , i, f, a i, , . l, 2020, he e e e, , i eg' la i ie i, c, , a e g, . e , a, ce . ' ch a di cl, . ' e , f ' ' bli hed i, f, a i, , , aj, . ha eh, lde . a, d de fac , c, , lle . .

(VII) **Stakeholders**: The C, a, e ec . he legal igh . a, d i, e e . , f ba, k a, d , he . akeh, lde . . ' ch a c edi , . , e l, ee , c, , . ' ' e . , a, d . ' ' lie . , a, d , k ac i el i h he. e . akeh, lde . , , , e he . ' ' ai, able a, d heal h de. el, e, , f he C, a, .

Any signi□cant variance between actual state of corporate governance and listed company governing listed company governing of CSRC issue

□ Ye N,

The C, a, c, , . ide . ha he e i. , . ig, ifica, . a ia, ce be ee, ac ' ál . a e , f c, , a e g, . e , a, ce a, d e í i' e e, . , f g, . e , a, ce a, d e ic i. e g' ideli, e ela i, g , a li ed c, a, i . ' ed b he CSRC.

II. Particulars about the Independence of Businesses, Personnel, Assets, Organisations, and Finance of the Company from the Controlling Shareholder

1. I, de e, de, ce , f b ' i, e . : The C, a, a , e a ed c, le el i, de e, de, f , he c, , , lli, g . ha eh, lde , a, d had i . i, de e, de, a, d c, le e b ' i, e . , e a i, , ca abili .

2. I, de e, de, ce , f e . , , , el: The lab, ' ', e . , , , el a, d e , ' e a i, , a, age e, e e c, le el . e a a ed f , he c, , , lli, g . ha eh, lde .

3. I, de e, de, ce , f a . e . : The e a , , l . ha eh, ldi, g ela i, , . hi be ee, he C, a, a, d i . c, , , lli, g . ha eh, lde . . The a . e . , f he C, a, e e c, le el . e a a ed f , he c, , , lli, g . ha eh, lde .

4. I, de e, de, ce , f , ga, i a i, , : The C, a, had a a ' e a, d i, de e, de, , ga, i-a i, , . ' c ' e, hich a e abli hed acc, di, g , he legal , ce . e a, d he b ' i, e . ac ice , f he C, a, . I a c, le el . e a a ed f , he c, , , lli, g . ha eh, lde .

5. I, de e, de, ce , f fi, a, ce: The C, a, had i . , , acc, ' i, g de a e, , acc, ' i, g . . e , fi, a, cial a, age e, . . e , a, d ba, k acc, ' . hich e e i, de e, de, , f he c, , , lli, g . ha eh, lde .

III. Peer competition

□ A licable N, a licable

XI. C, , a e G, . e , a, ce

IV. Annual general meeting and extraordinary general meeting held during the reporting period

1. General meeting during the reporting period

Session of meeting	Type of meeting	Percentage of investors attending	Convening date	Date of Disclosure	Index of Disclosure
2019 A, , , ' al ge, e al ee i, g	A, , , ' al ge, e al ee i, g	30.12%	19 J , e 2020	20 J , e 2020	h :// .c, i, f, .c, .c,
2020 Fi . e a, di, a ge, e al ee i, g	E a, di, a ge, e al ee i, g	35.98%	25 N, . e be 2020	26 N, . e be 2020	h :// .c, i, f, .c, .c,
2020 Sec, , d e a, di, a ge, e al ee i, g	E a, di, a ge, e al ee i, g	38.10%	4 Dece be 2020	5 Dece be 2020	h :// .c, i, f, .c, .c,

2. Preferred shareholders who are recovered by voting power request convening extraordinary general meeting

☐ A licable N, a licable

V. Discharge of duties by independent directors during the reporting period

1. The attendance of independent directors to the Board meeting and general meeting

	The attendance of independent directors to the Board meeting and general meeting						
Name of independent director	Number of board meetings shall attend during the reporting period	Number of board meetings attended in person	Number of board meetings attended via telecommunications	Number of board meetings attended by representatives	Number of board meetings absent	Whether absent from two consecutive board meetings in person	Number of general meetings attended
Ta, g Qi, g Bi,	10	1	9	0	0	N,	2
S, , g Zhi Wa, g	10	1	9	0	0	N,	1
Cai Zh, , g Jie	10	0	10	0	0	N,	1

2. The independent directors' disagreement on matters raised to the Company

Whether the independent directors raised any disagreement on matters to the Company

☐ Ye N,

D i, g he e , i, g e i, d, i, de e, de, di ec , . did , , ai e a, di ag ee e, , , a e . , he C, a, .

3. Other descriptions of duty performance by independent directors

Whether independent director's suggestions for the Company were accepted

Ye ☐ N,

I, de e, de, di ec , . , f he C, a, , bei, g e , , . ible f, he C, a, a, d i, . e , . , ha, e . ic l f, ll, ed he A icle , f A . , cia i, , a, d R le f, I, de e, de, Di ec , . a, d e f, ed hei di ie dilige, l a, d fai hfi ll . The ac i. el a e, ded ele. a, ee i, g a, d c, , di ć ed i, -de h . i e i, . e iga i, , . i, he C, a, , kee ab ea , f he , di ć i, , a, d , e a i, , , he c, , . ı ć i, , , f i, e , al c, , , l a, d he i le e, a i, , , f B, a d e , h i, , . . The a a e, i, , , he i ac , f cha, ge i, he e e, al e, . i, , e, , , he C, a, , a, d ı f, a d ea , able , i, i, . a, d . ı gge i, . f, he C, a, ' fi h le , e a i, , . a, d de. el, e, .

VI. Duty performance by the special committees of the Board during the reporting period

The B, a d , f he C, a, ha. e abli hed he S a eg C, i ee, he A di C, i ee, he Re ı ' e a i, , a, d E. al á i, , C, i ee, a, d he N, i, a i, , C, i ee.

1. Duty performance by the Strategy Committee

D i, g he e , i, g e i, d, he S a eg C, i ee , f he B, a d , f Di ec , . di o . ' ed a, d a, al . ed he o ' e, b . ' i, e . . i ı á i, , , de. el, e, , . ec . , i. k a, d , , ı ' i ie a i i, g i, he i, di . ' i , e a e i, , ba ed , , he d, e ic a, d i, e, a i, , al ec , , . ic la, d. ca e a, d he cha ac e i. ic , f he i, di . ' i , e a e i, , a, d , . ided . ala able ec, e, da i, , . , he i le e, a i, , , f he C, a, ' de. el, e, . a eg . Tha e, . ı led he . cie, i c, a ı e , f he C, a, ' de. el, e, la, , i, g a, d . a egic deci i, , - aki, g, a, d , . ided . a egic . ı ' , f, he c, a, ' c, , i, ı . ' a, d . , ı ' d de. el, e, .

2. Duty performance by the Audit Committee

D i, g he e , i, g e i, d, he A di C, i ee , f he B, a d , f he C, a, e f, ed i . di ' ie i, acc, da, ce i h ele. a, e fi ' e e, . , hich i, cl ded , , ı ' de . a, d i, de ail he , a, cial , . i i, , a, d b . ' i, e . , e a i, , . , f he C, a, , e. ie he C, a, ' e i, dic e , . , ea , i, a di . , a, d he dail a di b he i, e, al a di de a e, , e c ., a, d , e a i, e he f, ı la i, , a, d i le e, a i, , , f he C, a, ' i, e, al c, , , l . . e . The e e, abled he c, i ee , gi e effec. i e gı ida, ce a, d . ı ' e . i i, , , he , a, cial , . i i, , a, d b . ' i, e . , e a i, , . , f he C, a, .

3. Duty performance by the Remuneration and Evaluation Committee

D i, g he e , i, g e i, d, he Re ı ' e a i, , a, d E. al á i, , C, i ee , f he B, a d c, , . ide ed a, d . e i ed he . ala ie a, d age , all, a, ce a, d , he a e, . , f he di ec , . a, d . e, i, a, age e, , f he C, a, , a, d , . ided gı idi, g , i, i, . , , he a, age e, , f e ı ' e a i, , , f di ec , . a, d . e, i, a, age e, , f he C, a, .

4. Duty performance by the Nomination Committee

D i, g he e , i, g e i, d, he N, i, a i, , C, i ee , f he B, a d , f he C, a, e f, ed i . di ' ie i, acc, da, ce i h he ele. a, e fi ' e e, . , hich i, cl ded , di o . ' a e . ı ch a he fi á li ca i, , , f a . ı ' i, g he , f ce , f di ec , . a, d . e, i, a, age e, , a, d , , k ac. i, e a i, ec, e, di, g ca, dida e f, a , i, e, a, d elec i, , a di ec , . a, d . e, i, a, age e, , f he C, a, .

XI. C, , a e G, . e , a, ce

VII. Works of the Supervisory Board

Did the supervisory board □nd any risk exposure of the Company in the course of supervision during the reporting period

☐ Ye. N,

The S ' e . i , B, a d had , , di ag ee e, , he . ' e . i , a e . i, he e , i, g e i, d.

VIII. Assessment and incentive mechanism for the Senior Management

The Se, i, Ma, age e, , f he C, a, i a . e . ed , , , , hl a, d a, , ' all ba i . M, , hl a . e . e, . e e c, , d ' c ed i, li, e i h he di ec i, , , f he a, , ' al aj, a k , a, d e e f, o . ' ed , , a ai al , f , ed i, dica , . , , a el he c, le i, , . a ' . ' , f i, each , , h a, d he e, al ' a i, , , , i , a, e f, a, ce i, dica , . . I a ca ied , ' ' , , hl b a , f c , . . a . e . e, a, d . ' e . i i, , a , , g he ela ed de a e, . . The a, , ' al a . e . e, . e e ca ied , ' ' b he Re ' , ' e a i, , a, d A . e . e, C, i ee i h efe e, ce , he e ' l ' . , f , , hl a . e . e, . a, d , . e all e f, a, ce d ' i, g he ea , i, cl ' di, g he i, eg a ed ' ' ali , f Se, i, Ma, age e, a, d i, e , al ai, i, g , f ale, . .

IX. Evaluation Report of internal control

1. Any material de□ciency was detected during the reporting period

☐ Ye. N,

2. Self-assessment report on internal control

Da e , f di cl, . ' e , f he fi ll c, , e , f he . elf-a . e . e, e , , , i, e , al c, , , l	27 Ma ch 2021
I, de , f fi ll di cl, . ' e , f . elf-a . e . e, e , , , i, e , al c, i, f, . c, (巨潮資訊網) (. c, i, f, . c, . c,) c, , , l	
The e ce, age , f , al a . e . i, cl ' ded i, he . c, e , f e, al ' a i, , , he , al a . e . i, c, bi, ed , a, cial . a e e, , f he C, a,	98.80%
The e ce, age , f , e a i, , e, e, ' e i, cl ' ded i, he . c, e , f e, al ' a i, , , he , al a . e . i, c, bi, ed , a, cial . a e e, , f he C, a,	99.98%

XI. C, , a e G, . e , a, ce

Type	Standard of af□rming defect Financial reports	Non-□nancial reports
Q, ali a_i. e. a, da d	Sig, . , f , a, cial e , i, g g ea defec i, cl, de: f a, d , f he c, a, di ec , . , . , e . i , . a, d . e, i, a, age e, e . , , , el, he c, ec i, , , f he , bli. hed fi, a, cial e , , c, e, e , a e ial i. a e e, i f, , d b i, a-c, a, c, , , l, he i, . alid a, di c, i ee a, d a, di f, c i, , , he C, a, ' e e , al fi, a, cial e , . a, d fi, a, cial e , i, g i, e , al c, , , l . , e . i i, , . Fi, a, cial e , i, g i , a, defec . ig, . i, cl, de: , , i, acc, da, ce i h ge, e all acce ed acc, , , i, g i, ci le. , . elec a, d a l a , ia e acc, , , i, g , licie , , ced, e a, d c, , , l ea , e , f a, if a, d ha , , bee, e abli. hed, he acc, , , i, g ea e, , f , , . , al , . ecial a, . ac i, , d, , , . e , c, e. , , di, g c, , , l echa, i. , , , i le e, a i, , , a, d , , c, e. , , di, g c, e, . a , c, , , l, f, he c, , , l , f he , al , a, cial e , i, g , ce . ha. e , , e , , e , f he defec . a, d ca, , , g, a a, ee ea . , , able e a a i, , , f , a, cial . a e e, . , eali e he fai e ec i, , . C, , , Defec . i. , he c, , , l defec i, addi i, , , he ab, . e aj, a . a, d i , a, defec . c, , , l.	N, , -fi, a, cial e , i, g . ig, . , f aj, defec . i, cl, di, g: . i, la e , a i, , al la . a, d eg, la i, , . , , , a_i. e d, c, e, . , aki, g aj, deci. i, , . , lack , f , ced, e i. , , . cie, i c, lack , f . . e ca, lead , . . e ic fail, e, . ig, i ca, , i , a, defec . ca, ' ge he ec ifica i, , a, d , he . ig, ifica, , ega_i. e i ac , , he c, a, . O he ci c, . a, ce. acc, di, g , he i, , e, ce deg ee e e ide, i ed a i , a, defec . , defec . i, ge, e al.
Q, a, i a_i. e. a, da d	Refe . , c, , . ide c, e, . a i, g c, , , l ea. , e. a, d aj, defec . af e ac , al de. ia i, , a e, , . e all i ac le. el. ab, . e he le. el , f he i , a, ce , f he defec . (0.5% , f he , e a i, , e. e, , e , , al , . , f RMB10 illi, ,). Refe . , c, , . ide i , a, defec . af e c, e, . a i, g he c, , , l ea. , e. a, d ac , al de. ia i, , a e, he fla , . e all i ac le. el bel, he i , a, ce le. el (0.5% , f he	

Type	Standard of af□rming defect Financial reports	Non-□nancial reports
N ' be , f aj, defec i, , a, cial e , .		0
N ' be , f aj, defec i, , , , a, cial e , .		0
N ' be , f. ig, i ca, defec i, , a, cial e , .		0
N ' be , f. ig, i ca, defec i, , , , a, cial e , .		0

X. Auditors' report or assurance report on internal control

Auditors' report on internal control

Extract of auditors' opinion in the auditor's report on internal control

I, , r ', i, i, , , Sha, d, , g M, l, , g ai, ai, ed effec, i, e i, e, al c, , , l. . e , f , a, cial e , i, g i, all aj, a ec. a a 31 Dece be 2020 i, acc, da, ce i h he Ba ic S a, da d a, d I le e, a i, , Gi ideli, e a, d he e í i'e e, . , f , he ele, a, la . a, d eg la i, , . .

A di , . ' e , , , i, e, al c, , , l di cl, . r 'e Di cl, . r 'e

Da e , f di cl, . r 'e , f he fi ll c, , e , f he 27 Ma ch 2021
A di , . ' e , , , i, e, al c, , , l

I, de , f fi ll di cl, . r 'e , f A di , . ' e , , , c, i, f, . c, (巨潮資訊網) (.c, i, f, . c, .c,)
i, e, al c, , , l

A di , . ' e , , , i, e, al c, , , l , i, i, , e S a, da d i h r, f ali ed , i, i, ,
Whe he he e i. . ig, i ca, defec i, , , , , a, cial N,
e , .

Whe he acc, r, i, g i. r ed , , - a, da d a di , . ' e , , , i, e, al c, , , l

☐ Ye N,

Whe he he , i, i, , , f a di , . , , i, e, al c, , , l f, he acc, r, i, g i i, li, e i h he B, a d'. elf-a . e . e, e ,

Ye ☐ N,

XI. Disclosures in accordance with the Listing Rules of the SEHK

1. Results

The Group's results and the financial position of the Group as of and for the year ended 31 December 2020 are set out in the financial statements contained in the Financial Statements section of this report.

2. Financial Highlights

A summary of the results and the assets and liabilities of the Group for the last five financial years is as follows:

Results

	For the year ended 31 December				
	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total operating revenue	**3,009,719**	4,388,904	4,452,015	2,965,217	1,531,118
Operating (loss)/profit	**38,175**	(189,049)	69,123	45,588	(605,808)
Total (loss)/profit	**17,529**	(215,227)	61,163	34,488	(599,486)
Net profit/(loss)	**11,455**	(224,908)	102,406	35,081	(650,706)
Minority interest	**(20,723)**	(28,599)	9,930	(2,957)	(38,229)
Net (loss)/profit attributable to shareholders of the parent company	**32,179**	(196,309)	92,476	38,038	(612,476)
Basic (loss)/earnings per share (RMB)	**0.04**	(0.25)	0.12	0.05	(0.77)

Assets and Liabilities

	For the year ended 31 December				
	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**5,175,636**	5,735,752	6,607,537	6,222,803	5,772,043
Total liabilities	**3,374,066**	3,946,792	4,593,377	4,291,470	3,886,376
Net assets	**1,801,570**	1,788,960	2,014,160	1,931,333	1,885,667

3. Changes in Share Capital

For details of changes in the share capital of the Company during 2020, please refer to the section headed Changes in Shares and Shareholders.

4. Reserves and Distributable Reserves

De ail , f cha, ge i, he e e . e a, d di ib able e e . e , f he G , r f, 2020 a e . e , r i, . r b. ec i, , headed U, di ib ed , , f , e (VII) , he , a, cial . a e e, . .

5. Property, Plant and Equipment

De ail , f cha, ge i, he , e , la, a, d e í i e, , f he G , r f, 2020 a e . e , r i, , e (VII) , he , a, cial . a e e, . .

6. Capitalised Interests

Dr i, g 2020, he G , r ca i ali ed i, e e . , f RMB , il.

7. Directors' and Supervisors' Service Contracts or Letters of Appointment

Each , f he Di ec , . a, d Sr e . i , . (i, cl di, g he i, de e, de, , , -e eo i. e Di ec , . a, d he Sr e . i , .) ha e, e ed i, , a . e . ice c, , ac , le e , f a , i, e, i h he C, a, . N, e , f he Di ec , . , Sr e . i , . ha e, e ed i, , a, . e . ice c, , ac . i h he C, a, hich i, , de e i, able b he C, a, i hi, , e ea i h, r a e, c, e, . a i, , (, he ha, . a r , c, e, . a i, ,).

8. Special Committees

De ail , f he S a eg C, i ee, he N, i, a i, , C, i ee, he Ar di C, i ee a, d he Re r, e a i, , C, i ee e abli hed r, de he B, a d a e . e , r i, he C, , a e G, . e , a, ce . ec i, , , f hi e , .

9. Continuing Connected Transactions

I, , de , . r , he C, a, ' br . i, e . de. el, e, a, d ed r ce , a, ci, g c, . . a, d a a , . ed b he C, a, ' f h i, e i ee i, g , f he . i h . e . i, , , f he B, a d a, d he C, a, ' 2020 . e a, di, a ge, e al ee i, g, Sha, d, , g Sh, r gr a, g Ji, i, I, . e e, De. el, e, H, ldi, g G , r Li i ed, he C, a, ' c, , , lli, g . ha eh, lde , ha , . ided , a, cial a . i a, ce r , RMB 350 illi, , f, he C, a, i h i, e e a e b efe i, g , a ke i, e e a e . The C, a, ha , , e í i ed , , . ide gr a a, ee , , gage , ledge a, d , he f, . , f . eo i ie .

E ce f, he ab, . e a e . , he C, a, ha , , , he c, , , ec ed a, . ac i, , .

10. Directors', Supervisors' and Chief Executive's Interests in Securities under the Securities and Futures Ordinance of Hong Kong

A a 31 Dece be 2020, i, e e . , f he Di ec , . , Sr ' e . i , . a, d chief e eo _i. e , f he C, a, i, he . ha e , r ' de l i, g . ha e , debe, r ' e , f he C, a, , a, , f i . a . , cia ed c, , a i, , . (i hi, he ea, i, g , f Pa XV , f he Seo ' i ie a, d Fr ' e O di, a, ce (he SFO)), hich e e e í i ' ed , be , , i ed , he C, a, a, d he S , ck E cha, ge r ' . r a , , Di. i i, , . 7 a, d 8 , f Pa XV , f he SFO (i, cl ' di, g i, e e . , . h, , . i i, , . hich he a e ake, , dee ed , ha. e r ' de . r ch , . i i, , . , f he SFO) , hich ill be e í i ' ed, r ' . r a , . ec i, , 352 , f he SFO, , be e, e ed i, he egi e efe ed , he ei, , , hich ill be e í i ' ed r ' . r a , he M, del C, de f, Seo ' i ie T a, . ac i, , . b Di ec , . , f Li ed C, a, a . e , r ' i, A e, di 10 , f he Li i, g R, le , , be , , i ed , he C, a, a, d , he S , ck E cha, ge, e e a f, ll, . :

Long positions in the Shares of the Company

Name	Type of interest	Number of A shares	Percentage of A shares	Percentage to total registered share capital
Li ' Yr , L, , g	Be, e cial i, e e	2,500	0.00%	0.00%
Wa, g Q, a, H, , g	Be, e cial i, e e	139,500	0.03%	0.02%

E ce a di cl, . ed ab, . e, , he be k, , ledge , f he Di ec , . , Sr ' e . i , . a, d chief e eo _i. e, , , , e , f he Di ec , . , he Sr ' e . i , . , chief e eo _i. e had a, i, e e . , . h, , . i i, , i, . ha e , r ' de l i, g . ha e , debe, r ' e , f he C, a, , a, , f i . a . , cia ed c, , a i, , . (i hi, he ea, i, g , f Pa XV , f he SFO), hich ill ha. e , be , , i ed , he C, a, a, d he S , ck E cha, ge r ' de Di. i i, , . 7 a, d 8 , f Pa XV , f he SFO (i, cl ' di, g i, e e . a, d . h, , . i i, , . hich he a e ake, , dee ed , ha. e r ' de he SFO) , ill be e í i ' ed r ' . r a , . ec i, , 352 , f he SFO , be e, e ed i, he egi e efe ed , he ei, , , hich ill be e í i ' ed r ' . r a , he M, del C, de f, Seo ' i ie T a, . ac i, , . b Di ec , . , f Li ed C, a, a . e , r ' i, A e, di 10 , f he Li i, g R, le , , be , , i ed , he G , r ' a, d , he S , ck E cha, ge.

11. Annual Compensations of the Directors, Supervisors and Senior Management

F, de ail , f c, e, . a i, , . , f he o ' e, di ec , . , , r ' e . i , . a, d . e, i, a, age e, aid b he C, a, i, 2020, lea e efe , he Di ec , . , Sr ' e . i , . , Se, i, Ma, age e, a, d E l, ee . ec i, , , f hi e , .

12. Directors' and Supervisors' Rights to Acquire Shares or Debentures

N, , e , f he Di ec , . , Sr ' e . i , . , f he C, a, , a, , f hei e ec i. e a . , cia e (a de , ed r ' de he R, le 1.01 , f he Li i, g R, le) a g a, ed b he C, a, , i . . r b. idia ie a, igh , ac í i ' e be, e . b ea, . , f he ac í i ' i i, , , f . ha e i, , debe, r ' e , f he C, a, , had e e ci ed a, . r ch igh i, 2020.

13. Share Option Scheme

The C, a, d, e , , , e a e a, . ha e , i, , . che e.

14. Substantial Shareholders

De ail a e . e , r ' i, he P , file , f he . ha eh, lde . a, d ac r al c, , , lle , f Cha, ge i, Sha e a, d Sha eh, lde . . ec i, , , f hi a, , r al e , .

15. Directors' and Supervisors' Interests in Transactions, Arrangements and Contracts

N, di ec , . , . r 'e . i , . , a, e, i ela ed , a, , f he di ec , . , f he C, a, ha di ec l , i, di ec l i, e e ed i, a, a, . ac i, , , a a, ge e, , c, ac , hich he C, a, , a, , f i . . r b idia ie i a a ha ha , bee, , ha bee, i, f, ce i, 2020 , a he e, d , f 2020, a, d ha a a e ial ela i, , . hi i h he b . 'i, e . , f he G , r '.

16. Material Contracts

N, c, , ac , f . ig, ifica, ce ha bee, e, e ed i, , be ee, he C, a, (, a, , f i . . r b idia ie) a, d he c, , , lli, g . ha eh, lde . , f he C, a, (, a, , f hei . r b idia ie), a, d , , c, , ac , f . ig, i ca, ce f, he , . i i, , , f . e . ice , he C, a, (, a, , f i . . r b idia ie) b a, , f he c, , , lli, g . ha eh, lde . , f he C, a, (, a, , f hei . r b idia ie) ha bee, e, e ed.

17. Purchase, Sale or Redemption of Securities

N, , e , f he C, a, , a, , f i . . r b idia ie ha r 'cha ed, . , ld , edee ed a, li ed . eo 'i ie , f he C, a, d i, g 2020.

18. Pre-emptive Rights

The e i , , . i i, , f, e-e i e igh . r 'de he a icle , f a . , cia i, , , f he C, a, , he la . , f he PRC hich , r ld , blige he C, a, , , ffe , e . ha e , , a , a a ba i , e i i, g Sha eh, lde . .

19. Corporate Governance

The i, ci al C, de . , , C, , a e G, . e , a, ce ad, ed b he C, a, a e . e , r 'i, he C, , a e G, . e , a, ce . ec i, , , f hi e , .

20. Suf□ciency of Public Float

Acc, di, g , i, f, a i, , r blicl a ailable , he C, a, a, d , he be k, , ledge , f he Di ec , . , he Di ec , . c, , ed ha he C, a, ha ai, ai, ed a . r f cie, r blic , a h , r gh, r ' he o 'e, ea a, d r ' , he da e , f hi e , .

21. Gearing Ratio

The G , r ' gea i, g a i, a a , i a el 65.19% (2019: a , i a el 68.81%) hich i calc la ed ba ed , , he G , r ' , al liabili ie , f a , i a el RMB3,374,065,925.58 (2019: a , i a el RMB3,946,792,835.99) a, d , al a . e . , f a , i a el RMB5,175,635,815.38 (2019: a , i a el RMB5,735,752,344.59).

22. Contingent Liabilities

A a 31 Dece be 2020, he G , r ' did , , ha e a, c, , i, ge, liabili ie e ce h, . e di cl, . ed i, he C, i e . a, d C, , i, ge, cie , f hi e , .

23. Major Investments, Acquisitions and Disposal

F, he ea e, ded 31 Dece be 2020, e ce f, h, . e di cl, . ed i, hi e , , he G , r ' did , ca , r ' a, aj, ac i i i, , . , di , . al , f . r b idia ie a, d a . , cia e , aj, i, . e e, . , , did i la, , ake aj, i, . e e, . , r 'cha e ca i al a . e . i, he fi i 'e .

24. Tax Concessions and Exemptions

The C, a, i , a a e , f a, a c, ce . i, , . , . ided , . ha eh, lde . d e , hei h, ldi, g , f he C, a, ' li ed . eo i ie .

25. Equity-linked Agreements

The C, a, ha , . e, e ed i, , a, e í i' -li, ked ag ee e, . a he e, d , f he ea e, ded 31 Dece be 2020 , a a, i e d i, g he ea .

26. Business Review

Key Financial and Business Performance Indicators

Ke , a, cial a, d b . i, e . e f, a, ce i, dica , . c, i e , abili g , h, e , , e í i' a, d gea i, g a i, . De ail , f he a, al . i a e . e , i, he . ec i, , i led Di o . i, , a, d A, al . i , f O e a i, , . , f hi a, , al e , .

Risk Management

I i a de el, e, . a eg , f he G , , e abli h a i k a, age e, . . e c, . e i, g all he b . i, e . . eg e, . ha , , i , . , a . e . e a, d a, age , . a i, , . i k i, he G , ' ac i, i ie . The a, age e, ha ide, i ed he aj, i k , f he G , a, d eg la l e ie . i . e , , e , i, d . , lic , , e a i, , al a, d o e, c i k .

Sustainability Initiatives

The G , ha bee, c, i ed , c, , ib i, g , he . . ai, abili , f he e, i , e, a, d ai, ai, i, g a high . a, da d , f c, , a e . , cial g, . e , a, ce e . e, ial f, c ea i, g a f a e , k f, , i. a i, g . aff a, d , , i, g . ai, able ela i, , hi . i h o . , e . , . lie . , . e . ice . e, d, . , eg la , . a, d . ha eh, lde . , a, d c, , ib e , he c, , i i, hich e c, d c , b . i, e . e f, c ea i, g a . ai, able e , , he G , . The G , ha i le e, ed e, e g . a i, g ac ice i, , f ce a, d b a, ch e i e he e a licable.

We ha e c, lia, ce a, d i k a, age e, , licie a, d , ced e , a, d e be . , f he . e, i a, age e, a e delega ed i h he c, , i, i, g e , . ibili , , i , adhe e, ce a, d c, lia, ce i h all . ig, i ca, legal a, d eg la , e í i' e, . . The e , licie a, d , ced e a e e. ie ed eg la l . A fa a he C, a, i a a e, i ha c, lied i, a e ial a ec . i h he ele, a, la . a, d eg la i, . ha ha e a . ig, i ca, i ac , , he b . i, e . a, d , e a i, , , f he C, a, a, d i . . b idia ie .

XI. C, , a e G, . e , a, ce

XII. Corporate Governance Report

1. Compliance with the Code on Corporate Governance Practices

The C, a, r ! . , , g e ha i , , he . r ' e i, i , . eadi, e . a, d a i, , ali , f c, , a e g, . e , a, ce. I, , de , e, ha, ce he a, age e, . a, da d, he C, a, ha . e r ' a c, i ee , e, ie i . i, e , al G, . e , a, ce . r c r ' e.

Thi c, , a e g, . e , a, ce e , (he CG Re ,) i , , r ' li, e he aj, i, ci le , f he C, a, ' c, , a e g, . e , a, ce. Sha eh, lde . , f he C, a, a e e, c, r ' aged , ake hei, . ie . k, , , he G , r ' if he ha, e i . r e i h he C, a, ' c, , a e g, . e , a, ce a, d , di ec l ai e a, a e . , f c, , ce , , he chai a, , f he B, a d (he Chai a, , he Chai a, , f he B, a d).

The C, a, ha ad, ed he i, ci le a, d c, lied i h he C, de , , C, , a e G, . e , a, ce P ac ice (he CG C, de) a . e , r ' i, A e, di 14 , he R, le G, . e , i, g he Li i, g , f Seo ' i ie (he Li i, g R, le) , , The S , ck E cha, ge , f H, , g K, , g Li i ed (he S , ck E cha, ge), hich . hall al , be e, i ed f , i e , i e i, acc, da, ce i h he Li i, g R, le . D, ' i, g he e , i, g e i, d, he B, a d c, , . ide . he C, a, ha c, lied i h he c, de , . i i, , . a . e , r ' i, he CG C, de.

2. Securities Transactions by Directors

I, acc, da, ce i h he e í i' ed . a, da d . e , r ' i, he M, del C, de f, Seo ' i ie T a, . ac i, , . b Di ec , . , f Li ed l . r e . (he M, del C, de) c, , ai, ed i, A e, di 10 , he Li i, g R, le , he C, a, ha ad, ed c, de , f c, , d, c ela i, g , . eo ' i ie a, . ac i, , . b he Di ec , . , , e . , , le . e ac i, g ha, he e í i' ed . a, da d . e , r ' i, he M, del C, de. The M, del C, de i al , a licable , he . e, i, a, age e, , f he C, a, . Ha, i, g ade . eci c e, í i' ie , all he Di ec , . b he C, a, , , , Di ec , . ha, e c, , d, c ed . eo ' i ie a, . ac i, , . a, d i, dica ed ha he had b eached he M, del C, de h , r gh, r ' 2020.

3. Composition and Responsibilities of the Board

The B, a d i e , , . ible f, la, , i, g a, d , . e . eei, g he , . e all de, el, e, a, d a, age e, , f he G , r ' i h he , bjec, i, e , f e, ha, ci, g Sha eh, lde . ' . al r e. The B, a d, led b he Chai a, , i e , , . ible f, he a , . al a, d , , i , i, g , f he , . e all . a egie a, d , licie , f he G , r ' , a , . al , f a, , r al b, dge . a, d b, . ' i, e . la, . , e, al a i, , , f he C, a, ' e f, a, ce a, d , . e . igh , f he , k , f a, age e, .

The . i h . e . i, , , f he B, a d i c, i ed , f , i, e Di ec , . , i, cl, di, g f, r ' e eo ' i, e Di ec , . , , , , , -e eo ' i, e Di ec , . a, d h ee i, de e, de, , , , -e eo ' i, e Di ec , . . Bi, g a hical de ail , f he Di ec , . a e . e , r ' i, he Di ec , . , S, r ' e, i , . , Se, i, Ma, age e, a, d E l, ee . ec i, , , f hi a, , r al e , . P, ' . r a, , R, le 3.13 , f he Li i, g R, le , he C, a, ha ecei, ed he i e, c, , a i, , , f i, de e, de, ce f , each i, de e, de, , , , -e eo ' i, e Di ec , . The i, de e, de, , , , -e eo ' i, e Di ec , . e e ega ded a i, de e, de, a he B, a d ha c, , ed ha . r ch Di ec , d, e , , ha, e a, , he di ec , i, di ec ela i, , . hi i h he G , r ' . The C, a, al , c, , . ide . i, de e, de, , , , -e eo ' i, e Di ec , . , be i, de e, de, . The e i , , , a, cial, b, . ' i, e . , ela, i, e ela i, , . hi be ee, he e be . , f he B, a d (i, cl, di, g be ee, he chai a, a, d he chief e eo ' i, e , f ce).

XI. C, , a e G, . e , a, ce

I, 2020, he B, a d c, , . e, ed 10 ee i, g. a, d he Di ec , . . hall ee , e f e í e, l a a, d he, e í i ed. A lea 14 da . ' , , ice , f all eg, la B, a d ee i, g. i. gi. e, , all Di ec , . , a, d all Di ec , . a e gi. e, he , , r, i , i, cl de a e . f, di. o . . i, , i, he age, da. The i, di. id al a e, da, ce ec, d , f each Di ec , a . r ch B, a d ee i, g. i . h, , a f, ll, . :

Members of Directors	Position	Number of meetings attended/ Total number of meetings
Ya, g Yr, L, g	Chai a, (A , i, ed , , 25 N, . e be 2020)	1/1
Yr a, Rr i	De r Chai a, (A , i, ed , , 25 N, . e be 2020)	1/1
Lir Yr, L, g	Chai a, a, d e eo . i. e di ec , (Re. ig, ed , , 6 N, . e be 2020)	6/6
Lir Mi,	E eo . i. e di ec ,	10/10
Zha, g Yr Zhi	E eo . i. e di ec , (Re. ig, ed , , 6 N, . e be 2020)	6/6
Li Zhi Xi,	E eo . i. e di ec ,	10/10
Ya, Y, r Li, g	N, , -e eo . i. e di ec ,	10/10
Wa, g Qr a, H, , g	N, , -e eo . i. e di ec ,	10/10
Ta, g Qi, g Bi,	I, de e, de, , , , -e eo . i. e di ec ,	10/10
S, , g Zhi Wa, g	I, de e, de, , , , -e eo . i. e di ec ,	10/10
Cai Zh, , g Jie	I, de e, de, , , , -e eo . i. e di ec ,	10/10

All he Di ec , . ha. e acce . , ele. a, i, f, a i, , i el . The al , ha. e acce . , he ad. ice a, d . e . ice , f he c, a, . ec e a , B, a d . ec e a , f he C, a, , h, i. e , , . ible f, , . idi, g he Di ec , . i h B, a d a e . a, d ela ed a e ial . Whe e í e ie. a e ai. ed b he Di ec , . , , a, d fr ll e , , . e ill be gi. e, a . , , , a , . . ible.

Sh, r ld a . ig, i ca, , e, ial c, , ic , f i, e e i, . , . l. i, g a . r b. a, ial . ha eh, lde , f he C, a, , a Di ec , a i. e, he a e ill be di. o . . ed a a dr l c, , . e, ed B, a d ee i, g, a , , . ed , bei, g deal i h b a i e, e , lr i, , . I, de e, de, , , , -e eo . i. e Di ec , . i h , , c, , ic , f i, e e. ill be e. e, a ee i, g. deali, g i h . r ch c, , flic i. . r e . I, de e, de, , , , -e eo . i. e Di ec , . a e ide, ified i, all c, , a e c, r, ica i, , . c, , ai, i, g he , a e , f he Di ec , . . A, r da ed li , f he Di ec , . ide, if i, g he I, de e, de, , , , -e eo . i. e Di ec , . a, d he , le. a, d fr, c i, , . , f he Di ec , . i. ai, ai, ed , , he eb. i e , f he C, a, a, d he eb. i e , f he S , ck E cha, ge.

4. Skills, Knowledge, Experience and Attributes of Directors

All Di ec , . , f he B, a d had . e . ed i, , ffice d i, g he ea . E e Di ec , c, i ed . r fficie, i e a, d a e, i, , he affai . , f he C, a, . The Di ec , . had al , de , , . a ed hei r, de . a, di, g a, d c, i . i, , high . a, da d , f c, , a e g, . e , a, ce. Each e eo i e Di ec , had b , r gh hi e . ec i e , he B, a d h , r gh hi dee r, de . a, di, g , f he G , r ' br . i, e . . The , . , -e eo i e Di ec , . a, d he i de e, de, , . , - e eo i e Di ec , . had c, , ibu ed hei , , . kill a, d e e ie, ce, r, de . a, di, g , f l, cal a, d gl, bal ec, , , ie , a, d k, , ledge , f ca i al a ke . a ell a he b . i, e . , f he G , r . The C, a, i e , , . ible f, a a, gi, g a, d fi, di, g . r i able c, , i, r , r . , fe . i, , al de, el, e, , g a e f, all Di ec , . , de, el, a, d ef e h hei k, , ledge a, d . kill .

5. Induction and training

Each , e l a , i, ed Di ec , , e eo i e , , , -e eo i e, i e f i ed , r, de ake a, i, d c i, , g a , e, . r le ha he ha a , e r, de . a, di, g , f hi d ie a, d e , , . ibili ie . The i, d c i, , g a i, cl de a, . e . ie , f he G , r ' br . i, e . , e a i, , a, d g, . e , a, ce , licie , he B, a d ee i, g ' , ced e, a e . e e . ed , he B, a d, a, i, , d c i, , f he B, a d c, i ee , he Di ec , . ' e , , . ibili ie a, d d ie , ele, a, egu la , e f i e e, . , e ie ( ) , f i, r e , f he B, a d a, d . ecial B, a d c, i ee i, he a 12 , , h , a, d b ie , g i h . e, i, , f ce . , f he G , r a, d . i e . i i . (if , ece . a).

P !r a, , he C, de P . . i i, , A.6.5 , f he CG C, de, all Di ec , . . h, r ld a ici a e i, c, , i, r , r . , fe . i, , al de, el, e, , de, el, a, d ef e h hei k, , ledge a, d . kill . Thi i , e, . r e hei c, , ibu i, , , he B, a d e ai, . i, f, ed a, d ele, a, . D i, g he e , i, g e i, d, all Di ec , . had a ici a ed i, a , ia e c, , i, r , r . , fe . i, , al de, el, e, ac i, i ie b a . , f a e, di, g ai, i, g a, d/, ead i, g a e ial ele, a, , he C, a, ' br . i, e . , , he Di ec , . ' d ie a, d e , , . ibili ie .

The B, a d . ec e a , f he C, a, ai, ai, . ec, d . f ai, i, g a e, ded b he Di ec , . . The ai, i, g a e, ded b each Di ec , d i, g he e , i, g e i, d i abu la ed a f, ll, . :

Name	Type of trainings *(Note 1)*	Training matters *(Note 2)*
M . Ya, g Yi , L, g *(Chairman)*	a, b	i, ii, iii, . i.
M . Yi a, Ru i	a, b	i, ii, iii, . i.
M . Li Yi , L, g	a, b	i, ii, iii, . i.
M . Li Mi,	a, b	i, ii, iii, . i.
M . Zha, g Yi Zhi	a, b	i, ii, iii, . i.
M . Li Zhi Xi,	a, b	i, ii, iii, . i.
M . Ya, Y, r Li, g	a, b	i, ii, iii, . i.
M . Wa, g Qi a, H, g	a, b	i, ii, iii, . i.
M . Ta, g Qi, g Bi,	a, b	i, ii, iii, . i.
M . S, g Zhi Wa, g	a, b	i, ii, iii, . i.
M . Cai Zh, g Jie	a, b	i, ii, iii, . i.

Note 1:

a. a e, di, g. e i, a , ai, i, g. e. i, ,
b. . elf-de. el, e, a, d r ' da e. ela i, g , ge, e al ec, , , br. ' i, e. de. el, e, , di ec , ' dr ' ie. a, d e , , . ibili ie , e c.

Note 2:

i. c, , a e g, . e , a, ce
ii. eg r l'a , c, lia, ce
iii. , a, ce
i. . a, age e, a, d , e a i, ,

The C, a, al , , ga, i-ed he Di ec , . , ake a i, ai, i, g ac. i. i ie. hich , ga, i-ed b SZSE, Sha, d, , g Seo ' i ie. Reg r l'a , Br ' ear ' a, d Chi, a A . , cia i, , f, Pr blic C, a, ie , hich i, cl r di, g r l'e. a e, d e, . , . . e r ' da e , a, d he la e. a ke e, d, i, , de , le he Di ec , . ha. e he r ' da ed k, , ledge , he la e. eg r l'a , . . e a, d r l'e .

6. Directors' and of□cers' liability insurance and indemnity

The C, a, ha. a a, ged a , ia e liabili i, . r ' a, ce , i, de , if i . Di ec , . a, d , f ce . i, e. ec , f legal ac i, , . agai, . he Di ec , . . Th , r gh, r ' 2020, , , clai had bee, ade agai, . he Di ec , . a, d he , f ce . , f he C, a, .

7. Chairman and General Manager

The Chai a, . . ide. leade . hi f, he B, a d. He i. e. , , . ible f, a . . i, g a, d , , i , i, g he . . e all . a egie. a, d , licie , f he G , r ' , a . . i, g a, , r al br dge a, d br . ' i, e . la, , a . e . i, g he e f, a, ce , f he C, a, a, d , . e . eei, g he dr ' ie. , f a, age e, . The Ge, e al Ma, age i. e. , , . ible f, he dail , e a i, , . , f he G , r ' . Pr ' . r a, , C, de P . . i. i, , A.2.1, he , le. , f Chai a, a, d Ge, e al Ma, age a e . e a a e a, d a e , , e f, ed b he . a e i, di. idr al.

The chai a, , f he C, a, i. M . Ya, g Yr ' L, , g a, d he ge, e al a, age i. M . Lir ' Yr ' L, , g. Plea e efe , he . ec i, , headed Di ec , . , Sr ' e. i. , . , Se, i, Ma, age e, a, d E l, ee. i, hi. e , f, hei de ailed bi, g a hical i, f, a i, , .

8. Term of appointment of Directors

Each , f he e eo ' i. e Di ec , . , , , , -e eo ' i. e Di ec , . a, d i, de e, de, , , , -e eo ' i. e Di ec , . ha. e, e ed i, , a . e. ice c, , ac , a , i, e, le e i h he C, a, . I, e. ec , f he e , f a , i, e, , lea e efe , he . ec i, , headed Di ec , . , Sr ' e. i. , . , Se, i, Ma, age e, a, d E l, ee. , f hi. a, , r al e , . The Di ec , . ha. e , e a a, i e a, d f, i e , i e , a , i, a, e . , , , be a Di ec , , ei he , ll a ca r al . aca, c , a. a, addi i, , , he e i. i, g Di ec , . . The e , f he . i h . e. i, , , f he B, a d , f he C, a, e, d. i, Dece be 2021.

9. The Directors con□rmed their responsibilities in preparing the Group's □nancial statements

The Di ec , . ack, , ledged he e. , , . ibili f, e a i, g he acc, r ' . a, d ha. e c, , ed ha he e a a i, , , f he G , r ' ' fi, a, cial . a e e, i. i, c, lia, ce i h he ele. a, eg r l'a i, , . a, d a licable acc, r ' i, g . a, da d .

l, e a i, g he , a, cial . a e e, . f, he Yea , he Di ec , . ad, ed a , ia e a, d c, , . i e, acc, r, ¦ i, g , licie a, d ade r de, a, d ea , able j dg e, . a, d e i a i, , . .

The , a, cial . a e e, . f, he Yea ha, e bee, e a ed b he Di ec , . . , a g, i, g c, ce , ba i . The e a e, . a e ial r, ¦ ce ai, ie ela i, g , e. e, . , c, , di i, , . ha a ca . ig, i ca, d, r b , , he C, a, ¦ abili , c, , i, r é a a g, i, g c, ce , . A . a e e, b he e e, al ar di , . , f he C, a, ega di, g hei e , i, g e , , . ibili ie . , , he acc, r, ¦ . , f he G , r ¦ i . e , r ¦ i, he Fi, a, cial S a e e, . . ec i, , , f hi a, , r al e , .

10. Board Committees of the Company

(A) Report on the Performance of the Strategic Committee

The S a egic C, i ee a e abli hed , , 26 Dece be 2012 a, d i . o ¦ e, e be . a e M . Ya, g Yi ¦ L, , g, M . Ta, g Qi, g Bi, , M . S, , g Zhi Wa, g a, d M . Cai Zh, , g Jie, i h M . Ya, g Yi ¦ L, , g a he Chai a, , f he C, i ee. The S a egic C, i ee, f he B, a d di cha ged , f i . di ¦ ie i h dilige, ce i, acc, da, ce i h he ela ed e í i'e e, . , f he Chi, a Seo ¦ i ie Reg la , C, i . i, , , SZSE a, d SEHK a, d he i le e, a i, , r le , f he S a egic C, i ee, f he B, a d , f he C, a, .

(B) Audit Committee

The Au di C, i ee a e abli hed , , 20 Ma ch 2004 a, d i . o ¦ e, e be . c, , . i , f h ee i, de e, de , , , -e eo ¦ i, e di ec , . , bei, g M . Ta, g Qi, g Bi, , M . S, , g Zhi Wa, g a, d M . Cai Zh, , g Jie, i h M . Ta, g Qi, g Bi, a he Chai a, , f he C, i ee. The au di c, i ee, f he B, a d di cha ged , f i . di ¦ ie i h dilige, ce i, acc, da, ce i h he ela ed e í i'e e, . , f he Chi, a Seo ¦ i ie Reg la , C, i . i, , , SZSE, SEHK a, d he , k i, . r ć i, , . , f he Au di C, i ee, f he B, a d.

(1) The f, ll, i, g aj, a k e e e f, ed d ¦ i, g 2020:

① I e, ie ed he i e-, ff , f bad deb . i, 2019 a, d he , . i i, , f, a . e i ai e, i, 2019, hich a . r b i ed , he B, a d f, a , . al;

② I c, d ć ed e-au di c, r, ¦ ica i, , i h au di i, g i, . i r ¦ i, , e, gaged b he C, a, i, e ec , f he 2019 , a, cial e , au di i, g , , e-au di i, g , k, a, d e, ie ed he 2019 au di e , a, d , a, cial e , , b idge . f, a, , r al , all, ca i, , a, d , he i . r é , a, d . r b i ed , he B, a d , f he C, a, f, a , . al;

③ I e, ie ed he 2020 . í á e , a, cial e , e, ded 31 Ma ch 2020, hich a . r b i ed , he B, a d f, a , . al;

④ I e, ie ed he 2020 i, e i , a, cial e , e, ded 30 Ju ¦ e 2020, hich e e . r b i ed , he B, a d f, a , . al;

⑤ I e, ie ed he 2020 hi d í á e , a, cial e , e, ded 30 Se e be 2020, hich e e . r b i ed , he B, a d f, a , . al.

(2) I e, ie ed he , . . al i, ela i, , , he e-a , i, e, , f e e, al ar di , b he C, a, .

