Shenzhen Textile (Holdings) Co., Ltd.

The Semi-Annual Report 2022

August 2022

I. Important Notice, Table of Contents and Definitions

The Board of Directors， the Supervisory Committee, the directors, the supervisors, and executives of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

Mr.Yin Kefei, The Company leader, Mr. He Fei, Chief financial officer and the Ms.Zhu Jingjing, the person in charge of the accounting department (the person in charge of the accounting)hereby confirm the authenticity and completeness of the financial report enclosed in the semi-report.

All the directors attended the board meeting for the review of this Report.

Concerning the forward-looking statements with future planning involved in the Report, they do not constitute a substantial commitment for investors, Investors and related persons shall keep sufficient risk awareness, and shall understand the differences between plans, forecasts and commitments, and remind investors of investment risks.

The company has the macroeconomic risks, market competition risks and raw material risks. Investors are advised to pay attention to investment risks. For details, please refer to the possible risk factors that the company may face in the X "Risks facing the Company and countermeasures " in the Section III "Management Discussion & Analysis".

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

This Report has been prepared in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

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Documents available for inspection

I. Accounting statements carried with personal signatures and seals of legal representative, General Manager, Chief Financial officer.

II. The texts of all the Company's documents publicly disclosed on the newspapers and periodicals designated by China Securities Regulatory Commission in the report period.

III. Other relative documents.

The above documents were completely placed at the Office of Secretaries of the Board of Directors of the Company.

Definition

Terms to be defined	Refers to	Definition
Company/The Company/ Shen Textile	Refers to	Shenzhen Textile (Holdings) Co., Ltd
Articles of Association	Refers to	Articles of Association of Shenzhen Textile (Holdings) Co., Ltd
Actual controller / National Assets Regulatory Commission of Shenzhen Municipal People's Government	Refers to	National Assets Regulatory Commission of Shenzhen Municipal People's Government
The Controlling shareholder/ Shenzhen Investment Holding Co., Ltd.	Refers to	Shenzhen Investment Holding Co., Ltd.
Shenchao Technology	Refers to	Shenzhen Shenchao Technology Investment Co., Ltd.
SAPO Photoelectric	Refers to	Shenzhen Shengbo Photoelectric Technology Co., Ltd.
Jinjiang Group	Refers to	Hangzhou Jinjiang Group Co., Ltd.
Nitto Denko	Refers to	Nitto Denko Corporation
Beauty Century	Refers to	Shenzhen Beauty Century Garment Co., Ltd.
Shenzhen Xieli	Refers to	Shenzhen Xieli Auto Co., Ltd.
Jinxin Investment	Refers to	Lanxi Jinxin Investment Management Co., Ltd.
Changxing Junying	Refers to	Changxing Junying Eqkuity Investment Partnership（LP）
Huaiji Investment	Refers to	Hangzhou Huaiji Investment Management Co., Ltd.
Jinhang Investment	Refers to	Hangzhou Jinhang Investment Fund Partnership（LP）
Line 4	Refers to	T TFT-LCD polarizer II phase Line 4 project
Line 5	Refers to	TFT-LCD polarizer II phase Line 5 project
Line 6	Refers to	TFT-LCD polarizer II phase Line 6 project
Line 7	Refers to	Industrialization project of polaroid for super large size TV
“CSRC”	Refers to	China Securities Regulatory Commission
Company Law	Refers to	Company Law of the People’s Republic of China
Securities Law	Refers to	Securities Law of the People’s Republic of China
The Report	Refers to	The Semi-annual Report 2022

II. Company Profile & Financial Highlights

I. Company Profile

Stock abbreviation	Shen Textile A ,Shen Textile B	Stock code	000045,200045
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	深圳市纺织(集团)股份有限公司		
Chinese abbreviation (If any)	深纺织		
English name (If any)	SHENZHEN TEXTILE (HOLDINGS) CO., LTD		
English abbreviation (If any)	STHC		
Legal Representative	Yin Kefei		

Note: Zhang Jian, the former Chairman of the Company, resigned on August 2, 2022. For details, please refer to the Company's Announcement on the Resignation of the Chairman of the Company (No.2022-23) on CNINF (http://www.cninfo.com.cn). After the election of the 14th Meeting of the Eighth Board of Directors, Yin Kefei was elected as the Chairman of the Eighth Board of Directors and the legal representative of the Company. For details, please refer to the Company's Announcement on Resolution of the Fourteenth Meeting of the Eighth Board of Directors (No.:2022-24) on CNINF (http://www.cninfo.com.cn).

II. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Jiang Peng	Li Zhenyu
Contact address	6/F, Shenfang Building, No.3 Huaqiang North Road, Futian District, Shenzhen	6/F, Shenfang Building, No.3 Huaqiang North Road, Futian District, Shenzhen
Tel	0755-83776043	0755-83776043
Fax	0755-83776139	0755-83776139
E-mail	jiangp@chinasthc.com	lizy@chinasthc.com

III. Other

1.Way to contact the Company

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

□ Applicable □√ Not Applicable

The registered address, office address and their postal codes, website address and email address of the Company did not change during the reporting period. The said information can be found in the 2021 Annual Report.

2.Information inquiry

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

□ Applicable √ Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details please find the Annual Report 2021.

3. Other relevant information

Did any change occur to other relevant information during the reporting period?

□ Applicable √ Not applicable

IV. Summary of Accounting data and Financial index

May the Company make retroactive adjustment or restatement of the accounting data of the previous years
□ Yes √ No

	Reporting period	Same period of last year	YoY+/-（%）
Operating income（RMB）	1,445,137,309.09	1,101,536,407.38	31.19%
Net profit attributable to the shareholders of the listed company（RMB）	42,433,525.10	76,603,074.39	-44.61%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company（RMB）	34,970,975.47	61,814,528.89	-43.43%
Cash flow generated by business operation, net（RMB）	79,438,234.59	-52,643,536.25	250.90%
Basic earning per share(RMB/Share)	0.0838	0.1509	-44.47%
Diluted gains per share(RMB/Share)(RMB/Share)	0.0838	0.1509	-44.47%
Weighted average ROE(%)	1.50%	2.74%	-1.24%
	As at the end of the reporting period	As at the end of last year	YoY+/-（%）
Total assets（RMB）	5,690,609,337.03	5,496,647,107.83	3.53%
Net assets attributable to shareholder of listed company（RMB）	2,833,979,078.56	2,816,795,889.89	0.61%

V. Differences between accounting data under domestic and overseas accounting standards

1. Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards.

□ Applicable √Not applicable
No difference.

2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

□ Applicable √Not applicable
The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP(Generally Accepted Accounting Principles) in the period.

VI.Items and amount of deducted non-current gains and losses

√ Applicable □ Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-11,114.72	
Govemment subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	10,780,654.48	Other benefits of government subsidies that are confirmed related to the main business.
Other non-business income and expenditures other than the above	1,555,024.76	It is mainly due to the compensation for losses.
Less :Influenced amount of income tax	113,018.21	
Influenced amount of minor shareholders' equity (after tax)	4,748,996.68	
Total	7,462,549.63	

Details of other profit and loss items that meet the non-recurring profit and loss definition

□ Applicable√ Not applicable

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Compaines Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

□ Applicable√ Not applicable

None of Non-recurring gain /loss items recorgnized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

III. Management Discussion & Analysis

I.Main Business the Company is Engaged in During the Report Period

(I)Main Business the Company is Engaged in During the Report Period

The company's main business covered such the high and new technology industry as represented by LCD polarizer, its own property management business and the retained business of high-end textile and garment.

During the reporting period, the Company's main business has not changed significantly. First, the Company continuously optimized the product structure. Since 2022, it has continuously optimized the product structure and increased the market share of high-margin products through the adjustment of internal order structure and flexible production; Second, it continued to introduce new projects. Facing the downward market expectation, the Company mobilized resources to actively promote the implementation of new projects; Third, it continuously promoted lean management, strictly controlled manufacturing costs, reduced material loss, strengthened material recycling, and achieved all-round cost reduction and efficiency improvement; Fourth, it fully promoted the project construction and ramp up of Line 7. At the end of last year, it adjusted the operation strategy of Line 7. In the first half of the year, Line 7 was optimized and improved in terms of quality, process and equipment, the product yield was greatly improved, and the unit consumption of membrane materials and chemicals gradually decreased; Fifth, it focused on the safety guarantee of raw material supply chain and the risk of price increase of chemical raw materials, and sped up the evaluation and use of chemical alternative raw materials; Sixth, it strengthened the management of inventory and accounts receivable, improved asset turnover and reduced capital occupation; Seventh, it jointly tackled with the pandemic, actively fulfilled social responsibilities, and formulated the implementation plan of rent reduction and exemption for the Company and its wholly-owned enterprises in combination with the actual business situation, so as to tide over the difficulties with the market subjects.

During the reporting period, the Company achieved operating income of RMB 1.445 billion, with a year-on-year increase of 31.19%; Realized a total profit of RMB 70,445,600, with a year-on-year decrease of 41.93%; And achieved a net profit attributable to shareholders of listed companies of RMB 42,433,500, with a year-on-year decrease of 44.61%. The main reasons for the decrease in net profit attributable to shareholders of listed companies in this reporting period compared with the same period of last year are as follows: First, the Company's Line 7 was not put into production in the same period of last year, and Line 7 entered the ramp up stage after it was put into production in the second half of 2021. Higher depreciation and amortization of fixed assets led to higher unit cost of products, and the interest of project loans after Line 7 was transferred to fixed assets was included in the profit and loss in this reporting period; Second, this year, in order to jointly cope with the COVID-19 and actively fulfill their social responsibilities, the Company and its wholly-owned enterprises reduced or exempted the rental of eligible properties from March 1, 2022 to August 31, 2022, and the rental income in this period decreased significantly year on year. During the reporting period, technical indicators such as yield and loss rate of Line 7 were further improved, vehicle speed, production and sales volume were further enhanced, and the business performance improved month by month. Excluding the incomparable factors such as ramp up of Line 7, and rent reduction and exemption, the Company overcame the adverse factors such as the downward market and rising raw material prices, further optimized the product and customer structure, and improved the lean management level. Compared with the same period of last year, it maintained a stable operating performance this reporting period.

(II)Main products and their purposes

Currently, the Company has 7 mass production lines for polarizers, covering TN, STN, TFT, OLED, 3D, dye sheet, optical film for touch screen and other fields, mainly used in TV, NB, navigator, Monitor, vehicle, industrial control, instruments, smart phones, wearable devices, 3D glasses, sunglasses and other products， the company has become a mainstream panel company such as Huaxing Optoelectronics, BOE, Sharp, LGD, Shenzhen Tianma, Huike, etc. by continuously strengthening sales channel expansion and building its own brand. Qualified suppliers.

The Company's main products made in each polarizer production line and their application are as follows:

Line	Place	Product breadth	Planned capacity	Main projuct
Line 1	Pingshan	500mm	600，000 m2	TN/STN/ Dye piece
Line 2	Pingshan	500mm	1.2 million m2	TN/STN/CSTN
Line 3	Pingshan	650mm	1 million m2	TFT
Line 4	Pingshan	1490mm	6 million m2	TFT
Line 5	Pingshan	650mm	2 millin m2	TFT
Line 6	Pingshan	1490mm	10 million m2	TFT/OLED
Line 7	Pingshan	2500mm	32 millin m2	TFT/OLED

(III)Company's business model

The polarizer industry has gradually shifted from a traditional business model of R&D, production, and sales to a customer-centric, joint research and development, and comprehensive service business model. By understanding customer needs, joint research and develop, manage high-standard production, manufacture high-quality products, use advanced polarizer roll and attaching equipment to cooperate with downstream panel manufacturers' production lines, reduce production links, reduce production and transportation costs, and create value for customers, win-win.

(IV) Major factors for driving the Company's performance

Refer to "III. Analysis on core competitiveness" in this section for details.

(V) Market position of company products

Currently, the Company is one of the major R&D, production and sales enterprises of polarizers in China, and is the leading enterprise in the domestic polarizer industry. The Company mainly focuses on medium and large-sized polarizer products, and meanwhile has the production capacity of multi-size and multi-series products.

In the future, the Company will further adjust and optimize the product structure and customer structure, improve the internal management level, optimize and upgrade the production technology level, improve the production efficiency and product quality, broaden the procurement channels, reduce the production cost and consolidate and improve the market competitiveness.

II. Analysis On core Competitiveness

(I) Technology advantages. SAPO Photoelectric is the first domestic national high-tech company which entered into the R&D and production of the polarizer， We are one of the largest, most technical and professional polarizer R&D teams in the country and has more than 20 years of operating experience in the polarizer industry. Products include TN-type, STN-type, IPS-TFT-type, VA-TFT-type, OLED, vehicle-mounted industrial display, flexible display, 3D stereo and polarizer for sunglasses, and optical film for touch screens, etc.,We have proprietary technology for polarizers and new intellectual property rights for various new products. As of the end of this report , SAPO Photoelectric applied for 119 invention patents and was authorized with 91 items, among which: 38 domestic invention patents(16 patents got authorized); 74 domestic utility model patents(71 patents got authorized); 1 overseas invention patent(0 patents got authorized); 6 overseas utility model patents(4 patents got authorized). There were 4 national standards and 2 industrial standards that were developed by the company are approved and then will be implemented. will be implemented. SAPO Photoelectric has three innovative platforms: Guangdong Engineering Technology Research Center, Shenzhen Polarizing Materials and Technology Engineering Laboratory and Shenzhen Enterprise Technology Center. It focuses on the R&D and industrialization of LCD polarizer core production technology, the development and industrialization of OLED polarizer new products, and the localization research of polarizer raw materials, among which, mass production has been achieved for OLED TV polarizer products successfully, filling the domestic gap. By introducing all kinds of precision test equipment, it improves lab trial and pilot-scale test methods, and builds a collaborative innovation platform for Industry-University-Research cooperation, to enhance the R&D level comprehensively.

(II) Talents advantages. The Company has a polarizer management team and a team of senior technicians with strong technical ability, long cooperation time, rich experience and international vision. By establishing a technical cooperation relationship with Nitto Denko Corporation, a world-class polarizer manufacturer, the Company learns advanced polarizer production management concepts, and meanwhile accumulates technical experience through independent innovation, improves its core competitiveness, and gradually accumulates its own brand, technology, operation management and other advantages. In 2022, the Company continued to deepen the market-oriented reform, practiced the concept of "Don't race horses", and set a good vane for talent selection and employment; It improved the talent growth channel, established the management method of employee promotion by rank, and helped employees grow and develop; It improved the incentive mechanism of assessment, and fully utilized the incentive and spur role of assessment; Actively explored the long-term incentive and restraint of the Company's management level, employee benefit award distribution mechanism, Employee Stock Ownership Plan (ESOP), etc., and built a value distribution mechanism of benefit sharing and risk pooling.

(III) Market advantages. The company has good customer groups not only in domestic market but in foreign market, compared with foreign advanced counterparts, the biggest advantage lies in the localization for supporting, close to the panel market, as well as the strong support of the national policy. In terms of market demand, with the mass production of the 10.5/11-generation TFT-LCD panel production lines under construction and planned for the next few years, the production capacity of high-generation TFT-LCD panels in mainland China will increase significantly in the next few years, the corresponding domestic polaroid film market demand has also increased, and the domestic market is the most important market for polaroid manufacturers, especially in the large-size polarizer market. Mainland polarizer manufacturers will usher in important industry opportunities; in terms of market development, the company takes production material control as the core, technology services as the guide, customer needs as the focus, organically combines production and sales, establishes a rapid response mechanism, fully exploits localization advantages, and uses its own accumulated technology and talents, does a good job of peer-to-peer professional services, forms a stable supply chain and increases market share.

(IV) Quality advantages. The company always adhered to the quality policy of "Satisfying customer demands and pursuing excellent quality" and focused on product quality control. The company strictly controls product performance indicators, standardizes inspection standards for incoming materials, starts with quality improvement and consumption reduction, and achieves simultaneous increase in output and quality; through the introduction of a modern quality management system, the products have passed ISO9001 Quality Management System and ISO14001 Environmental Management System, OHSAS18000 Occupational Health and Safety Management System, QCO80000 System Certification; the product is tested by SGS and meets the environmental protection ,The company had increased the automatic detecting and marking equipments in the beginning section and the ending section, strictly controlled the product quality and improved the product utilization rate and product management efficiency.

(V) Management advantages. SAPO Photoelectric has accumulated rich management experiences in more than 20 years in the manufacturing of polarizer, possessing the home most advanced control technology of the production management process of the polarizer and quality management technology and the stable raw material procurement channel so forth management systems. The company had carried out comprehensive benchmarking work, organized the management personnel to learn advanced experiences from customers and peers to force the elevation of management ability, and drew on the foreign company’s management experiences of polarizer, optimized the company's organizational structure, reduced the managerial hierarchy and further enhanced the company's management efficiency. After the introduction of the strategic investor, Through close cooperation with Jinjiang Group, we complement each other's strengths, absorb the vitality of private enterprises, continue to implement advanced management systems, reasonable incentive mechanisms, etc., improve the efficiency of decision-making, enhance the speed of market response, improve the research and development incentive system, and also realize the deep integration of the value of the company and its employees and stimulates the new vitality of the business. Through the implementation of the key work management list of "Practical Party building +, Lean promoting development", continuous cost reduction and efficiency increase by lean means; through the implementation of the "amoeba Business Model" project, small independent accounting unit, to enable the grassroots key employees to participate in the production and operation activities.

(VI) Policy advantages. Polarizer is seen as an essential part of the panel display industry and SAPO Photoelectric in its development has promoted the supply capacity of national polarizers, greatly lowered the dependence of national panel enterprises on imported polarizers, and safeguarded the national panel industry, which serves as a good facilitator to enhancing the overall competitiveness of China's panel industry chain and coordinated development of the whole industry chain of the panel display industry cluster in Shenzhen. Recognized as a national high-tech enterprise, the Company is entitled to the preferential policy for duty-free import of own productive raw materials that cannot be produced at home and frequently gained national, provincial and municipal policy and financial support in its polarizer projects. Meanwhile, the Company tightened supplier management, improved its overall purchasing strategy, and downsized suppliers while introducing a competitive mechanism, wherein focus was given to introduction of new materials at a competitive price, to further lower its production cost and improve its product competitiveness.

III. Main business analysis

General

Refer to relevant contents of “1. Summarization” in “Discussion and Analysis of Management”.

Changes in the financial data

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating revenue	1,445,137,309.09	1,101,536,407.38	31.19%	It is mainly due to the increase in revenue caused by mass production of Line 7.
Operating cost	1,242,988,094.06	863,125,460.07	44.01%	It is mainly due to the increase in cost caused by mass production of Line 7.
Sale expenses	18,355,747.39	20,493,774.82	-10.43%	
Administrative expenses	61,448,188.86	55,327,660.76	11.06%	
Financial expenses	-8,833,873.44	-9,215,033.48	-4.14%	It is mainly due to the change of Japanese Yen exchange rate and the increase significant in exchange gains during the reporting period.

Income tax expenses	340,897.81	7,878,916.04	-95.67%	It is mainly due to the policy rent reduction during the reporting period.
R & D Investment	34,870,992.66	29,170,093.39	19.54%	
Cash flow generated by business operation, net	79,438,234.59	-52,643,536.25	250.90%	It is mainly the increase caused by customers' early payment and receipt of government subsidy funds.
Net cash flow generated by investment	-43,613,588.81	-140,787,048.49	-69.02%	It is mainly due to the lack of large investment projects in this period.
Net cash flow generated by financing	9,714,117.19	169,127,412.92	-94.26%	It is mainly due to the lack of large financing in this period.
Net increasing of cash and cash equivalents	46,252,547.23	-25,343,472.73	-282.50%	It is mainly due to the year-on-year increase in operating cash inflow during the reporting period.

Major changes in profit composition or sources during the report period

□ Applicable √ Not applicable

The profit composition or sources of the Company have remained largely unchanged during the report period.

Component of Business Income

In RMB

	This report period		Same period last year		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	1,445,137,309.09	100%	1,101,536,407.38	100%	31.19%
On Industry					
Manufacturing	1,391,737,535.43	96.30%	1,041,558,118.32	94.56%	33.62%
Lease and Management of Property	33,272,224.20	2.30%	55,866,608.49	5.07%	-40.44%
Other	20,127,549.46	1.40%	4,111,680.57	0.37%	389.52%
On Products					
Polarizer sheet	1,369,146,600.89	94.74%	1,021,894,566.16	92.77%	33.98%
Textile	22,590,934.54	1.56%	55,866,608.49	5.07%	-59.56%
Lease and Management of Property	33,272,224.20	2.30%	19,663,552.16	1.79%	69.21%
Other	20,127,549.46	1.40%	4,111,680.57	0.37%	389.52%
Area					
Domestic	1,354,987,454.63	93.76%	949,528,109.45	86.20%	42.70%
Overseas	90,149,854.46	6.24%	152,008,297.93	13.80%	-40.69%

Situation of Industry, Product and District Occupying the Company’s Business Income and Operating Profit with Profit over 10%

√ Applicable □Not applicable

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)

On Industry						
Manufacturing	1,391,737,535.43	1,229,319,979.91	11.67%	33.62%	45.09%	-6.98%
Lease and Management of Property	33,272,224.20	10,682,243.01	67.89%	-40.44%	-12.64%	-10.22%
Other	20,127,549.46	2,985,871.14	85.17%	389.52%	-17.33%	73.01%
On Products						
Polarizer sheet	1,369,146,600.89	1,204,852,305.21	12.00%	33.98%	44.97%	-6.67%
Textile	22,590,934.54	24,467,674.70	-8.31%	14.89%	51.46%	-26.15%
Lease and Management of Property	33,272,224.20	10,682,243.01	67.89%	-40.44%	-12.64%	-10.22%
Other	20,127,549.46	2,985,871.14	85.17%	389.52%	-17.33%	73.01%
Area						
Domestic	1,354,987,454.63	1,166,831,275.43	13.89%	42.70%	58.39%	-8.52%
Overseas	90,149,854.46	76,156,818.63	15.52%	-40.69%	-39.76%	-1.31%

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

□ Applicable √Not applicable

Explanation for a year-on –year change of over 30%

□ Applicable √Not applicable

IV. Analysis of Non-core Business

√ Applicable □Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Investment income	11,043,172.52	15.68%	Obtaining equity enterprise dividends, contract fees, time deposit and money fund interest income	Have the sustainability
Gains and losses on changes in fair value	0.00	0.00%		Have the sustainability
Impairment of assets	-42,073,672.20	-59.73%	Mainly from the provision of inventory depreciation loss.	Have the sustainability
Non-operating income	1,768,115.05	2.51%	It is mainly due to the compensation for losses.	Not sustainable.
Non-operating expense	213,090.29	0.30%		Not sustainable.
Other income	10,780,654.48	15.30%	Mainly for government subsidies.	Have the sustainability

V. Analysis of assets and liabilities

1.Significant changes in asset composition

In RMB

	End of Reporting period		End of same period of last year		Change in percentage(%)	Reason for significant change
	Amount	As a percentage of total assets(%)	Amount	As a percentage of total assets(%)		
Monetary fund	356,600,994.80	6.27%	302,472,828.60	5.50%	0.77%	
Accounts receivable	703,849,983.33	12.37%	479,998,708.57	8.73%	3.64%	

Inventories	781,404,848.10	13.73%	667,461,447.03	12.14%	1.59%	
Real estate Investment	102,672,477.07	1.80%	106,217,779.76	1.93%	-0.13%	
Long-term equity investment	134,756,614.83	2.37%	133,022,325.77	2.42%	-0.05%	
Fixed assets	2,375,066,361.03	41.74%	2,424,741,252.86	44.11%	-2.37%	
Construction in process	23,222,687.28	0.41%	71,482,031.08	1.30%	-0.89%	
Right to use assets	16,493,135.66	0.29%	9,221,189.37	0.17%	0.12%	
Short-term loans	22,061,861.12	0.39%	37,575,113.83	0.68%	-0.29%	
Contract Liabilities	122,759.15	0.00%	68,955.21	0.00%	0.00%	
Long-term loans	728,782,222.63	12.81%	683,016,243.25	12.43%	0.38%	
Lease liabilities	8,424,816.86	0.15%	4,243,855.71	0.08%	0.07%	
Financial assets transaction.	609,244,744.72	10.71%	586,540,735.16	10.67%	0.04%	
Other receivable account	7,235,875.22	0.13%	140,185,750.40	2.55%	-2.42%	

2. Major overseas assets

□ Applicable √ Not applicable

3.Asset and Liabilities Measured by Fair Value

√ Applicable □Not applicable

In RMB

Items	Amount at year beginning	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Other changes	Amount at year end
Financial assets								
1. Financial assets measured at fair value through profit or loss (excluding derivative financial assets)	586,540,735.16				645,704,009.56	623,000,000.00		609,244,744.72
4．Other equity Instrument Investment	186,033,829.72							186,033,829.72
Subtotal of financial assets	772,574,564.88				645,704,009.56	623,000,000.00		795,278,574.44
Other non-current financial assets	30,650,943.40						-2,150,943.40	28,500,000.00
Total	803,225,508.28				645,704,009.56	623,000,000.00	-2,150,943.40	823,778,574.44

Financial Liability	0.00							0.00

Other changes

None

Did great change take place in measurement of the principal assets in the reporting period ?

□ Yes √ No

4. Restricted asset rights as of the end of this Reporting Period

As of June 30, 2022, the company's restricted assets are the L/C deposit and customs deposit of the subsidiary SAPO Photoelectric, and the mortgaged assets of the subsidiary SAPO Photoelectric for mortgage loan application from the syndicate led by Shenzhen Branch of Bank of Communications. For details, please refer to "Section X Financial Report VII, Notes 81 to Consolidated Financial Statements Item, Assets with Restricted Ownership or Use Right" in this report.

VI. Analysis on investment Status

1. General

□ Applicable √ Not applicable

2.Condition of Acquiring Significant Share Right Investment during the Report Period

□ Applicable √ Not applicable

3.Situation of the Significant Non-equity Investment Undergoing in the Report Period

□ Applicable √ Not applicable

4.Investment of Financial Asset

（1）Securities investment

□ Applicable √ Not applicable

There was no investment in securities by the Company in the Reporting period.

（2）Investment in Derivatives

□ Applicable √ Not applicable

The Company had no investment in derivatives in the reporting period.

5.Application of the raised capital

□ Applicable √ Not applicable

The Company had no application of the raised capital in the reporting period.

VII. Sales of major assets and equity

1. Sales of major assets

□ Applicable √ Not applicable

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

2.Sales of major equity

VIII. Analysis of the Main Share Holding Companies and Share Participating Companies

√ Applicable □ Not applicable

Situation of Main Subsidiaries and the Joint-stock Company with over 10% net profit influencing to the Company

In RMB

Company name	Type	Main business	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Shenzhen SAPO Photoelectric Co., Ltd.	Subsidiary	Production and sales of polarizer	583,333,333.00	4,400,059,283.76	2,925,112,224.50	1,390,584,901.04	67,311,121.92	68,873,644.92
Shenzhen Beauty Century Garment Co., Ltd.	Subsidiary	Production of fully electronic jacquard knitting whole shape	13,000,000.00	50,663,794.27	13,831,114.66	22,742,894.72	-4,416,615.83	-4,407,303.85
Shenzhen Lisi Industrial Co., Ltd.	Subsidiary	Domestic Trade, Property management	2,360,000.00	34,901,327.67	27,907,335.13	2,543,367.01	-994,627.29	-913,775.22
Shenzhen Huaqiang Hotel	Subsidiary	Accommodation, business center;	10,005,300.00	22,267,549.72	20,426,549.04	236,085.42	59,839.13	58,344.15
Shenzhen Shenfang Sungang Property Management Co., Ltd.	Subsidiary	Property management	1,000,000	11,023,824.75	8,251,941.20	948,354.49	-22,121.29	-22,121.29
Shenfang Property Management Co., Ltd.	Subsidiary	Property management	1,600,400.00	10,669,084.42	7,324,783.70	9,447,024.91	442,586.65	373,738.67
Shengtou （HK） Co., Ltd.	Subsidiary	Sales of polarizer	HKD10,000	6,315,269.67	6,288,397.35	0.00	304,319.52	304,319.52

Subsidiaries obtained or disposed in the reporting period

□ Applicable √ Not applicable

The financial data of SAPO Photoelectric mentioned in the table above are the financial statements data of its parent company and non-consolidated statements data.For details of the performance fluctuation and the reasons for change of SAPO Photoelectric, a subsidiary, please refer to "I. Main business of the Company during the reporting period" in "Section III Management Discussion and Analysis".

IX. Structured vehicle controlled by the Company

□ Applicable √ Not applicable

X.Risks facing the Company and countermeasures

1. Macro economic risk

As the COVID-19 is still spreading all over the world, there are still weak links in the prevention and control of domestic pandemic, the foundation of economic recovery is still not solid, the consumption of residents is still restricted, and the domestic demand economy will continue to be under pressure. As a member of the upstream manufacturers in the monitor market, the Company can't rule out the risk that unpredictable macroeconomic fluctuations may affect the Company's performance

Countermeasures: The company will pay close attention to the international economic situation, study national policies and industry trends, strengthen the tracking and analysis of major industry information, and grasp the development and change trends of the industry in a timely manner. Meanwhile, it will continuously optimize the product structure, improve the market development ability, stimulate the vitality of enterprise development, strengthen internal management, control operational risks and ensure the steady development of the company.

2. Market risk

The polarizer industry is an important part of China's future manufacturing development. The demand for display panels and the development of corresponding technologies are changing with each passing day. The domestic substitution process of the polarizer industry is underway. With the gradual mass production of the 10.5 generation line, the super-large size market New changes will be ushered in. If the company’s technology and products cannot respond to the needs of the application field in time, the wide-format polarizer products and applications fall short of expectations, or the intensified market competition causes the price of display products to fall, and the pressure of price cuts is transmitted upwards to the polarizer market. Will have an adverse effect on the company.

Countermeasures: Facing the complex market environment, on the one hand, the company has comprehensively built the Line 7 project as planned, actively promoted the introduction of new product clients, improved product bargaining power, and stabilized customer confidence; On the other hand, it keeps close communication with demand customers and end customers, pays close attention to product demand trends, taps market potential, increases market share, continuously improves production line yield and utilization, enhances core competitiveness and deals with market risks.

3. Risk of raw material

The core patents of polarizer terminal materials have high technical barriers and are basically monopolized by foreign manufacturers. Thus, patents are the main reason for limiting the localization of luminescent materials. Currently, the key raw materials for manufacturing polarizers, PVA film and TAC film, are basically monopolized by Japanese companies and the production line and production technology of upstream supporting raw materials are constrained by the Japanese side. Compared with the international manufacturer's complete industrial chain model from upstream raw materials to polarizers to display panels, the Company does not have the corresponding complete industrial support to play the role in industrial integration while the price of major membrane materials is affected by the supplier's production capacity, market demand and the yen exchange rate, which influences the unit cost of the Company's products.

Countermeasures: The company will continue to optimize the supply chain system, improve the bargaining power with suppliers, increase the R&D of independent intellectual property rights, promote the import of low-cost raw materials, actively explore the import substitution of raw materials, improve the utilization and maintain a low level of production loss rate, maintain production stability and continuity, and reduce product production costs; If necessary, the company can choose exchange rate wealth management products such as forward foreign exchange and foreign exchange options to avoid excessive exchange losses caused by sharp exchange rate fluctuations.

IV. Corporate Governance

I. Annual General Meeting and Provisional Shareholders' Meetings in the Reporting Period

1.Annual General Meeting

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The First provisional General Meeting of 2022	Provisional General Meeting	49.43%	January 18,2022	January 19, 2022	Announcement No.:2022-01 www.cninfo.com.cn
Annual General Meeting of 2021	Annual General Meeting	49.50%	May 19,2022	May 20,2022	Announcement No.:2022-16 www.cninfo.com.cn

2. Preferred shareholders with the restoration of voting rights made a request for the Special Meeting of Shareholders

□ Applicable √ Not applicable

II. Change in shares held by directors, supervisors and senior executives

□ Applicable √ Not applicable

he company's directors, supervisors and senior managers did not change during the reporting period, please refer to the 2021 annual report

Note: Zhang Jian, the former Chairman of the Company, resigned on August 2, 2022. For details, please refer to the Company's Announcement on the Resignation of the Chairman of the Company (No.2022-23) on CNINF (http://www.cninfo.com.cn). On August 5, 2022, the Company held the Fourteenth Meeting of the Eighth Board of Directors, elected Yin Kefei as the Chairman of the Eighth Board of Directors, nominated Wang Chuan as a candidate for the non-independent director of the Eighth Board of Directors, and submitted the appointment of Wang Chuan as the deputy general manager of the Company to the General Meeting of Shareholders for election. As of the disclosure date of this report, except for the above changes, other directors, supervisors and senior management personnel of the Company have not changed.

III. Pre-plan for profit allocation and turning capital reserve into share capital for the reporting period

□ Applicable √ Not applicable

The Company planned not to distribute cash dividend and bonus share, and not to convert capital reserves into share capital in half year.

IV. Implementation of any equity incentive plan, employee stock ownership plan or other incentive measures for employees

√ Applicable □Not applicable

1. Equity incentive

Not applicable

2. Implementation of ESOP

√ Applicable □ Not applicable

All effective ESOPs during the reporting period

Scope of employees	Quantity of employees	Total number of shares held	Change information	Proportion of total share capital of listed companies	Funding sources for plan implementation
Directors, supervisors, senior managers and other core technical/business/management backbones of the Company (including subsidiaries, the same below).	126	1,403,600	No	0.28%	The Company employees' legal remuneration, self-raised funds and other legal ways permitted by laws and regulations.

