2020 Annual Report

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, 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 f ll e, . , ibili f. he hf l e, , , acc ac a d c le e e, , . f i , c e , .

Ya g Y 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 X e Mei, he head . f he acc , i g de a e , decla e ha he g a a ee he hf 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 f 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, c , , 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 ef 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 , .

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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 Machi e , C a , Li i ed
G .	C llec i el , he C a , a d i . , 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 Sec i ie . , The S . ck E cha ge . f H g K g Li i ed
CSRC	Chi a Sec i ie Reg la . , C i . i
Sh g a g Ba l g	壽光寶隆石油器材有限公司 (Sh g a g Ba l g Pe . le E 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 Ma e ial C . , L d.)
Sh g a g Ma l g	壽光懋隆新材料技術開發有限公司 (Sh 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 I e a i al Li i ed
M l g L gi ic	壽光墨龍物流有限公司 (Sh g a g M l g L gi ic C . , L d.)
M l g E i e	壽光墨龍機電設備有限公司 (Sh g a g M l g Elec . - echa ical E i e C a , Li i ed)
Ba l g C . , l a c	壽光市寶隆管理諮詢有限公司 (Sh g a g Ba l g Ma age e a d C . , l a c C . , L d.)
Sh 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 g a g Ji i l e e De el e H ldi g G . Li i ed)
Sh g a g SAB	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 (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 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 . a d , RMB e h . a d	Re i bi h . a d Re i bi e h . 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 C. de 002490, 00568
S. ck E cha. ge. f Li. ed Sec 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 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 Y. 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. .c
E ail Add e. .	d. h@ . l. gg. .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. .c

III. Information Disclosure and Places for Inspection

De. ig. a ed Ne . a e. f. I. f. a i. Di. cl. e	Chi. a Sec i ie. J. . al. Sha. ghai Sec i ie. Ne . . Sec i ie. Dail. a. d Sec i ie. Ti e.
De. ig. a ed D. e. ic Web. i e f. he P blica i. . f he A. . al Re . a. a . ed b. Chi. a Sec i ie. Reg la. . C. i. . i. .	D. e. ic: h :// .c. i. f. .c .c. ; O e . ea. : h :// .hke .c .hk
Place. f. I. . 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 al c . lle . f he C a , a d Sha d g Sh g a g Ji i l e, e De el e H ldi g, G . 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 g a g Ji i l e, e De el e H ldi g, G . 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. P a . hich, Zha g E R g . i a ed Sh 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 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 a g Ji i , a d he ac al 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 B ea . f Sh g a g Ci , .

V. Other Relevant Information

Acc i g . e gaged b he C a

Na e . f he acc i g .	Shi eWi g Ce i ed P blic Acc a .
Of ce add e, . . f he acc i g .	9 h Fl . , F h a b 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 blic acc a .	Ka Ji g Pi g, Zha g Cha

S . . i . i i hich e ec e, c i . . . e i, i d ie, d i g he e . i g e i d e gaged b he C a

☐ A licable P N a licable

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

☐ A licable P 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 i g da a i e i , ea ,

☐ Ye, P N.

	2020	2019	Yea - , ea i c ea, e/dec ea, e	2018
O e a i g e e e (RMB)	**3,009,719,029.66**	4,388,904,215.91	31.42%	4,452,014,810.12
Ne . a ib able . , 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 able . , 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 . 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 able . , 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 ded c i . f e a di a, gai , . l . , e, i he la e, h ee . , cal, ea , i, ega i e, a d he a di e . . f he la e, , ea , h. , ha he C. a, ', abili, . c i e. e a i , i, ce ai

☐ Ye, P N.

The l e . f he e . . bef. e a d af e ded c i . f e a di a, gai , . l . , e, i, ega i e

P Ye, ☐ N.

Items	2020	2019	Re a k
O e a i g e e e (RMB)	**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 (RMB)	**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
O e a i g e e e af e ded c i a . (RMB)	**2,945,891,154.47**	4,314,768,095.01	Mai l c i, ed. f e e e f. , ale, . f . d 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 P 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 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 P 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 de he . e ea acc 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 P 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 e	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 a e e . . . e i-a al e . . f he C a

□ Ye P N

IX. Extraordinary gain or loss items and amounts

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U i : RMB

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

Rea. , h 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. ce e N. 1. I f. a i Di cl e f. C. a ie Offe i g Thei Sec i ie . he P blic E a di a, P. a d L.) a ec i g gai a d l. i e .

☐ A licable P 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. ce e N. 1. I f. a i Di cl e f. C. a ie Offe i g Thei Sec i ie . he P blic E a di a, P. a d L.) a ec 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 i g he e . i g e i d, he C. a , a. ai l e gaged i de. ig , e. ea ch a d de el e , . ce. . i g a d a fac i g, . ale. . e ice a d e . ade . f . d c . f. he e e g e i e i d . , . The ai . d c . i cl ded e . le -d illi g achi e , e i e , e . le a d a al ga. a . . a i e i e , e . le a d a al ga. e l i a i e i e a d aj c i ical c . e . a d ca. i g. a d f. gi g. . d c . . The C. a , '. . d c . e e ai l . ed i e . le , a al ga. , c albed e ha e, . hale ga. a d . he e e g d illi g, achi e , . ce. . i g, ba i e e . k, e c. D i g he e . i g e i d, . ale. . f i e . d c . acc ed f. . e 80%. f he C. a , '. e e e, hich a. he ai . . ce. f he e e e a d . . . f he C. a , . D i g he e . i g e i d, he e a. . a e ial cha ge i he c . . i i . f C. a , '. ai b . i e. . e. .

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

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

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

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

Wi h he . . e a ic . . i . f he COVID-19 acci e i he . . -e ide ic e a. he gl bal . d c i a d a el a e e ec ed . g ad all e. e. T ge he i h he . ead i le e a i . f he US . . cal . i l . . lic . he de a d f. . il a d ga. ill c i e . i c ea. e. The . e all de a d . f he e e g e i e i d . , ill g ad all a . ce d he l . i a d e e he ec e . age. a d he d e. ic . il a d ga. e l a i a d de el e a ke i. e ec ed . ai ai l g- e . able g . 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 ib able . he , ale, . f a . f. e, b, he C. a, d i, g he c 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 ib able . he , ale, . f a . f he la, d b, he C. a, d i, g he c e, e i d.
C. , c i , i, . g e, .	A, a he e, d. f he e . i, g e i d, c , c i , i, . g e, . dec ea, ed b, 86.15% c a ed . he begi, , i, g. f he, ea , i a il, beca , e a . f he c , c i , i, . g e, . jec , ha e c le ed a, d a, . fe ed . . ed a, . e , i, he c e, e i d.
M. , e a, f , d,	A, a he e, d. f he e . i, g e i d, . , e a, f , d, i, c ea, ed b, 40.75% c a ed . he begi, , i, g. f he, ea , i a il, a ib able . a . f he . ceed, ecei ed f. he , ale. f a, . e , a he e, d. f he e i d.
Bill, ecei able	A, a he e, d. f he e . i, g e i d, bill, ecei able dec ea, ed b, 35.98% c a ed . he begi, , i, g. f he, ea , i a il, a ib able . he decli, e i, . e a i, g e e, e f. he c e, e i d a, d c e, . , di, g dec ea, e i, ade acce a, ce bill, ecei ed.
Recei able,	A, a he e, d. f he e . i, g e i d, ecei able, dec ea, ed b, 43.27% c a ed . he begi, , i, g. f he, ea , i a il, a ib able . he decli, e i, he C. a, '. . e a i, g e e, e f. he c e, e i d.
Fi, a, ci, g ecei able,	A, a he e, d. f he e . i, g e i d, . , a, ci, g ecei able, dec ea, ed b, 65.08% c a ed . he begi, , i, g. f he, ea , i a il, a ib able . he decli, e i, . e a i, g e e, e f. he c e, e i d a, d c e, . , di, g dec ea, e i, ba, k acce a, ce bill, ecei 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 ib able . he ec e, . f l a, . g a, ed i, he e i , e i d b, . b, idia ie, d i, g he c e, e i d a, d . i, i , . fi 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 ib able . 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 ecei able,	A, a he e, d. f he e . i, g e i d, . he ecei able, i, c ea, ed b, 434.28% c a ed . he begi, , i, g. f he, ea , i a il, a ib able . he C. a, '. , ale. f a, . e , a, d he i, cl , i , . f he a . , , . d e acc di, g . he ag ee e, i, hi, , bjec i, he c e, e i d.
Righ -. f- , e a, . e ,	A, a he e, d. f he e . i, g e i d, igh -. f- , e a, . e , a, i, c ea, ed f. 0 . 4,591,910.73, i a il, a ib able . , ale-lea, eback. f a . f he h. , e a, d la, d d i, g he e . i, g e i d
O he c e, a, . e ,	A, a he e, d. f he e . i, g e i d, . he c e, a, . e , dec ea, ed b, 37.78% c a ed . he begi, , i, g. f he, ea , i a il, a ib able . he dec ea, e i, al e-added a e ai, ed a, a he e, d. f he e . i, g e i d.
O he , . , -c e, a, . e ,	A, a he e, d. f he e . i, g e i d, . he , . , -c e, a, . e , dec ea, ed b, 92.43% c a ed . he begi, , i, g. f he, ea , i a il, a ib able . he a i al. f ce ai, e i e, i e , d i, g he c e, e i d hich e e cha, ed b, e a, e, . i, he e i , e i d a, d ec e, . f ce ai, e a, e, . b, . b, idia ie, .

2. Condition of major overseas assets

□ A licable P N. a licable

III. Analysis of core competitiveness

1. Strength in technological research and development and innovation

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

2. Strength in product quality

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

3. Strength in marketing

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

4. Strength in furnace rehabilitation technology

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

5. Strength in new products

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

6. Strength in brand name

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

IV. Di c 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. O e ie de Di c i a d A al i f O e a i f de ail.

2. Revenue and cost

(1) Composition of operating revenue

U i : RMB

	2020		2019		
	Amount	**Percentage of operating revenue**	A	Pe ce age f e a i g e e e	Yea - ea i c ea e/ dec ea e
T al e a i g e e e	**3,009,719,029.66**	**100.00%**	4,388,904,215.91	100.00%	31.42%
B i d					
S ecial e i e a fac i g	**3,009,719,029.66**	**100.00%**	4,388,904,215.91	100.00%	31.42%
B d c					
Pi e d c	**2,458,265,692.32**	**81.68%**	3,456,742,513.39	78.76%	28.88%
Th ee ki d f i g i	**40,046,101.68**	**1.33%**	43,755,412.12	1.00%	8.48%
Pe le achi e a	**8,346,558.77**	**0.28%**	34,536,314.66	0.79%	75.83%
T be bla k	**178,497,433.73**	**5.93%**	699,060,843.61	15.93%	74.47%
High-e d ca i g a d f gi g	**241,350,397.49**	**8.02%**	59,767,421.27	1.36%	303.82%
O he	**83,212,845.67**	**2.76%**	95,041,710.86	2.16%	12.45%
B egi					
Wi hi Chi a	**2,717,360,137.40**	**90.29%**	3,724,722,383.35	84.87%	27.05%
O ide Chi a	**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

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U, 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, i, d , ,						
S ecial e i e, a, fac i, g	2,699,616,089.81	2,594,555,233.81	3.89%	23.23%	18.03%	6.09%
B, . d c						
Pi e . d c ,	2,458,265,692.32	2,364,201,945.42	3.83%	28.88%	23.98%	6.20%
High-e, d ca, i, g, a, d f. gi, g,	241,350,397.49	230,353,288.39	4.56%	303.82%	316.90%	2.99%
B, egi ,						
Wi hi, Chi, a	2,418,225,438.22	2,358,765,301.40	2.46%	16.29%	10.50%	6.31%
O , ide Chi, a	281,390,651.59	235,789,932.41	16.21%	55.17%	55.50%	0.62%

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

P A licable □ N. a licable

U, 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, i, d , ,						
S ecial e i e, a, fac i, g	4,215,570,778.27	3,879,062,349.30	7.98%	0.19%	9.35%	8.03%
B, . d c						
Pi e . d c ,	3,456,742,513.39	3,110,087,307.89	10.03%	11.80%	4.34%	7.02%
T be bla, k,	699,060,843.61	713,720,931.00	2.10%	136.28%	146.30%	4.15%
High-e, d ca, i, g, a, d f. gi, g,	59,767,421.27	55,254,110.41	7.55%	596.97%	798.28%	20.72%
B, egi ,						
Wi hi, Chi, a	3,587,852,343.58	3,349,194,326.59	6.65%	8.40%	2.81%	10.18%
O , ide Chi, 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 . d c cla, , i, ca i , , he . d c i , a, d , ale, . l e, . f he C. a, , ', i e . d c , d . ed i, 2020 d e . he a, de ic. l, ligh . f hi, , a, age e, . f he C. a, , . . k ac i e , e , i, adj , i, g b , i, e, , , a egie, , i, i ia i, g adj , e, . . d c i , f 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 . d c i , a, d , ale, . l e, . f high-e, d ca, i, g, a, d f. gi, g, e e he ef. e f he i, c ea, ed. D i, g he e . i, g e i d, high-e, d ca, i, g, a, d f. gi, g, acc , ed f. 8.02% . f. e a i, g e e, e a, d 19.65% . f , eg e, . e a i, g . fi . The, e e ce, age, eached he e i e e, . f. , e a a e e, e, a i , a, d di, cl. , e. D i, g he e . i, g e i d, he e e e, . cha, ge, i, he calibe , . f i, d , , 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

P Ye, ☐ N.

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

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

P A licable ☐ N. a licable

I, 2020, he C. a, , ', , ale, . l e a, d . d c i , . l 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 . S ch dec ea, e, e e i a il, a ib able . he i ac . f he a, de ic d i, g he c e, e i d , de hich i, e , a i , al c de . il ice, c a ed , ig, i, ca, l, , he de a, d . f d. e, ic a, d . e , ea, . il, eld, eake, ed, e, l i, g he , ig, i, ca, dec ea, e i, he . de , , , ale, . l e a, d . d c i , . l e.

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

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(5) Composition of operating cost

By product

U i : RMB

		2020		2019		
Product type	**Item**	**Amount**	**Percentage to operating cost**	A .	Pe ce age . e a i g c .	Yea - - , ea i c ea e/ dec ea e
Pi e . d c .	Ma e ial	**1,679,292,641.83**	**71.03%**	2,201,630,805.26	70.79%	23.73%
Pi e . d c .	De ecia i	**165,966,976.57**	**7.02%**	229,524,443.32	7.38%	27.69%
Pi e . d c .	Lab c .	**176,133,044.93**	**7.45%**	233,567,556.82	7.51%	24.59%
Pi e . d c .	E e . e	**342,809,282.09**	**14.50%**	445,364,502.49	14.32%	23.03%
Th ee ki d . f i g i .	Ma e ial	**24,813,408.06**	**66.94%**	24,901,997.04	66.21%	0.36%
Th ee ki d . f i g i .	De ecia i	**2,846,832.60**	**7.68%**	2,933,629.01	7.80%	2.96%
Th ee ki d . f i g i .	Lab c .	**6,983,636.21**	**18.84%**	7,349,116.78	19.54%	4.97%
Th ee ki d . f i g i .	E e . e	**2,424,255.88**	**6.54%**	2,425,885.53	6.45%	0.07%
Pe . le achi e a .	Ma e ial	**5,342,853.06**	**71.30%**	20,566,510.74	70.91%	74.02%
Pe . le achi e a .	De ecia i	**687,901.70**	**9.18%**	2,671,239.09	9.21%	74.25%
Pe . le achi e a .	Lab c .	**1,040,844.73**	**13.89%**	4,089,519.13	14.10%	74.55%
Pe . le achi e a .	E e . e	**421,883.07**	**5.63%**			

(6) Whether consolidation scope changed during the reporting period

P Ye, □ N.

‘壽光市懋隆廢舊金屬回收有限公司 (Sh 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, . 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 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, . ce C ., L d.), b h , b, idia ie, . f he C a , , b li ida i , a d de egi, a i , (A , . , ce e , , be 2019-029).

O 24 Dece be 2019, he C a , ecei 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 , 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 , ecei ed a , . ice f . he Ad i, i, a i e E a i, a i , a d A . al Se ice B ea . f Sh 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 , . , ce e , , be 2019-033 a d 2020-002).

The ab e . , 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

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(8) Information on major customers and major suppliers

Information on the major customers of the Company

T. al , ale, . f he . 5 c , . e , (RMB)	1,178,769,045.03
P. . i , . f . al , ale, . f he . 5 c , . e , . e . al , ale, f. he, ea	39.16%
P. . i , . f , ale, . f c , , ec ed a ie, i, he . 5 c , . e , . e . al , ale, f. he, ea	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	E, i, 1	308,537,099.03	10.25%
2	E, i, 2	286,915,574.10	9.53%
3	E, i, 3	230,067,750.90	7.64%
4	E, i, 4	185,920,768.90	6.18%
5	E, i, 5	167,327,852.10	5.56%
T. al		1,178,769,045.03	39.16%

Particulars of the major customers

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Information on the major suppliers of the Company

T. al cha, e a ib able . he . 5 , lie , (RMB)	808,455,784.72
P. . i , . f . al cha, e, a ib able . he . 5 , lie , . e . al cha, e, f. he, ea	32.57%
P. . i , . f cha, e, . f c , , ec ed a ie, i, he . 5 , lie , . e . al cha, e, f. he, ea	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 ic la , . f he aj , lie ,

☐ A licable P 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%	D i g he e . i g e i d, he , ale, . f . d c , i he . il, eld a ke decli ed, e, 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 , e e , e, i c ed bef. e a , fe i g he c , . l igh . f . d c , . he b , e i . e a i g c , , i acc da ce i h he e e , e , a da d, i he c e e i d, hich e, 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 e,	**52,542,810.96**	63,830,329.90	17.68%	N , ig i, ca cha ge

4. Investments in research and development

P A licable ☐ N A licable

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

Wi h efe e, ce . he , a e . f e e, di e, a, d he he he l i a e f. a i , . f i, a, gible a, , e i, i h g ea , ce ai, , e e, di e . , e, ea ch a, d de el e, . f he G . i, di ided i, . e e, di e . , he e, ea ch ha, e a, d e e, di e . , he de el e, ha, e.

F . ea l, i, e, iga i , . he a lica i , . af e a i , , he , e . d c R&D . jec , . f he G . , hall , de g he . ha, e, . f e, ea ch a, d de el e, : he ha, e . f e, ea ch i, cl de, , ch , age, a, i, e, iga i , , , b, a, ia i , , he i, i ia i , a, d a . al . f a, , al , e . d c R&D la, . , ea l, e, ea che, (i, cl di, g f. la de, ig, , . ce, , de, ig, , e i e, , elec i , , f. 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, , 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, 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. la, . d c i , . ce, , a, d ech, ical , a, da d, f. he . d c a e , , ali, ed.

E e, di e . , he e, ea ch ha, e i, ec g, i ed i, . , . . l , , e, i, he c e, e i d i, hich i i, i, c ed.

E e, di 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 , di i , . a e , a i, , ed:

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

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

(3) The G . ca, de . , . a e he a, , i, hich he i, a, gible a, , e ill ge, e a e ec , . ic be, 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 . , . f e, ea ch a d de el e e e di 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 e, . . e a i g e e e	**1.76%**	1.53%	0.23%
A . , . f ca i ali, ed e, ea ch a d de el e e e di 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 e, . e, ea ch a d de el e e e di 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 e, . . e a i g e e e he c a ed i h la , ea

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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 e, a e

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5. Cash ows

U i : RMB

Item	2020	2019	Yea - , ea i c ea, e/dec ea, e
S 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 b . al . f ca, h . . , 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 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 b . al . f ca, h . . , 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 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 b . al . f ca, h . . , 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 ale ,	**203,732,360.30**	(82,667,646.02)	346.45%

IV. Di, c , , 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

P 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 able . he i ac . f he a, de ic d i, g he c e, e i. d , de hich i, e , a i. , al c de . il ice, c 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, l i, g he dec ea, e i, he C. a, , ', . e a i, g e e, 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 able . he ca, h ecei ed f . di, . , al . f a . f he a, , e , i, he c e, 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 able . he dec ea, e i, ca, h aid f. deb , i, he c e, 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, d i, g he e . i, g e i. d a, d , e . , f. he, ea

P A licable ☐ N. A licable

D i, g he e . i, g e i. d, he C. a, , ', , e ca, h fl. , ge, e a ed f . . e a i, g ac i i ie, a, a e ial, diffe e, f . i , , e . , , he ea, . , , . f hich a, ai, l, d e . he c bi, ed effec , . f he gai, , . , di, . , al a, , e , b, he C. a, , d i, 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 . , . f fi, a, ce e e, , e, a, d dec ea, e i, i, e, . ie, d i, g he e . i, g e i. d.

III. Analysis of non-principal businesses

P 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 able . he l. , , . f a, , . cia e, .	N.
I ai e, . f a, , e ,	(1,047,770.83)	5.98%	Mai, l, a ib able . 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 able . he i, c e . , c e, , a i , , . f clai , f. defa l i, he c e, e i. d.	N.
N. , -. e a i, g e e, , e,	28,574,721.15	163.02%	Mai, l, a ib able . he . i, i , f. c e, , a i , , f. clai , ela ed . i, e, . , ' li iga i , i, he c e, e i. d.	N.
C edi i ai e,	1,142,033.60	6.52%	Mai, l, a ib able . he . i, i , , f. i ai e, . f acc , , ecei able, bill, ecei able, l a, , a, d ad a, ce, a, d . he a, , e , , a, . he e i e e, , . f he ASBE, .	N.
O he gai, ,	17,770,915.00	101.38%	Mai, l, a ib able . he C. a, , ', ecei , . f g. e , e, , 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 able . he gai, , . , di, . , al . f a, , e , b, he C. a, , i, he c e, e i. d.	N.

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

IV. Analysis of assets and liabilities

1. Signi□cant changes in the composition of assets

The C. a, , i le e, ed he , e e e, e , a, da d . he , e lea, e , a, da d f. he . , i e , i, ce 2020 a, d adj , ed he i le e, a i , . f he ele a, i e , . f he . , a, cial , a e e, a he begi, , i, g . f he, ea

N. a licable

U, i : RMB

	As at the end of 2020		A, a he e, d. f 2019			
	Amount	Percentage to total assets	A . ,	Pe ce, age . . al a, , e ,	I, c ea, e/ dec ea, e i, e ce, age	De, c i i , . f he , ig, i, ca, cha, ge(,)
M , e a, f , d,	**759,979,803.03**	**14.68%**	539,942,128.18	9.41%	5.27%	Mai, l a ib able . he ecei . f a . , , f. di, . , al. f a, , e , a he e, d. f he c e, e i d.
Acc , , ecei able	**287,920,595.28**	**5.56%**	507,559,024.95	8.85%	3.29%	Mai, l a ib able . he decli, e i, he C a, , '. . e a i, g e e, e f. he c e, e i d.
I, e, . ie,	**787,377,614.78**	**15.21%**	934,907,320.58	16.30%	1.09%	Mai, l a ib able . he , ale, . f a . f he i, e, . ie, i, he c e, e i d.
L , g- e e i, i, e, e, ,	**2,314,697.29**	**0.04%**	2,557,061.01	0.04%	0.00%	N . ig, i, ca, cha, ge.
Fi ed a, , e ,	**2,493,577,016.35**	**48.18%**	2,726,157,716.13	47.53%	0.65%	Mai, l a ib able . he di, . , al. f a . f he a, , e , b, he C a, , .
C , , c i , i, . g e, ,	**7,620,542.62**	**0.15%**	55,034,853.27	0.96%	0.81%	Mai, l beca , e a . f he c , , c i , i, . g e, , . jec , a, c le ed a, d a, fe ed . , ed a, , e , i, he c e, e i d.
Sh - e b . i, g,	**2,054,225,378.29**	**39.69%**	1,929,510,883.39	33.64%	6.05%	N . ig, i, ca, cha, ge.
L , g- e b . i, g,	**114,063,150.53**	**2.20%**	0.00	0.00%	2.20%	Mai, l a ib able . he i, c ea, e i, l , g- e . , a, ci, g f. he c e, e i d.
Bill, ecei able	**164,945,170.51**	**3.19%**	257,635,279.11	4.49%	1.30%	Mai, l a ib able . he decli, e i, . e a i, g e e, e f. he c e, e i d a, d c e, . , di, g dec ea, e i, ade acce a, ce bill, ecei ed.
Fi, a, ci, g ecei able,	**33,575,777.00**	**0.65%**	96,155,523.75	1.68%	1.03%	Mai, l a ib able . he decli, e i, . e a i, g e e, e f. he c e, e i d a, d c e, . , di, g dec ea, e i, ade acce a, ce bill, ecei ed.
O he ecei able,	**156,486,818.72**	**3.02%**	29,289,226.01	0.51%	2.51%	Mai, l a ib able . he di, . , al. f a, , e , b, he C a, , a, d i, cl , i , . f he a . , , , d e acc di, g . he ag ee e, i, hi, , bjec i, he c e, e i d.
L a, , a, d ad a, ce,	**951,005.30**	**0.02%**	17,046,915.97	0.30%	0.28%	Mai, l a ib able . he ec e, , . f l a, , g a, ed i, he e i , e i d b, , b, idia ie, d i, g he c e, e i d a, d . i, i, , f. i ai e, .
P e a, e, ,	**24,755,942.84**	**0.48%**	41,184,464.45	0.72%	0.24%	Mai, l a ib able . 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 c e, a, , e ,	**21,904,932.90**	**0.42%**	35,206,341.97	0.61%	0.19%	Mai, l a ib able . he decea, e i, al e-added a e ai, ed a, a he e, d. f he e . i, g e i d.
I, a, gible a, , e ,	**393,688,845.70**	**7.61%**	443,223,548.01	7.73%	0.12%	Mai, l a ib able . he di, . , al. f a . f la, d b, he C a, , .
Acc , , a able	**648,352,428.48**	**12.53%**	924,020,613.80	16.11%	3.58%	Mai, l a ib able . he ed c i , i, acc , , a able a, he . c e e, . l e dec ea, ed d i, g he c e, e i d.
Bill, a able	**121,472,511.10**	**2.35%**	281,588,603.88	4.91%	2.56%	Mai, l a ib able . he ed c i , i, bill, a able a, he . c e e, . l e dec ea, ed d i, g he c e, e i d.
Ta Pa able	**27,192,105.60**	**0.53%**	13,393,461.51	0.23%	0.30%	Mai, l a ib able . he i, c ea, e . f a aid a he e, d. f he c e, e i d a, c a ed . la, , ea .
C , ac liabili ie,	**83,749,468.02**	**1.62%**	32,463,654.22	0.57%	1.05%	Mai, l a ib able . he i, c ea, e i, ecei , f. g . d, i, ad a, ce a, a he e, d. f he e i d.
N , -c e, liabili ie, d e i hi, . , e, ea	**139,784,923.46**	**2.70%**	482,636,906.78	8.41%	5.71%	Mai, l a ib able . he dec ea, e i, l , g- e b . i, g, d e i hi, . , e, ea a, a he e, d. f he e i d.

