



Yunnan Energy New Material Co., Ltd.

2020 Annual Report

March 2021

If there is any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

Section 1 Important Notes, Contents and Definitions

The Board of Directors and its members, tembers, vemmebe, (1)4(ts)-31 0 0 1 476.98

3. Risk of price fluctuation of major raw materials

The major raw materials used by the Company are subjected to price fluctuation to some extent, especially polyethylene and polypropylene, whose prices are affected by the strong fluctuations of the international crude oil price. The results of the Company may be adversely affected by the gross profit margin which may be affected to some extent if the prices of major raw materials fluctuate sharply due to the macroeconomic fluctuations, the demand and supply relation for enterprises in the upstream and downstream parts and other factors.

4. Risk relating to construction in progress

The Company needs a great amount of investment funds for the under-construction production lines in the production bases, such as, Jiangxi Tonry, and Wuxi Energy. If the Company fails to raise sufficient funds in time, or complete the projects and put into operation on schedule, the production, operation and profitability will be adversely affected.

5. Risk of technology leakage and talent outflow

An enterprise engaging in lithium-ion battery separator film requires advanced technology and process, rich management experience and deep understanding of the industry. To ensure the ability of constant innovation and the steady growth of business, the Company should have teams consisting of steady high-quality employees in scientific research, management and sale. The Company constantly improves the mechanisms for talent cultivation, incentive, promotion and restriction, but there is still the possibility of the outflow of core employees from the Company. In case of leakage of the core technology or the departure of core employees, the production and operation of the Company may be adversely affected.

6. Risk of technological progress and alternatives

Lithium-ion battery is mainly used for electronics and electrical appliances, new energy vehicles, and energy storage power stations. As the alternatives to lithium-ion battery, nickel-cadmium batteries, nickel-hydrogen batteries, fuel cells and lead-acid batteries can also be used for the industries above-mentioned. Although the lithium-ion battery is currently the first choice for electronics, electrical appliances and new energy vehicles, the demands of the industries above-mentioned for lithium-ion battery will decline when technological progress improves the performance and reduce the production costs of these alternatives or creates batteries with better performance, and the lithium-ion battery separator film in the upstream part of the industry chain will also be affected adversely.

7. Risk of exchange rate fluctuation

The export sales volume of the Company increases constantly as the Company expands its business scale and gradually strengthens the development in the international market. If the RMB exchange rate and the foreign exchange rate in the countries where our products were sold fluctuate sharply in the future, the results of the Company may be affected to some extent.

8. Risk of China-US trade friction

Since 2018, the U.S. has restricted import of Chinese products by means of tariff increases to reduce the trade deficit with China. Lithium-ion batteries are also among the products subject to the tariff increase. From the perspective of supply chain, the total revenue of the Company has been less affected by the China-US trade disputes because the exports to US account for a very small proportion in the total revenue of the Company. However, if the demands of the

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Definitions

Term

Jiangxi Tonry	Jiangxi Tonry New Energy Technology Development Co., Ltd, a wholly-owned subsidiary of Shanghai Energy
Jiangxi Ruijie	Jiangxi Ruijie New Material Technology Co., Ltd, a controlled subsidiary of Jiangxi Tonry
Hainan Energy	Hainan Energy Investment Co., Ltd, a wholly-owned subsidiary of Shanghai Energy
Hong Kong Chuangxin	Chuangxin New Material (Hong Kong) Co., Ltd., a wholly-owned subsidiary of the Company during the Reporting Period
Energy Trading	Wuxi Energy Trading Co., Ltd., a wholly-owned subsidiary of the Company
Kunshasi	Yuxi Kunshasi Plastic Co., Ltd., a joint-stock Company of Yunnan Hongta Plastic Co., Ltd.
General Meeting of Shareholders	The general meeting of shareholders of Yunnan Energy New Material Co., Ltd.
Board of Directors	the Board of Directors of Yunnan Energy New Material Co., Ltd.
Board of Supervisors	the Supervisory Committee of Yunnan Energy New Material Co., Ltd.
CSRC	China Securities Regulatory Commission
CSDCC Shenzhen Branch	Shenzhen Branch of China Securities Depository and Clearing

	(Limited Partnership), Zhuhai Hengjie Enterprise Management Office (Limited Partnership), Huang Shuhua, Zhang Tao, Gao Xiang, He Baohua, Huang Yuchen, Hu Jiadong, Wang Chizhou, Jiang Xinmin, Zhang Fang, Zhang Fan, Zheng Mei, Liu Wei, Du Jun, Cao Ben
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Shares not publicly offered in 2020, non-public

	extracting the pore forming agent with organic solvent after simultaneous or sequential stretching, and then heat setting with stretching amplitude.
PVDF	PVDF
Cigarette label	Ek i ctgvg"gzvgtpcn"rcemkpi."eq o o qpn{"mpq y p"cu"öek i ctgvg"dqzö
Aseptic packaging	Composite packaging materials for aseptic filling of dairy products or non-carbonated soft drinks
Gable top package	The gable top package is a packaging for pasteurized milk, a paper-plastic composite packaging

Section 2 Company Profile & Key Financial Indicators

I. Corporate Information

Stock Name	Energy Technology	Stock Code	002812
Stock Exchange	Shenzhen Stock Exchange		
Name of the Company in Chinese			
Short Name of the Company in Chinese			
Name of the Company in English	YUNNAN ENERGY NEW MATERIAL CO., LTD.		
Short Name of the Company in English	ENERGY TECHNOLOGY		
Legal Representative of the Company	PAUL XIAOMING LEE		
Registered Address	No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province		
Postal Code for Registered Address	653100		
Office Address	No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province		
Postal Code for Office Address	653100		
Official Website	www.cxxcl.cn		
Email	groupheadquarter@xxcl.cn		

II. Contact Information

	Board Secretary	Securities Affairs Representative
Name	Xiong Wei	Yu Xue
Correspondence Address	No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province	No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province
Tel.	0877-8888661	0877-8888661
Fax	0877-8888677	

IV. Registration Changes

Organization Code	91530000727317703K
Changes in Main Businesses Since the Company was Listed	When the Company was listed, its main businesses were divided into two categories:

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assets of the investees				
Gains or losses on entrusted investments or assets management	7,111,089.67	191,780.82	8,160,860.73	
Net gains or losses of subsidiaries as a result of business combination of enterprises under common control for the current period from the beginning to the combination date			310,748,377.96	
Except for effectively hedging business related to normal business operations of the Company, gain or loss arising from the change in the fair value of held-for-trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, as well as investment income produced from the disposal of held-for-trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and other debt investments.	10,951,914.18			
Other non-operating income/expenses other than items above-mentioned	-4,201,996.76	-549,671.34	338,681.94	
Other items within the definition of non-recurring gains or losses	357,802.66	4,692,941.18		
Less: amount affected by the income tax	23,107,901.22	18,944,093.93	58,641,435.61	
Amount affected by the minority	5,847,930.29	10,372,775.43	151,634,327.68	
Total	125,096,843.39	97,013,979.96	200,205,756.94	--

The reasons should be explained for items defined by the Company as non-recurring gains or losses according to the definition specified in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 -- Items of Non-recurring Gains and Losses and for items defined by the Company as recurrent gains or losses which are listed as non-recurring gains or losses in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 -- Items of Non-recurring Gains and Losses.

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During the Reporting Period, the Company did not define any items of non-recurring gains or losses defined or listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 -- Items of Non-recurring Gains and Losses as the items of recurrent gains or losses according to this announcement.

Section 3 Business Overview

I. Main Businesses of the Company during the Reporting Period

1. Main businesses and products of the Company

During the Reporting Period, the Company's main products are divided into three categories: (1) film products, mainly including lithium-ion battery separator film (base film and coated film), BOPP film (cigarette film and flat film); (2) packaging printing products, mainly including cigarette label and aseptic packaging; (3) paper packaging, mainly including special paper products (laser transfer anti-counterfeiting paper, direct plating paper and coated paper), holographic anti-counterfeiting electrochemical aluminum, transfer film and other products.

The wet-process lithium-ion battery separator film produced by the Company is mainly used for manufacturing lithium-ion battery for the new energy vehicle, 3C products and energy storage; cigarette film is mainly used for cigarette manufacturing; aseptic packaging is mainly used for milk boxes, beverage boxes, etc.; among special paper products, laser transfer anti-counterfeiting paper is mainly used for cigarette labels, cosmetic boxes, toothpaste boxes, pharmaceutical boxes, etc., direct plating paper is mainly used for lining of cigarette label, and packing chocolate and other food, and coated paper is mainly used in tobacco, food, pharmaceutical, cosmetic and food industries. The major customers of the Company are large domestic and foreign producers of lithium-ion battery, cigarette, food and beverage and plastic packaging, and printers. The major customers of wet-process lithium-ion battery separator film of the Company include Panasonic, LG Chem. Ltd., Samsung SDI, CATL Group, GOTION HIGH-TECH, BYD, Farasis Energy, Lishen and other domestic well-established lithium-ion battery enterprises. Company is the a-class supplier of monopoly cigarette material in Yunnan province, the main customers of cigarette label product are the large domestic cigarette manufacturing enterprises, including Yunnan Zhongyan Material (Group) Co., Ltd. and Chongqing Zhongyan Industrial Co., Ltd., etc., products are widely used in "Yuxi", "Hongta", "Clouds", "Red River", "Snow Area", "Ziyun" and "Marble", \$Nqpihgpiejgpi zkcpiö."cpf"qvjgt" ygm-known domestic brand of cigarettes. The major customers of cigarette films of the Company include domestic well-known cigarette producers, such as Yunnan Zhongyan Material (Group) Co., Ltd., Sichuan Zhongyan Industrial Co., Ltd., Chongqing Zhongyan Industrial Co., Ltd., Hunan Zhongyan Industrial Co., Ltd., Anhui Zhongyan Industrial Co., Ltd, Hubei Zhongyan Industrial Co., Ltd., Guizhou Zhongyan Industrial Co., Ltd., Heilongjiang Tobacco Industrial Co., Ltd., Jiangxi Zhongyan Industrial Co., Ltd., and Gansu Tobacco Industrial Co., Ltd. The major customers of aseptic packaging products of the Company include Inner Mongolia Yili Industrial Group Co., Ltd., Inner Mongolia Mengniu Dairy (Group) Co., Ltd., Beijing Sanyuan Foods Co., Ltd., Royal Group South China Dairy Co., Ltd., Guizhou Haoyiduo Dairy Co., Ltd., Shenzhen Dongpeng Jiexun Supply Chain Management Co., Ltd, Dali Foods Group Co., Ltd., Heilongjiang Wondersun Dairy Sunshine Co., Ltd., Yunnan Europe-Asia Dairy Co., Ltd., Yunnan Huangshi Lesson Dairy Industry Co., Ltd., and new customers in 2020: Bright Dairy & Food Co., Ltd. and Nanjing Weigang Dairy Co., Ltd.

2. Business models

The Company adopts different business models for different products. Customization applies to wet-process lithium-ion battery separator films, cigarette labels, aseptic packagings, special paper products and cigarette films, subject to the customer requirements, while flat films are produced based on sales prospects, with appropriate number of inventory stocked up.

(1) Procurement mode: the Supply Department of the Company makes a List of Qualified Suppliers (or a List of Qualified Suppliers/Materials) after evaluating and selecting suppliers. The materials listed in the purchase list can only be purchased from suppliers included in the List of Qualified Suppliers. For each type of materials, at least 2 suppliers should be selected. The Company conducts a comprehensive supplier evaluation every year and updates the List of Qualified Suppliers (or the List of Qualified Suppliers/Materials) in time.