Shareholding of directors, supervisors and senior managers in the ESOP during the reporting period

Name	Position	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Proportion of total share capital of listed companies
Zhang Jian	Former chairman	114,206	114,206	0.02%
Zhu Meizhu	Director, General Manager	114,206	114,206	0.02%
Ning Maozai	Director, Secretary of Party Committee	28,551	28,551	0.01%
Le Kunjiu	Senior consultant	57,103	57,103	0.01%
Liu Honglei	Deputy GM	57,103	57,103	0.01%
He Fei	Director, CFO	57,103	57,103	0.01%
Jiang Peng	Secretary of the Board	57,103	57,103	0.01%
Zhan Lumei	Employee supervisor	17,131	17,131	0.00%

Changes in asset management institutions during the reporting period

□ Applicable √Not applicable

Changes in equity caused by holders' disposal of shares during the reporting period

√ Applicable □ Not applicable

During the reporting period, Yang Juhua and Jiao Nan, the original holders of the Company's first ESOP, resigned for personal reasons. Upon confirmation by the management committee of the Company's first ESOP, they transferred their 50,000 shares in ESOP to Liu Xiaohui and Liu Yiguang. After the transfer, Liu Xiaohui's share in the first ESOP of the Company was changed from 0 to 20,000 shares. Liu Yiguang's share in the first ESOP of the Company was changed from 50,000 to 700,000 shares.

3. Other employee incentives

□ Applicable √Not applicable

V. Environmental & Social Responsibility

I. Significant environmental issues

Whether the Company or any of its subsidiaries is identified as a key polluter by the environment authorities

√ Yes □ No

Company or subsidiary name	Main pollutant and specific pollutant name	Emission way	Emission port number	Emission port distribution condition	Emission concentration (mg/Nm3)	Implemented pollutant emission standards	Total emission	Verified total emission(Tons)	Excessive emission condition
Shenzhen Beauty Century Garment Co., Ltd.	Effluents：COD	Open channel discharge after treatment	1	Northwest side of plant area	＜60mg/L	60mg/L	＜2.43t/a	2.43t/a	No
Shenzhen SAPO Photoelectric Co., Ltd.	Exhaust gas：Non-methane total hydrocarbon	High emission	2	The discharge outlet is set on the east of the roof of No.1	<30mg/m 3	120mg/m 3	23.4t/a	49.98t/a	No
Shenzhen SAPO Photoelectric Co., Ltd.	Exhaust gas：Non-methane total hydrocarbon	High emission	2	The discharge outlet is set on the east of the roof of No.3	<20mg/m 3	50mg/m3	23.4t/a	49.98t/a	No

Prevention and control of pollution facilities construction and operation

1. Beauty Century Company

The Beauty Century Company wastewater treatment facilities adopt the treatment processes of regulation, hydrolysis acidification, coagulation and air flotation, contact oxidation, coagulation and sedimentation and filtration. It is with stable treatment process, and good effluent effect of wastewater treatment. The wastewater from the production process can meet the environmental protection requirements after being treated by wastewater treatment facilities.

The Company invested RMB 960,000 to build the reuse system of reclaimed water, and now the reuse project of reclaimed water has been accepted and started operation. The use of reclaimed water can effectively reduce wastewater discharge, and 4,300 tons of tap water have been saved in the reporting period.

2. SAPO Photoelectric

RTO waste gas regenerative incineration process is adopted for the organic waste gas produced in all production lines of SAPO Photoelectric, and RTO+ advanced treatment process is adopted for Line 7. RTO waste gas treatment equipment runs stably, with good waste gas treatment effect. The removal rate of VOCs in organic waste gas reaches over 99%, which can fully meet the requirements of waste gas discharge. Meanwhile, imported heat storage materials are adopted for the equipment, with a heat storage effect of 90%, and low running energy consumption of the equipment; After RTO treatment, the waste gas from the production process after treatment can meet the discharge standard. The first-phase wastewater treatment facilities of SAPO Photoelectric are Fenton + coagulating sedimentation + UASB anaerobic + aerobic + MBR membrane wastewater treatment process, and the second-phase wastewater treatment facilities are Fenton + coagulating sedimentation + UASB anaerobic + aerobic + MBR membrane + MC special membrane + evaporation zero-discharge wastewater treatment process (reuse water system). On the selection of wastewater treatment process, SAPO has selected the process with strong impact load resistance, stable system operation, low energy consumption, low maintenance cost, high degree of automation and good effluent effect. The wastewater from the production process can meet the environmental protection requirements of standard discharge after being treated by wastewater treatment facilities.

1. Beauty Century Company

The Company complied with relevant environmental protection regulations at such three stages as project design, construction and operation and obtained environmental protection approvals needed at each corresponding stage including EIA report, EIA approval, environmental protection acceptance decision and emission permit among others.

2. SAPO Photoelectric

The Company complied with relevant environmental protection regulations at such three stages as project design, construction and operation and obtained environmental protection approvals needed at each corresponding stage including environmental impact assessment report, EIA approval, environmental protection acceptance decision, sewage discharge permit, etc. shall be available. and the application for environmental emergency plan shall be approved by the relevant departments for filing.

Emergency Plan for Emergency Environmental Incidents

1. Beauty Century Company

According to the actual situation of the company, on September 16,2020,the preparation of the emergency plan for emergency environmental incidents was completed, and an emergency environmental emergency plan filing application

2. SAPO Photoelectric

According to the actual situation of the company, the preparation of the emergency plan for emergency environmental incidents was completed, and an emergency environmental emergency plan filing application

1. Beauty Century Company

According to the environmental management requirements of the pollutant discharge permit, the specific monitoring scheme is as follows: once every 6h for pH value of wastewater, once per day for chroma, once per day for suspended solids, once per week for biochemical oxygen demand in five days, once every 6h for chemical oxygen demand, once per day for total nitrogen, once per day total phosphorus, once per month for sulfide, once per month for aniline, once per year chlorine dioxide, and twice per year for waste gas at factory boundary (once every six months).

2. SAPO Photoelectric

According to the monitoring requirements issued by the monitoring station and the operation requirements of each system of SAPO Photoelectric, the specific monitoring plan is as follows: 8 times/year (twice every quarter) for organic waste gas, 4 times/year (once every quarter) for wastewater discharge, 2 times/year (once every six months) for boiler waste gas, 1 time/year for canteen oil fume, 2 times/year (once every six months) for noise at factory boundary and 1 time/year for drinking water.

Administrative penalties for environmental problems during the reporting period

Name of company or subsidiary	Reasons for punishment	Violation situation	Penalty result	Impact on the production and operation of listed	Company's rectification

				companies	measures
No	No	No	No	No	No

Other Environmental Information That Should Be Disclosed

None

Measures and effects taken to reduce its carbon emissions during the reporting period

□ Applicable √Not applicable

Other Environmental Related Information

Not applicable

II. Social responsibilities

(I) Protection of shareholders' rights and interests

During the reporting period, the Company abided by laws and regulations, operated in compliance with regulations, and constantly improved its governance structure and further standardized the Company's operation in strict accordance with the requirements of the Company Law, the Securities Law and the Governance Guidelines for Listed Companies and other laws and regulations. It adhered to the procedure system of general meeting of shareholders, Board of Directors, Board of Supervisors and independent directors as the core, further improved the corporate governance structure and various management systems, constantly improved the internal control system in the process of the Company's operation and management, took effective operational risk prevention measures, earnestly safeguarded and protected shareholders' rights and interests, and laid a solid foundation for the healthy and sustainable development of the Company. Independent directors paid close attention to the Company's operation, put forward many valuable professional suggestions for the Company's daily operation and key concerns, and played an important role in improving the supervision mechanism and safeguarding the legitimate rights and interests of the Company and all shareholders. The Company strictly fulfilled its obligation of information disclosure according to law, truly, accurately, completely, timely and fairly disclosed information that has a significant impact on investment decision-making. The disclosure content was concise and easy to understand, fully revealed risks, and facilitated all shareholders to consult. According to regulatory requirements, it further combed and improved relevant systems and enhanced the quality of information disclosure.

During the reporting period, the Company further improved the information disclosure and information transparency, fulfilled the obligation of information disclosure in strict accordance with regulatory requirements, communicated with investors through various channels, answered questions raised by investors in a timely manner, and improved information transparency. Meanwhile, it cooperated with regulatory authorities to safeguard the rights and interests of investors, especially small and medium-sized investors, and realized the benign interaction and harmonious development between investors and listed companies.

(II) Protection of employees' rights and interests

According to the enterprise development strategy, the Company further revised and improved the human resource management system. It established labor relations by entering into labor contracts with employees, and implement necessary management for employees according to the *Labor Law* and relevant management regulations of the Company. The Company established a scientific assessment and distribution system according to the classification of senior managers, department managers and employees, established a systematic and standardized performance assessment and evaluation system, and conducted a comprehensive, objective, fair and accurate assessment of employees' performance of duties and tasks, which is used as the basis for determining employees' remunerations, rewards and punishments and appointments.

In 2022, the Company has made efforts to create a good corporate culture atmosphere, regularly organized face-to-face communication between company leaders and group employees and core backbones of subordinate enterprises, strengthened care for employees' psychology, enhanced employees' sense of acquisition and belonging, and better cared for and helped employees' growth; Meanwhile, it actively guided and assisted subordinate enterprises to promote the standardization of human resource management, strengthened the scientification and standardization of human resource management, avoided labor risks, improved the level of human resource management, and further mobilized employees' work enthusiasm.

(III) Environmental protection

Striving to build a modern "green enterprise" is the Company's long-term positive responsibility. We insist on building the whole process of green cycle in the industrial chain, realizing the real green cycle economy, improving the quality of the Company's surrounding environment and escorting the Company's production. During the reporting period, the OSBL noise, industrial wastewater and waste gas emissions in the Company's production process all passed the monitoring of the environmental protection department, and complied with the standard requirements of relevant laws and regulations. and no major environmental incidents occurred. In addition, the Company vigorously advocated green office, carried out various forms of environmental protection publicity and education activities, raised employees' awareness of energy conservation and emission reduction, realized the coordinated development of production & operation and environmental protection, and earnestly fulfilled social responsibilities.

(IV) Protection of consumers' rights and interests

The Company has been adhering to the core values of "honesty oriented and responsibility first". Being responsible for customers is the source of our enterprise value. It is our unremitting pursuit to provide customers with professional, personalized and all-round products and services. With customer demand as the core, continuously innovating to serve customers, and continuously improving and enhancing product quality are the driving force for the Company to achieve good performance and sustainable development, and also an important guarantee to win customers' long-term trust. It has provided active attention to customer needs, quick response to customer feedback, sincere consideration for customers and promotion of long-term cooperative partnership.

VI. Important Events

I. The fulfilled commitments in the reporting period and under-fulfillment commitments by the end of the reporting period made by the company, shareholder, actual controller, acquirer, director, supervisor, senior management personnel and other related parities.

√ Applicable □ Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	Shenzhen Investment Holdings Co., Ltd.	Share reduction commitment	As Shenzhen Investment Holdings Co., Ltd., the controlling shareholder of the company, committed when the restricted-for-sale shares from the shares restructuring were listed for circulation in the market: i. if they plan to sell the shares through the securities exchange system in the future, and the decrease of the shares they hold reaches 5% within 6 months after the first decrease, they will disclose an announcement indicating the sale through the company within two trading days before the first decrease; ii. They shall strictly observe the “Guidelines on Transfer of Restricted-for-sale Original Shares of Listed Companies” and the provisions of the relevant business principles of Shenzhen Stock Exchange.	August 4, 2006	Sustained and effective	Under Fulfillment
Commitments made upon issuance	Shenzhen Investment Holdings Co., Ltd.	Commitments on horizontal competition, related transaction and capital occupation	Shenzhen Investment Holdings Co., Ltd. signed a “Letter of Commitment and Statement on Horizontal Competition Avoidance” when the company issued non-public stocks in 2009. Pursuant to the Letter of Commitment and Statement, Shenzhen Investment Holdings Co., Ltd. and its wholly owned subsidiary, subsidiaries under control or any other companies that have actual control of it shall not be involved in the business the same as or similar to those Shenzhen Textile currently or will run in the future, or any businesses or activities that may constitute direct or indirect competition with Shenzhen Textile; if the operations of Shenzhen Investment Holdings Co., Ltd. and its wholly owned subsidiaries, subsidiaries under control or other companies that have actual control of it compete with Shenzhen Textile in the same industry or contradict the interest of the issuer in the future, Shenzhen Investment Holdings Co., Ltd. shall urge such companies to sell the equity, assets or business to Shenzhen Textile or a third party; when the horizontal competition may occur due to the business expansion concurrently necessary for Shenzhen Investment Holdings Co., Ltd. and its wholly owned subsidiaries, subsidiaries under control or other companies that have actual control of it and Shenzhen Textile, Shenzhen Textile shall have priority.	October 9, 2009	Sustained and effective	Under Fulfillment
Commitments made upon issuance	Shenzhen Investment Holding	Commitments on horizontal competition, related	The commitments during the period non-public issuance in 2012: 1. Shenzhen Investment Holdings, as the controlling shareholder of Shenzhen Textile, currently hasn't the production and business activities of inter-industry	July 14, 2012	Sustained and effective	Under Fulfillment

	s Co., Ltd.	transaction and capital occupation	competition with Shenzhen Textile or its share-holding subsidiary. 2. Shenzhen Investment Holdings and its share-holding subsidiaries or other enterprises owned the actual control rights can't be directly and indirectly on behalf of any person, company or unit to engage in the same or similar business in any districts in the future by the form of share-holding, equity participation, joint venture, cooperation, partnership, contract, lease, etc., and ensure not to use the controlling shareholder's status to damage the legitimate rights and interests of Shenzhen Textile and other shareholders, or to gain the additional benefits. 3. If there will be the situation of inter-industry competition with Shenzhen Textile for Shenzhen Investment Holdings and its share-holding subsidiaries or other enterprises owned the actual control rights in the future, Shenzhen Investment Holdings will promote the related enterprises to avoid the inter-industry competition through the transfer of equity, assets, business and other ways. 4. Above commitments will be continuously effective and irrevocable during Shenzhen Investment Holdings as the controlling shareholder of Shenzhen Textile or indirectly controlling Shenzhen Textile.			
Executed timely or not?	Yes					
If the commitments failed to complete the execution when expired, should specifically explain the reasons of unfulfillment and the net stage of the working plan	Not applicable					

II. Particulars about the non-operating occupation of funds by the controlling shareholder

□ Applicable √ Not applicable

No such cases in the reporting period.

III. Illegal provision of guarantees for external parties

□ Applicable √ Not applicable

No such cases in the reporting period.

IV. Engagement and disengagement of CPAs firm

Whether the semi-annual financial report has been audited

□ Yes √ No

The semi-annual financial report of the Company has not been audited

V. Notes for "non-standard audit report" of CPAs firm during the Reporting Period by board of directors and supervisory board

□ Applicable √ Not applicable

VI. Notes for the related information of "non-standard audit reports" last year by board of directors

□ Applicable √ Not applicable

VII. Bankruptcy and restructuring

□ Applicable √ Not applicable
No such cases in the reporting period.

VIII. Litigations and arbitrations

√ Applicable □Not applicable

Basic situation of litigation(arbitration)	Amount involved (ten thousand yuan)	Whether to form estimated liabilities	Litigation(arbitration) progress	Litigation(arbitration)trial results and impact	Implementation of litigation(arbitration)judgments	Disclosure date	Disclosure index
Jinhang Fund v. SAPO Photoelectric for Dissolution Dispute	The case was heard in Pingshan District People's Court on July 15, 2022, and no judgment has yet been made	No	The case was heard in Pingshan District People's Court on July 15, 2022, and no judgment has yet been made	Unfinished trial	Undecided	June 24,2022	（http://www.cninfo.com.cn） Announcement No.:2022-20

Other litigation matters
√ Applicable □Not applicable

Basic situation of litigation(arbitration)	Amount involved (ten thousand yuan)	Whether to form estimated liabilities	Litigation(arbitration)progress	Litigation(arbitration)trial results and impact	Implementation of litigation(arbitration)judgments	Disclosure date	Disclosure index
Arbitration of contract dispute between Shengbo optoelectronics and Nexteye company of South Korea	1,217.87	No	The case was heard at the Shenzhen International Arbitration Court on February 9, 2022, and the second hearing was conducted in the form of online video on May 12, 2022. In combination with the actual situation of this case, the arbitration tribunal has extended the trial time limit of this case from June 13 to September 15, 2022.	Unfinished trial	The arbitration tribunal has extended the trial period of this case from June 13, 2022 to September 15, 2022		
The Company v. Shenzhen Administration for Market Regulation for Revocation of Cancellation of Shenzhen Xieli	0	No	The case was heard in the second instance on April 27, 2022. The Shenzhen Intermediate People's Court made the judgment on June 28, 2022: 1. Revoke the administrative judgment Y0308 XC No.1883 of the People's Court of Yantian District, Shenzhen City, Guangdong Province (2021); II. Remand to Yantian District People's Court, Shenzhen City, Guangdong Province for retrial. On July 22, 2022, the Company received the summons from Yantian District People's Court, Shenzhen City, Guangdong Province, and the trial of this case is scheduled on August 25, 2022.	Unfinished trial	Yantian District People's Court of Shenzhen City, Guangdong Province is scheduled to hold a hearing on August 25, 2022 for retrial of this case		/
Zheng Wenhui v. Jintian Industrial (Group) Co., Ltd. and the Company for House Sales Contract Dispute	0	No	The case was heard in the first instance on February 24, 2022. Shenzhen Luohu District People's Court made a judgment on April 20, 2022: 1. Confirm that the House Sales Agreement signed by the plaintiff Zheng Wenhui and the defendant Jintian Industrial (Group) Co., Ltd. on May 28, 2021 is legal and valid; II. Defendants Jintian	Finished trial	The plaintiff has applied for enforcement		/

			Industrial (Group) Co., Ltd. and Shenzhen Textile (Group) Co., Ltd. shall assist the plaintiff Zheng Wenhui in handling the transfer formalities for Room 1-802 of Textile Industry Company, Fenghuang Road, Luohu District, Shenzhen (Real Estate Certificate No.: SFD Zi No. 0042588). The judgment has come into effect.				
Manager of Shenzhen Shenbao Textile Industry and Trade Co., Ltd. v. The Company, Shenzhen Yuanxingchang Industrial Co., Ltd. and Su Xingbin for Liquidation Liability Dispute	256.75	No	The case was heard in the first instance on May 27, 2022 and June 30, 2022. Shenzhen Luohu District People's Court has not yet made a first-instance judgment.	Unfinished trial			/

IX. Punishments and rectifications

□ Applicable √ Not applicable

No such cases in the Reporting Period.

X. Credit conditions of the Company as well as its controlling shareholder and actual controller

□ Applicable √ Not applicable

XI.Material related transactions

1. Related transactions in connection with daily operation

□ Applicable √ Not applicable
No such cases in the reporting period.

2. Related-party transactions arising from asset acquisition or sold

□Applicable √ Not applicable

No such cases in the reporting period.

3. Related-party transitions with joint investments

□Applicable √ Not applicable
No such cases in the reporting period.

4. Credits and liabilities with related parties

□Applicable √ Not applicable
No such cases in the reporting period.

5. Transactions with related finance company, especially one that is controlled by the Company

□Applicable √ Not applicable
No such cases in the reporting period.

6. Transactions with related finance company controlled by the Company

□ Applicable √ Not applicable
No such cases in the reporting period.

7. Other significant related-party transactions

□ Applicable √ Not applicable
No such cases in the reporting period.

XII. Significant contracts and execution

I.Entrustments, contracting and leasing

（1）Entrustment

□Applicable √ Not applicable
No such cases in the reporting period.

（2）Contracting

□Applicable √ Not applicable
No such cases in the reporting period.

（3）Leasing

□Applicable √ Not applicable
No such cases in the reporting period.

II.Significant Guarantees

√ Applicable □ Not applicable

（1）Guarantees

In RMB10,000

<table>
<tr><td colspan="11">Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)</td></tr>
<tr><td>Name of the Company</td><td>Relevant disclosure date/No. of the guaranteed amount</td><td>Amount of Guarantee</td><td>Date of happening (Date of signing agreement)</td><td>Actual mount of guarantee</td><td>Guarantee type</td><td>Guaranty（If any）</td><td>Counter-guarantee（If any）</td><td>Guarantee term</td><td>Complete implementation or not</td><td>Guarantee for associated parties (Yes or no)</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="11">Guarantee of the company for its subsidiaries</td></tr>
<tr><td>Name of the Company</td><td>Relevant disclosure date/No. of the guaranteed amount</td><td>Amount of Guarantee</td><td>Date of happening (Date of signing agreement)</td><td>Actual mount of guarantee</td><td>Guarantee type</td><td>Guaranty（If any）</td><td>Counter-guarantee（If any）</td><td>Guarantee term</td><td>Complete implementation or not</td><td>Guarantee for associated parties (Yes or no)</td></tr>
<tr><td>SAPO Photoelectric</td><td>March 18,2020</td><td>48,000</td><td>September 8,2020</td><td>43,647.06</td><td>Guaranteeing of joint liabilities</td><td></td><td></td><td>Two years from the date of expiration of the principal debt</td><td>No</td><td>No</td></tr>
<tr><td colspan="2">Total of guarantee for subsidiaries approved in the period(B1)</td><td colspan="2">0</td><td colspan="2">Total of actual guarantee for subsidiaries in the period (B2)</td><td colspan="5">2,734.32</td></tr>
<tr><td colspan="2">Total of guarantee for subsidiaries approved at period-end(B3)</td><td colspan="2">48,000</td><td colspan="2">Total of actual guarantee for subsidiaries at period-end(B4)</td><td colspan="5">43,647.06</td></tr>
<tr><td colspan="11">Guarantee of the subsidiaries for the controlling subsidiaries</td></tr>
<tr><td>Name of the Company</td><td>Relevant disclosure date/No. of the guaranteed amount</td><td>Amount of Guarantee</td><td>Date of happening (Date of signing agreement)</td><td>Actual mount of guarantee</td><td>Guarantee type</td><td>Guaranty（If any）</td><td>Counter-guarantee（If any）</td><td>Guarantee term</td><td>Complete implementation or not</td><td>Guarantee for associated parties (Yes or no)</td></tr>
<tr><td colspan="11">The Company’s total guarantee(i.e. total of the first three main items)</td></tr>
<tr><td colspan="2">Total guarantee quota approved in the reporting period（A1+B1+C1）</td><td colspan="2">0</td><td colspan="2">Total amount of guarantee actually incurred in the reporting period（A2+B2+C2）</td><td colspan="5">2,734.32</td></tr>
<tr><td colspan="2">Total guarantee quota already</td><td colspan="2">48,000</td><td colspan="2">Total balance of the actual guarantee at the</td><td colspan="5">43,647.06</td></tr>
</table>

approved at the end of the reporting period （A3+B3+C3）		end of the reporting period （A4+B4+C4）	
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+B4+C4） %		15.40%	
Including：			

Description of the guarantee with complex method

None

III.Situation of Entrusted Finance

√ Applicable □Not applicable

In RMB10，000

Specific type	Source of funds for entrusted financial management	The Occurred Amount of Entrusted Wealth-management	Undue balance	Amount overdue	Un-recovered of overdue amount
Bank financial products	Self fund	43,000.00	43,000.00	0	0
Other	Self fund	71,964.93	17,882.81	0	0
Total		114,964.93	60,882.81	0	0

The detailed information of entrusted wealth-management with significant amount or low safety, poor liquidity or high risk with no promise of principal

√ Applicable □Not applicable

In RMB10,000

Name of Trustee Organization (or Trustee Name)	Type of Trustee Organization(or Trustee)	Product Type	Amount	Capital Source	Start Date	Expiry Date	Funds Allocation	Method of Reward Determination	Reference Annualized Rate of Return	Expected Income (if any)	Actual profit and loss during the reporting period	The actual recovery of profit and loss during the reporting pe	Amount of provision for impairment (if any)	Whether passed the statutory procedure	Whether there is any entrusted financial plan in the future	Summary of events and related search index (if any)

												riod				
Bank of China	Bank	Structural deposits	30,000	Self funds	June 30,2022	December 28,2022	money market instrument	Redemption on T day, arrival on T+1 day	3.70%	555	0	Not expired	0	Yes	Not applicable	（http://www.cninfo.com.cn） Announcement No.:2021-64
Total			30,000	--	--	--	--	--	--	555	0	--	0	--	--	--

Entrusted financing appears to be unable to recover the principal or there may be other circumstances that may result in impairment

□ Applicable √ Not applicable

IV. Other significant contract

√ Applicable □Not applicable

Company Name of the Party Making the contract	Company Name of the Other Party of the Contract	Contract Object	Contract Signing Date	Book Value of the Assets Involved by the Contract (RMB 10,000) (If Any)	Assessed Value of the Assets Involved by the Contract (RMB 10,000)	Appraisal Agency Name (If Any)	Base Date of Assessment (if any)	Pricing Principle	Transaction Price (RMB10,000)	Whether A Related Traction	Connection Relation	Execution Condition As Of The End Of The Reporting Period	Date of Disclosure	Disclosure Index
SAPO Photoelectric	Hangzhou Jinjiang Group Co., Ltd., Kunshan Zhiqimei Material	Nitto Denko provides polarizer manufacturing technology and related	November 6, 2017			No		Considering the formulation of market price and technical service period, the final transaction price is based on the	86,900	No	With no association relationship wi	In normal performance	November 7, 2017	Http://www.cninfo.com.cn: (Announcement No. :2017-53)on November 7, 2017

	Technology Co., Ltd., Japan Nitto Denko Corporation	corporation.						commercial negotiation results of both parties.			th the company			

XIII. Explanation on other significant events

√ Applicable □Not applicable

(I) Progress of polarizer industrialization project for ultra-large TV (Line 7)

During the reporting period, the technical indicators such as yield and loss rate of Line 7 improved month by month, the production capacity increased, and the Company's operating performance improved month by month. The main products of Line 7 have been verified by customers, the order volume has gradually increased, and the unit manufacturing cost of products has gradually decreased. With the smooth progress of Line 7 ramp-up, it will have a positive follow-up impact on the Company's operating performance.

(II) Regarding the investment in the construction of the RTS rear cutting production line

In 2021, upon careful demonstration, the Company increased investment in the construction of a cutting production line at the back-end of RTS, with a total investment of no more than RMB 30 million; As of June 30, 2022, the signed contract amount was RMB 25,402,400, and the actual payment was RMB 19,789,800; As of June 30, 2022, the Company has overcome the adverse effects caused by the pandemic. At present, the main equipment of the project has been manufactured and mobilized, and the follow-up installation and commissioning are being carried out in an orderly manner according to the construction and production schedule of the customer's production line.

(III) The disposal of assets of the joint venture company Xieli Automobilemobile Co., Ltd.

Shenzhen Xieli Automobilemobile Enterprise Co., Ltd. (hereinafter referred to as "Shenzhen Xieli") is a Sino-foreign joint venture invested and established by the company and Hong Kong Xieli Maintenance Company in 1981, with a registered capital of 3.12 million yuan, and the company holds 50% of the equity. The company's operating period ended in 2008, and its business license was revoked in 2014. The company's main asset is real estate. The industrial and commercial license of Shenzhen Xieli was cancelled in March 2020, but there are still three properties under its name, the disposal of which is required to be resolved after further consultation between the shareholders of both parties.

On July 26, 2021, the Company filed a lawsuit with Yantian District People's Court in Shenzhen City, Guangdong Province to revoke the cancellation of Shenzhen Xieli Automobilemobile Enterprise Co., Ltd. approved by Shenzhen Administration for Market Regulation on March 9, 2020, on which the court gave a judgment on November 21, 2021 to revoke the cancellation of Shenzhen Xieli Automobilemobile Enterprise Co., Ltd. approved by Shenzhen Administration for Market Regulation. On December 3 and December 6,2021, Hong Kong Xili and Shenzhen Market Supervision Administration submitted appeals to the Shenzhen Intermediate People's Court, respectively. On April 18, 2022, the Company received the notice of the second trial from Shenzhen Intermediate People's Court. The case was heard in the second instance on April 27, 2022. The Shenzhen Intermediate People's Court made the judgment on June 28, 2022: 1. Revoke the administrative judgment Y0308 XC No.1883 of the People's Court of Yantian District, Shenzhen City, Guangdong Province (2021); II. Remand to Yantian District People's Court, Shenzhen City, Guangdong Province for retrial. On July

22, 2022, the Company received the summons from Yantian District People's Court, Shenzhen City, Guangdong Province, and the trial of this case is scheduled on August 25, 2022.

(IV)Reduction of the rent of the Company's own property in response to COVID-19 pandemic

In order to jointly respond to the pandemic and actively fulfill social responsibilities, according to Several Measures of Shenzhen on Further Helping Market Subjects to Solve Problems in Response to COVID-19 (SF [2022] No.28) issued by Shenzhen Municipal Government, and in accordance with the relevant work requirements of Shenzhen SASAC, the Company has formulated the implementation plan of rent reduction and exemption for the self-own property of the Company and its wholly-owned enterprises, to tide over the difficulties with market subjects and help win the war of epidemic prevention and control.

The impact of the property rent reduction of the Company and its wholly-owned enterprises on the Company's operating income in 2022 is expected to be no more than RMB 30.35 million, accounting for about 1.3% of the audited operating income in 2021; The impact on the Company's net profit attributable to its parent company in 2022 is estimated to be about RMB 30.24 million, accounting for about 49.4% of the audited net profit attributable to its parent company in 2021. The impact of this rent reduction on the Company's operating income and net profit attributable to its parent company in 2022 is the unaudited estimated data, which is only used by investors to understand the impact of this rent reduction on the Company, and it's subject to the actual executed amount. For details, please refer to the Company's announcement No. 2022-19 on CNINF (http://www.cninfo.com.cn).

XIV. Significant event of subsidiary of the Company

√ Applicable □ Not applicable

(I) The progress of the lawsuit of the Company and its holding subsidiaries v. Jinhang Fund v. SAPO Photoelectric for dissolution dispute

In July 2022, the Company and its holding subsidiary SAPO Photoelectric respectively received the legal documents such as Notice of Participation in Litigation, Notice of Respondence to Action, Summon and Civil Complaint, with a case number of (2022) Y0310 MC No. 3507, served by Pingshan District People's Court, Shenzhen City, Guangdong Province, and were informed that the court had accepted Hangzhou Jinhang Equity Investment Fund Partnership (Limited Partnership) (hereinafter referred to as "Jinhang Fund") v. SAPO Photoelectric for dissolution dispute, and the Company was informed to participate in the lawsuit as a party to the case, and SAPO Photoelectric was informed to respond as the defendant to the case. For details, please refer to the Company's Announcement No. 2022-20 on CNINF (http://www.cninfo.com.cn).

The case was heard in Pingshan District People's Court, Shenzhen City, Guangdong Province at 9: 30 on July 15, 2022, and no judgment has yet been made.

(II) Progress in subsidiaries participating in the establishment of industrial funds

On November 16, 2017, the company's controlling subsidiary SAPO Photoelectric signed the Changxing Junying Equity Investment Partnership (Limited Partnership) Agreement with the fund manager Huizhi Investment Management Co., Ltd, general partner Jinxin Investment Co., Ltd and other limited partners, and co-sponsored the establishment of an industrial fund, focusing on the optical film industry chain related projects related to the company's main business, with a fund size of 50 million yuan. SAPO Photoelectric, as one of the limited partners of the industrial fund, subscribed for a capital contribution of 28.5 million yuan. For details Juchao Website: （http://www.cninfo.com.cn. (Announcement No.2017--55).

On February 10, 2018, Changxing Junying Equity Investment Partnership completed the industrial and commercial registration and completed the private equity investment fund registration on February 8, 2018. For details Juchao Website: （http://www.cninfo.com.cn. (Announcement No.2018--05).

In order to optimize the strategic layout and supplement the working capital, SAPO Photoelectric and Hangzhou Yuanzhen Investment Management Co., Ltd. (hereinafter referred to as Yuanzhen Investment) signed the Transfer Agreement on Property Share of Changxing Junying Equity Investment Partnership (Limited Partnership) on July 11, 2022, and transferred the share of Changxing Fund held by SAPO Photoelectric to Yuanzhen Investment at a transaction consideration of RMB 28.5 million. After this property share transfer, the Company will withdraw from Changxing Fund and no longer hold the partnership share of Changxing Fund. For details, please refer to the Company's Announcement No.2022-21 on Juchao Information Network (http://www.cninfo.com.cn).