(3)

(C) Nomination Committee

The N, i, a i, , C, i ee a e abli hed , , 18 Ja, , á 2005 a, d i . o ' e, e be . c, , . i , f , , e e eo ' i, e di ec , , M . Ya, g Yi ' L, , g a, d h ee i, de e, de, , , , -e eo ' i, e di ec , . , bei, g M . S, , g Zhi Wa, g, M . Ta, g Qi, g Bi, a, d M . Cai Zh, , g Jie, i h M . S, , g Zhi Wa, g a he chai a, , f he N, i, a i, , C, i ee. I, he e , i, g e i, d, he , , i, a i, , c, i ee held h ee ee i, g i, , al. The i, di, idi, al a e, da, ce ec, d , f each e be , f he N, i, a i, , C, i ee i abi' la ed a f, ll, . :

Members of the Nomination Committee	Duties	Number of meetings attended/Total number of meetings
S, , g Zhi Wa, g	C, i ee chai a, a, d i, de e, de, , , , -e eo ' i, e di ec ,	3/3
Ya, g Yi ' L, , g	Chai a, a, d e eo ' i, e di ec ,	/
Ta, g Qi, g Bi,	I, de e, de, , , , -e eo ' i, e di ec ,	3/3
Cai Zh, , g Jie	I, de e, de, , , , -e eo ' i, e di ec ,	3/3

Acc, di, g , he i e, e . , f efe e, ce , f he N, i, a i, , C, i ee, he aj, e , , . ibili ie , f he N, i, a i, , C, i ee i, cl, de:

(a) , e, ie he . , c, e, . i-e, di, e . i , lic a, d c, , . i i, , (i, cl, di, g he . kill , k, , ledge a, d e e ie, ce, . e , age, o l' al a, d ed, ca i, , backg , , ' d) , f he B, a d a lea a, , , all a, d ake ec, e, da i, , . , a, , . . ed cha, ge , he B, a d , c, le e, he C, a, ' c, , a e . a eg ;

(b) , ide, if i, di, idi, al . , i abl i alified , bec, e e be . , f he B, a d a, d . elec , ake ec, e, da i, , . , he B, a d , , he . elec i, , , f i, di, idi, al , , i, a ed f, di ec , . hi . ;

(c) , a . e . he i, de e, de, ce , f he i, de e, de, , , , -e eo ' i, e Di ec , . ; a, d

(d) , ake ec, e, da i, , . , he B, a d , , he a , i, e, , e-a , i, e, , f Di ec , . a, d , ' cce . i, , la, , i, g f, Di ec , . , i, a io' la he Chai a, , f he B, a d a, d he Chief E eo ' i, e Of ce .

De ail, , f he e . , f efe e, ce , f he N, i, a i, , C, i ee ca, be, ie ed , , he eb, i e , f he C, a, a, d he eb, i e , f he S , ck E cha, ge.

XI. C, , a e G, . e , a, ce

D i g he e. ie e i. d, he l, e , al A di De a e, i. r ed e , . , he. e, i, a, age e, c, . e i, g . a i, r . , e a i, , al a, d , a, cial r , i . , f he C, a, a, d al , c, , d c ed e. ie . , f a ea , f c, , ce , ide, i ed b he C, a, ' a, age e, . Ma, age e, acc, r , . a e , . ided , he b, a d , f Di ec , . í a e l a, d he C, a, e f, . i, e , al c, , , l e. ie a, d a di i, g a, , r all .

The B, a d i al , e , . ible f, de e i, i, g he , lic f, he c, , a e g, . e , a, ce , f he C, a, a, d e f, i, g he c, , a e g, . e , a, ce d ie a bel, :

(1) T, de. el, a, d e. ie he G , r ' , licie. a, d ac ice. , , c, , a e g, . e , a, ce a, d ake ec, e, da i, , . ;

(2) T, e. ie a, d , , i , he ai, i, g a, d c, , i, r , r . , fe . i, , al de. el, e, , f Di ec , . a, d . e, i, a, age e, ;

(3) T, e. ie a, d , , i , he G , r ' , licie. a, d ac ice. , , c, lia, ce i h all legal a, d eg la , e í i e e, . ;

(4) T, de. el, , e. ie a, d , , i , he c, de , f c, , d c a, d c, lia, ce a, r al , he e l, ee a, d di ec , . , f he G , r ; a, d

(5) T, e. ie he G , r ' c, lia, ce i h he c, de , f c, , a e g, . e , a, ce a, d di cl, . r e e í i e e, . i, he C, , a e G, . e , a, ce Re , .

12. Ability of Going Concern

A , f 31 Dece be 2020, he e a , . r ce ai, , c, , di i, . , f a a e ial , a r e ha , r ld affec he C, a, ' abili , c, , i, r é a a g, i, g c, , ce , .

13. Company Secretary

M . Cha, Wi, g Na, g, Bill i he . ec e a , f he C, a, . F, hi bi, g a hical de ail , lea e efe , he . ec i, , headed Di ec , . , S e, i , . , Se, i, Ma, age e, a, d E l, ee i, hi e , .

F, he ea e, ded 31 Dece be 2020, M . Cha, Wi, g Na, g, Bill ha c, , ed ha he ha ece i. ed , le . ha, 15 h, r ' , f ele. a, , fe . i, , al ai, i, g.

14. Investor Relations

I, 2020, h , r gh i, . e , . . i i , h, , e call a, d ail , he C, a, had effec i. e c, r , ica i, , i h i, . e , . a, d ai, ai, ed g, . d c, r , ica i, , i h . ha eh, lde . , . , ha he C, a, a able , ee i, . e , . ' , eed f, i, f, a i, , , he g ea e e e, , a, d ke i, . e , i, f, ed , f he b . i, e . de. el, e, , f he C, a, , , a i el a, d aco a e a, , e . O, 9 A il 2020, he C, a, held a, a, , r al e f, a, ce b ie , g ee i, g , , í a, ji, g.c, , i, e ac a, d c, r , ica e i h i, . e . , . , li, e. O, 29 Se e be 2020, he C, a,

D i l i, g he e , i, g e i. d, he A icle , f A . , cia i, , , f he C, a, a a e, ded , , e i e. The A icle , f A . , cia i, , , f he C, a, ca, be . ie ed , , he eb. i e , f he C, a, a, d he eb. i e , f he S , ck E cha, ge. I, , de , i , . e c, , a e g, . e , a, ce , f he C, a, , acc, di, g , he ele. a, legal a, d eg la , e f i l e e, . r , de he C, a, La , f he Pe, le' Re r blic , f Chi, a (中華人民共和國公司法), he Seco i ie La , f he Pe, le' Re r blic , f Chi, a (中華人民共和國證券法), he R le G, . e , i, g Li i, g , f Sha e , , She, he, S , ck E cha, ge (深圳證券交易所股票上市規則) a, d he Gi ideli, e , f he She, he, S , ck E cha, ge f, S a, da di ed O e a i, , , f Li ed C, a, ie (深圳證券交易所上市公司規範運作指引), he B, a d , , . ed a he e a, di a ge, e al ee i, g (he EGM) held , , 3 Ma ch 2021 f, he . ha eh, lde . , a , . e he , , . ed a e, d e, . , he A icle , f A . , cia i, , , f he C, a, . De ail , f he , , . ed a e, d e, . , A icle , f A . , cia i, , , f he C, a, a e . e , r i, he C, a, ' ci o la da ed 8 Feb r a 2021. The . ecial e , l i i, , f he , , . ed a e, d e, . , A icle , f A . , cia i, , , f he C, a, ha bee, f, all a , . ed a he EGM.

15. Others

The e i , , i, c, lia, ce , f C, a, La a, d ele. a, e f i l e e, . , f CSRC i, e ec , f c, , a e g, . e , a, ce.

P , g e . , f he c, , a e g, . e , a, ce , k a, d he f, r la i, , a, d i le e, a i, , f he a, age e, , lic , , e . , , el i h i, . ide i, f, a i, , :

D i l i, g he e , i, g e i. d, he C, a, . ic l c, lied i h he eg la i, , . a, d e f i l e e, . , f he Ma, age e, P, lic , , l, f, a i, , Di cl, . r e , l, e , al Re , i, g S . e , f Ma e ial l, f, a i, , a, d Regi a i, , a, d Fili, g S . e , f Pe . , , el i h l, . ide l, f, a i, , . We ha, e al , . e i, r . l e f, ed , r i, f, a i, , di cl, . r e di ie , dilige, l ca ied , r he c, , de, ial a, d a, age e, , k i h e ec , i, . ide i, f, a i, , a, d . ic l c, , lled a, d e, e, ed he leak , f i, . ide i, f, a i, , i, , de , eli i, a e i, . ide adi, g , f he . eo i ie , f he C, a, . Af e e f, i, g . elf-i, . ec i, , , di l i, g he e , i, g e i. d, he ele. a, de a e, . , f he C, a, e e ca able , f ca i, g , r egi a i, , f, he e . , , el i h i, . ide i, f, a i, , a, d a, age e, , f e e, al a ie i h acce . , . e, . i. i e i, f, a i, , . The e a , , i, cide, ce , f illegal adi, g , f he . eo i ie , f he C, a, a, d illegal adi, g , f he . eo i ie , f he C, a, b he Di ec , . , Si e . i , . a, d Se, i, Ma, age e, , f he C, a, . The li ed c, a, a, d he ele. a, e . , , el did , , face eg la , ea r e a, d ad i, i a. i e e, al ie a i i, g f, he i le e, a i, , , f he Regi a i, , a, d Fili, g S . e , f Pe . , , el i h l, . ide l, f, a i, , a, d . r . ec ed i, . ide adi, g.

16. Communication with shareholders

The G , r e, dea , . , di cl, . e ele. a, i, f, a i, , , i . ac. i i ie , i . . ha eh, lde . i, a, , e, a, d i el a, , e , r bjec , a licable legal e f i l e e, . . C, r, ica i, be ee, he C, a, a, d i . . ha eh, lde . i achi e. ed h , r gh:

(a) The C, a, ' a, , r al a, d i, e i e , . hich ha. e bee, e, ha, ced , e e, a bala, ced, clea a, d c, ehe, . i. e a . e . e, , f he G , r l' , . i i, , a, d , . ec . ;

(b) F, r l a, d , ice , f AGM a, d , he ge, e al ee i, g a, d acc, a, i, g e la, a , a e ial ;

(c) P e . elea e , , aj, de. el, e, , f he G , r l ;

(d) Di cl, . r e , he S , ck E cha, ge a, d ele. a, eg la , b, die ;

(e) Re . , . e , i, í i' ie f , . ha eh, lde . , edia b he C, a, Sec e a , B, a d Sec e a ; a, d

(f) The eb. i e , f he C, a, h , gh hich he r blic ca, acce . . , a , , g , he hi, g. , c, , a e a, , . r ce e, . , e . elea e , a, , r al e , . , a d ge, e al c, , a e i, f, a i, , , f he G , r .

The c, r ica i, , cha, , el be ee, he C, a, a, d i . . ha eh, lde . ab, . e ill be e, ie ed b he B, a d , , a eg la ba i , e, . r e hei effec i. e, e . i, ai, ai, i, g a, , , -g, i, g dial, g e i h . ha eh, lde . .

Purposes of general meetings

The B, a d , al é he ge, e al ee i, g. a he i, ci al , , r i ie f, he Di ec , . , ee . ha eh, lde . , f he C, a, a, d , de. el, a bala, ced r de . a, di, g , f he, ie . , f he . ha eh, lde . . l, 2020, he C, a, held h ee ge, e al ee i, g. (bei, g he a, , r al ge, e al ee i, g held , , 19 J e 2020, e a, di, a ge, e al ee i, g held , , 25 N, . e be 2020 a, d 4 Dece be 2020). The a e, da, ce ec, d , f he Di ec , . a he ge, e al ee i, g. i . e , r bel, :

Attendance record of the Directors

Name	Attended in person
M . Ya, g Yi L, g	1/3
M . Yi a, Ri i	/
M . Li Yi L, g	3/3
M . Li Mi,	3/3
M . Zha, g Yi Zhi	1/3
M . Li Zhi Xi,	3/3
M . Ya, Y, r Li, g	3/3
M . Wa, g Qi a, H, g	2/3
M . Ta, g Qi, g Bi,	2/3
M . S, g Zhi Wa, g	1/3
M . Cai Zh, g Jie	1/3

N, ice , f a, , r al ge, e al ee i, g, a, , r al e , , fi, a, cial . a e e, . a, d ela ed a e . e e , . ed , . ha eh, lde . , f he C, a, f, hei c, . ide a i, , a lea 20 clea b . i, e . da . i, , he ge, e al ee i, g .

17. Objection to related matters of the Company raised by independent directors

D i, g he e , i, g e i, d, i, de e, de, di ec , . did , , ai e a, , bjec i, , , ela ed a e . , f he C, a, .

18. Other description of discharge of duties by independent directors

The i, de e, de, di ec , . , f he C, a, f, o .ed , he C, a, O e a i, , , di cha ged hei di ie. i, de e, de, l , a, d i . ed i, de e, de, , i, i, . , ela ed a e. i, o ed di g he e , i, g e i, d . ch a e, gage e, , f acc, , i, g i, . i , i, , , e fec he c , a e g, . e , a, ce . c , e, . afeg a d he igh . a, d i, e e . , f c, a, a, d all . ha eh, lde . ha la ed a , . i, i e , le.

I, 2020, he C, a, ' ar di , ecei ed a e , e a i, , f RMB1.05 illi, f, he , . i i, , f ar di . e . ice a, d a e , e a i, , f RMB400,000 f, he , . i i, , f, , -ar di . e . ice .

The cha, ge , f ar di , . i, la h ee ea . : he C, a, ha a , i, ed Shi, eWi, g Ce i ed Pi blic Acc, , a, . a i . ar di , i, he a h ee ea . .

19. Shareholders' Rights

Se , i bel, i a . i a , f ce ai, igh . , f he . ha eh, lde . , f he C, a, a e í i ed , be di cl, . ed i a, , he a, da , di cl, . e e í i e e, . , de he Re, i ed CG C, de hich i effec, i e f, 1 A il 2012.

(a) Convening of extraordinary general meeting on requisition by shareholders

Sha eh, lde . h, e í é , c, . e, e a, e a, di, a ge, e al ee i, g , a cla . . ha eh, lde . ' ee i, g . hall f, ll, he , ced e . e , i bel, :

(1) T , , , e . ha eh, lde . h, i, agg ega e h, ld 10% , , e , f he , . i, g igh . , f all he . ha e ha, i, g he igh , , . , e i, . ch a ee i, g a . ig, , e , . e, e al i e, e í i i i, , . i, he . a e f, e í é i, g he B, a d , c, . e, e a, e a, di, a ge, e al ee i, g , a cla . . ha eh, lde . ' ee i, g, a, d he . bjec a e , f he ee i, g . hall be . eci ed.

(2) The B, a d . h, ld acc, di, g , he la . , ad i, i a i e le a, d eg la i, . a, d he a icle . , f a . , cia i, e e . hei acce a, ce , efe . al , f he e í é i hi, 10 da . i, i i, g f, i h ea , . . , he c, . e, i, , f he ge, e al ee i, g.

(3) If he B, a d ag ee , c, . e, e a, e a, di, a ge, e al ee i, g, a , ice , f ge, e al ee i, g ill be ade i hi, 5 da . af e he deci i, , f he B, a d. If he e i a, cha, ge , he , igi, al , . , ed e , l i, , . , c, . e, f, he , igi, al , . , e . . h, ld be , bai, ed.

If he B, a d d, e , ag ee , c, . e, e a, e a, di, a ge, e al ee i, g , d, e , e l i hi, 10 da . , ecei i, g he e í é , a , , f . ha e held b . ha eh, lde . c, . e, i, g f, he ee i, g ca, , be le . ha, 10% ha, e he igh , c, . e, e a, d e ide he ee i, g , , hei , i h . i ila , ced e a a ge, e al ee i, g c, . e, i, g b B, a d. A, d . ha eh, lde . ha, e he igh , e í é he S e . i , C, i ee , c, . e, e a, e a, di, a ge, e al ee i, g i, i i, g f, .

(4) If he B, a d ag ee , c, . e, e a, e a, di, a ge, e al ee i, g, a , ice , f ge, e al ee i, g ill be ade i hi, 5 da . af e he deci i, , f he B, a d. If he e i a, cha, ge , he , igi, al , . ed e , h i, . , c, . e, f , he , igi, al , . e . . h, ı ld be , b ai, ed.

If he b, a d , f. ı e . i , . d, e , i. ı é he ge, e al ee i, g , i ca i, , i hi, he . ched le i e, i ill be dee ed a he b, a d , f. ı e . i , . , c, . e, e a, d e ide , . e he ge, e al ee i, g, c, , i, ı , . e , i, e da . . O, e , e . ha eh, lde . (i, ch di, g . ha eh, lde . age,) i, di, id all , c, llec i el , , i, g 10% ab . e (i, ch . i e , f 10%) . ha e a ake he call a, d e ide , . e he ee i, g.

(5) The C, a, . hall be liable , a all ea . , able c, e, . a i, , f, he e e, . e. i, o ed i, c, . e, i, g a, d h, ldi, g a ee i, g b he . ha eh, lde . a a e. ı l , f he fail e , f he B, a d , c, . e, e . ch ee i, g ı , , he af, e aid e í i i, , . a, d . ı ch c, e, . a i, , . hall be ded c ed f , a, a e, a able , he di ec , . h, a e i, defa l , f hei di ie .

(b) Procedures for putting forward proposals at a general meeting

The . ha eh, lde . ha i, di, id all , c, llec i el h, ld , e ha, 3% . ha e i, he C, a, , he ca, ı f, a d , , . al a, d . ı b i , c, . e, e b i e, 20 da . bef, e he ge, e al ee i, g. Rega di, g he , , . al ha acc, di, g i h he . i i, , . , f a icle eigh - , , he C, a, . h, ı ld , ice , he . ha eh, lde . af e , , ki, g da . ece i, g he e , a , , . al, a, d he . h, ı ld i . ı é a f, le e a, d ı bli h a, , . ı ce e, 14 da . bef, e he . ha eh, lde . ' ee i, g . ched led da e, a, d . ı b i he e , a , , . al , he ge, e al ee i, g , e ie .

De ailed , ced le f, . ha eh, lde . , , , . e a e . , f, elec i, , a a Di ec , ha, e bee, e i, ed i, he A icle , f A . , cia i, , f he C, a, a, d a e a, ailable , he C, a, ' eb i e.

(c) Enquiries to the Board

Sh, ı ld . ha eh, lde . ha, e a, e, í i le , he B, a d , f he C, a, , he a c, , ac he C, a, b he f, ll, i, g ea, . :

	For Holder of H Shares	For Holder of Domestic Shares
C, , ac l, f, a i, ,	P i, ci al lace , f bı . i, e . i, H, , g K, , g Si le A, 11 h Fl, , H, Lee C, e cial Bı ildi, g 38 44 D'Ag ila S ee , Ce, al H, , g K, , g	Regi e ed Add e . i, he PRC N, . 999 We, . he, g S ee Sh, ı gh, á, g Ci Sha, d, , g P , . i, ce The PRC

XII. C, , a e B, , d

Whe he he C, a, had a, c, , a e b, , d hich e e , blicl i . , ed a, d li ed , , a . , ck e cha, ge, a, d hich ha, e , , a , ed, , ha, e a , ed b , , fi ll e aid a a he da e , f , blica i, , , f a, , , al e ,

N,

Auditor's Report

T e, fa di , i, i, , .	S a, da d , í ali ed , i, i, , .
Da e, f. ig, i, g , fa di , . e ,	26 Ma ch 2021
Na e, fa di , .	Shi, eWi, g Ce i ed Pi blic Acc, , a, .
A di , . e , le, ' be	XYZH/2021JNAA30074
Na e , f he CPA	Ka, Ji, g Pi, g, Zha, g Cha,

Main text of the auditor's report

To the shareholders of Shandong Molong Petroleum Machinery Company Limited:

I. Opinion

We ha, e a di ed he , a, cial . a e e, . , f Sha, d, g M, l, g Pe , le ' Machi, e C, a, Li i ed (he ei, af e efe ed , a Sha, d, g M, l, g), hich c, i e he c, , . , lida ed a, d a e, c, a, ' bala, ce . hee a a 31 Dece be 2020, he c, , . , lida ed a, d a e, c, a, ' i, c, e . a e e, , he c, , . , lida ed a, d a e, c, a, ' ca h , . a e e, a, d he c, , . , lida ed a, d a e, c, a, ' . a e e, , f cha, ge i, . ha eh, lde . ' e í i' f, 2020, a ell a , e , he , a, cial . a e e, . .

I, , r ' , i, i, , he acc, a, i, g , a, cial . a e e, . c, I i h he e í i' e e, . , f he Acc, , ' i, g S a, da d f, Bi . ' i, e . E, e i e i, all a e ial e ec . , a, d fai l e e, he c, , . , lida ed a, d a e, c, a, ' , a, cial , . i i, , , f Sha, d, g M, l, g a a 31 Dece be 2020, a ell a he c, , . , lida ed a, d a e, c, a, ' e, ' l' . , f, e a i, , . a, d ca h , . f, 2020.

II. Basis for Audit Opinion

We c, , d, c ed , r ' a, di i, acc, da, ce i h Chi, a S a, da d , , A di i, g f, Ce ified Pi blic Acc, , ' a, . . O, ' e , , . ibili ie, r ' de h, . e . a, da d a e fi ' he de c ibed i, he A di , ' Re , , . ibili ie f, he A di , f he Fi, a, cial S a e e, . . ec i, , , f, r ' e , . l, acc, da, ce i h he C, de , f E hic f, Chi, e e Ce i ed Pi blic Acc, , ' a, . , e a e i, de e, de , f Sha, d, g M, l, g, a, d e ha, e fi l' lled , he e hical e , , . ibili ie . We belie, e ha he a di e, ide, ce e ha, e, b ai, ed i . r f cie, a, d a , ia e , , . ide he ba i f, , r ' a di , i, i, , .

III. Key Audit Matters

The ke a di a e . a e he a e . ha e c, , . ide , be he , . i , a, f, a di i, g , a, cial . a e e, . i, hi e i, d acc, di, g , , fe . i, , al j dge e, . The e , , . e , he e a e . i ba ed , , . e all a di , f he , a, cial . a e e, . a, d he f, a i, , , f, r ' a di , i, i, he e, , a, d e d, , c, e, , , he e a e . . e a a el .

1. Material assets disposal

Key Audit Matter

A . a ed i , e VII.50 , he c , . lida ed , a cial . a e e , . f Sha d , g M, l , g, a a 31 Dece be 2020, gai , . , a . e . di , . al , f Sha d , g M, l , g a , r ed , RMB35,335.82 e h, r a d, hich a he ai , . , r ce , f he , , f he C, a i , he ea .

The a e ial a . e . di , . al ha . ig i ca i ac , , a cial . a e e , . f Sha d , g M, l , g f, he ea , f 2020. The ef, e, e ide if he a e ial a . e . di , . al a a ke ar di a e .

How the matter was addressed in the audit

We ai l e f, ed he f, ll, i g ar di , ced e :

U de . a d a d e. ah á e he effec i e e . , f he de ig a d , e a i , , f i e al c , , l ela ed , he a . e . di , . al;

Re ie he c , ac . , f he a e ial a . e . a . fe a d ela ed e , h i , . , f he B, a d a d he ge e al ee i g;

Di c . ! i h he a age e , f Sha d , g M, l , g , r de . a d he r ! , . e , f he ab . e a . e . di , . al a d e. ah á e he i ac , f. r ch a . e . di , . al , he , e a i g e r l . a d abili , f he C, a a g. i g c , ce , ; . r . e he r cha e a d i e . ie i h he e, le ela ed , he r cha e . , a , r de . a d he r cha e ' r cha i g r ! , . e f, a al i g he ar he ici , f he a . ac i , ab . e a d he he i c , . i r e a c , , ec ed a . ac i , ; e. ah á e he he he ac , f a . ac i , ha c, e cial . r b. a ce;

Ob ai he e. ah á i , e , f he ab . e a . e . di , . al, e. ie he í ali ca i , a d , fe . i , al c e e ce , f he a ai al a . , cia i , ; e. ie he e. ah á i , e , f he a . e . f, di , . al h , gh he , k , f e. ah á i , , fe . i , al . , a , de e i e he he he e. ah á i , . ah é i ea . , able a d he he he a . ac i , ice i fai ;

We lea , he . , r ce , f r cha e fr d a d a e , la , f , he r cha e a d c , . ide i . abili , fi l ll , bliga i , . ; e check he ba k . li c , ce i g he c , . ide a i , , f a . e . a . fe , d. c ! e a a . fe a a d i f, a i , ab , r ! he a . fe a d ha d . e , f ele e a a . e . , a , de e i e he he he a . ac i , a c, le ed;

Re ie he aco ! ac , f he calc la i , , f gai . , a . e . di , . al a d he , a i i , f acc , r ! i g ea e , , a d a . e . he he he e e e a i , a d di cl , . r e , f he ab . e a . e . di , . al i a , ia e.

2. Impairment of accounts receivable

Key Audit Matter

A e i ed i N e V.12 a d VII.3 a d VII.48 , he c . lida ed a cial . a e e . f Sha d g M l g, a a 31 Dece be 2020, Sha d g M l g had acc r . ece i able , f RMB41,133.95 e h r . a d a d a bala ce , f . i i f, bad deb . , f RMB12,341.89 e h r . a d.

The e a be i k i ec . e , f acc r . ece i able a d he a . e . e , f bad deb . i . l e . ig i ca a age e j dg e a d e i a e . The ef e, e ide if he i ai e , f acc r . ece i able a a ke a di a e .

How the matter was addressed in the audit

We ai l e f ed he f ll i g a di , ced e :

U de . a di g a d e. al a i g he de ig a d , e a i al effec i e e . f he ke i e al c , l b a age e ela i g , i ai e , f acc r . ece i able;

Re ie i g he hi , ical c edi l . . e e ie ce da a r . ed b a age e , f Sha d g M l g , calc la e e ec ed c edi l . . a e a d he ea , able e . , f ke a . r i . b c bi i g

3. Impairment of Inventories

Key Audit Matter

A e i ed i N e V.15, VII.8 a d VII.49 he c . lida ed a cial . a e e . f Sha d g M l g, a a 31 Dece be 2020, Sha d g M l g had a bala ce f i . e ie f RMB79,989.41 e h . a d a d a bala ce f . i i f i ai e f i . e ie f RMB1,251.65 e h . a d.

Sha d g M l g eg la l e i a e he e eali able . al e f i . e ie , a d ec g i e he i . e decli i g l . f he diffe e ce be ee he i . e c . a d he e eali able . al e. D e he c le i f he i ai e e i g ce . , Sha d g M l g' a age e eed ake . ig i ca j dg e . a d a . i i . i i . edic i . . The ef e, e ake . i i f i ai e f i . e a ke a di a e .

How the matter was addressed in the audit

We ai l e f ed he f ll i g a di ced e :

U de . a d a d e al a e he effec i e e . f he de ig a d e a i f ke i e al c l ela ed i . e i ai e ;

Pe f i . e i i g ced e f i . e , check i . e í a i a d c di i e c.;

Ob ai he li f e d- f- ea i . e f Sha d g M l g, a d c d c a a al ical e ie f i . e i h a l ge hi ;

Check he e i . ea ' i ai e f i . e a d he cha ge f he i ai e i he c e ea ;

I í i e ab i he cha ge i a a e ial ice d i g he ea a d i de . a d he e d f a a e ial ice i 2020. Check he he he Ma age e c . ide . he e fac . h a e a i ac he i ai e f Sha d g M l g' i . e ;

Ob ai i f a i . ch a . b idia ledge f i . e i ai e e f i . e i ai e e i g ced e , check a d a al e he ea able e . f he e eali able . al e, a d a . e . he c ec e . f acc al f i . e i ai e ;

A . e . i g he a ia e e . f he acc i g f . i i f i ai e f i . e ie b a age e f Sha d g M l g a d he e e a i f a d di cl . e i he a cial . a e e . .

IV. Other Information

The a age e , f Sha d, g M. l, g (he ei af e efe ed , a he Ma age e) i e , . ible f, he , he i f, a i, . The , he i f, a i, i cl de he i f, a i, c, . e ed i he Sha d, g M. l, g 2020 a , al e , b d, e , i cl de he a cial. a e e . a d he a di e , .

O , i, , , he fi a cial. a e e . d, e , c, . e he , he i f, a i, a d e d, , e e. a f, , f a. a ce c, cl . i, he e, .

I c, ec i, i h , a di , f he a cial. a e e . , , e , . ibili i , ead he , he i f, a i, a d, i d, i g . , c, . ide he he , he i f, a i, i a e iall i c, . i e i h he a cial. a e e . , , k , ledge , b ai ed i he a di , , he i e a ea. , be a e iall i. a ed.

If, ba ed , he , k e ha e e f, ed, e c, cl de ha he e i a a e ial i. a e e , f he , he i f, a i, , e a e e i ied , e , ha fac . We ha e , hi g , e , i hi ega d.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Ma age e i e , . ible f, he e a a i, , f he a cial. a e e . i acc, da ce i h Acc, i g S a da d f, B . i e. E e i e , achie e fai e e a i, ; a d de ig i g, i le e i g a d ai ai i g i e al c, , l hich i ece. a , e able ha he a cial. a e e . a e f ee f, a e ial i. a e e , he he d é , f a d, e , .

I e a i g he a cial. a e e . , he Ma age e i e , . ible f, a . e . i g Sha d, g M. l, g' abili , c, i, é a a g, i g c, ce , di cl. . i g i . é ela ed , g, i g c, ce (if a licable) a d a l i g he g, i g-c, ce a . i , f acc, i g le . he Ma age e la . , li ida e he C, a , e i a e , e a i, . , , ch, . e , he eali ic ch, ice .

Th, . e g. . e a ce i e , . ible f, . . e . eei g Sha d, g M. l, g' a cial e , i g , ce . .

VI.

(3) E. al ra e he a , ia e e . , f acc, r i g , licie r . ed a d he ea , able e . , f acc, r i g e i a e a d ela ed di cl, . r e ade b he Ma age e .

(4) C, cl de , he a , ia e e . , f he Ma age e ' r . e , f he g, i g c, ce , ba i , f acc, r i g a d, ba ed , he a di e ide ce , b ai ed, he he a a e ial r ce ai e i . i ela ed , e e . , c, di i, . ha a ca . ig i ca d, r b , Sha d, g M, l, g' abili , c, i, r e a a g, i g c, ce . If e c, cl de ha a a e ial r ce ai e i . , e a e e í i ed , d a a e i, i , r a di , ' e , , he ela ed di cl, . r e i he a cial . a e e . i acc da ce i h he a di i g . a da d , , if . r ch di cl, . r e a e i ade í a e, e . h, r ld e e . a , di ed , i i, . O c, cl . i, . a e ba ed , he a di e ide ce , b ai ed r , he da e , f , r a di , ' e , . H, e e , fi r e e e . , c, di i, . a ca . e he C, a , cea e , c, i, r e a a g, i g c, ce .

(5) E. al a e he , e all e e a i, , . r c r e a d c, e , f he a cial . a e e . , a d al , e al a e he he he a cial . a e e . e e e he r de l i g a . ac i, . a d e e . i a a e ha achie e fai e e a i, .

(6) Ob ai . r f cie a d a , ia e a di e ide ce ega di g he a cial i f, a i, , f Sha d, g M, l, g e i ie , b . i e . ac i i ie , e e . a , i i, , he c, . , lida ed a cial . a e e . . We a e e , . ible f, he di ec i g, . r e . i i g a d c, d c i g he C, a a di a d ake fi ll e , . ibili f, he a di , i i, .

We c, r ica e i h he g, . e a ce , he la ed a di . c, e, i e a a ge e , . ig i ca a di di g a d , he i . r e , i cl di g a . ig i ca i e al c, , l de cie cie ha e ide i ed d i g he a di .

We al , . ide he g, . e a ce i h a . a e e ha e ha e c, lied i h h, . e ele a e hical e í i e e . ega di g i de e de ce, a d c, r ica e i h he g, . e a ce ab, r all ela i, . hi . a d , he a e . ha a ea , abl be c, . ide ed , affec , r i de e de ce a d ele a eca i, . , if a licable.

F , he a e . c, r ica ed i h he g, . e a ce, e de e i e a e . ha a e he , . i , a , he a di , f a cial . a e e . f, he o e e i, d, a d he ef, e c, . i r e he ke a di a e . . We de c ibe he e a e . i , r a di , ' e , r le . he la , eg la i, , hibi r blic di cl, . r e , f he e a e . , , i a e ci o . a ce , e de e i e ha a a e . h, r ld , be c, r ica ed i , r e , if he ega i e c, . e í e ce . f . r ch c, r ica i, , r ld ea , abl be e ec ed , , r eigh he be e . , d ced i he r blic i e e .

Shi e i g Ce i ed Pr blic Acc, r a .

PRC ce i ed r blic acc, r a . : (P , jec Pa e)

PRC ce i ed r blic acc, r a . :

Beiji g, Chi a

26 Ma ch 2021

C. . lida ed Bala ce Shee

U i : RMB

Item	31 December 2020	31 Dece be 2019
Current assets:		
M. e a fr d.	**759,979,803.03**	539,942,128.18
Se le e De . i.	**—**	
Le di g fr d.	**—**	
Fi a cial a . e . held f. adi g	**—**	
De i. a i. e a cial a . e .	**—**	
Bill ecei able	**164,945,170.51**	257,635,279.11
Acc r . ecei able	**287,920,595.28**	507,559,024.95
L. a . a d ad. a ce	**951,005.30**	17,046,915.97
Fi a ci g ecei able	**33,575,777.00**	96,155,523.75
P e a e .	**24,755,942.84**	41,184,464.45
I . r a ce ecei able	**—**	
Rei . r a ce ecei able	**—**	
Rei . r a ce c. ac e e . e ecei able	**—**	
O he ecei able	**156,486,818.72**	29,289,226.01
I cl di g: I e e . ecei able	**—**	2,308,030.91
Di. ide d ecei able	**—**	
P cha e . f. ell-back a cial a . e .	**—**	
I . e . ie	**787,377,614.78**	934,907,320.58
C. ac a . e .	**—**	
A . e . held f. . ale	**—**	
N. -o e a . e . d é i hi . e ea	**—**	
O he o e a . e .	**21,904,932.90**	35,206,341.97
Total current assets	**2,237,897,660.36**	2,458,926,224.97

C, ,. , lida ed Bala, ce Shee

U, i : RMB

Item	31 December 2020	31 Dece be 2019
Non-current assets:		
L, a,. a, d ad. a, ce	—	
Deb i,. e e, .	—	
O he deb i,. e e, .	—	
L, g- e ece i. able	—	
L, g- e e i i, i,. e e, .	**2,314,697.29**	2,557,061.01
I,. e e, . i,, he e i i, i,. , e, .	—	
O he , . , -d e, , a, cial a . e .	—	
I,. e e, , e ie	—	
Fi ed a . e .	**2,493,577,016.35**	2,726,157,716.13
C, , . , c i, , -i, - , g e .	**7,620,542.62**	55,034,853.27
P , d c i. e bi. l. gical a . e .	—	
Oil a, d ga a . e .	—	
Righ -, f- . e a . e .	**4,591,910.73**	
I, a, gible a . e .	**393,688,845.70**	443,223,548.01
De. el. e, e e, di , e	—	
G, , d ill	—	
L, g- e defe ed e e, . e	—	
Defe ed i, c, e a a . e .	**35,217,034.73**	40,231,904.91
O he , . , -d e, a . e .	**728,107.60**	9,621,036.29
Total non-current assets	**2,937,738,155.02**	3,276,826,119.62
Total assets	**5,175,635,815.38**	5,735,752,344.59

C. . lida ed Bala ce Shee

U i : RMB

Item	31 December 2020	31 Dece be 2019
Current liabilities:		
Sh - e b . i g	**2,054,225,378.29**	1,929,510,883.39
B . i g f . he ce al ba k	**—**	
Place e .	**—**	
Fi a cial liabili ie held f. adi g	**—**	
De i. a i. e a cial liabili ie	**—**	
Bill a able	**121,472,511.10**	281,588,603.88
Acc r . a able	**648,352,428.48**	924,020,613.80
Recei . i ad. a ce	**—**	
C. ac liabili ie	**83,749,468.02**	32,463,654.22
P . ceed f . di . al . f b -back a cial a . e .	**—**	
G . e ba k de . . i . a d d e . ba k a d . he a cial i . i r i .	**—**	
Seo i ie b . ke age de . . i .	**—**	
Seo i ie r de i i g b . ke age de . . i .	**—**	
Sala ie a able	**54,493,884.87**	57,276,942.10
Ta e a able	**27,192,105.60**	13,393,461.51
O he a able	**43,853,326.94**	61,423,531.25
cl di g: l e e . a able	**—**	6,389,751.57
Di. ide d a able	**—**	
B . ke age a d c i . i . a able	**—**	
Rei . r a ce a able	**—**	
Liabili ie held f . ale	**—**	
N . -o e liabili ie d e i hi . . e ea	**139,784,923.46**	482,636,906.78
O he o e liabili ie	**50,195,434.08**	87,557,572.20
Total current liabilities	**3,223,319,460.84**	3,869,872,169.13

C, ,. , lida ed Bala, ce Shee

U, i : RMB

Item	31 December 2020	31 Dece be 2019
Non-current liabilities:		
l, .r 'a, ce c, , ac e e, . e	—	
L, , g- e b, , i, g	**114,063,150.53**	
B, , d a able	—	
l, cl di, g: P efe ed . ha e	—	
Pe e r al b, , d	—	
Lea e liabili ie	**4,968,359.84**	
L, , g- e a able	**4,585,000.00**	58,045,884.69
L, , g- e . ala ie a able	—	
E i a ed liabili ie	**14,392,824.64**	5,734,176.25
Defe ed e. e, r é	**7,176,480.86**	7,386,306.54
Defe ed i, c, e a liabili ie	**5,560,648.87**	5,754,299.38
O he , , , -o 'e, liabili ie	—	
Total non-current liabilities	**150,746,464.74**	76,920,666.86
Total liabilities	**3,374,065,925.58**	3,946,792,835.99
Owners' equity:		
Sha e ca i al	**797,848,400.00**	797,848,400.00
O he e í i' i, . r 'e, .	—	
l, cl di, g: P efe ed . ha e	—	
Pe e r al b, , d	—	
Ca i al e e, . e	**863,169,158.42**	863,169,158.42
Le . : T ea r ' . ha e	—	
O he c, ehe, .i, e i, c, e	**(2,015,577.82)**	(3,055,060.57)
S ecial e e, . e	—	
Sr ' h .' e e, . e	**187,753,923.88**	187,753,923.88
Ge, e al i k . . i i, ,	**11,236.91**	11,236.91
U, di ib 'ed , .	**(66,030,056.80)**	(98,208,687.79)
Total equity attributable to owners of the parent company	**1,780,737,084.59**	1,747,518,970.85
Minority interests	**20,832,805.21**	41,440,537.75
Total owners' equity	**1,801,569,889.80**	1,788,959,508.60
Total liabilities and owners' equity	**5,175,635,815.38**	5,735,752,344.59

Legal e e e, a_i. e:	Acc, r ' a, -i, -cha ge:	Pa , e -i, -cha ge:
Ya, g Yi ' L, , g	Li 'Mi,	Zha, g Xi é Mei

Bala, ce Shee . f he Pa e, C, a,

U, i : RMB

Item	31 December 2020	31 Dece be 2019
Current assets:		
M, e a fi d	**708,481,226.15**	515,419,364.09
Fi, a, cial a . e . held f, adi, g	**—**	
De i, a i. e , a, cial a . e .	**—**	
Bill ece i. able	**164,945,170.51**	257,635,279.11
Acc, , . ece i. able	**442,232,065.03**	614,469,903.11
Fi, a, ci, g ece i. able	**10,980,000.00**	13,745,135.20
P e a e, .	**618,700,408.46**	466,070,802.57
O he ece i. able	**756,323,484.10**	742,034,322.28
I, cl di, g: I, e e . ece i. able	**—**	2,308,030.91
Di. ide, d ece i. able	**—**	
I, . e, . ie	**511,814,843.00**	627,068,241.69
C, , ac a . e .	**—**	
A . e . held f, . ale	**—**	
N, , -o e, a . e . d é i hi, , , e ea	**—**	
O he o e, a . e .	**3,749,202.40**	
Total current assets	**3,217,226,399.65**	3,236,443,048.05

Bala ce Shee . f he Pa e C. a

U i : RMB

Item	31 December 2020	31 Dece be 2019
Non-current assets:		
Deb i . e e .	—	
O he deb i . e e .	—	
L g- e ece i able	—	
L g- e e i i i . e e .	**1,144,019,921.73**	1,144,019,921.73
I . e e . i , he e i i i . e .	—	
O he . -d e a cial a . e .	—	
I . e e , e ie	—	
Fi ed a . e .	**889,048,148.96**	1,056,055,848.38
C. . c i, -i- , g e .	—	486,984.53
P , d c i. e bi, l, gical a . e .	—	
Oil a d ga a . e .	—	
Righ -, f- . e a . e .	**4,591,910.73**	
I a gible a . e .	**91,321,208.29**	132,088,784.23
De. el, e e e di e	—	
G. , d ill	—	
L g- e defe ed e e . e	—	
Defe ed i c, e a a . e .	**33,048,514.20**	37,883,413.51
O he . -d e a . e .	**378,107.60**	
Total non-current assets	**2,162,407,811.51**	2,370,534,952.38
Total assets	**5,379,634,211.16**	5,606,978,000.43

Bala ce Shee f he Pa e C a

Uni : RMB

Item	31 December 2020	31 Dece be 2019
Current liabilities:		
Sh - e b ing	**1,543,791,887.49**	1,765,910,883.39
Fi a cial liabili ie held f adi g	**—**	
De i a i e a cial liabili ie	**—**	
Bill a able	**692,839,443.49**	456,088,603.88
Acc n . a able	**219,825,699.80**	318,744,403.11
Recei i ad a ce	**—**	
C ac liabili ie	**55,899,703.37**	28,059,132.72
Sala ie a able	**34,757,933.77**	37,751,734.57
Ta e a able	**23,942,984.02**	10,297,524.70
O he a able	**139,153,160.81**	151,446,321.31
I cl di g: I e e . a able	**—**	5,214,764.95
Di ide d a able	**—**	
Liabili ie held f . ale	**—**	
N -c e liabili ie d é i hi e ea	**63,235,847.52**	329,697,408.24
O he c e liabili ie	**46,582,393.75**	87,557,572.20
Total current liabilities	**2,820,029,054.02**	3,185,553,584.12
Non-current liabilities:		
L g- e b ing	**—**	
B d a able	**—**	
I cl di g: P efe ed . ha e	**—**	
Pe e nal b d	**—**	
Lea e liabili ie	**4,968,359.84**	
L g- e a able	**4,585,000.00**	58,045,884.69
L g- e . ala ie a able	**—**	
E i a ed liabili ie	**14,392,824.64**	5,734,176.25
Defe ed e e é	**—**	
Defe ed i c e a liabili ie	**—**	
O he -c e liabili ie	**—**	
Total non-current liabilities	**23,946,184.48**	63,780,060.94
Total liabilities	**2,843,975,238.50**	3,249,333,645.06

Balance Sheet of the Parent Company

Unit: RMB

Item	31 December 2020	31 December 2019
Owners' equity:		
Share capital	**797,848,400.00**	797,848,400.00
Other equity instruments	**—**	
Including: Preferred shares	**—**	
Perpetual bonds	**—**	
Capital reserve	**863,150,490.92**	863,150,490.92
Less: Treasury shares	**—**	
Other comprehensive income	**—**	
Special reserve	**—**	
Surplus reserve	**187,753,923.88**	187,753,923.88
Undistributed profit	**686,906,157.86**	508,891,540.57
Total owners' equity	**2,535,658,972.66**	2,357,644,355.37
Total liabilities and owners' equity	**5,379,634,211.16**	5,606,978,000.43

U, i : RMB

Item		2020	2019
I.	**Total operating revenue**	**3,009,719,029.66**	4,388,904,215.91
	I, ch di, g: O e a i, g e. e, e	**3,009,719,029.66**	4,388,904,215.91
	I, e e i, c, e	—	
	I, . a ce e i ea , ed	—	
	B , ke age a, d c, i . i, , i, c, e	—	
II.	**Total operating costs**	**3,342,727,781.59**	4,547,980,146.59
	I, ch di, g: O e a i, g c, . .	**2,902,436,729.61**	4,034,622,745.27
	I, e e e e, . e	—	
	B , ke age a, d c, i . i, , e e, . e	—	
	S e, de .	—	
	Ne a , , , f c, e, . a i, , aid	—	
	Ne a , , , f e e . e f, ei, , a ce c, , ac i hd a ,	—	
	I, . a ce di ide, d a e, .	—	
	Rei, . a ce e i .	—	
	Ta e a, d . , cha ge	**19,116,487.72**	25,254,426.66
	Selli, g e e, . e	**14,948,332.92**	84,340,449.53
	Ad i, i a i e e e, . e	**194,470,836.86**	193,606,016.95
	Re ea ch a, d de e l, e, e e, . e	**52,542,810.96**	63,830,329.90
	Fi, a, ce e e, . e	**159,212,583.52**	146,326,178.28
	I, ch di, g: I, e e e e, . e	**137,373,401.15**	159,146,751.07
	I, e e i, c, e	**5,507,436.70**	8,791,007.22
	Add: O he gai, .	**17,770,915.00**	14,032,294.31
	I, . e e, i, c, e	**(39,767.09)**	3,384,366.15
	I, ch di, g: Gai, . , , i, . e e, i, a . , cia e a, d j, i, . . e, , e	**(242,363.72)**	(106,457.89)
	Gai, , , de ec, g, i i, , , f , a, cial a . e . ea , ed a a , i ed c, .	—	
	E cha, ge gai, .	—	
	Ne gai, . , , e , . , e hedge	—	
	Gai, , , fai . al e cha, ge	—	
	C edi i ai e, l, . . e	**1,142,033.60**	(17,003,268.54)
	A . e i ai e, l, . . e	**(1,047,770.83)**	(37,538,995.67)
	Gai, . , , di , . al , f a . e .	**353,358,239.23**	7,152,864.22
III.	**Operating pro□t**	**38,174,897.98**	(189,048,670.21)
	Add: N, , -, e a i, g i, c, e	**7,928,370.13**	9,730,641.34
	Le . : N, , -, e a i, g e e, . e	**28,574,721.15**	35,909,103.13

U, i : RMB

Item		2020	2019
IV.	**Total pro□t**	**17,528,546.96**	(215,227,132.00)
	Le. : l, c, e a e e,. e	**6,073,146.60**	9,680,705.56
V.	**Net pro□t**	**11,455,400.36**	(224,907,837.56)
	(I) B br. 'i, e. c, , i, r i'		
	1. Ne , f, c, , i, r i, g, e a i, , .	**11,455,400.36**	(224,907,837.56)
	2. Ne , f, di. c, , i, r ed, e a i, , .	**—**	
	(II) B a ibr 'able, , e. hi		
	1. Ne , a ibr 'able, he. ha eh, lde. , f he a e, c, a,	**32,178,630.99**	(196,309,267.90)
	2. Mi, . i i, e e .	**(20,723,230.63)**	(28,598,569.66)
VI.	**Other comprehensive income, net of tax**	**1,154,980.84**	(292,277.16)
	O he c, ehe, .. i. e i, c, e a ibr 'able, he, , e. , f he a e, c, a, , , e , f a	**1,039,482.75**	(263,049.44)
	(I) O he c, ehe, .. i. e i, c, e ha a , , be ecla. i ed , , , l, . .	**—**	
	1. Cha, ge , , e ea r 'e e, , f de , ed be, e la, .	**—**	
	2. O he c, ehe, .. i. e i, c, e ha a , , be a, . fe ed , , , l, . . r, 'de e f i' acc, r, ' i, g	**—**	
	3. Fai. . al é cha, ge i, i, . e e, . i, , he e f i' i, . r 'e, .	**—**	
	4. Fai. . al é cha, ge i, c edi i k, f he C, a,	**—**	
	5. O he .	**—**	
	(II) O he c, ehe, .. i. e i, c, e ha ill be ecla. i ed , , , l, . .	**1,039,482.75**	(263,049.44)
	1. O he c, ehe, .. i. e i, c, e ha a be a, . fe ed , , , l, . . r, 'de e f i' acc, r, ' i, g	**—**	
	2. Fai. . al é cha, ge i, , he deb i, . e e, .	**—**	
	3. Recla. i ca i, , f, a, cial a. e. , , he c, ehe, .. i. e i, c, e	**—**	
	4. P. . i i, , f, c edi i ai e, , , he deb i, . e e, .	**—**	
	5. Ca h , hedge e e, . e	**—**	
	6. E cha, ge diffe e, ce , , a, . la i, , f f, eig, , a, cial . a e e, .	**1,039,482.75**	(263,049.44)
	7. O he .	**—**	
	O he c, ehe, .. i. e i, c, e a ibr 'able, i, , i . ha eh, lde . , , e , f a	**115,498.09**	(29,227.72)
VII.	**Total comprehensive income**	**12,610,381.20**	(225,200,114.72)
	T, al c, ehe, .. i. e i, c, e a ibr 'able , , , e. , f he a e, c, a,	**33,218,113.74**	(196,572,317.34)
	T, al c, ehe, .. i. e i, c, e a ibr 'able , i, , i . ha eh, lde .	**(20,607,732.54)**	(28,627,797.38)
VIII.	**Earnings per share:**		
	(I) Ba ic ea , i, g e . ha e	**0.04**	(0.25)
	(II) Dil 'ed ea , i, g e . ha e	**0.04**	(0.25)

Legal e e e, a. i. e:
Ya, g Yi ' L, , g

Acc, r, ' a, -i, -cha ge:
Li 'Mi,

Pa , e -i, -cha ge:
Zha, g Xi é Mei

Unit: RMB

Item		2020	2019
I.	**Operating revenue**	**2,544,622,887.97**	3,660,946,787.68
	Less: Operating cost	**2,434,466,846.40**	3,256,862,423.86
	Taxes and surcharges	**13,378,251.90**	15,857,696.55
	Selling expenses	**13,920,658.12**	71,506,819.84
	Administrative expenses	**69,313,944.20**	51,787,498.24
	Research and development expenses	**52,542,810.96**	63,830,329.90
	Financial expenses	**125,784,024.09**	112,381,323.00
	Including: Interest expenses	**107,558,200.54**	125,378,366.81
	Interest income	**5,617,437.36**	6,878,736.53
	Add: Other gains	**17,155,249.98**	686,605.41
	Investment income	**—**	1,216,420.49
	Including: Gains on derecognition of financial assets measured at amortized cost	**—**	
	Net gains on exposure hedges	**—**	
	Gains on changes in fair value	**—**	
	Credit impairment losses	**7,576,272.29**	(9,102,757.01)
	Asset impairment losses	**(110,521.57)**	(11,934,055.72)
	Gains on disposal of assets	**353,369,095.65**	6,875,505.09
II.	**Operating profit**	**213,206,448.65**	76,462,414.55
	Add: Non-operating income	**722,968.78**	2,705,423.97
	Less: Non-operating expenses	**31,079,900.83**	34,822,006.48
III.	**Total profit**	**182,849,516.60**	44,345,832.04
	Less: Income tax expenses	**4,834,899.31**	6,844,612.26
IV.	**Net profit**	**178,014,617.29**	37,501,219.78
	(I) Net profit from continuing operations	**178,014,617.29**	37,501,219.78
	(II) Net profit from discontinued operations	**—**	

U, i : RMB

Item		2020	2019
V.	**Other comprehensive income, net of tax**		
	(I) O he c, ehe, .. i. e i, c, e ha a, be ecla . i ed , , , l, ..	—	
	1. Cha, ge , , e ea r 'e e, , f de , ed be, e la, .	—	
	2. O he c, ehe, .. i. e i, c, e ha a, be a, . fe ed , , , l, .. r, de e f i' acc, r, i, g	—	
	3. Fai_ . al é cha, ge i, i, . e e, . i, , he e f i' i, . r ' e, .	—	
	4. Fai_ . al é cha, ge i, c edi i k , f he C, a,	—	
	5. O he .	—	
	(II) O he c, ehe, .. i. e i, c, e ha ill be ecla . i ed , , , l, ..	—	
	1. O he c, ehe, .. i. e i, c, e ha a be a, . fe ed , , , l, .. r, de e f i' acc, r, i, g	—	
	2. Fai_ . al é cha, ge i, , he deb i, . e e, .	—	
	3. Recla . i ca i, , , f , a, cial a . e . , , he c, ehe, .. i. e i, c, e	—	
	4. P_ . i i, , f, c edi i ai e, , , , he deb i, . e e, .	—	
	5. Ca h , hedge e e_ . e	—	
	6. E cha, ge diffe e, ce , , a, . la i, , , f f, eig, , a, cial . a e e, .	—	
	7. O he .	—	
VI.	**Total comprehensive income**	**178,014,617.29**	37,501,219.78
VII.	**Earnings per share:**		
	(I) Ba ic ea , i, g e . ha e	—	
	(II) Di' ed ea , i, g e . ha e	—	

C, , . , lida ed S a e e, , f Ca h Fl, .