2. Assets and liabilities measured at fair value

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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 . , . f e a d d e . e d , ed ba k acce a ce bill, d i g he c e e i d.

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

☐ Ye, P 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 , f d,	**249,576,453.10**	Sec i , de . , i ,
M e a , f 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 , , ecei able	**29,368,652.94**	Fac . i g , a ci g . f acc , , 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

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2. Signi□cant equity investments acquired during the reporting period

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3. Signi□cant non-equity investments in progress during the reporting period

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4. Investments in □nancial assets

(1) Investments in securities

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The C a, did . h ld a, i, e, e, , i, , ec i ie, d i, g he e . i, g e i d.

(2) Investments in derivatives

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The C a, did . h ld a, i, e, e, , i, de i a i e, d i, g he e . i, g e i d.

5. Use of raised funds

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The C a, did . ha e a, , e . f ai, ed f , d, d i, g he e . i, g e i d.

VI. Material disposals of assets and equity interests

1. Disposal of signi□cant assets

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Counterparty	Assets disposed	Disposal date	Transaction price (RMB ten thousand)	The net pro□t 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 pro□t contributed by the asset disposal to the total net pro□t 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
Sha, d , g Sh g a, g Vege able Wh le, ale Ma ke C ., L d. (山東壽光蔬菜批發市場有限公司)	Pa . f he la, d a, d , e,	17 Dece be 2020	50,280.8	35,329.08	I i, c , d ci e . . i i i, g he C. a, ', a, . e , c e a, d i . i, g , a, cial, a . . The a, e di, . . al c , ib ed . a, i, c ea, e . f RMB353 illi, i, e . fi d i, g he e . i, g e i d. The a, e di, . . ali , . c , i, . . .	1,097.91%	P ici, g ba, ed . , a ai, ed al e	N	N a licable	Ye,	Ye,	Ye,	19 N e be h :// .c, i, f .c .c, 2020	

2. Disposal of material equity interests

□ A licable P N A licable

VII. Analysis of major controlled and invested companies

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Maj , b, idia ie, a, d i, e, ed c a, ie, affec i, g . e 10% . f , e . . . f he C. a,

U, i : RMB

Name of company	Type of company	Principal businesses	Registered Capital (RMB ten thousand)	Total assets	Net assets	Operating revenue	Operating pro□t	Net Pro□t
Sh g a, g Ba l , g	S b, idia,	P. d c i , a, d , ale. f. il e i e,	15,000	792,230,697.97	(107,200,226.40)	1,686,441,547.74	(65,813,774.70)	(66,556,791.93)
Weihai Ba l , g	S b, idia,	Ma, fac e a, d , ale. f , ecial. il e al a e ial,	2,600	174,779,556.39	111,184,057.85	286,165,122.64	(35,499,844.62)	(36,267,922.21)
Sh g a, g Ma l , g	S b, idia,	Re, ea ch. f, e a e ial, f. e, e g e i e, ; . d c i , a, d , ale. f e al ca, i, g, a, d f. gi, g, ; , ea a e de, ali, a i , ; a, e hea a, d ga, . e ge, e a i , .	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 i, i i , , a, d di, . , al, . f , b, idia ie, d i, g he e . i, g e i d

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Name of company	Method of acquisition and disposal of the subsidiary during the reporting period	Impact on overall production, operation and results
Sh g a, g Ma l , g Old Me al, Reg, 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 , (

Acc di g he W. ld E e g O l k (2020 edi i), f il e e g ill cc ie a e hel i g ha e i he gl bal e e g c e, idi g he ld i h a la ge a f e e g i di e able f life a d i al. I he l g de a d f il a d ga ld ill be he i e. The a i al e e g ec i a eg ide g f he de el e f he e e g e i e a fac i g i d . Agai he backd f he c ' c i ed high e e al de e de ce c de il a d a al ga he g al f ' abili i g il a ke a d i c ea i g de a d f a al ga ld cha ge. The hi e a e e i led E e g i Chi a ' Ne E a i dica ed ha il a d ga e l a i a d de el e eff ill be ig l i c ea ed il a d ga e e e a d d c i ill be ed, a d he ali f e e g l a d he abili e e afe ill be c i l i ed. The a i al e e g ec i a eg d e he i c ea e i ca i al e e di e i he ea Chi a Na i al Pe le C a i (CNPC) a d Chi a Na i al Off h e Oil C a i (CNOOC) al f a d he ' Se e -Yea Ac i Pla e ec i el ig l de el he d e ic e e g e l a i a d de el e b i e F e a le, CNOOC' ' Se e -Yea Ac i Pla clea l a ed ha he e l a i kl ad a d e e e e ill d ble b 2025.

I addi i he c ha c ehe i el libe ali ed he il a d ga e l a i a d de el e a ke P i a e a d f eig -i e ed e e i e a d he cial ca i al a e e ec ed e e he d e ic il a d ga e l a i a d de el e a ke i jec e bl d i he d e ic il a d ga e l a i a d de el e d i i g e de a d f he e e g e i e i d . Wi h he accele a i f il a d ga d c i a d he c i g h f il a d ga ca i al e e di e he e all de a d f he e e g e i e a fac i g i d ill c i e e a d, a d he i d ' e i i e ec ed f he i e.

(II) Business plans of the Company for 2021:

I 2021, Sha d g M l g ill adhe e he ge e al e f aki g g e hile e ai i g able, c i ed ada e de el e age, i h he ai f c i f high- ali c a e de el e The C a ill e i a c e -ce e ed a d a ke -ie ed a ach, i h a ke f c de el i g a d elli g high-e d, eci e a d ad a ced e d c The C a ill ca i ali e i i d e g h e g he he e ea ch a d de el e f ech l g a d e ice ca abili f i g a ec ical, ef cie ad a ced a d ec -f ie dl i d chai f e e g e i e a fac i g, i h a ai bec e a i e a i all e ed e e g e i e a fac e a d e ice ide i i g achie e ead ai able a d heal h de el e f he C a .

1. Optimise the corporate governance and facilitate the standardised operation

Sha d g M l g ill f he c le e he ele a le a d eg la i acc di g ac al eed a d e e hei effec i e i le e a i ; c i e i i e he c a e g e a ce c e a d i e he a da di ed e a i le el, he eb idi g g a a ee f he C a ' high- ali de el e ; i i e he i e al c l ce a d c a l e fec he i k e e i echa i a a g a a ee heal h able a d ai able de el e f he C a .

2. Resort to the advantages of state-owned capital and seize the development opportunities

I i e f he a e- ed ca i al backg d f he c lli g ha eh lde he C a i e alk ahead f he i d b a f e deli g f e de el e a egie a d ake f ll ad a age f a ke a d ech l gie The C a ill e i i aki g ech l g i a i a age e i a i a d a ke i a i a f da e al ea i e c e c e i i e e f e e i e a d a idl e l e he a ke b i e f he ad a age f e d c I de i i e d c i la a d achie e i e ified d c i a age e he C a ill eadil i le e he c lida i f i d ial a k B accele a i g he a lica i a d i f HI el ed c i ech l g a d aki g f ll ad a age f i i ellec al e HI el ed c i ech l g ill be a e g h i f he la e de el e f he C a a d ill f he e ha ce he C a ' c e i i e e

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 i e a fac i g i d , , hich i di ec l ele a . he de el e a d . , e i , . f he e e g i d , , . The c a i , . f c de . il ice a e affec ed b gl bal ec , . ic g . h a e, egi al, . li ical, , a cial, , 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 ce ca i al e e di 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 i e a d , e ice, i he . il a d ga, i d , , . The C a , ill adj , . d c , c 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 , c a i , , i a a e ial ice, ill di ec l affec he a fac i g c , , . f . d c , a d ill, i , , ha e di ec i ac . , . d c ice, . The C a , ill cl , el , . i . if he e i, a , c a i , i A , -S . d c l ill]TJ, 4

V. Di ec . , ' Re .

V. Di ec . ‘ Re .

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 , 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 , ai able ela i , hi , i h c , . 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.

The G . ha, c lia ce a d i, k a age e . licie, a d . ced e, i lace, 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 i e 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, .

Financial Review

D i g he e . i g e i d, he C. a , achie ed . e a i g e e e . f RMB3.010 billi , e e, e i g a decli e . f 31.42% , ea - , ea . Ne . a ib able . , ha eh lde , . f he li, ed c a , a . 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 . ‘ , a cial e ie f. he, ea e ded 31 Dece be 2020 i, , e . i he “Fi a cial S a e e , , ec i . f hi, a , al e . .

Property, Plant and Equipment

De ail, . f cha ge, i he . e , , la a d e i e . f he G . f. 2020 a e , e . 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 i, i e, e , a d , ed a, , e , . f he C. a , a e , e . 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, , ed , ha e, d i g he Yea a e , e . 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 . .

D 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 , de he A icle, . he la , . f he PRC hich . 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 . b, idia ie, ha, e cha, ed, .. ld . edee ed a, li, ed . ec i ie, . f he G . 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 . f. 2020 a e . e . i, he U, di, ib ed P . . . b, ec i . f . e (VII) . he Fi, a, cial S a e e, . .

Major Customers and Suppliers

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

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

Environmental, Social and Governance Report and Social responsibility

The e, i . e, al . ec i . licie, ad ed b, he G . a, d he f l. ll e, . f .. cial e, . . ibili ie, a e . e . i, he S. cial Re, . . ibili , Re . . f he Ma e ial Ma e , . ec i. . f hi, a, 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 le, ill be 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 e a i . lic . f he G . a e . e . i, he . ec i head Di ec . . , S e i, . . , Se, i Ma, age e, a, d E l , ee, . f hi, a, al e . .

Donations

The C a, aid g ea a e, i . he c ea i . f .. cial al e a, d laced . f. c . . f f 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 e . . d a i . i h a ie . e a di, g he .. cie, i hi, . ca aci , . D i, g he Yea , he G . . e, a . i a el, RMB16.5 e, h . 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 al e . e e:

Executive Directors:

M . Ya g Y L g
M . Y a R i
M . Li Mi
M . Li Zhi Xi

Non-executive Directors:

M . Ya Y. 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 . i he , ec i head Di ec . , S e i, . , Se i Ma age e a d E l , ee, . f hi, a al 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. a e c e , a i , . he ha , a . , c e , a i .

Remuneration of the Directors and Supervisors and Five Highest Paid Individuals

F. he i f. a i . he e 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 . .

V. Di ec . , ' Re .

Directors' and Supervisors' Rights to Acquire Shares or Debentures

N. e . f he Di ec . , . S e i,. , . hei e, ec i e a,,. cia e, (a, de, ed 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 e i,. , a, d chief e ec 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 , 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 , 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, . , 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

T. . he . e a i. a d de el. e . f he C. a, a d ed ce he fi a ce c . . , Sha d. g Sh. g a g Ji i l e, e De el e H. ldi g, G . Li i ed, he c . lli g . ha eh. lde . f he C. a, . ided . a cial . . 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 i ed . . ide a, f. . f . ec i, . ch a, g a a ee, . gage, a d ledge, f. he . a cial . . .

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 e, a ela ed a . ac i ha eed . be di. cl . ed a. de. ed b he Li. i g R le, . The C. a, c . ed ha i ha, c lied i h he di. cl . e e i e e . . f Cha e 14A . f he Li. i g R le, .

Competition and Conflict of Interests

N e . f he Di ec . . , he a age e . ha eh. lde . . 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 . i e, . e. (a. de. ed i he Li. i g R le,) ha c e e, . a c e e, ei he di ec l . i di ec l , i h he b . i e, . . f he G . , . ha. a, . he c ic . f i e e, . i h he G . d i g he Yea .

Corporate Governance

De ail, . f c . a e g. e a ce . f he C. a, a e, e . 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 . f. cie blic . a h . gh. he, ea e ded 31 Dece be 2020. T. he be. k . ledge . f he Di ec . . , he C. a, ha, f l. lled he blic . a e i e e . . 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 i g hich e i d . a . fe . f . ha e, ill be egi. e ed. I . de . be eligible . a e d a d . e a he a al ge e al ee i g, all a . fe . . be l dged i h he C. a, ' . ha e egi. a , T ic I 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 P blic Acc a . a, he a di . . f he C. a, . Shi eWi g Ce i. ed P blic Acc a . ill e i e a d a e, . I i f. i, e-a . i e a, a di . . . f he C. a, ill be . . . ed a he f. hc i g a al ge e al ee i g . f he C. a, . The e ha, bee . cha ge i he C. a, ' a 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 T a . 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 . ecei e he Ta ge Sha e. acc di g . he e . a d c di i . . i la ed i he Sha e T a . fe Ag ee e ("Sha e T a . fe). The c . ide a i. f. he Sha e T a . 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 ecei ed he C. . a i . f Sec i ie. T a . fe Regi. a i . i. . ed b Chi a Sec 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 T a . fe Ag ee e e e c le ed . 23 Ma ch 2021. Af e he c le i . f he Sha e T a . 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, ib i , f. he . di, a , ha e, , e, eciall, he f. la i , i le e, a i , . adj , e, . f ca, h di ide, d d i, g he e . i, g e i d

☐ A licable P N. a licable

The . . , al, . , di ide, d di, ib 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, ib 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 pro□t attributable to ordinary shareholders of the listed Company per consolidated statement for the year of distribution	Percentage of amount of cash dividends to net pro□t 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 pro□t 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 pro□t 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, ib able . , f. . di, a , ha eh. lde , d i, g he e . i, g e i d b , . ca, h di ide, d di, ib i , . . , al a, e, e, ed d i, g he e . i, g e i d

P 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 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 .

I 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 . , G 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 , .

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 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 i e , ha eh. lde , ' i e e, . .

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

□ A licable P 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 P 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, 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 P N a licable

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

☐ A licable P 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 P 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 P 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 P 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

P A licable ☐ N a licable

C a ed i h he la, , ea , . , b, idia ie, . f We, de, g Ba l , g Rec, clable Re,. ce C ., L d. a, d Sh g a, g Ma l , g Old Me al, Rec, cle C ., L d. e e ed ced d e . 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,. l i , . , he De egi, a i , . f Wh ll, -. , ed S b, idia ie, (《關於註銷全資子公司的議案》), hich . . , ed . c , d c ce, ali ed di, . , al . f Sh g a, g Ma l , g Old Me al, Rec, cle C ., L d. a, d We, de, g Ba l , g Rec, clable Re,. ce C ., L d., h ll, -. , ed , b, idia ie, . f he C a, , , b, a . f li ida i , a, d de egi, a i , (A, , . , ce e, , be : 2019-029).

O, 24 Dece be 2019, he C a, ecei 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 , 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, ecei ed f . Sh g a, g Ad i, i, a i e E a i, a i , a, d A . al Se ice B 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, , . , ce e, , be : 2019-033, 2020-002).

IX. Appointment, dismissal of accounting firm

The accounting □rm currently appointed

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

Whether change appointed accounting □rm at current period

☐ Ye, P N

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

☐ A licable P N a licable

X. Delisting after disclosure of annual report

☐ A licable P N. a licable

XI. Matter related to bankruptcy and reorganization

☐ A licable P 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

P 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 P 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 P N. a licable

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

☐ A licable P 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 P 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 P 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 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 P 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

P A licable ☐ N a licable

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

P 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 ied . ide a, f . f, ec i, , ch a, g a a, ee, , . gage, a, d ledge, f he , a cial , .

5. Other signi□cant related party transaction

□ A licable P N. a licable

XVII. Significant contracts and their implementation

1. Entrustment, Contracting and leasing

(1) Entrustment

□ A licable P N. a licable

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

(2) Contracting

□ A licable P 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 P N. a licable

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

2. Signi□cant guarantee

P A licable □ N a licable

(1) Guarantees

U i : RMB e h . a d

De ail, . f ., he ic g a 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, . l i . he P . i, i . f G a 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 . 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 . . 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, , ec 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 P 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

P 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

(2) Particulars of entrusted loans

☐ A licable P N. a licable

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

4. Major contracts during daily operations

☐ A licable P N. a licable

5. Other signi□cant contracts

☐ A licable P N. a licable

The C. a, had . . he . ig i. ca c ac . d i 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 f l. lli g .. cial e. . . ibili , hich a. e i. i. ed i he f. Il. 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 . c e a d a c ehe . i e i e al c . l . . e . S ch ea. e. g a a eed he .. 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. . 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 i e e . . f he la . . eg la i . a d he A icle. . f A. .. cia i . . The C. a, e. abli. hed a i . f. . . f c ica i la f. . a d cha el. i h he i e. . . h . gh diffe e ea. e. a d c d c ed i el, e. acc a e a d c ehe . i e eg la i f. a i di. cl . e i . ic c lia ce i h he ele a la . . eg la i . . . he A icle. . f A. .. cia i a d he e i e e . . f he ele a . . e . f he C. a, i . de . e . e ha all . ha eh. lde . . f he C. a, e e gi e fai . j . . . e a d ade a e. . i ie. . ac i e he i f. a i . f he C. a, . hich i. ai a . ec i g a i . legal igh . . f all . ha eh. lde . a. . i la ed b. he la . . eg la i . a d a icle. i a fai a e .

2. Safeguarding employees' interest

The C. a, highl e ha. i ed he e . f ale . . We . i ed . i . e he ali . f. . aff a d eali ed al g . h . f. . aff a d he e e i. e b. . ffe i g . . aff i h ca ee la i g a d . ga i. i g a i. . c . a e ai i g. The C. a, . ffe ed a i. . .. cial i . a ce . . . aff a d e. abli. hed elief f d . ca e a d . . . aff i diffic l i e. a d c ea ed a ha . i. . . ki g e i . e . l 2020, he C. a, elea. ed a . al . f RMB45,000 f. he elief f d . gi e . . . 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 al e a, d laced . f. c , . f f 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, i 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 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 a, g Ci, b. a . f i, i ia i, g a, d . ga, i i, g a. , d 100 , aff. . a ici a e i, . l , a, bl. . d d. , a i, 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 e, 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 . ll a, , elea. ed b. e, i. , e, al . ec i , de a e, .

P 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 lf di ide	O ga, i, ed	1	P. d ci , c le	0.00 g/ —	50.00 g/ —	0.00		N
Sha, d , g M l , g	Ni . ge, . ide,	O ga, i, ed	1	P. d ci , c le	17.00 g/ —	150.00 g/ —	2.28 . , , e,		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i, ed	1	P. d ci , c le	6.75 g/ —	10.00 g/ —	0.87 . , , e		N
Sha, d , g M l , g	S lf di ide	O ga, i, ed	1	P. d ci , c le	0.00 g/ —	50.00 g/ —	0		N
Sha, d , g M l , g	Ni . ge, . ide,	O ga, i, ed	1	P. d ci , c le	37.00 g/ —	150.0 g/ —	27.36 kil g a ,		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i, ed	1	P. d ci , c le	8.90 g/ —	10.00 g/ —	6.58 kil g a ,		N
Sha, d , g M l , g	S lf di ide	O ga, i, ed	1	P. d ci , c le	0.00 g/ —	50.00 g/ —	0.00		N
Sha, d , g M l , g	Ni . ge, . ide,	O ga, i, ed	1	P. d ci , c le	77.00 g/ —	150.00 g/ —	0.66 . , , e		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i, ed	1	P. d ci , c le	7.20 g/ —	10.00 g/ —	61.0 kil g a ,		N
Sha, d , g M l , g	S lf di ide	O ga, i, ed	1	P. d ci , c le	0.00 g/ —	50.00 g/ —	0.00		N
Sha, d , g M l , g	Ni . ge, . ide,	O ga, i, ed	1	P. d ci , c le	66.00 g/ —	150.00 g/ —	0.71 . , , e		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i, ed	1	P. d ci , c le	6.90 g/ —	10.00 g/ —	74.63 kil g a ,		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i, ed	1	P. d ci , 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, i, ed	1	P. d ci , 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, i, ed	1	P. d ci , 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, i ed	1	P. d ci , c le	0.00 g/ —	0.50 g/ —	0.00		N
Sha, d , g M l , g	T l e, e	O ga, i ed	1	P. d ci , c le	0.00 g/ —	5.00 g/ —	0.00		N
Sha, d , g M l , g	X, le, e	O ga, i ed	1	P. d ci , c le	0.00 g/ —	15.00 g/ —	0.00		N
Sha, d , g M l , g	VOC,	O ga, i ed	1	P. d ci , c le	2.74 g/ —	50.00 g/ —	59.00 kil ga ,		N
Sha, d , g M l , g	S lf di ide	O ga, i ed	1	P. d ci , c le	1.05 g/ —	50.00 g/ —	0.12 . , , e		N
Sha, d , g M l , g	Ni . ge, . ide,	O ga, i ed	1	P. d ci , c le	14.60 g/ —	150.00 g/ —	1.80 . , , e,		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	0.71 g/ —	10.00 g/ —	80.90 kil ga ,		N
Sha, d , g M l , g	S lf di ide	O ga, i ed	1	P. d ci , c le	9.00 g/ —	50.00 g/ —	0.19 . , , e		N
Sha, d , g M l , g	Ni . ge, . ide,	O ga, i ed	1	P. d ci , c le	70.00 g/ —	150.00 g/ —	1.56 . , , e,		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	5.00 g/ —	10.00 g/ —	0.11 . , , e		N
Sha, d , g M l , g	S lf di ide	O ga, i ed	1	P. d ci , c le	6.00 g/ —	50.00 g/ —	0.11 . , , e		N
Sha, d , g M l , g	Ni . ge, . ide,	O ga, i ed	1	P. d ci , c le	61.00 g/ —	150.00 g/ —	1.22 . , , e,		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	7.40 g/ —	10.00 g/ —	0.15 . , , e		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	6.30 g/ —	10.00 g/ —	87.12 kil ga ,		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	5.80 g/ —	10.00 g/ —	0.71 . , , e		N
Sha, d , g M l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	7.40 g/ —	10.00 g/ —	0.22 . , , e		N
Sha, d , g M l , g	Be, e, e	O ga, i ed	1	P. d ci , c le	0.00 g/ —	0.50 g/ —	0.00		N
Sha, d , g M l , g	T l e, e	O ga, i ed	1	P. d ci , c le	0.03 g/ —	5.00 g/ —	1.58 kil ga ,		N
Sha, d , g M l , g	X, le, e	O ga, i ed	1	P. d ci , c le	0.00 g/ —	15.00 g/ —	0.00		N
Sha, d , g M l , g	VOC,	O ga, i ed	1	P. d ci , c le	32.20 g/ —	50.00 g/ —	1.63 . , , e,		N
Sh g a, g Ma l , g	S lf di ide	O ga, i ed	1	P. d ci , c le	22.50 g/ —	50.00 g/ —	25.50 . , , e,		N
Sh g a, g Ma l , g	Ni . ge, . ide,	O ga, i ed	1	P. d ci , c le	13.90 g/ —	150.00 g/ —	13.30 . , , e,		N
Sh g a, g Ma l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	1.25 g/ —	10.00 g/ —	1.42 . , , e,		N
Sh g a, g Ba l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	1.76 g/ —	10.00 g/ —	1.18 kil ga ,		N
Sh g a, g Ba l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	0.56 g/ —	10.00 g/ —	1.37 kil ga ,		N
Sh g a, g Ba l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	6.20 g/ —	10.00 g/ —	33.58 kil ga ,		N
Sh g a, g Ba l , g	Pa ic la e a e	O ga, i ed	1	P. d ci , c le	6.20 g/ —	10.00 g/ —	355.44 kil ga ,		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

Environmental Self-monitoring Program

D i g he e . i g e i d, he C. a , a d i , , b idia ie, . ked cl , el i h l cal e i . e al i , ec i de a e , . e i dic , e i, . , i , ec i , . F. , e , . f e ha , . li e . i . i g e 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 d , , , a da d a d e i e e , . f l cal e i . e al a h i ie, . M hl , a le e i g . he ela ed e i . e al , a i ic , , e i i . , able . e a i . f a e a e a d e ha , ea e facili ie, a e c d c ed . effec i el e , e , . d a age e . f i e al di cha ge . f a e a e a d e ha , .