VI. Change of share capital and shareholding of Principal Shareholders

I. Changes in share capital

1. Changes in share capital

In shares

	Before the change		Increase/decrease（+，-）					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
1.Shares with conditional subscription	72,000	0.01%	0	0	0	0	0	72,000	0.01%
1.State -owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person shares	0	0.00%	0	0	0	0	0	0	0.00%
3.Other domestic shares	72,000	0.01%	0	0	0	0	0	72,000	0.01%
Incl：Domestic legal person shares	0	0.00%	0	0	0	0	0	0	0.00%
Domestic Natural Person shares	72,000	0.01%	0	0	0	0	0	72,000	0.01%
4.Foreign share	0	0.00%	0	0	0	0	0	0	0.00%
Incl：Foreign legal person share	0	0.00%	0	0	0	0	0	0	0.00%
Foreign Natural Person shares	0	0.00%	0	0	0	0	0	0	0.00%
II.Shares with unconditional subscription	506,449,849	99.99%	0	0	0	0	0	506,449,849	99.99%
1.Common shares in RMB	457,021,849	90.23%	0	0	0	0	0	457,021,849	90.23%
2.Foreign shares in domestic market	49,428,000	9.76%	0	0	0	0	0	49,428,000	9.76%
3. Foreign shares in foreign market	0	0.00%	0	0	0	0	0	0	0.00%
4.Other	0	0.00%	0	0	0	0	0	0	0.00%
III. Total of capital shares	506,521,849	100.00%	0	0	0	0	0	506,521,849	100.00%

Reasons for share changed

□ Applicable √ Not applicable

Approval of Change of Shares

□Applicable √Not applicable

Ownership transfer of share changes

□Applicable √Not applicable

Progress on any share repurchase:

□ Applicable √ Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

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

□ Applicable √Not applicable

2. Change of shares with limited sales condition

□ Applicable √Not applicable

II. Securities issue and listing

□ Applicable √Not applicable

III. Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period		26,670	Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (note 8)				0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Amount
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	46.21%	234,069,436	0		234,069,436		
Shenzhen Shenchao Technology Investment Co., Ltd.	State-owned Legal person	3.18%	16,129,032	0		16,129,032		
Sun Huiming	Domestic Nature person	1.19%	6,008,653	0		6,008,653		
Deng Yan	Domestic Nature person	1.17%	5,928,200	934,400		5,928,200		
Su Weipeng	Domestic Nature person	0.68%	3,423,010	599,944		3,423,010	Pledge	2,800,000
Zhang Muxiu	Domestic Nature person	0.45%	2,298,800	490,000		2,298,800		
Qi Jianhong	Domestic Nature person	0.44%	2,218,800	0		2,218,800		
Hou Xiulan	Domestic Nature person	0.38%	1,946,191	340,800		1,946,191		
Wang Zhongjing	Domestic Nature person	0.37%	1,872,900	80,300		1,872,900		
Li Zengmao	Domestic Nature person	0.35%	1,760,097	-322,900		1,760,097		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued		None						

(if applicable)（See Notes 3）	
Explanation on shareholders participating in the margin trading business	Among the top 10 common shareholders, Shenzhen Investment Holdings Co., Ltd. and Shenzhen Shenchao Technology Investment Co., Ltd. do not constitute a concerted party relationship. In addition, the company does not know whether there is an associated relationship among the top 10 ordinary shareholders, and between the top 10 ordinary shareholders and the top 10 shareholders, or whether they are persons taking concerted action defined in Administrative Measures for the Acquisition of Listed Companies.
Above shareholders entrusting or entrusted with voting rights, or waiving voting rights	None
Top 10 shareholders including the special account for repurchase (if any) (see note 10)	None

Shareholding of top 10 shareholders of unrestricted shares			
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type	
		Share type	Quantity
Shenzhen Investment Holdings Co., Ltd.	234,069,436	Common shares in RMB	234,069,436
Shenzhen Shenchao Technology Investment Co., Ltd.	16,129,032	Common shares in RMB	16,129,032
Sun Huiming	6,008,653	Foreign shares in domestic market	6,008,653
Deng Yan	5,928,200	Common shares in RMB	5,928,200
Su Weipeng	3,423,010	Common shares in RMB	3,423,010
Zhang Muxiu	2,298,800	Common shares in RMB	2,298,800
Qi Jianhong	2,218,800	Common shares in RMB	2,218,800
Hou Xiulan	1,946,191	Common shares in RMB	1,946,191
Wang Zhongjing	1,872,900	Common shares in RMB	1,872,900
Li Zengmao	1,760,097	Common shares in RMB	1,760,097
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	Among the top 10 common shareholders, Shenzhen Investment Holdings Co., Ltd. and Shenzhen Shenchao Technology Investment Co., Ltd. do not constitute a concerted party relationship. In addition, the company does not know whether there is an associated relationship among the top 10 ordinary shareholders, and between the top 10 ordinary shareholders and the top 10 shareholders, or whether they are persons taking concerted action defined in Administrative Measures for the Acquisition of Listed Companies.		

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

□ Yes √ No

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

IV. Changes in shareholdings of directors, supervisors and executive officers

□ Applicable √Not applicable

There was no change in shareholding of directors, supervisors and senior management staffs, for the specific information please refer to the 2021 Annual Report

V. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

□ Applicable √ Not Applicable

There was no any change of the controlling shareholder of the Company in the reporting period.

Change of the actual controller in the reporting period

□ Applicable √ Not applicable

There was no any change of the actual controller of the Company in the reporting period.

VIII. Situation of the Preferred Shares

□Applicable √Not applicable

The Company had no preferred shares in the reporting period

IX. Corporate Bond

□Applicable √Not applicable

X. Financial Report

I. Audit report

Has this semi-annual report been audited?
□ Yes √ No
The semi-annual financial report has not been audited.

II. Financial Statements

Statement in Financial Notes are carried in RMB/CNY

1. Consolidated balance sheet

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

In RMB

Items	June 30,2022	January 1,2022
Current asset：		
Monetary fund	356,600,994.80	302,472,828.60
Settlement provision		
Outgoing call loan		
Transactional financial assets	609,244,744.72	586,540,735.16
Derivative financial assets		
Note receivable	37,121,033.18	149,942,880.28
Account receivable	703,849,983.33	479,998,708.57
Financing of receivables	51,434,865.61	21,474,101.07
Prepayments	70,367,096.83	15,406,619.53
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	7,235,875.22	140,185,750.40
Including：Interest receivable	85,062.56	
Dividend receivable		
Repurchasing of financial assets		
Inventories	781,404,848.10	667,461,447.03
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	95,692,488.61	29,503,352.42
Total of current assets	2,712,951,930.40	2,392,986,423.06
Non-current assets：		
Loans and payment on other’s behalf disbursed		
Creditor's right investment		
Other creditor's right investment		
Long-term receivable		
Long term share equity investment	134,756,614.83	133,022,325.77
Other equity instruments investment	186,033,829.72	186,033,829.72

Other non-current financial assets	28,500,000.00	30,650,943.40
Real estate investment	102,672,477.07	106,217,779.76
Fixed assets	2,375,066,361.03	2,424,741,252.86
Construction in progress	23,222,687.28	71,482,031.08
Production physical assets		
Oil & gas assets		
Use right assets	16,493,135.66	9,221,189.37
Intangible assets	46,573,386.32	48,635,160.00
Development expenses		
Goodwill		
Long-germ expenses to be amortized	4,713,174.78	5,387,295.94
Deferred income tax asset	3,664,968.67	3,708,596.78
Other non-current asset	55,960,771.27	84,560,280.09
Total of non-current assets	2,977,657,406.63	3,103,660,684.77
Total of assets	5,690,609,337.03	5,496,647,107.83
Current liabilities		
Short-term loans	22,061,861.12	37,575,113.83
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	46,425,031.27	16,682,324.12
Account payable	408,582,168.10	283,643,842.23
Advance receipts	17,006,276.84	1,805,311.57
Contract liabilities	122,759.15	68,955.21
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	54,087,482.76	59,719,860.24
Tax payable	2,759,752.29	9,200,627.09
Other account payable	139,364,842.98	201,317,421.35
Including：Interest payable	0.00	
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	9,045,873.71	5,175,393.52
Other current liability	40,146,023.59	27,523,903.58
Total of current liability	739,602,071.81	642,712,752.74
Non-current liabilities：		
Reserve fund for insurance contracts		
Long-term loan	728,782,222.63	683,016,243.25
Bond payable		
Including：preferred stock		
Sustainable debt		
Lease liability	8,424,816.86	4,243,855.71
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities	29,710,962.81	30,741,055.00
Deferred income	113,665,605.84	110,461,293.15
Deferred income tax liability	61,740,035.56	61,642,660.91
Other non-current liabilities		
Total non-current liabilities	942,323,643.70	890,105,108.02
Total of liability	1,681,925,715.51	1,532,817,860.76
Owners' equity		

Share capital	506,521,849.00	506,521,849.00
Other equity instruments		
Including：preferred stock		
Sustainable debt		
Capital reserves	1,961,599,824.63	1,961,599,824.63
Less：Shares in stock		
Other comprehensive income	119,757,875.07	119,682,119.05
Special reserve		
Surplus reserves	98,245,845.47	98,245,845.47
Common risk provision		
Retained profit	147,853,684.39	130,746,251.74
Total of owner's equity belong to the parent company	2,833,979,078.56	2,816,795,889.89
Minority shareholders' equity	1,174,704,542.96	1,147,033,357.18
Total of owners' equity	4,008,683,621.52	3,963,829,247.07
Total of liabilities and owners' equity	5,690,609,337.03	5,496,647,107.83

Legal Representative:Yin Kefei

Person-in-charge of the accounting work：He Fei

Person-in -charge of the accounting organ：Zhu Jingjing

2.Parent Company Balance Sheet

In RMB

Items	June 30,2022	January 1,2022
Current asset：		
Monetary fund	97,107,787.70	130,270,313.58
Transactional financial assets	609,244,744.72	586,540,735.16
Derivative financial assets		
Note receivable		
Account receivable	10,912,315.67	7,935,911.24
Financing of receivables		
Prepayments	726,145.30	
Other account receivable	12,952,469.33	14,383,631.68
Including：Interest receivable		
Dividend receivable		
Inventories	37,293.80	39,131.60
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset		
Total of current assets	730,980,756.52	739,169,723.26
Non-current assets：		
Creditor's right investment		
Other creditor's right investment		
Long-term receivable		
Long term share equity investment	2,090,804,820.92	2,089,070,531.86
Other equity instruments investment	169,974,388.84	169,974,388.84
Other non-current financial assets		
Real estate investment	95,061,667.85	98,174,132.57
Fixed assets	19,259,962.92	20,255,108.56
Construction in progress		
Production physical assets		
Oil & gas assets		

Use right assets		
Intangible assets	372,046.54	454,036.00
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	3,632,513.56	3,672,545.57
Other non-current asset	55,760,086.27	55,790,497.23
Total of non-current assets	2,434,865,486.90	2,437,391,240.63
Total of assets	3,165,846,243.42	3,176,560,963.89
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	411,743.57	411,743.57
Advance receipts	12,040,217.78	639,024.58
Contract liabilities		
Employees' wage payable	14,822,675.01	16,712,946.96
Tax payable	2,544,728.33	1,943,470.48
Other account payable	115,465,471.73	116,648,650.39
Including：Interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liability due within 1 year		
Other current liability		
Total of current liability	145,284,836.42	136,355,835.98
Non-current liabilities：		
Long-term loan		
Bond payable		
Including：preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	350,000.00	400,000.00
Deferred income tax liability	58,100,175.34	58,002,800.69
Other non-current liabilities		
Total non-current liabilities	58,450,175.34	58,402,800.69
Total of liability	203,735,011.76	194,758,636.67
Owners' equity		
Share capital	506,521,849.00	506,521,849.00
Other equity instruments		
Including：preferred stock		
Sustainable debt		
Capital reserves	1,577,392,975.96	1,577,392,975.96
Less：Shares in stock		
Other comprehensive income	108,838,294.41	108,762,538.39
Special reserve		
Surplus reserves	98,245,845.47	98,245,845.47
Retained profit	671,112,266.82	690,879,118.40
Total of owners' equity	2,962,111,231.66	2,981,802,327.22
Total of liabilities and owners' equity	3,165,846,243.42	3,176,560,963.89

3.Consolidated Income statement

In RMB

Items	The first half year of 2022	The first half year of 2021
I. Income from the key business	1,445,137,309.09	1,101,536,407.38
Incl：Business income	1,445,137,309.09	1,101,536,407.38
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,353,000,511.71	963,183,000.35
Incl：Business cost	1,242,988,094.06	863,125,460.07
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	4,171,362.18	4,281,044.79
Sales expense	18,355,747.39	20,493,774.82
Administrative expense	61,448,188.86	55,327,660.76
R & D costs	34,870,992.66	29,170,093.39
Financial expenses	-8,833,873.44	-9,215,033.48
Including：Interest expense	15,882,534.27	379,800.97
Interest income	773,863.34	-840,978.40
Add: Other income	10,780,654.48	8,764,569.01
Investment gain（“-”for loss）	11,043,172.52	10,152,132.35
Incl: investment gains from affiliates	1,658,532.04	-412,713.12
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		914,599.37
Credit impairment loss	-2,985,253.53	-4,347,598.84
Impairment loss of assets	-42,073,672.20	-52,628,070.13
Assets disposal income	-11,114.72	-55.96
III. Operational profit（“-”for loss）	68,890,583.93	101,208,982.83
Add ：Non-operational income	1,768,115.05	20,437,452.38
Less: Non-operating expense	213,090.29	344,978.92
IV. Total profit(“-”for loss)	70,445,608.69	121,301,456.29
Less：Income tax expenses	340,897.81	7,878,916.04
V. Net profit	70,104,710.88	113,422,540.25
(I) Classification by business continuity		
1.Net continuing operating profit	70,104,710.88	113,422,540.25
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	42,433,525.10	76,603,074.39
2.Minority shareholders’ equity	27,671,185.78	36,819,465.86
VI. Net after-tax of other comprehensive income	75,756.02	-5,049,289.77
Net of profit of other comprehensive income attributable to owners of the parent company.	75,756.02	-5,049,289.77
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		-1,003,968.91
1.Re-measurement of defined benefit plans of changes in net debt or net assets		

2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		-1,003,968.91
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.	75,756.02	-4,045,320.86
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements	75,756.02	-4,045,320.86
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	70,180,466.90	108,373,250.48
Total comprehensive income attributable to the owner of the parent company	42,509,281.12	71,553,784.62
Total comprehensive income attributable minority shareholders	27,671,185.78	36,819,465.86
VIII. Earnings per share		
（I）Basic earnings per share	0.0838	0.1509
(II)Diluted earnings per share	0.0838	0.1509

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Yin Kefei

Person-in-charge of the accounting work：He Fei

Person-in -charge of the accounting organ：Zhu Jingjing

4. Income statement of the Parent Company

In RMB

Items	The first half year of 2022	The first half year of 2021
I. Income from the key business	21,156,669.75	38,146,662.35
Incl：Business cost	5,203,409.57	5,346,478.59
Business tax and surcharge	1,379,026.92	1,523,347.63
Sales expense	61,120.10	
Administrative expense	20,247,344.52	19,834,907.43
R & D expense		
Financial expenses	-246,370.02	162,410.11
Including：Interest expenses		339,399.60
Interest income	-227,023.28	-171,381.45
Add：Other income	181,448.97	50,000.00
Investment gain（"-"for loss）	11,334,212.84	9,140,645.27
Including: investment gains from affiliates	1,658,532.04	-412,713.12
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		914,599.37
Credit impairment loss	-106,152.94	-196,707.89
Impairment loss of assets		

Assets disposal income		
II. Operational profit（“-”for loss）	5,921,647.53	21,188,055.34
Add ：Non-operational income		
Less：Non -operational expenses	100,000.00	
III. Total profit(“-”for loss)	5,821,647.53	21,188,055.34
Less：Income tax expenses	262,406.66	3,381,310.97
IV. Net profit	5,559,240.87	17,806,744.37
1.Net continuing operating profit	5,559,240.87	17,806,744.37
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	75,756.02	-5,049,289.77
（I）Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		-1,003,968.91
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		-1,003,968.91
4. Changes in the fair value of the company's credit risks		
5.Other		
(II)Other comprehensive income that will be reclassified into profit or loss	75,756.02	-4,045,320.86
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements	75,756.02	-4,045,320.86
7.Other		
VI. Total comprehensive income	5,634,996.89	12,757,454.60
VII. Earnings per share		
（I）Basic earnings per share		
(II)Diluted earnings per share		

5. Consolidated Cash flow statement

In RMB

Items	The first half year of 2022	The first half year of 2021
I.Cash flows from operating activities		
Cash received from sales of goods or rending of services	1,337,065,239.48	1,120,318,752.18
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		

Tax returned	2,595,000.19	7,389,955.19
Other cash received from business operation	287,019,693.63	42,020,491.27
Sub-total of cash inflow	1,626,679,933.30	1,169,729,198.64
Cash paid for purchasing of merchandise and services	1,225,526,384.08	904,947,382.28
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid to staffs or paid for staffs	132,733,244.30	131,060,141.64
Taxes paid	139,777,733.09	25,418,187.30
Other cash paid for business activities	49,204,337.24	160,947,023.67
Sub-total of cash outflow from business activities	1,547,241,698.71	1,222,372,734.89
Net cash generated from /used in operating activities	79,438,234.59	-52,643,536.25
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	2,636,054.80	7,958,287.14
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	2,776.70	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	635,000,000.00	779,428,611.40
Sub-total of cash inflow due to investment activities	637,638,831.50	787,386,898.54
Cash paid for construction of fixed assets, intangible assets and other long-term assets	31,252,419.31	195,798,969.38
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	650,000,001.00	732,374,977.65
Sub-total of cash outflow due to investment activities	681,252,420.31	928,173,947.03
Net cash flow generated by investment	-43,613,588.81	-140,787,048.49
III.Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	50,572,000.00	201,089,000.00
Other financing –related cash received		
Sub-total of cash inflow from financing activities	50,572,000.00	201,089,000.00
Cash to repay debts		
Cash paid as dividend, profit, or interests	40,857,882.81	24,141,288.78
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities		7,820,298.30
Sub-total of cash outflow due to financing activities	40,857,882.81	31,961,587.08
Net cash flow generated by financing	9,714,117.19	169,127,412.92
IV. Influence of exchange rate alternation on cash and cash equivalents	713,784.26	-1,040,300.91
V.Net increase of cash and cash equivalents	46,252,547.23	-25,343,472.73
Add: balance of cash and cash equivalents at the beginning of term	302,408,433.72	278,337,236.95
VI ..Balance of cash and cash equivalents at the end of term	348,660,980.95	252,993,764.22

6. Cash Flow Statement of the Parent Company

In RMB

Items	The first half year of 2022	The first half year of 2021
I.Cash flows from operating activities		

Cash received from sales of goods or rending of services	30,439,993.40	36,947,544.62
Tax returned	200,005.60	
Other cash received from business operation	8,775,816.77	23,757,836.70
Sub-total of cash inflow	39,415,815.77	60,705,381.32
Cash paid for purchasing of merchandise and services	5,066,002.25	5,951,213.89
Cash paid to staffs or paid for staffs	16,859,518.32	15,731,460.61
Taxes paid	3,475,718.60	14,531,396.20
Other cash paid for business activities	9,214,911.23	3,676,889.38
Sub-total of cash outflow from business activities	34,616,150.40	39,890,960.08
Net cash generated from /used in operating activities	4,799,665.37	20,814,421.24
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	2,636,054.80	5,448,251.42
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	635,000,000.00	347,796,939.77
Sub-total of cash inflow due to investment activities	637,636,054.80	353,245,191.19
Cash paid for construction of fixed assets, intangible assets and other long-term assets	238,180.00	1,325,797.35
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	650,000,001.00	384,000,000.00
Sub-total of cash outflow due to investment activities	650,238,181.00	385,325,797.35
Net cash flow generated by investment	-12,602,126.20	-32,080,606.16
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Other financing –related ash received		
Sub-total of cash inflow from financing activities		
Cash to repay debts		
Cash paid as dividend, profit, or interests	25,326,092.45	15,176,281.23
Other cash paid for financing activities		7,820,298.30
Sub-total of cash outflow due to financing activities	25,326,092.45	22,996,579.53
Net cash flow generated by financing	-25,326,092.45	-22,996,579.53
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	-33,128,553.28	-34,262,764.45
Add: balance of cash and cash equivalents at the beginning of term	130,236,340.98	113,560,327.21
VI ..Balance of cash and cash equivalents at the end of term	97,107,787.70	79,297,562.76

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	The first half year of 2022														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
		Preferred stock	Sustainable de	Other											

			bt												
I .Balance at the end of last year	506,521,849.00				1,961,599,824.63		119,682,119.05		98,245,845.47		130,746,251.74		2,816,795,889.89	1,147,033,357.18	3,963,829,247.07
Add: Change of accounting policy															
Correcting of previous errors															
Merger of entities under common control															
Other															
II. Balance at the beginning of current year	506,521,849.00				1,961,599,824.63		119,682,119.05		98,245,845.47		130,746,251.74		2,816,795,889.89	1,147,033,357.18	3,963,829,247.07
III .Changed in the current year	0.00				0.00		75,756.02				17,107,432.65		17,183,188.67	27,671,185.78	44,854,374.45
（1）Total comprehensive income							75,756.02				42,433,525.10		42,509,281.12	27,671,185.78	70,180,466.90
（II）Investment or decreasing of capital by owners															
1．Ordinary Shares invested by shareholders															
2．Holders of other equity instruments invested capital															
3．Amount of shares paid and accounted as owners’ equity															
4．Other															
（III）Profit allotment											-25,326,092.45		-25,326,092.45		-25,326,092.45
1.Providing of surplus reserves															
2.Providing of common															

risk provisions															
3．Allotment to the owners (or shareholders)											-25,326,092.45		-25,326,092.45		-25,326,092.45
4．Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or to capital shares)															
3．Making up losses by surplus reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5．Other comprehensive income carry-over retained earnings															
6．Other															
(V). Special reserves															
1. Provided this year															
2．Used this term															
（VI）Other															
IV. Balance at the end of this term	506,521,849.00				1,961,599,824.63		119,757,875.07		98,245,845.47		147,853,684.39		2,833,979,078.56	1,174,704,542.96	4,008,683,621.52

Amount in last year

In RMB

Items	The first half year of 2021														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equi	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in	Other Compr	Specialized rese	Surplus reserves	Common risk	Retained profit	Other	Subtotal		
		Preferre	Sust	Oth											

		d stock	ainable debt	er		stock	ehensive Income	rve		provision				ty	
I .Balance at the end of last year	507,772,279.00				1,967,514,358.53	7,525,438.20	116,605,932.42		94,954,652.14		86,912,390.50		2,766,234,174.39	1,133,081,075.23	3,899,315,249.62
Add: Change of accounting policy															
Correcting of previous errors															
Merger of entities under common control															
Other															
II.Balance at the beginning of current year	507,772,279.00				1,967,514,358.53	7,525,438.20	116,605,932.42		94,954,652.14		86,912,390.50		2,766,234,174.39	1,133,081,075.23	3,899,315,249.62
III .Changed in the current year	-1,250,430.00				-5,914,533.90	-7,525,438.20	-5,049,289.77				61,407,418.92		56,718,603.45	36,819,465.86	93,538,069.31
（1）Total comprehensive income							-5,049,289.77				76,603,074.39		71,553,784.62	36,819,465.86	108,373,250.48
（II）Investment or decreasing of capital by owners	-1,250,430.00				-5,914,533.90	-7,525,438.20							360,474.30		360,474.30
1．Ordinary Shares invested by shareholders															
2．Holders of other equity instruments invested capital															
3．Amount of shares paid and accounted as owners' equity															
4．Other	-1,250,430.00				-5,914,533.90	-7,525,438.20							360,474.30		360,474.30
（III）Profit allotment											-15,195,655.4		-15,195,655.4		-15,195,655.4

											7		7		7
1.Providing of surplus reserves															
2.Providing of common risk provisions															
3．Allotment to the owners (or shareholders)											-15,195,655.47		-15,195,655.47		-15,195,655.47
4．Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or to capital shares)															
3．Making up losses by surplus reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5．Other comprehensive income carry-over retained earnings															
6．Other															
(V). Special reserves															
1. Provided this year															
2．Used this term															
（VI）Other															
IV. Balance at the end of this term	506,521,849.00				1,961,599,824.63	0.00	111,556,642.65		94,954,652.14		148,319,809.42		2,822,952,777.84	1,169,900,541.09	3,992,853,318.93

8.Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Items	The first half year of 2022											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owner's equity
		Preferred stock	Sustainable debt	Other								
I.Balance at the end of last year	506,521,849.00				1,577,392,975.96		108,762,538.39		98,245,845.47	690,879,118.40		2,981,802,327.22
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II. Balance at the beginning of current year	506,521,849.00				1,577,392,975.96		108,762,538.39		98,245,845.47	690,879,118.40		2,981,802,327.22
III .Changed in the current year							75,756.02			-19,766,851.58		-19,691,095.56
(I) Total comprehensive income							75,756.02			5,559,240.87		5,634,996.89
(II) Investment or decreasing of capital by owners												
1．Ordinary Shares invested by shareholders												
2．Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity												
4．Other												
（III）Profit allotment										-25,326,092.		-25,326,092.

										45		45
1.Providing of surplus reserves												
2．Allotment to the owners (or shareholders)										-25,326,092.45		-25,326,092.45
3．Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3．Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5．Other comprehensive income carry-over retained earnings												
6．Other												
(V) Special reserves												
1. Provided this year												
2．Used this term												
（VI）Other												
IV. Balance at the end of this term	506,521,849.00				1,577,392,975.96		108,838,294.41		98,245,845.47	671,112,266.82		2,962,111,231.66

Amount in last year

In RMB

Items	The first half year of 2021											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferred stock	Sustainable	Other								

			debt									
I.Balance at the end of last year	507,772,279.00				1,583,307,509.86	7,525,438.20	107,632,186.85		94,954,652.14	676,454,033.89		2,962,595,223.54
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II. Balance at the beginning of current year	507,772,279.00				1,583,307,509.86	7,525,438.20	107,632,186.85		94,954,652.14	676,454,033.89		2,962,595,223.54
III. Changed in the current year	-1,250,430.00				-5,914,533.90	-7,525,438.20	-5,049,289.77			2,611,088.90		-2,077,726.57
(I) Total comprehensive income							-5,049,289.77			2,611,088.90		-2,438,200.87
(II) Investment or decreasing of capital by owners	-1,250,430.00				-5,914,533.90	-7,525,438.20						360,474.30
1．Ordinary Shares invested by shareholders												
2．Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity												
4．Other	-1,250,430.00				-5,914,533.90	-7,525,438.20						360,474.30
(III) Profit allotment												
1.Providing of surplus reserves												
2．Allotment to the owners (or shareholders)												
3．Other												

(IV) Internal transferring of owners’ equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3．Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5．Other comprehensive income carry-over retained earnings												
6．Other												
(V) Special reserves												
1. Provided this year												
2．Used this term												
（VI）Other												
IV. Balance at the end of this term	506,521,849.00				1,577,392,975.96		102,582,897.08		94,954,652.14	679,065,122.79		2,960,517,496.97

III. Basic Information of the Company

Shenzhen Textile (Group) Co., Ltd. (hereinafter referred to as "Company" or "the Company") is a joint-stock company registered in Guangdong Province with a registered capital of RMB 506.521849 million and a unified social credit code of 91440300192173749Y. The Company has publicly issued RMB common shares (A shares) and domestic listed foreign shares (B shares) to the public at home and abroad, and listed and traded them. The Company is headquartered address are 6/F,Shenfang Building, No.3 Huaqiang Road. North, Futian District, Shenzhen.

The company was previously the Shenzhen Textile Industry Company, on April 13, 1994, approved by the Letter(1994)No.15 issued by Shenzhen Municipal People's Government, the Company was restructured and named as Shenzhen Textile (Group) Co., Ltd. ， As of June 30, 2022, the Company has issued a total of 506,521,849.00 shares.

The Company has established the corporate governance structure of General Meeting of Shareholders, Board of Directors and Board of Supervisors, and currently has the Board Office, Office, Strategic

Development Department, Operation and Management Department, Finance Department, Audit Department, Human Resources Department and other departments.
The Company is mainly engaged in high-tech industry focusing on R&D, production and marketing of polarizers for liquid crystal display, management of properties in bustling business districts of Shenzhen and reserved high-class textile and garment business.

The financial statements have been authorized for issuance of the 15th meeting of the 8th Board of Directors of the Group on August 23,2022.

I.Scope of consolidated financial statements

As of June 30, 2022, A total of 8 subsidiaries of the Company are included in the scope of consolidation. For details, please refer to Note IX "Rights and Interests in Other Subjects".

IV.Basis for the preparation of financial statements

（1）Basis for the preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance and its application guidelines, interpretations and other relevant provisions (collectively referred to as the "Accounting Standards for Business Enterprises"). In addition, the Company also disclosed relevant financial information in accordance with the Rules No.15 for the Information Disclosure and Compilation of Companies Offering Securities Public Issuance - General Provisions on Financial Report (revised in 2014) issued by China Securities Regulatory Commission.

The financial statements are presented on the basis of going concern.

The accounting of the Company is based on accrual basis. Except for some financial instruments, the financial statements are based on historical costs. In case of asset impairment, impairment provision shall be made in accordance with relevant regulations.

(2)Continuation

There will be no such events or situations in the 12 months from the end of the reporting period that will cause material doubts as to the continuation capability of the Company.

V. Important accounting policies and estimations

Specific accounting policies and accounting estimates tips:
According to its own production and operation characteristics, the company determines the depreciation of fixed assets, intangible assets amortization and income recognition policies, For specific accounting policies, see "10 Financial Report 5, Important Accounting Policies and Accounting Estimates 24, Fixed Assets", " 10 Financial Report 5, Important Accounting Policies and Accounting Estimates 30, Intangible Assets", "Section 10 Financial Report 5, Important Accounting Policies and Accounting Estimates 39, Revenue".

1. Statement on complying with corporate accounting standards

This financial statement conforms to the requirements of Accounting Standards for Business Enterprises, and truly and completely reflects the combination and financial status of the Company on June 30, 2022, as well as the combination and operating results and cash flow of the Company.

2.Fiscal Year

The Company adopts the Gregorian calendar year commencing on January 1 and ending on December 31 as the fiscal year.

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Accounting standard money

The Company and its domestic subsidiaries use RMB as their bookkeeping base currency. The overseas subsidiaries of the Company determine RMB as their bookkeeping base currency according to the currency in the main economic environment in which they operate. The currency used by the Company in preparing the financial statements is RMB.

5. Accounting process method of enterprise consolidation under same and different controlling.

（1）Enterprise merger under same control：

For business combination under the same control, the assets and liabilities of the combined party acquired by the merging party during the combination shall be measured according to the book value of the combined party in the consolidated financial statements of the final controlling party on the combination date, except for the adjustment due to different accounting policies. The difference between the book value of the combination consideration and the book value of the net assets obtained in the combination adjusts the capital reserve. If the capital reserve is insufficient to offset, the retained earnings will be adjusted.

Business combination under the same control shall be achieved step by step through multiple transactions

In individual financial statements, the share of the book value of the net assets of the combined party in the consolidated financial statements of the ultimate controlling party shall be taken as the initial investment cost of the investment on the combination day calculated by the shareholding ratio on the combination day; Adjust the capital reserve for the difference between the initial investment cost and the book value of the investment held before the combination plus the book value of the consideration paid on the new day of the combination. If the capital reserve is insufficient to offset, adjust the retained earnings.

In the consolidated financial statements, the assets and liabilities of the combined party acquired by the merging party in the combination shall be measured according to the book value in the consolidated financial statements of the ultimate controlling party on the combination date, except for the adjustment due to different accounting policies; The difference between the book value of the investment held before the combination plus the book value of the consideration paid on the new day of the combination and the book value of the net assets obtained during the combination will be adjusted for capital reserve. If the capital reserve is insufficient to offset, the retained earnings will be adjusted. For the long-term equity investment held by the merging party before obtaining the control right of the combined party, the relevant profits and losses, other comprehensive income and other changes in owner's equity have been recognized from the date of obtaining the original equity and the date when the merging party and the combined party are under the same final control to the combination date, and the initial retained earnings or current profits and losses during the comparative report period shall be offset respectively.

(2) Business combination involving entities not under common control

For business combination not under the same control, the combination cost refers to the assets paid, liabilities incurred or assumed, and fair value of the issued equity securities in order to gain control over the acquiree on the acquisition date. On the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are recognized at fair value.

The difference between the combination cost and the fair value share of identifiable net assets acquired in the combination is recognized as goodwill, and the accumulated impairment provision is deducted by cost for subsequent measurement; The difference between the combination cost and the fair value share of identifiable net assets acquired by the acquiree in the combination shall be recorded into the current profits and losses after review.

Business combination under the same control shall be achieved step by step through multiple transactions

In individual financial statements, the sum of the book value of the equity investment held by the acquiree before the acquisition date and the new investment cost on the acquisition date is taken as the initial investment cost of the investment. Other comprehensive income recognized by the equity investment held before the acquisition date due to accounting by the equity method is not treated on the acquisition date, and accounting treatment is carried out on the same basis as that of the investee's direct disposal of related assets or liabilities; The owner's equity recognized due to the change of owner's equity of the investee except net profit and loss, other comprehensive income and profit distribution shall be transferred to the current profit and loss during the disposal period when the investment is disposed. If the equity investment held before the acquisition date is measured by fair value, the accumulated changes in fair value originally included in other comprehensive income will be transferred to the current profits and losses when accounting by cost method.

In the consolidated financial statements, the consolidated cost is the sum of the consideration paid on the acquisition date and the fair value of the equity of the acquiree held before the acquisition date on the acquisition date. The equity of the acquiree held before the acquisition date shall be re-measured according to the fair value of the equity on the acquisition date, and the difference between the fair value and its book value shall be included in the current income; Equity of the acquiree held before the acquisition date involves other comprehensive income, and other changes in owner's equity are converted into current income on the acquisition date, except for other comprehensive income arising from the remeasurement of net liabilities or changes in net assets of the set income plan by the investee.