U, i :RMB

Item		2020	2019
I.	**Cash □ows from operating activities:**		
	Ca h ece i ed f , . ale , f g, , d a, d e, de i, g , f. e . ice	**3,330,527,492.89**	4,460,437,940.49
	Ne i, c ea e i, o . ' , e ba, k de , . i . a, d d e , ba, k a, d , he , a, cial i, . i r ' i, , .	—	
	Ne i, c ea e i, b, , i, g f , he ce, al ba, k	—	
	Ne i, c ea e i, lace e, . f , , he , a, cial i, . i r ' i, , .	—	
	Ca h ece i ed f , ece i, i, g i, . r ' a, ce e i r ' , f , igi, al i, . r ' a, ce c, , ac	—	
	Ne ca h ece i ed f , ei, . r ' a, ce b r . ' i, e .	—	
	Ne i, c ea e i, de , . i . f , , lic h, lde . a, d i, . e e, .	—	
	Ca h ece i ed , f i, e e . , fee a, d c, i . i, , .	—	
	Ne i, c ea e i, lace e, . f , ba, k a, d , he , a, cial i, . i r ' i, , .	—	
	Ne i, c ea e i, e r ' cha e b r . ' i, e . ca i al	—	
	Ne ca h , ceed f , . eo ' i ie b , ke age	—	
	Recei . , f a efr ' d	**11,484,131.39**	8,582,214.09
	Ca h ece i ed ela i, g , , he , e a i, g ac i i ie	**62,145,237.72**	326,650,980.55
	Sub-total of cash in□ows from operating activities	**3,404,156,862.00**	4,795,671,135.13
	Ca h aid f, r ' cha i, g g, , d a, d ece i, i, g . e . ice	**2,746,478,478.65**	3,455,293,474.33
	Ne i, c ea e i, l, a, . a, d ad a, ce , o . ' , e .	**(13,751,418.15)**	(12,374,045.25)
	Ne i, c ea e i, de , . i . i h ce, al ba, k a, d , he , a, cial i, . i r ' i, , .	—	
	Ca h aid f, c, e, . a i, , , f , igi, al i, . r ' a, ce c, , ac	—	
	Ne i, c ea e i, le, di, g fr ' d	—	
	Ca h aid f, i, e e . , fee a, d c, i . i, , .	—	
	Ca h aid f, , lic di ide, d	—	
	Ca h aid , a, d , , behalf , f e l, ee	**218,845,466.30**	270,731,354.95
	Ca h aid f, a e	**64,671,810.63**	136,776,376.68
	O he ca h aid ela i, g , , e a i, g ac i i ie	**181,011,346.51**	256,890,556.34
	Sub-total of cash out□ows from operating activities	**3,197,255,683.94**	4,107,317,717.05
	Net cash □ows generated from operating activities	**206,901,178.06**	688,353,418.08

U i :RMB

Item		2020	2019
II.	**Cash ows from investing activities:**	—	
	Ca h ece i ed f di . al f i . e e .	—	104,900,000.00
	Ca h ece i ed f gai . i . e e .	**202,596.63**	3,490,824.04
	Ne ca h f di . al f ed a . e . i a gible a . e . a d he l g- e a . e .	**359,483,822.99**	9,974,199.66
	Ne ca h ece i ed f di . al f . b idia ie a d he b . i e . i .	—	
	O he ca h ece i ed ela i g i . e i g ac i i ie	—	
	Sub-total of cash in ows from investing activities	**359,686,419.62**	118,365,023.70
	Ca h aid f . cha e a d c . . c i . f ed a . e . i a gible a . e . a d he l g- e a . e .	**45,411,071.25**	77,287,258.35
	Ca h aid f ac i i i . f i . e e .	—	
	Ne i c ea e i ledged l a .	—	
	Ne ca h aid f ac i i i . f . b idia ie a d he b . i e . i .	—	
	O he ca h aid ela i g i . e i g ac i i ie	—	
	Sub-total of cash out ows from investing activities	**45,411,071.25**	77,287,258.35
	Net cash ows generated from investing activities	**314,275,348.37**	41,077,765.35

C, , . , lida ed S a e e, , f Ca h Fl, .

U, i :RMB

Item		2020	2019
III.	**Cash □ows from □nancing activities:**		
	Ca h ece, ed f , ca i al c, , ib, ' i, , .	—	
	I, cl, di, g:Ca h ece, ed f , i, , i . ha eh, lde i, . e e, b . , b. idia	—	
	B, , i, g ece, ed	**2,852,941,196.24**	3,178,031,000.00
	O he ca h ece, ed ela i, g , , a, ci, g ac_i. i ie	—	
	Sub-total of cash in□ows from □nancing activities	**2,852,941,196.24**	3,178,031,000.00
	Ca h e a e, . , f a , , ' . b, , ed	**3,024,882,265.41**	3,830,953,614.09
	Ca h aid f, di. ide, d a, d , di. ib, ' i, , , i, e e a e,	**134,196,138.89**	164,324,997.14
	I, cl, di, g: Di. ide, d a, d , aid , i, , i . ha eh, lde . b . , b. idia	—	
	O he ca h aid ela i, g , , a, ci, g ac_i. i ie	—	
	S, b- , al , f ca h , , ' , . f , , a, ci, g ac_i. i ie	**3,159,078,404.30**	3,995,278,611.23
	Ne ca h , . ge, e a ed f , , a, ci, g ac_i. i ie	**(306,137,208.06)**	(817,247,611.23)
IV.	**Effect of changes in foreign exchange rate on cash and cash equivalents**	**(11,306,958.07)**	5,148,781.78
V.	**Net increase in cash and cash equivalents**	**203,732,360.30**	(82,667,646.02)
	Add: Bala, ce , f ca h a, d ca h e í_i' ale, . a he begi, , i, g , f he e i, d	**496,256,836.18**	578,924,482.20
VI.	**Balance of cash and cash equivalents at the end of the period**	**699,989,196.48**	496,256,836.18

U i : RMB

Item		2020	2019
I.	**Cash ows from operating activities:**		
	Ca h ece i ed f . ale . f g . d a d e de i g . f . e ice	**2,728,716,449.21**	4,258,002,820.97
	Rece i . f a ef d	**11,386,191.32**	4,762,757.02
	Ca h ece i ed ela i g . he . e a i g ac i i ie	**57,281,900.22**	333,011,999.31
	Sub-total of cash in ows from operating activities	**2,797,384,540.75**	4,595,777,577.30
	Ca h aid f . r cha i g g . d a d ece i i g . e ice	**1,979,664,494.16**	3,727,359,023.14
	Ca h aid a d . behalf . f e l ee	**140,012,760.59**	168,615,466.73
	Ca h aid f a e	**55,960,222.84**	58,046,650.83
	O he ca h aid ela i g . e a i g ac i i ie	**93,653,455.62**	495,164,316.38
	Sub-total of cash out ows from operating activities	**2,269,290,933.21**	4,449,185,457.08
	Net cash ows generated from operating activities	**528,093,607.54**	146,592,120.22
II.	**Cash ows from investing activities:**		
	Ca h ece i ed f di . al f i e e .	—	50,000.00
	Ca h ece i ed f gai . i e e .	—	1,216,420.49
	Ne ca h f di . al f ed a e . i a gible a e . a d he l g- e a e .	**350,353,720.67**	8,518,464.36
	Ne ca h ece i ed f di . al f . r b idia ie a d he b . i e . r i .	—	
	O he ca h ece i ed ela i g i e i g ac i i ie	—	
	Sub-total of cash in ows from investing activities	**350,353,720.67**	9,784,884.85
	Ca h aid f . r cha e a d c . r c i . f ed a e . i a gible a e . a d . he l g- e a e .	**13,478,632.52**	33,516,639.03
	Ca h aid f ac i i i . f i e e .	—	
	Ne ca h aid f ac i i i . f . r b idia ie a d he b . i e . r i .	—	
	O he ca h aid ela i g i e i g ac i i ie	—	
	Sub-total of cash out ows from investing activities	**13,478,632.52**	33,516,639.03
	Net cash ows generated from investing activities	**336,875,088.15**	(23,731,754.18)

Unit: RMB

Item		2020	2019
III.	**Cash flows from financing activities:**		
	Cash received from capital contributions	—	
	Borrowings received	**2,103,910,240.90**	2,684,431,000.00
	Other cash received relating to financing activities	—	
	Sub-total of cash inflows from financing activities	**2,103,910,240.90**	2,684,431,000.00
	Cash repayments of amounts borrowed	**2,658,342,766.87**	2,774,436,310.20
	Cash paid for distribution of dividends and profits	**106,295,904.76**	129,484,744.81
	Other cash paid relating to financing activities	—	
	Sub-total of cash outflows from financing activities	**2,764,638,671.63**	2,903,921,055.01
	Net cash flows generated from financing activities	**(660,728,430.73)**	(219,490,055.01)
IV.	**Effect of changes in foreign exchange rate on cash and cash equivalents**	**(11,157,610.90)**	5,107,873.72
V.	**Net increase in cash and cash equivalents**	**193,082,654.06**	(91,521,815.25)
	Add: Balance of cash and cash equivalents at the beginning of the period	**471,734,072.09**	563,255,887.34
VI.	**Balance of cash and cash equivalents at the end of the period**	**664,816,726.15**	471,734,072.09

Amounts for the current period

Unit: RMB

Item		2020														
		Equity attributable to owners of the parent company														
			Other equity instruments													
		Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Sub-total	Minority interests	Total owners' equity
I.	Balance at the end of the same period last year	797,848,400.00	—	—	—	863,169,158.42	—	(3,055,060.57)	—	187,753,923.88	11,236.91	(98,208,687.79)	—	1,747,518,970.85	41,440,537.75	1,788,959,508.60
	Add: Change in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Correction of fundamental errors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Business combination under common control	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
II.	Balance at the beginning of the current year	797,848,400.00	—	—	—	863,169,158.42	—	(3,055,060.57)	—	187,753,923.88	11,236.91	(98,208,687.79)	—	1,747,518,970.85	41,440,537.75	1,788,959,508.60
III.	Changes in the current period	—	—	—	—	—	—	1,039,482.75	—	—	—	32,178,630.99	—	33,218,113.74	(20,607,732.54)	12,610,381.20
	(i) Total comprehensive income			—	—	—	—	1,039,482.75	—	—	—	32,178,630.99	—	33,218,113.74	(20,607,732.54)	12,610,381.20
	(ii) Owners' contributed and reduced capital	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1. Ordinary shares contributed by shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	2. Capital contributed by holders of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	3. Amount of share-based payment recognized in owners' equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	4. Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	(iii) Profit distribution	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1. Appropriation to surplus reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	2. Appropriation to general risk provision	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	3. Distribution to owners (or shareholders)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	4. Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	(iv) Transfers within owners' equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1. Capital reserve transferred to capital (or share capital)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	2. Surplus reserve transferred to capital (or share capital)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	3. Surplus reserve for covering losses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	4. Changes in defined benefit plans carried forward retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	5. Other comprehensive income carried forward retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	6. Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	(v) Special reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1. Change for the period	—	—	—	—	—	—	—	26,986,008.44	—	—	—	—	26,986,008.44	—	26,986,008.44
	2. Utilized in the period	—	—	—	—	—	—	—	26,986,008.44	—	—	—	—	26,986,008.44	—	26,986,008.44
	(vi) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
IV.	Balance at the end of the current period	797,848,400.00	—	—	—	863,169,158.42	—	(2,015,577.82)	—	187,753,923.88	11,236.91	(66,030,056.80)	—	1,780,737,084.59	20,832,805.21	1,801,569,889.80

Amounts for the prior period

U, i : RMB

Item	2019														
	E í i' a ib' able , , , e. , f he a e, c, a,														
		O he e í i' i, . r ' e, .													
	Sha e ca i al	P efe ed . ha e	Pe e r al b, , d	O he.	Ca i al e e, e	Le. : T ea r ' . ha e	c, O he ehe, . i, e i, c, e	S ecial e e, e	S r ' l. ' e e, e	Ge, e al i k . . i i, ,	U, di ib' ed . .	O he.	S b-. al	Mi, . i i, e e .	T, al, , e. ' e í i'
I. Balance at the end of the same period last year	797,848,400.00				863,169,158.42		(2,792,011.13)		187,753,923.88	11,236.91	98,100,580.11		1,944,091,288.19	70,068,335.13	2,014,159,623.32
Add: Cha, ge i, acc, r, ' i, g , licie C, ec i, , . f i e i, d e , . B. ' i, e. c, bi, a i, , r, ' de c, , , c, , . l O he.															
II. Balance at the beginning of the current year	797,848,400.00				863,169,158.42		(2,792,011.13)		187,753,923.88	11,236.91	98,100,580.11		1,944,091,288.19	70,068,335.13	2,014,159,623.32
III. Changes in the current period							(263,049.44)				(196,309,267.90)		(196,572,317.34)	(28,627,797.38)	(225,200,114.72)
(i) T, al c, ehe, . i, e i, c, e							(263,049.44)				(196,309,267.90)		(196,572,317.34)	(28,627,797.38)	(225,200,114.72)
(ii) O, e. ' ca i al c, , ib' i, , a, d ed' c i, ,															
1. O di, a . ha e c, , ib' ed b . , e.															
2. Ca i al c, , ib' ed b , he e í i' i, . r ' e, . h, lde.															
3. A , r, ' . , f. ha e-ba ed a e, . ec, g, i ed i, . , e. ' e í i'															
4. O he.															
(iii) P, di ib' i, ,															
1. A , ia i, , . , r ' l. ' e e, e															
2. A , ia i, , . ge, e al i k . . i i, ,															
3. Di ib' i, , he, , e. (, . ha eh, lde.)															
4. O he.															
(i.) T a, . fe , f, , e. ' e í i'															
1. C, , e. i, , . f ca i al e e, e i, . ca i al (, . ha e ca i al)															
2. C, , e. i, , . f. r ' l. ' e e, e i, . ca i al (, . ha e ca i al)															
3. S r ' l. ' e e, e aki, g r ' . f l, . . e															
4. Cha, ge i, de , ed be, e la, . ca ied f, a d , e ai, ed ea, i, g															
5. O he c, ehe, . i, e i, c, e ca ied f, a d , e ai, ed ea, i, g															
6. O he.															
(.) S ecial e e, e															
1. Cha ge f, he e i, d								25,666,860.29					25,666,860.29		25,666,860.29
2. U ili ed d' i, g he e i, d								25,666,860.29					25,666,860.29		25,666,860.29
(.i) O he.															
IV. Balance at the end of the current period	797,848,400.00				863,169,158.42		(3,055,060.57)		187,753,923.88	11,236.91	(98,208,687.79)		1,747,518,970.85	41,440,537.75	1,788,959,508.60

Amounts for the current period

Unit: RMB

Item		2020											
			Other equity instruments										
		Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
I.	Balance at the end of the same period last year	797,848,400.00	—	—	—	863,150,490.92	—	—	—	187,753,923.88	508,891,540.57	—	2,357,644,355.37
	Add: Change in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—
	Correction of prior period errors	—	—	—	—	—	—	—	—	—	—	—	—
	Other	—	—	—	—	—	—	—	—	—	—	—	—
II.	Balance at the beginning of the current year	797,848,400.00	—	—	—	863,150,490.92	—	—	—	187,753,923.88	508,891,540.57	—	2,357,644,355.37
III.	Changes in the current period	—	—	—	—	—	—	—	—	—	178,014,617.29	—	178,014,617.29
	(i) Total comprehensive income	—	—	—	—	—	—	—	—	—	178,014,617.29	—	178,014,617.29
	(ii) Owners' contributions and reductions in capital	—	—	—	—	—	—	—	—	—	—	—	—
	1. Ordinary shares contributed by shareholders	—	—	—	—	—	—	—	—	—	—	—	—
	2. Capital contributed by holders of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
	3. Amount of share-based payments recognized in owners' equity	—	—	—	—	—	—	—	—	—	—	—	—
	4. Other	—	—	—	—	—	—	—	—	—	—	—	—

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

I. General Information of the Company

Sha, d, g M, l, g Pe , le' Machi, e C, a, Li i ed (he ei, de he C, a, , , ge he i h i. .r b idia ie , he G , r ') i a j, i, . , ck li i ed c, a, egi e ed i, he Pe, le' Re r blic , f Chi, a, he edece . , c, a, i Sha, d, g M, l, g H, ldi, g C, a, , hich a e abli hed j, i, l b Zha, g E, R, g, Li, Fi L, g, Zha, g Yi ' Sa, , Xie Xi, Ca, g, Li Yi ' L, g, G i' Hi á, Y, r ' Lia, g Y, g Qia, g, She, gli Oil Field Kai r á, Oil E l, i a i, C, a, Li i ed (勝利油田凱源石油開發有限責任公司) a, d Ga, .r l, di .' ial U, i. e . i All, Ma e ial Fac , (甘肅工業大學合金材料總廠) , 27 Dece be 2001 i h he a . al f , Of ce f, Re r c r i, g he Ec, , ic S . e , f Sha, d, g P . i, ce (山東省經濟體制改革辦公室) i h he le e Li Ti Gai Ha, Zi [2001] N, . 53 (魯體改函字[2001]53號文).

U , he a . al b Chi, a Seo ' i ie Reg la , C, i . i, , i h Zhe, g Jia, G , ' He Zi [2003] N, . 50 (證監國合字[2003]50號文), , 15 A il 2004, he C, a, i . r ed 134,998,000 addi i, al . e . ea li ed f, eig, . ha e (H Sha e) a he i . r i, g ice , f HKD0.70 e . ha e i h a , i, al . al é , f RMB0.10 each, hich e e li ed i, he G , h E, e i e Ma ke , f he S , ck E cha, ge , f H, g K, g.

U , he a . al b Chi, a Seo ' i ie Reg la , C, i . i, , i h Zhe, g Jia, G , ' He Zi [2005] N, . 13 (證監國合字[2005]13號文), , 12 Ma 2005, he C, a, i . r ed 108,000,000 addi i, al . e . ea li ed f, eig, . ha e (H Sha e) a he i . r i, g ice , f HKD0.92 e . ha e i h a , i, al . al é , f RMB0.10 each.

U , he a . al b Zhe, g Jia, G , ' He Zi [2007] N, . 2 (證監國合字[2007]2號文) i . r ed a, d . ig, ed b Chi, a Seo ' i ie Reg la , C, i . i, , , 26 Ja, r á 2007 a, d he a . al i . r ed b he S , ck E cha, ge , f H, g K, g , , 6 Feb r á 2007, he li i, g . a r . ' , f he C, a, ' . e . ea li ed f, eig, . ha e (H Sha e) i, he G , h E, e i e Ma ke , f he S , ck E cha, ge , f H, g K, g ha bee, ca, celled , 7 Feb r á 2007, a, d cha, ged , li , he Mai, B, a d , f he S , ck E cha, ge , f H, g K, g.

U , he a . al b Chi, a Seo ' i ie Reg la , C, i . i, , i h Zhe, g Jia, Xi ' Ke [2010] N, . 1285 (證監許可[2010]1285號文), , 11 Oc , be 2010, he C, a, , ffe ed 70,000,000 Re, i, bi , di, a . ha e (A Sha e) i h , i, al . al é , f RMB1 each a a, , ffe i, g ice , f RMB18 e . ha e, a, d li ed f, adi, g , he She, he, S , ck E cha, ge . i, ce 21 Oc , be 2010. The C, a, ' egi e ed ca i al ha cha, ged , RMB398,924,200.00, a, d he , al , r ' be , f. ha e ha cha, ged , 398,924,200 . ha e .

Pi ' r á , he e , h i, , . , f 2011 A, , r al Ge, e al Mee i, g c, . e, ed , 25 Ma 2012, , he ba i , f a , al , f 398,924,200 . ha e a a 31 Dece be 2011, he C, a, e, la ged i . ha e ca i al h , r gh c, , . e . i, , f, ca i al e e, e i, he , , i, , f 1 . ha e f, each e i i, g . ha e, c, , . e i, g 398,924,200 . ha e i, agg ega e, a, d he c, , . e . i, da e a 19 J l ' 2012. U , he c, , . e . i, , , he C, a, ' egi e ed ca i al ha cha, ged , RMB797,848,400.00, a, d he , al , r ' be , f. ha e ha cha, ged , 797,848,400 . ha e .

A a 31 Dece be 2020, he C, a, had a egi e ed ca i al , f RMB797,848,400.00, di ided i, , a , al , f 797,848,400 . ha e .

The C, a, ' lace , f egi a i, , a, d lace , f b . ' i, e . i N, . 999 We, She, g S ee , Sh, r gh á, g Ci , Sha, d, g P . . i, ce.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

I. General Information of the Company *(continued)*

The C, a, a, d i . . r b. idia ie. (he er, de efe ed a. , he G , r ') bel, g , he achi, e a, r fac r 'i, g i, dr .' a, d a e ai, l e, gaged i, he a, r fac r 'e , f . ecial e í i' e, f, e , ler ' achi, e . The . c, e , f br . 'i, e . i. ai, l i, cl r ded he , dr c i, , a, d . ale , f , il r ' , . r cke , d, r ' i, g r, i , r ' i, g r bi, g, e , ler ' achi, e a, d e ile achi, e ; de. el, e, , f e , ler ' achi, e a, d ela ed , dr c . ; c, , di i, f, a i, , . e . ice (e cl r di, g i, e edia ie.) (The , jec a . . ed b la ca, , , l be ca ied , r ' i h he a . . al , f he ele. a, de a e, , a, d he effec. i. e e i, d , f he lice, . e . hall e. ail).

The ac r al c, , , lle , f he C, a, i. Sha, d, , g Sh, r gr a, g Ji, i, l, . e e, De. el, e, H, ldi, g. G , r ' Li i ed a, d he r l' i a e c, , , lle , f he C, a, i. S a e-, , ed A . e . Sr 'e . i i, , a, d Ad i, i. a i, , Br 'ear ', f Sh, r gr a, g Ci .

The G , r ' '. c, , . , lida ed fi, a, cial . a e e, . c, i. ed , i, e c, a, ie. i, cl r di, g 壽光寶隆石油器材有限公司 (Sh, r gr a, g Ba, l, , g Pe , ler ' E í i' e, C, ., L d.), 壽光懋隆新材料技術開發有限公司 (Sh, r gr a, g Ma, l, , g Ne Ma e ial. Tech, , l, g De. el, e, C, ., L d.) a, d 威海市寶隆石油專材有限公司 (Weihai Ba, l, , g S ecial Pe , ler ' Ma e ial. C, ., L d.). C, a ed i h la ea , e ed r ced 2 c, a, ie , , a el 文登市寶隆再生資源有限公司 (We, de, g Ba, l, , g Rec clable Re , r 'ce C, ., L d.) a, d 壽光市懋隆廢舊金屬回收有限公司 (Sh, r gr a, g Ma, l, , g Old Me al. Rec cle C, ., L d.), dr e , de egi. a i, , dr 'i, g he ea .

F, de ail. , f he G , r ' '. . r b. idia ie. , lea e efe , VIII. Cha, ge. i, he c, , . , lida i, , , , c, , . , lida i, , , f hi. , , e a, d IX. I, e e . i, , he e, i ie. , f hi. , , e.

II. Basis of Preparation of the Financial Statements

1. Basis of preparation

The , a, cial . a e e, . , f he G , r ' ha. e bee, e a ed , , a g, i, g c, , ce , ba i. , acc, di, g , he ac r al , co r 'e, ce , f he a, . ac i, , . a, d e. e, . a, d i, acc, da, ce i h he Acc, r , i, g S a, da d. f, Br . 'i, e . . E, e i. e a, d ela ed eg r la i, , . (he ei, af e c, llec. i. el efe ed , a he ASBE) , r lga ed b he Mi, i. , f Fi, a, ce , f he Pe, le'. Re r blic , f Chi, a, a, d di. cl, . r 'e e í i' e e, . , , P e a a i, , C, , . e, i, , , f I, f, a i, , Di. cl, . r 'e b C, a, ie. Offe i, g Seo r 'i ie. , he Pr blic N, .15 Ge, e al P , . i i, , . , , Fi, a, cial Re , i, g (a e, ded i, 2014) i . r ed b he Chi, a Seo r 'i ie. Reg r la , C, i . i, , , H, , g K, , g C, a, ie. O di, a, ce, a, d he di. cl, . r 'e e í i' e e, . r , de he Li. i, g Rr le. , f he H, , g K, , g S , ck E cha, ge, a, d ba ed , , he acc, r , i, g , licie. a, d acc, r , i, g e. i a e . e , r ' i, IV. Sig, i ca, Acc, r , i, g P, licie. a, d Acc, r , i, g E. i a e. , f hi. , , e.

2. Going concern

A a 31 Dece be 2020, he G , r ' '. o r 'e, liabili ie. i, he c, , . , lida ed fi, a, cial . a e e, . e ceeded i . o r 'e, a . e . b RMB98,542.18 e, h, r . 'a, d. Cr 'e, l , he G , r ' i. i, . , , h a , e . hi i h he a . , cia ed , a, cial i, . i r 'i, , . , i h , a, cial . r ' , , f RMB35,000 e, h, r . 'a, d , . ided b he c, , , lli, g . ha eh, lde Sha, d, , g Sh, r gr a, g Ji, i, l, . e e, De. el, e, H, ldi, g. G , r ' Li i ed , he C, a, .

A a he di. cl, . r 'e da e , f he , a, cial e , , he G , r ' had a , al , f r , r 'ili. ed c edi li, e f , , a, cial i, . i r 'i, , . , f RMB567 illi, , . The G , r ' ha le, , f , de . , , fr l' lled a, d ha . ead ca h , f, , e a i, g ac. i. i ie. . The , dr c . , e l de. el, ed b he C, a, had a ela. i. el , . i. i. e a ke , . ec .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

II. Basis of Preparation of the Financial Statements *(continued)*

2. Going concern *(continued)*

C, bi, ed he ab, . e fac , ., he a, age e, , f he C, a, c, . ide . ha he C, a, i able , ee i . deb . a a, d he, he bec, e di é, a, d able , , e a e a a g, i, g c, ce, . The ef, e, he , a, cial . a e e, . , f he G , r l ha. e bee, e a ed r, de he g, i, g c, ce, a . r l i, , .

III. Significant Accounting Policies and Accounting Estimates

S eci c acc, r, l i, g , licie a, d acc, r, l i, g e i a e :

The G , r l ha. ad, ed he acc, r, l i, g , licie a, d acc, r, l i, g e i a e . eci c , he cha ac e i. ic , f i . ac r al , d c i, , a, d , e a i, , , i, cl di, g he b . l i, e . c cle, ec, g, i i, , a, d ea r l e e, , f , a, cial a . e ., ea r l e e, , f i, . e, , di. a ched, cla . ifica i, , a, d de ecia i, , , f fi ed a . e ., a , i. a i, , , f i, a, gible a . e ., c i e ia f, ca i ali a i, , , f e ea ch a, d de. el, e, e e, di r l e , ec, g, i i, , a, d ea r l e e, , f e. e, r é a, d , he . .

1. Statement of compliance with the ASBEs

The C, a, ha. e e a ed he , a, cial . a e e, . i, acc, da, ce i h he Acc, r, l i, g S a, da d f, B . l i, e . E, e i e (he ASBE), hich gi. e a r é a, d c, le e. ie , f he , a, cial , . i i, , , adi, g e r l . , ca h , . a, d , he i, f, a i, , , f he C, a, a, d , f he G , r l .

2. Accounting period

The acc, r, l i, g e i. d , f he G , r l i f , 1 Ja, r á , 31 Dece be , f each e e, cale, da ea .

3. Business cycle

The G , r l ' b . l i, e . c cle i 12 , , h . The e i. d f , 1 Ja, r á , 31 Dece be e e ea i ega ded a a b . l i, e . c cle, hich i r . l ed f, de e i, i, g he cla . i ca i, , , f he li í idi , f a . e . a, d liabili ie . .

4. Reporting currency

The e , i, g a l e, c , f he G , r l i Re, i, bi (RMB).

5. Accounting for business combinations under common and uncommon control

The a . e . a, d liabili ie ha he G , r l ac í i' e a he c, bi, i, g a i, a b . l i, e . c, bi, a i, , r, l de c, , , c, , l . hall be ea r l ed a hei b, , k, . al é, f he c, bi ed a , , he c, bi, i, g da e i, he c, , . , lida ed . a e e, . , f he r l i a e c, , , lli, g a . The bala, ce be ee, he b, , k, . al é, f he , e a . e . ac í i' ed a, d ha , f he c, , . ide a i, , aid . hall be r . l ed , adj . l ca i al e e, . e . If ca i al e e, . e a e i, . r fficie, f, , ff e i, g, e ai, ed ea i, g ill be adj . l ed.

III. Significant Accounting Policies and Accounting Estimates *(continued)*

5. Accounting for business combinations under common and uncommon control *(continued)*

The ide, i able a . e . , liabili ie. a, d c, , i, ge, liabili ie. ac í i'ed f , he ac í i'ee i, a br . 'i, e . c, bi, a i, , , , r, 'de c, , , c, , , l . hall be ea r 'ed a fai_ . al r é , , he ac í i' i i, , da e. The c, bi, a i, , c, . . . hall be he agg ega e , f he fai_ . al r é , f ca h , , , , -ca h a . e . aid b he G , r ' , , he ac í i' i i, , da e , , b ai, c, , , l , . e he ac í i'ee, he deb . i . r éd , r, 'de ake, b he G , r ' a, d he e í i' . eo 'i ie. i . r éd a ell a all ele. a, di ec c, . . f, he br . 'i, e . c, bi, a i, , (f, a br . 'i, e . c, bi, a i, , eal-i ed b , , , e a, . ac i, , . , he c, bi, a i, , c, . . . hall be he agg ega e , f he c, . . , f all . e a a e a, . ac i, , .). The a , r, ' , f he c, bi, a i, , c, . . i, e ce . , f he fai_ . al r é , f he ide, i able , e a . e . , f he ac í i'ee . hall be ec, g, i-ed a g, , d ill. If he c, bi, a i, , c, . . a e le . ha, he fai_ . al r é , f he ide, i able , e a . e . , f he ac í i'ee, he fai_ . al r é , f he ide, i able a . e . , liabili ie. a, d c, , i, ge, liabili ie. ac í i'ed f , he c, bi, a i, , a ell a he fai_ . al r é , f he , , , -ca h a . e . , he e í i' . eo 'i ie. i . r éd f, a i, g he c, , . ide a i, , ill be e. ie ed. If he c, bi, a i, , c, . . a e . ill le . ha, he fai_ . al r é , f he ide, i able , e a . e . af e e. ie , he bala, ce . hall be acc, r, 'ed f, a , , , -, e a i, g i, c, e f, he o 'e, e i, d.

6. Preparation of consolidated □nancial statements

The G , r ' i, c, , a e. all c, , , lled . r b. idia ie. a, d . r c r 'ed e, i ie. i, , he . c, e , f he c, , . , lida ed , a, cial . a e e, . .

Whe, he G , r ' e a e. he c, , . , lida ed fi, a, cial . a e e, . , , ece . a adj r . ' e, . ill be ade , ha . r b. idia ' , a, cial . a e e, . i, e a i, g he c, , . , lida ed , a, cial . a e e, . , e, . r 'e c, , f, i i h he G , r ' ' acc, r, ' i, g , licie. if he e i. i, c, , . i. e, c , , he acc, r, ' i, g , licie. a, d acc, r, ' i, g e i, d be ee, he C, a, a, d i . . r b. idia ie. .

Sig, i ca, i, a-g , r ' a, . ac i, , . , o 'e, bala, ce a, d r, ' eal-i ed , . i hi, he . c, e , f c, bi, a i, , . hall be , ff. e i, e a i, g he c, , . , lida ed fi, a, cial . a e e, . . The . ha e. , f , , e . ' e í i' i, . r b. idia ie. , , a ibr 'able , he a e, c, a, a, d he , e l, . . , , f, he o 'e, e i, d, , he c, ehe, . i. e i, c, e a, d , al c, ehe, . i. e i, c, e a ibr 'able , i, , i i, e e. . . hall be e. e, ed i, he c, , . , lida ed , a, cial . a e e, . a i, , i i, e e. . , , , l, . . a ibr 'able , i, , i i, e e. . , , he c, ehe, . i. e i, c, e a ibr 'able , i, , i i, e e. . a, d , al c, ehe, . i. e i, c, e a ibr 'able , i, , i i, e e. . , e. ec. i. el .

The , e a i, g e r l'. a, d ca h , . , f a . r b. idia ac í i'ed f , br . 'i, e . c, bi, a i, , r, 'de c, , , c, , , l . hall be i, cl r 'ded i, he c, , . , lida ed fi, a, cial . a e e, . f , he begi, , i, g , f he o 'e, e i, d , f he c, bi, a i, , . Whe, e a i, g he c, a a. i. e c, , . , lida ed , a, cial . a e e, . , ele. a, i e . i, he , a, cial . a e e, . , f he e. i, r . ' ea ill be adj r . ' ed a if he e , i, g e, i f, ed af e he c, bi, a i, , had bee, i, e i. e, ce . i, ce he r l'i a e c, , , lli, g a gai, . c, , , l.

III. Significant Accounting Policies and Accounting Estimates *(continued)*

6. Preparation of consolidated □nancial statements *(continued)*

F, he G , r ' ' di , . al , , he . r b. idia ie ' e í i' i, . e e, b . e . r , il he l, . e , f c, , , l , if a, . ac i, , . i, di , . al , f . r b. idia ie ' e í i' i, . e e, r , il l, . i, g c, , , l a e i, a ackage deal, each a, . ac i, , . hall be ea ed a. , , e a, . ac i, , , f di. , . al , , . r b. idia ie. a, d l, . e. , f c, , , l; br ' he diffe e, ce be ee, c, , . ide a i, , . f , each di. , . al , f i, . e e, a, d . ha ed , e a . e , f he . r b. idia bef, e l, . i, g c, , , l . hall be ec, g, i ed a , he c, ehe, . i. e i, c, e i, he c, , . , lida ed fi, a, cial . a e e, . , a, d a, . fe ed , i, . e e, i, c, e f, he e i, d , f l, . i, g c, , , l .

7. Classifications of joint arrangement and accounting treatment of common cooperation

The G , r ' i, c, , a e. all c, , , lled . r b. idia ie. a, d . r c r ' ed e, i ie. i, , he . c, e , f he c, , . , lida ed , a, cial . a e e, . .

The j, i, a a, ge e, , f he G , r ' i, cl r de. c, , , , e a i, , . a, d j, i, . . e, r ' e . F, c, , , , e a i, , , jec . , a a j, i, , e a i, , a he G , r ' ec, g, i e. a . e . a, d liabili ie. . , lel held b he G , r ' a, d a . e . a, d liabili ie. held , , , , i, , . Re. e, r é a, d e e, . e . , lel , , , i, , all ec, g, i ed i, acc, da, ce i h ele. a, ag ee e, . . T a, . ac i, , . , , a . e r ' cha e , . ale. i h j, i, . . e, r ' e , ha d, , , f, , , al br . ' i, e . ac i. i . hall , , l ec, g, i e a . , f , . a, d l, . . e. ge, e a ed i, ab, . e a, . ac i, , . bel, , gi, g , , he j, i, , e a i, , a ie. .

8. Criteria for determination of cash and cash equivalents

Ca h i, ca h , . a e e, , f he G , r ' . hall be ca h , , ha, d a, d de , . i . a. ailable f, a e, a a, i e. Ca h e í i. ale, . i, ca h fl, . hall be i, . e. e, . hich . hall be . h, - e (, , all bec, e d r é i hi, 3 , , h. af e r ' cha i, g da e), highl li í i'd, eadil c, , . e ible , k, , , a , r , . , f ca h, a, d . r bjec , a, i, . ig, i ca, i k , f cha, ge. i, . al r é.

9. Foreign currency operations and translation of foreign currency statements

(1) Foreign currency transactions

F, f, eig, o r ' e, c a, . ac i, , . , he G , r ' a, . la e he f, eig, o r ' e, c a , r , . i, , RMB a , r , . a he . , a e , f e cha, ge , , a ade-da e ba i . O, bala, ce . hee da e, f, eig, o r ' e, c , , e a i e . a e a, . la ed i, , RMB a he e. aili, g e cha, ge a e , f ha da e. E cha, ge diffe e, ce a i. i, g he e, , a e di ec l e e, . ed i, he , a, d l, . . f, he o r ' e, e i, d r , le . he a i. e f , f, eig, o r ' e, c b, , i, g. f, he r ' cha e , c, , . r c i, , , f í alif i, g a . e . hich a e eligible f, ca i ali. a i, , .

(2) Translation of foreign currency □nancial statements

A . e . a, d liabili ie. i, f, eig, o r ' e, c bala, ce . hee a e a, . la ed a he . , a e e. aili, g a he bala, ce . hee da e. E ce f, r , di. ib r ' ed , . , i e . r , de he , , e . ' e í i' a e a, . la ed a he . , e cha, ge a e he, he , co r . l, c, e a, d e e, . e. i, i, c, e . a e e, a e a, . la ed a he . , e cha, ge a e , , a ade-da e ba i . The e r l' i, g diffe e, ce a e e e, ed r , de , he c, ehe, . i. e i, c, e. Ca h , d, i, a ed i, f, eig, o r ' e, c i. a, . la ed a he a, , r al a. e age e cha, ge a e. Effec . , , ca h a i. i, g f , he cha, ge , f e cha, ge a e a e e e, ed a . e a a e i e i, he ca h , . a e e, .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

10. Financial instruments

Fi, a, cial a . e , fi, a, cial liabili i ec, g, i ed he, he G , r ' bec, e a c, , ac r 'al a , f a fi, a, cial i, . r ' e, .

(1) Financial assets

1) Classification, recognition and measurement of financial assets

The G , r ' cla . i e i . , a, cial a . e . i, , he f, ll, i, g ca eg, ba ed , , he b . ' i, e . , del i hi, hich he , a, cial a . e i a, aged a, d he cha ac e i ic , f c, , ac r 'al ca h , , f he , a, cial a . e : , a, cial a . e . a a , i ed c, . , , a, cial a . e . a fai _ . al é h , r gh , he c, ehe, . _ i . e i, c, e, a, d , a, cial a . e . a fai _ . al é h , r gh , , l, . . f, he e i, d.

A , a, cial a . e i cla . i ed a , a, cial a . e . a a , i ed c, . if i ee . b, h , f he f, ll, i, g c, , di i, , . : ① I i a, aged i hi, a b . ' i, e . , del h, . e , bjec _ i, e i , c, llec c, , ac r 'al ca h , . . ② The c, , ac r 'al e . , f he , a, cial a . e gi, e i e , , . eci ed da e , ca h , . ha a e . , lel a e, . . , f i, ci al a, d i, e e , , he i, ci al a , r ' , r ' a, di g. The e , a, cial a . e . a e i, i iall ea r 'ed a fai _ . al é, i h he ela ed a, . ac i, , c, . . i, ch ded i, he a , r ' i, i iall ec, g, i ed. The fi, a, cial a . e . a e . r b . e í é, l ea r 'ed a a , i ed c, . . E ce f, h, . e de ig, a ed a hedged i e . , a, diffe e, ce be ee, he i, i iall ec, g, i ed a , r ' a, d he a , r ' a a r 'i i a , i ed r . ' i, g effec _ i . e i, e e e h, d hile he , fi , l, . . , a , i - a i, , , de ecia i, , a, d o ' e, c e cha, ge a, d he , , l, . . i, o ' ed a he i e , f de - ec, g, i i, , . hall be ec, ded i, he , , l, . . , f he o ' e, e i, d.

Fi, a, cial a . e . a e cla . i ed a , a, cial a . e . a fai _ . al é h , r gh , he c, ehe, . _ i . e i, c, e if b, h , f he f, ll, i, g c, , di i, , . a e e : ① he a . e . a e a, aged i hi, a b . ' i, e . , del h, . e , bjec _ i, e i achie, ed b c, llec i, g c, , ac r 'al ca h fl, . a, d . elli, g fi, a, cial a . e . ; a, d ② he c, , ac r 'al e . , f he , a, cial a . e . . ecif ha ca h , . a i i, g , , . eci ed da e a e . , lel a e, . . , f i, ci al a, d i, e e , , he , r ' a, di g i, ci al. Fi, a, cial a . e . , f hi ki, d a e i, i iall ea r 'ed a fai _ . al é a, d ele, a, a, . ac i, , c, . . a e ec, ded i, he i, i iall ec, g, i ed a , r ' . E ce f, h, . e de ig, a ed a hedged i e . , , he , fi , l, . . , , fi, a, cial a . e . , f hi ki, d (e cl di, g he c edi i ai e, l, . . , gai, , he , , l, . . , , o ' e, c e cha, ge, i, e e . , , fi, a, cial a . e . ea r 'ed b effec _ i . e i, e e e h, d) . hall be ec, ded i, , he c, ehe, . _ i . e i, c, e. A he i e , f de ec, g, i i, , , f fi, a, cial a . e . , he o ' r 'la _ i . e , fi , l, . . e . i, r . ' l ec, ded i, , he c, ehe, . _ i . e i, c, e . hall be elea ed f , , he c, ehe, . _ i . e i, c, e a, d ec, ded i, he , , l, . . , f he o ' e, e i, d.

The G , r ' ec, g, i - e i, e e i, c, e r . ' i, g he effec _ i . e i, e e e h, d. The i, e e i, c, e i calc 'la ed b a l i, g he effec _ i . e i, e e a e , he ca i, g a , r ' , f a , a, cial a . e , i h he f, ll, i, g e ce i, , . : ① F, a r 'cha ed , , igi, a ed c edi - i ai ed , a, cial a . e , h, . e i, e e i, c, e i calc 'la ed . i, ce i, i ial ec, g, i i, , b a l i, g he c edi - adj . ' ed effec _ i . e i, e e a e , i . a , i - ed c, . . ② F, a , a, cial a . e ha i , , a r 'cha ed , , igi, a ed c edi - i ai ed , a, cial a . e b ' ha . r b . e í é, l bec, e c edi - i ai ed, h, . e i, e e i, c, e i he, calc 'la ed b a l i, g he effec _ i . e i, e e a e , i . a , i - ed c, . .