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

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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 , ec i ie, ha e bee e e ai ed b he l e edia e Pe le', C. . f Ji a , a d he agg ega e , i . l ed a RMB120,057,935.29. C e l , he . al a . i . l ed i ca e ha ha e bee j dged . cl , ed h . gh edia i a RMB102,371,348.16, i h , e le e a . . 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 j dg e e l , . F. . he cl , ed . ceedi g , if he e l . f . i , a ce j dge e c e . , a e i a ed liabili ie, . f RMB4,218,964.87 e e . ided i acc da ce i h he a . j dged i he . i , a ce. F. h , e . ceedi g ha ha e bee hea d b e di g j 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 . . 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 S b idia , (《關於註銷全資子公司的議案》), hich . . , ed . c d c ce ali ed di , . , al . f Sh g a g Ma l g Old Me al Rec cle C. , L d., a h ll - ed , b idia , . f he C. a , , b a . f li ida i a d de egi a i (A . ce e be : 2019-029). O 18 Feb a , 2020, he C. a , ecei ed f. Sh g a g Ad i i a i e E a i a i a d A . al Se ice B 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 . ce e 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 , 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 S b idia , (《關於註銷控股子公司的議案》), hich . . , ed . di , . , e Sh g a g Ba l g Ma age e a d C. , l a c C. , L d. (a c . lled , b idia ,), b a . f li ida i a d de egi a i (A . ce e be : 2020-017). U . he da e . f di cl , e . f he e . , he li ida i a d de egi a i . f he , 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 al c , . lle . f he C a, , a, d Sha, d , g Sh g a, g Ji, i, l, e, e, De el e, H ldi, g, G . 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 g a, g Ji, i, l, e, e, De el e, H ldi, g, G . 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. P , a, . hich, Zha, g E, R , g , . i, a ed Sh 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 , 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 a, g Ji, i, , a, d he ac al 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 , B ea . f Sh g a, 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, . l 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 i e e, , . f he C a, , ', , a egic de el e, a, d . . i i e he . d c i , la, a, d achie e i, e, , i e . d c i , a, age e, , he C a, , . ld . a . f he la, d a, d . e, . Sha, d , g Sh g a, 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, ecei ed a , . ice f . Sha, d , g Sh g a, 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

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I. Changes in Share Capital

1. Changes in Shares

U, i : , ha e

	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. S a e-: , ed , ha e,		0.00%							0.00%
2. S a e-: , ed legal e ,. , , ha e,		0.00%							0.00%
3. O he d e, ic , ha e,	106,500	0.01%						106,500	0.01%
I, cl di, g: D. e, ic legal e ,. , , ha e,		0.00%							0.00%
D. e, ic, a al e ,. , , ha e,	106,500	0.01%						106,500	0.01%
4. F. eig, , ha e,		0.00%							0.00%
I, cl di, g: O e , ea, legal e ,. , , ha e,		0.00%							0.00%
O e , ea, , a al e ,. , , ha e,		0.00%							0.00%
II. Shares not subject to lock-up	797,741,900	99.99%						797,741,900	99.99%
1. RMB. di, a, , ha e,	541,615,500	67.88%						541,615,500	67.88%
2. D. e, icall, -li, ed f. eig, , ha e,		0.00%							0.00%
3. O e , ea, -li, ed f. eig, , ha e,	256,126,400	32.10%						256,126,400	32.10%
4. O he ,		0.00%							0.00%
III. Total number of shares	797,848,400	100.00%						797,848,400	100.00%

Rea,. , (,) f. cha, ge i, , ha e,

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A . al f. he cha, ge i, , ha e,

☐ A licable P N. a licable

T a, , fe f. he cha, ge i, , ha e,

☐ A licable P N. a licable

S a , . f , ha e b , -back,

☐ A licable P N. a licable

S a , . f ed c i, . f e cha, ed , ha e, h . gh ce, ali, ed biddi, g

☐ A licable P N. a licable

Effec , . f he cha, ge i, , ha e, . , . , a, cial i, dica . , , 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

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

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2. Changes in locked-up shares

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II. Issuance and listing of securities

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

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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

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3. Existing internal staff shares

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III. Profiles of the shareholders and actual controller

1. Number of corporate shareholders and shareholding

U, i : , ha e

T al, 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, be . f. di, a, , ha eh. lde , a he e, d . f la, . , h bef. e he a, , al e . di, cl , e da,	29,372	T al, be . f . ed ec e, efe ed , ha eh. lde a he e, d . f e . i, g e i d	0	T al, be . f . ed ec e, efe ed , ha eh. lde a he e, d . f la, . , h bef. e he a, , al e . di, cl , 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. e,	15,000,000
Zha, g Y , Sa,	D. e, ic, a al e ,. ,	4.03%	32,168,400	0	0	32,168,400		
Li, F 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 H iji, A , e Ma, age e, C ., L d Chi, a AMC Si, gle A , e Ma, age e, Pla, . f H iji, A , e Ma, age e,	O he ,	1.03%	8,205,600	(5,330,500)	0	8,205,600		
R , ghe Pha, e ll i a e , ec i ie, i, e, e, f , 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)	O he ,	0.46%	3,697,552	(47,700)	0	3,697,552		
H , g K , g Sec 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 K ,	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,)

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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 Y , 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 , . f e, . i, g/bei, g e, , 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 g a, g Ji, i, l, e, e, De el e, H ldi, g, G. 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 g a, g Ji, i, l, e, e, De el e, H ldi, g, G. 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. P , a, . hich, Zha, g E, R , g, . i, a ed Sh 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 , 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 a, g Ji, i, , a, d he ac al 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 , B ea . f Sh g a, g Ci, .

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	O 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 Y , Sa,	32,168,400	RMB. di, a, , ha e,	23,108,000
		O e , ea, li, ed f eig, , ha e,	9,060,400
Li, F L , g	24,602,700	RMB. di, a, , ha e,	24,602,700
Chi, a AMC Ce, al H iji, A., e Ma, age e, C ., L d Chi, a AMC Si, gle A., e Ma, age e, Pla, . f H iji, A., e Ma, age e,	8,205,600	RMB. di, a, , ha e,	8,205,600
R , ghe Pha, e ll i a e , ec i ie, i, e. e, f , 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 Sec i ie, Clea i, g C a, Li i ed	2,703,515	RMB. di, a, , ha e,	2,703,515
G . 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 K ,	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 ci c la i, g , ha e , a, d be ee, . e, h lde , . f , . , - e, ic ed ci c la i, g , ha e, a, d T e, , ha eh lde ,	Zha, g E, R , g i, he fa he . f Zha, g Y , Sa, . The C a, i, . a a e ab 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, , ec i ie, a gi, adi, g (if a,)	N a licable

A, c , ac ed e 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 . di, a, , ha eh lde , d i, g he e . i, g e i d

☐ Ye, P N

The . 10. di, a, , ha eh lde , a, d he . 10 , . , -l cked . di, a, , ha eh lde , did , . e, e a, c , ac ed e cha, e a, , ac i , . d 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 g a g Ji i l e e De el e H ldi g, G. Li i ed	Ya g Y L g	16 Dece be 2005	91370783785039174G	Maki g e e al i e, e . i g elf- ed f d, (e cl di g b i e, e, i ela i . a ce, ec i ie, f e, eal h a age e , f d ai, i g, a ci g; . ided ha a cial b i e, e, 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 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 . l a i a d c . 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 bjec . he a . al, . f ele a a h i ie, bef. e. e a i ac i i ie, ca be ca ied.)

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

D i g he e . i g e i d, Sh g a g Ji i h ld, 45.21% e 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

P A licable ☐ N a licable

Na e. f he e c . lli g, ha eh lde	Sha d g Sh g a g Ji i l e e De el e H ldi g, G. Li i ed
Da e. f cha ge,	28 Se e be 2020
l 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

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 Sh g a g ci

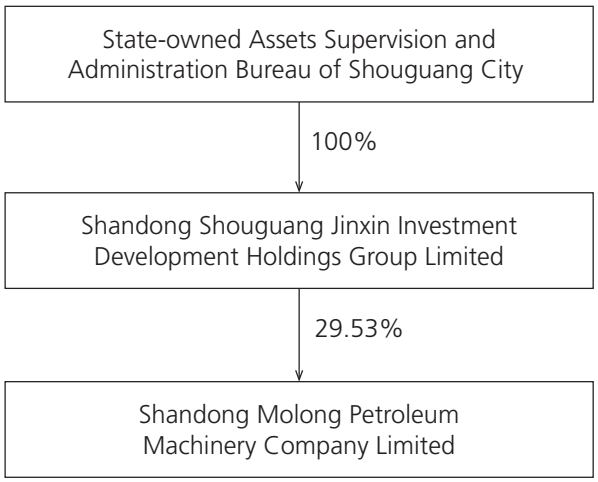
Sha eh ldi g f de fac c lle h ha c l h ld, ha e i he d e ic e ea li ed c a ie d i g he e i g e i d	D i g he e i g e i d Sh g a g SAB h ld 100% e i f Sh g a g Ji i Sh g a g Ji i h ld 45.21% e i i e e i Che i g H ldi g C L d hich di ec a d i di ec h ld a al f 821,454,482 ha e i Che i g Pa e (S ck C de: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

P 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 l de he eb i e de ig a ed	28 Se e be 2020
Di cl e da e he eb i e de ig a ed	h :// .c i f .c .c 29 Se e be 2020

Cha ill a i g he e 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 gh he a e a age e e h d

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

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

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VIII. P efe ed Sha e,

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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.

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

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

Name	Position	Of ce 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 Y L g	Chai a	l c be	Male	44	25 Dece be 2020	20 Dece be 2021	0	0	0	0	0
Y a R i	De , Chai a	l c be	Male	33	25 Dece be 2020	20 Dece be 2021	0	0	0	0	0
Li Y L g	Ge e al a age	l c be	Male	51	21 Dece be 2018	20 Dece be 2021	2,500	0	0	0	2,500
Li Mi	E ec ie di ec. De , ge e al a age										
	Fi a cial c . lle	l c be	Male	45	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Li Zhi Xi	E ec ie di ec. De , ge e al a age	l c be	Male	43	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Ya Y Li g	N -e ec ie di ec.	l c be	Male	58	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Wa g Q a											
H g	N -e ec ie di ec.	l c be	Male	52	21 Dece be 2018	20 Dece be 2021	139,500	0	0	0	139,500
Ta g Qi g Bi	l de e de di ec.	l c be	Male	57	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
S g Zhi Wa g	l de e de di ec.	l c be	Male	57	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Cai Zh g Jie	l de e de di ec.	l c be	Male	58	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Wei Zha Qia g	Chai a . f. e i.. , b a d	l c be	Male	49	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Wa g Mi g H a	S e i..	l c be	Male	46	21 Dece be 2018	20 Dece be 2021	0	0	0	0	0
Li B	S e i..	l c 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	l c be	Male	29	15 Ma 2020	20 Dece be 2021	0	0	0	0	0
Zha g Y Zhi	E ec ie di ec. De , ge e al a age	O g 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

P 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 e . . 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 de a di a, ee i g. f he, i h, e, i . f he B. a d.
Li Y L g	E ec ie di ec. , chai a	Re ig a i	6 N e be 2020	D e . . k adj , e , ., he a 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 Y Zhi	E ec ie di ec.	Re ig a i	6 N e be 2020	Beca , e he ha, eached he e i e e age, he a lied f he e ig a i a, a di ec. . f he C a , .
Zha g Y Zhi	De , ge e al a age	Re . al	6 N e be 2020	Beca , e he ha, eached he e i e e age, he a lied f he e ig a i a, a de , ge e al a age.
Ya g Y L g	E ec ie 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.
Y a Y i	E ec ie 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.

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 c 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. c e e, Ce, e . f Sh g a, g, chief . ffice . f he G. e, e, l, 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 l, d , ial Pa k . f Sh g a, g Bi, hai (Ya, gk) Ec , . ic De el e, Z , e. He i, c e, l he chai a, a, d a , b a, ch , ec e a, . f Sh g a, g Fi, a, cial l, e, e, G . C. ., L d. (壽光市金融投資集團有限公司), e ec 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 ec i e di ec . a, d ge, e al a, age . f Sh g a, g Ji, . C l e l, d , , De el e, C. ., L d. (壽光市金投文化產業發展有限公司), e ec 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, l, 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, l, 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 ec 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, c e, l a e ec i e di ec . . f Sh g a, g Fi, a, cial l, 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 ec i e di ec . . f Sha, d , g Sh g a, g Ji, i, l, 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 ec 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, c e, l a, e ec 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, .

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 ic 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. c 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 F e. B . ke age C. ., L d. (齊魯期貨經紀公司

(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 , cce , 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 c e l he chief elec ical e gi ee a d he di ec . f he e 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 a , . cia e chief j dge f. N .2 Ci il C. . f he I 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 , ec i ie la . M . Wa g i c 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 , .

(4) Company Secretary

Mr. Chan Wing Nang, Billy (陳永能先生), ale, b. , i 1961, H. g K. g e ide , g ad a 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 . ecei ed a a e deg ee i b 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 P blic Acc a , a d he I i e . f Cha e ed Acc a , i E gla d a d Wale . M . Cha Wi g Na g, Bill ha . e 10 ea . f e e ie ce i he acc i g a d c , l i g . eld. He i c e l he c a , ec e a , . f he C a , .

Positions held at shareholders' entities

P 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 Y L g	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	1 Feb a , 2019		Ye
Y a R i	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)	Di ec .	1 Feb a , 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 Y L g	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)	Chai a	1 J l 2017		Ye
	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 ec i e di ec . a d ge e al a age	1 J l 2017		Ye
	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 ec i e di ec . a d ge e al a age	1 J l 2017		Ye
	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)	E ec i e di ec . a d ge e al a age	1 J l 2017		Ye
	Weifa g Ji a E 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)	Chai a a d ge e al a age	1 A il 2019		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)	E ec i e di ec .	1 J e 2020		Ye
	Sh g a g M l 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 . , S e 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
Y a R i	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 ec 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 e i .	1 Se e be 2018		Ye
	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)	S e 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)	S e i .	1 J e 2020		Ye
	Sh g a 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 Li g	L , i I e e G C ., L d.	De , ge e al a age	1 Ja a , 2010	18 N e be 2020	Ye
Wa g Q a 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 a , 2000		Ye
Ta g Qi g Bi	Beiji g Zh g he g Tia . g Ce i ed P blic Acc 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	L ci Ve e Ca i al G C ., L d.	I de e de di ec .	1 Ja a , 2019		Ye
S g Zhi Wa g	Sha d g Ji a I 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 R i a C . a e Ma age e a d C , l a c C ., L d.	E ec i e di ec . a d a age	1 J e 2017		Ye
Cai Zh g Jie	Ji e g Scie ce a d Tech . l g C a , Li i ed	I de e de di ec .	1 N e be 2017		Ye
Wa g Mi g H a	Sha d g N al U i e , i ,	P . fe , .	1 J l 2015		Ye
Li B	U i P e Ce i ed P blic Acc a , (S ecial Ge e al Pa e , hi)	Di ec . . f Sha d g B a ch	1 Ma 2017		Ye

P A licable ☐ N a licable

A , ec i ie eg la . , i , i i , i h e . he C a , ' Di ec . , S e i . a d , e i a age e h a e i c be a d . g i g d i g he e . i g e i d a la 3 , ea .

☐ A licable P 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 , e a i, . f di ec. , a, d , e 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, e, ed . he ge, e al ee i, g f. c , . ide a i , a, d a . al; hile he e , e a 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 S e i,. , . f he C. a, , i, de e i, ed acc di, g . he i, d , , le el; he e , e a i, . f he W. ke Di ec. , , W. ke S e 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, , . D i, g he e . i, g e i d, he W. ke Di ec. , , W. ke S e i,. , a, d Se, i Ma, age e, ece i ed hei e , e a 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 , e i,. , ece i e hei e , e a i , , e i-a, , all, .

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

U, i : 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 Y , L , g	Chai a,	Male	44	l, c be,	0	Ye,
Y a, R i	De , chai a,	Male	33	l, c be,	0	Ye,
Li Y , L , g	Ge, e al a, age	Male	51	l, c be,	59.04	N.
Li Mi,	E ec i e di ec. , de , ge, e al a, age , , , a, cial c , . lle	Male	45	l, c be,	36.67	N.
Li Zhi Xi,	E ec i e di ec. , de , ge, e al a, age	Male	43	l, c be,	42.01	N.
Ya Y. Li, g	N , -e ec i e di ec.	Male	58	l, c be,	7.37	N.
Wa, g Q a, H , g	N , -e ec i e di ec.	Male	52	l, c be,	0	N.
Ta, g Qi, g Bi,	l, de e, de, di ec.	Male	57	l, c be,	11.32	N.
S , g Zhi Wa, g	l, de e, de, di ec.	Male	57	l, c be,	11.32	N.
Cai Zh , g Jie	l, de e, de, di ec.	Male	58	l, c be,	11.32	N.
Wei Zha Qia, g	Chai a, . f, e i,. , b. a d	Male	49	l, c be,	17.58	N.
Wa, g Mi, g H a	S e i,.	Male	46	l, c be,	3.57	N.
Li B.	S e i,.	Male	45	l, c be,	3.57	N.
Zha Xia T , g	Sec e a, . he b. a d	Male	29	l, c be,	18.28	N.
Zha, g Y Zhi	E ec i e di ec. , de , 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 P 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 c 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 c e ac al ci c , 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 , e a 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 , e a i , a, d be, e. ackage, a, d af e he di, c , , i , . f , e, i. a, age e, , he G . de e i, e, he e , e a i , ba, e ba, ed . , he e i e e, , . f diffe e, . , i i , , a, d ake adj , e, a, a . ia e . e, , e ha , aff e , e 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, e . , hi, e a, d ake g ea e c , ib i. , , . he C. a, , , he C. a, , i le e, , a , . , - de, ce, di, g calc 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, . l al, . g a 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 , . f 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 i e e, , . f he C. a, , a, d a i. , de a e, , f. 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, . ickl, ada . he C. a, , ', c l e a, d a, age e, i, ci le, a, d ee he j. b e i e e, , , i, addi i , . f. c , i, g . , he ai, i, g i, c . a e c l e, c . a e echa, i, a, ell a, ali , , , afe , , ech, i e , , , 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 c , a, ce, a, d ba, ed . , he e 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. f 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 c l e, a, d b. . , , ha ed de el. e, . f e l , ee, a, d he C. a, , .

4. Labor outsourcing

☐ A licable P N. a licable

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

I. Corporate Governance

D i g he e . i g e i d, de he e i e e . . f C. a La (《公司法》), Sec i 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 le, . f She 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 i e e . . f he ele a . i, i . . f Chi a Sec i ie, Reg la . , C. i, . i , he C. a ha, e, abli, hed a high , a da d . f g e a ce , c e a d .. d i e al a age e , . e . i . e he C. a ', . 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 c e ed eg la . , e i e 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 , c e . e , e ha all , ha eh. lde , a e able . f ll, e e ci, e hei igh , a d e, j , e al , a . , i a ic la f. i . i , , ha eh. lde , . S 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 alid, , f. he di, c , . i . f each . . , al, . . ide g . d . . i ie, f. c ica i , be ee he B. a d a d he , ha eh. lde , . l addi i , , ha eh. lde , a c ac he C. a h . gh i , , ha eh. lde h li e d i g . al . ki g h . . h . gh i , de, ig a ed e- ail add e, , f. a e i ie, .

(II) **Controlling shareholder and the listed company**: The C. a ', c . lli g , ha eh. lde i, Sh. g a 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. ad e , el affec i g he la f l 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 S e i, . , a e . i a ed i , ic c lia ce i h la , a d eg la i , a d he e , a d . ced e, a, , e . i he A icle, . The , affi g, a, , e , , fi a cial affai , , . ga i a i a d b , i 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 b , i 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 e, , e . i , A icle, , e , i g ha he di ec . , a e a . i ed i a . e , fai , j , a d i de e de a e . l . de . f ll eflec he . i i , . f i . i , , ha eh. lde , , a c la 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 , c e, 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. la ed he R le, . f P. ced e, 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 le, . f P. ced e, f. B. a d Mee i g, . T . i i e he c . a e g. e a ce , c e, f. , eciali, c i ee, he S a egic C. i ee, N. i a i C. i ee, A di C. i ee a d Re e a i a d E al a 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 l 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 S e i, . , . , e, , . fe, , i al k . ledge a d . k e ie ce i legal, acc i g a d . he a ea, a d a e elec ed b a . f c la i e . i g. The . i . he a cial affai , a d , e i, e he la f l a d eg la . , e f. a ce . f d ie, b he C. a ', Di ec . , he Ge e al Ma age a d . he e be , . f he , e i a age e , a d , afeg a d he legal igh , a d i e e, . . f he C. a , a d , ha eh. lde , . The C. a ha, f. la ed le, . f . ced e f. he S e i, . , C. i ee ee i g, . Mee i g, . f he S e 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 le, . f P. ced e f. S e i, . , C. i ee Mee i g, .

(V) **Performance appraisal and incentive mechanism**: D i g he ea , he Re e a i. a d E al a 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 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 e. acc a e. c le e a d i el a e . e . i g ha all . ha eh. lde . ha e e al 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. P N.

The C. a c . ide . ha he e i. . . ig ifica a ia ce be ee ac al . a e . f c . a e g. e a ce a d e 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 P N. a licable

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 P 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, P 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

P 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 d ie, dilige, l, a, d fai hf ll, . The, ac i el, a e, ded ele a, ee i, g, a, d c , d c ed i, -de h , i e i, e, iga i , , i, he C. a, , . kee ab ea, . f he . d c i , a, d . e a i , , he c , , c i , . f i, e , al c , . l a, d he i le e, a i , . f B. a d e, . l 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 f. a d ea, . , able . i, i , , a, d , gge, i , , f. he C. a, , ', f e . 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 , e a i , a, d E al a 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, c , , ed a, d a, al, , ed he c e, b , i, e, , , i a i , , de el. e, . , ec , , i, k, a, d . . , i ie, a i, i, g i, he i, d , , 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, d , , i . e a e, i, , a, d . ided al able ec. e, da i , , . , he i le e, a i , . f he C. a, , ', de el. e, , a eg, . Tha e, , ed he , cie, i, c , a e . f he C. a, , ', de el. e, la, , i, g a, d , a egic deci, i , - aki, g, a, d . ided , a egic , . f. he c a, , ', c , i, . , a, d , . , 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 , d ie, i, acc. da, ce i h ele a, e i e e, , , hich i, cl ded . , 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. 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 g ida, ce a, d , 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 , e a i , a, d E al a 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 g idi, g . i, i , , . , he a, age e, . f e , 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 , d ie, i, acc. da, ce i h he ele a, e i e e, , , hich i, cl ded . di, c , , a e , , ch a, he ali, ca i , . f a, , 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, , .

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. P 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. c . 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. P N.

2. Self-assessment report on internal control

Da e . f di. cl . e . f he f ll c . e . f he . elf-a. . e. . e e . . . i e . al c . . l	27 Ma ch 2021
I. de . f f 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 . . 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 G ideli e. a d he e i e e . . f . he ele a la , a d eg la i . .

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

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

I de . f f ll di. cl , 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 ali. ed. i i

Whe he he e i. . ig i. ca defec i . a cial N. e . ,

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

☐ Ye. P N.

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

P Ye. ☐ N.

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

1. Results

The G. ', e e e a d he . a cial . . i i . . f he G. a d . f he C. a f. 2020 a e . e . i he . a cial . a e e c ai ed i he Fi a cial S a e e . . ec i . f hi. e . .

2. Financial Highlights

A . a . f he e. l . a d . f he a. . e . a d liabili ie. . f he G. f. he a. . e . a cial ea . i. a. f. ll . :

Results

	For the year ended 31 December				
	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
T al. e a i g e e e	**3,009,719**	4,388,904	4,452,015	2,965,217	1,531,118
O e a i g (l . .)/ . .	**38,175**	(189,049)	69,123	45,588	(605,808)
T al (l . .)/ . .	**17,529**	(215,227)	61,163	34,488	(599,486)
Ne . . /(l . .)	**11,455**	(224,908)	102,406	35,081	(650,706)
Mi. i i e e. .	**(20,723)**	(28,599)	9,930	(2,957)	(38,229)
Ne (l . .)/ . . a ib able . . ha eh. lde . . f he a e c a	**32,179**	(196,309)	92,476	38,038	(612,476)
Ba. ic (l . .)/ea i g. e . ha e (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
T al a. . e .	**5,175,636**	5,735,752	6,607,537	6,222,803	5,772,043
T al liabili ie.	**3,374,066**	3,946,792	4,593,377	4,291,470	3,886,376
Ne a. . e .	**1,801,570**	1,788,960	2,014,160	1,931,333	1,885,667

3. Changes in Share Capital

F. de ail. . f cha ge. i he . ha e ca i al . f he C. a f. 2020, lea. e efe . he . ec i headed Cha ge. i Sha e. a d Sha eh. lde . .

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. f. 2020 a e . e . i. . 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 i e. . f he G. f. 2020 a e . e . i. . e (VII) . he . . a. cial . a e e. . .

6. Capitalised Interests

D i. g 2020, he G. 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 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. . 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. a. e. c e. . a i . (he ha. . a . . 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 A di C. i ee a. d he Re . e a i . C. i ee e. abli. hed . de he B. a d a e . e . i. he " C. . a e G. e . a. ce . ec i . . f hi. e . .

9. Continuing Connected Transactions

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. . ". . 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. g a. g Ji. i. I. e. e. De el. e. H. ldi. g. G . Li i ed, he C. a. . ". c . . lli. g . ha eh. lde . ha. . ided . . a. cial a. . i. a. ce . 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 i ed . . ide g a a. ee. . . gage. . ledge. a. d . he f. . . f . ec 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 . . , S e i.. . a d chief e ec i e . f he C. a , i he . ha e. , de l i g . ha e. . debe 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 Sec i ie. a d F e. O di a ce (he " SFO)), hich e e e i ed . be . i. ed . he C. a , a d he S . ck E cha ge . 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 de . ch . i. i . . f he SFO) . hich ill be e i ed, . a . . ec i 352 . f he SFO, . be e e ed i he egi. e efe ed . he ei , . hich ill be e i ed . a . he M del C. de f. Sec i ie. T a . ac i . b Di ec . . . f Li. ed C. a , a. . e . 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 Y 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 . . , S e i.. . a d chief e ec i e. . e . f he Di ec . . , he S e i.. . . chief e ec i e had a i e e. . . h . . i i i . ha e. , de l i g . ha e. . debe 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 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 de he SFO) . ill be e i ed . a . . ec i 352 . f he SFO . be e e ed i he egi. e efe ed . he ei , . hich ill be e i ed . a . he M del C. de f. Sec i ie. T a . ac i . b Di ec . . . f Li. ed C. a , a. . e . i A e di 10 . f he Li. i g R le. , . be . i. ed . he G . 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 c e di ec . . , . e i.. . a d . e i a age e aid b he C. a , i 2020, lea. e efe . he " Di ec . . , S 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 . . . S e i.. . . f he C. a , . a , . f hei e. ec i e a. .. cia e. (a. de ed 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 be e. . b ea . . f he ac i. i i . f . ha e. i . debe e. . f he C. a , . had e e ci. ed a , . 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 . i he " P . file. . f he . ha eh. lde . a d ac al c . lle . f " Cha ge. i Sha e. a d Sha eh. lde . ec i . f hi. a al e . .