(3) Treatment of transaction costs in business combination

Intermediary expenses such as auditing, legal services, evaluation and consultation, and other related management expenses incurred for business combination are included in the current profits and losses when they occur. Transaction costs of equity securities or debt securities issued as combination consideration are included in the initial recognition amount of equity securities or debt securities.

6 Compilation method of consolidated financial statements

(1)The scope of consolidation

The consolidation scope of consolidated financial statements is determined on the basis of control. Control refers to that the company has the power over the investee, enjoys variable returns by participating in the related activities of the investee, and has the ability to use the power over the investee to affect its return amount. Subsidiaries refer to subjects controlled by the Company (including enterprises, divisible parts of investee, structured subjects, etc.).

The consolidation scope of consolidated financial statements is determined on the basis of control. Control refers to that the company has the power over the investee, enjoys variable returns by participating in the related activities of the investee, and has the ability to use the power over the investee to affect its return amount. Subsidiaries refer to subjects controlled by the Company (including enterprises, divisible parts of investee, structured subjects, etc.).

(2) Compilation method of consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the Company according to other relevant information. When preparing the consolidated financial statements, the accounting policies and accounting period requirements of the Company and its subsidiaries are consistent, and major transactions and current balances between companies are offset.

During the reporting period, the subsidiaries and businesses increased due to the business combination under the same control shall be deemed to be included in the consolidation scope of the Company from the date when they are controlled by the ultimate controller, and their operating results and cash flows from the date when they are controlled by the ultimate controller shall be included in the consolidated income statement and the consolidated cash flow statement respectively.

During the reporting period, the income, expenses and profits of subsidiaries and businesses increased from the acquisition date to the end of the reporting period due to business combination not under the same control during the reporting period are included in the consolidated income statement, and their cash flows are included in the consolidated cash flow statement.

The part of shareholders' equity of subsidiaries that is not owned by the Company is listed separately as minority shareholders' equity in the consolidated balance sheet; The share of minority shareholders' equity in the current net profit and loss of subsidiaries is listed as "minority shareholders' profit and loss" under the net profit item in the consolidated income statement. If the loss of subsidiary shared by minority shareholders exceeds the share enjoyed by minority shareholders in the initial owner's equity of such subsidiary, the balance still offsets minority shareholders' equity.

(3) Acquisition of minority shareholders' equity of subsidiaries

The capital reserve in the consolidated balance sheet shall be adjusted for the difference between the newly acquired long-term equity investment cost due to the acquisition of minority shares and the share of net assets continuously calculated by subsidiaries from the acquisition date or combination date, and the difference between the disposal price obtained from partial disposal of equity investment in subsidiaries without losing control and the share of net assets continuously calculated by subsidiaries from the acquisition date or combination date corresponding to the disposal of long-term equity investment. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

(4) Treatment of losing control over subsidiaries

If the control over the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity shall be re-measured according to its fair value on the date of loss of control; The sum of the consideration obtained from the disposal of equity and the fair value of remaining equity, minus the sum of the share of the original subsidiary's book value of net assets calculated continuously from the acquisition date and goodwill calculated according to the original shareholding ratio, and the difference formed is included in the investment income of the current period of loss of control.

Other comprehensive income related to the original subsidiary's equity investment will be transferred to the current profits and losses when the control right is lost, except for other comprehensive income generated by the investee's remeasurement of the net liabilities or changes in net assets of the set income plan.

7.Joint venture arrangements classification and Co-operation accounting treatment

Joint venture arrangement refers to an arrangement under the joint control of two or more participants. The joint venture arrangement of the Company is divided into joint operation and joint venture.

(1) Joint operation

Joint operation refers to the joint venture arrangement in which the Company is entitled to the assets related to the arrangement and bears the liabilities related to the arrangement.

The Company recognizes the following items related to the share of interests in joint operation, and carries out accounting treatment in accordance with the relevant accounting standards for business enterprises:

A. Recognize assets held separately and assets held jointly according to their shares;

B. Recognize the liabilities undertaken separately, and recognize the liabilities jointly undertaken according to their shares;

C. Recognize the income generated from the sale of its share of joint operating output;

D. Recognize the income generated by the sale of output from joint operation according to their shares;

E. Recognize the expenses incurred separately, and recognize the expenses incurred in joint operation according to their shares.

(2) Joint venture

A joint venture refers to a joint venture arrangement in which the Company only has rights to the net assets of the arrangement.

The Company shall carry out accounting treatment on the investment of the joint venture in accordance with the provisions on accounting of long-term equity investment by the equity method.

8.Recognition Standard of Cash & Cash Equivalents

Cash refers to cash on hand and deposits that can be used for payment at any time. Cash equivalents refer to investments held by the Company with short term, strong liquidity, easy conversion into known cash and little risk of value change.

9.Foreign currency transaction

In case of foreign currency business of the Company, the exchange rate determined by a systematic and reasonable method which is similar to the spot exchange rate on the transaction date shall be used to convert it into the bookkeeping base currency amount.

Balance sheet date: foreign currency monetary items shall be converted at the spot exchange rate on the balance sheet date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or the previous balance sheet date are included in the current profits and losses; For foreign currency non-monetary items measured at historical cost, the spot exchange rate on the transaction date is still adopted; Foreign currency non-monetary items measured at fair value are converted at the spot exchange rate on the fair value determination date, and the difference between the converted bookkeeping base currency amount and the original bookkeeping base currency amount is included in the current profits and losses.

10.Financial instruments

Financial instruments refer to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties.

(1) Recognition and derecognition of financial instruments

When the Company becomes a party to a financial instrument contract, a financial asset or financial liability is recognized.

Financial assets that meet one of the following conditions shall be derecognized:

① Termination of the contractual right to receive cash flow from the financial asset;

② The financial asset has been transferred and the following conditions for derecognition of financial asset transfer are met.

If all or part of the current obligations of a financial liability have been discharged, the financial liability or part of it shall be derecognized. If the Company (debtor) signs an agreement with the creditor to replace the existing financial liabilities by assuming new financial liabilities, and the contract terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities shall be derecognized and the new financial liabilities shall be recognized at the same time.

When trading the financial assets in a conventional way, accounting recognition and derecognition shall be carried out according to the trading day.

(2) Classification and measurement of financial assets

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Company divides financial assets into the following three categories: financial assets measured at amortized cost, financial assets measured at fair value with changes included in other comprehensive income, and financial assets measured at fair value with changes included in current profits and losses.

Financial assets measured at amortized cost

The Company classifies the financial assets that meet the following conditions and are not designated to be measured at fair value with changes included in current profits and losses as financial assets measured at amortized cost:

- The Company's business model of managing such financial assets is to collect contract cash flow as the goal;
- According to the contract terms of the financial asset, the cash flow generated on a specific date is only the payment of principal and interest based on the unpaid principal amount.
- After initial recognition, such financial assets are measured in amortized cost by the effective interest rate method. Gains or losses arising from financial assets measured in amortized cost that are not part of any hedging relationship are included in current profits and losses when derecognition, amortization according to the effective interest rate method, or impairment recognition.

Financial assets measured at fair value and changes included in other comprehensive income

The Company classifies financial assets that meet the following conditions and are not designated to be measured at fair value with changes included in current profits and losses as financial assets measured at fair value with changes included in other comprehensive income:

- The company's business model of managing the financial assets aims at both collecting contract cash flow and selling the financial assets;
- According to the contract terms of the financial asset, the cash flow generated on a specific date is only the payment of principal and interest based on the unpaid principal amount.

After initial recognition, the fair value of such financial assets is subsequently measured. Interest, impairment losses or gains and exchange gains and losses calculated by the effective interest rate method are included in the current profits and losses, while other gains or losses are included in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in current profits and losses.

Financial assets measured at fair value with changes included in current profits and losses

Except for the above financial assets measured at amortized cost and at fair value with changes included in other comprehensive income, the Company classifies all other financial assets as financial assets measured at fair value with changes included in current profits and losses. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company irrevocably designated some financial assets that should have been measured at amortized cost or at fair value with changes included in other comprehensive income as financial assets measured at fair value with changes included in current profits and losses.

After initial recognition, the financial assets are subsequently measured at fair value, and the resulting gains or losses (including interest and dividend income) are included in the current profits and losses, unless the financial assets are part of the hedging relationship.

However, for non-trading equity instrument investments, the Company can irrevocably designate them as financial assets measured at fair value with changes included in other comprehensive income upon initial recognition. The designation is made on the basis of a single investment, and the relevant investment conforms to the definition of equity instruments from the perspective of the issuer.

After initial recognition, the fair value of such financial assets is subsequently measured. Dividend income that meets the requirements is included in profit or loss, and other gains or losses and changes in fair value are included in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained income.

The business model of managing financial asset refers to how the Company manages financial assets to generate cash flow. The business model determines whether the cash flow of financial assets managed by the Company comes from contract cash flow, sale of financial assets or both. The Company determines the business model of managing financial assets based on objective facts and specific business objectives of managing financial assets decided by key management personnel.

The Company evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by related financial assets on a specific date is only the payment of principal and interest based on the unpaid principal amount. Where, the principal refers to the fair value of financial assets at initial recognition; Interest includes consideration for the time value of money, credit risk related to the unpaid principal amount in a specific period, and other basic borrowing risks, costs and profits. In addition, the Company evaluates the contract clauses that may cause changes in the time distribution or amount of cash flow of financial assets contracts to determine whether they meet the requirements of the above-mentioned contract cash flow characteristics.

Only when the Company changes its business model for managing financial assets, all affected financial assets shall be reclassified on the first day of the first reporting period after the business model changes, otherwise, financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value, whose changes are included in current profits and losses, relevant transaction costs are directly included in current profits and losses; For other types of financial assets, relevant transaction costs are included in the initial recognition amount. Accounts receivable arising from the sale of products or the provision of labor services that do not include or take into account significant financing components are initially recognized by the Company in accordance with the amount of consideration that the Company is expected to be entitled to receive.

(3) Classification and measurement of financial liabilities

At initial recognition, the financial liabilities of the Company are classified into: financial liabilities measured at fair value with changes included in current profits and losses, and financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value with changes included in current profits and losses, relevant transaction costs are included in their initial recognition amount.

Financial liabilities measured at fair value with changes included in the current profits and losses

Financial liabilities measured at fair value with changes included in current profits and losses include transactional financial liabilities and financial liabilities designated at fair value at initial recognition with changes included in current profits and losses. Such financial liabilities are subsequently measured according to fair value, and the gains or losses caused by changes in fair value and dividends and interest expenses related to such financial liabilities are included in current profits and losses.

Financial liabilities measured in amortized cost

Other financial liabilities are subsequently measured according to the amortized cost by the effective interest rate method, and the gains or losses arising from derecognition or amortization are included in the current profits and losses.

Distinction between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

① Contract obligation to deliver cash or other financial assets to other parties.

② The contractual obligation to exchange financial assets or financial liabilities with other parties under potential unfavorable conditions.

③ Non-derivative contracts that need to be settled or can be settled by the enterprise's own equity instruments in the future, for which the enterprise will deliver a variable number of its own equity instruments according to this contract.

④ Derivative contracts that need to be settled or can be settled by the enterprise's own equity instruments in the future, except for derivative contracts that exchange a fixed amount of its own equity instruments for a fixed amount of cash or other financial assets.

Equity instruments refer to contracts that can prove ownership of an enterprise's residual equity in assets after deducting all liabilities.

If the Company can't unconditionally avoid delivering cash or other financial assets to fulfill a contractual obligation, the contractual obligation meets the definition of financial liabilities.

If a financial instrument needs to be settled or can be settled by the Company's own equity instrument, it shall be considered whether its own equity instrument used to settle the instrument is a substitute for cash or other financial assets, or it is to enable the holder of such instrument to be entitled to the remaining equity in the assets after all liabilities are deducted by the issuer. In the former case, the instrument is the financial liability of the Company; In the latter case, the instrument is the equity instrument of the Company.

(4) Derivative financial instruments and embedded derivative instruments

Initially, it is measured at the fair value on the day when the derivative transaction contract is signed, and then measured at its fair value. Derivative financial instruments with positive fair value are recognized as an asset, while those with negative fair value are regarded as an liability. Any gains or losses arising from changes in fair value that do not meet the requirements of hedge accounting are directly included in the current profits and losses.

For mixed instruments including embedded derivative, if the main contract is financial assets, the relevant provisions of financial asset classification shall apply to the mixed instruments as a whole. If the main contract is not a financial asset, and the mixed instrument is not measured at fair value with changes included in the current profits and losses for accounting treatment, the embedded derivative is not closely related to the main contract in terms of economic characteristics and risks, and has the same conditions as the embedded derivative, and if the independent instrument meets the definition of derivative, the embedded derivative is split from the mixed instrument and treated as a separate derivative financial instrument. If the embedded derivative cannot be separately measured at the time of acquisition or on the subsequent balance sheet date, the mixed instruments as a whole are designated as financial assets or financial liabilities measured at fair value with changes included in the current profits and losses.

(5) Fair value of financial instruments

See Note III. 11 for the determination method of the fair value of financial assets and financial liabilities.

(6) Impairment of financial assets

Based on the expected credit loss, the Company will carry out impairment accounting treatment on the following items and recognize the loss reserve:

① Financial assets measured at amortized cost;

② Receivables and debt investments measured at fair value and included in other comprehensive income;

③ Lease receivables;

④ Financial guarantee contracts (except those which are measured at fair value with changes included in current profits and losses, in which the transfer of financial assets does not meet the conditions for derecognition, or those formed by continuing to involve the transferred financial assets).

Measurement of expected credit loss

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between the cash flow of all contracts discounted according to the original real interest rate and the expected cash flow of all contracts receivable according to the contract, that is, the present value of all cash shortages.

The Company takes into account reasonable and reliable information on historical events, current situation and future economic situation forecasts, and uses the risk of default as the weight to calculate the probability weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received to recognize the expected credit loss.

The Company separately measures the expected credit losses of financial instruments at different stages. If the credit risk of financial instruments has not increased significantly since the initial recognition, it is in the first stage. The Company measures the loss reserve according to the expected credit loss in the next 12 months; If the credit risk of a financial instrument has increased significantly since its initial recognition but no credit impairment has occurred, it is in the second stage. The Company measures the loss reserve according to the expected credit loss of the instrument throughout the duration; If a financial instrument has suffered credit impairment since its initial recognition, it is in the third stage. The Company measures the loss reserve according to the expected credit loss of the instrument throughout the duration.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that their credit risk has not increased significantly since the initial recognition, and measures the loss reserve according to the expected credit loss in the next 12 months.

The expected credit loss in the whole duration refers to the expected credit loss caused by all possible default events in the whole expected duration of financial instruments. The expected credit loss in the next 12 months refers to the expected credit loss caused by the financial instrument default event that may occur within 12 months after the balance sheet date (or within the expected duration if the expected duration of the financial instrument is less than 12 months), which is a part of the expected credit loss in the whole duration.

When measuring the expected credit loss, the longest period that the Company needs to consider is the longest contract period during which the enterprise is subject to credit risk (including the option to renew the contract).

For financial instruments in the first and second stages and with low credit risk, the Company calculates interest income based on the book balance before deducting impairment provisions and the actual interest rate. For financial instruments in the third stage, the interest income shall be calculated according to their book balance minus the amortized cost after impairment provision and the actual interest rate.

For notes receivable and accounts receivable, regardless of whether there is significant financing component, the Company always measures the loss reserve according to the amount equivalent to the expected credit loss in the whole duration.

When a single financial asset cannot evaluate the expected credit loss information at a reasonable cost, the Company divides the notes receivable and accounts receivable into portfolios according to the credit risk characteristics, calculates the expected credit loss on the basis of the combinations, and determines the combination on the following basis:

A. Notes receivable

Notes receivable portfolio 1: bank acceptance bill

Notes receivable portfolio 2: commercial acceptance bill

B. Accounts receivable

Accounts receivable portfolio 1: polarizer sales receivable

Accounts receivable portfolio 2: textile and garment sales receivable

Accounts receivable portfolio 3: operating funds receivable from self-own property

Accounts receivable portfolio 4: other receivables

For notes receivable divided into portfolios, the Company refers to the historical credit loss experience, and calculates the expected credit loss through the default risk exposure and the expected credit loss rate of the whole duration based on the current situation and forecasts the future economic situation.

For accounts receivable divided into combinations, the Company refers to the historical credit loss experience, combines the current situation with the forecast of future economic situation, compiles a comparison table of aging/overdue days of accounts receivable and the expected credit loss rate for the whole duration, and calculates the expected credit loss.

Other receivables

The Company classifies other receivables into several combinations according to the credit risk characteristics, and calculates the expected credit losses based on the portfolios. The basis for determining the portfolio is as follows:

Other receivables portfolio: aging portfolio

For other receivables classified as portfolios, the Company calculates the expected credit loss through the default risk exposure and the expected credit loss rate in the next 12 months or the whole duration.

Debt investment and other debt investment

For creditor's rights investment and other creditor's rights investment, the Company calculates the expected credit loss according to the nature of the investment, the counterparty and various types of risk exposure and based on the expected credit loss rate in the next 12 months or the whole duration.

Evaluation of significant increase in credit risk

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Company determines the relative change of default risk of financial instruments in the expected duration, and evaluates whether the credit risk of financial instruments has increased significantly since initial recognition.

When determining whether the credit risk has increased significantly since the initial recognition, the company considers to obtain reasonable and reliable information without unnecessary extra costs or efforts, including forward-looking information. Information considered by the Company includes:

- The debtor fails to pay the principal and interest according to the expiration date of the contract;
- Serious deterioration of external or internal credit rating (if any) of financial instruments that has occurred or is expected;
- Serious deterioration of the debtor's operating results that has occurred or is expected;
- Changes in existing or expected technology, market, economic or legal environment, and significant adverse effects on the debtor's repayment ability of the Company.

According to the nature of financial instruments, the Company assesses whether credit risks have increased significantly on the basis of individual financial instruments or financial instrument portfolios. When evaluating on the basis of financial instrument portfolio, the Company can classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

Financial assets with credit impairment

On the balance sheet date, the Company evaluates whether the financial assets measured at amortized cost and the creditor's rights investments measured at fair value with changes included in other comprehensive income have suffered credit impairment. When one or more events that adversely affect the expected future cash flow of a financial asset occur, the financial asset becomes a financial asset with credit impairment. Evidence of credit impairment of financial assets includes the following observable information:

- The issuer or debtor has major financial difficulties;
- The debtor violates the contract, such as default or overdue payment of interest or principal;
- The Company gives concessions that the debtor will not make under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulties;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor cause the active market of the financial assets to disappear.

Presentation of expected credit loss provision

In order to reflect the change of credit risk of financial instruments after initial recognition, the Company re-measures the expected credit loss on each balance sheet date, and the resulting increase or reversal amount of loss reserve shall be included in the current profits and losses as impairment losses or gains. For financial assets measured in amortized cost, the loss reserve shall be offset against the book value of the financial assets listed in the balance sheet; For creditor's rights investments measured at fair value with changes included in other comprehensive income, the Company recognizes its loss reserve in other comprehensive income, which does not offset the book value of the financial asset.

Cancel after verification

If the Company no longer reasonably expects the contract cash flow of financial assets to be fully or partially recovered, it will directly write down the book balance of the financial assets. This write-down constitutes the derecognition of related financial assets. It usually happens when the Company determines that the debtor has no assets or income sources to generate enough cash flow to repay the amount to be written down. However, according to the Company's procedures for recovering the due amount, the written-down financial assets may still be affected by the implementation activities.

If the written-down financial assets are recovered later, they will be included in profits and losses of the current recovery period as the reversal of impairment losses.

(7) Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party (transferee) other than the issuer of the financial assets.

If the company has transferred almost all risks and rewards in the ownership of the financial asset to the transferee, the recognition of the financial asset shall be terminated; If almost all risks and rewards on the ownership of a financial asset are retained, the financial asset shall not be derecognized.

If the Company has neither transferred nor retained almost all risks and rewards in the ownership of financial assets, it shall be dealt with as follows: if the control of the financial assets is abandoned, the financial assets shall be derecognized and the resulting assets and liabilities shall be recognized; If the control of the financial assets is not abandoned, the relevant financial assets shall be recognized according to the extent of their continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

(8) Offset of financial assets and financial liabilities

When the Company has the legal right to offset the recognized financial assets and financial liabilities, which can be enforced at present, and the Company plans to settle by net amount or at the same time realize such financial assets and pay off such financial liabilities, the financial assets and financial liabilities are listed in the balance sheet with the amount after offset. In addition, financial assets and financial liabilities are listed separately in the balance sheet and will not be offset against each other.

11. Notes receivable

For notes receivable and accounts receivable, regardless of whether there is significant financing component, the Company always measures the loss reserve according to the amount equivalent to the expected credit loss in the whole duration.

When a single financial asset cannot evaluate the expected credit loss information at a reasonable cost, the Company divides the notes receivable and accounts receivable into portfolios according to the credit risk characteristics, calculates the expected credit loss on the basis of the combinations, and determines the combination on the following basis:

Notes receivable portfolio 1: bank acceptance bill

Notes receivable portfolio 2: commercial acceptance bill

For notes receivable divided into portfolios, the Company refers to the historical credit loss experience, and calculates the expected credit loss through the default risk exposure and the expected credit loss rate of the whole duration based on the current situation and forecasts the future economic situation.

12. Accounts receivable

For notes receivable and accounts receivable, regardless of whether there is significant financing component, the Company always measures the loss reserve according to the amount equivalent to the expected credit loss in the whole duration.

When a single financial asset cannot evaluate the expected credit loss information at a reasonable cost, the Company divides the notes receivable and accounts receivable into portfolios according to the credit risk characteristics, calculates the expected credit loss on the basis of the combinations, and determines the combination on the following basis:

Accounts receivable portfolio 1: polarizer sales receivable

Accounts receivable portfolio 2: textile and garment sales receivable

Accounts receivable portfolio 3: operating funds receivable from self-own property

Accounts receivable portfolio 4: other receivables

For accounts receivable divided into combinations, the Company refers to the historical credit loss experience, combines the current situation with the forecast of future economic situation, compiles a comparison table of aging/overdue days of accounts receivable and the expected credit loss rate for the whole duration, and calculates the expected credit loss.

13. Receivable financing

For bills receivable and accounts receivable classified as those measured at fair value and whose changes are included in other comprehensive income, the portion with self-financing period within one year (including one year) is listed as receivables financing; If the period of self-acceptance is more than one year, it shall be listed as other creditor's rights investment. For relevant accounting policies, please refer to Note V, (10) "Financial Instruments" and Note V, (10) "Impairment of Financial instruments ".

14.Other account receivable

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

The Company divides the other receivables into several portfolio according to the credit risk characteristics, and calculates the expected credit losses on the basis of determining the portfolio as follows:

Other receivables portfolio: age portfolio:

For accounts receivable divided into combinations, the Company refers to the historical credit loss experience, combines the current situation with the forecast of future economic situation, compiles a comparison table of aging/overdue days of accounts receivable and the expected credit loss rate for the whole duration, and calculates the expected credit loss.

15.Inventory

（1）Investories class

The Company's inventory includes raw materials, in-process products, low-value consumables, packaging materials, inventory goods, and issued goods.

(2) Pricing method of issued inventory

The Company's inventory is priced at the actual cost when it is acquired. The weighted average method is adopted when raw materials and inventory goods are issued.

(3) Determination basis of net realizable value of inventory and accrual method of inventory depreciation reserve

The net realizable value of inventory is the estimated selling price of inventory minus the estimated costs to be incurred upon completion, estimated sales expenses and related taxes. For determination of the net realizable value of inventories, the solid evidence shall serve as the basis, and the purpose of holding inventories and the influence of events after the balance sheet date shall be considered.

On the balance sheet date, if the inventory cost is higher than its net realizable value, inventory depreciation reserve shall be made. The Company usually accrues the inventory depreciation reserve according to individual inventory items. On the balance sheet date, if the influencing factors of previous inventory value written down have disappeared, the inventory depreciation reserve will be returned within the originally accrued amount.

(4) Inventory system of inventory

Perpetual inventory system is adopted for the Company's inventory system.

(5) Amortization method of low-value consumables and packaging materials

Low-value consumables and packaging materials of the Company are amortized by one-time write-off method.

16.Contract assets

The Company lists the customer's unpaid contract consideration for which the Company has fulfilled its performance obligations according to the contract, and which is not the right to collect money from customers unconditionally (that is, only depending on the passage of time) as a contract asset in the balance sheet. Contract assets and liabilities under the same contract are listed in net amount, while contract assets and liabilities under different contracts are not offset.

17.Contract Cost

Contract costs include incremental costs incurred for obtaining contracts and contract performance costs.

The incremental cost incurred for obtaining the contract refers to the cost that the Company will not incur without obtaining the contract (such as sales commission, etc.). If the cost is expected to be recovered, the Company will recognize it as the contract acquisition cost as an asset. Other expenses incurred by the Company to obtain the contract except the incremental cost expected to be recovered are included in the current profits and losses when incurred.

If the cost incurred for the performance of the contract does not fall within the scope of other accounting standards for enterprises such as inventory and meets the following conditions at the same time, the Company will recognize it as the contract performance cost as an asset:

① Such cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer, and other costs incurred only due to this contract;

② Such cost increases the resources of the Company for fulfilling its performance obligations in the future;

③ The cost is expected to be recovered.

Assets recognized by contract acquisition cost and assets recognized by contract performance cost (hereinafter referred to as "Assets Related to Contract Cost") shall be amortized on the same basis as the revenue recognition of goods or services related to the assets, and shall be included in current profits and losses.

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

① The remaining consideration expected to be obtained by the Company due to the transfer of goods or services related to the asset;

② The estimated cost to be incurred for transferring the related goods or services.

The contract performance cost recognized as an asset shall be amortized for no more than one year or one normal business cycle at the time of initial recognition, which shall be listed in "Inventory", and the amortization period for more than one year or one normal business cycle at the time of initial recognition shall be listed in "Other Non-current Assets".

The contract acquisition cost recognized as an asset shall be amortized for no more than one year or one normal business cycle at initial recognition, and shall be listed in "Other Current Assets". The amortization period for initial recognition shall exceed one year or one normal business cycle, and shall be listed in "Other Non-current Assets".

18.Held-for-sale assets

(1) Classification and measurement of non-current assets or disposal groups held for sale

When the book value of a non-current asset or disposal group is recovered by the Company mainly by selling it (including the exchange of non-monetary assets with commercial nation) rather than continuously using it, the non-current asset or disposal group is classified as held for sale.

The above-mentioned non-current assets do not include investment real estate measured by fair value model, biological assets measured by net amount of fair value minus selling expenses, assets formed by employee compensation, financial assets, deferred income tax assets and rights arising from insurance contracts.

The disposal group refers to a group of assets disposed of together by sale or other means in a transaction as a whole, and liabilities directly related to these assets transferred in the transaction. Under certain circumstances, the disposal group includes goodwill obtained in business combination, etc.

Meanwhile, non-current assets or disposal groups that meet the following conditions are classified as held-for-sale: according to the practice of selling such assets or disposal groups in similar transactions, the non-current assets or disposal groups can be sold immediately under the current situation; The sale is very likely to happen, that is, a resolution has been made on a sale plan and a certain purchase commitment has been obtained, and it is expected that the sale will be completed within one year. If the control over subsidiaries is lost due to the sale of investments in subsidiaries, whether or not the Company retains part of the equity investments after the sale, when the investment in subsidiaries to be sold meets the classification conditions of holding for sale, the investment in subsidiaries will be classified as held-for-sale as a whole in individual financial statements, and all assets and liabilities of subsidiaries will be classified as held-for-sale in consolidated financial statements.

When the non-current assets or disposal groups held for sale are initially measured or re-measured on the balance sheet date, the difference between the book value and the net amount after deduction of the sales expenses from the fair value is recognized as the asset impairment loss. For the amount of asset impairment loss recognized by the disposal group held for sale, the book value of goodwill in the disposal group is offset first, and then the book value of non-current assets in the disposal group is offset proportionally.

If the net amount of non-current assets held for sale or disposal group's fair value minus sales expenses increases on the subsequent balance sheet date, the previously written-down amount will be restored and reversed within the amount of asset impairment loss recognized after being classified as held-for-sale, and the reversed amount will be included in the current profits and losses. The book value of offset goodwill shall not be reversed.

Non-current assets held for sale and assets in disposal group held for sale are not depreciated or amortized; Interest and other expenses of liabilities in disposal group held for sale continue to be recognized. All or part of the investments of associated enterprises or joint ventures classified as held for sale shall be accounted for by the equity method for those classified as held for sale, while those retained (not classified as held for sale) shall continue to be accounted for by the equity method; When the Company loses significant influence on the associated enterprises and joint ventures due to the sale, it shall stop using the equity method.

If a certain non-current asset or disposal group is classified as held-for-sale, but the classification conditions of held-for-sale are no longer met, the Company will stop classifying it as held-for-sale and measure it according to the lower of the following two amounts:

① The book value of the asset or disposal group before it is classified as held-for-sale, and the amount adjusted according to the depreciation, amortization or impairment that should have been recognized without being classified as held-for-sale;

② Recoverable amount.

19.Creditor's rights investment

Creditor's rights investment mainly accounts for bond investment measured by amortized cost, etc. The Company has measured the impairment loss based on the amount of expected credit losses in the next 12 months or the entire duration, based on whether the credit risk has increased significantly since the initial recognition.

20.Other Creditor's rights investment

For creditor's rights investment and other creditor's rights investment, the Company calculates the expected credit loss according to the nature of the investment, the counterparty and various types of risk exposure and based on the expected credit loss rate in the next 12 months or the whole duration.

21.Long-term account receivable

None

22.Long-term equity investments

Long-term equity investment includes equity investment in subsidiaries, joint ventures and associated enterprises. If the Company can exert significant influence on the investee, it is an associated enterprise of the Company.

(1) Determination of initial investment cost

Long-term equity investment forming business combination: the long-term equity investment obtained by business combination under the same control shall be taken as the investment cost according to the book value share of the owner's equity of the combined party in the consolidated financial statements of the final controlling party on the combination date; Long-term equity investment obtained by business combination not under the same control shall be regarded as the investment cost of long-term equity investment according to the combination cost.

For long-term equity investment obtained by other means: For long-term equity investment obtained by payment in cash, the actual purchase price is taken as the initial investment cost; For long-term equity investment obtained by issuing equity securities, the fair value of issuing equity securities is taken as the initial investment cost.

(2) Subsequent measurement and profit and loss recognition method

Investment in subsidiaries shall be accounted by cost method, unless the investment meets the conditions of holding for sale; Investment in associated enterprises and joint ventures shall be accounted for by equity method.

For the long-term equity investment calculated by the cost method, except for the cash dividends or profits that have been declared but not yet issued and that included in the actual payment or consideration, the cash dividends or profits declared and distributed by the investee are recognized as investment income and included in the current profits and losses.

If the initial investment cost of long-term equity investment accounted by equity method is greater than the fair value share of identifiable net assets of the investee, the investment cost of long-term equity investment shall not be adjusted; If the initial investment cost is less than the fair value share of the identifiable net assets of the investee at the time of investment, the book value of the long-term equity investment shall be adjusted, and the difference shall be included in the profit and loss of the current investment period.

In case of accounting by equity method, the investment income and other comprehensive income are recognized respectively according to the share of net profits and losses and other comprehensive income realized by the investee, and the book value of long-term equity investment is adjusted at the same time; According to the profit or cash dividend declared and distributed by the investee, the part to be entitled to shall be calculated, and the book value of long-term equity investment shall be reduced correspondingly; The investee adjusts the book value of long-term equity investment for other changes in owner's equity except net profits and losses, other comprehensive income and profit distribution and includes them in capital reserve (other capital reserve). When recognizing the share of the net profit and loss of the investee, the fair value of identifiable assets of the investee at the time of investment is taken as the basis, and the net profit of the investee is recognized after adjustment according to the accounting policies and accounting periods of the Company.

If it can exert significant influence on the investee due to additional investment or implement joint control but does not constitute control, on the conversion date, the sum of the fair value of the original equity plus the new investment cost shall be taken as the initial investment cost calculated by the equity method instead. The difference between the fair value and book value of the original equity on the conversion date, as well as the accumulated fair value changes originally included in other comprehensive income, are transferred to the current profits and losses accounted for by the equity method.

If the joint control or significant influence on the investee is lost due to the disposal of some equity investments, the remaining equity after disposal shall be accounted for according to *Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments* on the date of loss of joint control or significant influence, and the difference between fair value and book value shall be included in the current profits and losses. Other comprehensive income recognized by the original equity investment due to the adoption of the equity method shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the investee when the equity method is terminated; Changes in other owners' equity related to the original equity investment are transferred into current profits and losses.

If the control over the investee is lost due to the disposal of part of equity investment, and the remaining equity after disposal can jointly control or exert significant influence on the investee, it shall be accounted for according to the equity method instead, and the remaining equity shall be regarded as being adjusted by the equity method when it is acquired; If the remaining equity after disposal cannot exercise joint control or exert significant influence on the investee, it shall be accounted for according to the relevant provisions of *Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments*, and the difference between its fair value and book value on the date of loss of control shall be included in the current profits and losses.