III. Significant Accounting Policies and Accounting Estimates *(continued)*

10. Financial instruments *(continued)*

(1) Financial assets *(continued)*

1) Classification, recognition and measurement of financial assets (continued)

The G , r ' de ig, a e , , - adi, g e f i' i, . r ' e, i, . e e, . a , a, cial a . e . ea r 'ed a fai _ . alr é h , r gh , he c, ehe, _i. e i, c, e. O, ce he de ig, a i, , i ade, i ca, , be e _, ked. The , , - adi, g e f i' i, . r ' e, i, . e e, de ig, a ed b he G , r ' a fai _ . alr é h , r gh , he c, ehe, _i. e i, c, e i ec, g, i-ed i, i iall a fai _ . alr é, a, d ela ed a, . ac i, , e e, . e i i, ch ded i, he i, i iall ec, g, i ed a , r ' . E ce f, di ide, d (e ch di, g a , i, , a e r ', f i, . e e, c, .) ece, i ed a, d ec, ded i, he o r ' e, , a, d l, . . , , he ela ed gai, . a, d l, . . e (i, ch di, g e cha, ge gai, . a, d l, . . e) a e i, ch ded i, , he c, ehe, _i. e i, c, e a, d . r b. e f é, l a , be a, . fe ed , he o r ' e, , . a, d l, . . e . Whe, i i de ec, g, i ed, he aco r 'la ed gai, , l, . . e. i, r . 'l i, ch ded i, , he c, ehe, _i. e i, c, e i a, . fe ed f, , he c, ehe, _i. e i, c, e a, d i i, ch ded i, e ai, ed ea , i, g .

E ce h, . e cla . i ed a , a, cial a . e . a a , i-ed c, . a, d , a, cial a . e . a fai _ . alr é h , r gh , he c, ehe, _i. e i, c, e, he G , r ' cla . i e he e ai, i, g , a, cial a . e . a , a, cial a . e . a fai _ . alr é h , r gh , , l, . . f, he e i, d. Fi, a, cial a . e . , f hi ki, d a e i, i iall ea r 'ed a fai _ . alr é a, d ele. a, a, . ac i, , c, . . a e i, ch ded di ec l i, he i, i iall ec, g, i-ed a , r ' . The , , l, . . , , a, cial a . e . , f hi ki, d i i, ch ded i, he , , l, . . , f he o r ' e, e i, d.

Whe, he G , r ' cha, ge he b . 'i, e . , del f, a, agi, g , a, cial a . e . , all , a, cial a . e . bei, g affec ed a e ecla . i ed. The e e e, . , r ch ci o ' . a, ce i, he ea .

2) Basis of recognition and method of measurement of transfer of financial assets

A , a, cial a . e i de ec, g, i ed if a, , , e , f he f, ll, i, g c, , di i, , . i . a i ed: ① he c, , ac r al igh . , ece, i e ca h fl, . f, he fi, a, cial a . e ha, e cea ed; ② he fi, a, cial a . e ha bee, a, . fe ed a, d he G , r ' ha a, . fe ed . r b. a, iall all he i k a, d e a d i, cide, al , he , , e . hi , f he , a, cial a . e ; ③ he , a, cial a . e ha bee, a, . fe ed a, d he G , r ' ha , ei he a, . fe ed , , e ai, ed . r b. a, iall all he i k a, d e a d i, cide, al , he , , e . hi , f he , a, cial a . e , a, d ha , , e ai, ed i . c, , l, . e he , a, cial a . e .

Whe e he a, . fe , f a , a, cial a . e i, h, le . a i e he c i e ia , f de ec, g, i i, , , he diffe e, ce be ee, he ca i, g a , r ' , f he , a, cial a . e a, . fe ed a, d he . r ' , f c, , . ide a i, , ece, i ed f, he a, . fe a, d a, o r 'la . i e gai, , l, . . , f fai _ . alr é ha ha bee, ec, g, i-ed di ec l i, , he c, ehe, _i. e i, c, e f, he a de ec, g, i-ed (he c, , ac r al e . , f he a, . fe ed , a, cial

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

10. Financial instruments *(continued)*

(2) Financial liabilities

1) *Classification, recognition and measurement of financial liabilities*

A i, i ial ec, g, i i, , , a, cial liabili ie a e cla . i ed ei he a , a, cial liabili ie a fai , . al é h , r gh , , l, . . a, d, he , a, cial liabili ie .

Fi, a, cial liabili ie a fai , . al é h , r gh , , l, . . i, cl de adi, g , a, cial liabili ie a, d , a, cial liabili ie held-f, - adi, g a, d h, . e de. ig, a ed a fai , . al é h , r gh , fi , l, . . , , i, i ial ec, g, i i, , . The e , a, cial liabili ie a e . r b. e í é, l ea r ed a fai , . al é. The , e gai, , l, . . a i, i, g f , cha, ge i, fai , . al é; di. ide, d a, d l, e e e e, di r le ela ed , . r ch , a, cial liabili ie a e ec, ded i, , , l, . . f, he e i. d i, hich he a e i, o ed.

O he , a, cial liabili ie a e . r b. e í é, l ea r ed a , i ed c, . , r . i, g he effec. i. e i, e e e h, d. E ce f, he f, ll, i, g, he G , r cla . ifie fi, a, cial liabili ie a fi, a, cial liabili ie a a , i- ed c, . : ① Fi, a, cial liabili ie a fai , . al é h , r gh , , l, . . , i, cl di, g held-f, - adi, g , a, cial liabili ie (i, cl di, g de. i. a. i. e ha a e , a, cial liabili ie) a, d , a, cial liabili ie de ig, a ed a a fai , . al é h , r gh , , l, . . . ② Fi, a, cial liabili ie ha a i e he, a a, . fe , f a , a, cial a . e d. e , , í alif f, de ec, g, i i, , , he, he c, , i, r i, g i, . . l. e e, a , ach a lie . ③Fi, a, cial g a a, ee c, , ac . ha d, , , fall i, , ①, ② ab, . e, a, d c, i e, . , , . ide a l, a a abel, - a ke i, e e a e ha d, , , fall i, , ① ab, . e.

F, , a, cial liabili ie a i, g f , c, , i, ge, c, , . ide a i, , ec, g, i ed b he G , r a a, ac í i e i, a b r . i, e . c, bi, a i, , , , r de he c, , c, , l, he . hall be ea r ed a fai , . al é i h cha, ge ec, g, i ed i, , , l, . . f, he o , e, e i, d.

2) *Criteria for derecognition of financial liabilities*

Whe, he e e, , bliga i, , . , f , a, cial liabili ie a e elea ed i, h, le , i, a , . r ch , a, cial liabili ie a e de ec, g, i- ed , he e e, , f he , bliga i, , . elea ed. Whe e he G , r e, e . i, , a, ag ee e, i h i. c edi , , e lace e i. i, g , a, cial liabili ie b a . r i, g e , a, cial liabili ie i h c, , ac r al e . . r b. a, . i. el diffe f , h, . e , f he e i. i, g , a, cial liabili ie , he e i. i, g , a, cial liabili ie a e de ec, g, i- ed hile he , e , a, cial liabili ie a e ec, g, i- ed. Whe e he G , r . r b. a, . i. el e. i. e , i, h, le , i, a , he c, , ac r al e . , f e i. i, g , a, cial liabili ie , , r ch e i. i, g , a, cial liabili ie a e de ec, g, i- ed i, h, le , i, a , hile h, . e , a, cial liabili ie i h hei e . e. i ed a e ec, g, i- ed a , e , a, cial liabili ie . The diffe e, ce be ee, he ca i, g a , r , f he de ec, g, i ed a a, d he c, , ide a i, , aid i, i, cl ded i, he , , l, . . f, he o , e, e i, d.

(3) Method for determination of fair values of □nancial assets and □nancial liabilities

Fai , . al é , f , a, cial a . e . a, d , a, cial liabili ie , f he G , r a e ea r ed a he ice i, i, ci al a ke . l, ca e he e i. , , i, ci al a ke , fai , . al é , f fi, a, cial a . e . a, d fi, a, cial liabili ie a e calc la ed . i, g he ice hich i he , . be, e cial , he a ke , a, d . i, g . al á i, , ech , l, g hich i he , . a , ia e a ha i e a, d i h . r f cie, a ailable da a a, d , he i, f, a i, , . The i, r ! hich a e r . ed , ea r e he fai , . al é ha, e bee, di ided i, , 3 le. el b he G , r : Le. el 1-i, r ! c, , i , f r adj . ed í , ed ice i, ac i. e a ke . f, ide, ical a . e . , liabili ie . Le. el 2-i, r ! a e í , ed ice f, he a . e , liabili (, he ha, h, . e i, cl ded i, Le. el 1) ha a e ei he di ec l , i, di ec l , b. e . able. Le. el 3-i, r ! a e r , b. e . able i, r ! , he ela ed a . e . , liabili ie . The Le. el 1 i, r ! a e he . i, i , r . e b he G , r , a, d le. el 3 i, r ! ill be he la , e , r . e. The le. el , f fai , . al é ea r e e, i de e i, ed b he l, e le. el , f i, r ! hich a e . ig, i ca, , he ea r e e, , f fai , . al é a a h, le.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

10. Financial instruments *(continued)*

(3) Method for determination of fair values of financial assets and financial liabilities *(continued)*

The Group's financial instruments are measured at fair value at each balance sheet date. The following describes the method for determining the fair value of financial instruments and the level in the fair value hierarchy in which they are categorised, if the fair value of financial instruments is categorised in different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(4) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and shall not be offset against each other. However, when all of the following conditions are met, financial assets and financial liabilities are presented in the balance sheet at the amount after offsetting each other: (1) the Group has a legally enforceable right to offset the recognised amounts; and (2) the Group intends to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously.

(5) Classification and treatment of financial liabilities and equity instruments

The Group classifies financial liabilities and equity instruments at initial recognition according to the following: (1) Where the Group cannot unconditionally avoid the performance of a contractual obligation by delivering cash or another financial asset, the contractual obligation is a financial liability. Although certain financial instruments contain no explicit terms and conditions for the delivery of cash or another financial asset, the contractual obligation may be indirectly established through other terms and conditions. (2) Where a financial instrument will or may be settled in the Group's own equity instruments, it is necessary to consider whether the Group's own equity instruments used to settle the instrument are substitutes for cash, another financial asset, or the residual interest in the assets of the entity after deducting all of its liabilities. In the case where they are substitutes for cash, another financial asset, or the residual interest in the assets of the entity after deducting all of its liabilities, the instrument should be a financial liability of the Group; in the case where they are not substitutes for cash, another financial asset, or the residual interest in the assets of the entity after deducting all of its liabilities, the instrument should be an equity instrument of the Group. Under certain conditions, a financial instrument contains a contractual obligation to be settled in the Group's own equity instruments, but the contractual rights or obligations will be equal to the amount of a fixed quantity of the Group's own equity instruments multiplied by a fixed amount of currency or other financial assets, such contractual obligation is a financial liability of the Group. Except for financial liabilities that are designated as at fair value through profit or loss, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition of financial liabilities or amortisation using the effective interest method are recognised in profit or loss.

When classifying a financial instrument (or a component thereof) on initial recognition, the Group considers the terms and conditions agreed between the Group and the holders of the instrument, such as whether the Group has a contractual obligation to deliver cash or another financial asset to the holders of the instrument, or to exchange financial assets or financial liabilities with the holders of the instrument under conditions that are potentially unfavourable to the Group, or whether the instrument will or may be settled in the Group's own equity instruments and the significance of such terms and conditions to the contract, and other factors, to determine whether the financial instrument should be classified as a financial liability or an equity instrument.

If the financial instrument is classified as an equity instrument, interest, dividend, gain or loss and gain or loss arising from changes in fair value relating to the instrument are not recognised in profit or loss. Distributions to holders of equity instruments are recognised as profit appropriations by the Group. Transaction costs relating to equity instruments are deducted from equity, net of any related income tax benefits.

If the financial instrument is reclassified between financial liabilities and equity instruments, the Group shall disclose the reclassification and the reasons for it. Gains, losses, expenses or interest previously recognised are not adjusted retrospectively upon reclassification of financial instruments between financial liabilities and equity instruments.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

11. Bills receivables

The bi. ¹i, e . , del , f he G , r ¹ ': bill ece i. able i ade acce a, ce bill ha c, llec c, , ac r ál ca h , . . I ai e, . . i i, , f bill ece i. able a a he e, d , f he ea . hall be ade , , he ba. i , f e ec ed c edi l, . . , f acc, r ¹ . ece i. able.

12. Accounts receivable

F, he acc, r ¹ . ece i. able a i i, g f , he a, . ac i, , . eg la ed b he Acc, r ¹ i, g S a, da d f, Bi. ¹i, e . E, e i e N, . 14 Re. e, r é a, d i, cl di g , . . ig, i ca , a, ci, g c , , e, . , he G , r ¹ al a . ea r 'e i. l, . . all, a, ce a a, a , r ¹ e í ál , he life i e e ec ed c edi l, . . e .

J dg e, , f he he c edi i k ha i, c ea ed . ig, ifica, l . i, ce i, i ial ec, g, i i, , . B c, a i, g he defa l ¹ , babili , f he , a, cial i, . r ¹ e, i hi, he e i a ed d ¹a i, , de e i, ed a i, i ial ec, g, i i, , agai, . he defa l ¹ , babili , f . r ch i, . r ¹ e, i hi, he e i a ed d ¹a i, , de e i, ed , , he bala, ce . hee da e, he G , r ¹ de e i, e he he he c edi i k , f , a, cial i, . r ¹ e, ha i, c ea ed . ig, i ca, l . H, e. e , if he G , r ¹ de e i, e ha a , a, cial i, . r ¹ e, ha , , l a l, c edi i k , , he bala, ce . hee da e, i ca, be a . r ¹ ed ha he c edi i k , f he fi, a, cial i, . r ¹ e, ha , , i, c ea ed . ig, ifica, l . i, ce i, i ial ec, g, i i, , . l, , , al ci o ¹ . a, ce, if he , a, cial i, . r ¹ e, i , e ha, 30 da . a d é, i i, dica e ha he c edi i k , f , a, cial i, . r ¹ e, ha i, c ea ed . ig, ifica, l ; r ¹ le . he G , r ¹ ca, , b ai, ea . , able a, d . r ¹ , able i, f, a i, , i h, r ¹ r ¹ d é c . , eff, , hich de , . a e ha e, e, if i i , e ha, 30 da . a d é, he c edi i k ha , , i, c ea ed . ig, i ca, l . i, ce he i, i ial c, , a i, . Whe, de e i, i, g he he he c edi i k ha i, c ea ed . ig, i ca, l . i, ce he i, i ial c, , a i, , , he G , r ¹ . hall c, , . ide he ea . , able a, d . r ¹ , able i, f, a i, , , i, cl di, g f, a d-l, , ki, g i, f, a i, , , ha i a ailable i h, r ¹ r ¹ d é c . , eff, .

l, f, a i, , c, , . ide ed b he G , r ¹ i, cl de :

he i . r é , deb , ha . ig, i ca , a, cial dif o l ¹ ;

he deb , ha a b each , f he c, , ac , . r ch a defa l ¹ , dela i, a e, , f i, e e , i, ci al;

af e c, , . ide a i, , f, ele, a, ec, , , ic , c, , ac r ál c, , di i, , . ba ed , , he deb , ' , a, cial dif o l ¹ , he c edi , g a, . he deb , a c, , ce . i, , hich , r ld , , be g a, ed f, a, , he . i r á i, , ;

he deb , ill , babl e, e ba, k r ¹ c , , a, cial e r c r ¹ i, g;

he i . r é ' , deb , ' , a, cial dif o l ¹ c, , d ce , he di a ea a, ce , f he ac i e a ke , f he , a, cial a . e ;

a , a, cial a . e i r ¹ cha ed , , igi, a ed a a la ge di c, r ¹ a, d he di c, r ¹ e ec . he , co ¹ e, ce , f c edi l, . . .

F, bill ece i. able a, d acc, r ¹ . ece i. able, he G , r ¹ ad, . e ec ed c edi l, . . a , ach , , . ide f, all, a, ce f, bad deb . . F, bill ece i. able a, d acc, r ¹ . ece i. able hich ha, e . ig, i ca, diffe e, c edi i k, e ec ed c edi l, . . i de e i, ed , , a, i, di, id ál ba i . A a f , de e i, i, g e ec ed c edi l, . . , , acc, r ¹ . ece i. able a, d bill ece i. able , , a, i, di, id ál ba i , he G , r ¹ al , de e i, e he e ec ed c edi l, . . e , , a c, llec i e ba i ba ed , , he age di ib ¹i, , a, d he he i i he c , , , i k cha ac e i ic , f ela ed a a , r ¹ . i hi, he . c, e , f c, , . , lida i, , . F, he c, bi, a i, , , f e ec ed c edi l, . . e ba ed , , agi, g cha ac e i ic a, d he c, bi, a i, , , f e ec ed c edi l, . . , f ela ed a ie i hi, he . c, e , f c, , . , lida i, , , he G , r ¹ calc ¹la e he e ec ed c edi l, . . , , acc, r ¹ . ece i. able a, d bill ece i. able r . ¹i, g he e , . r ¹ e , defa l ¹ i k a, d e ec ed c edi l, . . a e , f , , acc, r ¹ . ece i. able a, d bill ece i. able, a, d de e i, e he e ec ed c edi l, . . a e ba ed , , defa l ¹ , babili a, d defa l ¹ l, . . a e.

III. Significant Accounting Policies and Accounting Estimates *(continued)*

12. Accounts receivable *(continued)*

The G , r ' ea r 'e he e ec ed c edi l, . . , , bill ecei. able a, d acc, r ' . ecei. able a , f he bala, ce . hee da e. Whe, he e ec ed c edi l, . . i g ea e ha, he ca i, g a , r ' , f l, . . all, a, ce f, he bill ecei. able a, d acc, r ' . ecei. able a ha i e, he G , r ' ec, g, i e he diffe e, ce a l, . . all, a, ce f, he bill ecei. able a, d acc, r ' . ecei. able hich . hall be cha ged , c edi i ai e, l, . . , c edi ed , . . i i, , f, bad deb . . I, he ca e c, , a , he af, e aid, he G , r ' ec, g, i e he diffe e, ce a i ai e, gai, a, d ake he acc, r ' c, , a il .

Whe, a, c edi l, . . , f he G , r ' i ac r all i, o ' ed a, d i i ce ai, ha ele. a, , , e ecei. able a, d acc, r ' . ecei. able ca, , , be ec, . e ed, af e a, a . . al f, i e-, ff i , b ai, ed, he a . . ed a , r ' , f i e-, ff . hall be cha ged , . . i i, , f, bad deb . a, d c edi ed , , , e ecei. able , acc, r ' . ecei. able . If he a , r ' i e, , ff i g ea e ha, he l, . . all, a, ce, he diffe e, ce i cha ged , c edi i ai e, l, . . f, he ele. a, e i, d.

Ba ed , , he ac r al c edi l, . . i, e. i, r . ' ea . a, d aki, g i, , acc, r ' , f f, a d-l, , ki, g i, f, a i, , , f he ea , he G , r ' ' acc, r ' i, g e i a i, , , licie f, ea r ' i, g e ec ed c edi l, . . e b age g , r ' , a e a f, ll, . :

Item	Within 1 year	1–2 years	2–3 years	3–5 years	Over 5 years
Defa r l ' l, . . a e	1.00%	50.00%	75.00%	85.00%	100.00%

13. Financing receivables

F, h, . e bill ecei. able a, d acc, r ' . ecei. able hich he c, , ac r al ca h , cha ac e i ic a e c, , . i e, i h he ba ic le, di, g a a, ge e, . a, d he C, a, ' b r . ' i, e . , del f, a, agi, g . r ch , a, cial a . e . i , c, llec he c, , ac r al ca h , . a, d f, . ale, he C, a, cla . i e . r ch bill ecei. able a, d acc, r ' . ecei. able a fi, a, ci, g ecei. able a, d ea r 'e he a fai . . al r e h , r gh , he c, ehe, . i e i, c, e. A i, i ial ec, g, i i, , , he fai . . al r e i al a . he a, . ac i, , ice a, d a, cha, ge i, fai . . al r e i acc, r ' ed h , r gh , he c, ehe, . i e i, c, e. U , , de ec, g, i i, , , he o r ' r la i e gai, , l, . . e i, r . ' l i, cl r ded i, , he c, ehe, . i e i, c, e i a, . fe ed f , , he c, ehe, . i e i, c, e a, d c edi ed , he , , l, . . f, he e i, d.

14. Other receivables

Recognition and accounting methods for expected credit loss on other receivables

The G , r ' . . ide f, he l, . . , f , he ecei. able acc, di, g , he f, ll, i, g ci o ' . a, ce : ① f, , a, cial a . e . ha he c edi i k ha , , i, c ea ed . ig, i ca, l . i, ce i, i ial ec, g, i i, , , he G , r ' ea r 'e he l, . . all, a, ce a a, a , r ' , f fi r 'e 12- , , h e ec ed c edi l, . . e ; ② f, , a, cial a . e . ha he c edi i k ha i, c ea ed . ig, i ca, l . i, ce i, i ial ec, g, i i, , , he G , r ' ea r 'e he l, . . all, a, ce a a, a , r ' e i al , he life i e e ec ed c edi l, . . e , f he , a, cial i, . r ' e, ; ③ f, r ' cha ed , , igi, a ed c edi -i ai ed , a, cial a . e . , he G , r ' ea r 'e he l, . . all, a, ce a a, a , r ' e i al , he life i e e ec ed c edi l, . . e .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

14. Other receivables *(continued)*

A . e. e, ade , a c, bi, ed ba i : F, , he ece i able , he G , r ' i r, ' able , , b ai, . r f cie, e ide, ce f, a, . ig, i ca, i, c ea e i, c edi i k a ea , able c . f, , e i, . r ' e, , b r ' , d i fea ible , a . e . he he he e i a, . ig, ifica, i, c ea e i, c edi i k , a c, bi, ed ba i , he ef, e, b aki, g he e , f fi, a, cial i, . r ' e, . , c edi i k a i, g, c, lla e al e, da e , f i, i ial ec, g, i i, , e ai, i, g e i, d , f i e , a r ' i r, ' de e ai, i, g c, a c . , i, d . ' he b, , e , e a e i, a, d l, a, ledge a e a he c, , cha ac e i ic , f i k, he G , r ' ca eg, i-e , he ece i able i, , diffe e, g , r ' . a, d c, . ide . a, d a . e . e he he he e i a, . ig, i ca, i, c ea e i, c edi i k , a c, bi, ed ba i . The G , r ' ca eg, i e , he ece i able i, , g , r ' . b , a r ' e a, d a . e . e he he he e i a, . ig, i ca, i, c ea e i, c edi i k.

The G , r ' ea r ' e he e ec ed c edi l, . . , , he ece i able a , f he bala, ce . hee da e. Whe, he e ec ed c edi l, . . i g ea e ha, he ca i, g a , r, ' , f l, . . all, a, ce f, , he ece i able a ha i e, he G , r ' ec, g, i-e he diffe e, ce a l, . . all, a, ce f, , he ece i able hich . hall be cha ged , c edi i ai e, l, . . , c edi ed , . . i i, , f, bad deb . . l, he ca e c, , a , he af, e aid, he G , r ' ec, g, i-e he diffe e, ce a i ai e, gai, a, d ake he acc, r, ' c, , a il .

Whe, a, c edi l, . . , f he G , r ' i ac r all i, o ' ed a, d i i ce ai, ha ele a, , he ece i able ca, , , be ec, . e ed, af e a, a . al f, i e-, ff i , b ai, ed, he a . ed a , r, ' , f i e-, ff . hall be cha ged , . i i, , f, bad deb . a, d c edi ed , , he ece i able . If he a , r, ' i e, , ff i g ea e ha, he l, . . all, a, ce, he diffe e, ce i cha ged , c edi i ai e, l, . . f, he ele a, e i, d.

15. Inventories

l, . e, , ie , f he G , r ' ai, l i, cl de a a e ial , e, r . ' ed , ce . ed a e ial , , k-i, - , g e . a, d , i hed , d c . .

The i, . e, , aki, g . . e . hall be , a e e r al ba i . l, . e, , ie a e i, i iall ea r ' ed a c, . ; he, i, . e, , ie a e deli, e ed, eigh a, e age e h, d i ad, ed , de e i, e he ac r al c, . , f i, . e, , ie deli, e ed. L, -, al d c, , r ' able a, d ackag i, g a e ial a e a , i-ed b , , e-i e i e, -, ff.

Ne eali-able , al d e , f g, , d -i, - , ck, , k-i, - , g e . , held-f, -ale a a e ial a e de e i, ed b hei e i a ed . ale le . he ela ed . elli, g e e, . e a, d a e . Ne eali-able , al d e , f held-f, - , d c i, , a a e ial a e de e i, ed b hei e i a ed . ale ice , f , i hed , d c . le . he , d c i, , c, . , ela ed . elli, g e e, . e a, d a e .

16. Contract assets

(1) Method and criteria for recognition of contract assets

C, , ac a . e i he G , r ' ' igh , c, , . ide a i, , i, e cha, ge f, g, , d ha i ha a, . fe ed , a o . ' , e , a, d he igh i c, , di i, , ed , , fac , . , he ha, he a . age , f i e. If he G , r ' . ell , clea l di i, g i' hable g, , d , he o . ' , e , a, d i ha he igh , ece i e a e, beca . ' e , , e , f he g, , d ha bee, deli, e ed, b ' he ecei , f . r ch a e, i c, , di i, , ed , , he deli, e , f a, , he g, , d , he G , r ' . hall ec, g, i-e . r ch igh , ece i e a e, a c, , ac a . e .

III. Significant Accounting Policies and Accounting Estimates *(continued)*

16. Contract assets *(continued)*

(2) Recognition and accounting treatment for expected credit losses on contract assets

F he ec g i i a d acc r i g ea e f e ec ed c edi l . . e c ac a . e . , lea e efe , he ec g i i a d acc r i g ea e a . e r i 12. Acc r . ecei able ab . e.

The G r ea r e he e ec ed c edi l . . c ac a . e . a f he bala ce . hee da e. Whe he e ec ed c edi l . . i g ea e ha he ca i g a r f l . . all a ce f he c ac a . e . a ha i e, he G r ec g i e he diffe e ce a i ai e l . . hich . hall be cha ged a . e i ai e l . . c edi ed i ai e all a ce f c ac a . e . . I he ca e c a he af e aid, he G r ec g i e he diffe e ce a i ai e gai a d ake he acc r c a il .

Whe a c edi l . . f he G r i ac r all i o ed a d i i ce ai ha ele a c ac a . e . ca be ec . e ed, af e a a . al f i e- ff i b ai ed, he a . ed a r f i e- ff . hall be cha ged i ai e all a ce f c ac a . e . a d c edi ed c ac a . e . . If he a r i e ff i g ea e ha he l . . all a ce, he diffe e ce i cha ged a . e i ai e l . . f he ele a e i d.

17. Contract costs

(1) Method for determining the amount of assets related to contract costs

The G r ' a . e . ela i g c ac c . . i cl de c . . fi lfil a c ac a d c . . f b ai i g a c ac .

C ac e f a ce c . . e e e he c . . i o ed b he G r i e f i g i . c ac . Whe he c . . a e i hi he . c e f he acc r i g . a da d f b . i e . e e i e , he G r ec g i e h . e c . . a a a . e if he ee all f he f ll i g c i e ia: he c . . ela e di ec l a c ac a a ici a ed c ac ha he e i ca . eci call ide if i cl di g di ec lab c . , di ec l a e ial c . , a r fac r i g . e head , c . . ha a e e lici l cha geable he o . e r de he c ac a d he c . . ha a e i o ed l beca . e he G r ha e e ed i he c ac ; he c . . ge e a e e ha ce e r ce f he G r ha ill be r . ed i . a i f i g e f a ce bliga i . i he fi r e; a d he c . . a e e ec ed be ec . e ed.

The c . f b ai i g a c ac i he i c e e al c . ha he G r i o . b ai a c ac . If he c . i e ec ed be ec . e ed, i i ea ed a he c . f b ai i g a c ac a d ec g i ed a a a . e ; if he a i a i e i d f . r ch a . e i le . ha e ea , i i ec ded i l . . f he o e e i d he i o ed. I c e e al c . . a e he c . . ha he r ld ha e i o ed if he G r had b ai ed he c ac (f e a le, . ale c i . i). F he e e . e i o ed b he G r f b ai i g a c ac i addi i he i c e e al c . . e ec ed be ec . e ed (r ch a a el e e . e i o ed ega dle . f he he he c ac i b ai ed), he a e ec ded i l . . f he o e e i d he i o ed. H e e , h . e e e . l b e b he o . e a e e cl ded.

(2) Amortisation of assets related to contract costs

The G r a i e he a . e ela i g c ac c . . a ba i ha i c . i e i h he e e r e ec g i i ela i g he a . e a d ec g i e i i l . . .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

17. Contract costs *(continued)*

(3) Impairment of assets related to contract costs

Whe, de e i, i, g he i ai e, l, . . , f a, a . e . ela ed , he c, , ac c, . , he G , r ' . de e i, e he i ai e, l, . . f, , he a . e . ela ed , he c, , ac , hich i de e i, ed i, acc, da, ce i h , he ele. a, acc, r ' i, g . a, da d f, b . ' i, e . e, e i e ; he, , he G , r ' , . ide f, i ai e, all, a, ce a, d ec, g, i-e a a, i ai e, l, . . , f a . e , he e e, ha he ca i, g a , r ' , f . r ch a . e e ceed he diffe e, ce be ee, he f, ll, i, g: he e ai, i, g a , r ' , f c, . ide a i, , ha he G , r ' e ec . , ece i. e f, he a, . fe , f g, , d , hich he a . e ela e ; a, d he c, . . ha a e e i a ed , be i, c ' ed f, he a, . fe , f he ele. a, g, , d .

The G , r ' . hall ec, g, i e i, , , l, . . a e. e . al , f a, i ai e, l, . . e. i, r . ' l ec, g, i-ed he, he i ai e, c, , di i, , . cha, ge a, d he af, e aid diffe e, ce i highe ha, he ca i, g a , r ' , f he a . e . The i, c ea ed ca i, g a , r ' , f he a . e . hall , e ceed he a , r ' , ha , r ld ha e bee, de e i, ed if , i ai e, l, . . had bee, ec, g, i ed e. i, r . ' l .

18. Assets held for sale

(1) The G , r ' cla . i e , . , -c ' e, a . e . , di , . al g , r ' ha ee he f, ll, i, g c i e ia a held f, . ale: 1) ca, i edia el be di , . ed , f r ' de he c ' e, c, di i, , . ba ed , ca e , f di , . al , f . r ch a . e . , di , . al g , r ' . i, . i ila a, . ac i, , . ; 2) he di , . al i highl , bable ha a deci i, , ha bee, ade , , a la, f, he di , . al a, d a, r ' de aki, g , r ' cha e ha bee, , b ai, ed, a, d he di , . al i e ec ed , be c, le ed i hi, a ea . Rele. a, a , . al i e i ' ed f, di , . al e i ' i, g a , . al f , he ele. a, a r ' h, i ie , eg la , . a e i ' ed b he ele. a, eg la i, , . . Bef, e he G , r ' fi . cla . ifie a , , , -c ' e, a . e , di , . al g , r ' a held f, . ale, he b, , k . al é f he , , , -c ' e, a . e , each a . e a, d liabili i, he di , . al g , r ' i ea r ' ed acc, di, g , he e i ' e e, . , f he ele. a, acc, r ' i, g . a, da d . O, i, i ial ea r ' e e, , e ea r ' e e, , he bala, ce . hee da e , f a , , , -c ' e, a . e , a di , . al g , r ' held f, . ale, he e he b, , k . al é i highe ha, he fai , . al é le . c, . , f di , . al, he b, , k . al é i i e, d, , , he fai , . al é le . di , . al. The a , r ' , f i e-d, , i ec, g, i ed a a, i ai e, l, . . , f he a . e a, d cha ged , , a, d l, . . , f he e i, d. A he . a e i e, , . i i, , i ade f, i ai e, , f a . e . held f, . ale.

(2) N, , -c ' e, a . e . , di , . al g , r ' . hich he G , r ' ac i ' i ' ed . eci call f, di , . al, . a i f he c i e i, , , f di , . al i e ec ed , be c, le ed i hi, , e ea , , he da e , f ac i ' i ' i i, , , a, d i , bable , . a i f , he c i e ia , f cla . if i, g a held f, . ale . h, l (. h all i hi, 3 , , h .), a e cla . i ed a held f, . ale , , he da e , f ac i ' i ' i i, . A i, i ial ea r ' e e, , he a , r ' . i, i iall ea r ' ed a . r ' i, g i i , , cla . i ed a held f, . ale a, d he fai , . al é le . c, . , f di , . al a e c, a ed, a, d he l, e , f he , i ea r ' ed. O he ha, , , -c ' e, a . e . , di , . al g , r ' . ac i ' i ' ed i, a b . ' i, e . c, bi, a i, , , he diffe e, ce a i, g f, ec, g, i, g he fai , . al é le . c, . , f di , . al , f , , , -c ' e, a . e . , di , . al g , r ' . a i, i ial ea r ' e e, i ec, g, i ed i, , a, d l, . . i, he e i, d.

(3) Whe e he G , r ' ha l, . c, , l , f a . r b . idia d i ' , ea , , . . r ch a di , . al , f i, . e e, i, he . r b . idia , ega dle . , f he G , r ' e ai, . a a , f e i ' i, . e e, af e di , . al, r ' , , he i, . e e, i, he . r b . idia i, e, ded , be di , . ed . a i f i, g he c i e i, , f, cla . ifica i, , a held f, . ale, he i, . e e, i, he . r b . idia ill be e, i el cla . i ed a held f, . ale i, he . e a a e , a, cial . a e e, . , f he a e, c, a , , a, d all a . e . a, d liabili ie , f he . r b . idia a e cla . ified a held f, . ale i, he c, , . , lida ed , a, cial . a e e, . .

III. Significant Accounting Policies and Accounting Estimates *(continued)*

18. Assets held for sale *(continued)*

(4) Where there is a significant change in the fair value less costs of disposal of non-current assets held for sale,

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

19. Long-term equity investments *(continued)*

Whe, he G , r l , , . 20% , ab, . e br le . ha, 50% , f he . , i, g igh , f he i, . e ee di ec l , , i, di ec l h , r gh . r b. idia ie , i i c, , . ide ed , ha. e a . ig, i ca, i, r é, ce , , he i, . e ee. If he . , i, g igh i, he i, . e ee i le . ha. 20%, he i, r é, ce , , i, . e ee ill be decided ba ed , , fac . a, d ci o l . a, ce i, cl di, g e e e, a. i. e i, he b. a d , f di ec , . , f . i ila a h, i , f he i, . e ee, , a ici a i, , i, he , ce . , f f, r la i, g he , a, cial a, d , e a i, g , licie , f he i, . e ee, ha. i, g . ig, i ca, a, . ac i, , . i h he i, . e ee, di a chi, g a, age e, e . , , , el , he i, . e ee, a, d . . idi, g ke ech, . l, g a, d da a , he i, . e ee.

A, i, . e ee ha i r, de he c, , . l , f he G , r l i dee ed a a . r b. idia , f he G , r l . F, l, g- e e í i l i, . e e, . ac í i l ed h , r gh a br . l i, e . c, bi, a i, , r, de c, , , c, , , l, he ill be r . l ed a he i, i ial i, . e e, c, . , f l, g- e e í i l i, . e e, acc, di, g , he . ha e , f he c, , . , lida ed a i, he b, , k, al è , f, e a . e . i, he , a, cial . a e e, . , f he r l i a e c, , , lli, g a , , he da e , f c, , . , lida i, , . If he b, , k , al è , f, e a . e . , f he c, , . , lida ed a a he da e , f c, , . , lida i, , i , ega i . e, l, g- e e í i l i, . e e, c, . i ec, g, i ed a , il.

F, . ha eh, ldi, g hich , b ai, ed b diffe e, a, . ac i, , . i, . age a, d bec, e br . l i, e . c, bi, a i, , , all , if i bel, , g , ackage a, . ac i, , , he acc, r , i, g e h, d f, hich each a, . ac i, , a lie ill ea a , , e a, . ac i, , hich , b ai, . c, , , l. If i d, e , , bel, , g , ackage a, . ac i, , , acc, di, g , , , i, , f fai , al è , f, e a . e . , f ac í i l ee af e he c, bi, a i, , i, he c, , . , lida ed , a, cial . a e e, . , a, d acc, r , ed a he i, i ial i, . e e, c, . , f l, g- e i, . e e, . Diffe e, ce be ee, i, i ial i, . e e, c, . a, d he ca i, g , al è , f l, g- e e í i l i, . e e, bef, e c, bi, a i, , a, d he . r l , f ca i, g . al è , f, e l aid c, , ide a i, , f, addi i, al . ha e ac í i l ed , , he da e , f c, bi, a i, , i , adj . l . ha e e i l . If he bala, ce , f . ha e e i l i i, . r f cie , a, e ce . i adj . l ed , e ai, ed ea i, g .

F, l, g- e e í i l i, . e e, ac í i l ed h , r gh br . l i, e . c, bi, a i, , r, de r , c, , , c, , , l, c, , . , lida i, , c, . ill be ea ed a he i, i ial i, . e e, c, . .

F, . ha eh, ldi, g hich , b ai, ed b diffe e, a, . ac i, , . i, . age a, d bec, e br . l i, e . c, bi, a i, , , all , if i bel, , g , ackage a, . ac i, , , he acc, r , i, g e h, d f, hich each a, . ac i, , a lie ill ea a , , e a, . ac i, , hich , b ai, . c, , , l. If i d, e , , bel, , g , ackage a, . ac i, , , l, i ial i, . e e, c, . ill be he . r l , f he ca i, g . al è , f he e í i l i, . e e, hich i , igi, all h, ld , a, d i, i ial i, . e e, c, . ill cha, ge , c, . e h, d. F, . ha eh, ldi, g hich i h, ld bef, e he da e , f ac í i l i i, , hich r . e e í i l e h, d, , he ela ed c, ehe, . i, e i, c, e hich r . e e í i l e h, d f, acc, r , i, g . hall , be adj . l ed, . r ch i, . e e, . hall r . e he . a e acc, r , i, g ba i . a he i, . e ed c, a, he i di ec l di , . e ela ed a . e . , liabili ie r l , , di , . al. F, . ha eh, ldi, g hich i h, ld bef, e ac í i l i i, , a, d acc, r , ed f, r , de fai . al è e h, d i, he a. ailable-f, -. ale fi, a, cial a . e . , he aco l r la ed cha, ge i, fai . al è hich i , igi, all i, cl ded i, , he c, ehe, . i, e i, c, e. hall be cha, ge , , , l, . . f, he o l e, e i, d , , he da e , f c, bi, a i, , .

A a f , he l, g- e e í i l i, . e e, . ac í i l ed h , r gh br . l i, e . e ge , l, g- e e í i l i, . e e, . ac í i l ed b ca h ill be r . l ed a i, . e e, c, . acc, di, g , he ac r al a e, , f he r cha e ice; l, g- e e í i l i, . e e, . ac í i l ed h , r gh i . r a, ce , f e í i l . eo l ie ill be r . l ed a i, . e e, c, . acc, di, g , he fai . al è , f he e í i l . eo l ie i . r ed; l, g- e e í i l i, . e e, . f , i, . e , . ill be r . l ed a i, . e e, c, . acc, di, g , he i, . e e, c, , ac . , ag ee e, . al è.

III. Significant Accounting Policies and Accounting Estimates *(continued)*

19. Long-term equity investments *(continued)*

The G , r ' ' i, . e e, . i, . r b. idia ie. a e acc, r , ' ed f, r . ' i, g he c, . e h, d a, d r . ' i, g e í i ' e h, d f, he i, . e e, . i, j, i, . . e, r ' e a, d a . , cia e .

F, l, , g- e e í i ' i, . e e, . f, hich he . r b. e í e, ea r ' e i. acc, r , ' ed f, r . ' i, g c, . e h, d, he, aki, g addi i, , al i, . e e, , ca i, g . al r e , f he l, , g- e e í i ' i, . e e, . ill be added acc, di, g , he fai . . al r e , f c, . , f addi i, , al i, . e e, a, d he ela ed e e, . e. i, c ' ed b ela ed a, . ac i, , . . F, ca h di. ide, d , , aid b he i, . e. ed c, a, , i . hall be ec, g, i- ed a i, . e e, i, c, e f, he c ' e, e i, d r . ' i, g he a , r , ' hich i e, i le .

F, l, , g- e e í i ' i, . e e, f, hich he . r b. e í e, ea r ' e e, i. acc, r , ' ed f, r , ' de e í i ' e h, d, ca i, g . al r e , f l, , g- e e í i ' i, . e e, . hall be i, c ea ed , dec ea ed acc, di, gl acc, di, g , he cha, ge i, he . ha eh, lde . e í i ' , f he i, . e. ed c, a, . Whe, de e i, i, g he a , r , ' , f , , i, , , f, e , , l, . . i, he i, . e. ed c, a, hich i e, i le , fai . . al r e , f each ide, i able a . e . , f he i, . e. ed c, a, a he i e he, he i, . e. e, i. , b ai, ed . hall be r . ' ed a. ba. i. , a, d acc, di, g , he acc, r , ' i, g , licie. a, d acc, r , ' i, g e i, d , f he G , r ' , a, d af e , ff. e i, g , fi , l, . . i, c ' ed i, i, e , al a, . ac i, , be ee,

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

19. Long-term equity investments *(continued)*

F each a ac i hich e í i a e di ed i age r il l f c l hich d e bel g ackage a ac i he acc r i g f each a ac i hall be c d c ed e a a el F he ackage a ac i he acc r i g f each a ac i hall be ea ed a di i g r b idia a d l f i c l H e e he diffe e ce be ee each di al ice bef e l f c l a d he ca i g al é f he c e di g l g- e i e e f he e í i di ed hall be ec g i ed a he c ehe i e i c e a d hall a fe he l f he c e i d r l l f c l

20. Fixed assets

(1) Criteria for recognition

Fi ed a e a e a gible a e i h ig i ca al é a d r efr l li e f e ha e ea a d held f r e i he d c i g d e i g f e ice f e al f ad i i a i e r e

Fi ed a e a e ec g i ed he i i highl bable f ec ic be e i he G r a d hei c ca be ea r ed eliabl The G r ed a e i cl de b ildi g achi e elec ic e í i e ehicle a d he e í i e e c

(2) Depreciation method

Category	Depreciation method	Depreciation period (year)	Residual value rate (%)	Annual depreciation rate (%)
B ildi g	S aigh -li e	20	5	4.75
Machi e	S aigh -li e	5 20	5	19.00 4.75
Elec ic e í i e	S aigh -li e	3 5	5	31.67 19.00
Vehicle	S aigh -li e	5	5	19.00
O he e í i e	S aigh -li e	5	5	19.00

The G r e ie he e ec ed life f r e e i a ed e e id al al é a d de ecia i e h d f ed a e a he e d f each ea a d cha ge if a a e ea ed a cha ge i acc r i g e i a e

21. Construction-in-progress

C r c i i g e i ca ied f a d ed a e f he da e he i i ead f i i e ded r e acc di g i jec b dge jec fee ac r al jec c a d de ecia i i ided c e ci g f he e f ll i g h U he c le i f al acc r a di f he c le ed jec adj e ill be ade f a diffe e ce f he igi al al é f he ed a e

III. Significant Accounting Policies and Accounting Estimates *(continued)*

22. Borrowing costs

I e . f he b , i g c . . i . . l i g ed a . e . , i . e e eal e a e a d i . e , di ec l a ib able , . e , e ea c , . ć i , , d ć i , , achie e i . i e ded . e , . ale, he ca i ali a i , f he b , i g c . . ca c e ce , l he all , f he c , di i , . a e . a i ed; e e di e f he a . e a e bei g i o ed, b , i g c . . a e bei g i o ed, a d ac i i ie ela i g , he ac í i i i , , c , . ć i , , d ć i , , f he a . e ha a e ece . a , e a e he a . e f i . i e ded . e , . ale ha e c e ced. Whe he í ali ed a . e , de ac í i i i , , c , . ć i , , d ć i , i ead f he i e ded . e , . ale, he ca i ali a i , f he b , i g c . . . hall be cea ed. The a , , f he b , i g c . . . hall be ec g i ed i , . . f l . . e i he o e e i d. If he í ali ed a . e i i e ed ab , all d i g c , . ć i , , d ć i , , a d i e i i , ha la ed f h ee c , . eo i e , h , he ca i ali a i , f he b , i g c . . . hall be . . e ded il he c , . ć i , , d ć i , , f a ed a . e . i e ed.

The a , , f i e e . f . eci c b , i g , co ed f he e i d . hall be ca i ali ed af e ded ć i g a i e e ea ed f de , . i i g he , . ed . eci c b , i g i he ba k , a i . e e i c e a i i g , he e , a i . e e , f h . e b , i g d i g he ca i ali a i , e i d. The ca i ali ed a , , f ge e al b , i g . hall be de e i ed , he ba i ha he eigh ed a e age (f he e ce . a , . , f o l a i e a . e . e e di e , . e he . eci c b , i g) i e ca i ali a i , a e (f . ed ge e al b , i g). The a e , f ca i ali a i , i de e i ed b he eigh ed a e age i e e a e , f ge e al b , i g.

23. Right-of-use assets

A igh - f . e a . e i a igh , . e a lea ed a . e b he G , , a a le . ee, i hi a lea e e .

(1) Initial measurement

A he c e ce e , f a lea e e , he G , i i iall ea e a igh - f . e a . e a c . , hich c i e he f ll i g f , ele e . : ① he a , , f lea e liabili i i iall ea ed; ② he lea e a e ade , , bef e he c e ce e da e , f lea e e , e , f a i ce i e ecei ed; ③ a

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

23. Right-of-use assets *(continued)*

(3) Depreciation of right-of-use assets *(continued)*

l, de e i, i, g he r .'efi l' life , f a igh -, f-r .'e a . e . , he G , r ' f, ll, . he i, ci le bel, : if i ca, ea , , abl be ce ai, ha he , , e . hi igh ill be , b ai, edr ', , e i , f he lea e e , he igh -, f-r .'e a . e i de ecia ed , . e he e ai, i, g r .'efi l' life; if i ca, , . ea , , abl be ce ai, ha he , , e . hi igh ill be , b ai, edr ', , e i , f he lea e e , he igh -, f-r .'e a . e i de ecia ed , . e he . h, e , f he lea e e a, d he e ai, i, g r .'efi l' life , f he igh -, f-r .'e a . e .

If he igh -, f-r .'e a . e i i ai ed, de ecia i, , i ade a he ca i, g a , r , f he igh -, f-r .'e a . e af e dedr c i, , he i ai e, l, . . e .

24. Intangible Assets

(1) Measurement method, useful life and impairment test

The G , r ' : i, a, gible a . e . ai, l i, cl de la, d r .'e igh , a i i e r .'e igh , a e, ed ech, , l, g , , , , - a e, ed ech, , l, g a, d . , f a e, e c. l, a, gible a . e . a e ea r 'ed a he ac r al c, . . a ac i i' i i, , . F, r 'cha ed i, a, gible a . e . , ac r al aid c, . a, d , he ele. a, e e, . e a e r .'ed a he ac r al c, . . F, i, a, gible a . e . i, e ed b i, . e , . , he ac r al c, . i de e i, ed acc, di, g , he . al é . eci ed i, he i, . e e, c, , ac , ag ee e, , hile f, he r , 'fai ag eed . al é i, c, , ac , ag ee e, , he ac r al c, . i de e i, ed a he fai _ . al é. The i, a, gible a . e , hich i , , ed b he ac i' ee i, a c, bi, a i, , r , de diffe e, c, , , l b r 'i , c, , ed i, he , a, cial . a e e, , . hall be c, , ed a i, a, gible a . e a i . fai _ . al é r ', , he i, i ial ec, g, i i, , . , he ac i' ee' . a e . .