(2) Production mode: the Company carries out production based on orders and centralized

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(2) Packaging printing products

In 2020." Ejkpcøu" vqdcee" kpfwuv { " cejkxgf" c" vqcn" qh" TOD" 304:25" vtnkqp" qh" kpfwuvtkcn" cpf" commercial taxes and profits, up 6.2% year on year; the total fiscal revenue paid reached RMB 1.2037 trillion, up 2.3%. The Company is one of the important cigarette label suppliers in China and Class-A suppliers of the non-exclusive cigarette materials in Yunnan, its major customers are large domestic well-known cigarette manufacturers. Its products have been widely used by domestic famous cigarette brands.

In respect of aseptic packaging, although the international packaging giants still occupy a leadership position by virtue of its first- o qxgt" cfxcpc ig" kp" vjg" o ctmgv." vjgkt" u jctg" kp" Ejkpcøu" o ctmgv" jcu" dggp" declining in recent years as Chinese producers have made constant progress in material technology and production technology. According to the current situation, there will have a gradual transition from medium and low-end market to high-end aseptic packaging market, and the market share of domestic aseptic packaging manufacturers will be increased gradually, as domestic manufacturers have the price-performance advantage. The Company independently develops roll-form aseptic brick package, pre-made aseptic brick package, A-type gable top package (mainly used for fresh milk) and B-type gable top package (mainly used for tea drinks, fruit juice and non-carbonated beverages), making it become one of the few enterprises able to produce roll-form aseptic brick package, pre-made aseptic brick package, A-type gable top package and B-type gable top package. Domestic famous large dairy and beverage producers are the major customers of HongChuang Packaging, such as Yili, Mengniu, Bright Dairy, Dali, Dongpeng, Beijing Sanyuan Food, Huangshi

Section 4 Discussion and Analysis on Business Operation

I. Overview

In 2020, the COVID-19 swept the world. We experienced the journey of fighting the epidemic, preventing the epidemic, resuming work and production, and strictly preventing the recurrence of the epidemic. The Company exerted every effort to go through the tough time by arranging tasks for the epidemic prevention and control in an orderly manner while managing the production and sales tooth and nail by means of active response to the market competition and rapid response to ewuvqogtuø" fgocpfu" fwtkpi" vjg" grkfgoke" hqt" vjg" ekictgwg" ncdgl, aseptic packaging, and special paper, with a view to grasp the market opportunity; in addition, in the second half of the Year, the new energy automobile industry recovered and developed rapidly, the Company's order quantity of power lithium battery separator film rose by virtue of the high product quality, and the Company expanded its business to consumer lithium-ion battery separator film market by acquiring Suzhou Green Power. The business integration of Suzhou Green Power achieved remarkable effect, and Suzhou Green Power turned loss to profit during the Reporting Period. The Company has become the world's largest separator film supplier in the two fields of power battery and consumer battery, and its market position and profitability will continue to rise rapidly. During the Reporting Period, the total assets, net assets, operating income and net profit of the Company achieved great growth. In 2020, the Company achieved consolidated operating income of RMB4.28billion, representing a year-on-year increase of 35.56%, and net profit attributable to the parent Company of RMB1.1156billion, representing a year-

net profit attributable to shareholders of the listed Company as at the end of the Reporting Period was RMB222.64 million. The Company will strengthen the integration of Newmi Tech through the inclusion of it into the Group's supply chain system, transformation of production equipment, optimization of processes and other measures to achieve resource complementarity and advantage superposition, reduce its procurement costs, improve production efficiency and operational efficiency.

The Company has developed more than 100 varieties of wet-process film products. This wide product range can meet the different needs of customers. The products are stable and consistent in quality, and thus widely recognized by large foreign lithium battery manufacturers, with large market demands. The major overseas customers of power lithium-ion battery separator film of the Company include Panasonic, Samsung and LG Chem, and domestic customers include CATL, BYD, GOTION HIGH-TECH, Farasis Energy, Lishen and many other domestic lithium-ion battery enterprises. Along with the constant high prosperity of new energy vehicles, the Company's existing and potential customers maintain strong demands for the Company's wet

Due to the impact of the epidemic on domestic logistics, some customers of the Company were not supplied with sufficient cigarette label products. The Company seized the market opportunity and quickly adjusted production to respond to customer demand quickly. The sales volume of the Company's cigarette labels grew significantly during the Reporting Period, and the operating income of cigarette labels was RMB 128.9761 million, up 10.08% year on year.

Through continuous development of new products, customized services and internal lean management measures, the Company's aseptic packaging business still focuses on serving large-scale dairy enterprises and regional well-known dairy enterprise to achieve sales growth. The expansion of

Supervisory Committee are more reasonable. The effective operation of the new Board of Directors, the special committees of the Board of Directors, and the Supervisory Committee will further optimize the corporate governance structure of the Company and play a positive role in promoting the rapid development of the Company.

On July 13, 2020, the 5th meeting of the fourth Board of Directors deliberated and approved the Proposal on the Fulfillment of Conditions for Unlocking within the Third Unlocking Period under the 2017 Restricted Stock Incentive Plan, the Proposal on Repurchase and Cancellation of Part Incentive Stocks under the 2017 Restricted Stock Incentive Plan, and other related proposals. Under the two proposals, 83 participants eligible for unlocking were proposed and 3,404,080 restricted stocks could be unlocked for circulation in the market. The unlocking date (i.e. date of circulation in the market) of the restricted stock under this unlocking period is July 23, 2020. 4 rctvkekrcpwu"ygtg"cuuguugf"öiqqfö."uq"vjg"Eq o rcp{"tgrwtejcugf"cpf"ecpegngf"rctv"tguvtkevgf"uvqemu." namely 23,120 shares, that granted to but not yet unlocked by those participants, and the repurchase price is RMB8.426/stock.

The Company made a number of breakthroughs in technological innovation during the Reporting Period. As at the end of the Reporting Period, the Company and its subsidiaries registered 372 patents in total, including 315 utility model patents, 43 invention patents and 11 appearance design patents. Attaching importance to the overseas patent registration, the Company has 42 international patents under application and under review, and 177 domestic patents under application and under review.

II. Analysis on Main Businesses

1. Overview

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2. Revenue and cost

(1) Breakdown of operating income

Unit: RMB

	2020		2019		Year-on-year increase or decrease
	Amount	Proportion in the operating income	Amount	Proportion in the operating income	
Total Operating Income	4,283,007,589.11	100%	3,159,561,554.91	100%	35.56%
By industry					
Manufacturing	4,205,724,684.56	98.20%	3,126,340,216.38	98.95%	34.53%
Other businesses	77,282,904.55	1.80%	33,221,338.53	1.05%	132.63%
By product					
Film products	3,464,096,284.00				

Southwest	652,445,734.88	15.23%	642,008,612.82	20.32%	1.63%
East	1,834,948,385.75	42.84%	1,265,744,809.31	40.06%	44.97%
North	112,167,705.95	2.62%	90,039,636.26	2.85%	

Product category	Item	2020	2019	Year-on-year increase or decrease
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Other information on major customers

The Company had the following R&D projects in 2020:



			experience, and adapt to the full flip packaging of various product boxes	
21	Research and development of new-type degradable film materials	Under research	To develop degradable film materials	It is in line with the requirement for ecological and environmental protection and complies with relevant regulations and policies, and benefits the improvement of the market competitiveness of the Company's products and enhancing its economic benefits

Information about R&D investment

	2020	2019	Year-on-year change (%)
Number of R&D Personnel	369	381	-3.15%
R&D personnel as a percentage in total employees	7.32%	9.72%	-2.40%
R&D Investment (RMB)	178,243,333.28	154,913,207.75	15.06%
R&D investment as a percentage in operating income	4.16%	4.90%	-0.74%
Capitalized R&D investment (RMB)	0.00	0.00	0.00%
Capitalized R&D investment as a percentage in total R&D investment	0.00%	0.00%	0.00%

Reason for any significant year-on-year change in the percentage of the R&D investment in the operating income

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Reason for any sharp variation in the percentage of the capitalized R&D investment and rationale

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5. Cash flow

Unit: RMB

Item	2020	2019	Year-on-year increase or decrease
Subtotal of cash inflows from operating activities	3,780,284,210.92	3,309,747,737.65	14.22%
Subtotal of cash outflows due to operating activities	2,725,104,197.73	2,546,450,729.88	7.02%
Subtotal of cash inflows from investment activities	873,613,933.13	52,295,255.92	1,570.54%
Subtotal of cash outflows due to investment activities	6,149,118,177.71	3,126,243,760.37	96.69%
Net cash flows from investment activities	-5,275,504,244.58	-3,073,948,504.45	71.62%
Subtotal of cash inflows from	13,221,955,416.70	5,427,097,775.55	

financing activities			
Subtotal of cash outflows from financing activities	7,662,371,315.54	2,646,402,569.35	

Inventories	1,157,030,660.71	5.62%	759,230,046.85	6.23%	-0.61%
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assets)								
Others	182,535,59 7.54			2,622,000.0 0	402,174,82 9.70	182,535,59 7.54		399,552,8 29.70

Of which:

bank 9,886,495.0

acceptance 0

draft

V. Analysis of Investments Made

1. Summary

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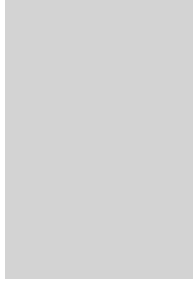
Total investment amount during the Reporting Period (RMB)	Total investment amount in the last year (RMB)	Change (%)
3,919,952,513.22	2,600,533,524.81	50.74%

						funds by convertible bonds						Equity of Jiangxi Tonry New Energy Technology Development Co., Ltd.(No.: 2018-141) disclosed on cninfo.com
Jiangxi Tonry Phase I Expansion	Self-construction	Yes	Lithium-ion Battery Separator Film	139,404,996.71	139,404,996.71	self owned and self raised funds; raise funds by way of non-public offering	20.59%	0.00	0.00	N/A	Tuesday March 24, 2020	Please refer to the Announcement on Plan for Non-public Offering of A Shares in 2020 (No.:2020-050) disclosed on cninfo.com
Total	--	--	--	2,119,606,864.26	5,667,322,216.22	--	--	0.00	196,925,111.11			

(1) Overall use of funds raised

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of September 30, 2016, the self-owned funds invested for the projects for which funds were raised reached RMB236.6591 million, which was audited by Dahua CPAs (SGP) with the appraisal report of DHHZ [2016] No. 004562. In 2017, the total amount of used funds raised was RMB26,067,736.89; in 2018, the total amount of used funds raised was RMB36,288,006.85; in 2019, the total amount of used funds raised was RMB24,728,775.11; in this year, the total amount of used funds raised was RMB0.00. As of December 31, 2020, the balance of funds raised is RMB112,000,382.05 (including the net amount of RMB6,113,618.10 as interest income of raised funds after deducting bank charges).

II. Public Offering of Convertible Corporate Bonds in 2020

Upon approval from the CSRC with the Reply to Yunnan Energy New Material Co., Ltd. to Approve Its Public Offering of Convertible Corporate Bonds (ZJXK [2019] No. 2701), the Company publicly issued 16 million convertible corporate bonds on February 11, 2020, with a face value of RMB 100 each bond and a total amount of RMB1,600,000,000. After deducting the underwriting and sponsorship fees (excluding tax) of RMB9,433,962.26 and other offering expenses (excluding tax) of RMB4,443,396.23 from the total amount of proceeds from public offering of convertible corporate bonds, the net amount of proceeds from offering by the Company was RMB1,586,122,641.51. The availability of funds raised this time was verified by Dahua CPAs (SGP) with the capital verification report of "DHYZ [2020] No. 000047". As of March 16, 2020, the self-owned funds invested for the projects for which funds were raised reached RMB1,697,984,425.54, which was replaced fully with the RMB1,586,122,641.51 of funds raised through issuing convertible corporate bonds, and was audited by Dahua CPAs (SGP) with the appraisal report of DHHZ [2020]001799. As of December 31, 2020, the Company's proceeds from offering of convertible corporate bonds were all replaced, and the balance of the special account was RMB0.00. The Company completed the cancellation procedure for the special account.