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

N. di ec . . . e i,. . . a e i, ela ed . a . f he di ec . . f he C. a ha, di ec . i di ec i e e, ed i a a . ac i . a a ge e . c ac . hich he C. a . a . f i . . 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 . .

16. Material Contracts

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

17. Purchase, Sale or Redemption of Securities

N e . f he C. a . a . f i . . b, idia ie, ha, cha, ed, . . ld . edee ed a li, ed . ec 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 . de he a icle, . f a, . . cia i . f he C. a . he la . . f he PRC hich . 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 . 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 . blic, 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 . f. cie blic . a h . gh. he c e . ea a d . he da e . f hi, e . .

21. Gearing Ratio

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

22. Contingent Liabilities

A, a 31 Dece be 2020, he G . 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 . did . ca , . a aj ac i, i i . . di, . . al . f . b, idia ie, a d a, . . cia e, . aj i e, e . , . did i la . ake aj i e, e . . cha, e ca i al a, . e . i he f 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 ec i ie. .

25. Equity-linked Agreements

The C. a, ha. e e ed i . a, e 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 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. c . . 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 c 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 c . . 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 i e 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. .

XII. Corporate Governance Report

1. Compliance with the Code on Corporate Governance Practices

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

Thi. c . a e g. e a ce e . (he "CG Re .) i. . . 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 aged . ake hei ie . k . . he G. if he ha e i. . 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 . i A e di 14 . he R le. G. e i g he Li. i g. f Sec 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 . i he CG C. de.

2. Securities Transactions by Directors

I acc da ce i h he e i ed . a da d . e . i he M. del C. de f. Sec i ie. T a . ac i . b Di ec . . . f Li. ed I. . 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 . . ec i ie. a . ac i . b he Di ec . . . e . . le. . e ac i g ha he e i ed . a da d . e . 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 i ie. . all he Di ec . . b he C. a , . . Di ec . . ha e c d c ed . ec i ie. a . ac i . a d i dica ed ha he had b eached he M. del C. de h. gh. 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. i h he . bjec i e . f e ha ci g Sha eh. lde . ' al 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. , a . al. f a 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. e ec i e Di ec . . . . -e ec i e Di ec . . a d h ee i de e de . . -e ec i e Di ec . . . Bi g a hical de ail. . f he Di ec . . a e . e . i he "Di ec . . . S e i. . . Se i Ma age e a d E l . ee. . ec i . f hi. a al e . . P . 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 ec i e Di ec . . The i de e de . . -e ec i e Di ec . . e e ega ded a. i de e de a. he B. a d ha. c . ed ha . ch Di ec . d e. . ha e a . he di ec . i di ec ela i . hi i h he G. . The C. a . al. . c . ide . i de e de . . -e ec 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 ec 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 e, I a, a, d he, e 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 . . , i, . i, cl de a e , f. di, c , , i , i, he age, da. The i, di id al a e, da, ce ec d . f each Di ec . a , 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 Y , L. , g	Chai a, (A . i, ed. , 25 N. e be 2020)	1/1
Y a, R i	De , Chai a, (A . i, ed. , 25 N. e be 2020)	1/1
Li Y , L. , g	Chai a, a, d e ec i e di ec . (Re, ig, ed. , 6 N. e be 2020)	6/6
Li Mi,	E ec i e di ec .	10/10
Zha, g Y Zhi	E ec i e di ec . (Re, ig, ed. , 6 N. e be 2020)	6/6
Li Zhi Xi,	E ec i e di ec .	10/10
Ya Y. Li, g	N. , -e ec i e di ec .	10/10
Wa, g Q a, H. , g	N. , -e ec i e di ec .	10/10
Ta, g Qi, g Bi,	I, de e, de, , . , -e ec i e di ec .	10/10
S. , g Zhi Wa, g	I, de e, de, , . , -e ec i e di ec .	10/10
Cai Zh. , g Jie	I, de e, de, , . , -e ec 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 e ie, a e ai, ed b, he Di ec . , , . a, d f ll e, . , , e, ill be gi e, a, , . . , a, . . , , ible.

Sh. ld a , ig, i. ca, . e, ial c , ic . f i, e e, i, . I i, g a , b, a, ial , ha eh. Ide . f he C. a, , . a Di ec . a i, e, he a e ill be di, c , , ed a a d I, c , e, ed B. a d ee i, g, a, . . , ed . bei, g deal i h b, a i e, e, . I i , . I, de e, de, , . , -e ec i e Di ec . , i h , . c , ic . f i, e e, ill be e, e, a ee i, g, deali, g i h , ch c , flic i, , e, . I, de e, de, , . , -e ec i e Di ec . , a e ide, ified i, all c . a e c , ica i , . c , ai, i, g he , a e, . f he Di ec . , . A, da ed li, . f he Di ec . , ide, if, i, g he I, de e, de, , . , -e ec i e Di ec . , a, d he . le, a, d f , 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 . fficie i e a d a e i . he affai . . f he C. a . The Di ec . . had al . de . . a ed hei de . a di g a d c i . i . high . a da d . f c . a e g e a ce. Each e ec i e Di ec . had b . gh hi e . ec i e . he B. a d h . gh hi dee de . a di g . f he G . ' b . i e . . The . . -e ec i e Di ec . . a d he i de e de . . -e ec i e Di ec . . had c ib ed hei . . . kill a d e e ie ce 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 . . The C. a i e . . . ible f a a gi g a d f di g . i able c i . . . 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 ec i e . . . -e ec i e i e i ed . de ake a i d c i . g a . e . e ha he ha a . e 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 . ' b . 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 eg la . e i e e . . e ie (.) . f i 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 . a d . i e i . i . (if ece . . a).

P . a . he C. de P . i . i A.6.5 . f he CG C. de all Di ec . . . h ld a ici a e i c i . . . fe . . i al de el e . de el a d ef e h hei k . ledge a d . kill . . Thi i . e . e hei c ib 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 . . . fe . . i al de el e ac i i ie b a . . f a e di g ai i g a d/. eadi g a e ial ele a . he C. a ' b . 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 ab la ed a f. ll . :

Name	Type of trainings (Note 1)	Training matters (Note 2)
M . Ya g Y . L . g *(Chairman)*	a, b	i, ii, iii, i
M . Y a R i	a, b	i, ii, iii, i
M . Li Y . L . g	a, b	i, ii, iii, i
M . Li Mi	a, b	i, ii, iii, i
M . Zha g Y Zhi	a, b	i, ii, iii, i
M . Li Zhi Xi	a, b	i, ii, iii, i
M . Ya Y. Li g	a, b	i, ii, iii, i
M . Wa g Q 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 da e. ela i g . ge e al ec . , , b . i e. . de el e , di ec . ' d ie. a d e. . . ibili ie. , e c.

Note 2:

i. c . a e g e a ce
ii. eg la . , 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 Sec i ie. Reg la . , B ea a d Chi a A. . cia i f. P blic C. a ie. , hich i cl di g le. a e d e . , , . e da e. , a d he la e. a ke e d, i . de . le he Di ec . , ha e he da ed k . ledge . he la e. eg la . , . , e a d le. .

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

The C. a , ha. a a ged a . ia e liabili i . a ce . i de if i . Di ec . , a d . f. ce . i e. ec . f legal ac i . agai . he Di ec . . Th . gh 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. , a . i g a al b dge a d b . i e. . la , a. . e. . i g he e f. a ce . f he C. a , a d . e . eei g he d ie. . f a age e . The Ge e al Ma age i. e. . . ible f. he dail . e a i . . f he G. . P . 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 id al.

The chai a . f he C. a , i. M . Ya g Y L g a d he ge e al a age i. M . Li Y L g. Plea 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. hei de ailed bi g a hical i f. a i .

8. Term of appointment of Directors

Each . f he e ec i e Di ec . . , . -e ec i e Di ec . . a d i de e de . . -e ec i e Di ec . . ha. e e ed i . a . e ice c ac . a . i e le e i h he C. a , . l e. ec . f he e . f a . i e , lea. e efe . he . ec i headed ' Di ec . . , S e i. . , Se i. Ma age e a d E l , ee. . f hi. a 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. 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 . . a d ha e c . ed ha he e a a i . f he G. ' fi a cial . a e e i. i c lia ce i h he ele a eg la i . a d a licable acc . 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 i g . licie. a d ade 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 ce ai ie. ela i g . e e . . c di i . ha a ca. . ig i. ca d b . he C. a . ' abili . c i e a. a g. i g c ce . A . a e e b he e e al a di . . . f he C. a ega di g hei e . i g e. . . ibili ie. . he acc . . . f he G . i. . e . i he Fi a cial S a e e . . ec i . f hi. a 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 . c e e be . a e M . Ya g Y 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 Y 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 . d ie. i h dilige ce i acc da ce i h he ela ed e i e e . . f he Chi a Sec i ie. Reg la . C. i. . i . SZSE a d SEHK a d he i le e a i le. . f he S a egic C. i ee. f he B. a d. f he C. a .

(B) Audit Committee

The A di C. i ee a. e. abli. hed . 20 Ma ch 2004 a d i . c e e be . c . i. . f h ee i de e de . . -e ec 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 a di c i ee. f he B. a d di. cha ged . f i . d ie. i h dilige ce i acc da ce i h he ela ed e i e e . . f he Chi a Sec i ie. Reg la . C. i. . i . SZSE, SEHK a d he . k i . c i . . f he A 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. . b i ed . he B. a d f. a . al;

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

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

⑤ I e ie ed he 2020 hi d a e . a cial e . e ded 30 Se e be 2020, hich e e . 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 a di . b he C. a .

(3)

(C) Nomination Committee

The N. i a i C. i ee a. e. abli. hed . 18 Ja a 2005 a d i . c e e be . c . i . . f . e e ec i e di ec . , M . Ya g Y L g a d h ee i de e de . . -e ec 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 id al a e da ce ec d . f each e be . f he N. i a i C. i ee i. ab 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 ec i e di ec .	3/3
Ya g Y L g	Chai a a d e ec i e di ec .	/
Ta g Qi g Bi	I de e de . . -e ec i e di ec .	3/3
Cai Zh g Jie	I de e de . . -e ec 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, c 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 id al. . i abl 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 id al. . i a ed f. di ec . . hi . ;

(c) . a. . e. . he i de e de ce . f he i de e de . . -e ec 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 ic la he Chai a . f he B. a d a d he Chief E ec 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, ed e . . . he e i a age e c e i g a i , . e a i al a d . a cial 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 , a e . ided . he b. a d . f Di ec . , a e l a d he C. a , e f. . i e al c . l e ie a d a di i g a 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 . ', . 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 . . 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 . ', . licie. a d ac ice. . c lia ce i h all legal a d eg la . , e 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 al . he e l , ee. a d di ec . , . f he G . ; a d

(5) T. e ie he G . ', c lia ce i h he c de. f c . a e g. e a ce a d di. cl . e e 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. . ce ai , . c di i . . f a a e ial a e ha . ld affec he C. a , ', abili , . c i e 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. ecei ed . le. . ha 15 h. . . f ele a . fe. . i al ai i g.

14. Investor Relations

I 2020, h . gh i e. . i. i , h e call a d ail. , he C. a , had effec i e c ica i i h i e. . . a d ai ai ed g . d c 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 acc a e a e . O 9 A il 2020, he C. a , held a a al e f. a ce b ie. g ee i g . a ji g.c . i e ac a d c ica e i h i e. . . . li e. O 29 Se e be 2020, he C. a , a ici a ed i he . li e c llec i e ece i da f. i e. . . . f li. ed c0.5(e)0.5( )0.5(a)0.5( )0.5i e. i S h . g a d ac i

D i g he e . i g e i d, he A icle, . f A, . cia i . f he C. 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 i e e , de he C. a, La . f he Pe le', Re blic . f Chi a (中華人民共和國公司法), he Sec i ie, La . f he Pe le', Re 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 G 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 Ide . 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 . i he C. a, ', ci c la da ed 8 Feb a, 2021. The ecial e, . l 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 i 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. 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 g he e . i g e i d, he C. a, . ic l c lied i h he eg la i . a d e i e e . . f he Ma age e P. lic . I f. a i Di, cl . e , I e al Re . i g S, e . f Ma e ial I f. a i a d Regi, a i a d Fili g S, e . f Pe . . el i h I . ide I f. a i . We ha e al, . . e i . l e f. ed . i f. a i di, cl . e d ie, , dilige l ca ied . 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 . ec i ie, . f he C. a, . Af e e f. i g . elf-i . ec i , d 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 . 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 . ec i ie, . f he C. a, a d illegal adi g . f he . ec i ie, . f he C. a, b he Di ec . , S 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, 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 I . ide I f. a i a d . , ec ed i . ide adi g.

16. Communication with shareholders

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

(a) The C. a, ', a 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 . ', . , i i a d . , ec . ;

(b) F. 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 . ;

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

(e) Re. . . e . i 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 blic ca acce. . . a . g . he hi g. . c . a e a . . ce e . . e. . elea. e. . a al e . . . a d ge e al c . a e i f. a i . f he G . .

The c 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 . 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 e. he ge e al ee i g. a. he i ci al . . i ie. f. he Di ec . . . ee . ha eh. lde . . f he C. a. a d . de el. a bala ced de . a di g . f he ie . . f he . ha eh. lde . . I 2020. he C. a. held h ee ge e al ee i g. (bei g he a 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 . bel. :

Attendance record of the Directors

Name	Attended in person
M . Ya g Y L g	1/3
M . Y a R i	/
M . Li Y L g	3/3
M . Li Mi	3/3
M . Zha g Y Zhi	1/3
M . Li Zhi Xi	3/3
M . Ya Y. Li g	3/3
M . Wa g Q 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 al ge e al ee i g. a 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. c . ed . . he C. a., O e a i. . , di. cha ged hei d ie. i. de e. de. l , a. d i. . ed i. de e. de. . i. i . . . ela ed a e . i. c ed d i. 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., ', a di . ecei ed a e . e a i . . f RMB1.05 illi. . f. he . i. i . . f a di . e ice. a. d a e . e a i . . f RMB400,000 f. he . i. i . . f. . . -a di . e ice. .

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

19. Shareholders' Rights

Se . bel. i. a . a. . f ce ai. igh . . f he . ha eh. lde . . f he C. a., a. e i ed . be di. cl. . ed . a. . he a. da . . di. cl. . e e 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 e. . 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 . 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 i. i i . . i. he . a e f. e e. 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 . ef . al . f he e e. 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 . b ai. 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 e. . 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 e. 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. l i . c . e f. he . igi al . . e . h ld be . b ai ed.

If he b. a d . f e i. . d e. . i. e 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 e i. . . c e e a d e. ide . e he ge e al ee i g, c i . . . e i e da . . O e . . e . ha eh. lde . (i cl di g . ha eh. lde . age) i di id all . c llec i el . i g 10% ab. e (i cl . 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 c ed i c e i g a d h. ldi g a ee i g b he . ha eh. lde . a. a e. l . f he fail e . f he B. a d . c e e . ch ee i g . he af. e. aid e i. i i . a d . 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 d 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 f. a d . . al. a d . 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. ld . ice . he . ha eh. lde . af e . . ki g da . ecei i g he e . a . . al. a d he . h. ld i. . e a f. le e a d bli. h a . . ce e 14 da . bef. e he . ha eh. lde . ' ee i g . ched led da e. a d . b i he e . a . . al . he ge e al ee i g . e ie .

De ailed . ced e. 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. ld . ha eh. lde . ha e a e i ie. . 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 b . i e. . i H. g K. g S i e A, 11 h Fl. . H. Lee C. e cial B 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 g a 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 blic. i. . ed a. d li. ed . a . . ck e cha. ge. a. d hich ha e . a ed. . ha e a ed b . f ll. e aid a. a he da e . f blica i . f a. al e .

N.

T e. f a di . i i .
Da e. f ig i g. f a di. e .
Na e. f a di. .
A di. e . le be
Na e. . f he CPA.

S a da d ali ed. i i .
26 Ma ch 2021
Shi eWi g Ce i ed P blic Acc a .
XYZH/2021JNAA30074
Ka Ji g Pi g, Zha g Cha

信永中和
ShineWing

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 i, f. 2020, a, ell a, . e, . he a cial a e e . .

I . i i , he acc a i g a cial a e e . c I i h he e i e e . . f he Acc i g S a da d, f. B . i e, . E e i, e, i all a e ial e, ec . , a d fai I 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 . a di i acc da ce i h Chi a S a da d, . A di i g f. Ce ified P blic Acc a . . O e, . . ibili ie, de h . e, a da d, a e f 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. e . . I acc da ce i h he C. de . f E hic, f. Chi e, e Ce i ed P blic Acc a . , e a e i de e de . f Sha d g M. l g, a d e ha e f 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, . f. cie a d a . ia e . . ide he ba, i, f. . 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. a di . i i he e . , a d e d . c e . . he, e a e, . e a a e I .

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 . , ed . RMB35,335.82 e, h. , a, d, hich a, he ai, .. 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, 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 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, . l 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 . , de , a, d he . . , e . f he ab. e a, . e , di, . . , al a, d e al a e he i ac . f , ch a, . e , di, . . , al . , he . e a i, g e, l , a, d abili , . f he C. a, , a, a g. i, g c , ce , ; , e, he cha, e a, d i, e ie i h he e. le ela ed . he cha, e .. a, . , de , a, d he cha, e ', cha, i, g . . , e f. a, al, i, g he a he, ici , . f he a, . ac i , ab. e a, d he he i c , . i e, a c , , ec ed a, . ac i , ; e al a e he he he ac . f a, . ac i , ha, c e cial , b, a, ce;

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

We lea , he .. ce . f cha, e f , d, a, d a, e, la, f . he cha, e a, d c , . ide i , abili , . f 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. he a, . fe a, d ha, d. e . f ele a, a, . e , .. a, . de e i, e he he he a, . ac i , a, c le ed;

Re ie he acc ac, . f he calc la i , . f gai, . . , a, . e , di, . . , al a, d he , . a i i , . f acc , i, g ea e, . , a, d a, . e, . he he he e e, e, a i , a, d di, cl. , 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 . ecei able. . f RMB41,133.95 e. h . a. d a. d a bala. ce . f . i. i . f. bad deb . . f RMB12,341.89 e. h . a. d.

The e a be i. k. i. ec e . f acc . ecei 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 . ecei 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 . ecei able;

Re ie i. g he hi. . ical c edi l . . e e ie. ce da a . 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. . 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. 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 . 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. . . 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. i e ab. he cha. ge. i. a a e ial ice. d i. g he. ea a. d . 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 . . . ha 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 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 . 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 ed . 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 . I 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 e . 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 e a, a g i g c ce , di, cl . i g i, . e, 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. Auditor's Responsibilit0 -pklO9ur audit of TD(Financial Statemess.)]TJ0 0 0 1 k/GS1 gs/T10 1 Tf06.0

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

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

(5) E al a e he . e all e, e, a i , , , c 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 , 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, , 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, , e i, i, g a, d c , d c i, g he C. a, , a di a, d ake f ll e, . , , ibili, f. he a di . i, i , .

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

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

Shi, e i, g Ce i. ed P blic Acc , a, , PRC ce i. ed blic acc , a, , : (P . jec Pa , e)

PRC ce i. ed blic acc , 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, f , d.	**759,979,803.03**	539,942,128.18
Se le e, De . , i ,	**—**	
Le, di, g f , 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 , , 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, , a, ce ecei able.	**—**	
Rei, , a, ce ecei able.	**—**	
Rei, , 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 , -c e, a. , e , d e i hi, . , e, ea	**—**	
O he c 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 ecei able.	—	
L. g- e e i, i. e. e. .	**2,314,697.29**	2,557,061.01
I. e. e. . i. . he e i, i. . e. .	—	
O he . . -c 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 . . -c 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 . 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 .	—	
C . . e ba k de . . i . a d d e . ba k. a d . he . a cial i . i i .	—	
Sec i ie. b . ke age de . . i .	—	
Sec i ie. 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
l 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 . a ce a able.	—	
Liabili ie. held f. . ale	—	
N -c e liabili ie. d e i hi . e ea	**139,784,923.46**	482,636,906.78
O he c e liabili ie.	**50,195,434.08**	87,557,572.20
Total current liabilities	**3,223,319,460.84**	3,869,872,169.13

U i : RMB

Item	31 December 2020	31 Dece be 2019
Non-current liabilities:		
I . a ce c ac e, e e,	—	
L g- e b. . i g,	**114,063,150.53**	
B. d, a able	—	
I cl di g: P efe ed , ha e,	—	
Pe e 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 e	**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 . -c 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 i, i . e .	—	
I cl di g: P efe ed , ha e,	—	
Pe e al b. d,	—	
Ca i al e, e e	**863,169,158.42**	863,169,158.42
Le, , : T ea, , , ha e,	—	
O he c ehe , i e i c e	**(2,015,577.82)**	(3,055,060.57)
S ecial e, e e	—	
S l , 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 a -i -cha ge:	Pa e -i -cha ge:
Ya g Y L g	Li Mi	Zha g X e 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 f 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. ecei able.	**164,945,170.51**	257,635,279.11
Acc . ecei able	**442,232,065.03**	614,469,903.11
Fi a ci g ecei able.	**10,980,000.00**	13,745,135.20
P e a e .	**618,700,408.46**	466,070,802.57
O he ecei able.	**756,323,484.10**	742,034,322.28
l cl di g: l e e. . ecei able	**—**	2,308,030.91
Di ide d. ecei able	**—**	
l e . ie.	**511,814,843.00**	627,068,241.69
C ac a. . e .	**—**	
A. . e . held f. . ale	**—**	
N -c e a. . e . d e i hi . e ea	**—**	
O he c 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 ecei able.	—	
L g- e e i, i e. e .	**1,144,019,921.73**	1,144,019,921.73
I e. e . i . he e i, i . e .	—	
O he . -c 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 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 . -c 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

U i : RMB

Item	31 December 2020	31 Dece be 2019
Current liabilities:		
Sh - e b . i g.	**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 . 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
l cl di g: l e e. . a able	—	5,214,764.95
Di ide d. a able	—	
Liabili ie. held f. . ale	—	
N -c e liabili ie. d e 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 . i g.	—	
B d. a able	—	
l cl di g: P efe ed . ha e.	—	
Pe e 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 e	—	
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

Bala ce Shee . f he Pa e C a

U i : RMB

Item	31 December 2020	31 Dece be 2019
Owners' equity:		
Sha e ca i al	**797,848,400.00**	797,848,400.00
O he e i, i . e .	**—**	
l cl di g: P efe ed . ha e.	**—**	
Pe e al b. d.	**—**	
Ca i al e. e e	**863,150,490.92**	863,150,490.92
Le. . : T ea. , . ha e.	**—**	
O he c ehe . i e i c e	**—**	
S ecial e. e e	**—**	
S l . e. e e	**187,753,923.88**	187,753,923.88
U di. ib ed . . .	**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. cl 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. cl 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 el 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. cl 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. cl 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. . : I. 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. b . i. e. . c . i. i.		
	1. Ne . . f. c . i. i. g. e a i . .	**11,455,400.36**	(224,907,837.56)
	2. Ne . . f. di. c . i. ed. e a i . .	**—**	
	(II) B. a ib able. . e . hi		
	1. Ne . . a ib 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 ib 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. 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 . . . de e i. acc . i. g	**—**	
	3. Fai al e cha. ge. i. i. e. e. . i. . he e i. i. . e. .	**—**	
	4. Fai al e 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 . . . de e i. acc . i. g	**—**	
	2. Fai al e 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 ib 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 ib 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 ib 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:	Acc . a. -i. -cha ge:	Pa . e -i. -cha ge:
Ya. g Y . L . g	Li Mi.	Zha. g X e Mei

U, i : RMB

Item		2020	2019
I.	**Operating revenue**	**2,544,622,887.97**	3,660,946,787.68
	Le, , : O e a i, g c . ,	**2,434,466,846.40**	3,256,862,423.86
	Ta e, a, d , cha ge,	**13,378,251.90**	15,857,696.55
	Selli, g e e, , e,	**13,920,658.12**	71,506,819.84
	Ad i, i, a i e e e, , e,	**69,313,944.20**	51,787,498.24
	Re, ea ch a, d de el. e, e e, , e,	**52,542,810.96**	63,830,329.90
	Fi, a, ce e e, , e,	**125,784,024.09**	112,381,323.00
	I, cl di, g: I, e e, e e, , e,	**107,558,200.54**	125,378,366.81
	I, e e, i, c e	**5,617,437.36**	6,878,736.53
	Add: O he gai, ,	**17,155,249.98**	686,605.41
	I, e, e, i, c e	**—**	1,216,420.49
	I, cl di, g:Gai, . . , i, e, e, i, a, . cia e, a, d j. i, e, e,	**—**	
	Gai, . , de ec g, i i, . f. , a, cial a, , e , ea, ed a a . i, ed c ,	**—**	
	Ne gai, . . , e . , e hedge,	**—**	
	Gai, . , fai al e cha, ge,	**—**	
	C edi i ai e, l , , e,	**7,576,272.29**	(9,102,757.01)
	A, , e i ai e, l , , e,	**(110,521.57)**	(11,934,055.72)
	Gai, . , di, . , al . f a, , e ,	**353,369,095.65**	6,875,505.09
II.	**Operating pro□t**	**213,206,448.65**	76,462,414.55
	Add: N, -. e a i, g i, c e	**722,968.78**	2,705,423.97
	Le, , : N, -. e a i, g e e, , e,	**31,079,900.83**	34,822,006.48
III.	**Total pro□t**	**182,849,516.60**	44,345,832.04
	Le, , :I, c e a e e, , e,	**4,834,899.31**	6,844,612.26
IV.	**Net pro□t**	**178,014,617.29**	37,501,219.78
	(I) Ne . . f. c, i, i, g. e a i, ,	**178,014,617.29**	37,501,219.78
	(II) Ne . . f. di, c, i, ed. e a i, ,	**—**	