F, i, a, gible a . e . i h de , ie r .'efi l' Ji, e , he G , r ' ad, . . aigh li, e e h, d f, a , i-a i, , a he , , h , f ac i' i i, , . The G , r ' a , i-e la, d r .'e igh , a i i e r .'e igh , , he ba i , f i . r .'efi l' life b . aigh li, e e h, d . i, ce i i ac i' i ed. The a e, ech, , l, g , , , , - a e, ech, , l, g a, d , he i, a, gible a . e . a e a , i-ed e. e, l , , he ba i , f . h, e , f e i a ed r .'efi l' life, . i r la ed be, e cial ea b c, , ac , a, d legal a. ailable ea . The a , i-a i, , a , r , i acc, r , ed i, , , a, d l, . . i, he o 'e, e i, d. The G , r ' ake he a . e . e, , , he e i a ed r .'efi l' life a, d a , i-a i, , e h, d , f i, a, gible a . e . i h li i ed r .'efi l' life a he e, d , f each ea . A, cha, ge. ill be deal i h a cha, ge. , , acc, r , i, g e i a e .

Th, . e i h, r ' f, e. eeable e i, d , b i, g ec, , , ic be, efi . , he G , r ' dr é , . . a i, r .' ea , , . a e ec, g, i ed a i, a, gible a . e . i h i, de , ie r .'efi l' life. The G , r ' ill e. ie he r .'efi l' Ji. e , , h, . e i, a, gible a . e . i h i, de , ie r .'efi l' Ji. e a each , f he acc, r , i, g e i, d.

(2) Accounting policy regarding the expenditure on the internal research and development

The G , r ' : aj, e. ea ch a, d de. el, e, , jec . ela e , r bi, g a, d ca i, g , f diffe e, , del a, d a e ial .

Wi h efe e, ce , he , a r 'e , f e e, di 'e a, d r , ce ai, , f he , al achie. e e, , e e, di r 'e , , a, i, e , al e. ea ch a, d de. el, e, , jec i. cla . ified i, , e e, di r 'e , , he e. ea ch ha. e a, d e e, di r 'e , , he de. el, e, ha e.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

24. Intangible Assets *(continued)*

(2) Accounting policy regarding the expenditure on the internal research and development *(continued)*

F. ea l i. . e iga i. . . he a lica i. . af e a r i , he e , d c R&D , jec . , f he G , r . hall r de g. he , ha. e , f e. ea ch a d de. el. e : he ha. e , f e. ea ch i cl de . r ch . age a i. . e iga i. . , . r b. a ia i. . , he i i ia i. . a d a . . al , f a . r al e , d c R&D la . . ea l e. ea che (i cl di g f. r la de ig , . ce . de ig , e i i e . elec i. . , f. r la i. . f ech ical . a da d , e c.), he e a a i. . a d a . . al , f . , hl e , d c R&D la . a d . . , . , a . g hich he c. le i. . , f a . . al , f . , hl e , d c R&D la . . b. li e he e d , f he ha. e , f e. ea ch f. a e , d c . The ha. e , f de. el. e i cl de . eci call . r ch . age a ial , d c i. . , f he e , d c , , jec acce a ce, e c., he la e , f hich . b. li e he e d , f he ha. e , f de. el. e f. a e , d c .

S a i e , f he ha. e , f de. el. e : he , i he a . . al , f . , hl e , d c R&D la . i c. le ed, he ea l e. ea che a e c. le ed a d he f. r la, , d c i. , , ce . a d ech ical . a da d f. he , d c a e . ali ed.

E e di r e a he e. ea ch ha. e i ec. g i ed i , . l. . , f he e i. d i hich i i i. o ed.

E e di r e. , he de. el. e ha. e i ec. g i ed a a i a gible a . e he all , f he f. ll. i. g c i e ia a e e :

1) i i ech icall fea ible , c. le e he i a gible a . e . , ha i ill be a. ailable f. r e , . ale;

2) he a age e ' i e i. . , c. le e, r e , . ell he i a gible a . e ;

3) he G , r ca de . . a e he a . i hich he i a gible a . e ill ge e a e ec. . , ic be e . , i cl di g he e. ide ce , f he e i e ce , f a a ke f. he , r r , f he i a gible a . e , he i a gible a . e i. elf . , if i i , be r. ed i e all , he r. efi l e . , f he i a gible a . e ;

4) he a. ailabili , f ade i a e ech ical, a cial a d , he e , r ce , c. le e he de. el. e a d he abili , r. e , . ell he i a gible a . e ;

5) i . abili , ea. r e eliabl he e e di r e a ibr able , he i a gible a . e di i g i . de. el. e ha. e.

E e di r e. , he de. el. e ha e hich d. e . , ee he ab. . e c i e ia i i cl ded i , . l. . , f he e i. d i hich i i i. o ed. E e di r e i he de. el. e ha e hich ha bee i cl ded i he , fi , l. . i he i. e i. d ill . be ec. g i ed a a . e i . r b. e f e e i. d. The ca i ali ed e e di r e i de. el. e ha e a e e e ed a de. el. e e e di r e i he bala ce. hee a d i i ca ied d. , i , he i a gible a . e . i ce he da e he he a . e i ead f. i. i e ded r e.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

25. Impairment of long-term assets

The C a a . e . e i e . . r ch a l g- e e í i i e e . , i e e , e ie ea r ed a c . , ed a . e . , c . r c i -i - , g e . , igh -, f- . e a . e . , i a gible a . e . i h de i e life a d , e a i g lea e a . e . , he C a c d c . i ai e e he e he e i a i dica i , f i ai e . I a gible a . e . i h i defi i e g , d ill a d r . efr l life a e e ed a he e d , f each ea f i ai e , he he i dica i , f i ai e e i , .

The ec e able a r , f a a . e i he highe , f i . fai al e le . c . . , f di . al a d he e e al e , f he fr r e ca h , . e ec ed , be de i ed f , he a . e . A a . e . fai al e i he ice i a . ale ag ee e i a a . le g h a . ac i . If he e i , . ale ag ee e b he a . e i aded i a ac i e a ke , fai al e . hall be de e i ed ba ed , he bid ice. If he e i ei he . ale ag ee e , ac i e a ke f a a . e , fai al e . hall be ba ed , he be a ailable i f a i . C . . , f di . al a e e e . e a ib able , di . al , f he a . e , i cl di g legal fee, ele a a a d . r cha ge , a . a i fee a d di ec e e . e i o ed , e a e he a . e f i . i e ded . ale. The e e al e , f he fr r e ca h , . e ec ed , be de i ed f , he a . e e he c r . e , f c i r ed r . e a d al di . al i de e i ed a he a r di c r ed r . i g a a , ia el . elec ed di c r a e. P i i , f a . e . i ai e . hall be ade a d ec g i ed f he i di id al a . e . If i i , . . ible , e i a e he ec e able a r , f he i di id al a . e , he G r . hall de e i e he ec e able a r , f he a . e g r , hich he a . e bel g . The a . e g r i he . alle g r , f a . e . ca able , f ge e a i g ca h , . i de e de l .

Whe e f i g i ai e e , g , d ill ha i . e a a el e e ed i he a cial . a e e . , he ca i g al e , f g , d ill i all ca ed , he ela ed a . e g r . , g r . , f a . e g r . hich a e e ec ed , be e f , he . e gie , f he b . i e . c bi a i . If he e r l , f he e i dica e ha he ec e able a r , f a a . e g r , g r , f a . e g r . , i cl di g he all ca ed g , d ill, i l e ha i . ca i g a r , he c e , di g i ai e l . . i ec g i ed. The i ai e l . . i . ded c ed f , he ca i g a r , f g , d ill ha i all ca ed , he a . e g r , g r , f a . e g r . , a d he ded c ed f , he ca i g a r . , f , he a . e . i hi he a . e g r . , g r . , f a . e g r . i , , i , , he ca i g a r . , f a . e . , he ha g , d ill.

If he ca i g a r , f . r ch a . e e ceed i . ec e able a r af e i ai e e , he diffe e ce i ec g i ed a i ai e l . . e . The ab e i ai e l . . e i i e e . ible i he . b e í e acc r i g e i d , ce ec g i ed.

26. Long-term deferred expenses

The G r . l g- e defe ed e e . e ill be a i ed e e l d i g i . be e cial e i d, If he l g- e e a e . a e , l ge be e cial , he . b e í e acc r i g e i d , he r a i ed bala ce i he fr ll a . fe ed , , l . . f he o e e i d.

27. Contract liabilities

C ac liabili ie e e e he , bliga i , f he G r , a . fe g , d , o . , e . f he c . ide a i , hich ha bee ecei ed , ecei able f , o . , e . . Whe e o . , e . ha e al ead aid he c , ac c . ide a i , he G r ha , b ai ed he r c di i al igh , ecei e he c , ac c . ide a i , bef e he G r a . fe . he g , d , o . , e . , he a r ecei ed , ecei able i ec g i ed a c , ac liabili ie he he o . , e . a e i ac r all ade , i d e, hiche e i ea lie .

III. Significant Accounting Policies and Accounting Estimates *(continued)*

28. Employee compensations

(1) Accounting for short-term employee compensations

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

29. Lease liabilities *(continued)*

(1) Initial measurement *(continued)*

2) Discount rate

I calo la i g he e e . al e f a lea e a e , he G r ' r . e he a e age b , i g a e f he ai lea e a he di c r a e.

(2) Subsequent measurement

Af e he c e ce e da e f he lea e e , he G r ' f ll . he i ci le bel f he r b e i e ea r e e f a lea e liabili : ① i c ea e he ca i g a r ' f he lea e liabili he ec g i i g he i e e , he lea e liabili ; ② ed ce he ca i g a r ' f he lea e liabili he a lea e a e i ade; ③ e ea r e he ca i g a r ' f he lea e liabili he he e i a cha ge i lea e a e d e a cha ge f ea . e . e , he lea e.

The i e e e e . e f a lea e liabili i each e i d d i g he lea e e ba ed , ed e i dic i e e a e a e cha ged he , f l . . f he o e e i d, e ce h . e a e ca i ali ed. Pe i dic i e e a e i he di c r ' a e r . ed b he G r ' f i i ial ea r e e f he lea e liabili , he e i ed di c r ' a e r . ed b he G r ' he e ea r i g he lea e liabili a he e i ed di c r ' a e d e a cha ge f lea e a e . a cha ge f he lea e.

(3) Remeasurement

Af e he c e ce e da e f he lea e e , he G r ' e ea r e he lea e liabili ba ed , he lea e a e . af e he cha ge a d he e i ed di c r ' a e, i h a c e , di g adj . e ade he ca i g a r ' f he igh - f - r . e a . e . The ca i g a r ' f he igh - f - r . e a . e i ed ced , e . If he e i a fr he ed c i , f he lea e liabili , he G r ' cha ge he e ai i g a r ' he , l . . f he o e e i d. ① The e i a cha ge i he . r b a ial ed a e ; ② The e i a cha ge i jec ed a able f he g a a ee e id al . al e; ③ The e i a cha ge i he i de a i r . ed f de e i i g he lea e a e ; ④ The e i a cha ge i he a . e . e e r l f he r cha e i ; ⑤ The e i a cha ge i he a . e . e e r l f he e e . i , e i a i , i , he ac al e e ci e f he i .

30. Provisions

A . i i i ec g i ed a a liabili ie he a , bliga i ela ed a c i ge c , r ch a g a a ee . ided , r l e;;;.5( )0.65(l)0.5(e)0.59al ed 9e a c dFEFF0009 ,; ed 9e a c ed 9e r g;led 9e

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

30. Provisions *(continued)*

If all , a , f he e e, . e , ece . a f, . e li, g he , . i i, , . i e ec ed , be c, e, . a ed b he hi d a , he a , r , f c, e, . a i, , i . e a a el ec, g, i ed a a, a . e he, i i ba icall de e i, ed , be ec, . e able, a, d he ec, g, i ed a , r , f he c, e, . a i, , . hall , e ceed he ca i, g a , r , f he , . i i, , . .

The G , r e, ie . he ca i, g a , r , f , . i i, , . a he bala, ce . hee da e a, d ake a , ia e adj . e, . , e ec he c e, be e i a e.

31. Production Safety Fee

The G , r c, llec . , r ili e a, d e, ie . he , d c i, , . afe fee r . r a, , he ele, a, e i i e e, . , f N, ice , f he Mi, i , f Fi, a, ce a, d he S a e Ad i, i a i, , f W, k Safe , , l . r i, g he Ad i, i a i, e Mea r e f, he C, llec i, , a, d U ili a i, , f E, e i e W, k Safe F r d (N, . 16 [2012] , f he Mi, i , f Fi, a, ce a, d he S a e Ad i, i a i, , f W, k Safe) a, d N, ice , f he Mi, i , f Fi, a, ce , , l . r i, g l, e e a i, , N, . 3 , f he Acc, r i, g S a, da d f, B r . i, e . E, e i e (N, . 8 [2009] , f he Mi, i , f Fi, a, ce).

The , . i i, , f G , r ' achi, e , d c i, , e, e i e . afe , d c i, , c, . . i ba ed , , he ac r al . ale e, e, r e i, la ea , hich i e ac ed , , hl b aki, g e ce . eg e . i e a, , e i, acc, da, ce i h he f, ll, i, g . a, da d. The , . i i, , ill be r . ed f, e, ha, ci, g a, d i , . i, g . afe , d c i, , c, , di i, , . , f e, e i e , , jec . .

(1) O e a i, g i, c, e , f RMB10 illi, , a, d bel, , acc r ed i, acc, da, ce i h 2%;

(2) O e a i, g i, c, e , f RMB10 illi, , , RMB100 illi, , (i, cl . i e), acc r ed i, acc, da, ce i h 1%;

(3) O e a i, g i, c, e , f RMB100 illi, , , RMB1,000 illi, , (i, cl . i e), acc r ed i, acc, da, ce i h 0.2%;

(4) O e a i, g i, c, e , f RMB1,000 illi, , , RMB5,000 illi, , (i, cl . i e), acc r ed i, acc, da, ce i h 0.1%;

(5) O e a i, g i, c, e ab, . e RMB5,000 illi, , , acc r ed i, acc, da, ce i h 0.05%.

The , . i i, , f he , d c i, , . afe fee f, , e l e abli hed e, e i e a, d achi, e , d c i, , e, e i e i h , d c i, , le . ha, , , e ea i ba ed , , ac r al . ale e, e, r e f, he ea . The , . i i, , i acc r ed , , hl .

The , . i i, , f , d c i, , . afe fee i ec, g, i ed i, , a, d l, . . f, he c e, e i, d a, d . ecial e e, e acc, r , . h, , . e a a el r de , , e ' e i i . Whe, r . i, g he e e, e f, ai, ai, i, g , d c i, , . afe fee, he a , r ill be debi ed f , he . ecial e e, e if he fee i e e, . e , a r e. Whe, r . i, g he e e, e f, ai, ai, i, g , d c i, , . afe fee , f ed a . e , he a , r ill be debi ed f , he c, , . r c i, , -i, - , g e . i e f, he a , r ec, ded i, he c, . , f ela ed a . e . . Whe, he . a r . , f he , jec i ead f, i, e, ded r . e, he c, . . , f . r ch , d c i, , . afe fee . h, r ld be ec, g, i ed a ed a . e . . Mea, hile, . ecial e e, e ill be , ff. e b he c, . f, i, g ed a . e . If he bala, ce , f . ecial e e, e i i, ade i a e f, , ff. e i, g r , . e, he , d c i, , . afe fee ill be ec, g, i ed i, , a, d l, . . f, he c e, e i, d.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

32. Revenue

Acc, r, i, g , lic ad, ed f, he ec, g, i i, , a, d ea, r e e, , f e. e, r é

The G , r , ' , e a i, , e. e, r é i ai, l f, . ale , f g, , d a, d i, e e i, c, e.

(1) Principles of revenue recognition

Re. e, r é i ec, g, i ed he, he G , r , . a i e he e f, a, ce , bliga i, , i, he c, , ac b a, . fe i, g he c, , l , . e ele. a, g, , d , . e. ice , he o. , e , .

Whe e a c, , ac ha , , , e e f, a, ce , bliga i, , . , he G , r , de e i, e he . a, d-al, , e . elli, g ice a c, , ac i, ce i, , f he di i, c g, , d , . e . ice r, de l i, g each e f, a, ce , bliga i, , i, he c, , ac a, d all, ca e he a, . ac i, , ice i, , , i, , h, . e . a, d-al, , e . elli, g ice . The G , r , ec, g, i e a e. e, r é he a , r, , f he a, . ac i, , ice ha i all, ca ed , each e f, a, ce , bliga i, , .

The a, . ac i, , ice i he a , r, , f c, , . ide a i, , , hich he G , r , e ec. , be e, i led i, e cha, ge f, a, . fe i, g , i ed g, , d , . e. ice , a o. , e , e ch di, g a , r, . c, llec ed , , behalf , f hi d a ie . The G , r , ec, g, i e he a, . ac i, , ice , , l , he e e, ha i i highl , bable ha a . ig, i ca, e. e. al i, he a , r, , f o , r la. i, e e. e, r é ec, g, i ed ill , , co , he, he r, ce ai, a . , cia ed i h he . a iable c, , . ide a i, , i . r b. e í é, l e . l ed. The c, , . ide a i, , hich he G , r , e ec. , ef, d , he o. , e i ec, g, i ed a liabili ie a, d e ch ded f, a, . ac i, , ice. Whe e he c, , ac c, , ai, . a . ig, ifica, fi, a, ci, g c, . , e, , he G , r , ec, g, i e he a, . ac i, , ice a a, a , r, , ha e ec. he ice ha a o. , e , r ld ha. e aid f, he , i ed g, , d , . e. ice if he o. , e had aid ca h f, h, . e g, , d , . e . ice he, (, a) he a, . fe , he o. , e . The diffe e, ce be ee, he a , r, , f , i ed c, , . ide a i, , a, d he ca h . elli, g ice i a , i ed r . i, g a, effec. i. e i, e e e h, d , . e he c, , ac e . The G , r , d, e , , adj . he c, , . ide a i, , f, a, effec. , f a . ig, i ca, , a, ci, g c, . , e, if i e ec. , a c, , ac i, ce i, , , ha he e i, d be ee, he, he G , r , a, . fe . a , i ed g, , d , . e. ice , a o. , e a, d he, he o. , e a . f, ha g, , d , . e . ice ill be , , e ea , le . .

The G , r , . a i e a e f, a, ce , bliga i, , . , e i e if , , e , f he f, ll, i, g c ie ia i e ; , , he i e, a e f, a, ce , bliga i, , i . a i ed a a , i, i, i e:

1) he o. , e . i r l' a, e, r . ' l ece i. e a, d c, , . r , e he be, e . , . ided b he G , r , ' e f, a, ce a he G , r , e f, . .

2) he o. , e ca, c, , , l he a . e c ea ed , e, ha, ced d i, g he G , r , ' e f, a, ce.

3) he G , r , ' e f, a, ce d, e , , c ea e a, a . e i h a, al e, a, i. e r . e , i a, d he G , r , ha a, e, f, ceable igh , a e, f, e f, a, ce c, le ed , da e.

F, e f, a, ce , bliga i, , . a i ed , . e i e, he G , r , ec, g, i e e. e, r é , . e i e b ea, r, i, g he , g e . , a d c, le e . a i fac i, , f ha e f, a, ce , bliga i, , , hich i de e i, ed b i, r , e h, d. Whe, he , r c, e , f ha e f, a, ce , bliga i, , ca, , , be ea, r ed ea , abl , b , r , he G , r , e ec. , ec, . e he c, . . i, o , ed i, . a i f i, g he e f, a, ce , bliga i, , , he G , r , ec, g, i e e. e, r é , l , he e e, , f he c, . . i, o , ed i, il . r ch i e ha i ca, ea , abl ea, r e he , r c, e , f he e f, a, ce , bliga i, , .

III. Significant Accounting Policies and Accounting Estimates *(continued)*

32. Revenue *(continued)*

(1) Principles of revenue recognition *(continued)*

For performance obligations that are fulfilled at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of the relevant goods or services. In determining whether the customer obtains control of the goods or services, the Group considers the following indicators:

(1) The Group has a present right to payment for the goods or services.

(2) The Group has transferred the legal title of the goods to the customer.

(3) The Group has transferred physical possession of the goods to the customer.

(4) The Group has transferred the significant risks and rewards of ownership of the goods to the customer.

(5) The customer has accepted the goods or services.

The Group's right to consideration in exchange for goods or services that it has transferred to a customer is recognised as a contract asset, unless the right is unconditional (that is, only the passage of time is required before payment of that consideration is due). Receivable is the Group's right to consideration that is unconditional. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(2) Specific accounting policies related to the main activities of the Company's revenue are described below:

① *Contracts for sale of goods*

Contracts for sale of goods between the Group and customers usually include the performance obligation to transfer goods only. In general, the Group recognises revenue when the goods are delivered to the customer, the customer has full discretion over the manner of distribution and pricing to sell the goods, has the primary responsibility when onselling the goods to other parties, bears the inventory risk before and after onselling, and has accepted the goods according to the contract, and the collection of the related receivables is reasonably assured.

② *Contracts for provision of services*

Contracts for provision of services between the Group and customers usually include the provision of technical consulting services and after-sale maintenance services. While the Group is entitled to charge customers according to the contract, the amount charged by the Group usually cannot exceed the stand-alone selling price of the services provided by the Group to customers. The Group recognises revenue from the provision of services over time during the period when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs its obligations under the contract. The Group measures the progress of services provided over time using the input method based on the costs incurred relative to the total expected costs to satisfy the performance obligation. When the outcome of the provision of services cannot be reasonably measured, but the costs incurred are expected to be compensated, revenue is recognised only to the extent of the costs incurred that are expected to be compensated. When the outcome of the provision of services cannot be reasonably measured and the costs incurred are not expected to be compensated, revenue is not recognised.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

33. Government grants

III. Significant Accounting Policies and Accounting Estimates *(continued)*

33. Government grants *(continued)*

F, g, . e , e, g a, . ec, g, i ed ha , eed , be e r ' ed, he G , r ' acc, r ' . he e r ' i, g a , r ' i, he e i, d acc, di, g , he f, ll, i, g:

(1) Whe e i ha bee, , ff. e agai, . he ca i, g . al r e , f he ele. a, a . e , , i, i ial ec, g, i i, , , he ca i, g . al r e , f he a . e i adj . ' ed.

(2) Whe e ele. a, defe ed i, c, e e i . , he bala, ce , f he ca i, g a , r ' , f he ele. a, defe ed i, c, e i , ff. e a, d he e ce . i ec, g, i ed i, , , l, . . f, he e i, d.

(3) I, , he ca e , i i di ec l ec, g, i ed i, , , l, . . f, he e i, d.

34. Deferred income tax assets/deferred income tax liabilities

Defe ed i, c, e a a . e . a, d defe ed i, c, e a liabili ie , f he G , r ' a e calo la ed a, d ec, g, i ed ba ed , , he diffe e, ce be ee, a ba e a, d ca i, g a , r ' . , f a . e . a, d liabili ie (e , a diffe e, ce). Defe ed i, c, e a a . e i ec, g, i ed f, he ded r c ible l, . . e ha a e ded r c ible agai, . a able , i, . r b. e i e, ea . i, acc, da, ce i h he e i i e e, . r ' de a la . . N, defe ed a liabili i ec, g, i ed f, e , a diffe e, ce a i i, g f , i, i ial ec, g, i i, , , f g, , d ill. N, defe ed i, c, e a a . e , defe ed i, c, e a liabili i ec, g, i ed f, a e , a diffe e, ce a i i, g f , i, i ial ec, g, i i, , , f a . e , liabili d r e , a a, . ac i, , , he ha, a b r . ' i, e . c, bi, a i, , , hich affec . , ei he acc, r ' i, g , , , a able , (, ded r c ible l, . .). A bala, ce . hee da e, defe ed i, c, e a a . e . a, d defe ed i, c, e a liabili ie a e ea r ' ed a he a licable a a e f, he e i, d he, he a . e i e ec ed , be eali ed , he liabili i e ec ed , be . e led.

Defe ed i, c, e a a . e . a e ec, g, i ed , he e e, ha i i , bable ha fi r ' e a able , fi ill be a, ailable , ded r c f , he ded r c ible e , a diffe e, ce, ded r c ible l, . . e a, d a c edi . .

35. Leases

(1) Identi□cation of leases

A lea e i a c, , ac r ' de hich he le . , c, , . e . he igh , r . ' e a, a . e , he le . ee f, a e i, d , f i e i, e cha, ge f, c, , . ide a i, , . A i, ce i, , , f a c, , ac , he G , r ' a . e . e he he a c, , ac i , , c, , ai, . , a lea e. A c, , ac i , , c, , ai, . , a lea e if he c, , ac c, , . e . he igh , c, , , l he r . ' e , f , , e , , e ide, i ed a . e . f, a e i, d , f i e i, e cha, ge , f c, , . ide a i, , . T, de e i, e he he a c, , ac c, , . e . he igh , c, , , l he r . ' e , f a, ide, i ed a . e , he G , r ' a . e . e he he he le . ee ha he igh , , b ai, . r b. a, iall all , f he ec, , , ic be, e . f , he r . ' e , f he ide, i ed a . e h , r gh, r ' he e i, d , f r . ' e , a, d al , he he he le . ee ha he igh , di ec he r . ' e , f he ide, i ed a . e .

F, a c, , ac ha c, , ai, . r l ' i le lea e c, , , e, . , he G , r ' . e a a e he c, , ac a, d acc, r ' . f, each lea e c, , , e, a a lea e . e a a el . F, a c, , ac ha c, , ai, . lea e a, d , , -lea e c, , , e, . , he G , r ' . e a a e a, d acc, r ' . f, he lea e a, d , , -lea e c, , , e, . .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

35. Leases *(continued)*

(2) The Group as a lessee

1) Lease recognition

The G , r ' ec, g, i-e igh -, f-r .'e a . e . a, d lea e liabili ie f, lea e a he begi, , i, g , f he lea e e . F, he ec, g, i i, , a, d ea r 'e e, , f igh -, f-r .'e a . e . a, d lea e liabili ie , . ee 23. Righ - , f-r .'e a . e . a, d 29. Lea e liabili ie .

2) Modifications of leases

M, di ca i, , . , f lea e efe , he cha, ge i, he lea e . c, e, lea e c, , . ide a i, , , a, d lea e e , he ha, he , igi, al c, , ac e . , i, cl di, g he addi i, , e i, a i, , , f he igh . , f r .'e , f , , e , , e lea ed a . e . , a, d he e e, . i, , . h, e, i, g , f he lea e e . i r la ed i, he c, , ac . The effec i e da e , f he , di ca i, , . , f lea e i a da e ed f, he , di ca i, , , f he lea e a ag eed b b, h a ie .

If , difica i, , , f lea e ha e, . a, d ee . he f, ll, i, g c, , di i, , . , he G , r ' acc, r , . f, he , di ca i, , , f lea e a a . e a a e lea e: ① he , di ca i, , , f lea e e a, d he . c, e , f lea e b addi, g igh , f r .'e , f , , e , , e lea ed a . e . ; ② he i, c ea ed c, , . ide a i, , a, d he . a, dal, , e ice , f he e a, ded a , f lea e a e e i_i' ale, af e adj .' e, i ade ba ed , , he c, , ac .

If he , di ca i, , , f lea e i , . acc, r , ed f, a a . e a a e lea e, , , he effec i e da e , f he , di ca i, , , f lea e, he G , r ' all, ca e he c, , . ide a i, , f he , di ed c, , ac i, acc, da, ce i h he acc, r , i, g . a, da d i, e ec , f lea e a, d e-de e i, e he lea e e af e , di ca i, , ; a, d di c, r , ' he lea e a e, . af e , difica i, , a he di c, r , ' a e af e , difica i, , f, e ea r 'e e, , f lea e liabili . Whe, calc la i, g he e e, . al e , f he lea e a e, af e , di ca i, , , he G , r ' r .'e he i, e e a e i lici i, lea e , f he e ai, i, g lea e e a he di c, r , ' a e. If he i, e e a e i lici i, lea e , f he e ai, i, g lea e e ca , . be de e i, ed, he G , r ' r .'e le . ee' i, c e e, al b, , i, g a e a he effec i e da e , f he , di ca i, , , f he lea e a he di c, r , ' a e. The G , r ' acc, r , . f, he c, , . e i é, ce , f he ab, . e adj .' e, r , de he f, ll, i, g ci c ' . a, ce : ① If he , di ca i, , , f lea e e r l' . i, a, a , e . c, e , f lea e , a . h, e lea e e , he le . , ed ce he ca i, g a , r , f he igh -, f-r .'e a . e , e ec he gai, , l, . . , a l , h, ll e i, a i, , , f he lea e i, he , , l, . . f he c ' e, ea . ② F, , he , di ca i, , . , f lea e ha e r l' i, e ea r 'e e, , f lea e liabili , he le . ee ade c, e , , di, g adj .' e, , he ca i, g a , r , f he igh -, f-r .'e a . e .

3) Short-term leases and leases of low-value asset

F, . h, - e lea e i h lea e e , f le . ha, 12 , , h a, d lea e , f a . i, gle lea e a . e hich i , f ela i, el l, _ . al é he, i i , e , he G , r ' ha elec ed , , ec, g, i-e igh -, f-r .'e a . e a, d lea e liabili . The G , r ' cha ge he lea e a e, . , f . h, - e lea e a, d he l, _ . al é a . e lea e , he c, . , f he r , de l i, g a . e . , he , , l, . . f, he c ' e, e i, d i, each e i, d , f he lea e e , , a . aigh -li, e ba i .

III. Significant Accounting Policies and Accounting Estimates *(continued)*

35. Leases *(continued)*

(3) The Group as a lessor

O he ba i , f de e i i g he c, ac i , c, ai . a lea e a e i ed i IV. 34.(1) , he G , ' , a a le . , , cla . i e he lea e a a ce lea e a d , e a i g lea e a he i ce i , , f he lea e.

If a lea e a . fe . , i . ' b a ce, . ' b a iall all , f he i k a d e a d , f he , e . hi , f he lea ed a . e , he le . , cla . i e he lea e a a ce lea e. O he ha ha , all lea e a e cla . i ed a , e a i g lea e .

A lea e i ' . ' all cla . i ed a a a ce lea e b he G , ' he , e , e , f he f ll i g c, di i , . a e . a i ed: ① Whe he lea e e e i e , he , e . hi , f he lea ed a . e i a . fe ed , he le . ee; ② The le . ee ha he , i , , ' cha e he lea ed a . e . The ' cha e ice e e ed i , i . ' f cie l l, c a ed , he fai . al e , f he lea ed a . e he he , i , i e ec ed , be e e ci ed. The ef e, i ca be ea , abl ce ai a he c e ce e da e , f he lea e ha he le . ee ill e e ci e he , i , ; ③ The , e . hi , f he a . e i , a . fe ed, b ' he lea e e ake ' , . , f he ' . ef l life , f he lea ed a . e . (, le . ha 75% , f he ' . ef l life , f he lea ed a . e); ④ O he c e ce e da e , f he lea e, he e e . al e , f he lea e ecei i ba icall e i i ale , he fai . al e , f he lea ed a . e (, le . ha 90% , f he fai . al e , f he lea ed a . e); ⑤ The lea ed a . e . a e , f a . ecial a ' e. If , aj, , di ca i , . a e ade, i ca , , l be ' . ed b he le . ee. If , e , e , f he f ll i g i dica i , . e i i a lea e, he G , ' a al , cla . if i a a a ce lea e: ① If he le . ee ca cel he lea e a d he l , . . ca . ed , he le . , a i i g f , he ca cella i , , f lea e i b , e b he le . ee; ② The gai , l , . . a i i g f , he fai . al e cha ge i he bala ce , f he a . e bel , g , he le . ee; ③ The le . ee i able , c , i ' e he lea e f, he e e i d a a e fa bel, he a ke le el.

1) *Accounting for finance leases*

Initial measurement

A he c, e ce e da e , f he lea e, he G , ' ec g i e he fi a ce lea e ecei able f, fi a ce lea e a d de ec g i e fi a ce lea e a . e . . O i i ial ea ' e e , f fi a ce lea e ecei able , he e lea e i . e e i ' . ed , ec d he . al e , f he a ce lea e ecei able.

The e lea e i . e e i he . ' , f he ' g a a eed e id al . al e a d he e e . . al e , f , ' . a di g lea e ecei . a he c e ce e da e , f he lea e e (di c , ' ed b he i e e a e i lici i he lea e). A lea e ecei i he a e ecei able f , he le . ee b he le . , f, c , . e i g he igh , ' . e a lea ed a . e i hi he lea e e i d, hich c i e : ① he fi ed a e . a d he . ' b a ial ed a e . , be ade b he le . ee, e , f he lea e i ce i e a , ' , if a ; ② he . a iable lea e a e . de e di g , a i de , a i , , hich a e de e i ed a he i e , f i i ial ea ' e e ba ed , he i de , a i , , he c e ce e da e , f he lea e e ; ③ he ice , f e e ci i g he , i , , ' cha e, . . ided ha i i ea , abl ce ai ha he le . ee ill e e ci e he , i , ; ④ he a , ' a able b he le . ee f, e e ci i g he , i , , e i a e he lea e, . . ided ha he lea e e e ec . ha he le . ee ill e e ci e he , i , , e i a e he lea e; ⑤ he e id al . al e , f he g a a ee . . ided b he le . ee, i . ela ed a a d a i de e de hi d a ha i g a cial ca abili , f l l he , bliga i , ' de he g a a ee.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

35. Leases *(continued)*

(3) The Group as a lessor *(continued)*

1) *Accounting for finance leases (continued)*

Subsequent measurement

The G , r ' calc lla e a, d ec, g, i e i, e e i, c e i, each e i, d d i' i, g he lea e e ba ed , , ed e i, dic i, e e a e. Pe i, dic i, e e a e i he i lici di c, r ' a e r . ' ed , de e i, e he , e lea e i, . e e, (F, . r b-lea e he e he i lici i, e e a e ca, , , be de e i, ed, he di c, r ' a e, f he , igi, al lea e i r . ' ed (adj . ' ed b a, i, i ial di ec e e, . e i, ela i, , , he . r b-lea e), , he e. i ed di c, r ' a e ed he, he , di ca i, , , f he , a, ce lea e i , . ea ed a a . e a a e lea e a, d he lea ed i cla . i ed a , a, ce lea e i, acc, da, ce i h he ele. a, e í i' e e, i h he c i e ia a e . a i ed had he , di ca i, , ake effec . , he c, e, ce e, da e , f he lea e.

Accounting for lease modi□cation

If he fi, a, ce lea e i . , dified a, d ee . he f, ll, i, g c, , di i, , . , he G , r ' acc, r ' . f, he , di ca i, , a a . e a a e lea e: ① The , di ca i, , e a, d he lea e . c, e b addi, g igh , r . ' e , f , , e , , e lea ed a . e . ; ② The i, c ea ed c, , . ide a i, , i e í ' al , he . a, dal, , e ice , f he e a, ded lea e . c, e a adj . ' ed ba ed , , he c, , ac .

If he , di ca i, , , f , a, ce lea e i , , acc, r ' ed f, a a . e a a e lea e, a, d i . a i e he c i e ia , f cla . ifica i, , , f he lea e e a a, , e a i, g lea e had he , difica i, , ake effec . , he lea e c, e, ce e, da e, he G , r ' acc, r ' . f, he lea e e , di ca i, , a a , e lea e . i, ce he effec, i e da e , f he lea e , di ca i, , , i h he , e lea e i, . e e, i, , he effec, i e da e , f he lea e , di ca i, , a he ca i, g a , r ' , f he lea ed a . e .

2) *Accounting for operating leases*

Treatment of rents

I, each e i, d d i' i, g he lea e e , he G , r ' ec, g, i e lea e ecei . f, , e a i, g lea e a e, al i, c, e . , a . aigh li, e ba i .

Incentive measures provided

F, e, -f ee e i, d, he G , r ' all, ca e he , al e, . e he lea e e i h, r ' dedi ć i, g e, -f ee e i, d . , a . aigh li, e ba i , a, d ec, g, i e e, al i, c, e d i' i, g he e, -f ee e i, d. If he G , r ' bea . ce ai, e e, . e , , behalf , f he le . ee, , r ch e e, . e a e dedi ć ed f , he e, al i, c, e a, d he bala, ce , f e, al i, c, e af e dedi ć i, , i all, ca ed , . e he lea e e .

Initial direct expenses

The i, i ial di ec e e, . e i, c ' ed b he G , r ' i, ela i, , , he , e a i, g lea e a e ca i ali ed a c . , f he lea ed a . e , a, d e í ' all cha ged , he , , l, . . f, he c ' e, e i, d , . e he lea e e i, acc, da, ce i h he . a e ba i , f ec, g, i i, , a e, al i, c, e.

Depreciation

F, he fi ed a . e . i, , e a i, g lea e a . e . , he a e de ecia ed r . ' i, g he , lic . i ila , he de ecia i, , , f a . e . . F, , he , e a i, g lea e a . e . , he a e a , i ed , , a . . e a ic a, d ea . , able a, , e .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

35. Leases *(continued)*

(3) The Group as a lessor *(continued)*

2) Accounting for operating leases (continued)

Variable lease payments

The , a iable lea e a e, . ece, ied b he G , r ' ha ha, e, , i, cl ded i, lea e ecei . ela i, g he , e a i, g lea e a e c edi ed , he , , l. . . f he o ' e, e i, d he, he , co ' .

Modi□cations of operating leases

A , di ca i, , f , e a i, g lea e i acc, r, ' ed f, b he G , r ' a a, e lea e . i, ce i . effec, i e da e. A, e aid lea e a e, . , lea e ece, able ela i, g , he , di ca i, , i ea ed a a ece f, , e lea e.

36. Other Signi□cant Accounting Policies and Accounting Estimates

Accounting for income tax

I, c, e a i acc, r, ' ed f, r . ' i, g liabili e h, d. I, c, e a e e, . e e e e, he . r ' , f o ' e, a a, d defe ed a . C o ' e, a a, d defe ed a ela i, g , he a, . ac i, , . , a e. ha a e di ec l ec, ded i, . ha eh, lde . ' e i i' a e deal i h i, . ha eh, lde . ' e i i' . Defe ed a a i. i, g f , b r . ' i, e . c, bi, a i, , i adj r . ' ed , he ca i, g. al é , f g, , d ill. All , he o ' e, a a, d defe ed a a e ec, g, i ed i, , , l. . . f, he e i, d.

The a o ' e, l a able i he a , r, ' , f a a able , a a i, , b r ' ea ' b he e, e i e i, e ec , f he a, . ac i, , . a, d a e . , f he o ' e, e i, d calo ' la ed acc, di, g , he a a i, , eg ' la i, , . . The defe ed i, c, e a i. he diffe e, ce be ee, he bala, ce , f he defe ed i, c, e a a . e . a, d defe ed a liabili ie ha . h, r ld be ec, g, i ed r . ' i, g he bala, ce . hee liabili ie a , ach a he e, d , f e i, d a, d hei bala, ce , igi, all ec, g, i ed.

Segment information

The G , r ' . , e a i, g. eg e, . a e ide, i ed ba ed , i, e, al , ga, i a i, , . r c r ' e, a, age e, e f i i' e e, . a, d i, e, al e , i, g . . e . The e , able . eg e, . a e de e i ed a, d di cl, . ed ba ed , , he , e a i, g . eg e, . .

O e a i, g. eg e, i ac , , e, , f he G , r ' ha . a i e he f, ll, i, g c ie ia . i r l' a, e, r . ' l : he c , , e, ca, ge, e a e e. e, r é a, d e e, . e i, b r . ' i, e . ac i, i ie ; he a, age e, , f he G , r ' ca, a . e . he , e a i, g e f, a, ce, f he c , , e, i, . de , all, ca e e , r ' ce a, d a . e . e f, a, ce; a, d he G , r ' ca, ac f i' e acc, r, ' i, g i, f, a i, , . r ch a he , a, cial . . i i, , , e a i, g e f, a, ce a, d ca h , , f he c , , e, . If , , , e, e a i, g . eg e, . ca . i ila ec, , , ic cha ac e i. ic , a, d . a i f ce ai, c ie ia, he a e c, bi, ed a , , e, e a i, g. eg e, .

Discontinued operations

Di c, , i, r éd , e a i, , . efe , c , , e, . , f he G , r ' hich . a i f a, , f he f, ll, i, g c, , di i, , . a, d ca, be i, di, id ' all di i, g i' hed, a, d . r ch c , , e, . ha e bee, di , . ed , f, cla . i ed a a, ailable-f, - ale: (1) he c , , e, . e e e, a, i, de e, de, aj, b r . ' i, e . , a . e a a e aj, egi, , , f, e a i, , ; (2) he c , , e, . a e a , f a, i, e, ded di , . al la, ela ed , a, i, de e, de, aj, b r . ' i, e . , a . e a a e aj, egi, , , f , e a i, , ; (3) he c , , e, . a e . r b idia ie ac í i' ed . eci call f, e ale.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

III. Significant Accounting Policies and Accounting Estimates *(continued)*

37. Changes in signi□cant accounting policies and accounting estimates

(1) Changes in signi□cant accounting policies

□ A licable N a licable

(2) Changes in signi□cant accounting estimates

□ A licable N a licable

(3) Adjustments to the relevant items in the □nancial statements at the beginning of the year upon implementation of the New Revenue Standard and the New Lease Standard for the □rst time since 2020

□ A licable N a licable

(4) Retrospective adjustments to the comparative figures for prior period upon implementation of the New Revenue Standard and the New Lease Standard for the □rst time since 2020

□ A licable N a licable

IV. Taxation

1. Main tax types and tax rates

Type	Calculation basis	Rate
Val é-added a	The diffe ce af e he i r a , f he r cha ed g, d ded c ed f , he , r r a	13%, 9%, 5%
U ba ai e a ce a d c, . r c i, a	C, , di r . . e a a , r ac all aid	7%
E e i e i c, e a	Ta able , .	15%, 16.5%, 25%
Ed ca i, . r cha ge	C, , di r . . e a a , r ac all aid	3%
L, cal ed ca i, . r cha ge	C, , di r . . e a a , r ac all aid	2%

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VI. Taxation *(continued)*

1. Main tax types and tax rates *(continued)*

Di cl, . ı ˈe ega di, g a a i, g e, i ie i h diffe e, e, e i e i, c, e a a e

Name of tax-paying entity	Income tax rate
The C, a,	15%
Sh, ı g ˈa, g M, l, , g L, gi ic C, ., L d.	25%
MPM I, e , a i, , al Li i ed	16.5%
Sh, ı g ˈa, g Ba, l, , g Pe , le ˈ E í i ˈ e, C, ., L d.	25%
Sh, ı g ˈa, g Ma, l, , g Ne Ma e ial Tech, , l, g De el, e, C, ., L d.	25%
Sh, ı g ˈa, g M, l, , g Elec , - echa, ical E í i ˈ e, C, ., L d.	25%
Weihai Ba, l, , g S ecial Pe , le ˈ Ma e ial C, ., L d.	25%
Sh, ı g ˈa, g Ba, l, , g Ma, age e, a, d C, , . ı ˈa, c C, ., L d.	25%
Sha, d, , g M, l, , g I , & E , C, ., L d.	25%
Sha, d, , g M, l, , g E, e g Tech, , l, g C, ., L d.	25%

2. Tax incentives

Acc, di, g , he li , f high- ech e, e i e c, , ai, ed i, he Le e Rega di, g 2020 2, d Ba ch Fili, g , f High- ech E, e i e , f Sha, d, , g P , . i, ce (G ˈ, Ke H ˈ, Zi [2021] N, . 25) i . ı ˈed b he Leadi, g G , ı ˈ Of ce , f Na i, , al High- ech E, e i e Rec, g, i i, , a, d Ma, age e, , he C, a, a c, , fi ed , ha e bee, e- ce i ed a a high- ech e, e i e a, d c, le ed he egi a i, , . The ab, . e d, o ˈ e, . h, . ha he C, a, ˈ high- ech e, e i e ce i ca e , ı ˈ be i GR202037004362 a, d he da e , f i . ı ˈa, ce i 8 Dece be 2020, . alid f, h ee ea . .

Acc, di, g , he eg ˈla i, , . , f high- ech e, e i e ec, g, i i, , a, d ele a, , a i, , al a , licie , he C, a, ca, c, , i, ı ˈe , e, j, efe e, ial , a i, , al a , licie f, h ee c, , . eo ˈi e ea . (f , 2020 , 2022) f , he e- ec, g, i i, , , f high- ech e, e i e , i.e. a i, g e, e i e i, c, e a a a a e , f 15%.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements

1. Monetary funds

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
Ca h , , ha, d	**53,744.41**	183,974.68
Ca h a ba, k	**509,754,630.52**	298,376,840.40
O he , , e a fi, d	**250,171,428.10**	241,381,313.10
T, al	**759,979,803.03**	539,942,128.18
I, cl di, g: , al de , . i. , . e. ea	**2,326,746.13**	2,504,304.42

O he de. c i i, , . :

(1) The G , ' ' de , . i. , . e. ea e e e, ed he , , e a fi, d. , f MPM, a H, , g K, , g-ba ed . b idia .

(2) The C, a, ' , he , , e a fi, d. a a he e, d , f he e i, d i, cl ded ba, k acce a, ce. eo i de , . i. , f RMB242,336,453.10 (a a he begi, , i, g , f he ea : RMB239,079,167.10), . eo i de , . i. f, l, a, . , f RMB7,240,000.00 (a a he begi, , i, g , f he ea : RMB , il), USD ed- a e a gi, . , f RMB , il (a a he begi, , i, g , f he ea : RMB 2,302,146.00) a, d de , . i. i, , he , a, cial i, . i , . , f RMB594,975.00 (a a he begi, , i, g , f he ea : RMB , il).

(3) The G , ' had . eo i de , . i. f, ba, k acce a, ce bill. i h a , i da e , . e 3 , , h. , f RMB59,664,500.00 (a a he begi, , i, g , f he ea : RMB43,685,292.00).

(4) A a he bala, ce. hee da e, he e e e fi, d. , f RMB326,106.55 . bjec , j dicial f ee- i, g f, li iga i, , . .