III. Non-public Offering of Shares in 2020

Upon approval from the CSRC with the Reply to Yunnan Energy New Material Co., Ltd. to Approve Its Non-public Offering of Shares (ZJXK [2019] No. 2701), the Company non-publicly issued 69,444,444 RMB-denominated ordinary shares to 22 specific investors on August 17, 2020, with a face value of RMB 1.00 each share, at the price of RMB 72.00/share, and the total proceeds from this offering was RMB 4,999,999,968.00. After deducting the underwriting and sponsorship fees (excluding tax) of RMB14,150,943.40 and other offering expenses (excluding tax) of RMB3,344,470.11 from the total amount of proceeds from this offering, the net amount of proceeds from this offering by the Company was RMB4,982,504,554.49. The availability of funds raised through this offering was verified by Dahua CPAs (SGP) with the capital verification report of "DHYZ [2020] No. 000460". As of December 31, 2020, the Company invested accumulatively RMB2,253,528,906.32 for the project for which funds were raised, including RMB254,221,260.11 that was invested with its own funds before the funds raised were available; during the accounting period from September 8, 2020 to December 31, 2020, RMB1,999,307,646.21 was used out of the funds raised. In addition, out of funds raised, RMB800,000,000.00 was added to the current capital, and RMB 1,200,000,000.00 was used to purchase wealth management products. As of December 31, 2020, the balance in the special account for the funds raised should be RMB743,941,164.38 (including the net amount of RMB14,965,516.21 as interest income of raised funds after deducting bank charges). Because some investment in the projects for which funds were raised was paid by way of bank acceptance draft, and the equivalent amount should be transferred from the special account for funds raised to its own account of the Company, totaling RMB246,721,995.21, the actual balance in the special account for funds raised was RMB990,663,159.59 as of December 31, 2020.

(2) Projects with committed use of funds raised

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Project with committed use of funds raised and allocation of funds excessively raised	Whether the project has been changed, including part change	Total committed investment amount	Total investment amount after adjustment (1)	Actual investment amount in the Reporting Period

3. R&D center construction project	Yes	4,993.17	1,471.56		1,471.56	100.00%			N/A	Yes
4. Repayment of bank loans	No	20,000	20,000		20,000	100.00%			Yes	No

5. Addition to current capital (IPO)

Amount, purpose and actual use of funds excessively raised	N/A
Change in location to i-21(n4MCID 85)-8(t)-14(o)-8()	

On September 7, 2020, at the 11st meeting of the fourth Board of Directors and the 11st meeting of the fourth Supervisory Committee, the Proposal on Use of Part Unused Proceeds to Temporarily Supplement the Current Capital was deliberated and approved, and it was agreed to use the unused proceeds from the non-

	<p>main business covered lithium-ion battery separator film, which has high technological requirements. The manufacturing of lithium-ion battery has a high requirement for the characteristics of separator film materials, especially the consistency, and also for the uniformity of the size and distribution of separator film micropores. Based on the Company's business development plan and market demand, in order to better implement the Company's development strategy, the Company planned to integrate the technology centers currently scattered in each subordinate Company, so as to ensure that the Company's R & D technology can further improve production efficiency, product quality and new product development capacity. The above change was approved at the 27th meeting of the third Board of Directors of the Company, the 22nd Meeting of the third Supervisory Committee and the 2018 General Meeting of Shareholders. For details, please refer to the Announcement on Changing Part Projects for Which Funds Were Raised (No.: 2019-041) published by the Company on cninfo.com on April 26, 2019.</p>
<p>Status of and reason for the failure to make planned progress or projected earnings (by specific project)</p>	<p>N/A</p>
<p>Description of major changes in project feasibility after changes</p>	<p>N/A</p>

VIII. Structured Bodies Controlled by the Company

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capacity and gradually establish an integral and high-efficiency research and development system to ensure the Company can further increase the production efficiency through technical research and development, enhance the product quality and new product development capacity, provide a mighty vge.jpkecn"uwr rqtv"hqt"vjg"Eq o rcp{øu"ko rng o gpvcvkqp"qh"hwncnctional polymer separator film products and provide new profit growth engines powering the future development.

3. Risks the Company may face

(1) Regulatory risk relating to lithium-ion battery separator film business

China will gradually annul the financial assistance policies as the new energy vehicle industry develops to a certain extent, which will change the demands of the downstream customers and thus adversely change the results of the Company. If the downstream segments, such as new energy vehicle and lithium-ion battery manufacturing, are unable to improve their competitiveness through technological advancement, scale effect or otherwise, the future possible adjustments to the assistance policies will have a negative impact on each link of the whole industry chain of new energy vehicle, including the lithium-ion battery separator film as an upstream segment.

Countermeasures: By actively investing in the R&D of new applications of film, the Company

(5) Risk of technical loss and loss of core personnel

An enterprise engaging in lithium-ion battery separator film requires advanced technology and

Countermeasures: The current business portfolio of the Company, including printing product and paper product, mainly targets the domestic market and domestic customers, so it will suffer a limited impact from the China-US trade frictions.

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X. Reception of Visitors to the Company for Purposes of Research, Communication, Interview

1. Registration form for reception of visitors to the Company for the purposes of research, communication, interview during the Reporting Period

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Reception Date	Reception Place	Reception Mode	Type of Received Visitor	Received Visitor	Major Discussion and Materials Provided	Index to Main Inquiry Information
August 26, 2020	Meeting room of Jiangxi Tonry	Field research	Organization	36 visitors from institutional investors, such as Su Chen and Zou Lingling from Zhongtai Securities, Xie Wenchao from Orient Asset Management, Zheng Xiaolei from China Universal Asset Management, Yan Anqi from Nuode Asset Management	The Company's new technology in equipment transformation	

Section 5 Significant Events

I. Profit Distribution and Conversion of Capital Reserve into Share Capital for Common Shareholders

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy, for common shareholders in the Reporting Period

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(I) According to the Articles of Association, the Company's profit distribution policy is as follows:

1. The Company's profit distribution policy shall pay attention to the reasonable investment return to investors, take into account the sustainable development of the Company, reflect the strong awareness of rewarding shareholders, and maintain continuity and stability.

2. Form of profit distribution, proportion of cash dividends: the Company pays dividends in cash or by shares in a positive manner. Where the Company's audited net profit is positive and no significant investment plan or significant cash expenditure in a year, the Company shall include the cash distribution in its profit distribution scheme for that year. The annual cash dividend of the Company shall not be less than 20% of the distributable profit realized in the current year (excluding the undistributed profit at the beginning of the year). Where available, the Company may distribute interim cash dividends. If the Company's revenue grows rapidly and the Board of Directors considers that the stock price of the Company does not match the size of the Company's share capital, it may make a Plan for dividend distribution by stock while satisfying the requirement for cash dividend distribution.

3. Interval for profit distribution: subject to the satisfaction of the cash dividend conditions stipulated in paragraph 4 below, the Company shall, in principle, pay cash dividends once a year, and the Board of Directors of the Company may propose an interim cash dividends based on the profit status and capital demands of the Company.

The Board of Directors of the Company shall, taking into account the characteristics of the industry in which it operates, its development stage, its own business model, its profitability level, and any plan of its significant capital expenditure, distinguish the following circumstances and propose a differentiated cash dividend policy in accordance with the procedures set forth in the Articles of Association of the Company:

(1) If the Company is in a maturity stage and has no plan of significant expenditure, the proportion of cash dividends in the overall profit distribution shall account for at least 80%;

(2) If the Company is in a maturity stage and has any plan of significant expenditure, the proportion of cash dividends in the overall profit distribution shall account for at least 40%;

(3) If the Company is in a growth stage and has any plan of significant expenditure, the proportion of cash dividends in the overall profit distribution shall account for at least 20%;

If the Company is in an unidentifiable stage and has any plan of significant expenditure, the above paragraphs shall apply.

4. Conditions for distributing cash dividends

(1) The remaining distributable profit of the Company is positive after the profit achieved in the current year is used for making up for the losses of previous years and making provision for surplus reserves.

(2) The auditor of the Company issues a standard unqualified audit report on the financial statements of the Company in the current year.

(3) The Company has no significant investment plans or significant cash expenditure.

Significant investment plan or significant cash expenditure means that the accumulative expenditure of the Company for the proposed external investment, assets acquisition or equipment purchase within the next twelve months reaches or exceeds 30% of the Company's latest audited net assets and exceeds RMB 300 million.

5. Conditions for distributing stock dividends: where the Company is well-run, with rapid growth of operating income and net profit, cpf"vjg"Dqctf"qh" Fktgevtu"dgnkxgu"vjcv"vjg"Eq o rcp{"ku"kp"vjg"i tqyv"j"uvc i g."vjg"ngxgn"qh"vjg"Eq o rcp{ø"pgv"cuugvu"ku"jki j"cpd the stock price does not match the size of the share capital, it may propose a Plan for stock dividend distribution, subject to the consideration and approval at the general meeting of shareholders of the Company. Stock dividend may be distributed separately or in conjunction with cash dividend.

(II) The Company will disclose the profit distribution Plan in a timely manner in strict accordance with the relevant provisions of the China Securities Regulatory Commission and Shenzhen Stock Exchange, and disclose the profit distribution Plan and the

(III) During the Reporting Period, the Company implemented the 2019 equity distribution in compliance with the relevant provisions of the Articles of Association, in full consideration of the reasonable demands of investors and with full protection of the legitimate rights and interests of small and medium-sized investors. On March 16, 2020, the Company held the 42nd meeting of the third Board of Directors to deliberate and approve the Proposal on 2019 Profit Distribution Plan. The independent directors expressed their independent opinions to agree upon the Plan. The 2019 general meeting of the Company was held on April 8, 2020 where the Plan was deliberated and approved for implementation. For details, please refer to the Announcement on 2019 Profit Distribution Plan published on the cninfo.com (www.cninfo.com.cn) (announcement No.: 2020-031).

Special explanation on cash dividend distribution policy	
Whether or not the policy is in compliance with the provisions of the Articles of Association or requirements of the resolutions of the general meeting of shareholders of the Company:	Yes
Whether or not the standard and proportion of dividends is clear and defined:	Yes
Whether or not the relevant decision-making process and mechanism is complete:	Yes
Whether or not the independent directors fully perform their duties and play their roles:	Yes
Whether or not small and medium-sized shareholders have channels to voice their opinions and demands, and whether or not their legitimate rights and interests are fully protected:	Yes
If the cash dividend policy is adjusted or amended, whether or not the conditions and procedures are compliant and transparent:	Yes

Schemes (Plans) of dividends distribution to common shareholders in latest three years (including the Reporting Period), and schemes (Plans) of conversion of capital reserve into share capital

30th Vjgth Eq o rcp{00" 423;" rncp" qh" rtqhk" fkuvtkdwwkqp" cpf" eqpxgtukqp" qh" ecrkvcn" tguqtxg" kpvcq" ujectg" ecrkvcn" dcugf" qp" kvu" vqvcn" qh 473,867,912 shares as of December 31, 2018, the Company distributed a cash dividend of RMB3.79 (tax inclusive) per 10 shares to all shareholders, representing a total cash dividend payment of RMB179.5959 million; meanwhile, the capital reserve was converted into share capital, with 7 shares increased for every 10 shares to all shareholders, and the total share capitals of the Company was increased to 805,575,450 after the conversion.

40th Vjgth Eq o rcp{00" 423;" rncp" qh" rtqhk" fkuvtkdwwkqp" cpf" eqpxgtukqp" qh" ecrkvcn" tguqtxg" kpvcq" ujectg" ecrkvcn" dcued on its total of 805,370,770 shares as of December 31, 2019, the Company distributed a cash dividend of RMB1.25 (tax inclusive) per 10 shares to all shareholders, representing a total cash dividend payment of RMB100.6713 million.

50th Vjgth Eq o rcp{00" 4242" rnan of profit distribution and conversion of capital reserve into share capital: based on its total of 886,566,151 shares as of December 31, 2020, the Company will distribute a cash dividend of RMB1.70 (tax inclusive) per 10 shares to all shareholders, representing a total cash dividend payment of RMB150.7162 million.