If the Company's shareholding ratio decreases due to capital increase of other investors, causing loss of control, but it can exercise joint control or exert significant influence on the investee, the share of net assets increased by the investee due to capital increase and share expansion shall be recognized according to the new shareholding ratio, and the difference between the original book value of long-term equity investment corresponding to the decreased shareholding ratio shall be included in the current profits and losses; Then, according to the new shareholding ratio, it is regarded as being adjusted by the equity method when the investment is obtained.

For unrealized internal transaction gains and losses between the Company and its associated enterprises and joint ventures, the portion attributable to the Company shall be calculated according to the shareholding ratio, and investment gains and losses shall be recognized on the basis of offset. However, if the unrealized internal transaction losses between the Company and the investee are the impairment losses of the transferred assets, they will not be offset.

(3) Basis for determination of joint control and significant influence on the investee

Joint control refers to the common control of an arrangement in accordance with the relevant agreement, and the relevant activities of such arrangement must be unanimously agreed by the participants who share the control rights before any decision is made. When judging whether there is common control, firstly, judge whether all participants or a combination of participants collectively control the arrangement, and secondly, judge whether the decision-making of activities related to the arrangement must be unanimously agreed by the participants who collectively control the arrangement. If all participants or a group of participants must act in concert to decide the relevant activities of an arrangement, it is considered that all participants or a group of participants collectively control the arrangement; If two or more participants can collectively control an arrangement, it does not constitute joint control. When judging whether it is joint control, the protective rights entitled to are not considered.

Significant influence means that the investor has the right to participate in the decision-making on the financial and operating policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. When determining whether it can exert significant influence on the investee, the influence of the voting shares of the investee directly or indirectly held by the investor and the current executable potential voting rights held by the investor and other parties shall be considered, including the influence of the current convertible warrants, share options and convertible corporate bonds issued by the investee.

When the Company directly or indirectly owns more than 20% (including 20%) but less than 50% of the voting shares of the investee, it is generally considered to have a significant influence on the investee, unless there is clear evidence that it cannot participate in the production and operation decisions of the investee under such circumstances, in which case it does not have a significant influence; When the Company owns less than 20% (excluding) of the voting shares of the investee, it is generally not considered to have a significant influence on the investee, unless there is clear evidence that it can participate in the production and operation decisions of the investee under such circumstances, in which case it has a significant influence.

(4) Equity investment held for sale

If all or part of the equity investment in an associated enterprise or joint venture is classified as assets held for sale, please refer to Note III. 13 for relevant accounting treatment.

For the remaining equity investments that are not classified as assets held for sale, the equity method is adopted for accounting treatment.

If the equity investment in an associated enterprise or joint venture that has been classified as held for sale no longer meets the classification conditions of assets held for sale, the equity method shall be used for retrospective adjustment from the date that it is classified as assets held for sale.

(5) Test method for impairment and accrual method for impairment provision

For investment in subsidiaries, associated enterprises and joint ventures, please refer to Note III. 31 for the accrual method for impairment provision.

23.Investment real estate

The measurement mode of investment property

The company shall adopt the cost mode to measure the investment property.

Depreciation or Amortization Method

Investment real estate refers to real estate held for rent or capital appreciation, or both. The Company's investment real estate includes leased land use rights, land use rights transferred after holding and preparing for appreciation, and leased buildings.

The Company's investment real estate is initially measured according to the cost at the time of acquisition, and depreciation or amortization is accrued on schedule according to the relevant provisions of fixed assets or intangible assets.

For investment real estate that is subsequently measured by cost model, please refer to Note III. 31 for the accrual method of asset impairment.

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

24.Fixed assets

(1) Recognition conditions of fixed assets

The Company's fixed assets refer to tangible assets held for the production of commodities, provision of labor services, leasing or operation and management, with a service life exceeding one fiscal year.

Only when the economic benefits related to the fixed assets are likely to flow into the enterprise and the cost of the fixed assets can be measured reliably, can the fixed assets be recognized.

The fixed assets of the Company are initially measured according to the actual cost at the time of acquisition.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Company and the cost can be measured reliably; Daily repair expenses of fixed assets that do not meet the requirements for subsequent expenditures of capitalization of fixed assets are included in the current profits and losses or the cost of related assets according to the beneficiaries when they occur. For the replaced part, the book value is derecognized.

(2) The method for depreciation

	The method for depreciation	Expected useful life（Year）	Estimated residual value	Depreciation
House and Building- Production	Straight-line method	35	4	2.74
House and Building-Non- Production	Straight-line method	40	4	2.40
Decoration of Fixed assets	Straight-line method	10		10.00
Machinery and equipment	Straight-line method	10-14	4	9.60-6.86
Transportation equipment	Straight-line method	8	4	12.00
Electronic equipment	Straight-line method	5	4	19.20
Other equipment	Straight-line method	5	4	19.20

The company uses the life average method to calculate the depreciation. Depreciation of fixed assets starts from reaching the predetermined usable state, ends of confirmation or divided into non-current assets for sale. Among them, for the fixed assets that have been prepared for impairment, the accumulated amount of the fixed assets shall be calculated to determine the depreciation rate.

At the end of each year, the Company reviews the service life, estimated net residual value and depreciation method of the fixed assets.

If the service life estimate of fixed assets is different from the original estimate, the estimated service life of fixed assets is adjusted; if the estimated net residual value is different.

Terminates recognition of the fixed asset when it is disposed of or is expected to yield no economic benefit through use or disposal. The amount of disposal income from the sale, transfer, scrapping or destruction of fixed assets excluding its book value and related taxes shall be included in the current profit and loss.

(3)Cognizance evidence and pricing method of financial leasing fixed assets

Fixed assets leased by the Company shall be recognized as fixed assets acquired under finance leases when they meet one or more of the following criteria: ① Upon expiration of the lease term, the ownership of the leased assets shall be transferred to the Company.② The Company has the option right to purchase the leased assets, and the concluded purchase price is expected to be far lower than the fair value of the leased assets when exercising the option right. Therefore, the exercise of this option right by the Company can be determined reasonably on the starting date of the lease.③ Even though the ownership of the assets is not transferred, the lease term accounts for most of the service life of the leased assets.④ The present value of the minimum lease payment of the Company on the lease start date is almost equal to the fair value of the leased assets on the lease start date.⑤ In case of special properties of the leased assets and no large alteration, only the Company can use them. Fixed assets leased by finance lease shall be recorded at the lower of the fair value of the leased assets on the lease start date and the present value of the minimum lease payment. The minimum lease payment is taken as the recorded value of long-term payables, and the difference is taken as unrecognized financing expenses.

Initial direct expenses such as handling fees, attorney fees, travel expenses, stamp duty, etc., which occur during the lease negotiation and signing of the lease contract, are included in the value of the leased assets. Unrecognized financing expenses are amortized by the effective interest rate method in each period of the lease term.Fixed assets leased by financing shall be depreciated by adopting policies consistent with the self-owned fixed assets. If it can be reasonably determined that the ownership of the leased asset will be acquired upon the expiration of the lease term, depreciation shall be accrued within the serviceable life of the leased asset; If it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the serviceable life of the leased asset.

25.Construction in progress

The cost of construction in progress of the Company is determined according to the actual project expenditure, including all necessary project expenditures incurred during the construction period, borrowing costs that should be capitalized before the project reaches the intended usable state, and other related expenses.

Construction in progress is transferred to fixed assets when it reaches the scheduled usable state.

See Note V. 31 for the method of depreciation of assets in construction in progress.

26.Borrowing costs

(1) Recognition principle of capitalization of borrowing costs

If the borrowing costs incurred by the Company can be directly attributed to the purchase, construction or production of assets that meet the capitalization conditions, they will be capitalized and included in the relevant asset costs; Other borrowing costs, when incurred, are recognized as expenses according to the amount incurred, and included in current profits and losses. Borrowing costs shall be capitalized if they meet the following conditions at the same time:

① Asset expenditure has already occurred, including the expenditure incurred in the form of payment in cash, transfer of non-cash assets or assumption of interest-bearing debts for the purchase, construction or production of assets that meet the capitalization conditions;

② Borrowing costs have already occurred;

③ The purchase, construction or production activities necessary to make the assets reach the intended usable or saleable state have started.

(2) Capitalization period of borrowing costs

Capitalization of borrowing costs shall be stopped when assets eligible for capitalization acquired, constructed or produced by the Company reach the intended usable or saleable state. Borrowing costs incurred after the assets in line with the capitalization conditions reach the intended usable or saleable state shall be recognized as expenses according to the amount incurred when they occur, and shall be included in current profits and losses.

If the assets that meet the capitalization conditions are abnormally interrupted in the process of purchase, construction or production, and the interruption lasts exceeds 3 months, the capitalization of borrowing costs shall be suspended; Borrowing costs during normal interruption period continue to be capitalized.

(3) Capitalization rate of borrowing costs and calculation method of capitalization amount

The interest expenses actually incurred in the current period of special borrowing shall be capitalized after deducting the interest income from the unused borrowing funds deposited in the bank or the investment income from temporary investment; The capitalization amount of general borrowings is determined by multiplying the weighted average of the accumulated asset expenditure over the special loan by the capitalization rate of the occupied general borrowings. Capitalization rate is calculated and determined according to the weighted average interest rate of general borrowings.

During the capitalization period, all the exchange differences of special borrowings in foreign currency are capitalized; Exchange differences of general borrowings in foreign currency are included in current profits and losses.

27.Biological Assets

None

28.Oil & Gas assets

None

29. Right to use assets

(1) Conditions for recognizing the right-to-use assets
The Company's right-to-use assets refers to the right of the Company as the lessee to use the leased assets during the lease term.

On the start date of the lease term, the right-to-use assets is initially measured at cost. The cost includes: the initial measurement amount of lease liabilities; The lease payment amount issued on or before the start date of the lease term, where if there is a lease incentive, the amount related to the entitled lease incentive shall be deducted; The initial direct expenses incurred by the Company as the lessee; The cost expected to be incurred by the Company as the lessee to dismantle and remove the leased assets, restore the site where the leased assets are located or restore the leased assets to the state agreed in the lease terms. The Company, as the lessee, recognizes and measures the demolition and restoration costs in accordance with the Accounting Standards for Business Enterprises No.13-Contingencies. Subsequent adjustments shall be made to any remeasurement of lease liabilities.

(2) Depreciation method of right-to-use assets
The Company adopts the straight-line method to accrue depreciation. If the Company, as the lessee, can reasonably determine that the ownership of the leased assets is acquired at the expiration of the lease term, depreciation shall be accrued within the remaining service life of the leased assets. If it cannot be reasonably determined that the ownership of the leased assets can be obtained at the expiration of the lease term, depreciation shall be accrued during the lease term or the remaining service life of the leased assets, whichever is shorter.

See Note VI.31 for the impairment test method of the right-to-use assets and the provision method for impairment.

30.Intangible assets

(1)The intangible assets of the Company include land use rights, proprietary technology and software.

Intangible assets are initially measured at cost, and their service life is analyzed and judged when they are acquired. If the service life is limited, the intangible assets shall be amortized within the expected service life by the amortization method that can reflect the expected realization mode of the economic benefits related to the assets from the time when they are available for use; If it is impossible to reliably determine the expected realization mode, they shall be amortized by straight-line method; Intangible asset\s with uncertain service life are not amortized.

Amortization methods of intangible assets with limited service life are as follows:

Items	Useful life（year）	Amortization method	Notes
Land use right	50	Straight	
Special technoloogy	15	Straight	
Software	5	Straight	

At the end of each year, the Company rechecks the service life and amortization method of intangible assets with limited service life, adjusts the original estimate if it is different from the previous estimate, and handles the change according to the accounting estimate.

On the balance sheet date, if it is estimated that an intangible asset can no longer bring future economic benefits to the enterprise, all the book value of the intangible asset will be transferred to the current profits and losses.

（2）Accounting Policy of Internal Research and Development Expenditure

The Company divides the expenditure of internal research and development projects into expenditures in research stage and expenditures in development stage.

Expenditures in research stage are included in current profits and losses when they occurs.

Expenditures in development stage can only be capitalized if they meet the following conditions: it is technically feasible to complete the intangible assets so that they can be used or sold; There is the intention to complete the intangible assets and use or sell them; The ways in which intangible assets generate economic benefits, including those that can prove the existence of market for products produced by the intangible assets or the existence of market for the intangible assets themselves, and that for the intangible assets that will be used internally, their usefulness can be proved; There are sufficient technical, financial and other resources to complete the development of the intangible assets and the ability to use or sell the intangible assets; Expenditures attributable to the development stage of the intangible assets can be measured reliably. Development expenditures that do not meet the above conditions are included in current profits and losses.

The research and development project of the Company will enter the development stage after the above conditions are met and a project is approved through technical feasibility and economic feasibility study.

Capitalized expenditures in development stage are listed as development expenditures on the balance sheet, and are converted into intangible assets from the date when the project reaches the intended purpose.

31.Long-term Assets Impairment

The asset impairment of long-term equity investment of subsidiaries, associated enterprises and joint ventures, investment real estate, fixed assets, construction in progress, intangible assets, goodwill, etc. (except inventory, investment real estate measured according to fair value model, deferred income tax assets and financial assets) shall be determined according to the following methods:

On the balance sheet date, judge whether there is any sign of possible impairment of assets. If there is any sign of impairment, the Company will estimate its recoverable amount and conduct impairment test. The goodwill formed by business combination, intangible assets with uncertain service life and intangible assets that have not yet reached the usable state are tested for impairment every year regardless of whether there is any sign of impairment.

The recoverable amount is determined according to the higher of the net amount of the fair value of the asset minus the disposal expenses and the present value of the estimated future cash flow of the asset. The Company estimates its recoverable amount on the basis of individual assets; If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. The identification of asset group is based on whether the main cash inflow generated by asset group is independent of cash inflow of other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its book value, the Company will write down its book value to the recoverable amount, and the written-down amount will be included in the current profits and losses, and the corresponding asset impairment provision will be accrued at the same time.

As far as the impairment test of goodwill is concerned, the book value of goodwill formed by business combination is amortized to relevant asset groups according to a reasonable method from the acquisition date; If it is difficult to amortize to the related asset group, it shall be amortized to the related asset group portfolio. The related asset group or asset group portfolio is one that can benefit from the synergy effect of business combination, and is not larger than the reporting segment determined by the Company.

In the impairment test, if there are signs of impairment in the asset group or asset group portfolio related to goodwill, firstly, the asset group or asset group portfolio without goodwill shall be tested for impairment, the recoverable amount shall be calculated, and the corresponding impairment loss shall be recognized. Then impairment test shall be carried out on the asset group or asset group portfolio containing goodwill, and its book value shall be compared with the recoverable amount. If the recoverable amount is lower than the book value, the impairment loss of goodwill shall be recognized.

Once the asset impairment loss is recognized, it will not be reversed in future accounting periods.

32.Long-term deferred expenses

The long-term deferred expenses incurred by the Company are priced at actual cost and amortized equally according to the expected benefit period. For long-term deferred expense items that cannot benefit future accounting periods, all their amortized values are included in current profits and losses.

33.Contract liabilities

Contract liabilities refer to the obligation of the Company to transfer goods to customers for the received or receivable consideration from customers. If the customer has paid the contract consideration or the Company has obtained the unconditional collection right before the Company transfers the goods to the customer, the Company will list the received or receivable amount as the contract liability at the earlier of the actual payment made by the customer and the due date for payment. Contract assets and liabilities under the same contract are listed in net amount, while contract assets and liabilities under different contracts are not offset.

34.Remuneration

1. Accounting Treatment Method of Short-term Compensation

During the accounting period when employees provide services, the Company recognizes the actual wages, bonuses, social insurance premiums such as medical insurance premiums, work-related injury insurance premiums and maternity insurance premiums paid for employees and housing provident funds as liabilities, and includes them in current profits and losses or related asset costs. If the liability is not expected to be fully paid within twelve months after the end of the annual reporting period when employees provide relevant services, and the financial impact is significant, the liability will be measured at the discounted amount.

2. Accounting Treatment Method of Severance Benefit Plans

After-service benefit plan includes defined contribution plan and defined benefit plans. Where the set deposit plan refers to the post-employment benefits plan in which the enterprise no longer undertakes further payment obligations after paying fixed fees to independent funds; Set benefit plan refers to the post-employment benefits plan except the set deposit plan.

Set deposit plan

The set deposit plan includes basic old-age insurance, unemployment insurance and enterprise annuity plan, etc.

In addition to the basic old-age insurance, the Company establishes an enterprise annuity plan ("annuity plan") according to the relevant policies of the national enterprise annuity system, and employees can voluntarily participate in the annuity plan. Moreover, the Company has no other significant social security commitments for employees.

During the accounting period when employees provide services, the amount that should be paid according to the set deposit plan is recognized as a liability and included in the current profits and losses or related asset costs.

Set benefit plan

For set benefit plans, an actuarial valuation is conducted by an independent actuary on the annual balance sheet date, and the cost of benefit provision is determined by the expected cumulative benefit unit method. The employee remuneration cost caused by set benefit plans of the Company includes the following components:

① Service cost, including current service cost, past service cost and settlement gain or loss. Where: the current service cost refers to the increase of the present value of set benefit plan obligations caused by the employees providing services in the current period; Past service cost refers to the increase or decrease of the present value of set benefit plan obligations related to employee service in previous period caused by the modification of set benefit plans.

② The net interest of set benefit plan's net liabilities or net assets, including interest income of planned assets, interest expense of set benefit plan obligations and interest affected by asset ceiling.

③ Changes arising from remeasurement of net liabilities or net assets of set benefit plans.

Unless other accounting standards require or allow employee benefit costs to be included in asset costs, the Company will include the above items ① and ② in current profits and losses; Include item ③ in other comprehensive income and such item will not be transferred back to profit or loss in the subsequent accounting period. When the original set benefit plan is terminated, all the parts originally included in other comprehensive income will be carried forward to undistributed profits within the scope of equity.

3. Accounting Treatment Method of Demission Welfare

If the Company provides dismissal benefits to employees, the employee remuneration liabilities arising from the dismissal benefits shall be recognized and included in the current profits and losses on the earlier of the following dates: When the Company cannot unilaterally withdraw the dismissal benefits provided by the termination of labor relations plan or layoff proposal; When the Company recognizes the costs or expenses related to the reorganization involving the payment of dismissal benefits.

If the employee's internal retirement plan is implemented, the economic compensation before the official retirement date is the dismissal benefit. From the day when the employee stops providing services to the normal retirement date, the wages of the retired employees and the social insurance premiums paid will be included in the current profits and losses at one time. Economic compensation after the official retirement date (such as normal pension) shall be treated as post-employment benefits.

4. Accounting Treatment Method of Other Long-term Employee Benefits

If other long-term employee benefits provided by the Company to employees meet the conditions for the set deposit plan, they shall be handled in accordance with the above-mentioned relevant provisions on the set deposit plan. If it meets the set benefit plans, it shall be handled in accordance with the above-mentioned relevant regulations on set benefit plans, but the part of the related employee remuneration cost, which is "the change caused by remeasurement of set benefit plan's net liabilities or net assets", shall be included in the current profits and losses or related asset costs.

35.Lease liabilities

The company initially measures the lease liabilities according to the present value of the unpaid lease payments at the beginning of the lease term. When calculating the present value of the lease payments, the company adopts the interest rate included in the lease as the discount rate; If the interest rate included in the lease cannot be determined, the company's incremental borrowing interest rate shall be adopted as the discount rate. Lease payments include:
① The fixed payment amount and the actual fixed payment amount after deducting the relevant amount of lease incentive;
② Variable lease payments based on indices or ratios;
③ If the company reasonably determines that the option will be exercised, the lease payment includes the exercise price of the purchase option;
④ If the lease term reflects that the company will exercise the option to terminate the lease, the lease payment includes the payment required to exercise the option to terminate the lease;
⑤ The amount expected to be paid according to the guaranteed residual value provided by the company.
The company calculates the interest expense of the lease liability in each period of the lease term according to the fixed discount rate, and records it into the current profit and loss or relevant asset cost.
The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profits and losses or relevant asset costs when actually incurred.

36. Estimated Liabilities

If the obligation related to contingencies meets the following conditions at the same time, the Company will recognize it as estimated liabilities:

(1) Such obligation is the current obligation undertaken by the Company;

(2) The performance of such obligation is likely to lead to the outflow of economic benefits from the Company;

(3) The amount of such obligation can be measured reliably.

Estimated liabilities are initially measured according to the best estimate of expenditure required to fulfill relevant current obligations, and factors such as risks, uncertainties and time value of money related to contingencies are comprehensively considered. If the time value of money has great influence, the best estimate is determined by discounting the related future cash outflow. The Company rechecks the book value of the estimated liabilities on the balance sheet date, and adjusts the book value to reflect the current best estimate.

If all or part of the expenses required to pay off the recognized estimated liabilities are expected to be compensated by a third party or other parties, the compensation amount can only be recognized as an asset when it is basically confirmed that it can be received. The recognized compensation amount shall not exceed the book value of the recognized liabilities.

37. Share payment

(1) Types of share-based payment

The share-based payment of the Company is divided into equity-settled share-based payment and cash-settled share-based payment.

(2) Method for determining fair value of equity instruments

The fair value of equity instruments such as options granted by the Company with active market is determined according to the quoted price in the active market. The fair value of granted equity instruments such as options without active market is determined by option pricing model. The selected option pricing model considers the following factors: A. The exercise price of options; B. The validity period of the option; C. The current price of the underlying shares; D. Estimated volatility of share price; E. Expected dividend of shares; F. Risk-free interest rate within the validity period of the option.

(3) Basis for determining the best estimation of feasible equity instruments

On each balance sheet date during the waiting period, the Company makes the best estimate based on the latest available follow-up information such as changes in the number of employees with feasible rights, and revises the estimated number of equity instruments with feasible rights. On the vesting date, the final estimated number of vesting rights and interests instruments shall be consistent with the actual number of vesting rights.

(4) Accounting treatment related to implementation, modification and termination of share-based payment plan

Equity-settled share-based payment is measured at the fair value of equity instruments granted to employees. If the right is exercised immediately after the grant, the relevant costs or expenses shall be included in the fair value of equity instruments on the grant date, and the capital reserve shall be increased accordingly. If the rights can be exercised only after the services within the waiting period are completed or the specified performance conditions are met, on each balance sheet date within the waiting period, based on the best estimate of the number of equity instruments available, the services obtained in the current period shall be included in the relevant costs or expenses and capital reserve according to the fair value on the grant date of equity instruments. After the vesting date, the recognized related costs or expenses and the total owner's equity will not be adjusted.

Equity-settled share-based payment shall be measured according to the fair value of liabilities calculated and determined on the basis of shares or other equity instruments undertaken by the Company. If the right is exercised immediately after the grant, the fair value of the liabilities assumed by the Company shall be included in the relevant costs or expenses on the grant date, and the liabilities shall be increased accordingly. For cash-settled share-based payment that is feasible only after the service within the waiting period is completed or the specified performance conditions are met, on each balance sheet date within the waiting period, based on the best estimation of the feasibility and according to the fair value of the liabilities assumed by the Company, the services obtained in the current period are included in the costs or expenses and corresponding liabilities. On each balance sheet date and settlement date before the settlement of related liabilities, the fair value of liabilities shall be re-measured, and the changes shall be included in the current profits and losses.

When the Company modifies the share-based payment plan, if the fair value of the granted equity instruments is increased by modification, the increase of the services obtained shall be recognized according to the increase of the fair value of the equity instruments; If the number of granted equity instruments is increased by modification, the fair value of the increased equity instruments will be recognized as the increase in services obtained accordingly. The increase of fair value of equity instruments refers to the difference between the fair values of equity instruments before and after modification on the modification date. If the total fair value of share-based payment is reduced by modification or the terms and conditions of the share-based payment plan are modified in other ways that are unfavorable to employees, the accounting treatment of the obtained services will continue, as if with no changes unless the Company cancels some or all of the granted equity instruments.

During the waiting period, if the granted equity instruments are cancelled (except those cancelled due to non-market conditions that do not meet the feasible rights conditions), the Company will treat the cancellation of the granted equity instruments as an accelerated exercise, and immediately record the amount to be recognized in the remaining waiting period into the current profits and losses, and recognize the capital reserve at the same time. If the employee or other party can choose to meet the non-feasible right condition but fails to meet it during the waiting period, the Company will treat it as a cancellation for granting equity instruments.

38. Other financial instruments such as preferred stocks and perpetual bonds

None

39. Revenue

Accounting policies adopted for income recognition and measurement

(1) General principles

The Company has fulfilled the performance obligation in the contract, that is, to recognize the revenue when the customer obtains the control right of related goods or services.

If the contract contains two or more performance obligations, the Company will amortize the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation on the contract start date, and measure the income according to the transaction price amortized to each individual performance obligation.

When one of the following conditions is met, the Company will fulfill its performance obligations within a certain period of time; Otherwise, it performs the performance obligation at a certain time:

① The customer obtains and consumes the economic benefits brought by the Company's performance at the same time of the its performance.

② Customers can control the goods under construction during the performance of the Company.

③ The commodities produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect payment for the performance part accumulated so far during the whole contract period.

For the performance obligations performed within a certain period of time, the Company recognizes the income according to the performance progress within that period. If the performance progress cannot be reasonably determined, and the cost incurred of the Company is expected to be compensated, the income shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

For obligations performed at a certain time, the Company shall recognize the income at the time when the customer obtains control of the relevant goods or services. When judging whether a customer has obtained control of goods or services, the Company will consider the following signs:

① The Company has the current right to receive payment for the goods or services, that is, the customer has the current payment obligation for the goods or services.

② The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.

③ The Company has transferred the physical goods to the customer, that is, the customer has physically taken possession of the goods.

④ The Company has transferred the main risks and rewards on the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the goods.

⑤ The customer has accepted the goods.

⑥ Other signs that the customer has obtained control of the goods.

The Company has transferred goods or services to customers and has the right to receive consideration (and the right depends on other factors except the passage of time) as contract assets, and the contract assets are depreciated on the basis of expected credit losses. The right of the Company to collect consideration from customers unconditionally (only depending on the passage of time) is listed as receivables. The obligation of the Company to transfer goods or services to customers for received or receivable consideration from customers shall be regarded as a contractual liability.

Contract assets and contract liabilities under the same contract are listed in net amount. If the net amount is debit balance, they are listed in "Contract Assets" or "Other Non-current Assets" according to their liquidity; If the net amount is the credit balance, it shall be listed in "Contract Liabilities" or "Other Non-current Liabilities" according to its liquidity.

(2) Specific method

The specific method of revenue recognition of the Company is as follows:

Polarizer/Textile and garment sales contract:

Domestic sales: When the goods are delivered to the customer and the customer has accepted the goods, the customer obtains the control of the goods, and the Company recognizes the revenue.

Export: A. When the customer receives goods in China, the revenue recognition is the same as "Revenue Recognition for Domestic Sales"; B. When the delivery place of customer is outside the country, the Company mainly adopts FOB. When the goods are delivered from the warehouse and have been exported for customs declaration, the Company recognizes the revenue.

Revenue from property/accommodation services:

In the process of property/accommodation service provision, the Company recognizes revenue by stages.

The adoption of different business models in similar businesses leads to differences in accounting policies for income recognition

None

40.Government subsidy

Government subsidies are recognized when they meet the conditions attached to government subsidies and can be received.

Government subsidies for monetary assets shall be measured according to the amount received or receivable. Government subsidies for non-monetary assets are measured at fair value; If the fair value cannot be obtained reliably, it shall be measured according to the nominal amount RMB 1.

Government subsidies related to assets refer to government subsidies obtained by the Company for purchasing and building or forming long-term assets in other ways; In addition, as a government subsidy related to income.

Where the government documents do not specify the object of the subsidy, and the subsidy can form long-term assets, the part of the government subsidies corresponding to the value of the assets shall be regarded as the government subsidy related to the assets, and the rest shall be regarded as the government subsidies related to the income; where it is difficult to be distinguished, government subsidies as a whole are treated as income-related government subsidies.

Government subsidies related to assets offset the book value of related assets, or are recognized as deferred income and included in profits and losses by stages according to a reasonable and systematic method within the service life of related assets. Government subsidies related to income, which are used to compensate related costs or losses that have occurred, are included in current profits and losses or offset related costs; If used to compensate related costs or losses in later periods, they will be included in the deferred income, and included in the current profits and losses or offset related costs during the recognition period of related costs or losses. Government subsidies measured in nominal amount are directly included in current profits and losses. The Company adopts a consistent approach to the same or similar government subsidy business.

Government subsidies related to daily activities are included in other income or offset related costs according to the nature of economic business. Government subsidies irrelevant to routine activities shall be included into the non-operating receipt and disbursement.

When the recognized government subsidy needs to be returned, if the book value of related assets is offset during initial recognition, the book value of assets will be adjusted; If there is a relevant deferred income balance, the book balance of the relevant deferred income will be offset, and the excess will be included in the current profits and losses; In other cases, it is directly included in the current profits and losses.

For the discount interest of preferential policy loans, if the finance allocates the discount interest funds to the lending bank, the actually received loan amount is taken as the recorded value of the loan, and the borrowing costs are calculated according to the loan principal and preferential policy interest rate. If the finance directly allocates the discount interest funds to the Company, the discount interest will offset the borrowing costs.

41.The Deferred Tax Assets / The deferred Tax Liabilities

Income tax includes current income tax and deferred income tax. Except for adjusted goodwill arising from business combination or deferred income tax related to transactions or matters directly included in owner's equity, they are all included in current profits and losses as income tax expenses.

According to the temporary difference between the book value of assets and liabilities and the tax basis on the balance sheet date, the Company adopts the balance sheet liability method to confirm deferred income tax.

All taxable temporary differences are recognized as related deferred income tax liabilities, unless the taxable temporary differences are generated in the following transactions:

(1) Initial recognition of goodwill, or the initial recognition of assets or liabilities arising from transactions with the following characteristics: the transaction is not a business combination, and the transaction does not affect accounting profits or taxable income when it occurs;

(2) For taxable temporary differences related to investments of subsidiaries, joint ventures and associated enterprises, the time for the temporary differences to be reversed can be controlled and the temporary differences will probably not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax deductions that can be carried forward to later years, the Company shall recognize the deferred income tax assets arising there from to the extent that it is likely to obtain the future taxable income used to offset the deductible temporary differences, deductible losses and tax deductions, unless the deductible temporary differences are generated in the following transactions:

(1) The transaction is not a business combination, and it does not affect accounting profit or taxable income when the transaction occurs;

(2) For deductible temporary differences related to investments of subsidiaries, joint ventures and

associated enterprises, corresponding deferred income tax assets are recognized if the following conditions are met at the same time: temporary differences are likely to be reversed in the foreseeable future, and taxable income used to offset the deductible temporary differences is likely to be obtained in the future.

On the balance sheet date, the Company measures deferred income tax assets and deferred income tax liabilities according to the applicable tax rate during the expected period of recovering the assets or paying off the liabilities, and reflects the income tax impact of the expected way of recovering the assets or paying off the liabilities on the balance sheet date.

On the balance sheet date, the Company rechecks the book value of deferred income tax assets. If it is unlikely that sufficient taxable income will be obtained in the future period to offset the benefits of deferred income tax assets, the book value of deferred income tax assets will be written down. When sufficient taxable income is likely to be obtained, the written-down amount shall be reversed.

42.Lease

（1）Accounting of operational leasing

(1) Identification of lease

On the contract start date, the lessor-the Company evaluates whether the customer in the contract is entitled to almost all the economic benefits arising from the use of the identified asset during the period of use, and has the right to direct the use of the identified asset during the period of use. Where a party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the Company determines that the contract is a lease or contains a lease.

(2) The Company as the lessee

On the commencement date of the lease term, the Company recognizes right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low-value assets.

For the accounting policies of right-of-use assets, please refer to this section V. Significant accounting policies and accounting estimates 29. Right-of-use assets.

The lease liability is initially measured at the present value of the unpaid lease payments on the lease commencement date of the lease period calculated by the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments include: fixed payments and in-substance fixed payments, deducting the relevant amount of the lease incentive if there is a lease incentive; variable lease payments that depend on an index or ratio; the exercise price of a purchase option, provided that the lessee is reasonably determine that the option will be exercised; the amount payable to exercise the option to terminate the lease provided thatin the lease term it reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be paid based on guaranteed residual value provided by the lessee. Subsequently, the interest expense of the lease liability in each period of the lease term is calculated at a fixed periodic interest rate and included in the current profit and loss. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when they are actually incurred

Short-term leases

Short-term leases are leases with a lease term not exceeding 12 months from the commencement date of the lease term, except leases that include a purchase option.

The lessor will include the lease payments for short-term leases in the cost of relevant assets or current profits and losses on a straight-line basis during each period of the lease term.

Lease of low value asset

Low-value asset leases refer to leases with a value of less than 40,000 yuan when a single leased asset is a brand-new asset.

For the lease of low-value assets, the Company chooses to adopt the above simplified treatment method according to the specific circumstances of each lease.

The lease payments for the value asset lease of the Company shall be included in the cost of the relevant assets or the current profit and loss on a straight-line basis in each period of the lease term.

For the lease of low-value assets, the Company chooses to adopt the above simplified treatment method according to the specific circumstances of each lease.

Lease change

Where the lease changes and the following conditions are met at the same time, the Company will make account treatment for the lease change as a separate lease: ① The lease change expands the scope of the lease by adding the right to use one or more leased assets; ②The increased consideration is equivalent to the amount adjusted by the individual price of the expanded part of the lease scope according to the contract situation after change.