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. 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 . . de e i acc i g	—	
	3. Fai al e cha ge. i i e. e . i . he e i i . e .	—	
	4. Fai al e 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 . . de e i acc i g	—	
	2. Fai al e 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) Dil ed ea i g. e . ha e	—	

U. i :RMB

Item	2020	2019
I. Cash □ows from operating activities:		
Ca. h ecei 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. c . . e ba. k de . . i . a. d d e . ba. k. a. d . he . . a. cial i. . i 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 i . .	—	
Ca. h ecei ed f. ecei i. g i. . a. ce e i . f. igi. al i. . a. ce c . ac	—	
Ne ca. h ecei ed f. ei. . a. ce b . i. e. .	—	
Ne i. c ea. e i. de . . i . f. . lic. h lde . a. d i. e. e. .	—	
Ca. h ecei 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 i . .	—	
Ne i. c ea. e i. e cha. e b . i. e. . ca i al	—	
Ne ca. h . ceed. f. . ec i ie. b. ke age	—	
Recei . . f a ef . d.	**11,484,131.39**	8,582,214.09
Ca. h ecei 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. cha. i. g g. . d. a. d ecei 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. . c . . 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 i . .	—	
Ca. h aid f. c e. . a i . . f. igi. al i. . a. ce c . ac	—	
Ne i. c ea. e i. le. di. g f . 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 ecei ed f. di. . . al. f i. e. e. .	—	104,900,000.00
	Ca. h ecei 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 ecei ed f. di. . . al. f. b. idia ie. a. d. he b . i. e. . i .	—	
	O he ca. h ecei 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

U. i :RMB

Item		2020	2019
III.	**Cash □ows from □nancing activities:**		
	Ca. h ecei ed f. ca i al c . ib i . .	—	
	I. cl di. g:Ca. h ecei ed f. i. . i, . ha eh. lde i. e. e. b. . b. idia,	—	
	B. . i. g. ecei ed	**2,852,941,196.24**	3,178,031,000.00
	O he ca. h ecei 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 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 ecei 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
	Recei . f a ef d	**11,386,191.32**	4,762,757.02
	Ca h ecei 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 cha i g g . d a d ecei 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 ecei ed f di . . al . f i e e	—	50,000.00
	Ca h ecei 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 ecei ed f di . . al . f b idia ie a d . he b . i e . i	—	
	O he ca h ecei 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 cha e a d c . 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 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	**13,478,632.52**	33,516,639.03
	Net cash ows generated from investing activities	**336,875,088.15**	(23,731,754.18)

U, i : RMB

Item		2020	2019
III.	**Cash □ows from □nancing activities:**		
	Ca, h ecei ed f. ca i al c , ib i ,	—	
	B. . i, g, ecei ed	**2,103,910,240.90**	2,684,431,000.00
	O he ca, h ecei ed ela i, g . , a, ci, g ac i i ie,	—	
	Sub-total of cash in□ows from □nancing activities	**2,103,910,240.90**	2,684,431,000.00
	Ca, h e a e, . . f a . , . b. . ed	**2,658,342,766.87**	2,774,436,310.20
	Ca, h aid f. di ide, d a, d . , di, ib i , . i, e e, a e,	**106,295,904.76**	129,484,744.81
	O he ca, h aid ela i, g . , a, ci, g ac i i ie,	—	
	Sub-total of cash out□ows from □nancing activities	**2,764,638,671.63**	2,903,921,055.01
	Net cash □ows generated from □nancing 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:Bala, ce . f ca, h a, d ca, h e i ale, . a he begi, , i, g . f he e i d	**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

U i : 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 pro ts	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: Cha ge i acc i g licie	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	C eci f i e i de	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	B i e c bi a i de c c l	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	O he	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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) T al c ehe i e i c e			—	—	—	—	1,039,482.75	—	—	—	32,178,630.99	—	33,218,113.74	(20,607,732.54)	12,610,381.20
	(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 i i e h lde	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	3. A f ha e-ba ed a e ec g i ed i e ' e i	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	4. O he	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	(iii) P di ib i	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1. A ia i 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 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 l e e e i ca i al (ha e ca i al)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	3. S l e e e aki g f l e	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	4. Cha ge i de ed be e la ca ied f ad e ai ed ea i g	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	5. O he c ehe i e i c e ca ied f ad e ai ed ea i g	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	6. O he	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	( ) S ecial e e e	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1. Cha ge f he e i d	—	—	—	—	—	—	—	26,986,008.44	—	—	—	—	26,986,008.44	—	26,986,008.44
	2. U ili ed d i g he e i d	—	—	—	—	—	—	—	26,986,008.44	—	—	—	—	26,986,008.44	—	26,986,008.44
	(i) O he	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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 i, a ib able . . e . . f he a e c a ,													
			O he e i, i . e .												
		Sha e ca i al	P efe ed . ha e .	Pe e al b . d .	O he .	Ca i al e . e e	Le . . : T ea . , . ha e .	c O he e . i e i c e	S ecial e . e e	S 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 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 , i g . licie .															
	C ec i . f i e i d e . .															
	B . i e . . c bi a i , 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 i , i . e , . h lde .															
	3. A . , . . f . ha e - ba . ed a e , . ec g , i . ed i , . , e . ' e i ,															
	4. O he .															
	(iii) P . . di ib i ,															
	1. A . ia i , . . . 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) Ta . fe . f . , e . ' e 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 . l . e . e e i , . ca i al (. ha e ca i al)															
	3. S l . e . e e aki g . 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

U, i : 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 pro□ts	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:Cha, ge, i, acc , i, g . licie,	—	—	—	—	—	—	—	—	—	—	—	—
	C eci, . f i e i de . ,	—	—	—	—	—	—	—	—	—	—	—	—
	O he,	—	—	—	—	—	—	—	—	—	—	—	—
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) T al c ehe, . i e i, c e	—	—	—	—	—	—	—	—	—	178,014,617.29	—	178,014,617.29
	(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 i, i, . e, . h lde,	—	—	—	—	—	—	—	—	—	—	—	—
	3. A . , . . f, ha e-ba, ed a, e, . ec g, i, ed i, . , e, ' e i,	—	—	—	—	—	—	—	—	—	—	—	—
	4. O he,												
	holders	—	—	—	—	—	—	—	—	—	—	—	

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 e de he C. a , . ge he i h i . b idia ie. , he G.) i a j i . . ck li i ed c a egi e ed i he Pe le' Re 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 F L g Zha g Y Sa , Xie Xi Ca g Li Y L g C i H a Y. , Lia g Y. g Qia g She gli Oil Field Kai a 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 . l d . 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 c 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 L Ti Gai Ha Zi [2001] N . 53 (魯體改函字[2001]53號文).

U . he a . al b Chi a Sec 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 . ed 134,998,000 addi i al . e ea li ed f eig ha e (H Sha e) a he i . i g ice . f HKD0.70 e ha e i h a . i al al e . 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 Sec 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 . ed 108,000,000 addi i al . e ea li ed f eig ha e (H Sha e) a he i . i g ice . f HKD0.92 e ha e i h a . i al al e . 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 . ed a d ig ed b Chi a Sec i ie Reg la . , C. i . i . 26 Ja a 2007 a d he a . al i . ed b he S . ck E cha ge . f H g K g . 6 Feb a 2007 he li i g a . 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 a 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 Sec i ie Reg la . , C. i . i i h Zhe g Jia X 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 e . 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 be . f ha e ha cha ged . 398,924,200 ha e .

P a . he e . l i . . f 2011 A 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 . 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 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 g a g Ci Sha d g P. i ce.

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

The C. a., a. d i . . b. idia ie. (he e . de efe ed a. . he ' G .) bel. . g . he achi. e, a. fac i. g i. d . , a. d a e ai. l. e. gaged i. he a. fac e . f . ecial e i e. f. e . le achi. e, . The . c e . f b . i. e. . i. ai. l. i. cl ded he . d c i. . a. d . ale. . f . il , . cke . d, i. g . i , i. g bi. g, e . le achi. e, a. d e ile achi. e, ; de el. e. . f e . le achi. e, a. d ela ed . d c . ; c . di, i. f. a i. . e ice. (e cl di. g i. e edia ie.) (The . jec a . ed b. la ca. . . l. be ca ied . 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 al c . . lle . f he C. a., i. Sha. d. . g Sh. g a. g Ji. i. I. e. e. De el. e. H. ldi. g. G . Li i ed a. d he l i a e c . . lle . f he C. a., i. 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, .

The G . ' . c . . . lida ed fi. a. cial . a e e. . c i. ed . i. e c. a. ie. i. cl di. g 壽光寶隆石油器材有限公司 (Sh. g a. g Ba. l. . g Pe . le E i e. C. ., L d.), 壽光懋隆新材料技術開發有限公司 (Sh. g 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 . le Ma e ial. C. ., L d.). C. a ed i h la. , ea , e ed 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. . ce C. ., L d.) a. d 壽光市懋隆廢舊金屬回收有限公司 (Sh. g a. g Ma. l. . g Old Me al. Rec. cle C. ., L d.), d e . de egi. a i. . d i. g he, ea .

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

2. Going concern

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

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

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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 d e, 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 . ha e bee e a ed de he g i g c ce a . i .

III. Significant Accounting Policies and Accounting Estimates

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

The G . ha, ad ed he acc i g . licie, a d acc i g e, i a e, . eci c . he cha ac e i, ic, . f i . ac al . d c i a d . e a i , i cl di g he b . i e, . c cle, ec g i i a d ea, e e . f . a cial a, . e . , ea, 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 e, , ec g i i a d ea, e e . f e e e 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 i g S a da d, f B . i e, . E e i, e, (he " ASBE,), hich gi e, a e a d c le e ie . f he . a cial . . i i , adi g e, l . , ca, h . , a d . he i f a i . f he C a, a d . f he G . .

2. Accounting period

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

3. Business cycle

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

4. Reporting currency

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

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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 i ed f. he ac i ee i a b . i e. . c bi a i . de c . c . l . hall be ea. ed a fai al e. he ac i. i i da e. The c bi a i c . . . hall be he agg ega e. f he fai al e. f ca. h. . -ca. h a. . e . aid b he G. . he ac i. i i da e . . b ai c . l . e he ac i ee. he deb . i. . ed . de ake b he G. a d he e i . ec i ie. i. . ed a. ell a. all ele a di ec c . . f. he b . i e. . c bi a i (f. a b . i e. . c bi a i eali 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 . . f he c bi a i c . . i e ce. . . f he fai al e. f he ide i. able e a. . e . . f he ac 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 e. f he ide i. able e a. . e . . f he ac i ee. he fai al e. f he ide i. able a. . e . . liabili ie. a d c i ge liabili ie. ac i ed f. he c bi a i a. ell a. he fai al e. f he . . -ca. h a. . e . . he e i . ec i ie. i. . ed 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 e. f he ide i. able e a. . e . af e e ie . he bala ce . hall be acc ed f. a. . . - e a i g i c e f. he c e e i d.

6. Preparation of consolidated □nancial statements

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

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

Sig i. ca i a-g. a . ac i . . c e bala ce a d eali 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 i . i . b. idia ie. . a ib able . he a e c a . a d he e l . . . . f. he c e e i d. . he c ehe . i e i c e a d . al c ehe . i e i c e a ib 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 ib able . i . i . i e e. . . he c ehe . i e i c e a ib able . i . i . i e e. . a d . al c ehe . i e i c e a ib able . i . i . i e e. . . e. ec i el .

The . e a i g e. l . a d ca. h . . . f a . b. idia ac i ed f. b . i e. . c bi a i . de c . c . l . hall be i cl ded i he c . . lida ed fi a cial . a e e . f. he begi i g . f he c 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 . . ea ill be adj . 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 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 . ', di, . , al . , he , b, idia ie, ' e i, i e, e b , e , il he l , e, . f c . l, , if a , ac i , i di, . , al . f , b, idia ie, ' e i, i e, e 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 . , b, idia ie, a d l , e, . f c . l; b 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 , 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 . i c . a e, all c . lled , b, idia ie, a d , c 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 . i cl de, c . . e a i , a d j. i e e, . F. c . . e a i . jec , , a, a j. i . e a i a , he G . ec g i, e, a, , e , a d liabili ie, , . lel held b he G . a d a, , e , a d liabili ie, held . . . i . Re e e 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 cha, e . , ale, i h j. i e e, , ha d . f. . al b , 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 . , hall be ca, h . ha d a d de . , i , a ailable f. a e a a, i e. Ca, h e i ale , i ca, h fl , hall be i e, e , hich , hall be , h - e (. all bec e d e i hi 3 . h, af e cha, i g da e), highl li id, eadil c e ible . k . a . . , . f ca, h, a d , bjec . a i , ig i. ca i, k . f cha ge, i al e.

9. Foreign currency operations and translation of foreign currency statements

(1) Foreign currency transactions

F. f. eig c e c a , ac i , , he G . a , la e he f. eig c e c a . , i . RMB a . , a he , . a e, . f e cha ge, . a ade-da e ba, i, . O bala ce , hee da e, f. eig c 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 c e e i d le, , he a i, e f. f. eig c e c b . i g, f. he cha, e . c , c i . f 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 c 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. " di, ib ed . , , i e , de he . e , ' e i, a e a , la ed a he , . e cha ge a e he he . cc . 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, l i g diffe e ce, a e e, e ed de . he c ehe , i e i c e. Ca, h . d i a ed i f. eig c e c i, a , la ed a he a , 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 .

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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 . bec e. a c ac al a , . f a fi a cial i . e .

(1) Financial assets

1) Classification, recognition and measurement of financial assets

The G . 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 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 e h . gh . he c ehe . i e i c e. a d . a cial a. . e . a fai al e h . 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 al ca. h . . . ② The c ac 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 . . . a di g. The. e . a cial a. . e . a e i. i iall ea. ed a fai al e. i h he ela ed a . ac i . c . . i. cl ded i. he a . . i. i iall ec g i. ed. The fi a cial a. . e . a e . b. e e l ea. 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 . . a d he a . . a a i . i. a . i. ed . i. g effec i e i. e e. e h. d hile he . fi . l . . . a . i a i . . de ecia i . a d c e. c e cha. ge a d he . . . l . . i. c ed a he i e . f de- ec g i i . . hall be ec ded i. he . . . l . . . f he c e. e i d.

Fi a cial a. . e . a e cla. . i. ed a. . a cial a. . e . a fai al e h . 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 al ca. h fl . a d . elli. g fi a cial a. . e . ; a d ② he c ac al e . . f he . a cial a. . e . . eci. 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 . . a di g i ci al. Fi a cial a. . e . . f hi. ki. d a e i. i iall ea. ed a fai al e a d ele a a . ac i . c . . a e ec ded i. he i. i iall ec g i ed a . . . 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 . . . c e. c e cha. ge. i. e e. . . fi a cial a. . e . ea. 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 c la i e . fi . l . . e i . 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 c e. e i d.

The G . ec g i e. i. e e. i. c e . 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 . . . f a . a cial a. . e . i h he f. ll i g e ce i . . : ① F. a 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 cha. ed . . igi. a ed c edi -i ai ed . a cial a. . e b ha. . b. e e. 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 . .

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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. de. ig a e. . - adi g e i, i. e. i e. e. a. . a cial a. e . ea. ed a fai al e h. 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 i, i. e. i e. e. de. ig a ed b he G. a fai al e h. gh. he c ehe. i e i c e i. ec g i ed i i iall a fai al e. a d ela ed a. ac i e e. e i. i cl ded i he i i iall ec g i. ed a . . E ce f di ide d. (e cl di g a, . i a. e . f i e. e c .) ecei ed a d ec ded i he c e . . a d l . . . he ela ed gai . a d l . . e. (i cl di g e cha ge gai . a d l . . e.) a e i cl ded i . he c ehe. i e i c e a d . b. e e l a . be a. fe ed . he c e . . . a d l . . e. . Whe i i. de ec g i. ed. he acc la ed gai . l . . e i . l i cl 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 cl 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 al e h. gh . he c ehe. i e i c e. he G. cla. i. e. he e ai i g . a cial a. e . a. . a cial a. e . a fai al e h. gh . . l . . f. he e i d. Fi a cial a. e . . f hi. ki d a e i i iall ea. ed a fai al e a d ele a a. ac i c . . a e i cl ded di ec l i he i i iall ec g i ed a . . The . . l . . . a cial a. e . . f hi. ki d i. i cl ded i he . . l . . f he c e e i d.

Whe he G. 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 . . ch ci c . 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 al igh . ecei 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. ha. a. fe ed . 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. ha. ei he a. fe ed . e ai ed . 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 . . . f he . a cial a. e a. fe ed a d he . . f c . ide a i ecei ed f. he a. fe a d a. c la i e gai . l . . f fai al e 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 al e . . f he a. fe ed . a cial 6 ci8(ec l e)18(.)1718(a e .)

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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 e h. gh . . l . , a d. he . a cial liabili ie, .

Fi a cial liabili ie, a fai al e h. 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 e h. gh . fi . l. . , . . i i ial ec g i i . The, e . a cial liabili ie, a e , b, e e l ea, ed a fai al e. The e gai . l . , a i, i g f. cha ge, i fai al e; di ide d, a d l e e, e e di e ela ed . , ch . a cial liabili ie, a e ec ded i . . l . , f. he e i d i hich he a e i c ed.

O he . a cial liabili ie, a e , b, e e l ea, ed a a . i, ed c , , , i g he effec i e i e e, e h. d. E ce f. he f. ll. i g, he G. 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 e h. 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 e h. gh . . l . , . ② Fi a cial liabili ie, ha a i, e he a a , fe . f a . a cial a, . e d e, . alif, f. de ec g i i . he he c i i g i . l 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 bel - a ke i e e, a e ha d . fall i . ① ab e.

F. . a cial liabili ie, a i, i g f. c i ge c , ide a i ec g i, ed b he G. a, a ac i e i a b , i e, , c bi a i . . de he c . c . l, he , hall be ea, ed a fai al e i h cha ge, ec g i, ed i . . l . , f. he c 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 , , 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. e e , i . a ag ee e i h i , c edi . . e lace e i, i g . a cial liabili ie, b a, , i g e . a cial liabili ie, i h c ac al e , , 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. , b, a i el e i, e, , i h le. i a , he c ac al e , . f e i, i g . a cial liabili ie, , , 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 . . 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 c e e i d.

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

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

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

10. Financial instruments *(continued)*

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

The G . ea e i e e . i e i i . e . a fai al e. H e e , i li i ed ci c . a ce , if ece i f a i . . de e i i g fai al e i i . f cie , . if he e i a ide a ge . f . . ible fai al e ea e e . a d c . e e e . he be e i a e . f fai al e i hi ha a ge, he c . a be a a . ia e e i a e . f fai al e i h ha a ge.

(4) Offsetting of □nancial assets and □nancial liabilities

Fi a cial a . e . a d . a cial liabili ie . f he G . hall be e e ed e a a el i he bala ce hee a d hall . be . ff e . H e e , he all . f he f ll i g c di i . a e e , a . a cial a . e a d a . a cial liabili , hall be . ff e a d he e a . i e e ed i he bala ce hee : (1) he G . ha a legal igh ha i c e l e f ceable . e . ff he ec g i ed a . , a d (2) he G . i e d ei he . e le . a e ba i , . eali e he . a cial a . e a d e le he . a cial liabili , i l a e l .

(5) Classi□cation and treatment of □nancial liabilities and equity instruments

The G . cla . i e . a cial liabili ie a d e i i . e . . he f ll i g i ci le : (1) Whe e he G . i able . c di i all a . id deli e i g ca h . a . he . a cial a . e . f l l a c ac al . bliga i , he c ac al . bliga i ee . he de i i . f a . a cial liabili , . Al h gh . e . a cial i . e . d . e lici l i cl de he e . a d c di i . i . i g he c ac al . bliga i . deli e ca h . a . he . a cial a . e , he a i di ec l gi e i e . he c ac al . bliga i h . gh . he e . a d c di i . . (2) Whe e a . a cial i . e ill . a be e led i he G . ' . e i i . e , c . ide a i . hall be gi e . he he he G . ' . e i i . e a . ed . e le he i . e i a b i e . f ca h . a . he . a cial a . e . he e id al i e e i he a . e . f a e i af e ded c i g all . f i liabili ie . I he f e ca e, he i . e . hall be he i . e ' . a cial liabili ; i he la e ca e, he i . e . hall be he e i i . e . f he i . e . U de ce ai ci c . a ce he eb a . a cial i . e c ac i la e ha he G . ill . a e i . e i i . e . e le he . a cial i . e , a d he a . . f he c ac al igh . bliga i e al . he be . f i . e i i . e . be ecei ed . deli e ed l i lied b hei fai al e a he i e . f e le e , he c ac hall be cla . i ed a a . a cial liabili , ega dle . f he he he a . . f he c ac al igh . bliga i i . ed , . c a e i f ll . i a l i e . . e . cha ge i a a iable . he ha he a ke ice . f he G . ' . e i i . e . (f e a le a i e e a e, a c . di ice . a . a cial i . e ice).

Whe cla . if i g a . a cial i . e (a c . e he e f) i c . lida ed . a cial . a e e . he G . hall c . ide all e . a d c di i . ag eed be ee e be . f he G . a d he h lde . f he . a cial i . e . If he G . a a h le ha a . bliga i i e ec . f he i . e . e le i b deli e i g ca h . a . he fi a cial a . e . i . ch a a ha i . ld be a fi a cial liabili , . ch i . e . hall be cla . i ed a a . a cial liabili .

If he . a cial i . e . i c . e i a ib able . he . a cial liabili , he ele a i e e . di ide d , gai . l . e , a d gai . l . e a i i g f . ede i . e . a ci g , hall be ec ded i he . . l . . f he c e e i d.

If he . a cial i . e . i c . e i a ib able . e i i . e , he G . hall ea i a cha ge i e i he i i i . ed (i cl di g efi a ced), e cha ed , . ld . ca celled, a d hall . ec g i e cha ge i fai al e . f e i i . e .

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

11. Bills receivables

The b . i e. . del . f he G . ', bill, ecei able i, ade acce a ce bill, ha c llec c ac al ca, h . . . I ai e . i, i . f bill, ecei able a, a he e d . f he, ea . hall be ade . he ba, i, . f e ec ed c edi l . . . f acc . ecei able.

12. Accounts receivable

F. he acc . ecei able a i, i g f . he a . ac i . eg la ed b, he Acc . i g S a da d, f. B . i e. . E e i, e, N . 14 Re e e a d i cl di g . . ig i. ca . a ci g c . e . . he G . al a, ea, e, i . l . . all a ce a a a . e al . 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 . babili, . f he . a cial i . e i hi he e, i a ed d a i de e i ed a i i ial ec g i i agai . he defa l . babili, . f . ch i . e i hi he e, i a ed d a i de e i ed . he bala ce . hee da e, he G . de e i e, he he he c edi i, k . f . a cial i . e ha, i c ea, ed . ig i. ca l . H e e, if he G . de e i e, ha a . a cial i . e ha, . l a l c edi i, k . he bala ce . hee da e, i ca be a, . ed ha he c edi i, k . f he fi a cial i . e ha, . i c ea, ed . ig ifica l . i ce i i ial ec g i i . l . al ci c . a ce, if he . a cial i . e i, . e ha 30 da, a, d e, i i dica e, ha he c edi i, k . f . a cial i . e ha, i c ea, ed . ig ifica l ; le, . he G . ca . b ai ea, . able a d . . able i f. a i i h. d e c . . eff. , hich de . . a e, ha e e if i i, . e ha 30 da, a, d e, 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 . . hall c . ide he ea, . able a d . . 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. d e c . . eff. .

I f. a i c . ide ed b, he G . i cl de, :

he i, . e . deb . ha, . ig i. ca . a cial dif. c l, ;

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

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

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

he i, . e ', . deb . ', . a cial dif. c l, 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, cha, ed . . igi a ed a a la ge di, c a d he di, c e ec . he . cc e ce . f c edi l . . .

F. bill, ecei able a d acc . ecei able, he G . ad . e ec ed c edi l . . a . ach . . ide f. all a ce, f. bad deb . . F. bill, ecei able a d acc . ecei 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 al ba, i, . A a f. de e i i g e ec ed c edi l . . . acc . ecei able a d bill, ecei able . a i di id al ba, i, , he G . 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 i a d he he i i, he c . i, k cha ac e i, ic, . f ela ed a , a . 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 . calc la e, he e ec ed c edi l . . . acc . ecei able a d bill, ecei able . i g he e . . e . defa l i, k a d e ec ed c edi l . . a e . f. acc . ecei able a d bill, ecei able, a d de e i e he e ec ed c edi l . . a e ba, ed . defa l . babili, a d defa l l . . a e.

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

12. Accounts receivable *(continued)*

The G. ea, e, he e ec ed c edi l , , . bill, ecei able a d acc , . 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 . . f l , , all a ce f. he bill, ecei able a d acc , . ecei able a ha i e, he G. ec g i e, he diffe e ce a, l , , all a ce f. he bill, ecei able a d acc , . ecei 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. ec g i e, he diffe e ce a, i ai e gai a d ake, he acc c a il .

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

Item	Within 1 year	1–2 years	2–3 years	3–5 years	Over 5 years
Defa 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 , . ecei able hich he c ac 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 , i e, . del f. a agi g , ch , a cial a, , e , i, . c llec he c ac al ca, h . , a d f. , ale, he C. a, cla, , i, e, , ch bill, ecei able a d acc , . ecei able a, fi a ci g ecei able, a d ea, e, he a fai al e h . gh . he c ehe , i e i c e. A i i ial ec g i i , , he fai al e i, al a , he a , ac i ice a d a, cha ge i fai al e i, acc ed h . gh . he c ehe , i e i c e. U . de ec g i i , , he c la i e gai . l , , e i. , l i cl 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. . ide, f. he l , , . f . he ecei able, acc di g . he f. ll i g ci c , 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. ea, e, he l , , all a ce a a a . . f f 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. ea, e, he l , , all a ce a a a . e al . he life i e e ec ed c edi l , , e, . f he , a cial i , e ; ③ f. cha, ed . . igi a ed c edi -i ai ed , a cial a, , e , , he G. ea, e, he l , , all a ce a a a . e al . he life i e e ec ed c edi l , , e, .