Form of cash dividends distribution to common shareholders in latest three years (including the Reporting Period)

Unit: RMB

Year of distribution	Amount of cash dividend (including tax)	Net profit attributable to common shareholders of the listed Company in the	Proportion of cash dividend in the net profit attributable to common shareholders	Cash dividend by other ways (such as share repurchase)	Proportion of cash dividend distributed by other ways in the net profit	Total amount of cash dividend (including those distributed by other	Proportion of the total amount of cash dividend (including those

		consolidated statements for the year of distribution	of the listed Company in consolidated statements		attributable to common shareholders of the listed Company in consolidated statements	ways)	distributed by other ways) in the net profit attributable to common shareholders of the listed Company in consolidated statements
2020	150,716,245.67	1,115,604,020.47	13.51%	0.00	0.00%	150,716,245.67	13.51%
2019	100,671,346.25	849,837,425.81	11.85%	0.00	0.00%	100,671,346.25	11.85%
2018	179,595,938.65	518,439,455.43	34.64%	0.00	0.00%	179,595,938.65	34.64%

The Company made a profit in the Reporting Period and the profit 5.87 635.38 59.304 134.0111e to the common shareholders of the parent Company was positiv304e, .304 134.0 it 5.87 6d no0 pu0 forward a plan for cash 5.87 6vidend d635ribution to common shareholders

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II. Prof.87 60 ibution and conversion of.87 capreserve into s hare capf.87 or the Repting Pe.iod

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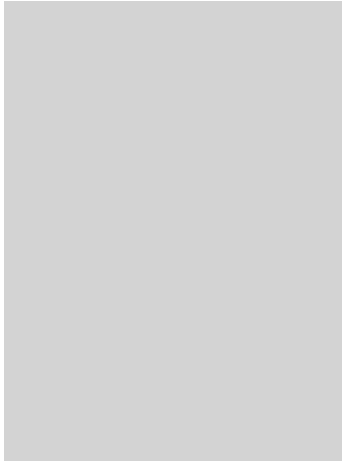
Number of bonus shares d635.38 59.304 134.0ed p held	0
Number of 5.87 6vidends per 10 shares (RMB) (Inclusiv304e of tax)	1.7
Base of share capital for 5.87 635.38 59.3-6(u)-6(ti	

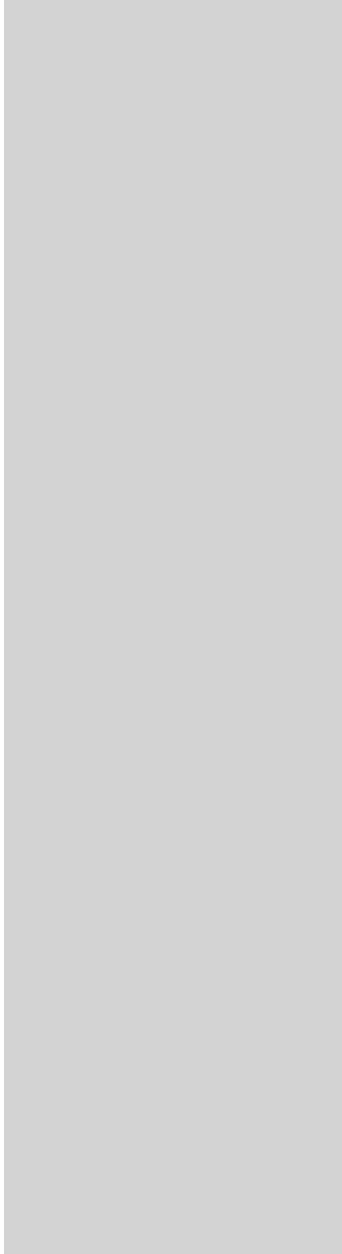
III. Performance of commitments

1.
performed in the Reporting Period or ongoing at the end of the Reporting Period

commitment makers

			<p>regulations in recent 3 years; 2. the Company and its controlling shareholders and actual controllers have not been publicly censured by the stock exchange and have no other major acts of dishonesty in the past 12 months; 3. The Company and its incumbent directors and senior management have not been investigated by judicial authorities for suspected crimes or investigated by the CSRC for suspected violations of laws and regulations.</p>			
	<p>Directors and senior management of Energy Technology</p>	<p>Commitment on dilution of current return and remedial measures</p>	<p>1. I hereby commit neither to tunnel to other units or individuals without compensation or under unfair conditions, nor to damage the position-related consumption activities; 3. I hereby commit not to use related to execution of my duties; 4. I hereby commit to link the remuneration system formulated by the Board of Directors or the Remuneration Committee or Assessment Committee of the Company with the execution of the return recovery measures; 5. I hereby commit to link the vesting conditions with the implementation of the return recovery measures if the Company will implement any share</p>			



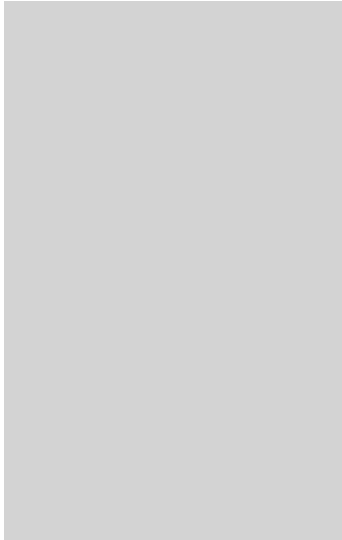


above) commit that at least 25% of the consideration shares held by each of them shall not be listed for trading or transferred to external parties within 36 months from the date of registration of the relevant shares of Energy Technology in their names until their compensation



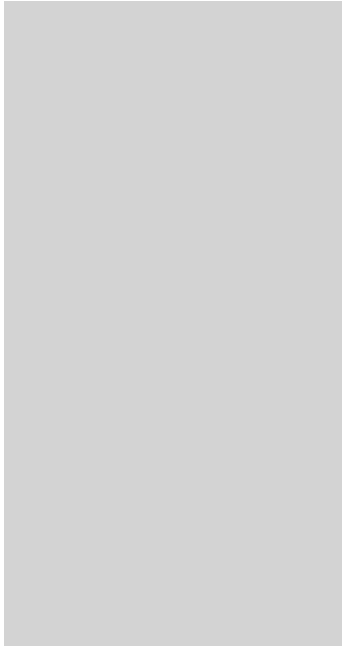
profit
forecast and
compensatio
n
obligations,
is from
August 15,
2018 to
August 15,
2019.

			guarantees that after the completion of this major asset restructuring, it will not carry out or operate the same or similar business with the main business of Energy Technology or Shanghai Energy in its own way, directly or indirectly through other business entities under its direct or indirect control; do not hold any position or act as any kind of consultant in any operating entity with the same or similar business with energy technology or Shanghai Energy; do not provide technical services for existing customers of Energy Technology or Shanghai Energy in the name of other than Energy Technology or Shanghai Energy; avoid any horizontal competition. 3. If any loss is caused to Energy Technology or Shanghai Energy due to the commitment person's breach of the above commitments, the operating profit obtained shall be owned by energy technology and all losses suffered by Energy Technology or Shanghai Energy shall be compensated.			
	Heyi Investment, Paul Xiaoming Lee family	Commitment on ensuring the independence of the listed Company	Before this major asset restructuring, Energy Technology has been completely separated from other enterprises controlled by the undertaking in terms of business, assets, institutions, personnel and finance. Energy Technology's business, assets, institutions, personnel and finance are independent. After the completion of this major asset restructuring, the commitment person undertakes not to use the identity of the controlling shareholder or actual controller of energy technology to affect the independence of energy technology, and to ensure the independence of energy technology in business, assets, institutions, personnel and finance as far as possible.	June 13, 2017	Long term	Strictly performed
	Paul Xiaoming Lee family	Commitment on the existence of previous administrative penalty	There were administrative punishments in fire control and water affairs in Shanghai Energy. As of the date of this letter of commitment, Shanghai Energy and its subsidiaries do not have any administrative penalty that has not been implemented or rectified. In November 2015, Shanghai Pudong New Area Administration of work safety ordered Shanghai Energy to rectify the three dichloromethane storage tanks within a time limit. Shanghai Energy has completed the rectification, but has not completed the safety acceptance after the rectification. If Shanghai Energy and its subordinate companies are located at any time, the relevant competent departments of Shanghai Energy and its subordinate companies have made fire control, water service or the three dichloromethane tanks and other issues shall be subject to administrative punishment. The commitment person promises to make cash compensation for all economic losses suffered by Shanghai Energy or its subsidiaries within 30 days after the actual punishment or loss amount is determined, so as to ensure that it will not have a material impact on the production, operation and financial situation of Shanghai Energy and its subsidiaries. Joint and several liability shall be borne by the commitment givers.	May 25, 2017	Long term	Strictly performed
	Paul Xiaoming Lee family	Commitment on no other	The commitment givers undertake that there are no other related parties and related transactions in Shanghai Energy except for the related	May 25, 2017	Long term	Strictly performed



service

his term of office (except for the case with the consent of Energy Technology), or gives to Energy Technology due to dereliction of duty, malpractice or other acts that damage the interests of Shanghai Energy. If Energy Technology or Shanghai Energy causes serious losses and is dismissed by Shanghai Energy according to law, it shall bear the liability for breach of contract to Energy Technology. Energy technology has the right to require the defaulting party to pay the consideration it has obtained in this purchase of assets to Energy Technology as compensation, as follows: 1. If the term of

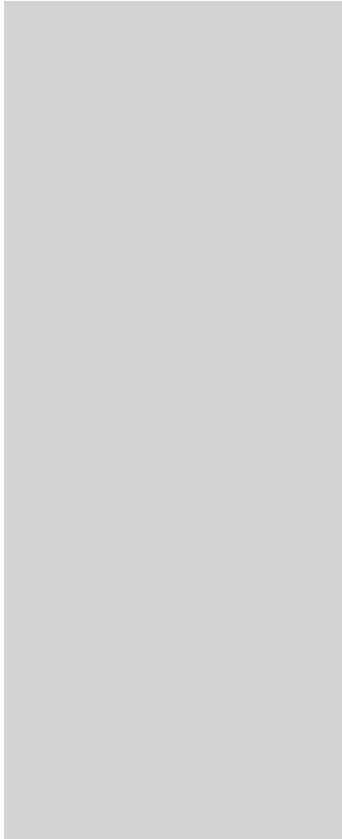


shares of the Company through Heyi Investment, accounting for 11.53% of the total share capital of the Company. As one of the counter parties, Ms. Wang Yuhua directly holds the Company's shares and purchases the shares of Shanghai Energy through the Company's issuance of shares. Therefore, with regard to the lock-in period of the Company's shares directly held by me, I hereby commit as follows: I have obtained the new shares of the listed Company through this restructuring, and the shares shall not be traded or transferred abroad within 36 months from the date of the end of this issue. Until the compensation obligation under the Profit Forecast and Compensation Agreement (if any) is performed, the shares can be traded or transferred externally. At the same time, the shares of the listed Company held by me before the restructuring shall not be transferred within 12 months after the completion of this transaction; if the closing price of the shares of the listed Company is lower than the issuing price for 20 consecutive trading days within 6 months after the completion of this transaction, or the closing price is lower than the issuing price at the end of 6 months after the completion of the transaction, the lock-in period of the shares of the Company held by me shall be automatically extended for at least 6 months. If the transaction is put on file by the judicial organ or the CSRC for investigation due to the false records, mislea(p)-6(u)-6(t)8(o)-6(n)7()-2(f)13(il)-3(e)4()-2(t)8(b)-6(e)4()-2(tr



or judicial proceedings for investigation against my material violation of laws or regulations.