Where the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company re-allocates the consideration of the contract after the change, re-determines the lease term, and re-measures the lease liability according to the lease payment after the change and the present valuecalculated bythe revised discount rate.

Where the lease change leads to the narrowing of the lease scope or the shortening of the lease term, the Company will reduce the book value of the right-of-use asset accordingly, and include the relevant gains or losses on partial or complete termination of the lease into the current profit and loss.

If other lease changes result in re-measurement of lease liabilities, the Company adjusts the book value of the right-of-use asset accordingly.

(3) The Company as the lessor

When the Company acts as a lessor, a lease that substantially transfers all risks and rewards related to asset ownership is recognized as a financial lease, and other leases other than financial leases are recognized as operating leases.

Financial lease

In the financial lease, at the beginning of the lease term, the Company takes the net investment in the lease as the entry value of the finance lease receivables, and the net investment in the lease is thesum ofthe unguaranteed residual value and the present value of the lease receipts that have not been received on the start date of the lease term after calculated according to the discounted interest rate implicit in the lease. The Company, as the lessor, calculates and recognizes the interest income in each period of the lease period according to the fixed periodic interest rate. The variable lease payments obtained by the Company as a lessor that are not included in the net lease investment measurement are included in the current profit and loss when actually incurred.

The derecognition and impairment of financial lease receivables shall be accounted for in accordance with the provisions of No. 22Accounting Standards for Business Enterprises-Recognition and Measurement of Financial Instruments and No. 23 Accounting Standards for Business Enterprises- Transfer of Financial Assets.

For rents under operating leases, the Company recognizes the current profits and losses on a straight-line basis in each period of the lease term. The initial direct expenses incurred in relation to operating leases shall be capitalized and amortized on the same basis as rental income recognition during the lease term, and then included in the current profit and loss in installments. The variable lease payments obtained in relation to operating leases but not included in the lease receipts are included in the current profit and loss when actually incurred.

Where the operating lease is changed, the Company will treat it as a new lease from the effective date of the change, and the advance receipts or lease receivables related to the lease before the change are regarded as the receipts of the new lease.

2. Accounting Treatment Method of Finance Lease

(1) Identification of lease

On the contract start date, the lessor-the Company evaluates whether the customer in the contract is entitled to almost all the economic benefits arising from the use of the identified asset during the period of use, and has the right to direct the use of the identified asset during the period of use. Where a party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the Company determines that the contract is a lease or contains a lease.

(2) The Company as the lessee

On the commencement date of the lease term, the Company recognizes right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low-value assets.

For the accounting policies of right-of-use assets, please refer to this section V. Significant accounting policies and accounting estimates 29. Right-of-use assets.

The lease liability is initially measured at the present value of the unpaid lease payments on the lease commencement date of the lease period calculated by the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments include: fixed payments and in-substance fixed payments, deducting the relevant amount of the lease incentive if there is a lease incentive; variable lease payments that depend on an index or ratio; the exercise price of a purchase option, provided that the lessee is reasonably determine that the option will be exercised; the amount payable to exercise the option to terminate the lease provided thatin the lease term it reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be paid based on guaranteed residual value provided by the lessee. Subsequently, the interest expense of the lease liability in each period of the lease term is calculated at a fixed periodic interest rate and included in the current profit and loss. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when they are actually incurred

Short-term leases

Short-term leases are leases with a lease term not exceeding 12 months from the commencement date of the lease term, except leases that include a purchase option.

The lessor will include the lease payments for short-term leases in the cost of relevant assets or current profits and losses on a straight-line basis during each period of the lease term.

Lease of low value asset

Low-value asset leases refer to leases with a value of less than 40,000 yuan when a single leased asset is a brand-new asset.

For the lease of low-value asset, the Company chooses to adopt the above simplified treatment method according to the specific circumstances of each lease.

The lease payments for the value asset lease of the Company shall be included in the cost of the relevant assets or the current profit and loss on a straight-line basis in each period of the lease term.

For the lease of low-value assets, the Company chooses to adopt the above simplified treatment method according to the specific circumstances of each lease.

Lease change

Where the lease changes and the following conditions are met at the same time, the Company will make account treatment for the lease change as a separate lease: ① The lease change expands the scope of the lease by adding the right to use one or more leased assets; ②The increased consideration is equivalent to the amount adjusted by the individual price of the expanded part of the lease scope according to the contract situation after change.

Where the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company re-allocates the consideration of the contract after the change, re-determines the lease term, and re-measures the lease liability according to the lease payment after the change and the present value calculated by the revised discount rate.

Where the lease change leads to the narrowing of the lease scope or the shortening of the lease term, the Company will reduce the book value of the right-of-use asset accordingly, and include the relevant gains or losses on partial or complete termination of the lease into the current profit and loss.

If other lease changes result in re-measurement of lease liabilities, the Company adjusts the book value of the right-of-use asset accordingly.

(3) The Company as the lessor

When the Company acts as a lessor, a lease that substantially transfers all risks and rewards related to asset ownership is recognized as a financial lease, and other leases other than financial leases are recognized as operating leases.

In the financial lease, at the beginning of the lease term, the Company takes the net investment in the lease as the entry value of the finance lease receivables, and the net investment in the lease is thesum of the unguaranteed residual value and the present value of the lease receipts that have not been received on the start date of the lease term after calculated according to the discounted interest rate implicit in the lease. The Company, as the lessor, calculates and recognizes the interest income in each period of the lease period according to the fixed periodic interest rate. The variable lease payments obtained by the Company as a lessor that are not included in the net lease investment measurement are included in the current profit and loss when actually incurred.

The derecognition and impairment of financial lease receivables shall be accounted for in accordance with the provisions of No. 22Accounting Standards for Business Enterprises-Recognition and Measurement of Financial Instruments and No. 23 Accounting Standards for Business Enterprises- Transfer of Financial Assets.

Where the financial lease is changed and the following conditions are met at the same time, the Company will make account treatment for the lease change as a separate lease: ① The lease change expands the scope of the lease by adding the right to use one or more leased assets; ②The increased consideration is equivalent to the amount adjusted by the individual price of the expanded part of the lease scope according to the contract situation after change..

Where the change of the financial lease is not accounted for as a separate lease, the Company shall treat the changed lease according to the following circumstances: ①where the lease is classified as an operating lease when the change takes effect on the lease start date, the Company shall account for the lease change as a new lease from the effective date, and the net investment in the lease before the effective date of the lease change is used as the book value of the lease asset; ②where the lease is classified as a financial lease when the change takes effect on the lease start date, the Company shall conduct accounting treatment in accordance with the regulation of revising or renegotiating contracts by" No. 22Accounting Standards for Business Enterprises-Recognition and Measurement of Financial Instruments".

43. Other important accounting policies and accounting estimates

(1)Change of main accounting policies

Accounting policy changes caused by implementation of new financial instrument standards

(2) Changes in accounting estimates

No significant changes in accounting estimates have occurred in the current period.

44.Change of main accounting policies and estimations

(1)Change of main accounting policies

□Applicable√ Not applicable

（2）Change of main accounting estimations

√ Applicable □Not applicable

The content and reason for change of accounting Estimations	Approval process	Start applicable	Remarks
Due to the frequent use of the Company's electronic and other equipment and rapid update in actual use, resulting in their actual service life lower than the current depreciation period, the depreciation period of electronic and other equipment is changed to make the depreciation period of assets closer to the service life of assets, in order to meet the needs of the Company's business development and fixed asset management.	Resolution of the ninth meeting of the eighth Board of Director	January 1,2022	For details, please refer to the Announcement on Changes of Accounting Estimates of Depreciation Period of Some Fixed Assets (No.2021-63) disclosed by the Company on CNINF on January 1, 2022.

45.Other

None

VI. Taxation

1. Main categories and rates of taxes

Taxes	Tax references	Applicable tax rates
VAT	The taxable turnover	13%,6%,5%
City construction tax	Turnover tax to be paid allowances	7%
Business income tax	Turnover tax to be paid allowances	25%,20%,16.5%,15%
Education surcharge	Turnover tax to be paid allowances	3%
Local education surcharge	Turnover tax to be paid allowances	2%

In case there exist any taxpayer paying corporate income tax at different tax rates, disclose the information

Name of taxpayer	Income tax rates
Shenzhen Textile (Holdings) Co., Ltd	25%
SAPO Photoelectric Co., Ltd.	15%

Shenzhen Lisi Industrial Co., Ltd.	20%
Shenfang Property Management Co., Ltd.	20%
Shenzhen Huaqiang Hotel	20%
Shenzhen Beauty Century Garment Co., Ltd.	20%
Shenzhen Shenfang Sungang Property Management Co.,Ltd.	20%
Shengtou （HK）Co., Ltd.	16.5%
Shenzhen Shengjinlian Technology Co., Ltd.	25%

2. Tax preference

.In accordance with relevant provisions of the Notice of Ministry of Finance, General Administration of Cu stoms and State Taxation Administration Regarding Tax Preference Policies for Further Supporting the Develop ment of New-type Display Device Industry (Cai Guan Shui (2021) No. 19),The Company manufactured key materials and parts for the upstream industry of new-type display devices including colorful light filter coating and polarizer sheet that comply with the planning for independent development of domestic industries may enjoy the preferen tial policies of exemption from import tariff for the import of raw materials and consumables for the purpose of self use and production that can not be produced domestically from January 1, 2021 and December 31, 2030. Th e above preferential tax policies apply to the subsidiaries of the Company, SAPO Photoelectric Co., Ltd.

According to the relevant regulations of the Administrative Measures for the Accreditation of High-tech Enterprises (GKFH No.32 [2016]) and the Guidelines for Accreditation Administration of High-tech Enterprises (GKFH No.195 [2016]), the qualification of an accredited high-tech enterprise is valid for 3 years from the issuing date of the certificate. After obtaining the qualification of high-tech enterprise, the enterprise is entitled to the preferential enterprise income tax at a rate of 15% from the year when the certificate of high-tech enterprise is issued. Shenzhen SAPO Photoelectric Technology Co., Ltd., a subsidiary of the Company, was recognized as a national high-tech enterprise in 2019, with a certificate number GR201944205666, valid for 3 years, and paid enterprise income tax at a rate of 15%.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on Implementing the Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement No.12 of the Ministry of Finance and the State Administration of Taxation in 2021) and the Announcement of State Taxation Administration on Implementing the Relevant Matters of Income Tax Preferential Policies in Support of Development of Small and Micro Profit Enterprises and Individual Industrial and Commercial Households (Announcement No.8 of State Taxation Administration in 2021), from January 1, 2021 to December 31, 2022, for the small low-profit enterprises, if the annual taxable income does not exceed RMB 1 million, the taxable income shall be calculated at a rate of 12.5%, and the enterprise income tax is paid at a rate of 20%; if the annual taxable income exceeds RMB 1 million but less than RMB 3 million, the taxable income shall be calculated at a rate of 50%, and the enterprise income tax will be paid at a rate of 20%". The above preferential tax policies apply to the subsidiaries of the Company, Shenzhen Beauty Century Garment Co., Ltd., Shenzhen Huaqiang Hotel Co., Ltd., Shenzhen Lisi Industrial Development Co., Ltd., Shenzhen Shenfang Sungang Property Management Co., Ltd. and Shenzhen Shenfang Property Management Co., Ltd.

3.Other

None

VII. Notes of consolidated financial statement

1.Monetary Capital

In RMB

Items	Year-end balance	Year-beginning balance
Cash at hand	6,238.09	792.64
Bank deposit	348,654,742.86	302,472,035.96
Other monetary funds	7,940,013.85	0.00
Total	356,600,994.80	302,472,828.60
Including : The total amount of deposit abroad	6,315,269.67	6,009,898.07
Total amount of money limited to use, such as mortgage, pledge or freeze	7,940,013.85	0.00

Other note

The total amount of restricted funds at the end of the period is 7940013.85 yuan, which is the security deposit of the subsidiary.

2. Transactional financial assets

In RMB

Items	Year-end balance	Year-beginning balance
financial assets measured at their fair values and with the variation included in the current profits and losses	609,244,744.72	586,540,735.16
Including：		
Structure deposit	350,156,027.40	0.00
Monetary fund	178,828,114.58	586,540,735.16
Bank wealth management product	80,260,602.74	0.00
Including：		
Total	609,244,744.72	586,540,735.16

Other note

Note

3. Derivative financial assets

None

4. Notes receivable

(1) Notes receivable listed by category

In RMB

Items	Year-end balance	Year-beginning balance
.Bank acceptance Bill	22,329,172.88	76,931,731.52
Commercial acceptance	14,791,860.30	73,011,148.76
Total	37,121,033.18	149,942,880.28

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Of which：										
Accrual of bad debt provision by portfolio	37,194,992.48	100.00%	73,959.30	0.20%	37,121,033.18	150,307,936.02	100.00%	365,055.74	0.24%	149,942,880.28
Including：										
Commercial acceptance	14,791,860.30	39.77%	73,959.30	0.50%	14,717,901.00	73,011,148.76	48.57%	365,055.74	0.50%	72,646,093.02
.Bank acceptance Bill	22,403,132.18	60.23%			22,403,132.18	77,296,787.26	51.43%	0.00	0.00%	77,296,787.26
Total	37,194,992.48	100.00%	73,959.30	0.20%	37,121,033.18	150,307,936.02	100.00%	365,055.74	0.24%	149,942,880.28

Accrual of bad debt provision by portfolio:

In RMB

Name	Amount in year-end		
	Book balance	Bad debt provision	Proportion(%)
Commercial acceptance	14,791,860.30	73,959.30	0.50%
Total	14,791,860.30	73,959.30	

Description of determining the combination basis: it is divided into bank acceptance bills and commercial acceptance bills according to the subject of bill acceptance.

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Commercial acceptance	365,055.74		291,096.44			73,959.30
Total	365,055.74		291,096.44			73,959.30

Of which the significant amount of the reversed or collected part during the reporting period

□ Applicable √ Not applicable

（3）The current accounts receivable write-offs situation

□ Applicable √ Not applicable

（4）Accounts receivable financing endorsed or discounted by the Company at the end of the period and not expired yet on the date of balance sheet

In RMB

Items	Amount derecognized at the end of the period	Amount not yet derecognized at the end of the period
Bank acceptance bill	15,495,198.50	51,434,865.61
Total	15,495,198.50	51,434,865.61

（5）Notes transferred to accounts receivable because drawer of the notes fails to executed the contract or agreement

None

（6） The actual write-off accounts receivable

None

Note of the write-off the accounts receivable:

None

5. Account receivable

(1)Classification account receivables.

In RMB

Category	Amount in year-end					Amount in year-begin				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad debt provision by single item	13,364,381.94	1.78%	13,364,381.94	100.00%	0.00	13,260,307.34	2.57%	13,260,307.34	100.00%	0.00
Including：										
Accrual of bad debt provision by portfolio	736,823,980.57	98.22%	32,973,997.24	4.48%	703,849,983.33	502,848,549.97	97.43%	22,849,841.40	4.54%	479,998,708.57
Including：										
Total	750,188,362.51	100.00%	46,338,379.18	6.18%	703,849,983.33	516,108,857.31	100.00%	36,110,148.74	7.00%	479,998,708.57

Accrual of bad debt provision by single item: 13,364,381.94

In RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion	Reason
Dongguan Yaxing Semiconductor Co., Ltd.	2,797,016.81	2,797,016.81	100.00%	Beyond the credit period for a long time, uncertain recovered.
Dongguan Fair LCD Co., Ltd.	1,695,543.72	1,695,543.72	100.00%	Beyond the credit period for a long time, uncertain recovered.
Guangdong Ruili Baolai Technology Co., Ltd.	1,298,965.36	1,298,965.36	100.00%	Beyond the credit period for a long time, uncertain recovered.
Huangshan Zhongxianwei Electric Co., Ltd.	902,031.00	902,031.00	100.00%	Beyond the credit period for a long time, uncertain recovered.
Shenzhen Gulida Microelectronics Co., Ltd.	522,737.52	522,737.52	100.00%	Beyond the credit period for a long time, uncertain recovered.
Dongguan Jiaxian Electric Co., Ltd.	486,510.50	486,510.50	100.00%	Beyond the credit period for a long time, uncertain recovered.
Shenzhen Gulida Microelectronics Co., Ltd.	457,982.42	457,982.42	100.00%	Beyond the credit period for a long time, uncertain recovered.
Jilin Lianxin Optics Technology Co., Ltd.	443,768.72	443,768.72	100.00%	Beyond the credit period for a long time, uncertain recovered.
Other	4,759,825.89	4,759,825.89	100.00%	Beyond the credit period for a long time, uncertain recovered.
Total	13,364,381.94	13,364,381.94		

Accrual of bad debt provision by portfolio:

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion
Within 1 year	736,823,978.43	32,973,997.14	4.48%
1-2 years	2.14	0.10	4.67%
Total	736,823,980.57	32,973,997.24	

Note：

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year（Including 1 year）	736,823,978.43
1-2 years	2.14
2-3 years	688,258.26
Over 3 years	12,676,123.68
3-4 years	0.00
4-5 years	0.00
Over 5 years	12,676,123.68

Total	750,188,362.51

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision: withdrawing bad debt by aging combination

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Accrual of bad debt provision by portfolio:	22,849,841.40	10,124,155.84				32,973,997.24
Accrual of bad debt provision by single item:	13,260,307.34	104,074.60				13,364,381.94
Total	36,110,148.74	10,228,230.44	0.00	0.00	0.00	46,338,379.18

Of which the significant amount of the reversed or collected part during the reporting period :None

(3) The actual write-off accounts receivable

None

(4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

In RMB

Name	Balance in year-end	Proportion(%)	Bad debt provision
First	114,723,319.70	32.69%	5,196,966.39
Second	66,342,120.65	18.90%	3,005,298.07
Third	61,440,509.51	17.51%	2,783,255.08
Fourth	54,597,543.80	15.56%	2,473,268.73
Fifth	53,847,453.65	15.34%	2,439,289.65
Total	350,950,947.31	100.00%	

（5）Account receivable which terminate the recognition owning to the transfer of the financial assets

None

(6)The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

None

6.Receivable financing

In RMB

Items	Closing balance	Opening balance
Note receivable	51,434,865.61	21,474,101.07
Total	51,434,865.61	21,474,101.07

Changes in current period and fair value of receivables financing

□ Applicable √ Not applicable

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

Other note

Some subsidiaries of the Company discount and endorse some bank acceptance bills according to the needs of their daily fund management, therefore the bank acceptance bills of the subsidiaries are classified as financial assets measured at fair value with changes included in other comprehensive income.

There is no single bank acceptance bill with impairment provision of the Company. On June 30, 2022, the Company considered that there was no significant credit risk in the bank acceptance bills held by it, and there would be no significant loss due to bank default.

7.Prepayments

(1) List by aging analysis:

In RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion %	Amount	Proportion %
Within 1 year	70,367,096.83	100.00%	15,157,623.27	98.38%
1-2 years			248,996.26	1.62%
Total	70,367,096.83		15,406,619.53	

Notes of the reasons of the prepayment ages over 1 year with significant amount but failed settled in time

On June 30, 2022, there was no large prepayment with an accounting age of more than one year in the balance of prepayment .

（2）The ending balance of Prepayments owed by the imputation of the top five parties

The top five ending balances of prepayments collected according to prepaid objects totaled RMB 36,080,705.39, accounting for 51.27 % of the total closing balances of prepayments

Other note：None

8.Other receivable

In RMB

Items	Closing balance	Opening balance
Interest receivable	85,062.56	
Other accounts receivable	7,150,812.66	140,185,750.40
Total	7,235,875.22	140,185,750.40

（1）Interest receivable

1) Category of interest receivable

In RMB

Items	Closing balance	Opening balance
Agreement deposit	85,062.56	0.00
Total	85,062.56	

2) Significant overdue interest

None

3）Bad-debt provision

□ Applicable √ Not applicable

(2)Dividend receivable

1) Category of Dividend receivable

None

2) Significant overdue dividend

None

3）Bad debt provision

□ Applicable √ Not applicable

（3）Other account receivable

1) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Deposit	2,016,693.94	144,954,822.31
Unit account	19,554,763.66	16,402,902.33
Export rebate	1,086,980.29	1,698,919.82
Reserve fund and staff loans	912,140.57	293,128.97
Other	1,626,865.99	1,834,489.23
Total	25,197,444.45	165,184,262.66

2）Bad-debt provision

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2022	7,795,257.07		17,203,255.19	24,998,512.26
Balance as at January 1, 2022in current				
Provision in the current period			1,725.66	1,725.66
Recovered or reversed in the current period	6,953,606.13			6,953,606.13
Balance as at June 30,2022	841,650.94		17,204,980.85	18,046,631.79

Loss provision changes in current period, change in book balance with significant amount

□ Applicable √Not applicable

Disclosure by aging

In RMB

Aging	Closing balance

Within 1 year(Including 1 year)	283,876.14
1-2 years	1,580,026.94
2-3 years	6,530,019.52
Over 3 years	16,803,521.85
3-4 years	2,603,910.57
4-5 years	6,111,697.83
Over 5 years	8,087,913.45
Total	25,197,444.45

3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Accrual of bad debt provision by single item	17,203,255.19	1,725.66				17,204,980.85
Accrual of bad debt provision by portfolio	7,795,257.07		6,953,606.13			841,650.94
Total	24,998,512.26		6,951,880.47			18,046,631.79

Where the current bad debts back or recover significant amounts:None

(4) Other account receivables actually cancel after write-off

None

(5)Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

In RMB

Name	Nature	Year-end balance	Age	Portion in total other receivables(%)	Bad debt provision of year-end balance
First	Unit account	11,389,044.60	Over 5 years	45.56%	11,389,044.60
Second	Unit account	2,704,118.27	Within 1 year （Including 1 year）	10.82%	135,205.91
Third	Unit account	1,800,000.00	Over 5 years	7.20%	1,800,000.00
Fourth	Unit account	1,018,295.37	2-3 years	4.07%	1,018,295.37
Fifth	Unit account	980,461.06	Over 5 years	3.92%	980,461.06
Total		17,891,919.30		71.57%	15,323,006.94

(6) Accounts receivable involved with government subsidies

None

(7) Other account receivable which terminate the recognition owning to the transfer of the financial assets

None

(8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

None

9. Inventories

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

No

（1）Category of Inventory

In RMB

Items	Closing book balance			Opening book balance		
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value
Raw materials	409,450,402.32	26,217,791.21	383,232,611.11	349,978,870.87	26,335,509.94	323,643,360.93
Processing products	14,679,510.26	0.00	14,679,510.26	10,992,072.59	0.00	10,992,072.59
Goods in transit	19,183,144.40	0.00	19,183,144.40	7,910,629.62	30,573.89	7,880,055.73
Finished product	106,099,803.84	34,543,448.90	71,556,354.94	118,034,342.61	36,750,396.02	81,283,946.59
Semi-finished	342,800,480.80	52,630,818.01	290,169,662.79	270,743,032.26	34,298,745.28	236,444,286.98
Commissioned materials	2,700,898.03	117,333.43	2,583,564.60	7,838,404.74	620,680.53	7,217,724.21
Total	894,914,239.65	113,509,391.55	781,404,848.10	765,497,352.69	98,035,905.66	667,461,447.03

（2）Inventory falling price reserves and reserves for impairment of contract performance costs

In RMB

Items	Opening balance	Increased in current period		Decreased in current period		Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Raw materials	26,335,509.94			117,718.73		26,217,791.21
Processing products	0.00					0.00
Finished product	36,750,396.02	10,516,916.94		12,723,864.06		34,543,448.90
Semi-finished	34,298,745.28	32,208,394.99		13,876,322.26		52,630,818.01
Goods in transit	30,573.89			30,573.89		0.00
Commissioned materials	620,680.53			503,347.10		117,333.43
Total	98,035,905.66	42,725,311.93		27,251,826.04		113,509,391.55

(3)Description of The closing balance of inventories contain the amount of borrowing costs capitalized

None

（4）Description of amortization amount of contract performance cost in the current period

None

10.Contract assets

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of contract assets is accrued according to the general model of expected credit loss:

□ Applicable √Not applicable

Provision for impairment of contract assets in the current period

None

11. Assets divided as held-to-sold

Not applicable

12. Non-current assets due within 1 year

None

13. Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
Returns receivable costs	26,678,712.88	28,585,749.81
After the deduction of input VAT	69,000,515.76	860,153.70
Advance payment of income tax	13,259.97	57,448.91
Other		
Total	95,692,488.61	29,503,352.42

Other note：None

14.Creditor's right investment

None

Loss provision changes in current period, change in book balance with significant amount
□ Applicable √ Not applicable

15.Other creditor's rights investment

None
Loss provision changes in current period, change in book balance with significant amount
□ Applicable √ Not applicable

16. Long-term accounts receivable

(1) List of long-term accounts receivable

None
Loss provision changes in current period, change in book balance with significant amount
□ Applicable √ Not applicable

(2) Long-term accounts receivable which terminate the recognition owning to the transfer of the financial assets

Not applicable

（3） The amount of the assets and liabilities formed by the transfer and the continues involvement of long-term accounts receivable

Not applicable

17. Long-term equity investment

In RMB

Investees	Opening balance	Increase /decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Decrease in investment	Profits and losses on investments Recognized under the equity method	Other comprehensive income	Changes in other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
Shenzhen Guanhua Printing & Dyeing Co., Ltd.	128,214,225.54	1.00	0.00	1,312,916.11						129,527,142.65	
Subtotal	128,214,225.54	1.00	0.00	1,312,916.11						129,527,142.65	
2. Affiliated Company											
Shenzhen Changlianfa Printing & dyeing Company	2,972,202.97			404,580.26						3,376,783.23	
Yehui（Jordan）Co., Ltd.	0.00				-954.76					-954.76	
Yehui International Co., Ltd.	1,835,897.26			-58,964.33	76,710.78					1,853,643.71	
Subtotal	4,808,100.23			345,615.93	75,756.02					5,229,472.18	
Total	133,022	1.00	0.00	1,658,5	75,756.					134,756,	

	,325.77			32.04	02					614.83	

Other note：None

18. Other equity instruments investment

In RMB

Items	Year-end balance	Year-beginning balance
Shenzhen Dailishi Underwear Co., Ltd.	23,637,000.00	23,637,000.00
Union Development Group Co., Ltd.	144,109,485.84	144,109,485.84
Shenzhen Xinfang Knitting Co., Ltd.	2,227,903.00	2,227,903.00
Shenzhen South Textile Co., Ltd.	16,059,440.88	16,059,440.88
Total	186,033,829.72	186,033,829.72

Itemized disclosure of the current non - trading equity instrument investment

In RMB

Name	Recognized dividend income	Accumulating income	Accumulating losses	Amount of other comprehensive income transferred to retained earnings	Reasons for being measured at fair value and whose changes are included in other comprehensive income	Reasons for other comprehensive income transferred to retained earning
Shenzhen Dailishi Underwear Co., Ltd.		21,077,143.74			Long-term holding	
Union Development Group Co., Ltd.		141,509,485.84			Long-term holding	
Shenzhen Xinfang Knitting Co., Ltd.		1,703,903.00			Long-term holding	
Shenzhen South Textile Co., Ltd.		14,559,440.88			Long-term holding	
Jintian Industry（Group）Co., Ltd.			14,831,681.50		Long-term holding	

Other note：None

19.Other non-current financial assets

In RMB

Items	Year-end balance	Year-beginning balance
Financial assets measured at fair value with changes included in current profits and losses	28,500,000.00	30,650,943.40
Total	28,500,000.00	30,650,943.40

Other note: None

20. Investment real estate

(1) Investment real estate adopted the cost measurement mode

√Applicable □ Not applicable

In RMB

Items	House, Building	Land use right	Construction in process	Total

I. Original price				
1. Balance at period-beginning	263,643,874.93			263,643,874.93
2.Increase in the current period				
(1) Purchase				
(2) Inventory\Fixed assets\ Transferred from construction in progress				
(3)Increased of Enterprise Combination				
3.Decreased amount of the period				
(1) Dispose				
(2) Other out				
4. Balance at period-end	263,643,874.93			263,643,874.93
II.Accumulated amortization				
1.Opening balance	157,426,095.17			157,426,095.17
2.Increased amount of the period	3,545,302.69			3,545,302.69
(1) Withdrawal	3,545,302.69			3,545,302.69
3.Decreased amount of the period				
(1) Dispose				
(2) Other out				
4. Balance at period-end	160,971,397.86			160,971,397.86
III. Impairment provision				
1. Balance at period-beginning				
2.Increased amount of the period				
(1) Withdrawal				
3.Decreased amount of the period				
(1) Dispose				
(2) Other out				
4. Balance at period-end				
IV. Book value				
1.Book value at period -end	102,672,477.07			102,672,477.07
2.Book value at period-beginning	106,217,779.76			106,217,779.76

(2) Investment property adopted fair value measurement mode

□Applicable√ Not applicable

(3) Investment real estate without certificate of ownership

In RMB

Items	Book balance	Reason
Houses and Building	10,108,893.93	Unable to apply for warrants due to historical reasons

Other note: None

21. Fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Fixed assets	2,375,066,082.11	2,424,741,252.86
Disposal of fixed assets	278.92	
Total	2,375,066,361.03	2,424,741,252.86

(1) List of fixed assets

In RMB

Items	Houses & buildings	Machinery equipment	Transportations	Other equipment	Total
I. Original price					
1.Opening balance	804,662,188.53	2,550,667,255.24	15,278,991.67	50,379,111.90	3,420,987,547.34
2.Increased amount of the period		81,134,386.65	266,663.47	764,135.71	82,165,185.83
(1) Purchase		7,755,945.58	266,663.47	633,891.16	8,656,500.21
(2) Transferred from construction in progress		73,378,441.07		130,244.55	73,508,685.62
(3)Increased of Enterprise Combination					
3.Decreased amount of the period		1,481,595.99		347,858.54	1,829,454.53
（1） Disposal		1,481,595.99		347,858.54	1,829,454.53
4. Balance at period-end	804,662,188.53	2,630,320,045.90	15,545,655.14	50,795,389.07	3,501,323,278.64
II. Accumulated depreciation					
1.Opening balance	182,971,386.88	776,447,487.54	4,361,783.39	26,071,314.08	989,851,971.89
2.Increased amount of the period	13,585,521.55	111,355,637.89	909,575.11	5,799,256.82	131,649,991.37
(1) Withdrawal	13,585,521.55	111,355,637.89	909,575.11	5,799,256.82	131,649,991.37
3.Decrease in the reporting period		1,305,145.13		333,944.19	1,639,089.32
（1） Disposal		1,305,145.13		333,944.19	1,639,089.32
4.Closing balance	196,556,908.43	886,497,980.30	5,271,358.50	31,536,626.71	1,119,862,873.94
III. Impairment provision					
1.Opening balance		6,361,553.37		32,769.22	6,394,322.59
2.Increase in the reporting period					
（1） Withdrawal					
3.Decrease in the reporting period					
（1） Disposal					
4. Closing balance		6,361,553.37		32,769.22	6,394,322.59
IV. Book value					
1.Book value of the period-end	608,105,280.10	1,737,460,512.23	10,274,296.64	19,225,993.14	2,375,066,082.11
2.Book value of the period-begin	621,690,801.65	1,767,858,214.33	10,917,208.28	24,275,028.60	2,424,741,252.86

(2) Fixed assets temporarily idled

None

(3) Fixed assets rented by finance leases

None

(4) Fixed assets without certificate of title completed

In RMB

Items	Book Value	Reason
Houses and Building	271,196,732.41	Unable to apply for warrants due to historical reasons

Other note: None

（5）Liquidation of fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Liquidation of fixed assets	278.92	
Total	278.92	

Other note: None

22. Construction in progress

In RMB

Items	Year-end balance	Year-beginning balance
Construction in progress	23,222,687.28	71,482,031.08
Total	23,222,687.28	71,482,031.08

(1) List of construction in progress

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Installation of machines and equipment	23,222,687.28		23,222,687.28	71,482,031.08		71,482,031.08
Total	23,222,687.28		23,222,687.28	71,482,031.08		71,482,031.08

（2）Changes of significant construction in progress

None

（3）Impairment provision of construction projects

Not applicable

（4）Engineering material

Not applicable

23. Productive biological assets

(1) Productive biological assets measured at cost methods
□ Applicable √ Not applicable
(2) Productive biological assets measured at fair value
□ Applicable √ Not applicable

24. Oil and gas assets

□ Applicable √ Not applicable

25. Right to use assets

In RMB

Items	House and Building	Total
1. Balance at year beginning		
4. Year-end balance	13,762,176.74	13,762,176.74
2. Increase at this period	11,575,546.14	11,575,546.14
3.Decreased amount of the period		
4. Balance at period-end	25,337,722.88	25,337,722.88
II. Accumulated depreciation		
1.Opening balance	4,540,987.37	4,540,987.37
2.Increased amount of the period	4,303,599.85	4,303,599.85
(1) Withdrawal		
3.Decrease in the reporting period		
（1） Disposal		
4.Closing balance	8,844,587.22	8,844,587.22
III. Impairment provision		
1.Opening balance		
2.Increase in the reporting period		
（1） Withdrawal		
3.Decrease in the reporting period		

（1）Disposal		
4. Closing balance		
IV. Book value		
1.Book value of the period-end	16,493,135.66	16,493,135.66
2.Book value of the period-begin	9,221,189.37	9,221,189.37

Other note：None

26. Intangible assets

(1) Information

In RMB

Items	Land use right	Patent right	Non-proprietary technology	Software	Total
I. Original price					
1. Balance at period-beginning	48,258,239.00	11,825,200.00		21,696,241.02	81,779,680.02
2.Increase in the current period					
(1) Purchase				460,596.04	460,596.04
（2）Internal R & D					
（3）Increased of Enterprise Combination					
3.Decreased amount of the period					
（1）Disposal					
4. Balance at period-end	48,258,239.00	11,825,200.00		22,156,837.06	82,240,276.06
II.Accumulated amortization					
1. Balance at period-beginning	14,382,583.03	11,825,200.00		6,936,736.99	33,144,520.02
2. Increase in the current period					
(1) Withdrawal	445,782.66			2,076,587.06	2,522,369.72
3.Decreased amount of the period					
（1）Disposal					
4. Balance at period-end	14,828,365.69	11,825,200.00		9,013,324.05	35,666,889.74
III. Impairment provision					
1. Balance at period-beginning					
2. Increase in the current period					
(1) Withdrawal					
3.Decreased amount of the period					
（1）Disposal					
4. Balance at period-end					
4. Book value					
1.Book value at period -end	33,429,873.31	0.00	0.00	13,143,513.01	46,573,386.32
2.Book value at period-beginning	33,875,655.97	0.00	0.00	14,759,504.03	48,635,160.00

The proportion the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end.