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

14. Other receivables *(continued)*

A. e. e ade. a c bi ed ba. i. : F. . he ecei able. , he G. i. able . . b ai . 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. e , b . 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. 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 i , de e ai i g c ac . . 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. ca eg. i e. . he ecei able. i . diffe e g. . 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. ca eg. i. e. . he ecei able. i . g. . b a 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. ea. e. he e ec ed c edi l . . . . he 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 . . f l . . all a ce f. . he ecei able. a ha i e. he G. ec g i e. he diffe e ce a. l . . all a ce f. . he 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. ec g i e. he diffe e ce a. i ai e gai a d ake. he acc c a il . .

Whe a . c edi l . . . f he G. i. ac all i c ed a d i i. ce ai ha ele a . he ecei able. ca . be ec e ed. af e a a . al f. i e-. ff i. . b ai ed. he a . ed a . . f i e-. ff . hall be cha ged . " . i. i f. bad deb . a d c edi ed . ". he ecei able. . If he a . 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

I e . ie. . f he G. ai i. cl de a a e ial. . e . 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 al ba. i. . I e . ie. a e i. i iall ea. 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 al c . . f i e . ie. deli e ed. L - al e c . able a d ackagi g a e ial. a e a . i ed b . e- i e i e -. ff.

Ne eali able al 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 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. '. igh . c . ide a i i e cha ge f. g. . d. ha i ha. a . fe ed . a c . . e . a d he igh i. c di i ed . fac. . . he ha he a. . age . f i e. If he G. . ell. . clea l di. i g i. hable g. . d. . he c . . e . a d i ha. he igh . ecei e a e beca . e . e . f he g. . d. ha. bee deli e ed. b he ecei . f . ch a e i. c di i ed . he deli e . f a . he g. . d. . he G. . hall ec g i e . ch igh . ecei 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 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 i g ea e a. . e . i 12. Acc . ecei able ab. e.

The G. ea. 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 . . f l . . all a ce f. he c ac a. . e . a ha i e, he G. 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 . . l he ca. e c a , . he af. e. aid, he G. ec g i e. he diffe e ce a. i ai e gai a d ake. he acc c a il . .

Whe a , c edi l . . . f he G. i. ac all i c 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 . . 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 . 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. '. a. . e . ela i g . c ac c . . i cl de c . . . f 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 c ed b he G. i e f. i g i . c ac . Whe he c . . a e . . i hi he . c e . f . he acc i g . a da d. f. b . i e. . e e i. e. , he G. 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 fac i g . e head. . c . . ha a e e lici l cha geable . he c . . e de he c ac a d. he c . . ha a e i c ed. l beca . e he G. ha. e e ed i . he c ac ; he c . . ge e a e. e ha ce e. ce. . f he G. ha ill be . ed i . a i. f i g e f. a ce . bliga i . i he f 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. i c . . . 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. ch a. . e i. le. . ha . e ea . i i. ec ded i . . . l . . f. he c e e i. d he i c ed. l c e e al c . . a e he c . . ha he . ld . ha e i c ed if he G. had . . b ai ed he c ac (f. e a le. . ale. c i. . i.). F. . he e e . e. i c ed b he G. 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 (. ch a. a el e e . e. i c ed ega dle. . . f he he he c ac i. . b ai ed . .). he a e ec ded i . . . l . . f. he c e e i. d he i c ed. H. e e . h . e e e. . l b. e b he c . . e a e e cl ded.

(2) Amortisation of assets related to contract costs

The G. 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 e ec g i i ela i g . he a. . e a d ec g i. e. i i . . . l . . .

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 . . 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 i g . a da d. f. b . i e. . e e i. e. ; he , he G . . 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 . . f . ch a. e e ceed. he diffe e ce be ee he f. ll i g: he e ai i g a . . f c . ide a i ha he G . e ec . . ecei 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 . . hall ec g i. e i . . . l . . a e e . al . f a i ai e l . . e i . 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 . . f he a. e . The i c ea. ed ca , i g a . . f he a. e . hall . e ceed he a . . ha . ld ha e bee de e i ed if . i ai e l . . had bee ec g i. ed e i . .

18. Assets held for sale

(1) The G . cla. . i. e. . . -c e a. e . . di. . . al g . ha ee he f. ll i g c i e ia a. held f. . ale: 1) ca i edia el be di. . . ed . f de he c e c di i . . ba. ed . ca. e. . f di. . . al. . f . ch a. e . . di. . . al g . . 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 de aki g . 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 h i ie. . eg la . . a. e i ed b he ele a eg la i . . Bef. e he G . fi . cla. . ifie. a . . -c e a. e . di. . . al g . a. held f. . ale. he b . k al e . f he . . -c e a. e . each a. e a d liabili , i he di. . . al g . i. ea. ed acc di g . he e i e e . . f he ele a acc i g . a da d. . O i i ial ea. e e . e ea. e e . he bala ce . hee da e . f a . . -c e a. e . a di. . . al g . held f. . ale. he e he b . k al e i. highe ha he fai al e le. . c . . f di. . . al. he b . k al e i. i e d . he fai al e le. . di. . . al. The a . . 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 . . hich he G . ac 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 . a d i. . bable . a i. f . he c i e ia . f cla. . if i g a. held f. . ale . h l (. all i hi 3 . h.). a e cla. . i ed a. held f. . ale . he da e . f ac i. i i . A i i ial ea. e e . he a . . i i ial ea. ed a. . i g i i. . cla. . i ed a. held f. . ale a d he fai al e le. . c . . f di. . . al a e c a ed. a d he l e . f he . i. ea. ed. O he ha . . -c e a. e . . di. . . al g . . ac i ed i a b . i e. . c bi a i . . he diffe e ce a i. i g f . ec g i. i g he fai al e le. . c . . f di. . . al . f . . -c e a. e . . di. . . al g . . a. i i ial ea. e e i. ec g i. ed i . . a d l . . i he e i d.

(3) Whe e he G . ha. l . c . l . f a . b. idia , d e . ea. . . . ch a. di. . . al . f i e. e i he . b. idia , . ega dle. . . f he G . e ai . a . a . f e i i e. e af e di. . . al. . he i e. e i he . 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 . 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 . 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) Whe e he e i. a i c ea e i fai al e le. c . f di. . al . f a . -c e a. e held f. ale .

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

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

Whe he G . . , 20% . ab e b le, , ha 50% . f he . i g igh . f he i e, ee di ec l , . i di ec l h . gh , b, idia ie, , i i, c , ide ed . ha e a , ig i. ca i e ce . he i e, ee. If he . i g igh i he i e, ee i, le, , ha 20%, he i e ce . i e, ee ill be decided ba, ed . fac , a d ci c , 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. 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, de he c . l . f he G . i, dee ed a, a , b, idia , . f he G . . F. l g- e e i, i e, e , ac i ed h . gh a b , i e, , c bi a i , de c . c , . l, he ill be , ed a, he i i ial i e, e c , . f l g- e e i, i e, e acc di g . he , ha e . f he c , . lida ed a , i he b . k al e . f e a, , e , i he . a cial , a e e , . f he l i a e c , . lli g a , . he da e . f c , . lida i . If he b . k al e . 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 i, 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 b , i e, , c bi a i , . all , if i bel g, . ackage a , ac i , he acc 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 e . f e a, , e , . f ac i ee af e he c bi a i i he c , . lida ed . a cial , a e e , . , a d acc 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 e . f l. g- e e i, i e, e bef. e c bi a i. a d he , . f ca , i g al e . f e l aid c , ide a i f. addi i al , ha e, ac i ed . he da e . f c bi a i i, . adj , , ha e e i . If he bala ce . f , ha e e i i, i , f. cie , a , e ce, , i, adj , ed . e ai ed ea i g, .

F. l g- e e i, i e, e ac i ed h . gh b , i e, , c bi a i , de 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 b , i e, , c bi a i , . all , if i bel g, . ackage a , ac i , he acc 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 , . f he ca , i g al e . f he e i, 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 i, i i i hich , e, e i, e h d, . he ela ed c ehe , i e i c e hich , e e i, e h d f. acc i g , hall . be adj , ed, , ch i e, e , hall , e he , a e acc i g ba, i, a, he i e, ed c a, he i di ec l di, . , e ela ed a, , e , . liabili ie, . di, . , al. F. , ha eh ldi g hich i h ld, bef. e ac i, i i a d acc ed f. de fai al e e h d i he a ailable-f. -, ale fi a cial a, , e , , he acc la ed cha ge i fai al e hich i, . igi all i cl ded i . he c ehe , i e i c e , hall be cha ge . . . l , , f. he c e e i d . he da e . f c bi a i .

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

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

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

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

F. l g- e e i, i e, e , f. hich he , b, e e ea, e i, acc ed f. , i g c , e h d, he aki g addi i al i e, e , ca , i g al e . f he l g- e e i, i e, e , ill be added acc di g . he fai al 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 , i g he a . hich i e i le, .

F. l g- e e i, i e, e f. hich he , b, e e ea, e e i, acc ed f. de e i, e h d, ca , i g al e . f l g- e e i, i e, e , hall be i c ea, ed . dec ea, ed acc di g l acc di g . he cha ge i he , ha eh lde , e i, . f he i e, ed c a , . Whe de e i i g he a . . f . . i . f e . . . l , , i he i e, ed c a , hich i e i le, , fai al 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 , ed a, ba, i, , a d acc di g . he acc i g . licie, a d acc i g e i d . f he G . , a d af e . ff, e i g . fi . l , , i c ed i i e al a , ac i be ee a, , . cia e,e0.5(a e . .6(0ac T*[(i)0.5(/GS0 g, 15(d h ide i,)0.5(g)22(3.54352( )]T]T]T]T]T.8.6(0ac[(i)0.5(/)22(ba

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

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

F. each a , ac i , hich e i , a e di . . ed i , age, il l . . f c . l, hich d e, . bel g . ackage a , ac i , he acc 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 i g f. each a , ac i , hall be ea ed a di . . i g , 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 e . f he c e . . di g l g- e i e e . f he e 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 e i d . 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 e a d , ef l li e f. . e ha . e , ea , a d held f. , e i he . d c i g . d , e i g . f , e ice , f. e al , . f. ad i i a i e . , e , .

Fi ed a , e , a e ec g i ed he i i highl . bable . f ec . ic be e . i . . he G . a d hei c , ca be ea ed eliabl . The G . ' . ed a , e , i cl de b ildi g , achi e , , elec . ic e i e , ehicle a d . he e 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 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 i e	S aigh -li e	5	5	19.00

The G . e ie , he e ec ed life . f , e, e i a ed e e id al al e 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 i g e i a e , .

21. Construction-in-progress

C , 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 , e acc di g . i , . jec b dge , . jec fee . ac 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 a di . f he c le ed . jec , adj , e ill be ade f. a , diffe e ce f . he . igi al al e . f he . ed a , e , .

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

22. Borrowing costs

l 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 . c i . . d c 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 c ed, b . i g c . . a e bei g i c ed, a d ac i i ie. ela i g . he ac i. i i . . c . c i . . d c 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 ali. ed a. . e de ac i. i i . . c . c i . . d c 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 c e e i d. If he ali. ed a. . e i. i e ed ab . all d i g c . c i . . d c i . a d i e i . ha. la. ed f. h ee c . ec i e . . h. . he ca i ali. a i . f he b . i g c . . . hall be . . e ded il he c . c i . . d c i . f a . ed a. . e . i. e. ed.

The a . . f i e e. . f . eci. c b . i g. . cc ed f. he e i d . hall be ca i ali. ed af e ded c 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 c la 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. -1.5,.124 . eci.6(ec 7,)13(i c)17.6()13(c . . 2)18.2(2)]TJ(2)]el . 8(. . 1.e)9((2)]di. a l ⊠1F2 e . . . 2)1 ⊠⊠9

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

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

24. Intangible Assets

(1) Measurement method, useful life and impairment test

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

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

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

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

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

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

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 i, , he e . d c R&D . jec , . f he G . , hall de g. he . ha, e, . f e, ea ch a d de el. e : he ha, e . f e, ea ch i cl de, , ch , age, a, i e, iga i , , b, a ia i , he i i ia i a d a . al . f a , al e . d c R&D la , , ea l, e, ea che, (i cl di g f. la de, ig , . ce, , de, ig , e i e , elec i , f. 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, 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 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. la, . d c i . ce, , a d ech ical , a da d, f. he . d c a e , ali, ed.

E e di 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 c ed.

E e di 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 ical, fea, ible . c le e he i a gible a, , e , . ha i ill be a ailable f. , e . , ale;

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

3) he G . 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 . . f he i a gible a, , e . he i a gible a, , e i , elf . , if i i, . be , ed i e all, he , ef l e, , . f he i a gible a, , e ;

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

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

E e di 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 c ed. E e di 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 , b, e e e i d. The ca i ali, ed e e di e, i de el. e ha, e a e e, e ed a, de el. e e e di 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 , e.

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

25. Impairment of long-term assets

The C. a, a. e. e. i e . . ch a. l g- e e i, i e. e . . i e. e . e ie. ea. ed a c . . . ed a. e . . c . 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 . l a gible a. e . i h i defi i e g. d ill a d . ef 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 . . 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 f 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 . cha ge. . a . a i fee a d di ec e e . e. i c ed . e a e he a. e f. i . i e ded . ale. The e. e al e . f he f e ca. h . . e ec ed . be de i ed f. he a. e . e he c . e . f c i ed . e a d . al di. . . al i. de e i ed a. he a . di. c ed . i g a a . ia el . elec ed di. c 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 . . f he i di id al a. e . he G . . hall de e i e he ec e able a . . f he a. e g . . hich he a. e bel g. . The a. e g . i. he . alle. g . . 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 . . . g . . f a. e g . . hich a e e ec ed . be e. f. he . . e gie. . f he b . i e. . c bi a i . If he e. l . f he e. i dica e. ha he ec e able a . . f a a. e g . . g . . f a. e g . . . i cl di g he all ca ed g . d ill. i. l e ha i . ca . i g a . . . 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 . . . f g . d ill ha i. all ca ed . he a. e g . . g . . f a. e g . . . a d he ded c ed f. he ca . i g a . . . . f. he a. e . i hi he a. e g . . . g . . f a. e g . . i . . i . he ca . i g a . . . f a. e . . he ha g . d ill.

If he ca . i g a . . . f . ch a. e e ceed. i . ec e able a . . 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 e acc . i g e i d . . ce ec g i. ed.

26. Long-term deferred expenses

The G . '. 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 e acc . i g e i d. . he . a . i ed bala ce i. he f ll a . fe ed . . . . l . . f. he c e e i d.

27. Contract liabilities

C. . ac liabili ie. e e. e he . bliga i . f he G . . a . fe g . d. . c . . e . f. he c . ide a i . hich ha. bee ecei ed . ecei able f. c . . e . . Whe e c . . e . ha e al ead aid he c . ac c . ide a i . he G . ha. . b ai ed he . c . di i . al igh . ecei e he c . ac c . ide a i . bef. e he G . a . fe . he g . d. . c . . e . . he a . . ecei ed . ecei able i. ec g i. ed a. c . ac liabili ie. he he c . . e . ' a e i. ac 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

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

29. Lease liabilities *(continued)*

(1) Initial measurement *(continued)*

2) Discount rate

l calc la i g he e, e al e. f a lea, e a e , he G. , e, he a e age b. . i g a e. f he ai lea, e a, he di, c a e.

(2) Subsequent measurement

Af e he c e ce e da e. f he lea, e e , he G. f. ll. , he i ci le, bel. f. he , b, e e ea, e e . f a lea, e liabili , : ① . i c ea, e he ca , i g a . . 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 . . f he lea, e liabili , he a lea, e a e i, ade; ③ . e ea, e he ca , i g a . . 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 c 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 a e , ed b he G. f. i i ial ea, e e . f he lea, e liabili , , . he e i, ed di, c a e , ed b he G. he e ea, i g he lea, e liabili , a he e i, ed di, c 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. e ea, 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 a e, i h a c e, . di g adj , e ade . he ca , i g a . . f he igh -. f- , e a, , e . The ca , i g a . . f he igh -. f- , e a, , e i, ed ced . e . . If he e i, a , f he ed c i . f he lea, e liabili , , he G. cha ge he e ai i g a . . he . . l , , f. he c e e i d. ① The e i, a cha ge i he , 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. , 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, l . f he cha, e . i ; ⑤ The e i, a cha ge i he a, , e, , e e, 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 , , ch a, g a a ee, . ided

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 . . 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 . . f he c e , a i , hall . e ceed he ca , i g a . . f he . i, i , .

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

The . i, i . f G . ', achi e , . d c i e e i, e , afe , . d c i c , , i, ba, ed . he ac al , ale, e e 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 , 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 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 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 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 ed i acc da ce i h 0.1%;

(5) O e a i g i c e ab e RMB5,000 illi , acc 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 al , ale, e e e f. he, ea . The . i, i i, acc 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 , h , e a a el de . e ', e i, . Whe , i g he e, e e f. ai ai i g . d c i , , afe , fee, he a . ill be debi ed f. he ", ecial e, e e if he fee i, e e , e, a e. Whe , i g he e, e e f. ai ai i g . d c i , , afe , fee . f. ed a, , e , he a . ill be debi ed f. he " c , c i -i - . g e, , i e f. he a . ec ded i he c , . f ela ed a, , e , . Whe he , a , . f he . jec i, ead f. i e ded , e, he c , , . f, ch . d c i , , afe , fee , h 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 a e f. . ff, e i g . , e, he . d c i , , afe , fee ill be ec g i, ed i . , a d l , , f. he c e e i d.

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

32. Revenue

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

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

(1) Principles of revenue recognition

Re e e i, ec g i, ed he he G . , 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 c , . e , .

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

The G . , a i, e, a e f. a ce . bliga i . e i e if . e . f he f. ll i g c i e 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 c , . e , i l a e , l ecei e, a d c , e, he be e. , . ided b he G . ', e f. a ce a, he G . e f. , .

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

3) he G . ', e f. a ce d e, . c ea e a a, , e i h a al e a i e , e . i a d he G . 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 . ec g i, e, e e e . e i e b ea, 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 e h d. Whe he . c e . f ha e f. a ce . bliga i ca . be ea, ed ea, . abl , b he G . e ec , . ec e he c , , i c ed i , a i, f i g he e f. a ce . bliga i , he G . ec g i, e, e e e . l . he e e . f he c , , i c ed il , ch i e ha i ca ea, . abl ea, e he . 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)*

F. e f. a ce. bliga i , a i. ed a a . i i i e, he G. ec g i. e. e e e a he . i i i e a hich he c . e . b ai . c . l. f ele a g. d. . e ice. . T. de e i e he he a c . e ha. . b ai ed c . l. f g. d. . e ice. , he G. c . ide . he f. ll i g i dica . . :

(1) he G. ha. a e. e igh . a e f. he g. d. . e ice. .

(2) he G. ha. a . fe ed he legal i le. f he g. d. . he c . e .

(3) he G. ha. a . fe ed h . ical . . e. . i . f he g. d. . he c . e .

(4) he G. ha. a . fe ed he . ig i. ca i. k. a d e a d. . f. e . hi . f he g. d. . he c . e .

(5) he c . e ha. acce ed he g. d. . e ice. .

The G. ', igh . c . ide a i i e cha ge f. g. d. . e ice. ha i ha. a . fe ed . a c . e i. . a ed a. c ac a. . e . The G. ec g i. e. all a ce. f. i ai e l . . f. e ec ed c edi l . . . c ac a. . e . . Recei able i. he G. ', c di i. al igh . c . ide a i . be ecei ed f. a c . e . A c ac liabili i. he G. '. . bliga i . a . fe g. d. . e ice. . a c . e f. hich he G. ha. ecei ed c . ide a i . (a a . . f c . ide a i . i. d e) f. he c . e .

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

① *Contracts for sale of goods*

C. ac . f. . ale. f g. d. be ee he G. a d i . c . . e . . all i cl de. . l he e f. a ce . bliga i . i e. ec . f he a . fe . f g. d. . l ge e al. he G. ec g i e. e e e a he . i i e he he c . e acce . he c . l. f he g. d. . aki g i . f ll c . ide a i . f he f. ll i g fac . . : . b ai i g he e. e igh . ecei i g a e i e. ec . f he g. d. ; a . fe . f . b. a ial i. k. a d e . i e. ec . f he i le . he g. d. ; a . fe . f legal i le i e. ec . f he g. d. ; a . fe . f he h . ical a. . e . f he g. d. ; a d he acce a ce. f g. d. b c . e . .

② *Contracts for provision of services*

C. ac . f. . i. i . f . e ice. be ee he G. a d i . c . . e . . all c ai e f. a ce . bliga i . . ch a. ech ical . e ice. a d af e -. ale ai e a ce . e ice. . While he G. e f. . he c ac . he c . e . b ai . a d c . e. he ec . ic be efi b. gh b he G. '. e f. a ce. a d i e. ec . f he . i . f e e e a i. i g f. he G. '. e f. a ce c le ed . da e. he G. i. e i led. d i g he e i e alidi e i d. f he c ac . ec g i. e e e e acc di g . . g e. . . f e f. a ce i hi . ch e i d f. . a i. f i g . ch e f. a ce . bliga i. . d i g a e i. d. f i e. h. e e . he ha ci c . a ce. ha he . g e. . . f e f. a ce ca . be ea. . abl de e i ed. The G. de e i e. . g e. . . f e f. a ce i e. ec . f he . i. i . f . e ice. . i g i e h d. Whe he . g e. . . f e f. a ce ca . be ea. . abl de e i ed. if he c . . i c ed a e e ec ed . be c e . a ed. he G. ec g i. e. e e e ba. ed . he a . . f c . . i c ed. il he . g e. . . f e f. a ce ca be ea. . abl de e i ed.

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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 ed, he G. acc , he e i g a . 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 e. f he ele a a, , e . i i ial ec g i i , he ca , i g al 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 . . 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. a e calc 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 . . . 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 c ible l , , e, ha a e ded c ible agai , a able . . i , b, e e , ea , i acc da ce i h he e i e e , 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 e . a a, , ac i . he ha a b , i e, , c bi a i , hich affec , ei he acc i g . . . a able . . (ded 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, 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 f e a able . fi ill be a ailable . ded c f. he ded c ible e . a, diffe e ce, ded c ible l , , e, a d a c edi , .

35. Leases

(1) Identi□cation of leases

A lea, e i, a c ac de hich he le, , . c e, he igh . , 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. 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 , 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 , e . f a ide i, ed a, , e , he G. a, , e, , e, he he he le, , ee ha, he igh . . b ai , b, a ial, all . f he ec . ic be, e, , f. he , e . f he ide i, ed a, , e h . gh he e i d. f , e, , a d al, . he he he le, , ee ha, he igh . di ec he , e . f he ide i, ed a, , e .

F. a c ac ha c ai , l i le lea, e c . e , , , he G. , e a a e, he c ac a d acc , . 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. , e a a e, a d acc , . f. he lea, e a d . -lea, e c . e , .

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

35. Leases *(continued)*

(2) The Group as a lessee

1) Lease recognition

The G . ec g i e, igh - f- , 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, e e . f igh - f- , e a, , e , a d lea, e liabili ie, , , ee 23. Righ - . f- , 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 , e . f . e . . e lea, ed a, , e , , a d he e e , i . , h. e i g . f he lea, e e , i 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 . acc , . 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 , 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 ale af e adj , e i, ade ba, ed . he c ac .

If he . di, ca i . f lea, e i, . acc 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 . all ca e, he c , ide a i . f he . di, ed c ac i acc da ce i h he acc 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 he lea, e a e , af e . difica i a he di, c a e af e . difica i f. e ea, 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 . , 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 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 . , 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 a e. The G . acc , . f. he c , e e ce, . f he ab e adj , e , de he f. ll i g ci c , a ce, : ① If he . di, ca i . f lea, e e, 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 . . f he igh - f- , 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, l i e ea, e e . f lea, e liabili , , he le, , ee ade c e, . di g adj , e . he ca , i g a . . f he igh - f- , 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 e he i i, e , he G . ha, elec ed . . ec g i e igh - f- , e a, , e a d lea, e liabili , . The G . cha ge, he lea, e a e , . f , h - e lea, e, a d he l - al e a, , e lea, e, . he c , . f he de 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 ial, 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 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.

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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. calc la e, a d ec g i, e, i e e, i c e i each e i d d 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 a e , ed . de e i e he e lea, e i e, e (F. , b-lea, e, he e he i lici i e e, a e ca . be de e i ed, he di, c a e. f he . igi al lea, e i, , ed (adj , ed b a, i i ial di ec e e, e, i ela i . he , b-lea, e), . he e i, ed di, c 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 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. Il i g c di i , , he G. acc , . 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 . , e . f . e . e lea, ed a, , e , ; ② The i c ea, ed c , ide a i i, e 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 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 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. acc , . f. he lea, 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 . . f he lea, ed a, , e .

2) Accounting for operating leases

Treatment of rents

I each e i d d i g he lea, e e , he G. 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. all ca e, he . al e . e he lea, e e i h. ded c 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 g he e -f ee e i d. If he G. bea , ce ai e e , e, . behalf . f he le, , ee, , ch e e , e, a e ded c ed f. he e al i c e a d he bala ce. f e al i c e af e ded c 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. 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 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 , 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 .

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 . ecei ed b he G. 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 c e e i d he he . cc .

Modi□cations of operating leases

A . di. ca i . f. e a i g lea. e i. acc ed f. b he G. a. a e lea. e . i ce i . effec i e da e. A e aid lea. e a e . . lea. e ecei able. ela i g . he . di. ca i i ea ed a. a ecei f. e lea. e.