			<p>relevant internal decision-making approval procedures in accordance with the law and timely perform the obligation of information disclosure, ensure that transactions with listed companies will not be conducted in a fair manner compared with the market, and that the funds and profits of listed companies should not be transferred illegally by related transactions, nor will they engage in any act that damages the legitimate rights and interests of listed companies and other shareholders. If there is any violation of the above commitments, resulting in damages to the interests of the listed Company, I will compensate the listed Company for the losses caused by the foregoing behavior to the listed Company.</p>			
	Jerry Yang Li	Commitment on avoiding horizontal competition	<p>Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 10,416,022 shares of the Company held by her according to her will and the contribution of the Company's controlling shareholder. After the inheritance, I still hold 10,416,022 shares of the Company, which is 37.96% of the total shares of the Company. I will not use my position as a shareholder to interfere with the normal operation of the listed companies and will not engage in any business that may constitute horizontal competition with the listed companies.</p>			



Jerry Yang Li

Commitment
on loss
compensation

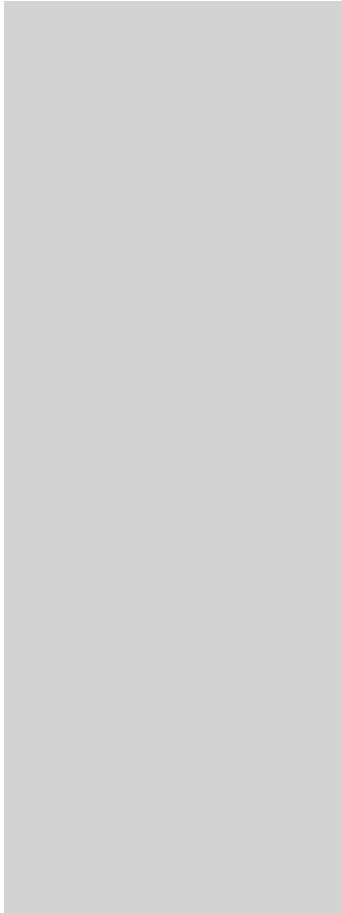
Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 10,416,022 shares of the Company held by her according to her will and the contribution of the Company's controlling shareholder Heyi Investment of RMB17.955 million. After succession, I directly and indirectly hold 54,655,167 shares of the Company through Heyi Investment, accounting for 11.53% of the total share capital of the Company. My directly holding

		<p>the closing price is lower than the issuing price at the end of 6 months after the completion of the transaction, the lock-in period of the Company's shares held by myself will be automatically extended for at least 6 months. If the transaction is put on file by the judicial organ or the CSRC for investigation due to the false records, misleading statements or major omissions of the information provided or disclosed, before the case investigation conclusion is clear, the shares in the listed Company owned by myself shall not be transferred.</p>			
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			<p>issued by the Company's shareholders at the time of initial public offering shall be repurchased in accordance with the law by means of centralized bidding transaction in secondary market, bulk transaction, agreement transfer, tender offer, etc. The repurchase price is determined according to the negotiated price or secondary market price, but not lower than the original transfer price and the price determined according to relevant laws and regulations and regulatory rules. If Heyi Investment and the family buy back the original restricted shares that have been transferred to trigger the tender offer conditions, Heyi Investment and the family will perform the tender offer procedures in accordance with the law and perform the corresponding information disclosure obligations. 3. If the prospectus of the Company's initial public offering contains false records, misleading statements or major omissions, which causes investors to suffer losses in securities trading, Heyi Investment and the family will compensate investors for losses according to law. III. Commitment of directors, supervisors and senior managers of the Company: 1. the prospectus of v j g "kuuwgt)u"kpvkcn"rwdnke"qhhgtkp i "fqgupøv"eqpvckp"hcnuq"tgeqt fu." misleading statements or major omissions, and I am jointly and severally liable for its authenticity, accuracy and completeness. 2. If the prospectus of the issuer's initial public offering contains false records, misleading statements or major omissions, which causes investors to suffer losses in securities trading, I will compensate investors for losses according to law.</p>			
	<p>Controlling shareholder, actual</p>					

			<p>the family shall not exceed 30% of the total shares held by Heyi Investment and the family directly or indirectly before the issuance. 4. Within two years after the expiration of the shareholding lock-in period of Heyi Investment and the family's commitment, the price of shares of the Company reduced by Heyi Investment and the family through the secondary market will be determined according to the market price at that time on the premise of meeting the commitments made by Heyi Investment and the family, and the specific reduction plan will be formulated according to the market situation at that time. 5. Heyi Investment and the family promise to make an announcement through the Company three trading days in advance when carrying out the reduction, and complete the announcement within six months, and fulfill the obligation of information disclosure accurately and completely in accordance with the rules of the stock exchange. II. Shanghai Guohe's commitment to shareholding intention and reduction intention: 1. Within two years after the expiration of the shareholding locking period promised by the Company, the Company intends to reduce its shareholding by means of, including but not limited to, secondary market centralized competitive trading, block trading, agreement-based transfer, etc. The reduction price will not be lower than the price of net assets per share, and the specific reduction price will be determined according to the market price at the time of the reduction on the premise of meeting the commitments made by the Company; the specific reduction plan will be based on the market conditions at that time. The specific reduction plan will be formulated in accordance with the market conditions and the operating condition of the Company. 2. The enterprise commit that it will announce the Company's three days ahead of schedule in the implementation of the reduction. At the same time, it will fulfill the obligation of information disclosure accurately and completely in accordance with the rules of the stock exchange, except when it holds shares less than 5% equity of the Company. 3. The enterprise will strictly fulfill the above commitments, and promise to abide by the following binding measures: (1) if it fails to fulfill the above commitments, the Company's cash dividends I should receive will be withheld by the Company and owned by the Company; (2) if it fails to fulfill the above commitments, it will bear relevant legal liabilities according to laws and regulations.</p>			
	Energy Technology	Commitment on remedial measures for breaking faith	<p>1. If the Company fails to take the specific measures promised to stabilize the stock price, the Company undertakes to accept the following binding measures: (1) the Company will publicly explain the specific reasons for not taking the above measures in the general meeting of shareholders and the newspapers designated by the CSRC, and apologize to the shareholders of the Company and the public investors; (2) If the investor suffers losses in the securities trading due to the failure to fulfill the commitments, the Company will compensate the investor for the losses according to law after being recognized by</p>	September 14, 2016	Long term	Strictly performed

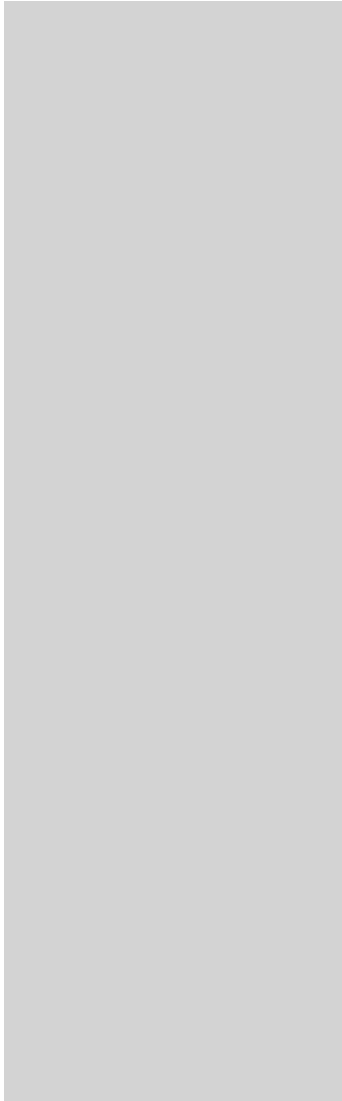
			<p>the CSRC, the stock exchange or the judicial organ; (3) The commitment of stock price stability is the true meaning of the Company. The responsible parties voluntarily accept the supervision of the regulatory body, self-discipline organization and the public. If the violation of the relevant commitments, the main body will bear corresponding responsibilities according to law. 2. If the controlling shareholder and the actual controller have delivered the notice of increase to the Company, but failed to fulfill the obligation of increasing the obligation, the Company has the right to detain the equal amount of the cash dividends payable to the controlling shareholder and the actual controller until the controlling shareholder and the actual controller fulfill their obligation to increase. 3. If a Company director or senior manager fails to fulfill his obligation to increase his or her duties, the Company shall have the right to detain directors and senior management salaries and cash dividends until the directors and senior managers fulfill their obligations to increase their holdings. 4. If there are any false records, misleading statements or major omissions in the prospectus of this public offering of shares, the Company will make a timely announcement, and the Company will disclose in its regular report that the Company, its controlling shareholders, actual controllers, and its directors, supervisors and senior management buy back shares due to information disclosure violations, performance of commitments such as acquisition of shares and compensation for losses, as well as remediation and correction in case of failure to perform commitments. 5. If the Company fails to perform, has failed to perform or fails to perform on schedule due to objective reasons beyond the control of the Company, such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, the Company shall take the following measures: (1) Timely and fully disclose the specific reasons for the Company's failure, failure or failure to fulfill its commitments on schedule; (2) make supplementary or alternative commitments to the investors of the Company (relevant commitments shall be subject to relevant approval procedures in accordance with laws, regulations and the articles of association), so as to protect the rights and interests of investors as much as possible.</p>			
	<p>Controlling shareholder, actual controller</p>	<p>Commitment on remedial measures for breaking faith</p>	<p>1. If the controlling shareholder and the actual controller have delivered the notice of increase to the Company, but failed to fulfill the obligation of increasing the obligation, the Company has the right to detain the equal amount of the cash dividends payable to the controlling shareholder and the actual controller until the controlling shareholder and the actual controller fulfill their obligation to increase. 2. The controlling shareholder and the actual controller have signed the commitment letter of false record, misleading statement or major omission in the prospectus of this public offering of shares. The controlling shareholder and the actual controller take the profit distribution enjoyed by the controlling shareholder and the actual</p>	<p>September 14, 2016</p>	<p>Long term</p>	<p>Strictly performed</p>



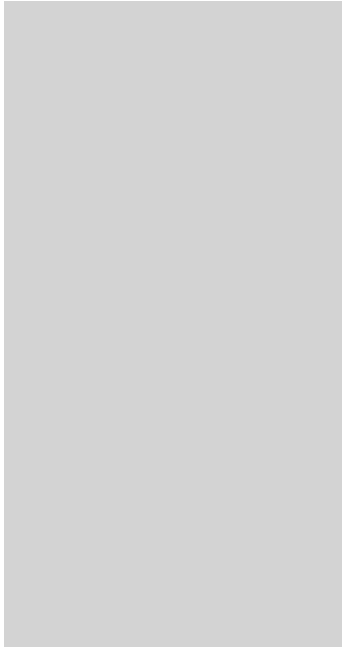
controller in the Company's pro

			fails to perform, has failed to perform or fails to perform on schedule due to objective reasons beyond the control of the director, supervisor or senior manager such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, the director, supervisor or senior manager shall take the following measures: (1) Timely and fully disclose the specific reasons for the Company's failure, failure or failure to fulfill its commitments on schedule; (2) make supplementary or alternative commitments to the investors of the Company (relevant commitments shall be subject to relevant approval procedures in accordance with laws, regulations and the articles of association), so as to protect the rights and interests of investors as much as possible.			
	Paul Xiaoming Lee family, Heyi Investment and Heli Investment	Commitment on avoiding horizontal competition	1. The giver does not, and will not, directly or indirectly engage in any activity that constitutes horizontal competition with the existing and future business of the Company and its holding subsidiaries, and is willing to assume compensation liability for the economic losses caused to the Company due to violation of the above commitments. 2. For other enterprises directly and indirectly controlled by the commitment person, the commitment person will adopt the representative office and personnel (including but not limited to directors, general managers, etc.) and the controlling position of the giver in such enterprises, to ensure that such enterprises perform the same obligations as the giver in this letter of commitment, to ensure that such enterprises do not compete with the Company and its holding subsidiaries in the same industry, and the giver is willing to bear all compensation liabilities for the economic losses caused to the Company due to violation of the above commitments. 3. If the Company further expands its business scope on the basis of its existing business, and this commitment person and the enterprise controlled by this commitment person have carried out production and operation on this, this commitment person promises to transfer the possible horizontal competition business or equity held by this enterprise, and agrees that the Company has the priority to acquire and operate under the same commercial conditions. 4. Expect for the investment in the Company, the commitment person will not invest in or operate the products (or similar products, or products with alternative function) developed, produced or operated by the Company and its holding subsidiaries in any way in any place.	November 10, 2012	Long term	Strictly performed
	Company, controlling shareholder and actual controller, director and senior management	The commitment that the Company's compensation measures can be effectively performed	1. The Company and its controlling shareholder and the actual controller make a commitment to the Company's ability to fill in the return measures. It does not exceed the authority to interfere in the Company's management activities and does not occupy the Company's interests. 2. Directors and senior managers make a commitment to fulfill the Company's return measures: (1) Promise not to transfer interests to other units or individuals free of charge or under unfair conditions, and not to damage the interests of the Company in other	September 14, 2016	Long term	Strictly performed