V. Notes to the Consolidated Financial Statements *(continued)*

2. Bills receivable

(1) Presentation of bills receivable by type

U. i : RMB

Item	Balance at the end of the period	Bala. ce a he begi.. i.g . f he e i. d
T ade acce a. ce bill	**166,611,283.34**	260,237,655.67
Le . : P . . i i. f. i ai e . f bill ece i able	**(1,666,112.83)**	(2,602,376.56)
T. al	**164,945,170.51**	257,635,279.11

U. i : RMB

Item	Balance at the end of the period					Bala. ce a he begi.. i.g . f he e i. d				
	Book balance		Provision for bad debts			B. k. ab e		P . i i. f. bad deb .		
	Amount	Percentage	Amount	Provision rate	Book balance	A .. Pe ce. age		A ..	P . i i. a e	B. k. ab e
. ch di. g:										
Bill ece i able . ided f. bad deb . . a c. llec. i e ba i	**166,611,283.34**	**100.00%**	**1,666,112.83**	**1.00%**	**164,945,170.51**	260,237,655.67	100.00%	2,602,376.56	1.00%	257,635,279.11
. ch di. g:										
Bill ece i able . ided f. bad deb . . a c. llec. i e ba i a g . ed f. e ec ed c edi l. . ba ed . agi. g cha ac e i ic	**166,611,283.34**	**100.00%**	**1,666,112.83**	**1.00%**	**164,945,170.51**	260,237,655.67	100.00%	2,602,376.56	1.00%	257,635,279.11
T. al	**166,611,283.34**	**100.00%**	**1,666,112.83**	**1.00%**	**164,945,170.51**	260,237,655.67	100.00%	2,602,376.56	1.00%	257,635,279.11

Bill ece i able . ided f. bad deb . . a c. llec. i e ba i a g . ed f. e ec ed c edi l. . ba ed . agi. g cha ac e i ic

U. i : RMB

Name	Balance at the end of the period		
	Book balance	Bad debt provision	Provision rate
Wi hi. 1 ea	166,611,283.34	1,666,112.83	1.00%
T. al	166,611,283.34	1,666,112.83	

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

2. Bills receivable *(continued)*

(1)

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

3. Accounts receivable *(continued)*

(1) Disclosure of accounts receivable by type *(continued)*

P . i i, f, bad deb . , a, i, di. id al ba i : acc, , . ece i able . ided f, bad deb . , a, i, di. id al

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

3. Accounts receivable *(continued)*

(4) Balance of top □ve accounts receivable as at the end of the period by debtor

U i : RMB

Entity name	Balance of accounts receivable at the end of the period	Percentage to the total balance of accounts receivable at the end of the period	Balance of bad debt provision at the end of the period
E i I	98,065,319.25	23.84%	980,653.19
E i II	81,882,027.75	19.91%	2,952,026.43
E i III	71,396,459.74	17.36%	713,964.60
E i IV	45,678,343.35	11.10%	45,678,343.35
E i V	19,151,133.71	4.65%	19,151,133.71
T al	316,173,283.80	76.86%	

(5) Account receivables that were derecognized on transfer of □nancial assets

A f 31 Dece be 2020, he G , had , acc , ecei able ha e e de ec g i ed d e , he a . fe , f a cial a . e . .

(6) Amount of assets or liabilities for which accounts receivable have been transferred but involvement continues

A f 31 Dece be 2020, he G , had , a . e . , liabili ie f, hich acc , . ecei able ha e bee a . fe ed b i . . l e e c , i e .

O he de c i i , :

A f 31 Dece be 2020, acc , . ecei able f he G , a , i g , RMB29,368,652.94 e e e ic ed f, . e a he ha e bee a lied , he fac , i g a ci g.

V. Notes to the Consolidated Financial Statements *(continued)*

4. Financing receivables

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
Ba, k acce a, ce bill	**33,575,777.00**	96,155,523.75
T, al	**33,575,777.00**	96,155,523.75

I, c ea e , dec ea e , . e e, . a, d fai, . al e cha, ge , f , a, ci, g ece, able d i, g he e i, d

A licable ☐ N, a licable

The G , r i r . e he ca i, g a , r , f he ba, k acce a, ce bill a hei fai, . al e d e , hei . h, e ai, i, g e . a, d hei ca i, g a , r , a , i a e , hei fai, . al e.

N, . i i, , f, a . e i ai e, a ade b he G , r a he acce , . , f he ba, k acce a, ce bill i h, ld a e all , a, cial i, . i r i, , . i h g, , d c edi . a, di, g.

If . i i, , f, i ai e, , f , a, ci, g ece, able a ade r . i, g he ge, e al a , ach , f e ec ed c edi l, . . , lea e di cl, . e he i, f, a i, , , , . i i, , f, i ai e, i h efe e, ce , he di cl, . r e , f , he ece, able :

☐ A licable N, a licable

O he de c i i, , :

(1) Pledged □nancing receivables as at the end of the year

U, i : RMB

Item	Pledged amount at the end of the year
Ba, k acce a, ce bill	8,000,000.00
T, al	8,000,000.00

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

4. Financing receivables *(continued)*

(2) Financing receivables that have been endorsed or discounted at the end of the year and have not yet expired at the balance sheet date

U i : RMB

Item	Amount derecognised as at the end of the year	A , r l re , de ec g i ed a a he e d , f he ea
Ba k acce a ce bill	**655,584,943.43**	10,000,000.00
T al	**655,584,943.43**	10,000,000.00

5. Loans and advances

U i : RMB

Item	Balance at the end of the year	Bala ce a he begi i g , f he ea
L a . a d ad a ce , e	**951,005.30**	17,046,915.97
T al	**951,005.30**	17,046,915.97

(1) Breakdown of loans and advances

U i : RMB

Item	Balance at the end of the year	Bala ce a he begi i g , f he ea
L a . a d ad a ce	**38,938,901.90**	47,925,154.08
Le . : L . . all a ce f l a .	**37,987,896.60**	30,878,238.11
L a . a d ad a ce , e	**951,005.30**	17,046,915.97

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

5. Loans and advances *(continued)*

(2) Loans and advances by guarantee

U, i : RMB

Loan type	Balance at the end of the year	Bala, ce a he begi, , i, g , f he ea
Pledged l, a, .	—	5,340,000.00
Seo ed l, a, .	—	3,844,593.19
Gr a a, eed l, a, .	**951,005.30**	7,862,322.78
T, al	**951,005.30**	17,046,915.97

(3) Loans and advances by borrower type

U, i : RMB

	Balance at the end of the year				
	Book balance		Loss allowance for loans		
Type	Amount	Percentage (%)	Amount	Provision rate (%)	Net amount of loans
C, , a e l, a, .	**36,913,901.90**	**94.80**	**35,962,896.60**	**97.42**	**951,005.30**
Pe . , , al l, a, .	**2,025,000.00**	**5.20**	**2,025,000.00**	**100.00**	**—**
T, al	**38,938,901.90**	**100.00**	**37,987,896.60**	**—**	**951,005.30**

	Bala, ce a he begi, , i, g , f he ea				
	B, , k bala, ce		L, . . all, a, ce f, l, a, .		
T e	A , r	Pe ce, age (%)	A , r	P . . i i, a e (%)	Ne a , r , f l, a, .
C, , a e l, a, .	45,100,154.08	94.11	29,145,238.11	64.62	15,954,915.97
Pe . , al l, a, .	2,825,000.00	5.89	1,733,000.00	61.35	1,092,000.00
T, al	47,925,154.08	100.00	30,878,238.11		17,046,915.97

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

5. Loans and advances *(continued)*

(4) Loss allowances for loans and advances

A . f 31 Dece be 2020, he G . r l had . . e d é l. a. . f RMB38,938,901.90. The . le . f he G . r l': l. a. ba ed . hei . eo i ie a d g a a ee a d . a r . r . i g he e ec ed c edi l. . . del a a f. ll. . :

U. i : RMB

Loss allowance for loans	Stage 1 Next 12-month expected credit loss	Stage 2 Lifetime expected credit loss (without credit impairment)	Stage 3 Lifetime expected credit loss (with credit impairment)	Total
Bala. ce a 1 Ja. á 2020			30,878,238.11	30,878,238.11
The b. . k bala. ce . f l. a. . a d ad. a. ce a 1 Ja. á 2020 d i. g he ea				
T a. fe . S age 2				
T a. fe . S age 3				
T a. fe back . S age 2				
T a. fe back . S age 1				
P . . i i. f. he ea			7,689,658.49	7,689,658.49
Re. e . al f. he ea				
Off. e f. he ea			580,000.00	580,000.00
W i e-. ff f. he ea				
O he . . e e.				
Bala. ce a 31 Dece be 2020			37,987,896.60	37,987,896.60

V. Notes to the Consolidated Financial Statements *(continued)*

5. Loans and advances *(continued)*

(5) Loss allowance for loans

U, i : RMB

Type	Balance at the beginning of the year	Movement during the year: Provision	Movement during the year: Recovery or reversal	Movement during the year: Offset or write-off	Balance at the end of the year
L, . . all, a, ce f, l, a, .	30,878,238.11	7,689,658.49		580,000.00	37,987,896.60
T, al	30,878,238.11	7,689,658.49		580,000.00	37,987,896.60

(6) Loans and advances written off during the year

U, i : RMB

Item	Write-off amount
L, a, . a, d ad, a, ce	580,000.00

6. Prepayments

(1) Presentation of prepayments by age

U, i : RMB

Age	Balance at the end of the period: Amount	Balance at the end of the period: Percentage	Bala, ce a he begi, , i, g , f he e i, d: A , r '	Bala, ce a he begi, , i, g , f he e i, d: Pe ce, age
Wi hi, 1 ea	**24,122,905.08**	**97.44%**	36,184,175.19	87.86%
1 , 2 ea .	**—**	**0.00%**	520,257.50	1.26%
2 , 3 ea .	**10,800.00**	**0.04%**	15,091.24	0.04%
O, e 3 ea .	**622,237.76**	**2.52%**	4,464,940.52	10.84%
T, al	**24,755,942.84**	**—**	41,184,464.45	

N, e , ea , , . , f . ig, i ca, e a e, . , . e 1 ea a, d , , . e led i, i e:

A a he e, d , f he ea , he G , r ' had , , . ig, i ca, e a e, . aged , . e , , e ea .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

6. Prepayments *(continued)*

(2) Details of the top ve ending balances of prepayments classied according to the payees

U i : RMB

Name of entity	Balance at the end of the year	Age	Percentage to total balance of payments at the end of the year
E i I	12,315,146.47	Wi hi 1 ea	49.75%
E i II	3,642,319.93	Wi hi 1 ea	14.71%
E i III	3,519,014.72	Wi hi 1 ea	14.21%
E i IV	1,448,400.00	Wi hi 1 ea	5.85%
E i V	604,674.00	Wi hi 1 ea	2.44%
T al	21,529,555.12		86.96%

7. Other receivables

U i : RMB

Item	Balance at the end of the period	Bala ce a he begi i g . f he e i d
I e e . ece i able	—	2,308,030.91
O he ece i able	**156,486,818.72**	26,981,195.10
T al	**156,486,818.72**	29,289,226.01

(1) Interest receivables

1) Category of interest receivables

U i : RMB

Item	Balance at the end of the period	Bala ce a he begi i g . f he e i d
Ti e de , . i .	—	2,308,030.91
T al	—	2,308,030.91

V. Notes to the Consolidated Financial Statements *(continued)*

7. Other receivables *(continued)*

(1) Interest receivables *(continued)*

2) Significant overdue interest

The G..r.. had.., i.. e.. ece.i.able ha.i.. a.. d..é.

3) Provision for bad debts

☐ A..licable N.. a..licable

(2) Other receivables

1) Other receivables by payment nature

U..i.: RMB

Payment nature	Book balance at the end of the period	B..k bala..ce a..he begi..i..g..f..he e.i.d
S.aff r..t..e.. l..a..	**1,227,252.00**	1,293,754.00
De..i./ca..i..g..e	**2,108,347.00**	3,589,758.00
A..r..d..é f.. ad..i..i..e..e..i.ie	**1,300,685.00**	26,000,341.48
O.he a..r..d..é f.. i..di.idual	**—**	
O.he a..r..d..é f.. e..i.ie	**154,115,315.32**	1,677,120.82
Le..: P..i.i..f.. bad deb..f.. he ece.i.able	**(2,264,780.60)**	(5,579,779.20)
T..al	**156,486,818.72**	26,981,195.10

2) Provision for bad debts

U..i.: RMB

Provision for bad debts	Stage 1 Next 12-month expected credit loss	Stage 2 Lifetime expected credit loss (without credit impairment)	Stage 3 Lifetime expected credit loss (with credit impairment)	Total
Bala..ce a..1 Ja..a.. 2020	241,368.00	5,338,411.20		5,579,779.20
Ta..fe..f bala..ce a..1 Ja..a.. 2020 d..i..g..he e.i.d				
P..i.i..f.. he e.i.d	547,159.49			547,159.49
Re.e..al f.. he e.i.d		3,862,158.09		3,862,158.09
Bala..ce a..31 Dece..be..2020	788,527.49	1,476,253.11		2,264,780.60

M..e..e..f b..k bala..ce..f..ig..i..ca.. cha..ge i.. ..i.i..f.. he e.i.d

☐ A..licable N.. a..licable

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

7. Other receivables *(continued)*

(2) Other receivables *(continued)*

2) *Provision for bad debts (continued)*

Di cl. . e b age

U i : RMB

Age	Book balance
1 ea (i cl i e)	68,566,486.41
1 , 2 ea .	87,540,550.39
2 , 3 ea .	793,600.00
O e 3 ea .	1,850,962.52
3 , 4 ea .	
4 , 5 ea .	
O e 5 ea .	1,850,962.52
T al	158,751,599.32

3) *Provision, recovery or reversal of provision for bad debts for the period*

P . i i . f bad deb . f he e i d:

U i : RMB

P P . i i . f e deb . ISQ ' 17

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

7. Other receivables *(continued)*

(2) Other receivables *(continued)*

5) Balance of top five other receivables as at the end of the period by debtor

Unit: RMB

Name of entity	Nature of payment	Balance at the end of the period	Age	Percentage to the total amount of closing balance of other receivables	Balance of bad debt provision at the end of the period
Shandong Shouguang Vegetable Wholesale Market Co., Ltd. (山東壽光蔬菜批發市場有限公司)					

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

7. Other receivables *(continued)*

(2) Other receivables *(continued)*

9) Borrowings due from employees

U, i : RMB

Name of borrower	Diao Shi Jin	Li Song Ming	Zhang Shou Yuan	Liu Chun Jing	Other employees
Pr ' , . e , f b, , i, g	Br . 'i, e . , ki, g ca i al	Br . 'i, e . , ki, g ca i al	Br . 'i, e . , ki, g ca i al	Br . 'i, e . , ki, g ca i al	Br . 'i, e . , ki, g ca i al
A , r, '					
G 'e, ea (RMB)	300,000.00	100,000.00		100,000.00	727,252.00
P i, ea (RMB)			250,000.00	170,000.00	873,754.00
A , r, ' , f bad deb , . i i, (RMB)					

8. Inventories

Sh, r ld he C, a, c, l i h he di cl, . r 'e e í i'e e, . f, , e i, dr . '

N,

(1) Category of inventories

U, i : RMB

	Balance at the end of the period			Bala, ce a he begi, , i, g , f he e i, d		
Item	Book balance	Provision for impairment of inventories or provision for devaluation of costs of contract performance	Book value	B, , k bala, ce	P , . i i, , f, i ai e, , f i, . e, , ie , , . i i, , f, de, al à i, , , f c, . . , f c, , ac e f, a, ce	B, , k , al é
Ra a e ial	**370,245,791.30**	**5,068,482.54**	**365,177,308.76**	353,582,703.30	6,430,777.40	347,151,925.90
W, k-i, - , g e .	**107,978,797.99**	**1,481,224.74**	**106,497,573.25**	166,028,851.73	4,569,606.68	161,459,245.05
G, , d i, . , ck	**321,415,737.28**	**5,966,469.73**	**315,449,267.55**	426,713,762.34	10,725,275.46	415,988,486.88
S b-c, , ac i, g a e ial	**253,795.42**	**330.20**	**253,465.22**	10,309,440.99	1,778.24	10,307,662.75
T, al	**799,894,121.99**	**12,516,507.21**	**787,377,614.78**	956,634,758.36	21,727,437.78	934,907,320.58

V. Notes to the Consolidated Financial Statements *(continued)*

8. Inventories *(continued)*

(2) Provision for impairment of inventories or provision for devaluation of costs of contract performance

U, i : RMB

Item	Balance at the beginning the period	Increase in the current period: Provision	Increase in the current period: Others	Decrease in the current period: Reversal or write-off	Decrease in the current period: Others	Balance at the end of the period
Ra a e ial	6,430,777.40	644,251.14		2,006,546.00		5,068,482.54
W, k-i, - , g e .	4,569,606.68	790,820.74		3,879,202.68		1,481,224.74
G, , d i, . , ck	10,725,275.46	1,412,801.33		6,171,607.06		5,966,469.73
S b-c, , ac i, g a e ial	1,778.24	330.20		1,778.24		330.20
T, al	21,727,437.78	2,848,203.41		12,059,133.98		12,516,507.21

The e, e . al a, d i e-, ff , f i ai e, all, a, ce f, i, . e, , ie , f he C, a, f, he e i, d a RMB 1,800,432.58 a, d RMB10,258,701.40, e ec i, el .

Allowances for impairment of inventories

Item	Speci□c basis to determine net realisable value	Reason for reversal or write-off in the current year
Ra a e ial	The . elli, g ice , f he , d c . f, ed b he , d c i, , , f he a e ial a, d . e i- , i hed , d c . i, r . he fi he , ce . i, g c, . . a, d ela ed . ale e e, . e a, d ela ed e e, . e , f a a i, ,	Ma e ial Re í i i, , f, , d c i, , a, d ice cha, ge
W, k-i, - , g e .		Ma e ial Re í i i, , f, , d c i, , a, d ice cha, ge
S b-c, , ac i, g a e ial		Ma e ial Re í i i, , f, , d c i, , a, d ice cha, ge
Fi, i hed , d c .	The . elli, g ice i, r . he . elli, g e e, . e a, d ela ed e e, . e , f a a i, ,	E e , al . ale a, d ice cha, ge

The e e e, , i, . e, , ie ha e e ledged , f , e i, he i, . e, , ie , f he G , r a a he e, d , f he ea .

(3) Explanation on period-end inventory balance containing borrowing expense capitalisation amount

Nil

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

8. Inventories *(continued)*

(4) Explanation on the amortised amount of cost of contract performance for the period

Nil

9. Other current assets

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
Ded c ible i, r a	**17,099,685.84**	34,046,039.33
P e aid i, c, e a	**255,055.85**	1,160,302.64
P e aid , he a e	**2,074,331.20**	
I, e e eceiable , , acce a, ce de , . i .	**2,475,860.01**	
T, al	**21,904,932.90**	35,206,341.97

10. Long-term equity investments

U, i : RMB

Investee	Balance at the beginning of the period (Book value)	Movement during the period: Increase in investment	Decrease in investment	Gain or loss on investments recognised under the equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividend or pro□ts declared	Provision for impairment	Others	Balance at the end of the period (Book value)	Balance of provision for impairment at the end of the period
I. J, i, Ve, r e											
II. A . , cia e											
Ka a a Yal, g Pe , le											
Machi, e C, ., L d	2,557,061.01			(242,363.72)						2,314,697.29	
S b- , al	2,557,061.01			(242,363.72)						2,314,697.29	
T, al	2,557,061.01			(242,363.72)						2,314,697.29	

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

11. Fixed Assets

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Fixed assets	**2,493,577,016.35**	2,726,157,716.13
Total	**2,493,577,016.35**	2,726,157,716.13

(1) Details of fixed assets

Unit: RMB

Item	Buildings	Machinery and equipment	Electronic and others	Vehicles	Total
I. Original book value:					
1. Balance at the beginning of the period	1,095,993,243.01	3,316,763,702.46	123,127,740.46	14,418,832.27	4,550,303,518.20
2. Additions during the period	17,703,138.61	56,499,987.94	1,576,205.44	973,949.41	76,753,281.40
(1) Purchase	67,546.83	12,913,584.47	1,508,209.99	919,492.10	15,408,833.39
(2) Transfer from construction in progress	17,635,591.78	43,586,403.47	67,995.45	54,457.31	61,344,448.01
(3)Additions from business combination					
3. Reductions during the period	161,379,843.42	63,649,690.67	8,036,967.10	2,021,159.81	235,087,661.00
(1) Disposal	161,379,843.42	63,649,690.67	8,036,967.10	2,021,159.81	235,087,661.00
4. Balance at the end of the period	952,316,538.20	3,309,613,999.73	116,666,978.80	13,371,621.87	4,391,969,138.60
II. Accumulated depreciation					
1. Balance at the beginning of the period	320,569,282.91	1,337,814,147.66	90,999,782.65	6,817,643.07	1,756,200,856.29
2. Additions during the period	52,122,672.58	174,859,470.87	5,207,117.54	2,190,446.19	234,379,707.18
(1) Provision	52,122,672.58	174,859,470.87	5,207,117.54	2,190,446.19	234,379,707.18
3. Reductions during the period	93,074,396.46	57,108,947.03	6,945,264.57	1,768,413.94	158,897,022.00
(1) Disposal	93,074,396.46	57,108,947.03	6,945,264.57	1,768,413.94	158,897,022.00
4. Balance at the end of the period	279,617,559.03	1,455,564,671.50	89,261,635.62	7,239,675.32	1,831,683,541.47
III. Impairment provision					
1. Balance at the beginning of the period	4,986,478.28	62,958,467.50			67,944,945.78
2. Additions during the period					
(1) Provision					
3. Reductions during the period		1,236,365.00			1,236,365.00
(1) Disposal		1,236,365.00			1,236,365.00
4. Balance at the end of the period	4,986,478.28	61,722,102.50			66,708,580.78
IV. Book value					
1. Book value at the end of the period	667,712,500.89	1,792,327,225.73	27,405,343.18	6,131,946.55	2,493,577,016.35
2. Book value at the beginning of the period	770,437,481.82	1,915,991,087.30	32,127,957.81	7,601,189.20	2,726,157,716.13

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

11. Fixed Assets *(continued)*

(2) Details of □xed assets without complete property certi□cate

U, i : RMB

Item	Book value	Reason for pending out certi□cate of ownership
W, k h, la, , , f ce b, ildi, g a, d . aff ca, ee, , f Sh, , g, a, g Ma, l, , g	238,568,216.22	N, e a lied

O he de c i i, , . :

The G , , had , , e , a il idle ed a . e . ; had , , ed a . e . ha e e lea ed i, , de , a, ce lea e , lea ed , , , de , e a i, g lea e .

12. Construction in Progress

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
C, , . , c i, , i, , g e .	**7,620,542.62**	55,034,853.27
T, al	**7,620,542.62**	55,034,853.27

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

12. Construction in Progress *(continued)*

(4) Other descriptions

A a he e d f he ea he e a e ic i he igh r e c i i g e d e ledge, g a a ee a he ea .

13. Right-of-use assets

U i : RMB

Item	Buildings and related land use rights	T

V. Notes to the Consolidated Financial Statements *(continued)*

14. Intangible assets

(1) Details of Intangible assets

U, i : RMB

Item		Land use right	Patent right	Non-patent technology	Software	Total
I.	**Original book value**					
	1. Bala, ce a he begi, , i, g , f he e i, d	495,255,263.56	2,886,248.19	398,495,237.46	770,036.72	897,406,785.93
	2. Addi i, , . di 'i, g he e i, d	18,317.20		8,225,125.47		8,243,442.67
	(1) Ac i i'i i, ,	18,317.20				18,317.20
	(2) I, e, al e ea ch a, d de, el, e,			8,225,125.47		8,225,125.47
	(3) Addi i, , . f, bi. 'i, e. c, bi, a i, , .					
	3. Redi c i, , . di 'i, g he e i, d	49,089,821.28				49,089,821.28
	(1) Di , . al	49,089,821.28				49,089,821.28
	4. Bala, ce a he e, d . f he e i, d	446,183,759.48	2,886,248.19	406,720,362.93	770,036.72	856,560,407.32
II.	**Accumulated amortisation**					
	1. Bala, ce a he begi, , i, g , f he e i, d	76,121,341.48	2,773,939.82	340,549,544.45	770,036.72	420,214,862.47
	2. Addi i, , . di 'i, g he e i, d	11,393,369.08	36,467.40	7,754,585.52		19,184,422.00
	(1) P , . i i, ,	11,393,369.08	36,467.40	7,754,585.52		19,184,422.00
	3. Redi c i, , . di 'i, g he e i, d	10,496,098.30				10,496,098.30
	(1) Di , . al	10,496,098.30				10,496,098.30
	4. Bala, ce a he e, d . f he e i, d	77,018,612.26	2,810,407.22	348,304,129.97	770,036.72	428,903,186.17
III	**Provision for Impairment**					
	1. Bala, ce a he begi, , i, g , f he e i, d			33,968,375.45		33,968,375.45
	2. Addi i, , . di 'i, g he e i, d					
	(1) P , . i i, ,					
	3. Redi c i, , . di 'i, g he e i, d					
	(1) Di , . al					
	4. Bala, ce a he e, d . f he e i, d			33,968,375.45		33,968,375.45
IV	**Book value**					
	1. B, , k. al é a he e, d . f he e i, d	369,165,147.22	75,840.97	24,447,857.51		393,688,845.70
	2. B, , k. al é a he begi, , i, g . f he e i, d	419,133,922.08	112,308.37	23,977,317.56		443,223,548.01

The i, e, all ge, e a ed i, a, gible a . e . acc, r , ed f, 6.21% . f he bala, ce . f i, a, gible a . e . a a he e, d . f he e i, d.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

14. Intangible assets *(continued)*

(2) Details of land use rights without complete property certi□cate

Nil

15. Development expenditures

U. i : RMB

Item	Balance at the beginning of the period	Additions during the period		Reductions during the period		Balance at the end of the period
		Internal development expenditures	Others	Recognised as intangible assets	Transfer to pro□t or loss for the current period	
P. jec I		4,231,544.07		4,231,544.07		
P. jec II		5,245,811.51			5,245,811.51	
P. jec III		3,704,826.09			3,704,826.09	
P. jec IV		4,469,343.54			4,469,343.54	
P. jec V		7,075,245.66			7,075,245.66	
P. jec VI		5,722,398.29			5,722,398.29	
P. jec VII		3,993,581.40		3,993,581.40		
P. jec VIII		7,336,575.20			7,336,575.20	
T. al		41,779,325.76		8,225,125.47	33,554,200.29	

O he de. c i i. . :

Plea e efe . V.24 . f hi . e f. he di. i i. . i. he ha e . f e ea ch a. d de. el. e. e e. di . 'e a. d he ha e . f de. el. e. , he i e a. d ba i . f ca i ali- a i. . f de. el. e. ha e.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

16. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets not yet eliminated

U, i : RMB

Item	Balance at the end of the period		Bala, ce a he begi, , i, g , f he e i, d	
	Deductible temporary difference	**Deferred income tax assets**	Ded c ible e , a diffe e, ce	Defe ed i, c, e a a . e .
U, eali ed , . a i e, f , i, ag , r a, . ac i, , .	**8,674,082.12**	**2,168,520.53**	9,393,965.60	2,348,491.40
Bill ece i able	**1,666,112.83**	**249,916.92**	2,602,376.56	390,356.49
Acc, r , . ece i able	**123,240,340.22**	**18,486,051.03**	127,816,000.16	19,172,400.02
O he ece i able	**805,648.76**	**120,847.31**	2,869,997.38	430,499.61
All, a, ce f, i ai e, , f i, e, , ie	**9,699,861.11**	**1,454,979.17**	18,060,869.10	2,709,130.37
Diffe e, ce i, a , i a i, , , f i, a, gible a . e .	**70,518,640.46**	**10,577,796.07**	95,472,670.50	14,320,900.58
E i a ed liabili ie	**14,392,824.64**	**2,158,923.70**	5,734,176.25	860,126.44
T, al	**228,997,510.14**	**35,217,034.73**	261,950,055.55	40,231,904.91

(2) Deferred tax liabilities not yet eliminated

U, i : RMB

Item	Balance at the end of the period		Bala, ce a he begi, , i, g , f he e i, d	
	Taxable temporary difference	**Deferred income tax liabilities**	Ta able e , a diffe e, ce	Defe ed i, c, e a liabili ie
L, g- e e , i i i, e e, .	**15,237.52**	**3,809.38**	15,237.52	3,809.38
Fi ed a . e .	**—**	**—**		
I, a, gible a . e .	**22,227,357.96**	**5,556,839.49**	23,001,960.00	5,750,490.00
T, al	**22,242,595.48**	**5,560,648.87**	23,017,197.52	5,754,299.38

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

16. Deferred income tax assets/deferred income tax liabilities *(continued)*

(3) Deferred income tax assets or liabilities presented on a net basis after offsetting

Unit: RMB

Item	Offsetting between deferred income tax assets and liabilities at the end of the period	Balance of deferred income tax assets or liabilities after offsetting at the end of the period	Offsetting between deferred income tax assets and liabilities at the beginning of the period	Balance of deferred income tax assets or liabilities after offsetting at the beginning of the period
Deferred income tax assets		35,217,034.73		40,231,904.91
Deferred income tax liabilities		5,560,648.87		5,754,299.38

(4) Breakdown of unrecognized deferred income tax assets

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Deductible temporary difference	**109,150,800.67**	97,006,220.12
Deductible losses	**986,842,767.09**	1,052,554,995.02
Total	**1,095,993,567.76**	1,149,561,215.14

V. Notes to the Consolidated Financial Statements *(continued)*

16. Deferred income tax assets/deferred income tax liabilities *(continued)*

(5) Deductible losses of unrecognised deferred income tax assets will be expired by the year as specified below

Unit: RMB

Year	Amount at the end of the period	Amount at the beginning of the period	Remark
2020	—	135,433,959.60	
2021	**158,888,578.18**	159,003,364.18	
2022	**175,248,363.36**	176,061,927.43	
2023	**52,476,863.76**	52,476,863.76	
2024	**219,282,588.57**	223,281,561.26	
2025	**164,322,306.42**		
2026	**144,086,568.32**	230,288,589.07	
2029	**72,537,498.48**	76,008,729.72	
Total	**986,842,767.09**	1,052,554,995.02	

17. Other non-current assets

Unit: RMB

Item	Balance at the end of the period		Balance at the beginning of the period	
	Book balance	Provision for Book balance		

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

18. Short-term borrowings

(1) Category of short-term borrowings

U. i : RMB

Item	Balance at the end of the period	Bala. ce a he begi.. i. g . f he e i. d
Pledged b. , i. g	**19,560,839.26**	11,229,883.37
G á a. eed b. , i. g	**827,986,114.72**	386,800,000.02
C edi b. , i. g	**696,244,933.51**	1,367,881,000.00
Bill di c. r ed a. d b. , i. g f. le e. , f c edi	**510,433,490.80**	163,600,000.00
T. al	**2,054,225,378.29**	1,929,510,883.39

N. e f. cla. i ca i. , f. h. - e b. , i. g :

De ail , f he i. e e a e: i. 2020, he eigh ed a. e age a.. r ál i. e e a e , f. h. - e b. , i. g f. he G . r ' a 4.46% (2019: 4.789%).

(2) Details of outstanding overdue short-term borrowings

A a he e. d , f he ea , he G . r ' had . , . r ! a. di. g . . e d é. h. - e b. , i. g.

19. Bills payable

U. i : RMB

Type	Balance at the end of the period	Bala. ce a he begi.. i. g . f he e i. d
T ade acce a. ce bill	**121,472,511.10**	281,588,603.88
T. al	**121,472,511.10**	281,588,603.88

A he e. d . f he e i. d, he . r ! a. di. g . . e d é bill a able a . r . ed , RMB0.00.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

22. Salaries payable

(1) Presentation of salaries payable

Unit: RMB

Item	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period
I. Short-term salaries	57,276,942.10	209,028,019.61	211,811,076.84	54,493,884.87
II. Post-employment benefits-defined contribution plans		11,938,024.09	11,938,024.09	
Total	57,276,942.10	220,966,043.70	223,749,100.93	54,493,884.87

(2) Presentation of short-term salaries

Unit: RMB

Item	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period
1. Wages, bonuses, allowances and subsidies	42,149,843.83	186,550,961.53	189,650,388.35	39,050,417.01
2. Staff welfare		4,351,108.97	4,351,108.97	
3. Social insurance		8,913,733.78	8,913,733.78	
Including: Medical insurance		7,261,368.04	7,261,368.04	
Work injury insurance		455,716.13	455,716.13	
Maternity insurance		1,196,649.61	1,196,649.61	
4. Housing provident fund		7,159,420.68	7,159,420.68	
5. Union funds and staff education funds	15,127,098.27	2,052,794.65	1,736,425.06	15,443,467.86
Total	57,276,942.10	209,028,019.61	211,811,076.84	54,493,884.87

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

22. Salaries payable *(continued)*

(3) Presentation of de□ned contribution plan

U. i : RMB

Item	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period
1. Ba ic e. i. . i. . a. ce		11,444,186.93	11,444,186.93	
2. U. e l. e. i. . a. ce		493,837.16	493,837.16	
T. al		11,938,024.09	11,938,024.09	

O he de c i i. . :

The G . . a ici a e i. . . cial i. . a. ce la. . e abli hed b g. . e . e. age. cie a e . i ed. Acc. di. g . he la. . , he G . . a . e i . . he e la. . i. acc. da. ce i h he ele. a. eg la i. . . f he l. cal g. . e . e. . l. addi i. . , he ab. . e a e. . f e i . , he G . . . l. . ge . de ake fi he a e. . bliga i. . . Af e he a e. . f ele. a. e i . , he C. a. ha . igh . ili e he ab. . e e i . . The c. e . di. g e e. di e a e cha ged . he o e. . . l. . . ela ed a . e c. . he. i. o ed.

Sala ie a able . f he G . . a a he e. d . f he ea i. cl ded acc ed age . b. . . e a d all. a. ce . f RMB39,050,417.01 i. . al, hich e e e ec ed . be aid i. he . half . f 2021.

A a 31 Dece be 2020, c. . ib i. . . all la . ed e. i. . i. . a. ce a d e l. e. i. . a. ce . f he G . . ha. e ade.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

24. Other payables

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi,,, i, g , f he e i, d
I, e e . a able	—	6,389,751.57
O he a able	**43,853,326.94**	55,033,779.68
T, al	**43,853,326.94**	61,423,531.25

(1) Interests Payable

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi,,, i, g , f he e i, d
I, e e . , l, g- e b, , i, g i h i, ci al e a able he, d e a, d i, e e a able b i, . all e, .	—	555,555.56
I, e e . a able f, . h, - e b, , i, g	—	2,270,088.67
I, e e . , l, g- e b, , i, g i h i, ci al e a able a, d i, e e a able b i, . all e, .	—	1,283,106.47
I, e e . , l, g- e a able i h i, ci al e a able a, d i, e e a able b i, . all e, .	—	2,281,000.87
T, al	—	6,389,751.57

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

24. Other payables *(continued)*

(2) Other payables

1) Presentation of other payables by nature

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
Acc, ed e, e g cha ge	**28,988,476.97**	35,876,548.51
De , . i .	**8,968,660.35**	9,651,252.85
O he .	**5,896,189.62**	9,505,978.32
T, al	**43,853,326.94**	55,033,779.68

2) Significant other payables aging over 1 year

A he e, d, f he ea , he G , , ' had , . ig, i ca, , he a able agi, g , . e 1 ea .

25. Non-current liabilities due within one year

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
L, g- e b, , i, g d é i hi, , e ea	**76,549,075.94**	425,044,064.29
L, g- e a able d é i hi, , e ea	**53,044,531.57**	57,592,842.49
Lea e liabili ie d é i hi, , e ea	**10,191,315.95**	
T, al	**139,784,923.46**	482,636,906.78

26. Other current liabilities

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
T ade acce a, ce bill ha ha, e bee, e, d, . ed b , e a , ed	**42,860,229.13**	87,557,572.20
O , , a , be a, . fe ed	**7,335,204.95**	
T, al	**50,195,434.08**	87,557,572.20

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

27. Long-term borrowings

(1) Category of long-term borrowings

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
Pledged b, , i, g	**0.00**	250,000,000.00
Sea ed b, , i, g	**190,612,226.47**	175,044,064.29
Le , : A , r , d é i hi, , e ea	**(76,549,075.94)**	(425,044,064.29)
T, al	**114,063,150.53**	

I, f, a i, , , he cla . i ca i, , f l, g- e b, , i, g :

L, g- e b, , i, g d é i hi, , e ea ha e bee, ecla . i ed , , , -a e, liabili ie d é i hi, , e ea . See , e VII.25.

P , le , f a r i da e , f l, g- e b, , i, g i a f, ll, . :

U, i : RMB

Item	Amount at the end of the year	A , r , a he begi, , i, g , f he ea
Sea ed b, , i, g	**190,612,226.47**	175,044,064.29
Pledged b, , i, g	**—**	250,000,000.00
T, al	**190,612,226.47**	425,044,064.29

The ca i, g a , r , . , f he af, e e, i, ed b, , i, g . hall be e aid i, he f, ll, i, g e i, d :

Wi hi, , e ea	**76,549,075.94**	425,044,064.29
Af e , e ea f , he bala, ce . hee da e b , i hi, , ea .	**114,063,150.53**	
Le , : A , r , d é i hi, , e ea . h, , r , de a e, liabili ie	**(76,549,075.94)**	(425,044,064.29)
A , r , . h, , r , de , , -a e, liabili ie	**114,063,150.53**	

De ail , f i, e e a e : he i, e e a e , f l, g- e b, , i, g , f he G , r f, 2020 a, ged be ee, 7% 10%.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

28. Lease liabilities

Unit: RMB

Item	Amount at the end of the year	Amount at the beginning of the year
Lease liabilities	**15,159,675.79**	
Less: Amount due within one year	**(10,191,315.95)**	
Total	**4,968,359.84**	

29. Long-term payables

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Long-term payables	**4,585,000.00**	58,045,884.69
Total	**4,585,000.00**	58,045,884.69

(1) Presentation of long-term payables by payment nature

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Leaseback financing	**4,585,000.00**	58,045,884.69
Total	**4,585,000.00**	58,045,884.69

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

29. Long-term payables *(continued)*

(1) Presentation of long-term borrowings by payment nature *(continued)*

O he de. c i i. . :

De ail. . f i. e e. a e. : he effec. i. e i. e e. a e. . f l. g- e a able. . f he G . r f. 2020 a. 10.90%.

(2) Pro□le of maturity dates of long-term payables

U. i : RMB

Item	Amount at the end of the year	A . r a he begi. . i. g . f he ea
Lea eback . a. ci. g	**57,629,531.57**	115,638,727.18
T. al	**57,629,531.57**	115,638,727.18
The ca i. g a . r . . f he af. e e. i. ed b. . i. g . hall be e aid i. he f. ll. i. g e i. d :		
Wi hi. . e ea	**53,044,531.57**	57,592,842.49
Af e . e ea f. he bala. ce. hee da e b r i hi. . ea.	**4,585,000.00**	54,116,154.13
Af e . ea. f. he bala. ce. hee da e b r i hi. . e ea.	**—**	3,929,730.56
Le. : A . r d é i hi. . e ea. h. . r de o e. liabili ie	**(53,044,531.57)**	(57,592,842.49)
A . r . h. . r de . . -o e. liabili ie	**4,585,000.00**	58,045,884.69

30. Estimated liabilities

U. i : RMB

Item	Balance at the end of the period	Balance at the beginning of the period	Cause
Pe. di. g li iga i. .	14,392,824.64	5,734,176.25	See . e XIV.2 f. de ail
T. al	14,392,824.64	5,734,176.25	

V. Notes to the Consolidated Financial Statements *(continued)*

31. Deferred income

U, i : RMB

Item	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Cause
G, . e , e, g a, .	7,386,306.54		209,825.68	7,176,480.86	A . e - ela ed g, . e , e, g a, .
T, al	7,386,306.54		209,825.68	7,176,480.86	

I e . i, . , l. i, g g, . e , e, g a, . :

U, i : RMB

Liability item	Balance at the beginning of the period	Amount of new grants during the period	Amount included in non-operating income during the period	Amount included in other income during the period	Amount charged against costs and expenses during the period	Other Changes	Balance at the end of the period	Asset-related/ revenue-related
G a, . f, a, cilla i, f a ı c ı e	6,954,855.00	0.00	0.00	173,871.38	0.00	0.00	6,780,983.62	A . e - ela ed
G a, . f, defe, . e ba e e, c, . ı c i, ,	431,451.54	0.00	0.00	35,954.30	0.00	0.00	395,497.24	A . e - ela ed
T, al	7,386,306.54	0.00	0.00	209,825.68	0.00	0.00	7,176,480.86	

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

31. Deferred income *(continued)*

O he de. c i i. . :

N. e 1: acc. di. g . N. ice . Fi. a. ce . f Sh. rg a. g M. l. . g L. gi. ic C. a. Li i ed' S. b. id Fr. d f. l. f a. r c r 'e (Sha. g he. gfa [2016] N. .3) i. r ed b he Pe. le' g. . e . e. . f Sha. gk. r ' . . Sh. rg a. g Ci . he G. r ' ece. ed . b. id fr. d f. i. f a. r c r 'e . f RMB6,954,855.00 . . 24 Feb r a 2016. a. d ec. g. ed he g. . e . e. g a. a he g. . e . e. g a. ela ed . a. e . . The G. r '. de ecia i. . f he r de l i. g a. e . f. he ea a . r i. g RMB173,871.38 a cha ged . he . fi . l. . . f. he o 'e. e i. d . i. ce he ele. a. i. f a. r c r 'e ha. bee. c. le ed hi. ea .

N. e 2: acc. di. g . he Re i. é f. e r '. . f efe e. ial . lic . he ha e II . jec . f Weihai Ba. l. . g S ecial Pe . le 'Ma e ial C. ., L d. (Ga. 4 he. g 'i. g i [2018] N. . 42) i. r ed b he Pe. le'. G. . e . e. . f Ga. o ' T. . . We. de. g Di. ic . Weihai Ci . Weihai Ba. l. . g. a. r b. idia . f he C. a. . ece. ed a g a. . f RMB719,085.90 f. he c. . r c i. . f defe. e ba e e. . . 25 Feb r a 2019. The c. a. ec. g. ed r ch g. . e . e. g a. a a. a. e - ela ed g. . e . e. g a. . The de ecia i. . f he r de l i. g a. e . f. he ea a . r i. g RMB35,954.30 a cha ged . he . . l. . . f. he o 'e. e i. d.

32. Share Capital

U. i : RMB

		Movement for the period (increase/decrease) (+, –)				
	Balance at the beginning of the period	Issue of new shares	Bonus issue	Conversion of reserves into shares	Others	Sub-total	Balance at the end of the period
T. al . r ' be . f . ha e	797,848,400.00						797,848,400.00

33. Capital Reserves

U. i : RMB

Item	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period
Ca i al e i ' (. ha e ca i al e i ')	849,481,990.92			849,481,990.92
O he ca i al ee. e	13,687,167.50			13,687,167.50
T. al	863,169,158.42			863,169,158.42

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

34. Other comprehensive income

U. i : RMB

Item	Balance at the beginning of the period	Amount for the period						Balance at the end of the period
		Amount before income tax for the period	Less: Transfer of amount previously included in other comprehensive income to pro□t or loss for the current period	Less: Transfer of amount previously included in other comprehensive income to retained earnings for the current period	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. O he c. ehe. i e i. c. e ha a . ecla. i ed . . l..								
II. O he c. ehe. i e i. c. e ha ill be ecla. i ed . . l..	(3,055,060.57)	1,154,980.84				1,039,482.75	115,498.09	(2,015,577.82)
E cha. ge diffe e. ce . . a. la i. . f f. eig. . a. cial. a e e. .	(3,055,060.57)	1,154,980.84				1,039,482.75	115,498.09	(2,015,577.82)
T. al. he c. ehe. i e i. c. e	(3,055,060.57)	1,154,980.84				1,039,482.75	115,498.09	(2,015,577.82)

35. Special Reserves

U. i : RMB

Item	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period
Safe . di ć i. . fee		26,986,008.44	26,986,008.44	
T. al		26,986,008.44	26,986,008.44	

O he de. c i i. . . i. cl di. g he i. c ea e . dec ea e . . e e. . di ' i. g he e i. d a. d he ea . . (.) f. . r ch . . e e. :

Acc. di. g . he Mea r 'e . . he Wi hh. ldi. g a. d U. age . f Safe P . di ć i. . Fee . f E. e i e (企業安全生產費用提取和使用管理辦法) (Cai 'i [2012] N. .16) j. i. l i. . r ed b he Mi. i. . f Fi. a. ce a. d he S a e Ad i. i a i. . . f W. k Safe , he G . r ' . . ided f. a. d r 'ili ed . di ć i. . afe fee i. acc. da. ce i h he ele. a. e i i'e e. .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

36. Surplus Reserves

U, i : RMB

Item	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period
S a r ¦ , .r ' h .' e e ę . e	187,753,923.88			187,753,923.88
T, al	187,753,923.88			187,753,923.88

37. General risk reserve

U, i : RMB

Item	Amount at the beginning of the year	Increase during the year	Decrease during the year	Amount at the end of the year
Ge, e al i k e ę . e	11,236.91			11,236.91
T, al	11,236.91			11,236.91

38. Undistributed pro□t

U, i : RMB

Item	Current period	La e i, d
U, di ib 'ed , a a he e, d , f i, e i, d bef, e adj . ' e, .	**(98,208,687.79)**	98,100,580.11
U, di ib 'ed , a he begi, , i, g , f he e i, d af e adj . ' e, .	**(98,208,687.79)**	98,100,580.11
Add: Ne , a ib 'able . , , e . , f he a e, c, a, f, he e i, d	**32,178,630.99**	(196,309,267.90)
U, di ib 'ed , a he e, d , f he e i, d	**(66,030,056.80)**	(98,208,687.79)

The C, a, did , di ib 'e di, ide, d d 'i, g he ea . D 'i, g he ack ec, d e i, d, he C, a, did , di ib 'e di, ide, d i, 2019. A , f 31 Dece be 2020, he C, a, ha , , a, ailable f, di ib 'i, , , ha eh, lde . .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

40. Operating revenue and operating costs

U i : RMB

Item	Amount for the period Revenue	Cost	A , f he la e i d Re e e	C .
P i ci al , e a i , .	**2,945,891,154.47**	**2,844,382,010.97**	4,314,768,095.01	3,966,149,076.52
O he , e a i , .	**63,827,875.19**	**58,054,718.64**	74,136,120.90	68,473,668.75
T al	**3,009,719,029.66**	**2,902,436,729.61**	4,388,904,215.91	4,034,622,745.27

Whe he he l e , f he a di ed e , bef e , af e ded c i g e a di a gai . , l . . e i a ega i e be

Ye ☐ N

U i : RMB

Item	2020	2019	N e
O e a i g e e e	**3,009,719,029.66**	4,388,904,215.91	Mai l c i ed , f e e e f , . ale , f , d c . , a e ial a d a e
Ded c i , a , f , e a i g e e e	**63,827,875.19**	74,136,120.90	Mai l c i ed , f e e e f , . ale , f a e ial a d a e
I cl di g:			
Re e e f , he , e a i , .	**63,827,875.19**	74,136,120.90	Mai l c i ed , f e e e f , . ale , f a e ial a d a e
S b , al , f e e e f , , e a i , . , ela ed , i ci al , e a i , .	**63,827,875.19**	74,136,120.90	Mai l c i ed , f e e e f , . ale , f a e ial a d a e
S b , al , f c e ciall , , - b a ial e e e	**—**		Nil
A , f , e a i g e e e af e ded c i ,	**2,945,891,154.47**	4,314,768,095.01	Mai l c i ed , f e e e f , . ale , f , d c .