(2) Details of fixed assets failed to accomplish certification of land use right

Not applicable

27. R&D expenses

Not applicable

28. Goodwill

(1) Original book value of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
Name of the investees or the events formed goodwill	Opening balance	The merger of enterprises		dispos ition		Closing balance
SAPO Photoelectric	9,614,758.55					9,614,758.55
Shenzhen Beauty Century Garment Co., Ltd.	2,167,341.21					2,167,341.21
Total	11,782,099.76					11,782,099.76

（2）Impairment of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
Name of the investees or the events formed goodwill	Opening balance	Provis ion		dispos ition		Closing balance
SAPO Photoelectric	9,614,758.55					9,614,758.55
Shenzhen Beauty Century Garment Co., Ltd.	2,167,341.21					2,167,341.21
Total	11,782,099.76					11,782,099.76

Information about an asset group or asset group portfolio

None

Explain the goodwill impairment test process, key parameters (such as forecast period growth rate at expected future cash flow, stable period growth rate, profit margin, discount rate, forecast period, etc.) and the confirmation method of goodwill impairment loss

None

Impact of the goodwill impairment test

None

Other note

None

29. Long term amortize expenses

In RMB

Items	Balance in year-begin	Increase in this period	Amortized expenses	Other loss	Balance in year-end
Decoration fee	332,644.10	0.00	71,039.99		261,604.11
Renovation fee	3,775,267.08	212,390.46	488,643.55		3,499,013.99
Other	1,279,384.76	0.00	326,828.08		952,556.68
Total	5,387,295.94	212,390.46	886,511.62		4,713,174.78

Other note: None

30. Deferred income tax assets/deferred income tax liabilities

（1）Details of the un-recognized deferred income tax assets

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets depreciation reserves	5,852,540.16	1,463,135.04	5,766,782.71	1,440,192.90
Unattained internal sales profits	1,394,515.52	348,628.88	2,324,192.50	348,628.88
Payroll payable	7,412,819.00	1,853,204.75	7,679,100.00	1,919,775.00
Total	14,659,874.68	3,664,968.67	15,770,075.21	3,708,596.78

(2)Details of the un-recognized deferred income tax liabilities

In RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Changes in fair value of investments in other equity instruments	178,849,973.46	44,712,493.37	178,849,973.46	44,712,493.37
The difference between the initial recognition cost and tax base of long-term equity investment of Guanhua Company	62,083,693.36	15,520,923.34	62,083,693.36	15,520,923.34
Differ difference in rent receivable	6,026,475.40	1,506,618.85	5,636,976.78	1,409,244.20
Total	246,960,142.22	61,740,035.56	246,570,643.60	61,642,660.91

(3) Deferred income tax assets or liabilities listed by net amount after off-set

In RMB

Items	Trade-off between the deferred income tax assets and liabilities	End balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		3,664,968.67		3,708,596.78
Deferred income tax liabilities		61,740,035.56		61,642,660.91

(4)Details of income tax assets not recognized

In RMB

Items	Balance in year-end	Balance in year-begin
Deductible temporary difference	149,917,447.24	151,027,647.77
Deductible loss	667,032,025.03	736,209,989.47
Total	816,949,472.27	887,237,637.24

(5)Deductible losses of the un-recognized deferred income tax asset will expire in the following years

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2023	60,048,979.89	129,226,944.33	
2024	148,095,898.11	148,095,898.11	
2025	83,287,153.64	83,287,153.64	
2026	120,820,767.06	120,820,767.06	
2028	22,594,586.97	22,594,586.97	
2029	100,351,965.47	100,351,965.47	
2030	77,636,524.67	77,636,524.67	
2031	54,196,149.22	54,196,149.22	
Total	667,032,025.03	736,209,989.47	

Other note: None

31 .Other non-current assets

In RMB

Items	Balance in year-end			Balance in year-begin		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Certificate of deposit for more than 1 year	30,000,000.00		30,000,000.00	30,030,410.96		30,030,410.96
Investment fund of Shenzhen Xieli Automobile Co., Ltd	25,760,086.27		25,760,086.27	25,760,086.27		25,760,086.27
Other	200, 685. 00		200, 685. 00			
Advance payment for equipment fund				28,769,782.86		28,769,782.86
Total	55,960,771.27		55,960,771.27	84,560,280.09		84,560,280.09

Other note:Note

32. Short-term borrowings

（1）Categories of short-term loans

In RMB

Items	Balance in year-end	Balance in year-begin
Credit loans	10,773,019.10	0.00
Uncounted and outstanding acceptance	11,288,842.02	37,575,113.83

notes		
Total	22,061,861.12	37,575,113.83

(2) Situation of Overdue Outstanding Short-Term Borrowing

The total amount of overdue short-term loans at the end of this period is in RMB 0.00, of which the important overdue short-term loans are as follows: None

33. Transactional financial liabilities

None

34. Derivative financial liability

None

35.Notes payable

In RMB

Type	Balance in year-end	Balance in year-begin
Bank acceptance Bill	46,425,031.27	16,682,324.12
Total	46,425,031.27	16,682,324.12

The total note payable not due at the end of the period is 0.00 yuan.

36. Accounts payable

(1) List of accounts payable

In RMB

Items	Balance in year-end	Balance in year-begin
Within 1 year	21,008,716.36	280,210,281.65
1-2 years	387,161,708.17	1,122,451.76
2-3 years	0.00	496,309.68
3-4 years	0.00	44,629.53
4-5 years	0.00	983,598.33
Over 5 years	411,743.57	786,571.28
Total	408,582,168.10	283,643,842.23

(2) Significant advance from customers aging over one year

None

37.Advance account

(1) List of Advance account

In RMB

Items	Balance in year-end	Balance in year-begin
Within 1 year	16,367,252.26	968,394.67
1-2 years		197,892.32
Over 3 years	639,024.58	639,024.58

Total	17,006,276.84	1,805,311.57

(2) Significant advance from customers aging over one year

None

38.Contract liabilities

In RMB

Items	Balance in year-end	Balance in year-begin
Goods	122,759.15	68,955.21
Total	122,759.15	68,955.21

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

None

39.Payable Employee wage

(1) List of Payroll payable

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
I. Short-term compensation	59,719,860.24	121,750,520.77	127,382,898.25	54,087,482.76
II.Post-employment benefits - defined contribution plans		7,706,967.36	7,706,967.36	
Total	59,719,860.24	129,457,488.13	135,089,865.61	54,087,482.76

（2）Short-term remuneration

In RMB

Items	Balance in year-begin	Increase in this period	Decrease in this period	Balance in year-end
1.Wages, bonuses, allowances and subsidies	57,114,308.02	108,558,742.96	114,539,999.73	51,133,051.25
2.Employee welfare		3,882,798.29	3,882,798.29	0.00
3. Social insurance premiums		2,735,562.94	2,735,562.94	0.00
Including：Medical insurance		1,955,275.84	1,955,275.84	0.00
Work injury insurance		119,422.77	119,422.77	0.00
Maternity insurance		201,009.56	201,009.56	0.00
Other		459,854.77	459,854.77	0.00
4. Public reserves for housing		3,814,761.51	3,814,761.51	0.00
5.Union funds and staff education fee	2,605,552.22	2,618,932.70	2,279,621.62	2,944,863.30
Other	0.00	139,722.37	130,154.16	9,568.21
Total	59,719,860.24	121,750,520.77	127,382,898.25	54,087,482.76

（3）Defined contribution plans listed

In RMB

Items	Balance in year-begin	Increase in this period	Decrease in this period	Balance in year-end
1. Basic old-age insurance premiums	0.00	6,410,611.47	6,410,611.47	0.00
2.Unemployment	0.00	149,878.42	149,878.42	0.00

insurance				
3. Annuity payment	0.00	1,146,477.47	1,146,477.47	0.00
Total		7,706,967.36	7,706,967.36	

Other note：None

40.Tax Payable

In RMB

Items	Balance in year-end	Balance in year-begin
VAT	320,623.96	6,334,093.50
Enterprise Income tax	768,379.76	1,804,277.95
Individual Income tax	260,524.71	866,274.38
City Construction tax	64,543.97	43,259.90
House property tax	1,280,294.26	102,146.02
Land use tax	4,529.70	0.00
Education surcharge	48,255.87	31,608.85
Stamp tax	12,600.06	18,966.49
Total	2,759,752.29	9,200,627.09

Other note：None

41.Other payable

In RMB

Items	Balance in year-end	Balance in year-begin
Interest payable	0.00	
Other payable	139,364,842.98	201,317,421.35
Total	139,364,842.98	201,317,421.35

（1）Interest payable

None

（2）Dividends payable

None

(3) Other accounts payable

(a) Other accounts payable listed by nature of the account

In RMB

Items	Balance in year-end	Balance in year-begin
Engineering Equipment fund	30,634,930.38	91,213,156.89
Unit account	60,004,929.20	51,681,042.57
Deposit	17,267,441.75	43,277,481.38
Other	31,457,541.65	15,145,740.51
Total	139,364,842.98	201,317,421.35

(b) Other significant accounts payable with aging over one year

None

42. Liabilities classified as holding for sale

None

43. Non-current liabilities due within 1 year

In RMB

Items	Balance in year-end	Balance in year-begin
Lease liabilities due within one year	9,045,873.71	5,175,393.52
Total	9,045,873.71	5,175,393.52

Other note：None

44.Other current liabilities

In RMB

Items	Balance in year-end	Balance in year-begin
Did not terminate the confirmation bill endorsement, discount	40,146,023.59	27,523,903.58
Total	40,146,023.59	27,523,903.58

Other note：None

45. Long-term borrowing

(1) List of Long-term borrowing

In RMB

Items	Balance in year-end	Balance in year-begin
Mortgage-guaranteed loan	728,782,222.63	683,016,243.25
Total	728,782,222.63	683,016,243.25

Description of the long-term loan classification

None

Other note: None,

46.Bond payable

（1）Bond payable

None

（2）Changes of bonds payable(Not including the other financial instrument of preferred stock and perpetual capital securities that classify as financial liability

None

(3) Note to conditions and time of share transfer of convertible bonds

None

（4）Other financial instruments that are classified as financial liabilities

None

47. Lease liabilities

In RMB

Items	Balance year-end	Year-beginning balance
lease liabilities	17,470,690.57	9,419,249.23
Less：Lease liabilities due within 1 year	-9,045,873.71	-5,175,393.52
Total	8,424,816.86	4,243,855.71

Other note

The accrued interest expense of lease liabilities from January to June 2022 is RMB 319,246.14, which is included in the financial expense-service expense.

48. Long-term payable

None

（1）Statement of long-term payroll payable

None

（2）Special payable

None

49. Long term payroll payable

（1）Statement of long-term payroll payable

None

（2）Change of defined benefit plans

None

50.Estimated liabilities

In RMB

Items	Balance in year-end	Balance in year-begin	Reason
Repayment payable	29,710,962.81	30,741,055.00	
Total	29,710,962.81	30,741,055.00	

Other note：None

51.Deferred income

In RMB

Items	Beginning of term	Increased this term	Decreased this term	End of term	Reason
Government Subsidy	110,461,293.15	13,586,815.72	10,382,503.03	113,665,605.84	
Total	110,461,293.15	13,586,815.72	10,382,503.03	113,665,605.84	

Details of government subsidies：

In RMB

Items	Beginning of term	New subsidy in current period	Amount transferred to non-operational income	Other income recorded in the current period	Amount of cost deducted in the current period	Other changes	End of term	Asset-related or income-related
Receipt of the project subsidy from the Finance Committee for April and June 2012	433,333.39			433,333.39				Related to assets
Subsidy for new materials of Line 5	499,999.96			250,000.02			249,999.94	Related to assets
Subsidy for imported equipment and technology (Line 4)	11,672.06			11,672.06				Related to assets
Subsidy for imported equipment and technology (Line 5)	140,074.13			70,037.10			70,037.03	Related to assets
National Development and Reform Commission's supporting funds for strategic emerging industry projects	49,999.94			25,000.02			24,999.92	Related to assets
Import subsidy funds for Shenzhen Municipal Finance Committee to encourage the introduction of advanced technology (in the current month)	14,388.09			7,194.06			7,194.03	Related to assets
Supporting funds for polarizer	162,499.96			25,000.02			137,499.94	Related to assets

materials and technical engineering laboratory								
Municipal R&D center (technical center (funding)	975,000.00			150,000.00			825,000.00	Related to assets
Finance Committee's new materials grant (Engineering Laboratory)	1,624,999.96			250,000.02			1,374,999.94	Related to assets
Special fund for key technical R&D project of optical compensation film for polarizer	2,624,999.96			250,000.02			2,374,999.94	Related to assets
Local supporting funds for the second-phase project of TFT-LCD polarizer (Line 6)	9,750,000.00			750,000.00			9,000,000.00	Related to assets
Pilot project of agglomeration development of strategic emerging industry region - Line 6	12,999,999.96			1,000,000.02			11,999,999.94	Related to assets
Third batch of supporting plans in 2016 and supporting plans for national/provincial projects for special funds for emerging industries and future development	3,249,999.96			250,000.02			2,999,999.94	Related to assets
Purchase money for production plant, equipment and instruments of Line 6	26,000,000.04			1,999,999.98			24,000,000.06	Related to assets
Receipt of special support funds from Pingshan New District Development and Finance Bureau	324,999.96			25,000.02			299,999.94	Related to assets
Receipt of the polarized light industrialization project for super-	28,750,000.00			1,500,000.00			27,250,000.00	Related to assets

large TV from Shenzhen Municipal Finance Committee								
Funding for R&D of key technologies of polarizer for ultrathin IPS smart phone terminals	1,983,333.33			100,000.00			1,883,333.33	Related to assets
R&D of key technologies of high-performance polarizer for large-size display panel)	6,000,000.00						6,000,000.00	Related to assets
Shenzhen Special Fund Subsidy Agreement for Improving Atmospheric Environmental Quality	147,643.86			147,643.86				Related to assets
Subsidies for special technical transformation investment projects for technical transformation multiplication in 2020	159,916.67			9,500.22			150,416.45	Related to assets
Special major project award and supplement support plan for technical transformation multiplication in 2021	10,662,333.32			551,500.04			10,110,833.28	Related to assets
Funding for key technology R&D project of low-color round-shaped polarizer for Z 2020N028 fixed curvature AMOLED	2,500,000.00						2,500,000.00	Related to assets
Industrial investment project support plan - first-batch project funding plan in 2022		11,170,000.00					11,170,000.00	Related to assets
Enterprise award		500,000.00		500,000.00				Related to

of harmonious labor relations in Pingshan District in 2020								income
Cultivation and support of high-tech enterprises in Shenzhen's scientific and technological innovation in 2022		1,000,000.00		1,000,000.00				Related to income
Fund subsidy for "Ten" Policies of anti-epidemic and aid enterprises in Pingshan District in 2022		71,614.00		71,614.00				与 Related to income
One-time subsidy for training with post retained in 2022		657,375.00		657,375.00				Related to income
Post stabilization subsidy		174,966.00		174,966.00				Related to income
Subsidy for old elevator renovation	720,241.51			55,877.86			664,363.65	Related to assets
Post retaining subsidy, etc.		12,860.72		12,860.72				Related to income
Textile transfer fund	142,857.09			71,428.58			71,428.51	Related to assets
Special fund for atmospheric environmental quality	442,000.00			26,000.00			416,000.00	Related to assets
Subsidy for technical transformation of dyeing projects	91,000.00			6,500.00			84,500.00	Related to assets

Other note：None

52. . Other non-current liabilities

None

53.Stock capital

In RMB

	Year-beginning balance	Changed（+，-）					Balance in year-end
		Issuance of new share	Bonus shares	Capitalization of public reserve	Other	Subtotal	
Total of capital shares	506,521,849.00						506,521,849.00

Other note：None

54. Other equity instruments

(1) Basic information on the outstanding other financial instruments, including preferred shares, perpetual bonds, etc. at the end of the reporting period

None

(2)Movement of the outstanding other financial instruments, including preferred shares, perpetual bonds, etc. at the end of the reporting period

None

55. Capital reserves

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	1,826,482,608.54			1,826,482,608.54
Other capital reserves	135,117,216.09			135,117,216.09
Total	1,961,599,824.63			1,961,599,824.63

Other notes, including the note to its increase/decrease and the cause(s) of its movement in the reporting period: None

56.Treasury stock

None

57. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period						Year-end balance
		Amount incurred before income tax	Less：Amount transferred into profit and loss in the current period that recognied into other comprehensive income in prior period	Less：Prior period included in other composite income transfer to retained income in the current period	Less：Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
1. Other comprehensive income that	118,643,084.23							118,643,084.23

cannot be reclassified in the loss and gain in the future								
Changes in fair value of investments in other equity instruments	118,643,084.23							118,643,084.23
2.Other comprehensive income reclassifiable to profit or loss in subsequent periods	1,039,034.82	75,756.02				75,756.02		1,114,790.84
Translation differences of financial statements denominated	1,039,034.82	75,756.02				75,756.02		1,114,790.84
Total of other comprehensive income	119,682,119.05	75,756.02				75,756.02		119,757,875.07

Other notes include the valid part of gain and loss of a cash-flow hedge converted into initial amount of arbitraged items for adjustment:None

58. Special reserves

None

59. Surplus reserves

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	98,245,845.47			98,245,845.47
Total	98,245,845.47			98,245,845.47

Note to surplus reserve, including the note to its increase/decrease and the cause(s) of its movement in the reporting period: None

60. Retained profits

In RMB

Items	Amount of current period	Amount of previous period
Retained earnings before adjustments at the year beginning	130,746,251.74	86,912,390.50
Retained earnings after adjustments at the	130,746,251.74	86,912,390.50

year end		
Add: Net profit attributable to owners of the Company for the period	42,433,525.10	61,162,384.25
Less: withdrawal of statutory surplus reserve		3,175,360.75
Common stock dividend payable	25,326,092.45	15,195,655.47
Add: Other comprehensive income carried ward to retained earnings		1,042,493.21
Retained profits at the period end	147,853,684.39	130,746,251.74

As regards the details of adjusted the beginning undistributed profits

(1)As the retroactive adjustment on Enterprise Accounting Standards and its related new regulations, the affected beginning undistributed profits are RMB 0.00.

(2) As the change of the accounting policy, the affected beginning undistributed profits are RMB 0.00.

(3) As the correction of significant accounting error, the affected beginning undistributed profits are RMB 0.00 .

(4) As the change of consolidation scope caused by the same control, the affected beginning undistributed profits are RMB 0.00.

(5) Other adjustment of the total affected beginning undistributed profits are RMB 0.00 .

61. Business income, Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	1,425,009,759.63	1,240,002,222.92	1,097,424,726.81	859,513,585.39
Other business	20,127,549.46	2,985,871.14	4,111,680.57	3,611,874.68
Total	1,445,137,309.09	1,242,988,094.06	1,101,536,407.38	863,125,460.07

Income-related information:

In RMB

Type	Division 1	Division 2	Division 3	Total
Types of goods	1,369,146,600.89	53,399,773.66	22,590,934.54	1,445,137,309.09
Including				
Polarizer	1,369,146,600.89			1,369,146,600.89
Property lease management and others		53,399,773.66		53,399,773.66
Textile			22,590,934.54	22,590,934.54
Area	1,369,146,600.89	53,399,773.66	22,590,934.54	1,445,137,309.09
Including				
Domestic	1,296,964,926.29	53,399,773.66	4,622,754.68	1,354,987,454.63
Abroard	72,181,674.60		17,968,179.86	90,149,854.46
Market				
Including：				
Textile				
Contract				
Including：				

Time				
Including：				
Term				
Including：				
Sales Channel				
Including：				
Total				

Information related to performance obligations: None

Information related to the transaction price apportioned to the residual performance obligation:

The income corresponding to the performance obligations that have not been performed or have been performed incompletely but the contract has been signed at the end of the reporting period is RMB 0.00, of which RMB 0.00 is expected to be recognized as income in the year, RMB 0.00 is expected to be recognized as income in the year, and RMB 0.00 is expected to be recognized as income in the year.

Other note: None

62.Taxes and surcharges

In RMB

Items	Amount of current period	Amount of previous period
Urban construction tax	193,493.65	281,149.75
Education surcharge	133,269.00	200,819.41
Property tax	2,911,689.84	2,888,631.84
Land use tax	97,737.54	184,237.54
vehicle and vessel usage tax	1,440.00	360.00
Stamp tax	829,848.83	717,598.47
Other	3,883.32	8,247.78
Total	4,171,362.18	4,281,044.79

Other note: None

63.Sales expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage	9,765,028.00	9,298,067.94
Transportation changes	0.00	0.00
Exhibition fee	0.00	0.00
Business expenses	734,977.55	522,657.33
Samples and product loss	697,198.25	751,108.62
Property insurance		2,716,981.13
Sell	5,791,774.85	5,768,718.15
Travel expenses	444,372.70	485,870.44
Other	922,396.04	950,371.21
Total	18,355,747.39	20,493,774.82

Other note：None

64. Administrative expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage	40,666,351.70	38,236,906.16
Depreciation of fixed assets	7,296,978.02	4,879,277.56
Water and electricity	1,062,777.63	3,022,844.03
Intermediary organ	2,701,374.70	1,931,057.09
Intangible assets amortization	2,514,696.45	832,673.40
Travel expenses	131,833.96	210,173.80
Office expenses	362,061.20	443,729.99
Business entertainment	729,775.83	588,954.42
Repair charge	670,088.51	604,512.02
Property insurance	209,327.75	128,797.77
Low consumables amortization	69,360.98	857,011.20
Board fees	190,498.78	109,620.00
Rental fee	1,650,936.30	0.00
Other	3,192,127.05	3,482,103.32
Tax	61,448,188.86	55,327,660.76

Other note: None

65.R & D costs

In RMB

Items	Amount of current period	Amount of previous period
Wage	8,566,206.98	8,134,336.44
Material	23,286,446.67	18,818,987.18
Depreciation	1,908,863.88	1,650,506.69
Fuel & Power	473,821.67	423,847.84
Travel expenses	45,732.13	96,760.54
Other	589,921.33	45,654.70
Total	34,870,992.66	29,170,093.39

Other note: None

66.Financial Expenses

In RMB

Items	Amount of current period	Amount of previous period
Interest expenses	15,882,534.27	379,800.97
Interest income	-773,863.34	-840,978.40
Exchange loss	-27,366,911.14	-12,318,481.73
Fees and other	3,424,366.77	3,564,625.68
Total	-8,833,873.44	-9,215,033.48

Other note：None

67.Other income

In RMB

Items	Amount of current period	Amount of previous period
Govemment Subsidy	10,780,654.48	8,764,569.01

68. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment returns accounted for by equity method	1,658,532.04	-412,713.12
Investment income from the disposal of long-term equity investment		20,779.93
Dividend income earned during investment holdings in other equity instruments	708,000.00	1,122,007.80
Structured deposit interest	8,967,680.80	9,422,057.74
Other	-291,040.32	
Total	11,043,172.52	10,152,132.35

Other note：None

69.Net exposure hedging income

None

70. Gains on the changes in the fair value

In RMB

Source	Amount of this period	Amount of last period
Transaction financial assets	0.00	914,599.37
Total		914,599.37

Other note：None

71. Credit impairment loss

In RMB

Items	Amount of this period	Amount of last period
Loss of bad debts in other receivables	6,951,880.47	-5,217,962.16
Loss of bad note receivable	291,096.44	58,202.39
Loss of bad accounts receivable	-10,228,230.44	812,160.93
Total	-2,985,253.53	-4,347,598.84

Other note：None

72. Losses from asset impairment

In RMB

Items	Amount of current period	Amount of previous period
II. Loss of inventory price and Impairment of contract performance costs	-42,073,672.20	-52,628,070.13
Total	-42,073,672.20	-52,628,070.13

Other note：None

73. Asset disposal income

In RMB

Items	Amount of current period	Amount of previous period
Gains& losses on the disposal of fixed assets	-11,114.72	-55.96

74. Non-Operation income

In RMB

Items	Amount of current period	Amount of previous period	Recorded in the amount of the non-recurring gains and losses
Return insurance settlement income	1,615,000.00		1,615,000.00
No payment required	78,644.95	17,140,459.60	78,644.95
Other	74,470.10	18,938.83	74,470.10
Payable without payment	0.00	3,278,053.95	
Total	1,768,115.05	20,437,452.38	1,768,115.05

Government subsidies recorded into current profits and losses： None

75.Non-current expenses

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & lossed
Other	202,204.91	0.00	202,204.91
Non-current asset Disposition loss	10,885.38	344,978.92	10,885.38
Total	213,090.29	344,978.92	213,090.29

Other note：None

76.Income tax expenses

(1)Income tax expenses

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expense	16,930.91	7,936,142.04
Deferred income tax expense	323,966.90	-57,226.00
Total	340,897.81	7,878,916.04

(2)Reconciliation of account profit and income tax expenses

In RMB

Items	Amount of current period
Total profits	70,445,608.69
Income tax expenses calculated at the applicable tax rate	17,469,185.37
Influence of different tax rates applied by some subsidiaries	-5,705,058.69
Income not subject to tax	-2,348,309.43
Non-deductible costs, expenses and losses	6,733,685.35
Tax impact by the unrecognized deductible losses and deductible temporary differences in previous years	-11,684,949.37
Tax impact of unrecognized deductible losses and deductible temporary differences	1,106,993.48
Tax impact of research and development fee plus deduction	-5,230,648.90
Income tax expense	340,897.81

Other note：None

77. Other comprehensive income

Refer to the notes 57

78. Supplementary information to cash flow statement

(1) Other cash received relevant to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Interest income and other（Not including financing product）	559,472.02	665,366.82
Letter of Credit Deposit	152,041,095.07	13,963,635.17
Government Subsidy	13,883,551.50	7,242,800.00
Current account	120,535,575.04	16,893,575.28
Insurance claim	0.00	3,255,114.00
Total	287,019,693.63	42,020,491.27

Note to other cash received in connection with operating activities: None

(2)Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Payment of credit deposit	11,655,819.11	122,116,897.49
Other	37,548,518.13	38,830,126.18
Total	49,204,337.24	160,947,023.67

Note to other cash paid in connection with operating activities: None

(3)Cash received related to other investment activities

In RMB

Items	Amount of current period	Amount of previous period
Structured deposits, financial products, principal and income	635,000,000.00	779,428,611.40
Total	635,000,000.00	779,428,611.40

Note to other cash received related to other investment activities：None

(4).Cash paid related to other investment activities

In RMB

Items	Amount of current period	Amount of previous period
Purchase of financial management, structured deposit and investment	650,000,001.00	732,374,977.65
Total	650,000,001.00	732,374,977.65

Note to other Cash paid related to other investment activities： None

（5）Other cash received in relation to financing activities

None

（6）Cash paid related with financing activities

In RMB

Items	Amount of current period	Amount of previous period
Restricted stock of stock repurchase incentive object	0.00	7,820,298.30
Total		7,820,298.30

Note to other Cash paid related with financing activities： None

79. Supplement Information for cash flow statement

（1）Supplement Information for cash flow statement

In RMB

Items	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities		
Net profit	70,104,710.88	113,422,540.25
Add: Impairment loss provision of assets	45,058,925.73	52,628,070.13
Depreciation of fixed assets, oil and gas assets and consumable biological assets	74,763,001.21	58,051,019.56
Depreciation of Use right assets		
Amortization of intangible assets	460,596.04	832,673.40
Amortization of Long-term deferred expenses	674,121.16	390,173.02
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	11,114.72	20,779.93
Fixed assets scrap loss		427,672.86
Loss on fair value changes		-914,599.37
Financial cost	-8,833,873.44	-9,215,033.48
Loss on investment	-11,043,172.52	-10,131,352.42
Decrease of deferred income tax assets	43,628.11	-57,226.00
Increased of deferred income tax liabilities	97,374.65	-334,656.31
Decrease of inventories	-113,943,401.07	-95,326,175.24
Decease of operating receivables	-74,703,894.32	-84,942,673.31
Increased of operating Payable	96,749,103.44	-77,494,749.27
Other		
Net cash flows arising from operating activities	79,438,234.59	-52,643,536.25
II. Significant investment and financing activities that without cash flows:		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Financing of fixed assets leased		
III .Movement of cash and cash equivalents：		
Ending balance of cash	348,660,980.95	252,993,764.22
Less: Beginning balance of cash equivalents	302,408,433.72	278,337,236.95
Add：End balance of cash equivalents		
Less: Beginning balance of cash equivalents		

Net increase of cash and cash equivalent	46,252,547.23	-25,343,472.73

(2) Net Cash paid of obtaining the subsidiary

None

(3) Net Cash receive of disposal of the subsidiary

None

(4) Component of cash and cash equivalents

In RMB

Items	Year-end balance	Year-beginning balance
I. Cash	348,660,980.95	302,408,433.72
Including：Cash at hand	6,238.09	792.64
Demand bank deposit	348,654,742.86	302,407,641.08
III. Balance of cash and cash equivalents at the period end	348,660,980.95	302,408,433.72

Other note：None

80. Note of statement of changes in the owner's equity

Specify the description of the item "others" and the adjusted amount of the balance at the end of last year:None

81. The assets with the ownership or use right restricted

In RMB

Items	Book value at the end of the reporting period	Cause of restriction
Monetary fund	7,940,013.85	Deposit for L/C
Fixed assets	238,616,091.47	Mortgage
Intangible assets	33,433,699.75	Mortgage
Total	279,989,805.07	

Other note：None

82. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary funds			
Including：USD	3,899,216.67	6.7114	26,169,202.76
Euro			
HKD	800,248.29	0.8552	684,372.34
Yen	22,112,084.00	0.0491	1,085,703.32
Account payable			
Including：USD	5,847,606.34	6.7114	39,245,625.19
Euro			
HKD	278,280.00	0.8552	237,985.06
Long-term borrowing			
Including：USD			
Euro			

HKD			
Other receivable			
Including：USD	70,526.62	6.7114	473,332.36
Other payable			
Including：USD	676,686.00	6.7114	4,541,510.42
HKD	30,450.09	0.8552	26,040.92
Yen	3,381,984.00	0.0491	166,055.41
Euro	22,500.00	7.0084	157,689.00
Account payable			
Including：USD	6,561,323.06	6.7114	44,035,663.58
Yen	4,040,248,216.00	0.0491	198,376,187.41

Other note：None

(2) Note to overseas operating entities, including important overseas operating entities, witch should be disclosed about its principal business place, function currency for bookkeeping and basis for the choice. In case of any change in function currency, the cause should be disclosed.