			ways; (2) Promise to restrict the post consumption behavior of directors and senior managers; (3) Promise not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of its duties; (4) Commit that the remuneration system formulated by the board of directors or remuneration committee is linked to the implementation of the Company's measures to fill the return; (5) Promised that the exercise conditions of the Company's equity incentive to be announced are linked to the implementation of the Company's compensation measures.			
	Paul Xiaoming Lee family member, the controller of the Company Heyi Investment	Commitment on avoiding occupation of the Company's funds	The giver, close relative and the affiliated enterprise under control strictly restrict the funds of the Company and its subsidiary companies in the operating capital transactions between the Company and its subsidiaries; the Company and its subsidiaries shall not be required to pay wages, welfare, insurance, advertising and other expenses; the Company and its subsidiary funds are not directly or indirectly provided to the undertaking, close relatives and controlled affiliated enterprises, including: 1. to lend funds to the giver, close relatives and controlled affiliated enterprises for use with compensation or free of charge; 2. to provide entrusted loans without commercial substance to the giver, close relatives and controlled affiliated enterprises through banks or non-bank financial institutions; 3. Entrust the giver, close relatives and controlled affiliated enterprises to carry out investment activities without commercial substance; 4. To issue commercial acceptance bills without real transaction background for the giver, close relatives and controlled affiliated enterprises; 5. Repay debts on behalf of the giver, close relatives and controlled affiliated enterprises; 6. Provide funds to the promisee, close relatives and controlled affiliated enterprises in other ways without consideration for goods and services; 7. Other methods recognized by China Securities Regulatory Commission.	September 14, 2016	Long term	Strictly performed
	Jerry Yang Li	Commitment on remedial measures for breaking faith	Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 10,416,022 shares of the Company held by her according to her will and the contribution of the Company's controlling shareholder Heyi Investment of RMB17.955 million. I promise that I will strictly fulfill the commitments disclosed in the initial public offering and listing prospectus of the controlling shareholder and actual controller. If the commitments of the controlling shareholder and actual controller are not performed, cannot be performed or cannot be performed on schedule (except for objective reasons beyond the control of controlling shareholders and actual controllers such as changes in relevant laws and regulations, policies, natural disasters and another force majeure), I promise to strictly abide by the following measures: 1. If the controlling shareholder or the actual controller has served the Company with the increase notice but failed to fulfill the increase obligation, the Company has the right to	October 25, 2018	Long term	Strictly performed

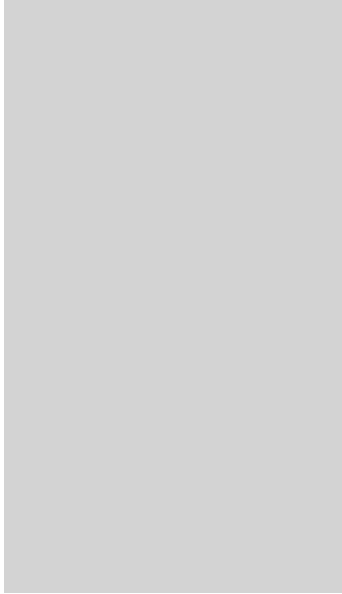


withhold the cash dividends payable to the same amount until the controlling shareholder or the actual controller fulfills the increase obligation; 2. The controlling shareholder and the actual controller have signed the commitment letter of false record, misleading statement or major omission in the prospectus of this public offering of shares. The controlling shareholder and the actual controller take the profit distribution enjoyed by the controlling shareholder and the actual controller in the Company's profit distribution plan of the current year and the following years as the performance guarantee of the above

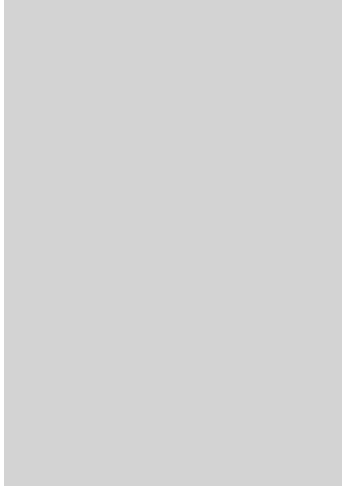


Technology

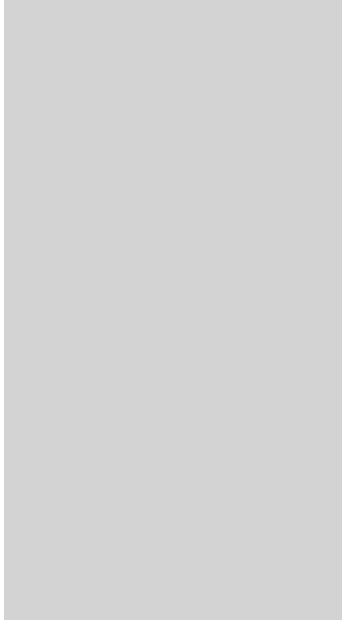
commitments; 2. For other enterprises directly or indirectly holding by this undertaking, the undertaking will pass the dispatched offices and personnel (including but not limited to directors, general managers, etc.), as well as the controlling position of the underwriter in such enterprises, to ensure that such enterprises carry out the same obligations as the Underwriters in this commitment letter, and ensure that such enterprises do not compete with the Company and its controlling subsidiaries in the same industry, the underwriters are willing to take full responsibility for the economic losses incurred by the Company in violation of the above commitments; 3. If the



the period, such as dividend distribution, stock distribution, capital reserve converted to share capital, the issue price shall be ex-right and ex-dividend accordingly; 4. After two years after the expiration of my commitment to hold shares, I will, through the reduction of the price of the Company's shares in the two class market, meet the commitments made on the basis of the market price, and the specific reduction plan will be drawn up according to the market situation at that time; 5. I promise that I will announce the Company's three days ahead of schedule in the implementation of the reduction, and complete the announcement within six months. at the same time, I will fulfill the obligatio



without real transaction background for the giver, close relatives and controlled affiliated enterprises; e. Repay debts on behalf of the giver, close relatives and controlled affiliated enterprises; f. Provide funds to the giver, close relatives and controlled affiliated enterprises in other ways without consideration for goods and services; g. Other methods recognized by China Securities Regulatory Commission; (5) If the giver, close relatives and controlled affiliated enterprises occupy the funds of the Company and its subsidiaries and require the Company and its subsidiaries to provide guarantees in violation of laws and regulations, the Company's board of directors shall not transfer the shares of the Company held and controlled before all the occupied funds are returned and all the illegal guarantees are released, and



dividend distribution, stock distribution, capital reserve converted to share capital, the issue price shall be ex-right and ex-dividend accordingly; 4. After two years after the expiration of my commitment to hold shares, I will, through the reduction of the price of the Company's shares in the two class market, meet the commitments made on the basis of the market price, and the specific reduction plan will be drawn up according to the market situation at that time; 5. I promise that I will announce the Company's three da

			<p>relevant regulatory or self-regulation measures shall be imposed or taken in accordance with the relevant provisions and rules specified or published by CSRC and Shenzhen Stock Exchange; if the Company or investors suffered losses as a result of my breach or refusal, I am willing to assume relevant liability for compensation.</p>			
	<p>Company's actual controller and controlling shareholder</p>	<p>Commitment on dilution on current returns as a result of the public offering of convertible corporate bonds, and the return recovery measures</p>	<p>1. not interfere with the operation and management activities of the Company beyond the authority, and not encroach on the interests of the Company; 2. since the date of this commitment up to completion of this public offering of convertible corporate bonds, if the CSRC imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC, I commit to issue supplemental undertakings in accordance with the latest requirements of the CSRC. In order to ensure the proper implementation of the return recovery measures, I commit to strictly perform the above commitments. If I breach or refuse to fulfill the above commitments, I will perform obligations of interpretation and apology as required under the Guiding</p>			



return
recovery
measures

Energy Technology, if the CSRC imposes other new regulatory requirements in relation to the return recovery measures and its

					scheme	
	Participants	Participants	<p>1. If the information disclosure documents of the Company contain false records, misleading statements or major omissions, resulting in non-compliance with the granted rights and interests or the exercise of rights and interests arrangement, the participants p8(e)4(n)-6(t)-4()-2(th)</p>			

2. Where any

Period is still within the forecast period, the Company shall explain whether the performance of the asset or project reaches the earnings forecast and why

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Name of asset or project subject to earnings forecast	Start time of forecast	End time of forecast	Current performance forecasted	Actual current performance	Reason for failure to reach the forecast (if applicable)	Disclosure

2020 Annual Report of Yunnan Energy New Material Co., Ltd.

The completion of performance commitments and their impact on the goodwill impairment test

The net profit attributable to the parent Company after deducting the non-recurring profit and loss in 2020 and the impact on the net

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The New Debt Restructuring Standard revises the definition of debt restructuring, clarifies the application of standards, such as Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments, for debt restructuring involving financial instruments, clarifies that assets other than financial assets transferred ~~of~~tsmranmentd-6(d)7(-)2(Me)4(ts-6(it)-3(st,)

Name of the domestic CPA firm	Dahua CPAs (SGP)
Fee for the audit services provided by the domestic auditor	160
Consecutive years of audit services provided by the domestic auditor	9 years
Names of the certified public accountants from auditor	Tang Rongzhou, Yao Rui
Consecutive years of audit services provided by the Certified Public Accountants of domestic auditor	Tang Rongzhou 6 2 year, Yao Rui 6 1 years

Whether the CPAs firm was changed in the current period

"[gu]c[P]q"

Engagement of any CPAs firm for internal control audit, financial advisor or sponsor

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Possibility of Delisting after Disclosure of this Annual Report

"Cr rnkcdng c[P]C"

XI. Matters Related to Bankruptcy and Reorganization

"Cr rnkcdng c[P]C"

No such cases in the Reporting Period.

XII. Material Litigation and Arbitration

"Cr rnkcdng c[P]C"

No such cases in the Reporting Period.

XIII. Punishments and Rectifications

c[Cr rnkcdng] "P[C]"

Name	Type	Reason	Type of investigation and punishment	Conclusion (if any)	Disclosure date	Disclosure index
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information disclosure.