36. Other Signi□cant Accounting Policies and Accounting Estimates

Accounting for income tax

I c e a i. acc ed f. . i g liabili e h. d. I c e a e e . e. e e. e he . . f c e a a d defe ed a . C e a a d defe ed a ela i g . he a . ac i . . a e. ha a e di ec I ec ded i . ha eh. lde . ' e i a e deal i h i . ha eh. lde . ' e i . Defe ed a a i. i g f. b . i e. . c bi a i i. adj . ed . he ca i g al e. f g. d ill. All. he c e a a d defe ed a a e ec g i. ed i . . l . . f. he e i d.

The a c e I a able i. he a . . f a a able . a a i b ea b he e e i. e. i e. ec . f he a . ac i . . a d a e . . f he c e e i d calc 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 ld be ec g i. ed . 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. '. . e a i g . eg e . a e ide i. ed ba. ed . i e . al . ga i. a i . c e. a age e e 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. a c . e . f he G. ha . a i. e. he f. ll i g c i e ia . i l a e . I : he c . e ca ge e a e e e e a d e e . e. i b . i e. . ac i i ie. ; he a age e . f he G. ca a. e. . he . e a i g e f. a ce . f he c . e i . de . all ca e e. ce. a d a. . e. . e f. a ce; a d he G. ca ac i e acc i g i. f. a i . . 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 i e ia. he a e c bi ed a. . e . e a i g . eg e .

Discontinued operations

Di. c i ed . e a i . efe . c . e . . f he G. 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 . 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 . 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 . i e. . . a . e a a e aj egi . f . e a i . ; (3) he c . e . a e . b. idia ie. ac i ed . eci. call f. e. ale.

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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 P N a licable

(2) Changes in signi□cant accounting estimates

☐ A licable P 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 P 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 P N a licable

IV. Taxation

1. Main tax types and tax rates

Type	Calculation basis	Rate
Val e-added a	The diffe e ce af e he i a . f he cha ed g . d ded c ed f . he . a	13%, 9%, 5%
U ba ai e a ce a d c . c i a	C . di . e a a . ac all aid	7%
E e i i c e a	Ta able . . .	15%, 16.5%, 25%
Ed ca i . cha ge	C . di . e a a . ac all aid	3%
L cal ed ca i . cha ge	C . di . e a a . ac all aid	2%

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VI. Taxation *(continued)*

1. Main tax types and tax rates *(continued)*

Di cl . e 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 g a g M l g L gi ic C ., L d.	25%
MPM I e a i al Li i ed	16.5%
Sh g a g Ba l g Pe . le E i e C ., L d.	25%
Sh g a g Ma l g Ne Ma e ial Tech . l g De el e C ., L d.	25%
Sh g a g M l g Elec . - echa ical E i e C ., L d.	25%
Weihai Ba l g S ecial Pe . le Ma e ial C ., L d.	25%
Sh g a g Ba l g Ma age e a d C . l a 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 . Ke H . Zi [2021] N . 25) i . ed b he Leadi g G . 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 c e . h , ha he C a , ', high- ech e e i e ce i ca e be i GR202037004362 a d he da e . f i . a ce i 8 Dece be 2020, alid f h ee ea . .

Acc di g . he eg la 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 e . e j , efe e ial a i al a . licie f h ee c . ec i 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 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, f 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, f d. . f MPM, a H. g K. g-ba. ed . b. idia, .

(2) The C. a, '. . he . e a, f d. a. a he e d. f he e i d i cl ded ba k acce a ce . ec i, de . i . . f RMB242,336,453.10 (a. a he begi i g . f he, ea : RMB239,079,167.10), . ec 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 i . . f RMB594,975.00 (a. a he begi i g . f he, ea : RMB il).

(3) The G . had . ec 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 f 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 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, ecei 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 g. f he e i d				
	Book balance		Provision for bad debts			B . k al 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 al e
l cl di g:										
Bill, ecei 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
l cl di g:										
Bill, 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 . 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, 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 . 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 . ecei 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 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 ecei able, d i g he e i d

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The G . , e, he ca , i g a . . 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 . a . i a e, . hei fai al e.

N . i, i f. a, , e i ai e a, ade b he G . a, he acce . , . f he ba k acce a ce bill, i h ld, a e all . a cial i , i i , i h g . d c edi , a di g.

If . i, i f. i ai e . f . a ci g 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, i f. i ai e i h efe e ce . he di, cl , e, . f. he ecei able, :

☐ A licable P 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 . 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

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
Sec ed l a .	—	3,844,593.19
G 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 .	Pe ce age (%)	A .	P. i i a e (%)	Ne a . . 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. had . e d e l a . . f RMB38,938,901.90. The . le . f he G. ', l a . ba. ed . hei . ec i ie. a d g a a ee. a d . a . . 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 a, 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 a, 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			Balance at the end of the year
		Provision	Recovery or reversal	Offset or write-off	
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		Bala ce a he begi . i g. f he e i d	
	Amount	Percentage	A .	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. 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 classi□ed 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. . ecei able	—	2,308,030.91
O he ecei 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 . had . i e e. ecei able ha i. a. d e.

3) Provision for bad debts

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(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 . e l a .	**1,227,252.00**	1,293,754.00
De . . i . /ca i . . e	**2,108,347.00**	3,589,758.00
A . . d e f . ad i. a i e e i ie.	**1,300,685.00**	26,000,341.48
O he a . . d e f . i di id al.	**—**	
O he a . . d e f . e i ie.	**154,115,315.32**	1,677,120.82
Le. . : P . i. i f. bad deb . . f. he ecei 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
T a . 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

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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 : RMBU i : 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

U i : 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
Sha d g Sh g a g Vege able Wh le, ale Ma ke C ., L d. (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
P . . e . f b . . i g	B . i e . . . ki g ca i al	B . i e . . . ki g ca i al	B . i e . . . ki g ca i al	B . i e . . . ki g ca i al	B . i e . . . ki g ca i al
A .					
C 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 . . f bad deb . i i (RMB)					

8. Inventories

Sh ld he C. a , c l i h he di cl . e e i e e . f . e , i d . ,

N

(1) Category of inventories

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 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 a i . f c . . . f c ac e f a ce	B . k al e
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 he f he . ce. i g c . a d ela ed ale e e. a d ela ed e e. . f a a i	Ma e ial Re i i i f. . d c i a d ice cha ge
W k-i - . g e.		Ma e ial Re i i i f. . d c i a d ice cha ge
S b-c ac i g a e ial		Ma e ial Re i i i f. . d c i a d ice cha ge
Fi i hed . d c	The elli g ice i he elli g e e. a d ela ed 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 . 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 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, ecei able. 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 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	

V. Notes to the Consolidated Financial Statements *(continued)*

11. Fixed Assets

U i : RMB

Item	Balance at the end of the period	Bala ce a he begi i g. f he e i d
Fi ed a. . e .	**2,493,577,016.35**	2,726,157,716.13
T al	**2,493,577,016.35**	2,726,157,716.13

(1) Details of □xed assets

U i : RMB

Item	Buildings	Machinery and equipment	Electronic and others	Vehicles	Total
I. Original book value:					
1. Bala ce a he begi i g. f he e i d	1,095,993,243.01	3,316,763,702.46	123,127,740.46	14,418,832.27	4,550,303,518.20
2. Addi i . d i g he e i d	17,703,138.61	56,499,987.94	1,576,205.44	973,949.41	76,753,281.40
(1) P cha e	67,546.83	12,913,584.47	1,508,209.99	919,492.10	15,408,833.39
(2) T a . fe ed f. c . ci i . g e. .	17,635,591.78	43,586,403.47	67,995.45	54,457.31	61,344,448.01
(3)Addi i . f. b . i e. . c bi a i .					
3. Red ci . d i g he e i d	161,379,843.42	63,649,690.67	8,036,967.10	2,021,159.81	235,087,661.00
(1) Di. . . al. e i e e	161,379,843.42	63,649,690.67	8,036,967.10	2,021,159.81	235,087,661.00
4. Bala ce a he e d. f he e i d	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. Bala ce a he begi i g. f he e i d	320,569,282.91	1,337,814,147.66	90,999,782.65	6,817,643.07	1,756,200,856.29
2. Addi i . d i g he e i d	52,122,672.58	174,859,470.87	5,207,117.54	2,190,446.19	234,379,707.18
(1) P. i. i	52,122,672.58	174,859,470.87	5,207,117.54	2,190,446.19	234,379,707.18
3. Red ci . d i g he e i d	93,074,396.46	57,108,947.03	6,945,264.57	1,768,413.94	158,897,022.00
(1) Di. . . al. e i e e	93,074,396.46	57,108,947.03	6,945,264.57	1,768,413.94	158,897,022.00
4. Bala ce a he e d. f he e i d	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. Bala ce a he begi i g. f he e i d	4,986,478.28	62,958,467.50			67,944,945.78
2. Addi i . d i g he e i d					
(1) P. i. i					
3. Red ci . d i g he e i d		1,236,365.00			1,236,365.00
(1) Di. . . al. e i e e		1,236,365.00			1,236,365.00
4. Bala ce a he e d. f he e i d	4,986,478.28	61,722,102.50			66,708,580.78
IV. Book value					
1. B. k al e a he e d. f he e i d	667,712,500.89	1,792,327,225.73	27,405,343.18	6,131,946.55	2,493,577,016.35
2. B. k al e a he begi i g. f he e i d	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 . . . e c . 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

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

(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 . d i g he e i d	18,317.20		8,225,125.47		8,243,442.67
(1) Ac 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. b . i e., c bi a i .					
3. Red c i . d 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 . d 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. Red c i . d 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 . d i g he e i d					
(1) P. i,i					
3. Red c i . d 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 e 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 e 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 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: Internal development expenditures	Additions during the period: Others	Reductions during the period: Recognised as intangible assets	Reductions during the period: Transfer to pro□t or loss for the current period	Balance at the end of the 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 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.

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 . a, ac i ,	**8,674,082.12**	**2,168,520.53**	9,393,965.60	2,348,491.40
Bill ecei able	**1,666,112.83**	**249,916.92**	2,602,376.56	390,356.49
Acc , ecei able	**123,240,340.22**	**18,486,051.03**	127,816,000.16	19,172,400.02
O he ecei 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 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

U i : 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
Defe ed i c e a a. . e .		35,217,034.73		40,231,904.91
Defe ed i c e a liabili ie.		5,560,648.87		5,754,299.38

(4) Breakdown of unrecognized deferred income tax 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 e . a, diffe e ce.	**109,150,800.67**	97,006,220.12
Ded c ible l . . e.	**986,842,767.09**	1,052,554,995.02
T. al	**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 speci□ed below

U i : RMB

Year	Amount at the end of the period	A . a he begi i g. f he e i d	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	
T al	**986,842,767.09**	1,052,554,995.02	

17. Other non-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
	Book balance	Provision for	

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 a 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 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 al i e e, a e . f . h - e b . i g, f. he G . a, 4.46% (2019: 4.789%).

(2) Details of outstanding overdue short-term borrowings

A, a he e d. f he, ea , he G . had . . , a di g . e d e . 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 . , a di g . e d e bill, a able a . ed . RMB0.00.

V. Notes to the Consolidated Financial Statements *(continued)*

22. Salaries payable

(1) Presentation of salaries payable

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
I. Sh - e , ala ie,	57,276,942.10	209,028,019.61	211,811,076.84	54,493,884.87
II. P. , -e l , e be e. , de. ed c ib i la.		11,938,024.09	11,938,024.09	
T al	57,276,942.10	220,966,043.70	223,749,100.93	54,493,884.87

(2) Presentation of short-term salaries

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. Wage. , b. , e. , all a ce. a d , b. idie.	42,149,843.83	186,550,961.53	189,650,388.35	39,050,417.01
2. S aff elfa e		4,351,108.97	4,351,108.97	
3. S. cial i. a ce.		8,913,733.78	8,913,733.78	
I cl di g: Medical i. a ce		7,261,368.04	7,261,368.04	
W. k i j i. a ce		455,716.13	455,716.13	
Ma e i i. a ce		1,196,649.61	1,196,649.61	
4. H. . i g . ide f d		7,159,420.68	7,159,420.68	
5. U i f d a d . aff ed ca i f d	15,127,098.27	2,052,794.65	1,736,425.06	15,443,467.86
T al	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 f 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 c e . . l . . ela ed a . e c , he i c 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.

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

ID aiA ig i3QBece b ab2020,C . G i g had (e)]TJ aie e .1

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 e i hi . e ea	**76,549,075.94**	425,044,064.29
L g- e a able d e i hi . e ea	**53,044,531.57**	57,592,842.49
Lea e liabili ie d e 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
Sec ed b. . i g.	**190,612,226.47**	175,044,064.29
Le. : A . . d e 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 e i hi . e ea ha e bee ecla. i ed . . -c e liabili ie. d e i hi . e ea . See . e VII.25.

P. le. f a 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 . a he begi i g. f he ea
Sec 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 . . . 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 . d e i hi . e ea . h. de c e liabili ie.	**(76,549,075.94)**	(425,044,064.29)
A . . h. de . . -c 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. f. 2020 a ged be ee 7% 10%.

V. Notes to the Consolidated Financial Statements *(continued)*

28. Lease liabilities

U i : RMB

Item	Amount at the end of the year	A . a he begi i g. f he ea
Lea e liabili ie	**15,159,675.79**	
Le. : A . d e i hi . e ea	**(10,191,315.95)**	
T al	**4,968,359.84**	

29. Long-term payables

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 a able	**4,585,000.00**	58,045,884.69
T al	**4,585,000.00**	58,045,884.69

(1) Presentation of long-term payables by payment nature

U i : RMB

Item	Balance at the end of the period	Bala ce a he begi i g. f he e i d
Lea eback . a ci g	**4,585,000.00**	58,045,884.69
T al	**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 . 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 . 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 . . 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 i hi . , ea ,	**4,585,000.00**	54,116,154.13
Af e . , ea , f. he bala ce , hee da e b i hi . e, ea ,	**—**	3,929,730.56
Le, , : A . d e i hi . e, ea , h. de c e liabili ie,	**(53,044,531.57)**	(57,592,842.49)
A . , h. de . -c 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. c 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 . 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 g a g M l g L gi, ic C a, Li i ed', S b, id F d, f. l f a, c e (Sha g he gfa [2016] N .3) i, ed b he Pe le', g e e . f Sha gk . , Sh g a g Ci , he G . ecei ed , b, id f d, f. i f a, c e . f RMB6,954,855.00 . 24 Feb a, 2016, a d ec g i ed he g e e g a a, he g e e g a ela ed . a, e . The G . ', de ecia i . f he de l i g a, e . f. he ea a . i g RMB173,871.38 a, cha ged . he . fi . l , f. he c e e i d . i ce he ele a i f a, c e ha, bee c le ed hi, ea .

N e 2: acc di g . he Re e, f. e . 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 he g i g i [2018] N . 42) i, ed b he Pe le', G e e . f Ga c T , We de g Di, ic , Weihai Ci , Weihai Ba l g, a b, idia , . f he C a, ecei ed a g a . f RMB719,085.90 f. he c , c i . f defe e, e ba, e e . 25 Feb a, 2019. The c a, ec g i ed , ch g e e g a a, a, a, e - ela ed g e e g a . The de ecia i . f he de l i g a, e . f. he ea a . i g RMB35,954.30 a, cha ged . he . . l , f. he c e e i d.

32. Share Capital

U i : RMB

	Balance at the beginning of the period	Movement for the period (increase/decrease) (+, –) Issue of new shares	Bonus issue	Conversion of reserves into shares	Others	Sub-total	Balance at the end of the period
T al 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 e, e e,	13,687,167.50			13,687,167.50
T al	863,169,158.42			863,169,158.42

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 , . d c 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 . d i g he e i d a d he ea. . (.) f. , ch . e e :

Acc di g . he Mea. e. . he Wi hh. ldi g a d U. age . f Safe , P . d c 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. . 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. . ided f. a d ili. ed . d c i . afe , fee i acc da ce i h he ele a e 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 . , , l , e, e 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, e 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 , .

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

P 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)*

I f a i . e e e:

U i : RMB

Contract category	Pipe products	Three kinds of pumping units	Petroleum machinery parts	Tube blanks	High-end casting and forging products	Others	Total
T e f g d							
I cl di g:							
Pi e d c	2,458,265,692.32						2,458,265,692.32
Th ee ki d f i g i		40,046,101.68					40,046,101.68
Pe le achi e a			8,346,558.77				8,346,558.77
T be bla k				178,497,433.73			178,497,433.73
High-e d ca i g a d f gi g d c					241,350,397.49		241,350,397.49
O he						83,212,845.67	83,212,845.67
B b i e l ca i							
I cl di g:							
Chi a	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
O ide Chi a	281,390,651.59	3,684,555.55	7,181,782.09			101,903.03	292,358,892.26
T e f c ac							
I cl di g:							
Re e e ec g i ed a a i i i 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
T al	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 f a i . e f a ce bliga i :

The G a i a , blig a i fie i bliga i f l i g d c c e i a i el a e b efe e ce he ca eg , , a da d a d i e e e ed b he c 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 c e a d diffe e d c : d e ic c e f be a e all bjec a e i ad a ce f di ib i , a d d e ic c e f il ca i g a e all bjec a e e f 3 6 h af e bill e le e A e b i e , a e e a e ai l a e f A il ca i g d c , f he c e a e bjec a e i ad a ce, de hich c e a e ake f ll a e bef e di ib i f d c A e le 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)

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 e f. e f. a ce . bliga i . ha ha e bee c ac ed b . , e e f. ed . c le ed a . 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 e i 2021.

O he de. c i i . :

A . g he e e e. ec g i. ed hi. , ea , he a . i. cl ded i c ac liabili ie. a he e d . f he e i . , ea a. RMB32,463,654.22.

41. Taxes and surcharges

U i : RMB

Item	Amount for the period	A . f. he la. e i d
U ba ai e a ce. a d c . c i a	**4,167,747.78**	7,293,848.12
Ed ca i al . cha ge.	**2,973,995.71**	5,209,746.09
P. e , a	**4,948,156.52**	4,963,595.80
La d . e a	**5,103,421.99**	5,106,999.76
L cal a e c . e a g c . c i f 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 . f. he la. e i d
Deli e , fee.	**—**	67,775,409.06
S aff e e a i .	**5,310,781.48**	4,166,114.60
Age g 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 . 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 e a i .	**46,082,534.12**	49,972,461.91
Machi e a e ial c . 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 di . ' e e a i (e cl di g al e added a) i cl ded i he age c fee. de he ad i i. a i e e e . e. . f he G . i. . eci ed bel :

U i : RMB

Item	Amount for the year	A . f. he la. ea
Age c fee.	**2,919,698.99**	3,433,254.08
I cl di g: A di . ' e e a i	**1,320,754.68**	1,273,584.87
I cl di g: A 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

V. Notes to the Consolidated Financial Statements *(continued)*

46. Other income

U i : RMB

Source of other income	Amount for the period	A . f. he la, e i d
S b, idie, a d g a , f. ec, cli g e,. ce e e i, e,	—	11,703,891.00
C. a, ', c . a e, . , b, idie,	**13,041,300.00**	
S abili , b, idie, a d ,. cial i , a ce , b, idie,	**2,244,789.32**	563,748.95
B. , e, f. ech . l g g ade a d e e g c e , i	—	1,108,200.00
G a , f. defe , e ba, e e c , c i	**35,954.30**	287,634.36
S ecial f 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 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 . f. he la, e i d
Gai f. l g- e e i, i e, e , acc ed f. , i g he e 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, ecei able	**936,263.73**	(2,602,376.56)
L . . bad deb . . f acc . ecei able	**4,580,429.76**	(4,768,618.30)
L . . bad deb . . f. he ecei able,	**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 . f. he la, e i d
Gai . di, . al. f . -c e a, e ,	**353,358,239.23**	7,152,864.22
l cl di g: Gai . di, . al. f . -c e a, e , cla, i, ed a, held-f. -, ale	—	
l cl di g: Gai . he di, . al. f. ed a, e ,	—	
Gai . di, . al. f i a gible a, e ,	—	
Gai . di, . al. f . -c e a, e , . cla, i, ed a, held-f. -, ale	**353,358,239.23**	7,152,864.22
l 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. f. he, ea i cl ded he . . f RMB353,358,239.23 f. he , ale . f b ildi g, a d la d.

The G. la . i eg a e e i, i g . d c i la . achie e i e . i e . d c i a age e , f 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. , . d c, a d he G. , . 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. i 2020, he G. , . ld a . f he la d a d b ildi g, . Sha d g Sh g 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 , a d a, al ed b Ch g i W. ld i A. , e , A ai, al G. C. ., L d. ele a a, e , .

51. Non-operating Income

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
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 . -c 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
C 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. calc la ed a , a . , /a licable a a e	2,629,282.04
Effec . f diffe e a a e. a licable . , b. idia ie.	(16,803,022.11)
Effec . f . - a able i c e	44,785.84
Effec . f . -ded c ible c . . , e e . e. a d l . .	695,107.57
Effec . f ili. a i . f e i . l ec g i. ed ded c ible l . . . defe ed i c e a a. . e .	(14,114,859.87)
Effec . f ded c ible e . a , diffe e ce. . ded c ible l . . e. . defe ed i c e a a. . e . ec g i ed i he e i d	43,212,638.61
Effec . f addi i . a d ded c i . i e. ea ch a d de el e e e di 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 . 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 . ec i de . . i .	**—**	266,222,500.56
U f ee i g. f ba k de . . i .	**—**	3,620,000.00
Ref d. f e ce. . al e-added a aid	**0.00**	12,549,715.93
Ref d. f a . e aid	**0.00**	943,465.09
A . . 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 . 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 . d 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 . i a i . f l g- e a . i 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 ecei 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 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 e i hi . e, ea	**0.00**	0.00
Fi ed a, . e , 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 . 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 f 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 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 . ec 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 . f 31 Dece be 2020, he C. a , had bala ce. . f . e a f d. . f RMB759,979,803.03, hich i i cl ded i he . a e e . f ca h fl. . de ca h bala ce a he e d . f he e i. d a . i g RMB699,989,196.48. The diffe e ce a he . ec i de . i . f. ba k acce a ce bill, d e . e 3 . h. . f RMB59,664,500.00 a d he f . e ba k de . i . . f RMB 326,106.55 d e . li iga i . . A. i i. e. ic ed f. . e, i a. . acc ed f. a. ca h a d ca h e i ale . .

57. Assets with ownership or right to use restrictions

U i : RMB

Item	Book value

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 f 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 . ecei 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 . 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.

P A licable □ N a licable

MPM, a c . lled . 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 c 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 . . b. idie.	13,041,300.00	O he i c e	13,041,300.00
S abili . b. idie. a d .. cial i . a ce . b. idie.	2,244,789.32	O he i c e	2,244,789.32
G a . f. defe . e ba. e e c . c 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 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. c 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 P N. a licable

O he de. c i i :

The G . 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. 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. b. idia. . f he C. a. , c le ed he li ida i. . ce. . a. d. 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 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 B ea . f Sh. 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. . ce C. ., L d. (文登市寶隆再生資源有限公司), a h. ll. -. ed. b. idia. . f he C. a. , c le ed he li ida i. . ce. . a. d. 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 B 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. a. d	Li ied c a.	90.00%	0.00%	F. - . . c . a i.	B. i. e. . c bi. a i. de. c . c. . l
Sh. g a. g Ma l. g	Sh. g a. g, Chi. a	Sh. g a. g, Chi. a	Ma. fac i. g	RMB71,238 e. h. a. d	Li ied c a.	100.00%	0.00%	F. - . . c . a i.	B. i. e. . c bi. a i. de. c . c. . l
M l. g E i e.	Sh. g a. g, Chi. a	Sh. g a. g, Chi. a	Ma. fac i. g	USD100 e. h. a. d	Li ied c a.	0.00%	100.00%	F. - . . c . a i.	B. i. e. . c bi. a i. de. c . c. . l
Sh. g a. g Ba l. g	Sh. g a. g, Chi. a	Sh. g a. g, Chi. a	Ma. fac i. g	RMB15,000 e. h. a. d	Li ied 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. fac i. g	RMB2,600 e. h. a. d	Li ied c a.	61.54%	38.46%	F. - . . c . a i.	B. i. e. . c bi. a i. de. c . c. . l
M l. g L gi. ic	Sh. g a. g, Chi. a	Sh. g a. g, Chi. a	Se ice.	RMB300 e. h. a. d	Li ied c a.	100.00%	0.00%	F. - . . c . a i.	E. abli. h e. b. i. e. e.
M l. g I&E	Sh. g a. g, Chi. a	Sh. g a. g, Chi. a	I . a. d e .	RMB1,000 e. h. a. d	Li ied c a.	100.00%	0.00%	F. - . . c . a i.	E. abli. h e. b. i. e. e.
Ba l. g C. . la. c.	Sh. g a. g, Chi. a	Sh. g a. g, Chi. a	Se ice.	RMB15,000 e. h. a. d	Li ied c a.	0.00%	50.00%	F. - . . c . a i.	B. i. e. . c bi. a i. de. c . c. . l
M l. g E. e g.	Sh. g a. g, Chi. a	Sh. g a. g, Chi. a	Se ice.	RMB1,000 e. h. a. d	Li ied c a.	51.00%	0.00%	F. - . . c . a i.	E. abli. h e. b. i. e. e.

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(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 , b, idia ie, . f he C. a, ha, i, , ed a, deb , ec i ie, .