□ Applicable √ Not applicable

83. Hedging

Arbitrage According to arbitrage category to disclose arbitrage item, relevant arbitrage tools and the arbitraged risk qualitative and quantitative information: None

84. Government subsidies

（1）Government subsidies confirmed in current period

In RMB

Items	Amount	Project	Amount included in current profit and loss
A B seat old elevator renovation subsidy	50,000.00	Other income	50,000.00
Post stabilization subsidy	77,242.92	Other income	77,242.92
Protection supplies support	10,000.00	Other income	10,000.00
Elevator renovation renewal subsidies	5,877.86	Other income	5,877.86
Post retaining subsidy, etc.	8,000.00	Other income	8,000.00
Social security return	3,692.52	Other income	3,692.52
Other	3,579.33	Other income	3,579.33
Received individual income tax handling fee refund	57,297.68	Other income	57,297.68
Futian Government Futian District Investment Promotion and Enterprise Service Center Protective Equipment Support Government Subsidies	10,000.00	Other income	10,000.00
Additional VAT reduction and exemption by the tax bureau implementing the six-tax and two-fee reduction and exemption policy for small and micro enterprises.	7,743.96	Other income	7,743.96

Social Security Bureau Unemployment Insurance Stabilizing Posts and Preventing Unemployment One-off Training Subsidies for Staying in Work	18,625.00	Other income	18,625.00
Subsidy for new materials of Line 5	5,000,000.00	Deferred income	250,000.04
Subsidy for imported equipment and technology (Line5)	1,400,741.72	Deferred income	70,037.10
National Development and Reform Commission's supporting funds for strategic emerging industry projects	500,000.00	Deferred income	25,000.02
Subsidies (current month) by Shenzhen Municipal Finance Committee encouraging the introduction of advanced technology import	143,881.00	Deferred income	7,194.06
Supporting Funds for Polarizer Materials and Technology Engineering Laboratory	500,000.00	Deferred income	25,000.02
Municipal R&D Center (Technology Center (Grant)	3,000,000.00	Deferred income	150,000.00
Finance Committee New Material Grant (Engineering Laboratory)	5,000,000.00	Deferred income	250,000.02
Special fund for key technical R&D project of optical compensation film for polarizer	5,000,000.00	Deferred income	250,000.02
T Local supporting funds for the second-phase project of TFT-LCD polarizer (Line 6)	15,000,000.00	Deferred income	750,000.00
Pilot project of agglomeration development of strategic emerging industry region - Line 6	20,000,000.00	Deferred income	1,000,000.02
Third batch of supporting plans in 2016 and supporting plans for national/provincial projects for special funds for emerging industries and future development	5,000,000.00	Deferred income	250,000.02
Purchase money for production plant, equipment and instruments of Line 6	40,000,000.00	Deferred income	1,999,999.98
Receipt of special support funds from Pingshan New District Development and Finance Bureau	500,000.00	Deferred income	25,000.02
Receipt of the polarized light industrialization project for super-large TV from Shenzhen Municipal Finance Committee	30,000,000.00	Deferred income	1,500,000.00
Funding for R&D of key technologies of polarizer for ultrathin IPS smart phone terminals	2,000,000.00	Deferred income	100,000.00
Fund of Shenzhen Municipal Finance Committee (Z 2018N007 R&D of key technologies of high-performance polarizer for large-size display panel)	6,000,000.00	Deferred income	0.00
Subsidies for special technical transformation investment projects for technical transformation multiplication in 2020	190,000.00	Deferred income	9,500.22
Special major project award and supplement support plan for technical transformation multiplication in 2021	11,030,000.00	Deferred income	551,500.02
Funding for key technology R&D project of low-color round-shaped polarizer for Z 2020N028 fixed curvature AMOLED	2,500,000.00	Deferred income	0.00
Industrial investment project support plan - first-batch project funding plan in 2022	11,170,000.00	Deferred income	0.00
The project subsidies received from the Finance Committee in April and June 2012	433,333.39	Deferred income	433,333.39
Subsidies for purchase of imported equipment and technical (Line 4)	11,672.06	Deferred income	11,672.06
Shenzhen Municipal Atmospheric Environment Quality Improvement Special Fund Subsidy Agreement	147,643.86	Deferred income	147,643.86
Received the handling fee of tax withheld and paid by the tax bureau	100,132.83	Deferred income	100,132.83
Received the Social Security Bureau’s Stable Job Subsidy	174,966.00	Deferred income	174,966.00
Received the first batch of one-off training subsidies for job retention in 2022 from the Social Security Bureau	657,375.00	Deferred income	657,375.00
Received the "Ten" policy subsidy by Pingshan District's anti-epidemic	71,614.00	Deferred	71,614.00

warm-hearted aid in 2022 (the first batch)		income	
Received the 2020 Pingshan District Harmonious Labor Relations Enterprise Award Fund (Third class)	500,000.00	Deferred income	500,000.00
Received the first grant of the second batch of 2022 High-tech Enterprise Cultivation Funding of Shen TechnologyInnovation	1,000,000.00	Deferred income	1,000,000.00

（2）Government subsidy return

□ Applicable √ Not applicable

85.Other

None

VIII. Changes of merge scope

1. Business merger not under same control

(1) Business merger not under same control in reporting period

None

(2) Combined cost and goodwill

None

(2) Combined cost and goodwill

None

(4) The profit or loss from equity held by the date before acquisition in accordance with the fair value measured again、

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and gaining the control during the reporting period

□ Yes √ No

(5) Note to merger could not be determined reasonable consideration or Identifiable assets, Fair value of liabilities of the acquiree at acquisition date or closing period of the merge

None

(6) Other note

None

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

None

(2) Combination cost

None

(3) The book value of the assets and liabilities of the merged party on the date of consolidation

None

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.
None

4. The disposal of subsidiary

Whether there is a single disposal of the investment to subsidiary and lost control

□ Yes √No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

□ Yes √ No

5. Other reasons for the changes in combination scope

Note to the change in the consolidation scope (e.g. new subsidiaries, liquidation subsidiaries, etc.) caused by other reasons and relevant information:
None

6.Other

None

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Subsidiary	Main operation	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shenzhen Lishi Industry Development Co., Ltd	Shenzhen	Shenzhen	Domestic trade, Property Management	100.00%		Establish
Shenzhen Huaqiang Hotel	Shenzhen	Shenzhen	Accommodation, restaurants, business center;	100.00%		Establish
Shenfang Property Management Co., Ltd.	Shenzhen	Shenzhen	Property Management	100.00%		Establish
Shenzhen Beauty Century Garment Co., Ltd.	Shenzhen	Shenzhen	Production of fully electronic jacquard knitting whole shape	100.00%		Establish
Shenzhen Shenfang Sungang Property Management Co., Ltd.	Shenzhen	Shenzhen	Property Management	100.00%		Establish
SAPO Photoelectric	Shenzhen	Shenzhen	Polarizer production and sales	60.00%		Purchase
Shengtou (Hongkong) Co.,Ltd.	Hongkong	Hongkong	Production and sales of polarizer		100.00%	Establish
Shenzhen Shengjinlian Technology Co., Ltd.	Shenzhen	Shenzhen	Property leasing		100.00%	Establish

Explanation that the shareholding ratio in subsidiaries is different from the voting right ratio: None
Basis for holding half or less voting rights but still controlling the investee, and holding more than half voting rights but not controlling the investee: None
For the important structured subjects included in the scope of consolidation, the control basis is: None
Basis for determining whether the company is an agent or a principal: None
Other note：Note

（2）Significant not wholly-owned subsidiaries

In RMB

Name	Holding proportion of non-controlling interest	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	Closing balance of non-controlling interest
SAPO Photoelectric	40.00%	27,671,185.78	0.00	1,174,704,542.96

Other note：None

(3) Main financial information of significant not wholly-owned subsidiaries

In RMB

Subsidiaries	Closing balance						Beginning balance					
	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
SAPO Photoelectric	1,947,415,650.28	2,458,958,903.15	4,406,374,553.43	595,626,615.60	879,347,315.98	1,474,973,931.58	1,627,394,110.47	2,581,716,148.26	4,209,110,258.73	517,271,215.13	827,066,348.51	1,344,337,563.64

In RMB

Subsidiaries	Current term				Last term			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
SAPO Photoelectric	1,390,584,901.04	69,177,964.44	69,177,964.44	80,837,844.34	1,026,352,289.62	79,133,750.25	79,133,750.25	-49,132,316.09

Other note：None

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

None

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

None

Other note：None

2. The transaction of the Company with its owner’s equity share changed but still controlling the subsidiary

(1) Note to owner’s equity share changed in subsidiary

Not applicable

(2) The transaction’s influence to equity of minority shareholders and attributable to the owner's equity of the parent company

Not applicable

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		The accounting treatment of investment in associates
				direct	indirect	
Shenzhen Guanhua Printing &	Shenzhen	Shenzhen	Property leasing	50.16%		Equity method

Dyeing Co., Ltd						

Explanation that the shareholding ratio in the joint venture or associated enterprise is different from the voting right ratio: None

Basis for holding less than 20% of voting rights but with significant influence, or holding 20% or more of voting rights but without significant influence: None

（2）The Summarized Financial Information of Joint Ventures

In RMB

	Year-end balance/ Amount of current period	Year-beginning balance/ Amount of previous period
Current assets	40,540,555.98	37,787,147.72
Including： Cash and cash equivalent	224,653,907.84	227,586,396.23
Non-current assets	265,194,463.82	265,373,543.95
Total assets	15,427,466.62	18,194,214.40
Current liabilities	34,108,058.19	35,190,853.69
Non-current liabilities	49,535,524.81	53,385,068.09
Total liabilities	215,658,939.01	211,988,475.86
Minority equity		
Attributable to shareholders of the parent company	215,658,939.01	211,988,475.86
Share of net assets calculated by stake	108,174,523.81	106,333,419.49
Adjustment items		
-- Goodwill	21,595,462.44	21,595,462.44
-- Internal transactions did not achieve profit	0.00	0.00
--Other	285,343.61	285,343.61
Book value of equity investment in joint ventures	130,055,329.86	128,214,225.54
The fair value of the equity investment of a joint venture with a public quotation		
Operating income	10,946,554.54	8,614,658.31
Financial expenses	-135,801.19	-53,530.25
Income tax expenses	-717,712.93	1,990,580.05
Net profit	2,617,456.35	-525,032.86
Net profit from terminated operations		
Other comprehensive income		
Total comprehensive income	2,617,456.35	-525,032.86
Dividends received from joint ventures for this year	0.00	0.00

Other note：None

(3) Main financial information of significant associated enterprise

None

(4) Summary financial information of insignificant joint venture or associated enterprise

None

(5) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

Not applicable

(6) The excess loss of joint venture or associated enterprise

Not applicable

(7) The unrecognized commitment related to joint venture investment

Not applicable

(8) Contingent liabilities related to joint venture or associated enterprise investment

Not applicable

4. Significant common operation

Not applicable

5. Equity of structure entity not including in the scope of consolidated financial statements

None

6.Other

Not applicable

X. Risks Related to Financial Instruments

The objective of the Company in risk management is to strike a proper balance between risks and benefits, and strive to reduce the adverse impact of financial risks on the Company's financial performance. Based on this risk management objective, the Company has formulated risk management policies to identify and analyze the risks faced by the Company, set appropriate risk acceptable levels and design corresponding internal control procedures to monitor the risk level of the Company. The Company will regularly review these risk management policies and related internal control systems to adapt to changes in market conditions or business activities of the Company. The internal audit department of the Company also regularly or randomly checks whether the implementation of the internal control system complies with the risk management policy

The main risks caused by the Company's financial instruments are credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and commodity price risk).

The Board of Directors is responsible for planning and establishing the Company's risk management framework, formulating the Company's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Company has formulated risk management policies to identify and analyze the risks faced by the Company. These risk management policies clearly define specific risks, covering many aspects such as market risk, credit risk and liquidity risk management. The Company regularly evaluates changes in the market environment and its business activities to decide whether to update the risk management policies and systems. The risk management of the Company is carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates and avoids relevant risks through close cooperation with other business departments of the Company. The internal audit department of the Company regularly reviews the risk management control and procedures, and reports the review results to the Audit Committee of the Company.

The Company disperses the risks of financial instruments through appropriate diversified investment and business portfolio, and reduces the risks concentrated in a single industry, a specific region or a certain counterparty by formulating corresponding risk management policies.

(1) Credit risk

Credit risk refers to the risk that the counterparty fails to fulfill its contractual obligations, resulting in financial losses of the Company.

The Company manages credit risk according to portfolio classification. Credit risks mainly arise from bank deposits, notes receivable, accounts receivable and other receivables.

The bank deposits of the Company are mainly deposited in state-owned banks and other large and medium-sized listed banks, and such bank deposits are not expected to have significant credit risks.

For notes receivable, accounts receivable, other receivables and long-term receivables, the Company sets relevant policies to control credit risk exposure. The Company evaluates customers' credit qualifications based on their financial status, credit records and other factors such as current market conditions, and sets corresponding credit periods. The Company will regularly monitor customers' credit records. For customers with bad credit records, the Company will adopt written dunning, shortening of credit period or cancellation of credit period to ensure that the overall credit risk of the Company is within the controllable range.

Debtors of accounts receivable of the Company are customers distributed in different industries and regions. The Company continuously evaluates the financial status of accounts receivable and purchases credit guarantee insurance when appropriate.

The maximum credit risk exposure the company is subject to is the book amount of each financial asset in the balance sheet. The Company has not provided any other guarantee that may expose the Company to credit risk.

(2) Liquidity risk

Liquidity risk refers to the risk of shortage of funds when the Company fulfills its obligation to settle by delivering cash or other financial assets.

The member companies of the Company are responsible for their own cash management, including short-term investment of cash surplus and raising loans to meet the estimated cash demand (if the loan amount exceeds certain preset authorization limits, it needs to be approved by the Board of Directors of the Company). In addition, the Company will also consider negotiating with suppliers to reduce part of the debt amount, or obtain funds in advance by selling long-aged accounts receivable, so as to reduce the cash flow pressure of the Company. The Company's policy is to regularly monitor the short-term and long-term liquidity demand and whether it meets the requirements of the loan agreement, so as to ensure that sufficient cash reserves and securities that can be realized at any time are maintained, and at the same time, to obtain sufficient reserve funds that major financial institutions promise to provide, so as to meet the short-term and long-term liquidity demand.

(3) Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to market price changes, including interest rate risk, exchange rate risk and other price risks.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk can be caused by recognized interest-bearing financial instruments and unrecognized financial instruments (such as certain loan commitments).

The Company's interest rate risk mainly arises from long-term bank loans. Financial liabilities with floating interest rate expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rate expose the Company to fair value interest rate risk.

The Company pays close attention to the impact of interest rate changes on its interest rate risk. At present, the Company has not adopted interest rate hedging policy. However, the management is responsible for monitoring interest rate risk and will consider hedging significant interest rate risk when necessary.

For financial instruments held on the balance sheet date, which expose the Company to fair value interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact of remeasuring the financial instruments according to the new interest rate, assuming that the interest rate changes on the balance sheet date. For the floating interest rate non-derivative instruments held on the balance sheet date, which expose the Company to cash flow interest rate risk, the impact of the above sensitivity analysis on net profit and shareholders' equity is the impact of the above interest rate changes on the annual estimated interest expense or income. Last year's analysis was based on the same assumptions and methods.

Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to the change of foreign exchange rate. Exchange rate risk can be derived from financial instruments denominated in foreign currencies other than the functional currency.

Exchange rate risk mainly refers to the impact of foreign exchange rate fluctuations on the financial position and cash flow of the Company. The ratio of foreign currency assets and liabilities held by the Company to the total assets and liabilities is not significant. Therefore, the Company believes that the exchange rate risk it faces is not significant.

XI. The disclosure of the fair value

1. Closing fair value of assets and liabilities calculated by fair value

In RMB

Items	Closing fair value			
	Fir value measurement items	Fir value measurement items	Fir value measurement items	Total

	at level 1	at level 2	at level 3	
I. Consistent fair value measurement	--	--	--	--
(1) Transactional Financial Asset	609,244,744.72		28,500,000.00	637,744,744.72
1. Financial assets measured at fair value and whose changes are included in the current profit and loss	609,244,744.72			609,244,744.72
2. Specify the financial assets measured at fair value and whose changes are included in the current profit and loss			28,500,000.00	28,500,000.00
（2）Equity instrument investment			28,500,000.00	28,500,000.00
(III) Other equity instrument investment			186,033,829.72	186,033,829.72
（VI）Receivable financing			51,434,865.61	51,434,865.61
Total liabilities measured at fair value on a non-ongoing basis	609,244,744.72		265,968,695.33	875,213,440.05
II Inconsistent fair value measurement	--	--	--	--

2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1

Quotes of the same assets or liabilities in active markets (unadjusted). The fair value of the Fuao Stoke held by the Company at the end of the period is measured based on the closing price of Shenzhen Stock Exchange on June 30, 2022.

3. Items measured based on the continuous or uncontinuous level 2nd fair value, valuation technique as used, nature of important parameters and quantitative information

Use observable input values other than the market quotation of assets or liabilities in the Level I directly (i.e. price) or indirectly (i.e. derived from price).

4. Items measured based on the continuous or uncontinuous level 3rd fair value, valuation technique as used, nature of important parameters and quantitative information

Assets or liabilities use any input value that is not based on observable market data (unobservable input value).

1. Financial assets measured at fair value and whose changes are included in the profits and losses of the current period are bank structured deposits held by the Company, which are measured at fair value based on the principal amount due to their short maturity;

2. Accounts receivable financing is a bank acceptance bill with a short face value and a face value close to the fair value, which is measured at the face value as the fair value;

3. Investment in other equity instruments is held by the Company Investment in non-tradable equity instruments is mainly valued and measured by market method, asset-based method and income method. Among them: Shenzhen Jiafeng Textile Industry Co., Ltd. and Jintian Industry (Group) Co., Ltd. faced with a operating

environment and operating conditions and financial status, so the Company uses zero yuan as a reasonable estimate of fair value for measurement; Changxing Junying Equity Investment Partnership (Limited Partnership) has no significant changes in its operating environment, operating conditions and financial status, so the Company measures the investment cost as a reasonable estimate of fair value.

5. Continuous third-level fair value measurement items, adjustment information between initial and final book values and sensitivity analysis of un-observable parameters

Not applicable

6. Continuous fair value measurement items, the conversion between different levels in the current period, the reasons for the conversion and the policy for determining the conversion time

Not applicable

7. Change of valuation technique incurred in the current period and cause of such change

Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

Not applicable

9.Other

None

XII. Related parties and related-party transactions

1.Parent company information of the enterprise

Name	Registered address	Nature	Registered capital	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Shenzhen Investment Holdings Co.,Ltd.	18/F, Investment Building, Shennan Road, Futian District, Shenzhen	Equity investment , Real-estate Development and Guarantee	RMB 28,009 million	46.21%	46.21%

Note to the parent company:
The company is authorized and approved to be state-owned independent company by Shenzhen Government, and it Executes financial contributor function on state-owned enterprise within authorization scope. Therefore, the Company's ultimate controller is Shenzhen Investment Holdings Co., Ltd.

Other note：None

2.Subsidiaries of the Company

Details refer to the Note IX-1, Interest in the subsidiary

3. Information on the joint ventures and associated enterprises of the Company

Details refer to the Note IX-3, Interests in joint ventures or associates

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in reporting period, or form balance due to related party transactions in previous period:

None

Other note: None

4.Other Related parties information

Other related party	Relationship to the Company
Suzhou Advantage Ford Investment Center (Limited partnership)	The controlling party of SAPO Shareholder
Shengto (HK) Co., Ltd.	The Company Executives are Director of the company
Hengmei Photoelectric Co., Ltd.	Sharing Company of Suzhou Advantage Ford Investment Center (Limited partnership)
Shenzhen Xinfang Knitting Co., Ltd.	Sharing Company
Shenzhen Dailishi Underwear Co., Ltd.	Sharing Company

Other note: None

5. Related transactions.

（1） Related transactions on purchasing goods and receiving services

Acquisition of goods and reception of labor service

None

Related transactions on sale goods and receiving services

None

(2) Related trusteeship/contract

Not applicable

(3) Information of related lease

Not applicable

(4) Related-party guarantee

Related guarantee

In RMB

Guaranteed party	Amount	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
SAPO Photoelectric	436,470,600.00	September 8,2020		No

The Company is the secured party

Not applicable

(5) Inter-bank lending of capital of related parties：

In RMB

Related party	Amount	Start date	Expiring date	Note
Borrowing fund：				
Shenzhen Guanhua Printing & Dyeing Co., Ltd.	3,806,454.17	July 30,2020	July 30,2022	The annual lending interest rate is 0.30%
Loaned				

(6) Related party asset transfer and debt restructuring

None

(7) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	3,523,165.00	2,512,499.00

(8) Other related transactions

None

6. Receivables and payables of related parties

（1）Receivables

None

（2）Payables

In RMB

Name	Related party	Amount at year end	Amount at year beginning
Account payable	Hengmei Photoelectric Co., Ltd.	168,423.60	170,977.53
Other payable	Shenzhen Xinfang Knitting Co., Ltd.	244,789.85	244,789.85
Other payable	Shenzhen Changlianfa Printing & dyeing Co., Ltd.	2,061,699.95	2,023,699.95
Other payable	Yehui International Co.,Ltd.	1,124,656.60	1,124,656.60
Other payable	Shengtou （Hongkong） Co., Ltd.	315,000.00	315,000.00
Other payable	Shenzhen Guanhua Printing & dyeing Co., Ltd.	3,768,454.17	3,806,454.17

7. Related party commitment

None

8.Other

None

XIII. Share payment

1. Overall situation of share payment

□Applicable √Not applicable

2. Equity-settled share-based payment

□Applicable √Not applicable

3. The Stock payment settled by cash

□ Applicable √ Not applicable

4. Modification and termination of the stock payment

None

5.Other

None

XIV. Commitments

1. Significant commitments

Significant commitments at balance sheet date

As of June 30,2022,The company does not disclose the pension plan undisclosed matter should exist.

2. Contingency

(1) Significant contingency at balance sheet date

Shenzhen SAPO Photoelectric Technology Co., Ltd. (hereinafter referred to as "SAPO Photoelectric"), a holding subsidiary of the Company, was sued by Hangzhou Jinhang Equity Investment Fund Partnership (Limited Partnership), another shareholder of SAPO Photoelectric, for dissolution, in which the Company is the third party. The court heard the case on July 15, 2022, and as of July 31, 2022, no judgment had been made. As the final judgment of the court is uncertain, its impact on the Company's current and future profits cannot be estimated temporarily.

Manager of Shenzhen Shenbao Textile Industry and Trade Co., Ltd. v. The Company, Shenzhen Yuanxingchang Industrial Co., Ltd. and Su Xingbin for Liquidation Liability Dispute, involving an amount of RMB 2,567,500. The court held the first instance hearing on May 27, 2022 and June 30, 2022, and has not yet made a judgment. As the final judgment of the court is uncertain, its impact on the Company's current and future profits cannot be estimated temporarily.

(2) The Company have no significant contingency to disclose, also should be stated

None

3.Other

None

XV. Events after balance sheet date

1. Significant events had not adjusted

None

2. Profit distribution

In RMB

Profits or dividends to be distributed	0.00
Profits or dividends declared after deliberation and approval	0.00
Profit distribution scheme	No

3. Sales return

None

4. Notes of other significant events

As of December 31,2022,The company does not disclose the pension plan undisclosed matter should exist.

XVI. Other significant events

1. Correction of the accounting errors in the previous period

(1) Retroactive restatement

None

(2) Prospective application

None

2. Liabilities restructuring

Not applicable

3. Replacement of assets

(1) Non-monetary assets exchange

Not applicable

(2) Other assets exchange

None

4. Pension plan

Not applicable

5. Discontinuing operation

Not applicable

6. Segment information

(1) Basis for determining the reporting segments and accounting policy

The Company determines its operating divisions based on its internal organizational structure, management requirements and internal reporting system. Based on the operating divisions, the Company confirms three reporting divisions, namely textiles, polarizer, trade and property leasing.

Divisional reporting information is disclosed in accordance with the accounting policies and measurement standards adopted by each division when reporting to the management. These measurement basis are consistent with the accounting and measurement basis for financial statement preparation.

（2）Financial information of the report division

In RMB

Items	Polarizer	Textile	Property lease and other	Offset between divisions	Total
Operating income	1,369,146,600.89	55,921,761.91	22,590,934.54	-2,521,988.25	1,445,137,309.09
Including: revenue from foreign transaction	1,369,146,600.89	53,551,733.84	22,438,974.37		1,445,137,309.09
Revenue from inter-segment transactions		2,370,028.07	151,960.18	-2,521,988.25	0.00
Including: revenue from main business	1,369,146,600.89	55,921,761.91	22,590,934.54	-2,521,988.25	1,445,137,309.09
Operating cost	1,204,852,305.21	16,133,387.77	24,467,674.70	-2,465,273.62	1,242,988,094.06
Including: main business cost	1,204,852,305.21	16,133,387.77	24,467,674.70	-2,465,273.62	1,242,988,094.06
Operating profit	67,615,441.44	5,407,324.74	-4,416,615.83	284,433.59	68,890,583.93
Total assets	4,406,374,553.43	3,244,708,029.98	50,663,794.27	-2,011,137,040.65	5,690,609,337.02
Total indebtedness	1,474,973,931.58	218,686,189.25	36,832,679.61	-48,567,084.93	1,681,925,715.51

(3) In case there is no reporting segment or the total assets and liabilities of the reporting segments cannot be disclosed, explain the reason

None

（4）Other note

None

7. Other significant transactions and matters that may affect investors' decision making

None

8.Other

None

XVII. Notes of main items in the financial statements of the Parent Company

1. Accounts receivable

(1) Accounts receivable classified by category

In RMB

Category	Amount in year-end					Amount in year-beginning				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including：										
Accrual of bad debt provision by portfolio	11,466,148.15	100.00%	553,832.48	4.83%	10,912,315.67	8,353,590.78	100.00%	417,679.54	5.00%	7,935,911.24
Including：										
Total	11,466,148.15	100.00%	553,832.48	4.83%	10,912,315.67	8,353,590.78	100.00%	417,679.54	5.00%	7,935,911.24

Accrual of bad debt provision by portfolio:553,832.48

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

□ Applicable √ Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year（Including 1 year）	11,466,148.15
Total	11,466,148.15

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Category	Opening balance	Amount of change in the current period				Closing balanc
		Accrual	Reversed or collected amount	Write-off	Other	
Accrual of bad debt provision by portfolio:	417,679.54	136,152.94				553,832.48
Total	417,679.54	136,152.94				553,832.48

Where the significant amount of the reserve for bad debt recovered or reversed: None

(3) The actual write-off accounts receivable

None

(4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

In RMB

Name	Closing balance	Proportion %	Balance of Bad debt provision

Shenfang Building and Peripheral rent	11,466,148.15	100.00%	553,832.48
Total	11,466,148.15	100.00%	

(5) Account receivable which terminate the recognition owning to the transfer of the financial assets

None

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

None

2. Other accounts receivable

In RMB

Items	Closing balance	Opening balance
Other accounts receivable	12,952,469.33	14,383,631.68
Total	12,952,469.33	14,383,631.68

（1）Interest receivable

1) Category of interest receivable

None

2) Significant overdue interest

None

3）Bad-debt provision

√Applicable □ Not applicable

In RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2022	1,387,764.39		15,111,246.32	16,499,010.71
Balance as at January 1, 2022in current				
Provision in the current period	-30,000.00			-30,000.00
Balance as at June 30,2021	1,357,764.39	0.00	15,111,246.32	16,469,010.71

Loss provision changes in current period, change in book balance with significant amount

□ Applicable √Not applicable

(2)Dividend receivable

1) Category of Dividend receivable

None

2) Significant dividends receivable with age exceeding 1 year

None

3) Provision for bad debts

□ Applicable √ Not applicable

（3） Other accounts receivable

1) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Deposit	10,000.00	10,000.00
Unit account	15,269,395.10	16,379,395.10
Internal current account	13,561,884.93	14,475,600.00
Spare funds and employee borrowing	55,000.00	0.00
Other	25,200.01	27,647.29
Total	28,921,480.04	30,892,642.39

2）Bad-debt provision

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2022	1,387,764.39	0.00	15,111,246.32	16,499,010.71
Balance as at January 1, 2022in current				
Current period reversal	30,000.00			30,000.00
Balance as at June 30,2021	1,357,764.39	0.00	15,111,246.32	16,469,010.71

Loss provision changes in current period, change in book balance with significant amount

□ Applicable √Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year(Including 1 year)	55,000.00
1-2 years	4,986,284.93
2-3 years	1,018,295.37
Over 3 years	22,861,899.74
3-4 years	3,500,000.00
4-5 years	19,361,899.74
Over 5 years	28,921,480.04
Total	

3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision：

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Bad debts are withdrawn according to the aging portfoli	1,387,764.39		30,000.00			1,357,764.39
Accrual of bad debt provision by single item	15,111,246.32					15,111,246.32
Total	16,499,010.71		30,000.00			16,469,010.71

Where the significant amount of the provision for bad debt recovered or reversed: None

4) Accounts receivable actually written off in the reporting period

None

(5)Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

In RMB

Company name	nature of payment	closing balanc	Aging	Proportion in total closing balance of other receivables	Ending balance of bad debt provision
1st	Internal current account	13, 561, 884. 93	1-5 years	46. 89%	1, 242, 680. 00
2nd	Company current account	11, 389, 044. 60	More than 5 years	39. 38%	11, 389, 044. 60
3rd	Company current account	1, 800, 000. 00	More than 5 years	6. 22%	1, 800, 000. 00
4th	Company current account	1, 018, 295. 37	2-3 years	3. 52%	1, 018, 295. 37
5th	Company current account	592, 420. 00	More than 5 years	2. 05%	592, 420. 00
合计		28, 361, 644. 90		98. 06%	16, 042, 439. 97

(6) Accounts receivable involved with government subsidies

None

(7) Other account receivable which terminate the recognition owning to the transfer of the financial assets

None

(8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

None

3. Long-term equity investment

In RMB

Items	Closing balance	Opening balance

	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	1,972,630,835.39	16,582,629.30	1,956,048,206.09	1,972,630,835.39	16,582,629.30	1,956,048,206.09
Investments in associates and joint ventures	134,756,614.83		134,756,614.83	133,022,325.77		133,022,325.77
Total	2,107,387,450.22	16,582,629.30	2,090,804,820.92	2,105,653,161.16	16,582,629.30	2,089,070,531.86

（1）Investment to the subsidiary

In RMB

Name	Opening balance	Increase /decrease in reporting period				Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Withdrawn impairment provision	Other		
SAPO Photoelectric	1,910,247,781.94					1,910,247,781.94	14,415,288.09
Shenzhen Lisi Industrial Development Co., Ltd.	8,073,388.25					8,073,388.25	
Shenzhen Beauty Centruty Garment Co., Ltd.	14,696,874.34					14,696,874.34	2,167,341.21
Shenzhen Huaqiang Hotal	15,489,351.08					15,489,351.08	
Shenfang Property Management Co., Ltd.	1,713,186.55					1,713,186.55	
Shenfang Sungang Property Management Co., Ltd.	5,827,623.93					5,827,623.93	
Total	1,956,048,206.09					1,956,048,206.09	16,582,629.30

（2）Investment to joint ventures and associated enterprises

In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											
Shenzhen Guanhua Printing & Dyeing Co., Ltd.	128,214,225.54	1.00		1,312,916.11						129,527,142.65	0.00
Subtotal	128,214,225.54	1.00		1,312,916.11	0.00	0.00	0.00	0.00	0.00	129,527,142.65	0.00
II. Associated enterprises											
Shenzhen	2,972,2			404,580						3,376,7	

Changlianfa Printing and dyeing Company	02.97			.26						83.23	
Jordan Garnent Factory	0.00				-954.76					-954.76	
Yehui International Co., Ltd.	1,835,897.26			-38,805.01	76,710.78					1,853,643.71	
Subtotal	4,808,100.23	0.00	0.00	365,775.25	75,756.02	0.00	0.00	0.00	0.00	5,229,472.18	0.00
Total	133,022,325.77			1,658,532.04	75,756.02					134,756,614.83	

（3）Other note

None

4.Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Income from Main Business	19,836,395.33	3,883,135.15	36,457,754.34	3,657,570.58
Other Business income	1,320,274.42	1,320,274.42	1,688,908.01	1,688,908.01
Total	21, 156, 669. 75	5, 203, 409. 57	38, 146, 662. 35	5, 346, 478. 59

Income-related information:

In RMB

Type	Division 1	Division 2		Total
Types of goods	19,836,395.33	1,320,274.42		21,156,669.75
Including				
Property lease management and others	19,836,395.33			19,836,395.33
Sell electric charge		1,320,274.42		1,320,274.42
Area	21,156,669.75			21,156,669.75
Including：				
Shenzhen	21,156,669.75			21,156,669.75
Market				
Including：				
Contract				
Including：				
Time				
Including：				
Term				

Including：				
Sale channel				
Including：				
Total				

Information related to performance obligations: None

Information related to the transaction price apportioned to the residual performance obligation:

At the end of the reporting period, the income amount corresponding to the performance obligations that have been signed but not fulfilled or completed is 0.00 yuan. Among them, RMB 0.00 is expected to be recognized as revenue in 0 year, RMB 0.00 is expected to be recognized as revenue in 0 year, and RMB 0.00 is expected to be recognized as revenue in 0 year.

Other note：Note

5.Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment returns accounted for by equity method	1,658,532.04	-412,713.12
Investment income from the disposal of long-term equity investment		20,779.93
Investment income of trading financial assets during the holding period	8,967,680.80	8,410,570.66
Dividend income earned during investment holdings in other equity instruments	708,000.00	1,122,007.80
Total	11, 334, 212. 84	9, 140, 645. 27

6.Other

None

XVIII. Supplement information

1. Particulars about current non-recurring gains and loss

√ Applicable □Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss	-11,114.72	
Govemment subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	10,780,654.48	Other benefits of government subsidies that are confirmed related to the main business.
Other non-business income and expenditures other than the above	1,555,024.76	It is mainly due to the compensation for losses.
Less :Influenced amount of income tax	113,018.21	
Influenced amount of minor shareholders' equity (after tax)	4,748,996.68	
Total	7,462,549.63	--

Details of other profit and loss items that meet the non-recurring profit and loss definition

□ Applicable√ Not applicable

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public-Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.
□ Applicable √Not applicable

2. Return on net asset and earnings per share

Profit of report period	Weighted average returns equity(%)	Earnings per share	
		Basic earnings per share(RMB/share)	Diluted earnings per share(RMB/share)
Net profit attributable to the Common stock shareholders of Company.	1.50%	0.0838	0.0838
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	1.24%	0.0691	0.0691

3. Differences between accounting data under domestic and overseas accounting standards

（1） Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

□ Applicable□√ Not applicable

（2）Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

□ Applicable□√ Not applicable

(3) Explanation of the reasons for the differences in accounting data under domestic and foreign accounting stan dards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of th e overseas institution should be indicated

None

4.Other

None

The Board of Directors of Shenzhen Textile (Holdings) Co., Ltd.

August 25, 2022