V. Notes to the Consolidated Financial Statements *(continued)*

40. Operating revenue and operating costs *(continued)*

Information about performance obligations:

Unit: RMB

Contract category	Pipe products	Three kinds of pumping units	Petroleum machinery parts	Tube blanks	High-end casting and forging products	Others	Total
Type of goods							
Including:							
Pipe products	2,458,265,692.32						2,458,265,692.32
Three kinds of pumping units		40,046,101.68					40,046,101.68
Petroleum machinery parts			8,346,558.77				8,346,558.77
Tube blanks				178,497,433.73			178,497,433.73
High-end casting and forging products					241,350,397.49		241,350,397.49
Others						83,212,845.67	83,212,845.67
By region of sale							
Including:							
China	2,176,875,040.73	36,361,546.13	1,164,776.68	178,497,433.73	241,350,397.49	83,110,942.64	2,717,360,137.40
Outside China	281,390,651.59	3,684,555.55	7,181,782.09			101,903.03	292,358,892.26
Type of contract							
Including:							
Revenue recognized at a point in time	2,458,265,692.32	40,046,101.68	8,346,558.77	178,497,433.73	241,350,397.49	83,212,845.67	3,009,719,029.66
Total	2,458,265,692.32	40,046,101.68	8,346,558.77	178,497,433.73	241,350,397.49	83,212,845.67	3,009,719,029.66

Information about performance obligations:

The Group's performance obligations are fulfilled in accordance with the agreements signed with customers, and revenue is recognized when the control of the goods is transferred to the customers. The payment terms are different from customer to customer, and the credit period for domestic customers is usually within 3 months from the date of billing. As for overseas customers, the credit period is usually from 30 days to 360 days from the date of bill of lading. As the Group has the right to receive consideration from customers for the goods transferred to customers, and the Group has not yet delivered the goods to customers before the receipt of the advance payment, the Group recognizes the advance payment as contract liabilities.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

40. Operating revenue and operating costs *(continued)*

I, f, a i, , , a, . ac i, , ice all, ca ed , e ai, i, g e f, a, ce , bliga i, , . :

The c, e , , di, g e. e, r é f, e f, a, ce , bliga i, , . ha ha. e bee, c, , ac ed b , , e e f, ed , c, le ed a , r ed , RMB361,000,000.00 a a he e, d , f he e , i, g da e, a, d i e ec ed , be ec, g, i ed a e. e, r é i, 2021.

O he de. c i i, , . :

A , , g he e. e, r é ec, g, i ed hi ea , he a , r i, ch ded i, c, , ac liabili ie a he e, d , f he e. i, r , ea a RMB32,463,654.22.

41. Taxes and surcharges

U, i : RMB

Item	Amount for the period	A , r f, he la e i, d
U ba, ai, e, a, ce a, d c, , . r ć i, , a	**4,167,747.78**	7,293,848.12
Ed ca i, , al . r cha ge	**2,973,995.71**	5,209,746.09
P , e a	**4,948,156.52**	4,963,595.80
La, d r . e a	**5,103,421.99**	5,106,999.76
L, cal a e c, , . e . a, c c, , . r ć i, , fi, d	**297,564.49**	521,022.68
O he a e	**1,625,601.23**	2,159,214.21
T, al	**19,116,487.72**	25,254,426.66

42. Selling expenses

U, i : RMB

Item	Amount for the period	A , r f, he la e i, d
De li. e fee	**—**	67,775,409.06
S aff e r e a i, , .	**5,310,781.48**	4,166,114.60
Age, c fee	**2,741,588.42**	1,695,829.67
De ecia i, , cha ge	**266,799.66**	166,483.04
T a. elli, g e e, . e	**449,573.11**	878,574.05
E, e ai, e, e e, . e	**2,817,343.60**	4,217,186.01
T a, . , a i, , fee	**213,777.86**	312,550.12
Of ce e e, . e	**266,415.16**	796,505.05
O he .	**2,882,053.63**	4,331,797.93
T, al	**14,948,332.92**	84,340,449.53

V. Notes to the Consolidated Financial Statements *(continued)*

43. Administrative expenses

U, i : RMB

Item	Amount for the period	A , r , f, he la e i, d
A , i a i, , f i, a, gible a . e .	**11,429,836.48**	11,640,982.42
De ecia i, , cha ge	**70,525,510.36**	47,815,691.20
S aff e r , e a i, , .	**46,082,534.12**	49,972,461.91
Machi, e a e ial c, , . r able	**11,945,724.18**	22,439,701.29
E, e ai, e, e e, . e	**2,993,256.31**	3,343,149.06
B, a d , f di ec , . ' e e, . e	**3,138,878.65**	2,996,770.36
U ili ie	**12,575,254.48**	22,025,055.76
Age, c fee	**2,919,698.99**	3,433,254.08
Re ai cha ge	**16,921,497.86**	11,054,972.70
O he .	**15,938,645.43**	18,883,978.17
T, al	**194,470,836.86**	193,606,016.95

A r di , . ' e r , e a i, , (e cl di, g . al e added a) i, cl ded i, he age, c fee r , de he ad i, i a i, e e e, . e , f he G , r i . eci ed bel, :

U, i : RMB

Item	Amount for the year	A , r , f, he la ea
Age, c fee	**2,919,698.99**	3,433,254.08
I, cl di, g: A r di , . ' e r , e a i, ,	**1,320,754.68**	1,273,584.87
I, cl di, g: A r di . e . ice fee	**1,273,584.87**	1,273,584.87
O he .	**47,169.81**	
T, al	**2,919,698.99**	3,433,254.08

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

44. Research and development expenditures

U, i : RMB

Item	Amount for the period	A , , ' f, he la e i, d
Re ea ch a, d de el, e, f, e , d c. f, he ea	**44,788,225.44**	56,348,398.99
A , i a i, , f, , - a e, ech, l, g f, he ea	**7,754,585.52**	7,481,930.91
T, al	**52,542,810.96**	63,830,329.90

O he de c i i, , :

De ail , f he , . i i, , f, e ea ch a, d de el, e, e e, . e f, he ea a e , . ided i, , , e VII.15.

45. Finance expenses

U, i : RMB

Item	Amount for the period	A , , ' f, he la e i, d
I, e e e e, . e	**137,373,401.15**	159,146,751.07
Le . : I, e e i, c, e	**5,507,436.70**	8,791,007.22
Add: F, eig, e cha, ge l, . . e	**20,442,211.52**	(10,538,743.57)
O he e e, . e	**6,904,407.55**	6,509,178.00
T, al	**159,212,583.52**	146,326,178.28

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

46. Other income

U, i : RMB

Source of other income	Amount for the period	A , r , f, he la e i, d
S r b. idie a, d g a, . f, ec cli, g e , r ce e, e i. e	—	11,703,891.00
C, a, ' c, , a e . r , . r b. idie	**13,041,300.00**	
S abili . r b. idie a, d . , cial i, . r a, ce . r b. idie	**2,244,789.32**	563,748.95
B, , r . e f, ech, , l, g r g ade a, d e, e g c, , . e . i, ,	—	1,108,200.00
G a, . f, defe, . e ba e e, c, , . r c i, ,	**35,954.30**	287,634.36
S ecial fr , d f, e e , al ade de. el, e,	—	123,700.00
Re a d f, ech, , l, gical i, , , . a i, , a e, . a, d ac í i i i, , , f i, e , a i, , al b a, d	**1,630,000.00**	
O he .	**818,871.38**	245,120.00
T, al	**17,770,915.00**	14,032,294.31

47. Investment income

U, i : RMB

Item	Amount for the period	A , r , f, he la e i, d
Gai, f , l, , g- e e í i i, . e e, . acc, r , ed f, r . i, g he e í i e h, d	**(242,363.72)**	(106,457.89)
O he .	**202,596.63**	3,490,824.04
T, al	**(39,767.09)**	3,384,366.15

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

48. Credit impairment losses

U, i : RMB

Item	Amount for the period	A , , ' f, he la e i, d
L, . . , bad deb . , f bill eceiable	**936,263.73**	(2,602,376.56)
L, . . , bad deb . , f acc, ' . eceiable	**4,580,429.76**	(4,768,618.30)
L, . . , bad deb . , f , he eceiable	**3,314,998.60**	(2,376,261.95)
L, . . , i ai e , f l, a, .	**(7,689,658.49)**	(7,256,011.73)
T, al	**1,142,033.60**	(17,003,268.54)

49. Loss on impairment of assets

U, i : RMB

Item	Amount for the period	A , , ' f, he la e i, d
II. L, . . , i ai e , f i, . e , ie a, d l, . . , i ai e , f c, . . , f c, , ac e f, a, ce	**(1,047,770.83)**	(13,855,612.46)
XI. L, . . , i ai e , f g, , d ill	**—**	(23,683,383.21)
T, al	**(1,047,770.83)**	(37,538,995.67)

V. Notes to the Consolidated Financial Statements *(continued)*

50. Gain on disposal of assets

U, i : RMB

Source of gain on disposal of assets	Amount for the period	A , r , f, he la e i, d
Gai, . , , di , . al , f , , , -o ' e, a . e .	**353,358,239.23**	7,152,864.22
I, cl di, g: Gai, . , , di , . al , f , , , -o ' e, a . e . cla . i ed a held-f, -. ale	—	
I, cl di, g: Gai, . , , he di , . al , f ed a . e .	—	
Gai, . , , di , . al , f i, a, gible a . e .	—	
Gai, . , , di , . al , f , , , -o ' e, a . e . , , cla . i ed a held-f, -. ale	**353,358,239.23**	7,152,864.22
I, cl di, g: Gai, . , , he di , . al , f ed a . e .	**180,980,820.92**	2,140,948.22
Gai, . , , di , . al , f i, a, gible a . e .	**172,377,418.31**	5,011,916.00
T, al	**353,358,239.23**	7,152,864.22

The gai, . , , di , . al , f a . e . , f he G , r ' f, he ea i, cl ded he , , f RMB353,358,239.23 f , he . ale , f br ildi, g a, d la, d.

The G , r ' la, . , i, eg a e e i i, g , dr c i, , la, . , achie. e i, e, . i. e , dr c i, , a, age e, , fr ' he ed ce c, . . a, d i, c ea e ef cie, c , a, d i , . e he c, e i. i. e, e . , f he G , r -. , dr c . a, d he G , r -. , abili . Acc, di, g , he e , l ' i, , . , f he . ec, , d e a, di, a ge, e al ee i, g , f he G , r ' i, 2020, he G , r ' . , ld a , f he la, d a, d br ildi, g , Sha, d, , g Sh, r gr a, g Vege able Wh, le ale Ma ke C, ., L d., i h he a, . ac i, , ice , f RMB50,280.80 e, h, r . a, d a . . al ed b Chr , g r i W, ld r i, , A . e . A ai al G , r ' C, ., L d , , ele. a, a . e . .

51. Non-operating Income

U, i : RMB

Item	Amount for the period	A , r , f, he la e i, d	Amount credited to non-recurring pro□t or loss for the current period
O he .	**7,928,370.13**	9,730,641.34	7,928,370.13
T, al	**7,928,370.13**	9,730,641.34	7,928,370.13

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

52. Non-operating expenses

U, i : RMB

Item	Amount for the period	A , , f, he la e i, d	Amount credited to non-recurring pro□t or loss for the current period
D, a i, . , e e, al a ie	**120,000.00**	1,175,000.00	120,000.00
Sc a l, . . , f, , -o e, a . e . l, . .	**2,426,957.31**	1,936,365.35	2,426,957.31
E i a ed liabili ie	**25,358,236.00**	29,170,030.14	25,358,236.00
L, . . , f c edi , ' igh .	**—**	3,438,367.95	
O he .	**669,527.84**	189,339.69	669,527.84
T, al	**28,574,721.15**	35,909,103.13	28,574,721.15

53. Income tax expenses

(1) Income tax expenses list

U, i : RMB

Item	Amount for the period	A , , f, he la e i, d
G e, i, c, e a e e, . e	**1,251,926.93**	3,028,323.01
Defe ed i, c, e a e e, . e	**4,821,219.67**	6,652,382.55
T, al	**6,073,146.60**	9,680,705.56

V. Notes to the Consolidated Financial Statements *(continued)*

53. Income tax expenses *(continued)*

(2) Reconciliations between accounting pro□t and income tax expenses

U, i : RMB

Item	Amount for the period
T, al ,	17,528,546.96
I, c, e a e e, . e calo la ed a . a r ', /a licable a a e	2,629,282.04
Effec , f diffe e, a a e a licable , . r b. idia ie	(16,803,022.11)
Effec , f , , - a able i, c, e	44,785.84
Effec , f , , -ded r ible c, . . , e e, . e a, d l, . .	695,107.57
Effec , f r ili a i, , f e. i, r . l r , ec, g, i ed ded r ible l, . . , , defe ed i, c, e a a . e .	(14,114,859.87)
Effec , f ded r ible e , a diffe e, ce , ded r ible l, . . e , , defe ed i, c, e a a . e . r , ec, g, i ed i, he e i, d	43,212,638.61
Effec , f addi i, . a, d ded r i, . i, e ea ch a, d de. el, e, e e, di r e	(9,590,785.48)
I, c, e a e e, . e	6,073,146.60

54. Other comprehensive income

Refe , , , e VII.34 f, de ail .

55. Items of statement of cash □ows

(1) Other cash received relating to operating activities

U, i : RMB

Item	Amount for the period	A , r , f, he la e i, d
G, . e , e, g a, .	**17,561,596.32**	30,453,297.60
I, e e i, c, e	**5,719,712.15**	8,660,114.82
Dec ea e i, . eo i de , . i .	**—**	266,222,500.56
U, f ee i, g , f ba, k de , . i .	**—**	3,620,000.00
Refr , d , f e ce . . al e-added a aid	**0.00**	12,549,715.93
Refr , d , f a , . e aid	**0.00**	943,465.09
A , r , . d e f , ad i, i a i. e e, i ie	**23,886,941.48**	0.00
O he .	**14,976,987.77**	4,201,886.55
T, al	**62,145,237.72**	326,650,980.55

V. Notes to the Consolidated Financial Statements *(continued)*

56. Supplemental information for statement of cash □ows

(1) Supplemental information for statement of cash □ows

U, i : RMB

Supplemental information	Amount for the period	A , r ¦ f, he la e i, d
1. Reconciliations of net pro□t to cash □ows from operating activities:		
Ne ,	**11,455,400.36**	(224,907,837.56)
Add: P , . i i, ¦ f, i ai e, , f a . e.	**1,047,770.83**	37,538,995.67
C edi i ai e, l, . . e	**(1,142,033.60)**	17,003,268.54
De ecia i, ¦ , f ed a . e. , , il a, d ga a . e. a, d , di c i. e bi, l, gical a . e.	**234,379,707.18**	233,184,214.62
De ecia i, ¦ , f igh -, f- . ¦e a . e.	**0.00**	0.00
A , i a i, ¦ , f i, a, gible a . e.	**19,184,422.00**	19,122,913.33
A , ¦ a i, ¦ , f l, ¦g- e r ¦a , ¦ed e e, . e	**0.00**	0.00
L, . . , ¦ di , . al , f ed a . e. , i, a, gible a . e. a, d , he l, ¦g- e a . e.	**(353,358,239.23)**	(7,152,864.22)
L, . . , ¦ e i e e, , f ed a . e.	**2,426,957.31**	1,936,365.35
L, . . , f cha, ge i, fai , . al ¦e	**0.00**	0.00
Fi, a, ce e e, . e	**123,947,523.59**	153,997,969.29
I, . e e, l, . .	**39,767.09**	(3,384,366.15)
Dec ea e i, defe ed i, c, e a a . e.	**5,014,870.18**	7,024,583.13
I, c ea e i, defe ed i, c, e a liabili ie	**(193,650.51)**	(372,200.58)
Dec ea e i, i, . e, , ie	**144,296,653.68**	93,998,323.97
Dec ea e i, ade ece¡. able	**231,613,916.19**	291,359,462.32
I, c ea e i, ade a able	**(211,811,887.01)**	69,004,590.37
O he .	**0.00**	0.00
Ne ca h , . ge, e a ed f , , e a i, g ac¡. i ie	**206,901,178.06**	688,353,418.08
2. Signi□cant investing and □nancing activities not involving cash receipt or payment:		
Deb . a, . fe ed , ca i al	**0.00**	0.00
C, , . e ible c , a e b, , d d ¦ é i hi, , , e ea	**0.00**	0.00
Fi ed a . e. r ¦de , a, ce lea e	**0.00**	0.00
3. Net changes in cash and cash equivalents:		
Bala, ce , f ca h a he e, d , f he e i, d	**699,989,196.48**	496,256,836.18
Le . : Bala, ce , f ca h a he begi, , i, g , f he e i, d	**496,256,836.18**	578,924,482.20
Add: Bala, ce , f ca h e i¡. ale, . a he e, d , f he e i, d	**0.00**	0.00
Le . : Bala, ce , f ca h e i¡. ale, . a he begi, , i, g , f he e i, d	**0.00**	0.00
Ne i, c ea e i, ca h a, d ca h e i¡. ale, .	**203,732,360.30**	(82,667,646.02)

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

56. Supplemental information for statement of cash □ows *(continued)*

(2) Composition of cash and cash equivalents

U, i : RMB

Item	Amount at the end of the period	A , r ' a he begi, , i, g , f he e i, d
I. Ca h	**699,989,196.48**	496,256,836.18
I, cl di, g: Ca h , , ha, d	**53,744.41**	183,974.68
Ba, k de , . i . eadil a, ailable f, a e, .	**509,428,523.97**	298,376,840.40
O he , , e a fi ' d eadil a, ailable f, a e, .	**190,506,928.10**	197,696,021.10
III. Bala, ce , f ca h a, d ca h e i_i' ale, . a he e, d , f he e i, d	**699,989,196.48**	496,256,836.18

O he de c i i, , :

A he e, d , f he ea , he C, a, had . eo ' i de , . i . f, ba, k acce a, ce bill i h a r ' i da e , . e 3 , , h . , f RMB59,664,500.00.

A , f 31 Dece be 2020, he C, a, had bala, ce , f , , e a fi ' d , f RMB759,979,803.03, hich i i, cl ded i, he . a e e, , f ca h fl, . r ' de ca h bala, ce a he e, d , f he e i, d a , r ' i, g RMB699,989,196.48. The diffe e, ce a he . eo ' i de , . i . f, ba, k acce a, ce bill d é , . e 3 , , h . , f RMB59,664,500.00 a, d he f , 4 e, ba, k de , . i . , f RMB 326,106.55 d é , li iga i, , . . A i i e ic ed f, r . ' e, i a , , acc, r ' ed f, a ca h a, d ca h e i_i' ale, . .

57. Assets with ownership or right to use restrictions

U, i : RMB

Item	Book value Ban2f RMB6837cri[illegible]9.68

V. Notes to the Consolidated Financial Statements *(continued)*

58. Foreign currency monetary items

(1) Foreign currency monetary items

U, i : RMB

Item	Balance in foreign currency at the end of the period	Exchange rate	Balance in RMB at the end of the period
M, , e a fi , d			197,995,726.66
I, cl di, g: USD	30,344,637.26	6.5249	197,995,723.66
EUR	0.37	8.0250	2.97
HKD	0.03	0.8416	0.03
Acc, r , . ece, able			113,919,540.28
I, cl di, g: USD	17,278,437.25	6.5249	112,740,075.21
EUR	146,973.84	8.0250	1,179,465.07
Sh, - e b, , i, g			32,624,500.00
I, cl di, g: USD	5,000,000.00	6.5249	32,624,500.00
Acc, r , . a able			20,019,063.18
I, cl di, g: USD	3,068,102.68	6.5249	20,019,063.18
C, , ac liabili ie			27,324,814.53
I, cl di, g: USD	4,187,775.22	6.5249	27,324,814.53
L, , g- e b, , i, g			

(2) Information on foreign operating entities including (in case of signi□cant foreign operating entities) the disclosures of their overseas principal place of business, reporting currency and basis for selection, and reasons for changes of the reporting currency.

A licable □ N, a licable

MPM, a c, , lled . r b. idia , f he C, a, (ha. i, g 90% , f i . . ha eh, ldi, g. a, d . . , i, g igh .) i. d, iciled a, d i, ci all , e a ed i, H, , g K, , g a, d i . e , i, g o e, c i. USD.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

V. Notes to the Consolidated Financial Statements *(continued)*

59. Government grants

(1) General information of government grants

U, i : RMB

Type	Amount	Item presented	Amount included in pro□t or loss for the period
c, , a e. r ' , .r b. idie	13,041,300.00	O he i, c, e	13,041,300.00
S abili .r b. idie a, d. , cial i, .r 'a, ce .r b. idie	2,244,789.32	O he i, c, e	2,244,789.32
G a, . f, defe, . e ba e e, c, . r ć i,	395,497.24	Defe ed i, c, e	35,954.30
Re a d f, ech, . l, gical i, , , . a i, , a e, . a, d ac í i' i i, , . f i, e , a i, , al b a, d	1,630,000.00	O he i, c, e	1,630,000.00
G a, . f, a, cilla i, f a r ć r 'e	6,780,983.62	Defe ed i, c, e	173,871.38
O he .	645,000.00	O he i, c, e	645,000.00
T, al	24,737,570.18		17,770,915.00

(2) Refund of government grants

☐ A licable N, a licable

O he de c i i, , :

The G , r ' had , , ef, ' d , f g, . e , e, g a, . d ' i, g he e i, d.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VI. Changes in scope of consolidation

Sh r g a g Ma l g Old Me al Rec cle C ., L d. (壽光市懋隆廢舊金屬回收有限公司), a h ll - ed r b idia f he C a , c le ed he li í ida i , ce . a d r b i ed a lica i f de egi a i i h he ele a g e e a h i ie i Dece be 2019. O 18 Feb r a 2020, he C a ecei ed he ice f de egi a i a al f he Ad i i a i e E a i a i a d A al Se ice Br ea f Sh r g a g Ci g a i g he a al f de egi a i f he c a . S he c a ha bee i cl ded i he c e f c lida i d i g he ea .

We de g Ba l g Rec clable Re r ce C ., L d. (文登市寶隆再生資源有限公司), a h ll - ed r b idia f he C a , c le ed he li í ida i , ce . a d r b i ed a lica i f de egi a i i h he ele a g e e a h i ie i Dece be 2019. O 24 Dece be 2019, he C a ecei ed he ice f de egi a i a al f he Ad i i a i e E a i a i a d A al Se ice Br ea f We de g Ci g a i g he a al f de egi a i f he c a . S he c a ha bee i cl ded i he c e f c lida i d i g he ea .

VII. Interests in other entities

1. Interests in subsidiaries

(1) Structure of the business group

Name of subsidiary	Principal place of operation	Place of registration	Business nature	Issued share capital/ registered capital	Form of business/ nature of entity	Percentage of shareholding Direct	Percentage of shareholding Indirect	Type of legal entity	Method of acquisition
MPM	H g K g, Chi a	H g K g, Chi a	T adi g	USD100 e h r a d	Li i ed c a	90.00%	0.00%	F - c a i	Br i e c bi a i r de r c c l
Sh r g a g Ma l g	Sh r g a g, Chi a	Sh r g a g, Chi a	Ma r fac i g	RMB71,238 e h r a d	Li i ed c a	100.00%	0.00%	F - c a i	Br i e c bi a i r de r c c l
M l g E í i e	Sh r g a g, Chi a	Sh r g a g, Chi a	Ma r fac i g	USD100 e h r a d	Li i ed c a	0.00%	100.00%	F - c a i	Br i e c bi a i r de r c c l
Sh r g a g Ba l g	Sh r g a g, Chi a	Sh r g a g, Chi a	Ma r fac i g	RMB15,000 e h r a d	Li i ed c a	70.00%	0.00%	F - c a i	E abli h e b i e e
Weihai Ba l g	Weihai, Chi a	Weihai, Chi a	Ma r fac i g	RMB2,600 e h r a d	Li i ed c a	61.54%	38.46%	F - c a i	Br i e c bi a i r de r c c l
M l g L gi ic	Sh r g a g, Chi a	Sh r g a g, Chi a	Se ice	RMB300 e h r a d	Li i ed c a	100.00%	0.00%	F - c a i	E abli h e b i e e
M l g I&E	Sh r g a g, Chi a	Sh r g a g, Chi a	I a d e	RMB1,000 e h r a d	Li i ed c a	100.00%	0.00%	F - c a i	E abli h e b i e e
Ba l g C r l a c	Sh r g a g, Chi a	Sh r g a g, Chi a	Se ice	RMB15,000 e h r a d	Li i ed c a	0.00%	50.00%	F - c a i	Br i e c bi a i r de r c c l
M l g E e g	Sh r g a g, Chi a	Sh r g a g, Chi a	Se ice	RMB1,000 e h r a d	Li i ed c a	51.00%	0.00%	F - c a i	E abli h e b i e e

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VII. Interests in other entities *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Structure of the business group *(continued)*

Sa, e f, he di cl, . ed ab, . e, a a 31 Dece be 2020, , . , e , f he . r b idia ie , f he C, a, ha i . r ed a, deb . ec i ie .

Rea . , f, c, , l . e i, e ee ca, be e ai, ed ih le . ha, half , f . , i, g igh . , a, d c, , l . e i, e ee a l, . ih , e ha, half , f . , i, g igh . :

The G , r ' a he la ge . ha eh, lde , f Ba, l, , g C, , . r l' a, c h, ldi, g 50% e i i' i, e e . The , he . i . ha eh, lde . e e all , a r 'al e . , , . a, d he . ha eh, ldi, g e e di e . ed (a a e ce, age , f 10% , 6.67%). A . i r la ed i, he a icle , f a . , cia i, , , f Ba, l, , g C, , . r l' a, c , f, a e , h 'i, , , . ed a b, a d ee i, g, each e . , , ca, ca , , e . , e. A b, a d e , h 'i, , . hall be a . ed b a aj, i , f di ec , . . The c, a, had 3 di ec , . , all , f he e e a , i, ed b he G , r ' . The G , r ' had de fac , c, , l . e Ba, l, , g C, , . r l' a, c , a, d he ef, e, i a i, cl ded i hi, he . c, e , f c, , . , lida i, , .

(2) Signi□cant non-wholly owned subsidiaries

U, i : RMB

Name of subsidiary	Shareholdings of minority shareholders	Pro□t and loss attributable to minority shareholders for the period	Dividends declared to minority shareholders for the period	Balance of minority shareholders at the end of the period
Sh, r g a, g Ba, l, , g	30.00%	(19,721,322.69)	0.00	(50,841,975.41)
Ba, l, , g C, , . r l' a, c	50.00%	(976,875.19)	0.00	71,780,347.47
T, al		(20,698,197.88)	0.00	20,938,372.06

(3) Key □nancial information of signi□cant non-wholly owned subsidiaries

U, i : RMB

	Balance at the end of the period						Balance at the beginning of the period					
Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Sh, r g a, g Ba, l, , g	358,593,909.81	433,636,788.16	792,230,697.97	899,430,924.37	0.00	899,430,924.37	513,557,768.92	464,035,585.79	977,593,354.71	1,018,236,789.18	0.00	1,018,236,789.18
Ba, l, , g C, , . r l' a, c	143,581,857.20	0.00	143,581,857.20	21,162.25	0.00	21,162.25	145,547,064.05	7,415.35	145,554,479.40	40,034.08	0.00	40,034.08

VII. Interests in other entities *(continued)*

1. Interests in subsidiaries *(continued)*

(3) Key □nancial information of signi□cant non-wholly owned subsidiaries *(continued)*

U, i : RMB

Name of subsidiary	Amount for the period				Amount for the last period			
	Operating revenue	Net pro□t	Total comprehensive income	Cash □ows from operating activities	Operating revenue	Net pro□t	Total comprehensive income	Cash □ows from operating activities
Sh, ı g a, g Ba, l, g	1,686,441,547.74	(66,556,791.93)	(66,556,791.93)	190,040,654.33	2,429,768,366.38	(74,793,250.02)	(74,793,250.02)	356,131,767.71
Ba, l, g C, , ı l a, c	1,752,079.19	(1,953,750.37)	(1,953,750.37)	9,694,608.84	1,105,495.28	(2,810,709.71)	(2,810,709.71)	(100,011,151.88)

(4) Major restrictions on the use of assets and settlement of debts of the business group

Nil

(5) Provision of □nancial or other support for structured entity that is consolidated into the consolidated □nancial statements

Nil

2. Transactions with changes in share of owners' equity but retain control over subsidiary

(1) Details of the change in owners' equities of the subsidiary

Nil

3. Interests in joint venture arrangement or associate

(1) Company of joint venture or associate

U, i : RMB

Name of associate	Principal place of operation	Place of registration	Business nature	Percentage of shareholding (%)		Accounting method for investment in joint venture or associate
				Direct	Indirect	
Ka a a Yal, g Pe , le ı Machi, e C, ., L d	Ka a a	Ka a a	Ma, ı fac ı i, g	0.00	30.00	E í i e h, d

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VII. Interests in other entities *(continued)*

3. Interests in joint venture arrangement or associate *(continued)*

(2) Summarised □nancial information for insigni□cant joint venture or associate

U, i : RMB

	Balance at the end of the period/ Amount for the period	Bala, ce a he begi, , i, g , f he e i, d/ A , , f, he la e i, d
J, i, - . e, , e:	—	
T, al a , , f, he f, ll, i, g i e . calc- la ed b , , i, , f . ha eh, ldi, g	—	
A . , cia e:	—	
T, al ca i, g a , , f i, . e e,	**2,314,697.29**	2,557,061.01
T, al a , , f, he f, ll, i, g i e . calc- la ed b , , i, , f . ha eh, ldi, g	—	
Ne ,	**(242,363.72)**	(106,457.89)

(3) Major restrictions on the ability of transferring funds to the Company of joint venture or associate

The e e e, , a e ial e ic i, . , , he ca aci , f a, a . , cia e , a, . fe ca i al , he C, a, .

(4) Excessive losses incurred by joint venture or associate

N, e, f he a . , cia e i, c ed a, e ce . i, e l, . . e .

(5) Unrecognised commitment relating to investment in joint venture

The G , , did , , ha, e a, , ec, g, i ed c, i e, i, ela i, , , j, i, - . e, , e .

(6) Contingent liabilities relating to investment of joint venture or associate

The G , , had , , c, , i, ge, liabili ie ela i, g , i, . e e, , f j, i, - . e, , e.

4. Interest in structured entity that is not included in the scope of consolidated □nancial statements

De c i i, , . , f, , c, , . , lida i, g . , c , ed e, i ie i, , he c, , . , lida ed , a, cial . a e e, . :

The G , , had , . , c , ed e, i ha i , , i, cl ded i, he . c, e , f c, , . , lida ed , a, cial . a e e, . .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The G , r ' ' aj, , a, cial i, . r ' e, . i, cl de b, , i, g , acc, r , ' . ece, i. able, acc, r , ' . a able a, d , he . . De ailed de c i i, , . , f he e , a, cial i, . r ' e, . a e . e , r ' i, N, e VI. Ri k a . , cia ed i h he e , a, cial i, . r ' e, . a, d he i k a, age e, , licie ad, ed b he G , r ' , i iga e . r ch i k a e de c ibed bel, . The a, age e, , f he G , r ' a, age a, d , , i , . he e i k e , . r ' e , e, . r ' e . r ch i k a e c, , ai, ed i hi, a e c ibed . c, e.

1. Objectives and policies of risk management

The G , r ' e, gage i, i k a, age e, i h he ai , f achie, i, g a, a , ia e bala, ce be ee, i k a, d e. e, r e, he e he , ega, i. e effec . , f i k agai, . he G , r ' ' . , e a i, g e r l ' . a e i, i i ed, i h a . ie , a i i e he be, e . , f . ha eh, lde . a, d , he . akeh, lde . . Ba ed , , . r ch , bjec, i. e , f i k a, age e, , he r , ' de l i, g . a eg , f he G , r ' ' . i k a, age e, i , a ce ai, a, d a, al . e all e , f i k e , . r ' e , f he G , r ' , e abli h a , ia e i k , le a, ce h e h, ld , ca , r ' i k a, age e, , ced r ' e a, d e f, i k , , i , i, g , , all ki, d , f i k i, a i el a, d eliable a, , e , h r . ' c, , ai, i, g i k e , . r ' e i hi, a e c ibed . c, e.

(1) Market risks

1) *Foreign exchange risk*

F, eig, e cha, ge i k e e e, . i k , f l, . . i, o ' ed a a e r l ' , f cha, ge i, e cha, ge a e. The G , r ' i ai, l e , . ed , f, eig, e cha, ge i k i, c, , , ec i, , i h USD, HKD a, d EUR, e ce f, he a e, c, a, a, d i . . r b idia ie MPM , f he G , r ' hich e, e ed r ' cha e a, d . ale i, USD, EUR a, d HKD, , he i, ci al , e a i, g ac, i. i ie , f he G , r ' a e . e led i, RMB. A a 31 Dece be 2020, e ce f, he USD bala, ce i, a . e . a, d liabili ie , , dd , , ie i, EUR a, d HKD bala, ce a . e , r ' bel, , all bala, ce , f a . e . a, d liabili ie , f he G , r ' e e de, , i, a ed i, RMB. The f, eig, e cha, ge i k a i i, g f , he e a . e . a, d liabili ie i, USD bala, ce a affec he , e a i, g e r l ' . , f he G , r ' .

Item	31 December 2020	31 Dece be 2019
M, , e a fr , d USD	**197,995,723.66**	116,873,789.09
M, , e a fr , d EUR	**2.97**	2.89
M, , e a fr , d HKD	**0.03**	0.00
Acc, r , ' . ece, i. able USD	**112,740,075.21**	148,370,657.42
Acc, r , ' . ece, i. able EUR	**1,179,465.07**	1,086,523.61
Sh, - e b, , i, g USD	**32,624,500.00**	34,881,000.00
Acc, r , ' . a able USD	**20,019,063.18**	31,540,777.37
C, , ac liabili ie USD	**27,324,814.53**	0.00

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(continued)*

1. Objectives and policies of risk management *(continued)*

(1) Market risks *(continued)*

1) Foreign exchange risk (continued)

The G , r ' cl, . el , i, . he effec , f cha, ge i, f, eig, e cha, ge a e , he G , r '.

The G , r ' ha. al a . laced i. c, ce, , he e. ea ch , f f, eig, e cha, ge i. k a, age e, licie a, d . a egie . I ai, ai, . cl, . e c, -, e a i, i h , a, cial i, . i r ' i, . e, gagi, g i, f, eig, e cha, ge b . ' i, e . , a, d a a, ge fa . , r ' able . e le e, e . i, c, ac . , ed ce f, eig, e cha, ge i. k. Mea, hile, i h he c, i, r , r . ' i, c ea. e i, he , . i, , f i, e, a i, al a. ke , if i. k be , d he c, , l , f he G , r ', . r ch a he a ecia i, , f RMB, he G , r ' ill i iga e . r ch i. k . . ia . r i' able adj . ' e, , f . ale . a egie .

2) Interest rate risk

I, e e a e i. k efe . , he i. k ha he fai . . al e, fi h ' e ca h , , f a , a, cial i, . r ' e, ill r c r á e beca . ' e , f he cha, ge i, a ke i, e e a e. The G , r ' ' i, e e a e i. k a i e f, i, e e -bea i, g liabili ie , . r ch a b, , i, g f, , a, cial i, . i r ' i, , . . Fi, a, cial liabili ie i . r ed a , a i, g a e e , . e he G , r ' , ca h , i, e e a e i. k. Fi, a, cial liabili ie i . r ed a ed a e e , . e he G , r ' , fai . . al e i, e e a e i. k. The G , r ' de e i, e he ela . i . e , , i, , . , f i . fi ed a e a, d fl, a i, g a e c, ac . de e, di, g , he e. aili, g a ke c, di i, , . . A a 31 Dece be 2020, he G , r ' ' i, e e. -bea i, g liabili ie e e ai, l fl, a i, g- a e l, a, c, ac . a , r ' i, g , RMB573,800,000.00 (31 Dece be 2019: RMB594,800,000.00) a, d ed- a e l, a, c, ac . de, , i, a ed i, RMB a , r ' i, g , RMB1,728,667,136.33 (31 Dece be 2019: RMB1,875,393,674.86).

The G , r ' ' i. k , f cha, ge i, fai . . al e, f , a, cial i, . r ' e, . e r ' ed f , he cha, ge i, i, e e a e a ai, l a . , cia ed i h ed- a e ba, k l, a, . . The G , r ' ai . a ai, ai, i, g he e ed a e ba, k l, a, . a , a i, g a e .

The G , r ' ' i. k , f cha, ge i, ca h , , f , a, cial i, . r ' e, . e r ' ed f , he cha, ge i, i, e e a e a ai, l a . , cia ed i h , a i, g- a e ba, k l, a, . . The G , r ' ' , lic i , ai, ai, he e l, a, . a , a i, g a e , . , a , eli i, a e fai . . al e i. k a i i, g f , cha, ge i, i, e e a e.

The C, a, de ig, . a i, , all c edi li, e , . a i, r . ' c edi e a, d he e , f c edi li, e h , r gh he e abli h e, , f g, , d ela i, , . be ee, ba. k a, d e, e i e , e, r ' e . r f cie, ba. k li, e , f c edi a, d ee he C, a, ' . . a i, r . ' e , f , eed f , . h, - e fi, a, ci, g. Mea, hile, he C, a, ed ce a i, , all i. k , f i, e e a e r c r á i, , . b . h, e i, g he d ' a i, , , f a . i, gle b, , i, g a, d . ecial ag ee e, , , ea l e a e, e . .

3) Price risk

The G , r ' . ell e al , d c . a a ke ice . , a , be i, r e, ced b r c r á i, , i, . elli, g ice.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(continued)*

1. Objectives and policies of risk management *(continued)*

(2) Credit risk

A a 31 Dece be 2020, he bigge c edi i k e , . e ha a ca . e a cial l . . , he G , ai l de i ed f , he fac ha he , he a , f he c ac , , hich he C a i al , a a , c ld , fi l l hei , bliga i , . a d ca . ed l . . , he G , ' . a cial a . e . , hich i cl de :

The b , k . al e , f he fi a cial a . e hich ha bee ec g i ed i he c , . , lida ed bala ce . hee ; i e ec , f a cial i . e . ha a e ea ed b fai . al e, he b , k . al e e ec . i . i k e , . e, b , i . bigge i k e , . e, he bigge i k e , . e ill cha ge a he fi e fai . al e cha ge .

I , de , i i e he c edi i k, he G , c d c . a e ie , he de e i a i , a d a . al , f c edi li i . , a d ca ie , , he , i , i g , ced e , e . e ha f ll , ac i , i ake , ec . e . e d e deb . . I addi i , , he G , e ie . he ec . e able a , , f each i di id al ade deb a each bala ce . hee da e , e . e ha ade a e i ai e l . . e a e ade f i ec . e able a , . . I hi ega d, he a age e , f he C a c , . ide . ha he G , ' c edi i k i . ig i ca l ed ced.

The G , ai ai . i . , ki g ca i al i h e able ba k . The ef e, he c edi i k f . ch i i i al.

The G , ha ad ed ece . a licie , e . e ha all he ade c . e . ha e g , d c edi hi , . A a f , he , . e acc , . ecei able, he G , ha , , he . ig i ca c ce a i , , f c edi i k.

T al a , , f , 5 acc , ecei able : RMB316,173,283.80.

(3) Liquidity risk

The li i idi i k i he G , ' i , . . ibili , e f i . a cial , bliga i , . af e he a i da e. I he a age e , f he li i idi i k, he G , , i , . a d ai ai . a le el , f , ki g ca i al dee ed ade a e b he a age e , e f he G , ' . , bliga i , . , h . ill , ca . e l . . , da age , he e a i , , f he G , . M e . e , he G , a al . e i . deb . c e a d deadli e eg la l a d ai ai . . fficie fi d. The a age e , i , . he ili a i , , f ba k b , i g a d e . e c lia ce i h l a c . e a . . Mea hile, he a age e kee . i , ch i h a cial i . i i , . a d ake c , . l a i , . , a ci g i . e , , ai ai e , gh c edi li i . a d i iga e li i idi i k.

The G , ' ai ca i al . , ce i f b , i g f , a cial i . i i , . . A a 31 Dece be 2020, he G , ' . ed c edi li i . ided b he a cial i . i i , . a RMB567,336,700.00 (31 Dece be

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(continued)*

1. Objectives and policies of risk management *(continued)*

(3) Liquidity risk *(continued)*

The f, ll, i, g able de , , . a e he , a, cial a . e . a, d , a, cial liabili ie held b he G , r ' acc, di, g , he a r 'i , f r ' di c, r ' ed e ai, i, g c, , ac r ál , bliga i, , . :

A , r ' a 31 Dece be 2020:

Item	Within 1 year	1–2 years	2–5 years	Over 5 years	Total
Financial assets					
M, , e a fi, d	759,979,803.03				759,979,803.03
Bill ece, able	164,945,170.51				164,945,170.51
Acc, r ' . ece, able	287,920,595.28				287,920,595.28
Fi, a, ci, g ece, able	33,575,777.00				33,575,777.00
L, a, . a, d ad, a, ce	951,005.30				951,005.30
O he ece, able	156,486,818.72				156,486,818.72
Financial liabilities					
Sh, - e b, , i, g	2,054,225,378.29				2,054,225,378.29
Bill a able	121,472,511.10				121,472,511.10
Acc, r ' . a able	648,352,428.48				648,352,428.48
O he a able	43,853,326.94				43,853,326.94
N, , -o ' e, liabili ie d é i hi, , e ea	139,784,923.46				139,784,923.46
O he o ' e, liabili ie	50,195,434.08				50,195,434.08
Lea e liabili ie		4,968,359.84			4,968,359.84
L, g- e b, , i, g		114,063,150.53			114,063,150.53
L, g- e a able		4,585,000.00			4,585,000.00

2. Sensitivity analysis

The G , r ' a lie . e, . i_i, i , a, al 4 e he a i, , ali , f ech, ical i k . a iable a, d he effec . , f , . . ible cha, ge , , , a, d l, . . , . ha eh, lde . ' e í i'

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(continued)*

2. Sensitivity analysis *(continued)*

(1) Sensitivity analysis of foreign exchange *(continued)*

Based on the above assumptions, the following table indicates the instantaneous changes in the Group's net profit and other comprehensive income and owners' equity that would arise if foreign exchange rates for financial instruments denominated in foreign currencies had reasonably possible changes at the balance sheet date, with all other variables remaining constant:

		2020		2019	
Item	**Change in exchange rate**	**Effect on net profit**	**Effect on owners' equity**	Effect on net profit	Effect on owners' equity
All foreign currencies against RMB	5% appreciation against RMB	**9,870,299.53**	**9,870,299.53**	8,496,140.81	8,496,140.81
All foreign currencies against RMB	5% depreciation against RMB	**(9,870,299.53)**	**(9,870,299.53)**	(8,496,140.81)	(8,496,140.81)

(2) Sensitivity analysis of interest rate risk

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rates;

For fixed rate financial instruments measured at fair value, changes in market interest rates affect the interest income or expense of financial instruments with fixed interest rates;

The changes in fair value of derivative financial instruments and other financial assets or liabilities are calculated by discounting the future cash flows after the balance sheet date.

Based on the above assumptions, the following table indicates the instantaneous changes in the Group's net profit and other comprehensive income and owners' equity that would arise if interest rates for financial instruments with variable interest rates had reasonably possible changes at the balance sheet date, with all other variables remaining constant:

		2020		2019	
Item	**Change in exchange rate**	**Effect on net profit**	**Effect on owners' equity**	Effect on net profit	Effect on owners' equity
Variable-rate borrowings	Increased 1%	**(2,707,292.50)**	**(2,707,292.50)**	(2,656,155.56)	(2,656,155.56)
Variable-rate borrowings	Decreased 1%	**2,707,292.50**	**2,707,292.50**	2,656,155.56	2,656,155.56

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

IX. Fair value disclosures

A a 31 Dece be 2020, he G , r ' : , a, ci, g ece, i. able e e ea r 'ed a fai _. al é. A he ela ed ba, k acce a, ce bill had . h, a r 'i ie , he diffe e, ce be ee, hei fai _. al é a, d ca i, g a . r ' a i, i al.

The G , r ' : , a, cial a . e . a, d liabili ie , ea r 'ed a fai _. al é ai, l i, cl ded: acc, r ' . ece, i. able , . h, - e b. , i, g , acc, r ' . a able a, d l, g- e b. , i, g . The diffe e, ce be ee, b. , k . al é a, d fai _. al é , f , a, cial a . e . a, d liabili ie ea r 'ed a fai _. al é a i a e ial.

X. Related Party and Related Party Transactions

1. Parent company of the Company

De c i i, , , f he a e, c a, , f he C, a,

O, 28 Se e be 2020, Zha, g E, R, g, he , igi, al c, , , lli, g . ha eh, lde a, d ac r al c, , , lle , f he C, a, , a, d Sha, d, g Sh, r gh a, g Ji, i, l . e e, De el e, H, ldi, g G , r ' Li i ed e, e ed i, , he V, i, g Righ . N, i, a i, , Ag ee e, be ee, Sha, d, g Sh, r gh a, g Ji, i, l . e e, De el e, H, ldi, g G , r ' Li i ed a, d Zha, g E, R, g , , he 29.53% Sha e , f Sha, d, g M, l, g Pe , le r ' Machi, e C, a, Li i ed. Pi r ' a, , hich, Zha, g E, R, g , , i, a ed Sh, r gh a, g Ji, i, , e e ci. e all he . , i, g igh . c, e. , , di, g , 235,617,000 . ha e , f he C, a held b hi (acc, r , i, g f, 29.53% , f he , al . ha e ca i al , f he li ed c, a). The c, , , lli, g . ha eh, lde , f he C, a ha cha, ged , Sh, r gh a, g Ji, i, , a, d he ac r al c, , , lle , f he C, a ha cha, ged , he S a e-, , ed A . e . Si 'e . i i, , a, d Ad i, i a i, , Br ea ', f Sh, r gh a, g Ci .

The r l' i a e c, , , lle , f he C, a i. S a e-, , ed A . e . Si 'e . i i, , a, d Ad i, i a i, , Br ea ', f Sh, r gh a, g Ci .

O he de c i i, , :

(1) Registered capital of the controlling shareholder and its change

Controlling shareholder	Bala, ce a he begi, , i, g , f he ea	I, c ea e d i, g he ea	Dec ea e d i, g he ea	**Balance at the end of the year**
Sh, r gh a, g Ji, i,	360,000,000.00	0.00	0.00	**360,000,000.00**

(2) Shares or interests held by controlling shareholder and changes of such shares and interests

	Amount of shareholding		**Shareholding percentage (%)**	
Controlling shareholder	**Balance at the end of the year**	Bala, ce a he begi, , i, g , f he ea	**Percentage at the end of year**	Pe ce, age a he begi, , i, g , f ea
Sh, r gh a, g Ji, i,	**0.00**	0.00	**0.00**	0.00

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

X. Related Party and Related Party Transactions *(continued)*

1. Parent company of the Company *(continued)*

O, 28 Se e be 2020, Zha, g E, R, g, he , igi, al c, , lli, g . ha eh, lde a, d ac ı al c, , lle , f he C, a, , a, d Sha, d, g Sh, ı gı a, g Ji, i, l, . e e, De. el, e, H, ldi, g G , ı l Li i ed e, e ed i, , he V, i, g Righ . N, i, a i, , Ag ee e, be ee, Sha, d, g Sh, ı gı a, g Ji, i, l, . e e, De. el, e, H, ldi, g G , ı l Li i ed a, d Zha, g E, R, g , , he 29.53% Sha e , f Sha, d, g M, l, g Pe , le l Machi, e C, a, Li i ed. Pı l a, , hich, Zha, g E, R, g , , i, a ed Sh, ı gı a, g Ji, i, , e e ci. e all he . , i, g igh . c, e. , , di, g , 235,617,000 . ha e , f he C, a, held b hi (acc, ı , i, g f, 29.53% , f he , al . ha e ca i al , f he li ed c, a,). The c, , lli, g . ha eh, lde , f he C, a, ha cha, ged , Sh, ı gı a, g Ji, i, .

2. Subsidiaries of the Company

Si b. idia ie , f he C, a, a e de ailed i, , e IX.1.