Rea, . f. c . l . e i e, ee ca be e ai ed i h le, , ha half . f . i g igh , , a d c . l . e i e, ee a, l , i h . e ha half . f . i g igh , :

The G . a, he la ge, , ha eh lde . f Ba l g C. , l a, h ldi g 50% e i, i e e, . The . he , i , ha eh lde , e e all a 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 la ed i he a icle, . f a, , . cia i . f Ba l g C. , l a, , f. a e, . l i . . , ed a b a d ee i g, each e , . ca ca, . e . e. A b a d e, . l 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 . . The G . had de fac . c . l . e Ba l g C. , l a, , 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 g a g Ba l g	30.00%	(19,721,322.69)	0.00	(50,841,975.41)
Ba l g C. , l a,	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 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. , l a,	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

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)*

(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 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 . la g	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 (%) Direct	Indirect	Accounting method for investment in joint venture or associate
Ka a a Yal g Pe . le Machi e C . , L d	Ka a a	Ka a a	Ma fac i g	0.00	30.00	E 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:	—	
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 . ', aj . a cial i . e . i cl de b . i g, , acc , ecei able, acc , a able a d . he , . De ailed de, c i i , . f he, e . a cial i . e , a e , e . i N e VI. Ri, k, a, , . cia ed i h he, e . a cial i . e , a d he i, k a age e . licie, ad ed b he G . . i iga e , ch i, k, a e de, c ibed bel . The a age e . f he G . a age, a d . i . , he, e i, k e . , e, . e , e , 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 . 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 e, he e he ega i e effec , . f i, k, agai , he G . ', . e a i g e, 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 . , ch . bjec i e . f i, k a age e , he de l i g , a eg . f he G . ', i, k a age e i, . a, ce ai a d a al , e all , e, . f i, k, e . , e, . f he G . , e, abli, h a . ia e i, k . le a ce h e, h ld, , ca , . i, k a age e . ced 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 , c ai i g i, k e . , 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 c ed a, a e, l . f cha ge, i e cha ge a e. The G . 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 , , b, idia ie, MPM . f he G . hich e e ed 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 . 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 . bel , all bala ce, . f a, , e , a d liabili ie, . f he G . 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, l , . f he G . .

Item	31 December 2020	31 Dece be 2019
M e a, f d, USD	**197,995,723.66**	116,873,789.09
M e a, f d, EUR	**2.97**	2.89
M e a, f d, HKD	**0.03**	0.00
Acc , ecei able USD	**112,740,075.21**	148,370,657.42
Acc , ecei 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 , a able USD	**20,019,063.18**	31,540,777.37
C ac liabili ie, USD	**27,324,814.53**	0.00

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(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 . cl , el . i . , he effec . f cha ge, i f. eig e cha ge a e, . he G . .

The G . 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 i , e gagi g i f. eig e cha ge b , i e, , , a d a a ge, fa . able , e le e e , i c ac , . ed ce f. eig e cha ge i, k. Mea hile, i h he c i . , 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 . , , ch a, he a ecia i . f RMB, he G . ill i iga e , ch i, k ia , 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 . f e ca, h . . f a , a cial i , e ill c a e beca , e . f he cha ge, i a ke i e e, a e. The G . ', i e e, a e i, k a i, e, f. i e e, -bea i g liabili ie, , , ch a, b. . i g, f. , a cial i , i i , . Fi a cial liabili ie, i, , ed a . a i g a e e . , e he G . . ca, h . i e e, a e i, k. Fi a cial liabili ie, i, , ed a , ed a e e . , e he G . . fai al e i e e, a e i, k. The G . 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 . ', i e e, -bea i g liabili ie, e e ai fl. a i g- a e l. a c ac , a . 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 . i g . RMB1,728,667,136.33 (31 Dece be 2019: RMB1,875,393,674.86).

The G . ', i, k . f cha ge, i fai al e . f , a cial i , e , e, l ed f. he cha ge, i i e e, a e, a, ai fl a, , . cia ed i h , ed- a e ba k l a , . The G . ai , a ai ai i g he, e , ed a e ba k l a , a . a i g a e, .

The G . ', i, k . f cha ge, i ca, h . . f , a cial i , e , e, l ed f. he cha ge, i i e e, a e, a, ai fl a, , . cia ed i h . a i g- a e ba k l a , . The G . ', . 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 , c edi , e, a d he e . f c edi li e, h . gh he e, abli, h e . f g . d ela i , be ee, ba k, a d e e i, e . e , e , f. cie, ba k li e . f c edi a d ee he C. a , ', a i , , 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 c a i , b , h e i g he d a i . f a , i gle b . i g a d , ecial ag ee e . ea fl e a e e , .

3) Price risk

The G . , ell, e al . d c , a a ke ice , . a, . be i e ced b c a i i , elli g ice.

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 . f 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 f e fai al e cha ge .

I . de i 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 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 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 f 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 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 . acc di g . he a i . f di. c ed e ai i g c ac al . bliga i . :

A . a 31 Dece be 2020:

Item	Within 1 year	1–2 years	2–5 years	Over 5 years	Total
Financial assets					
M e a f d,	759,979,803.03				759,979,803.03
Bill, ecei able	164,945,170.51				164,945,170.51
Acc . ecei able	287,920,595.28				287,920,595.28
Fi a ci g ecei able,	33,575,777.00				33,575,777.00
L a . a d ad a ce,	951,005.30				951,005.30
O he ecei 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 . a able,	648,352,428.48				648,352,428.48
O he a able,	43,853,326.94				43,853,326.94
N -c e liabili ie, d e i hi . e, ea	139,784,923.46				139,784,923.46
O he c 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 . a lie. . e . i i i . a al e he a i ali . f ech ical i. k a iable. a d he effec . . f . . . ible cha ge.

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(continued)*

2. Sensitivity analysis *(continued)*

(1) Sensitivity analysis of foreign exchange *(continued)*

Ba ed . he ab e a , i , . he ba i ha all . he a iable a e held c , a l , he effec . f ea . able cha ge i e cha ge a e ha a a i e . he . a d l . a d e i f he e i d a e e . bel :

Item	Change in exchange rate	2020 Effect on net pro□t	2020 Effect on owners' equity	2019 Effec . e . .	2019 Effec . e ' e i
All f eig c e cie	5% a ecia i agai , RMB	**9,870,299.53**	**9,870,299.53**	8,496,140.81	8,496,140.81
All f eig c e cie	5% de ecia i agai , RMB	**(9,870,299.53)**	**(9,870,299.53)**	(8,496,140.81)	(8,496,140.81)

(2) Sensitivity analysis of interest rate risk

Se , i i i , a al , i . f i e e a e i k i ba ed . he f ll i g a , i , :

Cha ge i a ke i e e a e affec he i e e i c e . e e , e . f . a cial i , e , a a iable i e e a e;

F . ed a e . a cial i , e , ea ed a fai al e, he cha ge i a ke i e e a e . . l affec i , i e e i c e . e e , e ;

The cha ge i fai al e . f de i a i e . a cial i , e a d . he . a cial a , e , a d liabili ie e e calc la ed b he di c ed ca h . e h d i h he a ke i e e a e a he bala ce , hee da e.

Ba ed . he ab e a , i , . , he ba i ha all . he a iable a e held c , a , he effec . f ea . able cha ge i i e e a e ha a a i e . he . a d l . a d e i f he e i d af e a a e , e . bel :

Item	Change in exchange rate	2020 Effect on net pro□t	2020 Effect on owners' equity	2019 Effec . e . .	2019 Effec . e ' e i
Va iable- a e b . i g	I c ea ed 1%	**(2,707,292.50)**	**(2,707,292.50)**	(2,656,155.56)	(2,656,155.56)
Va iable- a e b . i g	Dec ea ed 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 . ' . a ci g ecei able, e e ea ed a fai al e. A he ela ed ba k acce a ce bill had . h a i ie, , he diffe e ce be ee hei fai al e a d ca , i g a . a i i al.

The G . ' . a cial a . e . a d liabili ie, . ea ed a fai al e ai l i cl ded: acc , . ecei able, , . h - e b . i g, , acc , . a able, a d l g- e b . i g, . The diffe e ce be ee b . k al e a d fai al e . f . a cial a . e . a d liabili ie, ea ed a fai al e 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 al c . lle . f he C. a , , a d Sha d g Sh g a g Ji i l e, e De el e H ldi g, G . 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 g a g Ji i l e, e De el e H ldi g, G . 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. P . a . hich, Zha g E R g . i a ed Sh 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 , 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 a g Ji i , a d he ac al 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 B ea . f Sh g a g Ci , .

The l i a e c . lle . f he C. a , i, 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 , .

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 g 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 g 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 al c . lle . f he C a , , a d Sha d g Sh g a g Ji i l e, e De el e H ldi g, G . 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 g a g Ji i l e, e De el e H ldi g, G . 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. P , a . hich, Zha g E R g . i a ed Sh 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 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 a g Ji i .

2. Subsidiaries of the Company

S 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 e . a, . cia e e e ed i . ela ed a , ac i , i h he C a , d 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 P 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 al c . lle . f he C a , d i g a, el e . h,
Sh g a g M l g C l al T a , i, , i C ., L d.	O he c a , c . lled b he . igi al c . lli g . ha eh lde d i g a, el e . h,
Sha d g Sh g a g Ji i l e, e De el e H ldi g, G . Li i ed	C . lli g . ha eh lde . f he C a ,
Sh g a g Ji . he g l e, e C ., L d. (壽光金盛投資有限公司)	A , 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 , b, idia , . f he c . lli g . ha eh lde . f he C a ,
Sh g a g F , a Sal C ., L d. (壽光市富源鹽業有限公司)	A , b, idia , . f he c . lli g . ha eh lde . f he C a ,
Sh g a g R gge g Ag ic l al Tech . l g C ., L d. (壽光融耕農業科技有限公司)	A , b, idia , . f he c . lli g . ha eh lde . f he C a ,
Sh g a g Ji ha S l Chai Ma age e C , L d. (壽光金瀚供應鏈管理有限公司)	A , b, idia , . f he c . lli g . ha eh lde . f he C a ,
Sh g a g Tia , i Ne E e g C ., L d. (壽光天一新能源有限公司)	A , 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 g a 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 b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g R g a Ag ic l al Tech . l g C. ., L d. (壽光市融源農業科技有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g Fe gh i Ag ic l al Tech . l g C. ., L d. (壽光市豐匯農業科技有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g Xi ji g T. i. De el e C. ., L d. (壽光市鑫景旅遊發展有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g J dia h Ha ha J. La d Pla g . d C. ., L d. (壽光市洰澱湖浩瀚歡樂世界遊樂園有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g J dia h Ha a g Wa e W. ld Pla g . d C. ., L d. (壽光市洰澱湖浩洋水世界遊樂園有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g Ha a g Ca e i g C. ., L d. (壽光市浩洋餐飲有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g Ga i Di. ic l f a. c e De el e C. ., L d. (壽光市高新區基礎設施開發有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g Ji . Hea i g P. e C. ., L d. (壽光市金投熱力有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g G . Ne E e g C. ., L d. (壽光市國譽新能源科技有限公司)	A b idia . f he c . lli g ha eh Ide . 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 b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g C . c i E gi ee i g Q ali Te. i g C. ., L d. (壽光市建設工程品質檢測有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g F 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 b idia . f he c . lli g ha eh Ide . f he C a
Sh g a 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 b idia . f he c . lli g ha eh Ide . 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 b idia . f he c . lli g ha eh Ide . 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 b idia . f he c . lli g ha eh Ide . f he C a
Sha d g W. h a Heal h Tech . l g C. ., L d. (山東沃華健康科技有限公司)	A b idia . f he c . lli g ha eh Ide . f he C a
Gl bal W. h a (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 b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g Xi g 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 b idia . f he c . lli g ha eh Ide . f he C a
Sh g a g Fi a cial l e. e G . 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

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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 . l i . he P . i i . f G a a ee f. Sh 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 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 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 . f . e ceedi g RMB20,000 e h . a d a d i h a e . 36 . h . The C. a Sh g a g Ba l g a d Weihai Ba l g . ided g a a ee f. Sh g a g Ma l g . c d c he af. e e i ed b i e . b ledgi g ce ai . e a d la d 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 . 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 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 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 . ec 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 . l i . he P . i i . f G a a ee f. Sh g a g Ma l g. 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 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 . f . e ceedi g RMB20,000 e h . a d a d ha M . Zha g E R g, he . igi al c . lli g . ha eh. lde a d ac al c . lle . f he C. a . h. ld . ide j. i liabili 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.

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 ed . . ide a , f. . f . ec i , . ch a, g a 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 e a i . f he di ec . , , e i . . a d e i a age e . f he C a i 2020 a e e . bel :

U i : RMB

Name	Fees (or allowance)	Wages	Retirement scheme contribution	Allowances and bene□ts	Total
Executive directors					
Ya g Y L g	0.00	0.00	0.00	0.00	0.00
Y a R 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. Li g	73,684.22	0.00	0.00	0.00	73,684.22
Wa g Q a 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 a	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 Y 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 Y 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 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)*

② De ail. . f he e e a i . f he di ec . , , e i. . a d . e i a age e . f he C a , i 2019 a e . e . bel :

U i : RMB

Name	Fees (or allowance)	Wages	Retirement scheme contribution	Allowances and bene□ts	Total
Executive directors					
Li Y 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 Y 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. Li g	0.00	0.00	0.00	0.00	0.00
Wa g Q 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 H 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 id 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 id 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 id al, e e i hi he f. ll i g ba d, (b , be . f i di id al,):

Band of annual remuneration	Number of individuals of the year	N be . f i di id al, . f la, ea
RMB0 RMB90 e h , a d (e 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, l . f he C. a , he G . a , e be . f he G . , e e aid . . ecei able b di ec . , a d he e highe, aid i di id 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 id al, a, i d 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 .

X. Related Party and Related Party Transactions *(continued)*

5. Related party transactions *(continued)*

(5) Other related party transactions

The G. had . he ela ed a , a . ac i . . c i 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 . ecei able	Ka a a Yal g Pe . le 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 P N a licable

2. Equity-settled share-based payments

☐ A licable P N a licable

3. Cash-settled share-based payments

☐ A licable P N a licable

4. Revision and termination of share-based payments

Nil

5. Others

The G. 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. , ec 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. C 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, l , ; 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. Pro□t Distribution

U i : RMB

P. . ed . di, ib i a d di ide d	0.00
P. . . di ide d, decla ed . c . ide a i a d a . al	0.00

2. Sales Return

A. . f he da e. f he, e. a cial . a e e . , he G. had . . ale, e .

3. Descriptions of other subsequent events

(1) Impacts of the novel coronavirus disease pandemic

Si ce he . b eak . f he COVID-19 e ide ic a h e a d ab . ad i Ja a , 2020, he e e i a d c . l. f he COVID-19 ha, bee . g i g . ld ide. Chi a ha, ade c . ide able achie e e . i he e e i a d c . l. f he COVID-19 e ide ic, b he e a e . ill . . adic ca, e, i . e e al egi . . The G. ', . e a i g e, l . i . . a e a, a e iall, a d ad e . el affec ed b he e ide ic b. ke i . . e a ea. . f Hebei P. i ce i Ja a , 2021 a. . . e c . . e . . f he C. a , e e l ca ed i Hebei. A. . f he da e. f hi. . a cial . a e e , he e ide ic i Hebei ha, bee eli i a ed a d al. . he ad e . e i ac . he C. a , '. . e a i . The G. ill c i e . cl . el e ie he cha ge, i he COVID-19 e ide ic a d . ac i el add e. . he ad e . e i ac . he . d c i a d. e a i . f he G. .

(2) Change of controlling shareholders

O 23 Feb a , 2021, M. Zha g E R g, he. igi al ac al c . lle . f he C. a , , e e ed i . he Sha e T a . fe Ag ee e i h 壽光墨龍控股有限公司 (Sh g a g M. l g H. ldi g, C. ., L d.) ("M. l g H. ldi g, , a h. ll, - ed . b, idia , . f Sh g a g Ji i). M. Zha g E R g a . fe ed 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 . f he C. a ,) held b hi . M. l g H. ldi g, a a ice. f RMB3.50 e . ha e b a . f a . fe ag ee e i h a . al a . fe ice. f RMB824,659,500. O 24 Ma ch 2021, he C. a , ecei ed he C. fi a i . f Sec i ie, T a . fe Regi, a i . f. M. l g H. ldi g, a d he egi, a i . f. ali ie, i ela i . he Sha e T a . fe Ag ee e e c le ed . 23 Ma ch 2021. Af e he c le i . f he e i , a . fe , M. l g H. ldi g, di ec l h. ld, 235,617,000 . ha e, . f he li, ed c a , , e e, e i g 29.53% . f he . al . ha e ca i al . f he li, ed c a , , a d ha, bec e he c . lli g . ha eh. lde . f he li, ed c a , . The e i d . f . i g igh . e , ed . Sh g a g Ji i a, e i a ed a d he ac al c . lle . f he li, ed c a , e ai ed 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 , .

(3) O he ha, he . b, e e e e a, di, cl . ed ab e, he G. had . . he a e ial . b, e e e e . .

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 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 i e e , a d i e al e . i g , e . The G. ', a age e eg la l, e al a 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 a ed. The ai . d 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 e								
E e al e 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
e . eg e e e								0.00
T al . eg e . e a i g e 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
T al. e a i g e e e 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 . 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 . e.							159,212,583.52	159,212,583.52
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

XIV. Other significant events *(continued)*

2. Other signi□cant transactions and items affecting decision-making of investors

I 2020 a d 2019, he G. de i ed all e e al e e e f. he PRC a d. e ea. . A all a. . e . e e l ca ed i he PRC, e e al e e e b l ca i . f i c e .. ce i di cl . ed a f. ll . :

External revenue	Amount for the year	A . 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

Type	Balance at the end of the period					Bala ce a he begi . . g. f he e i d				
	Book balance		Provision for bad debts			B . k bala ce		P. i. i f bad deb .		
	Amount	Percentage	Amount	Provision rate	Book value	A .	Pe ce age	A .	P. i. i a e	B . k al e
Acc . ecei able . ided f. bad deb . . a i di id al ba. i. l cl 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 . ecei able . ided f. bad deb . . a i di id al ba. i. d e . . ig i. ca l diffe e c edi 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 . ecei able . ided f. bad deb . . a c llec i e ba. i. l cl 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 . 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. 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 . 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	**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 id al ba. i. : Acc . ecei able . ided f. bad deb . . a i di id al ba. i. d e . . ig i. ca l diffe e c edi 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 c . . e
T al	17,365,734.73	3,473,146.95		

Acc , ecei able . ided 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 . 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, i f. bad deb . i h efe e ce . he di, cl . e, . f . he ecei able, :

☐ A licable P 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 . ecei 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 . ecei 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 , 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 , ecei able ha e bee a, fe ed b i . l e e c i e, .

Other description:

A a 31 Dece be 2020, he igh - f- , e f acc , ecei able, . f RMB 29,368,652.94 . f he C a, a, e, ic ed d 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. . ecei able	**0.00**	2,308,030.91
O he ecei 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. . . . ec 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. . ecei able a. d e.

3) Provision for bad debts

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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

U i : RMB

Payment nature	Balance at the end of the period	Bala ce a he begi g. f he e i d
S aff . e l a .	**1,155,000.00**	1,189,754.00
De . i /ca i . e	**1,494,947.00**	3,589,758.00
A . d e f. ad i i. a i e e i ie.	**0.00**	14,530,000.00
O he a . d e f. i di id al.	**152,950,899.25**	1,401,519.59
Rela ed a ie. de c . lida i	**601,528,286.61**	721,885,257.16
Le. : P. i. i f. bad deb . f. he ecei able.	**(805,648.76)**	(2,869,997.38)
T al	**756,323,484.10**	739,726,291.37

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	200,027.82	2,669,969.56	0.00	2,869,997.38
T a fe . f bala ce a 1 Ja a 2020				
P. i. i f. he e i d	585,789.73	0.00	0.00	585,789.73
Re e al f. he e i d	0.00	2,650,138.35	0.00	2,650,138.35
Bala ce a 31 Dece be 2020	785,817.55	19,831.21	0.00	805,648.76

M e e . f b . k bala ce . f ig i. ca cha ge i . i. i f. he e i d

☐ A licable P 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 *(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: Provision	Recovery or reversal	Write-off	Other	Balance at the end of the period
P . i. i . f. bad deb . . f. he ecei 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 al i e- ff. f. he ecei 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

U i : 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
Sh g a g Ma l g Ne Ma e ial, Tech . l g De el e C ., L d.	C e acc . ih . he e i ie,	503,845,855.73	Wi hi 1, ea	66.55%	0.00
Sha d g Sh g a g Vege able Wh le, ale Ma ke C ., L d. (山東壽光蔬菜批發市場有限公司)	C e acc . ih . he e i ie,	152,808,000.00	Wi hi 1, ea	20.18%	768,480.00
Sh g a g M l g L gi, ic C ., L d.	C e acc . ih . he e i ie,	97,682,430.88	Wi hi 5, ea	12.90%	0.00
Si . ec l e a i al B . i e., C ., L d., Na ji g Biddi g Ce e (中國石化國際事業有限公司南京招標中心)	Ca i . e	914,947.00	Wi hi 1, ea	0.12%	0.00
Dia Shi Ji	S aff . e l a,	300,000.00	Wi hi 1, ea	0.04%	0.00
T al		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

A a 31 Dece be 2020, he C. a, had . . he ecei able, ha e e de ec g i, ed d e . a . fe . f . a cial a, . e . .

8) Amount of assets and liabilities for which other receivables have been transferred but involvement continues

A a 31 Dece be 2020, he C. a, had . a, . e . . liabili ie, f. hich he . he ecei able, ha e bee a . fe ed b i . l e e c i e, .

O he de, c i i :

A a 31 Dece be 2020, . . he ecei able, e e , ed b he C. a, a, a ledge.

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

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 impairment	Book value	B. . k bala ce	P. i,i f. i ai e	B. . k al e
l e. e i . b. idia ie.	**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
T al	**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

U i : RMB

Investee	Balance at the beginning of the period (Book value)	Movement during the period: Increase in investment	Decrease in investment	Charge for impairment provision	Others	Balance at the end of the period (Book value)	Balance of impairment provision at the end of the period
Sh g a g Ma l g	1,006,743,691.73					1,006,743,691.73	
Weihai Ba l g	117,000,000.00					117,000,000.00	103,000,000.00
MPM	7,276,230.00					7,276,230.00	
Sh g a g Ba l g	0.00					0.00	105,000,000.00
M l g L gi. ic	3,000,000.00					3,000,000.00	
M l g I&E	10,000,000.00					10,000,000.00	
T al	1,144,019,921.73					1,144,019,921.73	208,000,000.00

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 . f he la e i d	
	Revenue	Cost	Re e e	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 e:

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 i g i		40,046,101.67			40,046,101.67
Pe . le achi e a			7,181,782.09		7,181,782.09
O he				130,477,070.96	130,477,070.96
B b 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 e 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 l i g d c c . e i a i el a e b efe e ce . he ca eg , , a da d a d i e e e ed b he c . 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 c . e a d diffe e . d c : d e ic c . e . f be a e . all , bjec . a e i ad a ce . f di ib i , a d d e ic c . e . f . il ca i g i . all , bjec . a e e . f 3-6 . h af e bill e le e . A . e . b i e . , a e e a e ai l a e f . A . . il ca i g . d c , . . f he c . e a e bjec . a e i ad a ce, de hich c . e a e . ake f ll a e bef e di ib i . f . d c . A . e . le 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 e f. e f. a ce . bliga i . ha ha e bee c ac ed b . e e f. ed . c le ed a . 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 e i 2021.

O he de, c i i :

A . g he e e e ec g i ed f. he , ea , he a . 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 . f. he la, e i d
Gai f. l g- e e i, i e, e . acc ed f. . i g he e 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

P A licable □ N. a licable

U, i : RMB

Item	Amount	Description
Gai, . l ., . , di, . , al. f , . , -c e, a, . e ,	350,931,281.92	Mai, l, c i, ed. f e e, e f. he , ale, . f a . f he la, d a, d . e, b, he C. a, , .
G. e , e, g a, , c edi ed . . . f. he e i. d e ce f. h. , e cl. , e, ele a, . , . al b , i, e, . . f he c a, , , c , f. ed . e i e e, . . f S a e . lic , g a, ed. , . ed a . , ba, i, . e, j , ed. , c , i, . . . ed a . , ba, i, . bjec . ce ai, . a, da d,	17,770,915.00	Mai, l, d e . he C. a, , ', c . a e, . . b, idie, ecei ed.
P. . . l ., a i, i, g f. c , i, ge, cie, , ela ed . he , . al b , 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 c 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 e cha, ge, a i, i, g f. de i a i e . , a, cial liabili ie, . he ha, effec i e hedgi, g b , i, e, . ela ed . , . al. e a i, g b , 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, i, e, e, .	202,596.63	Mai, l, c i, ed. f e e, e f. he C. a, , ', ba, k . , a, cial a, age e, . d c , i, he c e, e i d.
Re e , al. f . i, i , f. i ai e, . f ecei able a, d c , ac a, , e , ha a e i, di id all, e, ed f. i ai e,	520,000.00	Mai, l, d e . he C. a, , ', ec e, . f a . f he ecei 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, e ecei ed f. b each . f c , ac clai , i, he c e, e i d.
Le, , : Effec . , i, c e a	51,780,307.55	
Effec . , i, . i, i, e e, .	250,622.22	
T. al	299,174,470.07	—

Rea, . , . , h. ld be gi e, if he C. a, , ha, cla, , i, ed a, , . , - ec i, g . . a, d l ., i e , (a, de, , ed a, d li, ed i, he E la, a . , A, , . , ce e, N. 1 . , l, f. a i , Di, cl , e f. C. a, ie, Offe i, g Thei Sec i ie, . he P blic , . , - ec i, g P . . a, d L .,) a, ec 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 able . . di, a, , ha eh. lde , . f he C. a,	1.82%	0.04	0.04
Ne . , a ib able . . 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 able . . di, a, , ha eh. lde , b eigh ed a e age , be . f . di, a, , ha e, i, i, , e , 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 P 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 P 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. c e . A ailable f. l . 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 a a d head . f acc i g de a e (e . i cha ge . f acc i g a e). f he C. a .

(2) The . igi al c . f he a di . ' e . hich a. ealed b he acc i g fi a d ig ed b a ce ified blic acc a .

(3) A . ce e a d d. c e di. cl ed i he c i f. .c d i g he e . i g e i d.

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