(8) On July 12, 2019, the 31st meeting of the third Board of Directors and the 26th meeting of the third Supervisory Committee of the Company deliberated and approved the Proposal on Adjusting the Number and Repurchase Price of Restricted Stocks under the 2017 Restricted Stock Incentive Plan, the Proposal on the Fulfillment of Conditions for Unlocking within the Second Unlocking Period under the 2017 Restricted Stock Incentive Plan, the Proposal on Repurchase and Cancellation of Part Incentive Stocks under the 2017 Restricted Stock Incentive Plan, and other related proposals. For details, please refer to the Announcement on Adjusting the Number and Repurchase Price of Restricted Stocks under the 2017 Restricted Stock Incentive Plan (No.:2019-084), the Announcement on Repurchase and Cancellation of Part Incentive Stocks under the 2017 Restricted Stock Incentive Plan (No.:2019-

XVI. Significant related transactions

1. Related transactions arising from routine operation

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Related transaction party	Relation	Type of related transaction	Details of related transaction	Pricing principle of the related transaction	Related transaction price	Related transaction amount(RM D2022+)	Proportion in the total amount of transaction of the same type	Approved transaction limit(RMB0 022+)	Whether or not the transaction limited exceeded	Settlement mode for related transaction	Obtainable market price for the transaction of the same type	Disclosure date	Index to disclosed information
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Kunshasi	Joint-stock Company	Purchase of raw materials from related parties	Purchase of additives										
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2020 Annual Report of Yunnan Energy New Material Co., Ltd.

and spouse of
Commercial Ms. Zheng
Bank of Haiying,
China who is an
independent director
of the
Company,
is a
non

2020 Annual Report of Yunnan Energy New Material Co., Ltd.

for the total amounts of routine related transactions by type to occur in the current period	related transactions estimated by the Company by type.
Reason for any significant difference between the transaction price and the market reference price (if applicable)	N/A

XVII. Significant contracts and their execution

1. Trusteeships, Contracts, and Leases

(1) Trusteeships

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No such cases in the Reporting Period.

(2) Contracts

"Cr rnkcedng ç"PIC"

No such cases in the Reporting Period.

(3) Leases

"Cr rnkcedng ç"PIC"

No such cases in the Reporting Period.

2. Significant guarantees

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(1) Guarantees


Wpkv<"TOD2022

Guarantees provided by the Company and its subsidiaries for external parties (excluding those for subsidiaries)								
	Disclosur e date of the announce	e line	Actual date	Actual	guarantee	guarantee	not	ee for a par not
None								
Guarantees provided by the Company for its subsidiaries								

	17, 2020		2020		guarantee			
Shanghai Energy	March 17, 2020	8,000	September 27, 2020	0	Joint liability guarantee	2 Years	No	Yes
Shanghai Energy	March 17, 2020	10,000	October 29, 2020	1,511.17	Joint liability guarantee	1 Year	No	Yes

Wuxi Energy March



Bank wealth management products	Total amount of funds raised	120,000		120,000	0
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signatory Company	name	position	date	of assets liabilities

Green Power	es	8 meters		factory		2014			standard
Suzhou Green Power	Nitrogen oxides	Discharge at an altitude of 8 meters	4						

Green Power to Shanghai Rural Commercial Bank Co., Ltd. Nanhui Sub-branch. In addition, Shanghai Energy provided joint and several liability guarantee for this M&A loan equal to RMB 876 million. Please refer to the "Announcement on Pledging the Equity of a Wholly-owned Subsidiary of the Company for Getting Loan" (No. 2020-102) disclosed by the Company on cninfo.com. The Company repaid the aforesaid loan in advance and received the "Notice of Cancellation of Registration of Equity Pledge" from Administrative Approval Bureau of Suzhou Wujiang District on September 21, 2020, and the Company released the aforesaid pledge of the pledge equity. For details, please refer to the "Announcement on Repayment of M&A Loan and Release of Pledge of Uwdukfkt {ø"Gswkv {\$*Pq0"4242-175) disclosed by the Company on cninfo.com.

8. On Jun1 0 0 1/F412252(0, t)5(he)12(4 t)5(n)11(m)17(det75(i)5(ng of)3(t)5(he4 t)6((B)-2o(ar)4dn)11 of)3((D)-4(i)5or

(ed t71(htf6(d t)5(he)12(C)-2(om)17(pany)24(pan)-10nddi56(t)5s(sl)5(ubsi)8(di)5(ar-64(y)23(ppr)3(o(i)5(dedfr)4di)5n(anai)7(

14. On November 10, 2020, the 16th meeting of the fourth Board of Directors of the Company deliberated and approved the Proposal on Starting the Project of Wet-process Lithium-ion Battery Separator Film in Hungary, and the Proposal on Signing Hungary Project Contract, and agreed that the subordinate Company SEMCORP Hungary Kft invests in the construction of production line and supporting factory of wet-process lithium-ion battery separator film in Debrecen, Hungary, and signed Preliminary Sale and Purchase Agreement with Debrecen Government, Hungary. For details, please refer to the Announcement on Starting the Project of Wet-process Lithium-ion Battery Separator Film in Hungary (No.: 2020-204) disclosed by the Company on cninfo.com.

15. During the Reporting Period, Hongchuang Packaging completed procedures for business registration change and filing due to the need to increase the business scope and obtained the business license renewed by Yuxi Municipal Administration for Market Supervision. For details, please refer to the Announcement on the Completion of Business Registration Change and Filing by Controlled Subsidiary (No. 2020-208) disclosed by the Company on cninfo.com.

16. On November 23, 2020, the 18th meeting of the fourth Board of Directors of the Company deliberated and approved the Proposal on Public Delisting-based Acquisition of 76.3574% Equity of Newmi Tech, and agreed that Shanghai Energy, as the interested party, participated in the transfer of 76.3574% equity of Newmi Tech, including 54.7629% equity of Newmi Tech held by Yuntianhua Group and 21.5945% equity of Newmi Tech held by Yuntianhua Company. For details, please refer to the Announcement on Public Delisting-based Acquisition of 76.3574% Equity of Newmi Tech (No.:2020-212) disclosed by the Company on cninfo.com. On December 21, 2020, the 19th meeting of the fourth Board of Directors deliberated and approved the Proposal on Signing Property Transaction Contract and Supplementary Agreement by the Control

Section 6 Share Changes and Shareholder Details

I. Changes in Shares

1. Changes in shares

Unit: share



2. Domestically-listed foreign shares	0.00%
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Incentive Plan of the Company and the Proposal on Buying Back and Writing Off Some Incentive Shares under the 2017 Restricted Share Incentive Plan of the Company. The Board of Directors thinks that the Company has fulfilled the unlocking condition for the third unlocking period set under the 2017 Restricted Share Incentive Plan of the Company. This time, a total of 83 incentive beneficiaries have satisfied the unlocking conditions and can apply to unlock and trade a total of 3,404,080 restricted shares. The unlocked shares started listing and circulation on July 23, 2020. At the same time, the Board of Directors and the Board of

and other financial indicators for the last year and the last Reporting Period

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(1) The Company has bought back and written off a small number of restricted shares that were awarded to the incentive dpgphkekctkgu"ykvj"cp"gxcnwcvkqp"ngxgn"qh"ö I qq f"ö"dwv"pqv"wpnqemgf"fwtkpi"vjg"vjktf"wpnqemkpi"rgtkqf"qh"4239" Tguvtkevgf"Ujctg" Incentive Plan of the Company, and these shares have delivered a minor impact on the basic earnings per share and net assets per share due to a small number.

*4: Fwtkpi"vjg" Tgrqtkpi"Rgtkqf"vjg"eqpxgtukqp"qh"33.996.279"ujctgu"htqo"vjg"öGpgti{"Eqpxgtvkdnq"Dqpfuö"cpf"vjg"rtkxcvg"qhgring of 69,444,444 shares have affected the basic earnings per share by RMB0.05/share, affected the diluted earnings per share by some RMB0/share and affected the net assets per share by some RMB0.26/share.

Qvjgt"eqpvgpvu"vjcv"vjg"Eqo rcp{"eqpukfgtu"pgeguuct{"qt"ctg"tgswktgf"d{"vjg"ugewtkv{"ø"tgiwncvqt{"cwvjqrities, to disclose

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2. Changes in restricted shares

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Unit: Share

Name of shareholder	Balance of shares subject to restrictions at beginning of period	Increase of shares subject to restrictions on sale in current period	Number of restricted shares unlocked in current period

Xu Ming	1,835,873	458,968	1,376,905
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					period	on August 15, 2021.
Future Industry Investment Fund (Limited Partnership)	1,001,810			1,001,810	By the end of the Reporting Period, some shares obtained from the material asset restructuring in 2018 still remain in the restriction period	Of the shares obtained from the material asset restructuring in 2018, 75% were unlocked in 2019, and the remaining 25% will be unlocked on August 15, 2021.
Zhuhai Hengjie	15,526,817			15,526,817	By the end of the Reporting Period, the shares obtained from the material asset restructuring in 2018 still remain in the restriction period	The shares obtained from the material asset restructuring in 2018 will be unlocked on August 15, 2021.
Total of the other former domestic natural person shareholders before material asset restructuring (14 persons)	16,111,402			16,111,402	By the end of the Reporting Period, the shares obtained from the material asset restructuring in 2018 still remain in the restriction period	Of the shares obtained from the material asset restructuring in 2018, 75% were unlocked in 2019, and the remaining 25% will be unlocked on August 15, 2021.
Total of shareholders participating in private offering of A shares in 2020 (22 investors)	0	69,444,444		69,444,444	By the end of the Reporting Period, the shares obtained from the private offering of A shares of the Company in 2020 still remain in the restriction period	
Total						

Convertible corporate bonds of Yunnan Energy New Material Co., Ltd.	February 11, 2020	RMB100/bond (coupon rate: 0.40% 0.60% in the second year, 1.00% in the third year, 1.50% in the fourth year, 1.80% in the fifth year and
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69,444,444 shares (A shares) to 22 specific investors, and completed the registration procedure for these new shares with China Clear Shenzhen Branch on August 21, 2020. These shares started trading at Shenzhen Stock Exchange on September 4, 2020. This has increased the total share capital of the Company by 69,444,444 shares. The Company has bought back and written off some restricted shares of 2017 Restricted Share Incentive Plan of the Company and completed the buyback and write-off procedure with China Clear Shenzhen Branch on September 28, 2020, which has reduced the total share capital of the Company by 23,120 shares. Under the approval granted by China Securities Regulatory Commission in the CSRC License [2019] No. 2701, the Company made a public offering of 12,291,976 shares as of August 17, 2020. As at the end of the Reporting Period, the Company recorded the total share capital of 886,566,151 shares and a balance sheet of 43.60%.

Sherry Lee	Overseas natural persons	8.29%	73,470,459	0	46,275,559	27,194,900		
Li Xiaohua	Domestic natural person	7.88%	69,837,889	232,000	69,833,759	4,130		
Kunming Huachen Investment Co., Ltd.	Domestic non-state-owned legal person	2.64%	23,383,775	10,241,245	9,480,539	13,903,236		

Company Limited		common shares	
Sherry Lee	27,194,900	Renminbi denominated common shares	27,194,900
Paul Xiaoming Lee	25,047,218	Renminbi denominated common shares	25,047,218
Zhang Yong	16,332,107	Renminbi denominated common shares	16,332,107
Kunming Huachen Investment Co., Ltd.	13,903,236	Renminbi denominated common shares	13,903,236
Yuxi Heli Investment Co., Ltd.	9,558,686	Renminbi denominated common shares	9,558,686
National Social Security Fund 110 Portfolio	7,732,965	Renminbi denominated common shares	7,732,965

	Director of the Company, and Yanyang Hui, Sherry Lee and JERRY YANG LI take no positions at the Company.
Equities in other domestic and overseas listed companies under control and with participation during the Reporting Period	None

Change of controlling shareholder during the Reporting Period

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The controlling shareholder of the Company has not changed during the Reporting Period.