3. Joint ventures and associates of the Company

The f, ll, i, g j, i, . . e, ı le , a . , cia e e, e ed i, , ela ed a, . ac i, , . i h he C, a, di i, g he e i, d , had bala, ce f , ela ed a, . ac i, , . i h he C, a, f, he i, e i, d:

Name of joint venture or associate	Relationship with the Company
Ka a a Yal, , g Oil Pı l C, a, Li i ed	A . , cia e , f he C, a,

4. Other related party

Name of other related party	Relationship between other related party and the Company
Zha, g E, R, g	The , igi, al c, , lli, g . ha eh, lde a, d he ac ı al c, , lle , f he C, a, di i, g a el. e , , h.
Sh, ı gı a, g M, l, g Gı l ı al T a, . i . i, , C, ., L d.	O he c, a, c, , lled b he , igi, al c, , lli, g . ha eh, lde di i, g a el. e , , h.
Sha, d, g Sh, ı gı a, g Ji, i, l, . e e, De. el, e, H, ldi, g G , ı l Li i ed	C, , lli, g . ha eh, lde , f he C, a,
Sh, ı gı a, g Ji, . he, g l, . e e, C, ., L d. (壽光金盛投資有限公司)	A . ı b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sha, d, g Chi i, g Sal Che i C, ., L d. (山東池銘鹽化有限公司)	A . ı b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, ı gı a, g Fı ı a, Sal C, ., L d. (壽光市富源鹽業有限公司)	A . ı b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, ı gı a, g R, gge, g Ag io l ı al Tech, , l, g C, ., L d. (壽光融耕農業科技有限公司)	A . ı b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, ı gı a, g Ji, ha, Si l Chai, Ma, age e, C, , L d. (壽光金瀚供應鏈管理有限公司)	A . ı b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, ı gı a, g Tia, i Ne E, e g C, ., L d. (壽光天一新能源有限公司)	A . ı b. idia , f he c, , lli, g . ha eh, lde , f he C, a,

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

X. Related Party and Related Party Transactions *(continued)*

4. Other related party *(continued)*

Name of other related party	Relationship between other related party and the Company
Sh, r g á, g Heda P, la Ocea, W, ld C, ., L d. (壽光合達極地海洋世界有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g R, , g r á, Ag io l' r 'al Tech, . l, g C, ., L d. (壽光市融源農業科技有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g Fe, gh i' Ag io l' r 'al Tech, . l, g C, ., L d. (壽光市豐匯農業科技有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g Xi, ji, g T, r 'i De. el, e, C, ., L d. (壽光市鑫景旅遊發展有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g J r dia, h r 'Ha, ha, J, La, d Pla g , r , d C, ., L d. (壽光市洀澱湖浩瀚歡樂世界遊樂園有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g J r dia, h r 'Ha, a, g Wa e W, ld Pla g , r , d C, ., L d. (壽光市洀澱湖浩洋水世界遊樂園有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g Ha, a, g Ca e i, g C, ., L d. (壽光市浩洋餐飲有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g Ga, i, Di ic l, f a r ć r 'e De. el, e, C, ., L d. (壽光市高新區基礎設施開發有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g Ji, , r 'Hea i, g P, e C, ., L d. (壽光市金投熱力有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g G , ' r 'Ne E, e g C, ., L d. (壽光市國譽新能源科技有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sha, d, , g L, , g i, g Pla ic Fil Tech, . l, g C, ., L d. (山東龍興塑膜科技股份有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g C, , . r ć i, , E, gi, ee i, g Q á li Te i, g C, ., L d. (壽光市建設工程品質檢測有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g F r i' a, d Vege able Va ie Righ T a, . ac i, , Ce, e C, ., L d. (壽光果菜品種權交易中心有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g Ji, d , M, , i T ai, i, g Li i ed C, a, (壽光市金盾機動車駕駛員培訓有限責任公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sha, d, , g Gl, bal S, f a e C, ., L d. (山東環球軟件股份有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sha, d, , g N, , g. he, g l, f, a i, , Tech, . l, g C, ., L d. (山東農聖資訊科技有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sha, d, , g W, h á Heal h Tech, . l, g C, ., L d. (山東沃華健康科技有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Gl, bal W, h á (Beiji, g) S, f a e Tech, . l, g C, ., L d. (環球沃華(北京)軟件科技有限公司)	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g Xi, g r , ' ga, gha, g l, . e e, Ma, age e, Ce, e (Li i ed Pa , e . hi) (壽光市星雲港航投資管理中心(有限合夥))	A . r b. idia , f he c, , lli, g . ha eh, lde , f he C, a,
Sh, r g á, g Fi, a, cial l, . e e, G , r ' C, ., L d. (壽光市金融投資集團有限公司)	A c, a, . e . ed b di ec , . a, d . e, i, a, age e, , f he C, a,

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

X. Related Party and Related Party Transactions *(continued)*

5. Related party transactions *(continued)*

(2) Related guarantees *(continued)*

De c i i, , :

O, 15 Ma 2020, Re , h i, , , he P , . i i, , f Gi a, ee f, Sh, i g a, g Ma, l, g a c, , ide ed a, d a , . ed a he hi d e a, di, a ee i, g , f he . i h . e . i, , f he B, a d , f he C, a, . I a ag eed ha Sh, i g a, g Ma, l, g (a h, ll -, , ed . i b idia) . h, i ld c, e, ce he , . i i, , f c, ehe, . i e , a, cial . e . ice i h Chi, a G ea Wall A . e Ma, age e, C, ., L d. Sha, d, g B a, ch i h a , al a , i, , f , e ceedi, g RMB20,000 e, h, i . a, d a, d i h a e i , 36 , , h . The C, a, , Sh, i g a, g Ba, l, g a, d Weihai Ba, l, g , . ided g a, ee f, Sh, i g a, g Ma, l, g , c, , di c he af, e e, i, , ed b . i, e . b ledgi, g ce ai, , e a, d la, d i . e igh , e ec, i, el , hich had bee, c, , ide ed a, d a , . ed a 2019 ge, e al ee i, g , f he C, a, . Plea e efe , A, , , i, ce e, N, . 2020-030 , f c, i, f, . c, (巨潮資訊網) (.c, i, f, .c, .c,) f, de ail .

The C, a, a a g a, eed a

U, i : RMB

Guarantor	Guarantee amount	Commencement date of the guarantee	Expiry date of the guarantee	Has the guarantee ful□lled
Zha, g E, R, , g	50,011,900.00	09 Oc , be 2017	08 Oc , be 2020	Ye
Zha, g E, R, , g	163,800,000.00	30 N, . e be 2017	29 Dece be 2020	Ye
Zha, g E, R, , g	250,000,000.00	07 Dece be 2018	07 Dece be 2020	Ye
Zha, g E, R, , g	192,408,495.33	30 J, e 2020	30 J, e 2023	N,

De c i i, , . , f ela ed g a, ee

D i g he e , i, g e i, d, M . Zha, g E, R, , g, he , igi, al c, , lli, g . ha eh, lde , f he C, a, , ledged a , f he . ha e , f he C, a, held b hi , . eo e he , a, ci, g g a, ed , he C, a, .

O, 15 Ma 2020, he hi d e a, di, a ee i, g , f he . i h . e . i, , f he B, a d , f he C, a, c, , ide ed a, d a . ed he Re , h i, , , , he P , . i i, , f Gi a, ee f, Sh, i g a, g Ma, l, g. I a ag eed ha Sh, i g a, g Ma, l, g (a h, ll -, , ed . i b idia) . h, i ld c, e, ce he , . i i, , f c, ehe, . i e , a, cial . e . ice i h Chi, a G ea Wall A . e Ma, age e, C, ., L d. Sha, d, g B a, ch i h a , al a , i, , f , e ceedi, g RMB20,000 e, h, i . a, d, a, d ha M . Zha, g E, R, , g, he , igi, al c, , lli, g . ha eh, lde a, d ac i al c, , lle , f he C, a, , . h, i ld , . ide j, i, liabili i a, ee i, e. ec , f he c, e, ce e, , f he ab, . e b i, e . b Sh, i g a, g Ma, l, g.

X. Related Party and Related Party Transactions *(continued)*

5. Related party transactions *(continued)*

(3) Loans and borrowings from related parties

U. i : RMB

Related party	Amount of loans and borrowings	Commencement date	Expiry date	Description
B. . i. g.				
Sh. . g a. g Ji. i.	85,000,000.00	26 N. . e be 2020	14 Dece be 2020	
Sh. . g a. g Ji. i.	115,000,000.00	02 Dece be 2020	14 Dece be 2020	
Sh. . g a. g Ji. i.	50,000,000.00	02 Dece be 2020	18 Dece be 2020	
Sh. . g a. g Ji. i.	100,000,000.00	02 Dece be 2020		

De c i i. . :

I. de . . . . he C. a. ' b. . i. e . de. el. e. a. d ed ce . a. ci. g c. . . a. d a a . . ed b he C. a. ' fif h e a. di. a ee i. g . f he . i h . e . i. . , f he B. a d a. d he C. a. ' 2020 fi . e a. di. a ge. e al ee i. g, Sh. . g a. g Ji. i. , he C. a. ' c. . , lli. g . ha eh. lde , ha . . ided . a. cial a . i a. ce . ' , RMB 350 illi. . i h a e . , e ha. 1 ea . S ch a , . . ca. be e . ed i hi. he li i , f l. a. a. d . alid e i. d a. d he i. e e a e . f hich a de e i. ed b efe i. g , he a ke i. e e a e. The C. a. i . , e i i ed , . . ide a. f. , f . eo i . . ch a g a. ee , , gage a. d ledge f. he . a. cial . . ' , . A. , f 31 Dece be 2020, he C. a. . ed i . l. a. bala. ce , f RMB100 illi. . .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

X. Related Party and Related Party Transactions *(continued)*

5. Related party transactions *(continued)*

(4) Compensation of key management personnel

① De ail , f he e r ¦e a i, , f he di ec , . , . r ¦e , i , . a, d . e, i, a, age e, , f he C, a, i, 2020 a e . e , r ¦bel, :

U, i : RMB

Name	Fees (or allowance)	Wages	Retirement scheme contribution	Allowances and bene□ts	Total
Executive directors					
Ya, g Yi ¦ L, g	0.00	0.00	0.00	0.00	0.00
Yi à, Ri i	0.00	0.00	0.00	0.00	0.00
Li ¦Mi,	0.00	341,054.02	22,366.83	3,320.00	366,740.85
Li Zhi Xi,	0.00	394,727.17	10,266.30	15,106.46	420,099.93
Sub-total	0.00	735,781.19	32,633.13	18,426.46	786,840.78
Non-executive directors					
Ya, Y, r ¦Li, g	73,684.22	0.00	0.00	0.00	73,684.22
Wa, g Q à, H, g	0.00	0.00	0.00	0.00	0.00
Sub-total	73,684.22	0.00	0.00	0.00	73,684.22
Independent non-executive directors					
Ta, g Qi, g Bi,	113,157.90	0.00	0.00	0.00	113,157.90
S, , g Zhi Wa, g	113,157.90	0.00	0.00	0.00	113,157.90
Cai Zh, , g Jie	113,157.90	0.00	0.00	0.00	113,157.90
Sub-total	339,473.70	0.00	0.00	0.00	339,473.70
Supervisors					
Wei Zha, Qia, g	0.00	143,809.98	17,892.86	14,141.12	175,843.96
Wa, g Mi, g H à	35,714.28	0.00	0.00	0.00	35,714.28
Li ¦B,	35,714.28	0.00	0.00	0.00	35,714.28
Sub-total	71,428.56	143,809.98	17,892.86	14,141.12	247,272.52
Other senior management					
Li ¦Yi ¦ L, g	0.00	554,749.75	22,366.83	13,283.24	590,399.82
Zha, Xia, T, g	0.00	164,699.19	15,238.03	2,880.00	182,817.22
Zha, g Yi ¦Zhi (Re i ed)	0.00	321,117.63	0.00	9,051.88	330,169.51
Sub-total	0.00	1,040,566.57	37,604.86	25,215.12	1,103,386.55
Total	484,586.48	1,920,157.74	88,130.85	57,782.70	2,550,657.77

Note: All, a, ce a, d be, e . i, ch ded l, , ge, i all, a, ce a, d eal all, a, ce.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

X. Related Party and Related Party Transactions *(continued)*

5. Related party transactions *(continued)*

(4) Compensation of key management personnel *(continued)*

② De ail, f he e r, e a i, , f he di ec, . , . r e. i, . a, d . e, i, a, age e, f he C, a, i, 2019 a e. e , r bel, :

U, i : RMB

Name	Fees (or allowance)	Wages	Retirement scheme contribution	Allowances and bene□ts	Total
Executive directors					
Li Yr, L, g	0.00	658,822.64	24,889.83	12,413.46	696,125.93
Li Zhi Xi,	0.00	462,388.48	27,347.91	11,078.82	500,815.21
Li Mi,	0.00	407,090.16	27,347.91	3,131.91	437,569.98
Zha, g Yr Zhi	0.00	381,686.97	0.00	9,570.00	391,256.97
Sub-total	0.00	1,909,988.25	79,585.65	36,194.19	2,025,768.09
Non-executive directors					
Ya, Y, r Li, g	0.00	0.00	0.00	0.00	0.00
Wa, g Qr a, H, , g	0.00	0.00	0.00	0.00	0.00
Sub-total	0.00	0.00	0.00	0.00	0.00
Independent non-executive directors					
Ta, g Qi, g Bi,	127,266.67	0.00	0.00	0.00	127,266.67
S, , g Zhi Wa, g	127,266.67	0.00	0.00	0.00	127,266.67
Cai Zh, , g Jie	127,266.67	0.00	0.00	0.00	127,266.67
Sub-total	381,800.01	0.00	0.00	0.00	381,800.01
Supervisors					
Wei Zha, Qia, g	0.00	172,135.55	18,558.53	12,923.17	203,617.25
Wa, g Mi, g Hr a	37,600.00	0.00	0.00	0.00	37,600.00
Li B,	37,600.00	0.00	0.00	0.00	37,600.00
Sub-total	75,200.00	172,135.55	18,558.53	12,923.17	278,817.25
Other senior management	0.00	0.00	0.00	0.00	0.00
Total	457,001.01	2,082,123.80	98,144.18	49,117.36	2,686,385.35

Note: All, a, ce a, d be, e . i, cl ded l, , ge. i all, a, ce a, d eal all, a, ce.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

X. Related Party and Related Party Transactions *(continued)*

5. Related party transactions *(continued)*

(4) Compensation of key management personnel *(continued)*

③ D i g he ea , he fi e highe aid i di idi al , f he C, a i cl ded , (la ea : h ee) di ec , . a d h ee (la ea : ,) , he e . , , el. The e , e a i, , f he h ee , he e . , , el a, ged f , RMB0 , RMB90 e h, , a d.

Re , e a i, , f he highe aid i di idi al :

U, i : RMB

Item	Amount for the year	A , , f, he la ea
Fee (, all, a, ce)	**0.00**	0.00
Wage	**2,075,726.34**	2,449,232.16
Re i e e, . che e c, , ib i, ,	**99,733.62**	134,281.47
All, a, ce a, d be, e .	**51,530.94**	45,512.66
Total	**2,226,990.90**	2,029,626.29

The e , e a i, , . , f he highe aid i di idi al e e i hi, he f, ll, i, g ba, d (b , ' be , f i di idi al):

Band of annual remuneration	Number of individuals of the year	N ' be , f i di idi al , f la ea
RMB0 RMB90 e h, , a d (e í i ale , HKD0 HKD100 e h, , a d)	**5**	5
Total	**5**	5

Note: All, a, ce a, d be, e . i, cl ded l, ge i all, a, ce a, d eal all, a, ce.

④ F, he , a, cial ea e, ded 31 Dece be 2020, , . , he b, , ' e , hich a e di c e i, , a , a e ba ed , , he e , ' . , f he C, a, , he G , ' , a, e be , f he G , ' , e e aid , , ece i able b di ec , . a, d he , . e highe aid i di idi al , a, d , e , e a i, , e e aid b he C, a, , a, di ec , , , ' e . i , , he , . e highe aid i di idi al a i, di ce e, , j, i, , a i ce, i e , ' , , j, i, i, g he C, a, , a c, e, . a i, , f, l, . . , f , f ce. D i g he ea , , , e , f he di ec , . ai, ed , ag eed , ai, e a, e , e a i, , .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

X. Related Party and Related Party Transactions *(continued)*

5. Related party transactions *(continued)*

(5) Other related party transactions

The G , r l had , , he ela ed a a, . ac i, , . , c, , i, r i, g ela ed a a, . ac i, , . .

6. Amounts due from and due to related parties

(1) Receivables

U, i : RMB

Items	Related party	Balances at the end of the period		Bala, ce a he begi, , i, g , f he e i, d	
		Book balance	Provision of bad debts	B, , k bala, ce	P , . i i, , , f bad deb .
Acc, r l . ece i, able	Ka a a Yal, , g Pe , le l Machi, e C, ., L d	**4,406,682.29**	**1,134,172.74**	3,604,705.96	36,047.06

XI. Share-based payments

1. Share-based payments

☐ A licable N, a licable

2. Equity-settled share-based payments

☐ A licable N, a licable

3. Cash-settled share-based payments

☐ A licable N, a licable

4. Revision and termination of share-based payments

Nil

5. Others

The G , r l had , , . ha e-ba ed a e, . d i, g he ea .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XII. Commitments and contingencies

1. Material commitments

Ma e ial c. i e. a bala. ce. hee da e

The G . ' did . ha. e a. ca i al c. i e. a he e. d . f he ea . The G . ' ha i. i ia ed he ela ed . k f. fac . el. ca i. . A he ele. a. e fac . ie a e ' de de ig. , he . eci c a . ' . f e e. e ha . bee. c. le el de e i. ed.

2. Contingencies

(1) Material contingencies at balance sheet date

A . f he da e . f he . a. cial . a e e. . , he clai . agai. . he C. a. b i. e . . ega di. g fal e . a e e. . ab. ' . eo i ie ha. e bee. acce ed b he Ji' a. l. e edia e Pe. le' C. ' , a. d he agg ega e a . ' . f . . e i. . . l. ed i. a RMB120,057,935.29. G ' e. l , he . al a . ' . i. ca e ha ha. e bee. c. . ide ed . cl. . ed h . ' gh edia i. . i. RMB102,371,348.16, i h ac ' al . e le e. a . ' . f RMB57,625,145.83. F. h. . e cl. . ed ca e , he C. a. i e f. i. g i . . bliga i. . acc. di. g . he j dg e. e. ' . ; f. . he . . g. i. g ca. e. , a. a . ' . i. . . l. ed i. fi . i. . a. ce j dge e. . f RMB4,218,964.87 a i. cl ded i. e i a ed liabili ie hile f. ca e ha ha. e bee. hea d b ' e. di. g j dg e. a. d h. . e ha ha. e . bee. hea d, a. e i a ed liabili ie . f RMB10,173,859.77 a . . ided a a a e . f 85% i h efe e. ce . he ecedi. g cl. . ed ca e . The . al a . ' . f e i a ed liabili ie . . ided f. hi a e b he C. a. a RMB72,017,970.47.

(2) To state that the company has no material contingency that needs to be disclosed

The C. a. had . a e ial c. . i. ge. c ha . eed . be di cl. . ed.

3. Others

Sa. e a di cl. . ed ab. . e, he G . ' ha . . he . ig. i ca. c. . i. ge. cie .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XIII. Events subsequent to balance sheet date

1. Profit Distribution

Unit: RMB

Profit distributed to shareholders	0.00
Profit distributed to shareholders declared after the balance sheet date	0.00

2. Sales Return

As of the date of the financial statements, the Group had not received any sales returns.

3. Descriptions of other subsequent events

(1) Impacts of the novel coronavirus disease pandemic

Since the outbreak of the COVID-19 epidemic at the end of January 2020, the prevention and control of the COVID-19 has been ongoing globally. China has made consistent achievements in the prevention and control of the COVID-19 epidemic, but the epidemic situation is still severe internationally. The Group's operations in the areas affected by the epidemic, such as the area of Hebei Province, since the beginning of January 2021 and the production of the Company in Hebei has been limited to a certain extent after the epidemic. As of the date of the financial statements, the Company's production has resumed to a certain extent. The Group will closely monitor the impact of the COVID-19 epidemic and actively assess the impact of the epidemic on the Group's financial position and operating results.

(2) Change of controlling shareholders

On 23 February 2021, Mr. Zhang Enrong, the original actual controller of the Company, signed the Share Transfer Agreement with 壽光墨龍控股有限公司 (Shouguang Molong Holding Co., Ltd.) (Molong Holding, a wholly-owned subsidiary of Shouguang Jinlong). Mr. Zhang Enrong agreed to transfer 235,617,000 A shares of the Company (representing 29.53% of the total share capital of the Company) held by him, Molong Holding and its concert parties, at a price of RMB3.50 per share to Molong Holding and its concert parties, at a total consideration of RMB824,659,500. On 24 March 2021, the Company received the Confirmation Letter on Share Transfer Registration from Molong Holding and the registration authorities, and the Share Transfer Agreement became effective on 23 March 2021. After the completion of the transfer, Molong Holding directly held 235,617,000 shares of the listed company, representing 29.53% of the total share capital of the listed company, and became the controlling shareholder of the listed company. The equity of the listed company was acquired by Shouguang Jinlong and the actual controller of the listed company was changed to Shouguang Municipal Bureau of State-owned Assets Supervision and Administration.

(3) Other matters that should be disclosed after the balance sheet date

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XIV. Other significant events

1. Segment information

(1) Basis for determining reportable segments and accounting policies

(1) Basis for determining reportable segments

Acc, di, g , he i, e, al , ga, i a i, , al . , c, e, a, age e, e í i' e e, . a, d i, e, al e , i, g . . e , f he G, , ', he G, , ' . e a i, g . eg e, . a e di. ided i, , 5 e , able . eg e, . . The G, , ' ide, i e he , e a i, g . eg e, . acc, di, g , he i, e, al , ga, i a i, , . , c, e, a, age e, e í i' e e, . a, d i, e, al e , i, g . . e . The G, , ' : a, age e, eg, l a l e. al à e he , e a i, g e, l' . , f he e e , able . eg e, . , de e i, e he e, , ce , be all, ca ed a, d i . e, l' . , be e. al à ed. The ai, , di, c . . ided b each , f he G, , ' : e , able . eg e, . i, cl de ca i, g, h ee ki, d . , f , i, g, ' i . , e , le, ' achi, e , be bla, k a . , high-e, d ca i, g a, d f, gi, g a, d , he . .

(2) Accounting policies of reportable segments

Seg e, e , i, g i, f, a i, , i di cl, . ed i, acc, da, ce , he acc, , ' i, g , licie a, d ea, ' e e, . a, da d ad, ed f, e , i, g , he a, age e, b each . eg e, , hich a e c, . i e, i h he acc, , ' i, g , licie a, d ea, ' e e, ba i f, e a i, g , a, cial . a e e, . .

(2) Financial information of reportable segments

U, i : RMB

Item	Pipe products	Three kinds of pumping units	Petroleum machinery parts	Tube blank	High-end castings and forgings	Others	Unallocated item	Total
O e a i, g e e, , é								
E e, al e e, , é	2,458,265,692.32	40,046,101.68	8,346,558.77	178,497,433.73	241,350,397.49	83,212,845.67		3,009,719,029.66
I, e- eg e, e e, , é								0.00
T, al . eg e, . e a i, g e e, , é	2,458,265,692.32	40,046,101.68	8,346,558.77	178,497,433.73	241,350,397.49	83,212,845.67		3,009,719,029.66
T, al , e a i, g e e, , é i, , a, cial . a e e, .	2,458,265,692.32	40,046,101.68	8,346,558.77	178,497,433.73	241,350,397.49	83,212,845.67		3,009,719,029.66
Seg e, e e, . e	2,400,298,628.64	36,892,701.49	5,804,696.92	195,779,958.71	226,944,660.53	70,686,641.19		2,936,407,287.48
Seg e, . e a i, g .	57,967,063.68	3,153,400.19	2,541,861.85	(17,282,524.98)	14,405,736.96	12,526,204.48		73,311,742.18
Adj . ' ed f, :								
Ad i, i a, i e e, . e							194,470,836.86	194,470,836.86
Re ea ch a, d de, el e, e e, di ' e							52,542,810.96	52,542,810.96
Fi, a, ce e, . e							159,212,583.52	159,212,583.52
I, e e, i, c e							(39,767.09)	(39,767.09)
Gai, . , di . . al , f a . e .							353,358,239.23	353,358,239.23
O he i, c e							17,770,915.00	17,770,915.00
O e a i, g , i, , a, cial . a e e, .	57,967,063.68	3,153,400.19	2,541,861.85	(17,282,524.98)	14,405,736.96	12,526,204.48	(35,136,844.20)	38,174,897.98
N, , -. e a i, g i, c e							7,928,370.13	7,928,370.13
N, , -. e a i, g e e, . e							28,574,721.15	28,574,721.15
T, al ,	57,967,063.68	3,153,400.19	2,541,861.85	(17,282,524.98)	14,405,736.96	12,526,204.48	(55,783,195.22)	17,528,546.96
I, c e a							6,073,146.60	6,073,146.60
Ne ,	57,967,063.68	3,153,400.19	2,541,861.85	(17,282,524.98)	14,405,736.96	12,526,204.48	(61,856,341.82)	11,455,400.36
T, al . eg e, a . e .	3,913,996,219.73	89,170,749.57	19,943,259.66	111,742,444.61	134,010,523.94	227,217,376.27	679,555,241.60	5,175,635,815.38
T, al . eg e, liabili ie	1,652,442,085.04	19,864,461.62	11,513,612.40	40,794,472.59	98,562,812.69	28,616,772.13	1,522,271,709.11	3,374,065,925.58

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XIV. Other significant events *(continued)*

2. Other signi□cant transactions and items affecting decision-making of investors

I. 2020 a. d 2019, he G. r ' de. i. ed all e e. al .e. e. r é f. he PRC a. d . e. ea . A all a. e. e e l. ca ed i. he PRC, e e. al .e. e. r é b l. ca i. . f i. c. e. . r 'ce i di cl. . ed a f. ll . :

External revenue	Amount for the year	A . r . f. he la ea
PRC (e ce H. . g K. . g)	**2,717,360,137.40**	3,724,722,383.35
H. . g K. . g	**0.00**	0.00
O he . . e . ea egi. .	**292,358,892.26**	664,181,832.56
T. al	**3,009,719,029.66**	4,388,904,215.91

XV. Notes to principal items in the financial statements of the parent Company

1. Accounts receivable

(1) Disclosure of accounts receivable by type

U. i : RMB

	Balance at the end of the period					Bala. ce a he begi. . i. g. f he e i. d				
	Book balance		Provision for bad debts			B. . k bala. ce		P. . i i. . f. bad deb .		
Type	Amount	Percentage	Amount	Provision rate	Book value	A . r .	Pe ce. age	A . r .	P. . i i. . a e	B. . k. al é
Acc. r . . ece. able . . ided f. bad deb . . . a. i. di. idual ba i l. di. g:	**17,365,734.73**	**3.07%**	**3,473,146.95**	**20.00%**	**13,892,587.78**	19,965,734.73	2.69%	3,993,146.95	20.00%	15,972,587.78
Acc. r . . ece. able . . ided f. bad deb . . . a. i. di. idual ba i d. é . . ig. i ca. l diffe e. ce di i k	**17,365,734.73**	**3.07%**	**3,473,146.95**	**20.00%**	**13,892,587.78**	19,965,734.73	2.69%	3,993,146.95	20.00%	15,972,587.78
Acc. r . . ece. able . . ided f. bad deb . . . a c. llec. i e ba i l. di. g:	**548,106,670.52**	**96.93%**	**119,767,193.27**	**31.33%**	**428,339,477.25**	722,320,168.54	97.31%	123,822,853.21	20.70%	598,497,315.33
Acc. r . . ece. able . . ided f. bad deb . . . a c. llec. i e ba i a g. r 'ed f. e ec ed c edi l. . . ba ed . . agi. g cha ac e i ic	**382,304,367.10**	**67.61%**	**119,767,193.27**	**31.33%**	**262,537,173.83**	598,161,430.94	80.58%	123,822,853.21	20.70%	474,338,577.73
Acc. r . . ece. able . . ided f. bad deb . . . a c. llec. i e ba i a g. r 'ed f. e ec ed c edi l. . . ba ed . . a. . cia e r . . de c. . . lida i. .	**165,802,303.42**	**29.32%**	**—**	**—**	**165,802,303.42**	124,158,737.60	16.73%			124,158,737.60
T. al	**565,472,405.25**	**—**	**123,240,340.22**	**—**	**442,232,065.03**	742,285,903.27		127,816,000.16		614,469,903.11

P. . i i. . f. bad deb . . . a. i. di. idual ba i : Acc. r . . ece. able . . ided f. bad deb . . . a. i. di. idual ba i d. é . . ig. i ca. l diffe e. ce di i k

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

1. Accounts receivable *(continued)*

(1) Disclosure of accounts receivable by type *(continued)*

U i : RMB

Name	Balance at the end of the period			
	Book balance	Provision for bad debts	Provision rate	Reason for provision
Hebei Zh g ai S eel Pi e Ma fac e C ., L d. (河北中泰鋼管製造有限公司)	17,365,734.73	3,473,146.95	20.00%	P . i i, a ade ba ed , he a , , f e ec ed c edi l . . , f he g . , e
T al	17,365,734.73	3,473,146.95		

Acc . eei able . . ided f, bad deb . , a c, llec i e ba i : Acc . eei able . . ided f, bad deb . , a c, llec i e ba i a g , ed f, e ec ed c edi l . . ba ed , agi g cha ac e i ic .

U i : RMB

Name	Balance at the end of the period		
	Book balance	Provision for bad debts	Provision rate
Wi hi 1 ea	258,532,525.49	2,585,325.25	1.00%
1 2 ea .	8,635,430.56	4,317,715.28	50.00%
2 3 ea .	168,705.00	126,528.75	75.00%
3 4 ea .	2,109,650.15	1,793,202.63	85.00%
4 5 ea .	12,757,563.59	10,843,929.05	85.00%
O e 5 ea .	100,100,492.31	100,100,492.31	100.00%
T al	382,304,367.10	119,767,193.27	

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

1. Accounts receivable *(continued)*

(1) Disclosure of accounts receivable by type *(continued)*

P i i f bad deb a c llec i e ba i : Acc ecei able ided f bad deb a c llec i e ba i a g ed f e ec ed c edi l ba ed a cia e de c lida i

U i : RMB

Name	Balance at the end of the period		
	Book balance	Provision for bad debts	Provision rate
Sh g a g Ma l g Ne Ma e ial Tech l g De el e C ., L d.	19,024,724.27	0.00	0.00%
MPM INTERNATIONAL LIMITED	146,777,579.15	0.00	0.00%
T al	165,802,303.42	0.00	

If i i f bad deb f acc ecei able a ade i g he ge e al a ach f e ec ed c edi l , lea e di cl e he i f a i i f bad deb i h efe e ce he di cl e f he ecei able :

☐ A licable N a licable

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

1. Accounts receivable *(continued)*

(1) Disclosure of accounts receivable by type *(continued)*

Disclosure by age

U, i : RMB

Age	Book balance
Wi hi, 1 ea (i, cl .i, e)	405,310,104.64
1 , 2 ea .	8,635,430.56
2 , 3 ea .	14,720,356.89
O, e 3 ea .	136,806,513.16
3 , 4 ea .	6,582,722.53
4 , 5 ea .	17,776,652.99
O, e 5 ea .	112,447,137.64
T, al	565,472,405.25

(2) Provision, recovery or reversal of provision for bad debts for the period

P , i i, . f, bad deb . f, he e i, d:

U, i : RMB

Type	Balance at the beginning of the period	Movement during the period				Balance at the end of the period
		Provision	Recovery or reversal	Write-off	Other	
P , i i, . f, bad deb . , f acc, r . ece, able	127,816,000.16	(4,575,659.94)	0.00	0.00	0.00	123,240,340.22
T, al	127,816,000.16	(4,575,659.94)	0.00	0.00	0.00	123,240,340.22

(3) Accounts receivables written off during the period

The C, a, did , i e , ff a, acc, r . ece, able d i, g he ea .

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

1. Accounts receivable *(continued)*

(4) Balance of top □ve accounts receivable as at the end of the period by debtor

U, i : RMB

Name of entity	Balance of accounts receivable at the end of the period	Percentage to the total balance of accounts receivable at the end of the period	Balance of bad debts at the end of the period
E, i I	146,777,579.15	25.96%	0.00
E, i II	98,065,319.25	17.34%	980,653.19
E, i III	81,882,027.75	14.48%	2,952,026.43
E, i IV	71,396,459.74	12.62%	713,964.60
E, i V	45,678,343.35	8.08%	45,678,343.35
T, al	443,799,729.24	78.48%	

(5) Account receivables that were derecognized on transfer of □nancial assets

A a 31 Dece be 2020, he C, a, had , , acc, r , ' . ecei, able ha e e de ec, g, i ed , , a, . fe , f , a, cial a . e . .

(6) Amount of assets or liabilities for which accounts receivable have been transferred but involvement continues

A a 31 Dece be 2020, he C, a, had , , a . e . , liabili ie f, hich acc, r , ' . ecei, able ha, e bee, a, . fe ed b ' i, . . l, e e, c, , i, r e .

Other description:

A a 31 Dece be 2020, he igh -, f- . ' e f, acc, r , ' . ecei, able , f RMB 29,368,652.94 , f he C, a, a e ic ed d r e , fac , i, g , a, ci, g.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

2. Other receivables

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
I, e e . eceı, able	**0.00**	2,308,030.91
O he eceı, able	**756,323,484.10**	739,726,291.37
T, al	**756,323,484.10**	742,034,322.28

(1) Interests receivable

1) Classification of interests receivable

U, i : RMB

Item	Balance at the end of the period	Bala, ce a he begi, , i, g , f he e i, d
I, e e . , , . eo i de , . i .	**0.00**	2,308,030.91
T, al	**0.00**	2,308,030.91

2) Significant overdue interest

The C, a, had , . i, e e . eceı, able a d e.

3) Provision for bad debts

☐ A licable N, a licable

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

2. Other receivables *(continued)*

(2) Other receivables

1) Other receivables by payment nature

Unit: RMB

Payment nature	Balance at the end of the period	Balance at the beginning of the period
Staff salaries	**1,155,000.00**	1,189,754.00
Deposits/caution money	**1,494,947.00**	3,589,758.00
Amounts due from disposal of subsidiaries	**0.00**	14,530,000.00
Other amounts due from individuals	**152,950,899.25**	1,401,519.59
Related amounts due from consolidation	**601,528,286.61**	721,885,257.16
Less: Provision for bad debts of receivables	**(805,648.76)**	(2,869,997.38)
Total	**756,323,484.10**	739,726,291.37

2) Provision for bad debts

Unit: RMB

Provision for bad debts	Stage 1 Next 12-month expected credit loss	Stage 2 Lifetime expected credit loss (without credit impairment)	Stage 3 Lifetime expected credit loss (with credit impairment)	Total
Balance as at 1 January 2020	200,027.82	2,669,969.56	0.00	2,869,997.38
Transfer of balance as at 1 January 2020				
Provision for the period	585,789.73	0.00	0.00	585,789.73
Reversal for the period	0.00	2,650,138.35	0.00	2,650,138.35
Balance as at 31 December 2020	785,817.55	19,831.21	0.00	805,648.76

Movements of bad debt balance of significant changes in provision for the period

☐ Applicable ☑ Not applicable

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

2. Other receivables *(continued)*

(2) Other receivables *(continued)*

2) Provision for bad debts (continued)

Di cl. . e b age

U i : RMB

Age	Balance
1 ea (i cl .i. e)	660,332,277.43
1 , 2 ea .	16,632.00
2 , 3 ea .	401,576.58
O. e 3 ea .	96,378,646.85
3 , 4 ea .	87,576,960.75
4 , 5 ea .	7,620,000.00
O. e 5 ea .	1,181,686.10
T al	757,129,132.86

3) Provision, recovery or reversal of provision for bad debts for the period

P . . i i, . f, bad deb . f, he e i, d:

U i : RMB

Type	Balance at the beginning of the period	Movement during the period				Balance at the end of the period
		Provision	Recovery or reversal	Write-off	Other	
P . . i i, . f, bad deb . , f , he ece i. able	2,869,997.38	585,789.73	2,650,138.35	0.00	0.00	805,648.76
T al	2,869,997.38	585,789.73	2,650,138.35	0.00	0.00	805,648.76

4) Other receivables written off during the period

The e i , ac ı al i e-, ff , f , he ece i. able d i g he ea .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

2. Other receivables *(continued)*

(2) Other receivables *(continued)*

5) Balance of top five other receivables as at the end of the period by debtor

Unit: RMB

Name of entity	Nature of payment	Balance at the end of the period	Age	Percentage to the total amount of closing balance of other receivables	Balance of bad debt provision at the end of the period
Shandong Magnesium Material Technology Development Co., Ltd.	Current account with the entity	503,845,855.73	Within 1 year	66.55%	0.00
Shandong Shouguang Vegetable Wholesale Market Co., Ltd. (山東壽光蔬菜批發市場有限公司)	Current account with the entity	152,808,000.00	Within 1 year	20.18%	768,480.00
Shouguang Magnesium Logistic Co., Ltd.	Current account with the entity	97,682,430.88	Within 5 years	12.90%	0.00
Sinochem International Bidding Co., Ltd., Nanjing Bidding Center (中國石化國際事業有限公司南京招標中心)	Caution money	914,947.00	Within 1 year	0.12%	0.00
Diao Shiji	Staff borrowing	300,000.00	Within 1 year	0.04%	0.00
Total		755,551,233.61		99.79%	768,480.00

6) Receivable involving government grants
Nil

7) Other receivables derecognised due to transfer of financial assets
As at 31 December 2020, the Company had no other receivables derecognised due to transfer of financial assets.

8) Amount of assets and liabilities for which other receivables have been transferred but involvement continues
As at 31 December 2020, the Company had no assets or liabilities for which other receivables have been transferred but involvement continues.

Other description:

As at 31 December 2020, no other receivables were pledged by the Company as pledge.

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

3. Long-term equity investments

Unit: RMB

Item	Balance at the end of the period			Balance at the beginning of the period		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	**1,352,019,921.73**	**208,000,000.00**	**1,144,019,921.73**	1,352,019,921.73	208,000,000.00	1,144,019,921.73
Total	**1,352,019,921.73**	**208,000,000.00**	**1,144,019,921.73**	1,352,019,921.73	208,000,000.00	1,144,019,921.73

(1) Investment in subsidiaries

Unit: RMB

Investee	Balance at the beginning of the period (Book value)	Movement during the period				Balance at the end of the period (Book value)	Balance of impairment provision at the end of the period
		Increase in investment	Decrease in investment	Charge for impairment provision	Others		
Shandong Malong	1,006,743,691.73					1,006,743,691.73	
Weihai Bailong	117,000,000.00					117,000,000.00	103,000,000.00
MPM	7,276,230.00					7,276,230.00	
Shandong Bailong	0.00					0.00	105,000,000.00
Malong Logistic	3,000,000.00					3,000,000.00	
Malong I&E	10,000,000.00					10,000,000.00	
Total	1,144,019,921.73					1,144,019,921.73	208,000,000.00

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

4. Operating revenue and operating cost

U, i : RMB

Item	Amount for the period		A , r, f, he la e i, d	
	Revenue	Cost	Re, e, r é	C, .
P i, ci al , e a i, , .	**2,414,149,170.68**	**2,309,477,590.16**	3,508,230,127.77	3,108,782,121.22
O he , e a i, , .	**130,473,717.29**	**124,989,256.24**	152,716,659.91	148,080,302.64
T, al	**2,544,622,887.97**	**2,434,466,846.40**	3,660,946,787.68	3,256,862,423.86

Rele, a, i, f, a i, , , f e, e, r é:

U, i : RMB

Contract category	Pipe products	Three kinds of pumping units	Petroleum machinery parts	Others	Total
T e , f g , d					
I, cl di, g:					
Pi e , d c .	2,366,917,933.25				2,366,917,933.25
Th ee ki, d , f r i, g r, i .		40,046,101.67			40,046,101.67
Pe , le r achi, e a .			7,181,782.09		7,181,782.09
O he .				130,477,070.96	130,477,070.96
B b r . i, e . l, ca i, ,					
I, cl di, g:					
Chi, a	2,085,527,281.66	36,361,546.12	0.00	130,475,336.76	2,252,364,164.54
O ! ide Chi, a	281,390,651.59	3,684,555.55	7,181,782.09	1,734.20	292,258,723.43
T e , f c , , ac .					
I, cl di, g:					
Re, e, r é ec, g, i ed a a . i, i, i e	2,366,917,933.25	40,046,101.67	7,181,782.09	130,477,070.96	2,544,622,887.97
T, al	2,366,917,933.25	40,046,101.67	7,181,782.09	130,477,070.96	2,544,622,887.97

I, f, a i, , , , e f, a, ce , bliga i, , . :

The C, a, a i a , blig, . a i f i . , bliga i, , . , f . r ' l i, g , d c . o . ' , e . i, a i el a , , e b efe e, ce , he ca eg, , . a, da d a, d i e e í é ed b he o . ' , e i, acc, da, ce i h he , . . i i, , . , f he c, , ac . . The e a e diffe e, a e, . e . f, diffe e, o . ' , e . a, d diffe e, , d c . : d, e ic o . ' , e . , f r be a e , , all . r bjec , a e, i, ad, a, ce , f di ib ' i, , , a, d d, e ic o . ' , e . , f , il ca i, g i , , all . r bjec , a e, e . , f 3-6 , , h af e bill . e le e, . A , e , b r . ' i, e . , a e, e . a e ai, l a e, r ' f . , . A , , il ca i, g , d c . , , . , f he o . ' , e . a e . r bjec , a e, i, ad. a, ce, r, ' de hich o . ' , e . a e , ake fi ll a e, bef, e di ib ' i, , , f , d c . . A , e , le r ' achi, e a . , he c edi e i, , all 2 , , h .

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XV. Notes to principal items in the financial statements of the parent Company *(continued)*

4. Operating revenue and operating cost *(continued)*

I, f, a i, , , a, . ac i, , ice all, ca ed , e ai, i, g e f, a, ce , bliga i, , . :

The c, e , , di, g e. e, , é f, e f, a, ce , bliga i, , . ha ha. e bee, c, , ac ed b , , e e f, ed , c, le ed a , r , ed , RMB 358,000,000.00 a he e, d , f he e , i, g e i, d, , f hich RMB 358,000,000.00 i e ec ed , be ec, g, i ed a e. e, , é i, 2021.

O he de c i i, , :

A , , g he e. e, , é ec, g, i ed f, he ea , he a , r , i, cl ded i, c, , ac liabili a he e, d , f la ea i RMB2,805.91 e, h, , a, d.

5. Investment income

U, i : RMB

Item	Amount for the period	A , r , f, he la e i, d
Gai, f , l, , g- e e í i' i, . e e, . acc, r , ed f, r . i, g he e í i' e h, d	**0.00**	1,216,420.49
T, al	**0.00**	1,216,420.49

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XVI. Supplemental information

1. Statement of extraordinary pro□t or loss for the period

A licable □ N, a licable

U, i : RMB

Item	Amount	Description
Gai, , l, .. , , di , . al , f, , , -o l e, a . e.	350,931,281.92	Mai, l c, i ed , f e, e, r é f , he . ale , f a , f he la, d a, d r l e b he C, a, .
G, . e, e, g a, . c edi ed , , f, he e i, d e ce f, h, . e cl, . el ele, a, , , al b r . l i, e . , f he c, a, , c, , f, ed , e, i l e e, . , f S a e , lic , g a, ed , , ed a , r , l ba i , e, j, ed , , c, , i, r , l . l ed a , r , l ba i . r bjec , ce ai, . a, da d		Mai, l dr é , he C, a, ' c, , a e . r l , , r b idie ece, ed.
P, , l, .. a i, i, g f , c, , i, ge, cie r , l ela ed , he , , al b r . l i, e . , e a i, , . , f he C, a,	(25,358,236.00)	Mai, l c, i ed , f he , . i i, , f, c, e, . a i, , . f, clai . ela ed , i, . e , . ' li iga i, , i, he o l e, e i, d.
Fi, a, cial a . e . held f, adi, g, de, i. a, i. e , a, cial a . e . , , a, cial liabili ie held f, adi, g, gai, . . l, .. e , , fai, . al é cha, ge a i, i, g f , de, i. a, i. e , a, cial liabili ie , he ha, effec, i. e hedgi, g b r . l i, e . ela ed , , , al , e a i, g b r . l i, e . , f he C, a, , a, d gai, . . , di , . al , f i, . e e, i, , a, cial a . e . held f, adi, g, de, i. a, i. e , a, cial a . e . , , a, cial liabili ie held f, adi, g, de, i. a, i. e liabili ie a, d , he e i l i, . e e, .	202,596.63	Mai, l c, i ed , f e, e, r é f , he C, a, ' ba, k , a, cial a, age e, , dr c . i, he o l e, e i, d.
Re, e . al , f , . i i, , f, i ai e, , f ece, able a, d c, , ac a . e . ha a e i, di, idl all e ed f, i ai e,	520,000.00	Mai, l dr é , he C, a, ' ec . e , f a , f he ece, able ha ha bee, . e a a el e ed f, i ai e, .
O he , , , -, e a i, g i, c, e a, d e e, . e , he ha, he ab, . e	7,138,842.29	Mai, l c, i ed , f he e, e, r é ece, ed f , b each , f c, , ac clai . i, he o l e, e i, d.
Le . : Effec , , i, c, e a Effec , , i, , i i, e e .	51,780,307.55 250,622.22	
T, al	299,174,470.07	—

Rea , , . . h, r ld be gi, e, if he C, a, ha cla . i ed a, , , , - eo l i, g , a, d l, .. i e . (a de , ed a, d li ed i, he E la, a , A, , , r l ce e, N, . 1 , , l f, a i, , Di cl, . r e f, C, a, ie Offe i, g Thei Seo l i ie , he Pi blic , , , - eo l i, g P , a, d L, ..) a eo l i, g gai, a, d l, .. i e . .

□

1 January 2020 to 31 December 2020
(Unless otherwise indicated, all figures are stated in RMB)

XVI. Supplemental information *(continued)*

2. Return on net assets and earnings per share

Pro□t for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic (RMB/Share)	Diluted (RMB/Share)
Ne , a ib le , , di a . ha eh, lde . , f he C, a	1.82%	0.04	0.04
Ne , a ib le , , di a . ha eh, lde . , f he C, a af e e a, di a , , l, . .	–15.14%	(0.33)	(0.33)

I a calc la ed ba ed , A icle 4 C, a ie . h, ld calc la e ba ic ea i g e . ha e b di idi g e , f, he e i, d a ib le , , di a . ha eh, lde . b eigh ed a e age ' be , f , di a . ha e i . é ' de ASBE 34 ea i g e . ha e .

3. Difference in accounting data under domestic and overseas accounting standards

(1) Difference in net profit and net assets in financial statements as disclosed in accordance with IASs and PRC GAAP

□ A licable N, a licable

(2) Difference in net pro□t and net assets in the □nancial statements as disclosed under the overseas accounting standards and PRC GAAP

□ A licable N, a licable

(3) Reason(s) for accounting difference between domestic and international accounting standards; if adjustment has been made to data audited by overseas audit □rm, specify the name of the overseas audit □rm

Nil

XIV. D, ɑ ' e, . A, ailable f, I, . ec i, ,

(1) The fi, a, cial . a e e, . hich e e . ig, ed a, d . ealed b he e. , , . ible e . , , , chief acc, r ' a, a, d head , f acc, r ' i, g de a e, (e . , , i, cha ge , f acc, r ' i, g a e .) , f he C, a, .

(2) The , igi, al c, , f he ar di , . ' e , hich a . ealed b he acc, r ' i, g fi a, d . ig, ed b a ce ified r blic acc, r ' a, .

(3) A, , , r ' ce e, . a, d d, ɑ ' e, . di. cl, . ed i, he c, i, f, .c, d r ' i, g he e , i, g e i, d.

Design And Produced By: EDICO Financial Press Services Limited
設計及製作：鉅京財經印刷服務有限公司