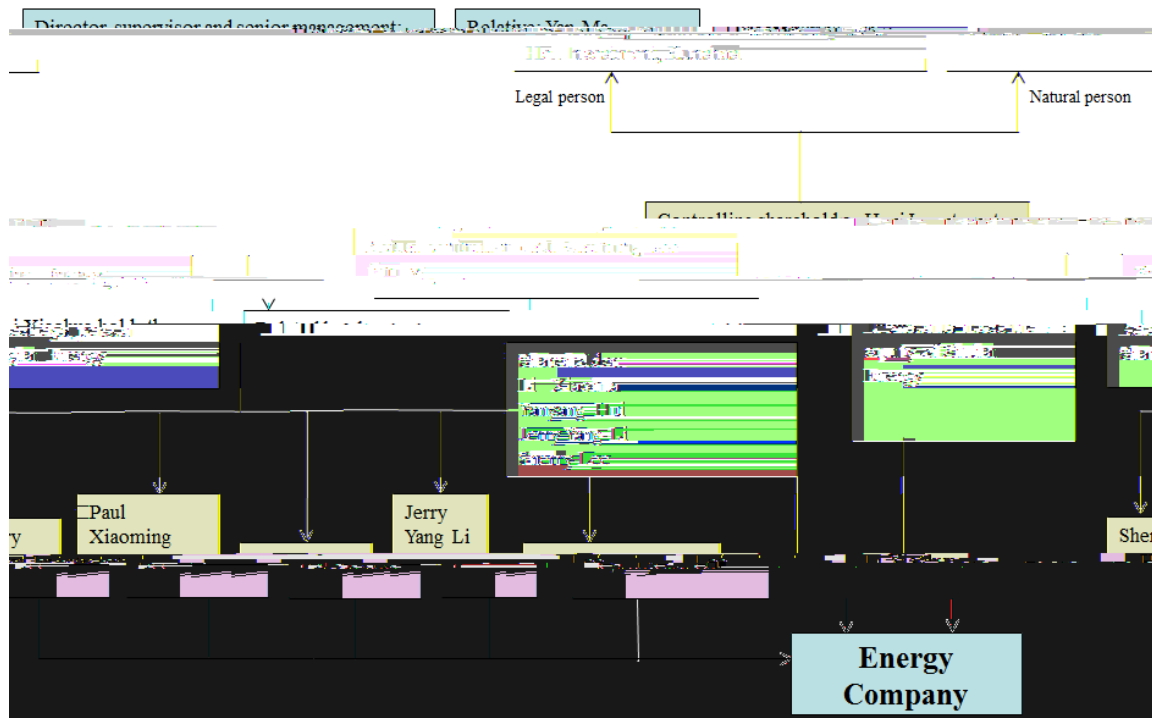
3. Details about the actual controller and persons acting in concert

Nature of actual controller: Domestic natural person; overseas natural person

Type of actual controller: Natural person

Name of actual controller	Relationship with actual controller	Nationality	Acquisition of right of residence in other countries or regions
Paul Xiaoming Lee	Act in concert (including agreement, kinship and common control)		

Controlling shareholder, actual controller and its related person



The actual controller controls the Company through trust or other asset management methods

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4. Other corporate shareholders holding more than 10% of the shares

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Name of legal person shareholder	Legal Representative/Principal of Organization	Date of Incorporation	Registered Capital	Major operating activities or management activities
Heyi Investment	Paul Xiaoming Lee	November 10, 2010	RMB30 million	Conduct venture capital activities with free capital; make project investment and manage investment project; investment management, investment consulting and social and economic consultation. (Business activities that require approval in accordance with the law shall be subject to the business scope approved by the relevant authorities.)

5. Details about restrictions on shareholdings of controlling shareholders, actual controllers, restructuring parties, and other entities making commitments

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Section 7 Details about Preferred Shares

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During the Reporting Period, there were no preferred shares in the Company.

Section 8 Details about Convertible Corporate Bonds

ç"Cr rnkcdng" "PIC"

I. All Previous Adjustments to the Conversion Price

						shares of

Applicable □ "P" "C"

Arrangements for Debt Repayment in Future Years

1. The Company's liabilities: relevant indicators such as the asset-liability ratio, interest coverage multiple, and loan repayment rate at the end of the Reporting Period, and year-on-year changes are detailed in the "Section 11 Corporate Bonds" of this report.
2. Changes in the Company's credit standing: According to the Follow-up Rating Report on Public Offering of Convertible Corporate Bonds by Yunnan Energy New Material Co., Ltd. (No.: Follow-up Rating on Corporate Bonds by Shanghai Brilliance (2020) 100053) issued by the credit rating agency - Shanghai Brilliance Credit Rating & Investors Service Co, Ltd., the credit rating of the Company qp"vjg"yjqng"ycu"CC."vjg"etgfkv"tcvki"qh"deqpxgtvkdng"eqtrqtcvg"dqpfu"qh" [wppcp"Gpgti {"Pgy"Ocvgtkn"Eq0."Nvf0ö"ycu"CC."cpf"vhe uckf"dqpfu"ygtg"chhktogf"ykvj"c"duvcdngö"qwwnqqm"Vjg"cdqyg-mentioned follow-up rating results have not changed compared with the previous rating results. For details about the above-mentioned follow-up rating reports, refer to <http://www.cninfo.com.cn/>.
3. Cash arrangements for debt repayment in future years: The Company's credit status is good, the asset-liability structure is reasonable, and banks and other financial institutions grant sufficient comprehensive credit to the Company. The Company can quickly and effectively obtain financing support from financial institutions. The Company has stable operations and good performance, and can obtain stable operating cash flow through endogenous growth. At the same time, the Company actively promotes the implementation of fundraising projects through convertible corporate bonds to further enhance its profitability. If the Company meets the put provision and redemption clauses and repayment of principal and interest when due as disclosed in the prospectus of convertible corporate bonds, the Company can pay the bondholders' principal and interest with its own funds and financing.

Section 9 Directors, Supervisors, Senior Management and Employees

I. Changes in Shares Held by Directors, Supervisors, and Senior Management

Name	Title	Service status	Gender	Age	Start date	End date	Shares held at the beginning of the period (share)	Quantity Of shares increased in the current period (share)	Quantity of

Wang Ping	Independent Director	Resigned	Male	51	April 20, 2017	April 8, 2020			0		0
Chen Tao	Supervisor	Current	Male	43	April 20, 2011	April 7, 2023			0		0
Zhang Tao	Chairman of Board of Supervisors	Current	Male	44	January 3, 2019	April 7, 2023			0		

III. Positions Held

Professional background, main working experience and main duties in the Company of current directors, supervisors, and senior management of the Company

(I) Members of the Board of Directors

1. Paul Xiaoming Lee, Chairman of the Company, male, born in 1958, American nationality with the right of residence in foreign
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Paul Xiaoming Lee	Kunshasi	Vice Chairman	May 1, 1996	March 17, 2021	None
Paul Xiaoming Lee	Shanghai Ruiji New Material Technology Co., Ltd.	Director	January 20, 2020	March 17, 2021	None
Li Xiaohua	Kunshasi	Director and General Manager	May 1, 1996	March 17, 2021	None
Li Xiaohua	Shanghai Ruiji New Material Technology Co., Ltd.	Chairman	January 20, 2020	March 17, 2021	None
Alex Cheng	Shanghai Ruiji New Material Technology Co., Ltd.	Director	January 20, 2020	March 17, 2021	None
Lu Jiankai	Fuzhou Shanghe Electronics Co., Ltd.	Director	November 5, 2015	November 4, 2021	None
Lu Jiankai	Anqiu Huahang Environmental Technology Co., Ltd.	Executive Director and General Manager	October 13, 2020	October 12, 2023	None
			19	October 29, 2022	None
				June 18, 2023	None
Lu Jiankai	Investment Partners (Limited Partnership)	President and Partner	July 12, 2012	July 11, 2021	None
Lu Jiankai	Qingdao Bopu Photoelectric Technology Co., Ltd.	Executive Director and General Manager	August 3, 2016	August 2, 2022	None
Lu Jiankai	Shanghai Yangyue Investment Management Co., Ltd.	Executive Director and General Manager	February 13, 2019	February 12, 2022	Yes

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IV. Remuneration for Directors, Supervisors, and Senior Management

Decision-making procedures, determination basis and actual payment of remuneration for directors, supervisors, and senior management

1. Decision-making procedure for remunerations of directors, supervisors and senior management: The Remuneration & Evaluation Committee of the Board of Directors of the Company studies and establishes the evaluation standard, remuneration policy and plan for the directors, General Manager and other senior management members of the Company, the Board of Directors reviews the remunerations for the senior management, the General Meeting of Shareholders reviews the remunerations of the directors and the supervisors, and the Human Resources Department and the Finance Department of the Company assist the Remuneration & Evaluation Committee of the Board of Directors to implement the remuneration plan for the directors and the senior management of the Company.

2. Basis for determining the remunerations of directors, supervisors and senior management: The remunerations for the directors and supervisors are determined in line with the actual working status of the Company and in combination of the current market situation. The remunerations of the senior management are determined in line with related provisions of the Company and in combination of the operating objectives of the Company in 2020 and concrete job responsibilities the senior management members of the Company take to complete the annual operating objectives.

3. Actual payment of remunerations to the directors, supervisors and senior management: The remunerations of the Independent Directors are paid to personal accounts based on the standard and schedule every quarter. The remunerations of other people are paid based on respective evaluation result on a monthly basis or at the time specified by the remuneration payment policy.

Remuneration for directors, supervisors, and senior management during the Reporting Period

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Name	Title	Gender	Age	Service status	Total pre-tax remunerations received from the Company	Whether remuneration was received from related parties of the Company
Paul Xiaoming Lee	Chairman	Male	63	Incumbent	118.34	None
Li Xiaohua	Director	Male	59	Incumbent	120.29	None
Yan Ma	Director	Female	62	Incumbent	0	None
Alex Cheng	Director	Male	63	Incumbent	6.19	None
Xu Ming	Director	Male	46	Incumbent	28.11	None
Feng Jie	Director	Male	57	Incumbent	27.94	None
Lin Haijian	Director	Male	48	Resigned	0	None
Song Kungang	Independent Director	Male	73	Resigned	1.36	None
Wang Ping	Independent Director	Male	51	Resigned	1.36	None
Lu q 265.8Jiankai	Independent Director	Male	43	Incumbent	5	None
Tang Changjiang	Independent Director	Male	51	Incumbent	3.64	None
Zheng Haiying	Independent Director	Female	58	Incumbent	3.64	None

Zhang Tao
Chairman

	Officer					
Pang Qizhi	Chief Financial Officer	Male	42	Resigned	29.12	None
Total	--	--	--	--	443.14	--

Equity incentives granted to directors and senior management during the Reporting Period

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V. Employees of the Company

1. Number of employees, composition by profession, and educational level

Incumbent staff of parent company (person)	229
Incumbent staff of major subsidiary (person)	3,908
Total incumbent staff (person)	5,040
Total staff receiving remunerations in current period (person)	7,168
Number of retirees whose expenses shall be borne by the parent company and major subsidiaries (person)	0
Composition by profession	
Category of profession	Number of profession (person)
Production staff	3,984
Sales people	94
Technician	369
Financial staff	86
Administrative staff	507
Total	5,040
Education level	
Category of education level	Number (person)
Fqevqtøu"fgitgg"cpf"cdqyg	8
Ocuvgtøu"fgitgg	77
Dcejgnqtøu"fgitgg	538
Junior college	1,124
Middle vocational school and below	3,293
Total	5,040

2. Remuneration policy

During the Reporting Period, the Company observed the principles of distribution based on labor, efficiency priority combining fairguu"cpf"uwuvcpcdng"fgxgnqr o gpv."cpf"qp"vjku"dcuku."vjg"Eq o rcp{" o cf g"fgvckngf"rqnkckgu"kp"tgurgev"qh"uvchøu"tg o wpgtcvkqp."htinge benefit, performance evaluation and other aspects. The Company built a new salary architecture featuring a wide range and òjkgctejkcc"ncffgtò."cpf"ko rno gpvf"vjg"vyq-level salary distribution mechanism. At the same time, the Company has linked the salary and bonus to the working time at the Company, output, cost, fixed staff of every position, equipment maintenance and other factors, and established a reasonable evaluation mechanism. The Company has taken multifaceted measures, including diversification of internal remuneration structure, to attract high-quality human resources. These measures have helped the Company improve the overall performance, realized a sustainable development of the Company and made the Company more competitive in the market. The Company has actively explored and continuously deepened the income distribution system. In future, the Company will make a moderate adjustment to the remuneration system based on its performance, market situation and industry trend.

Section 10 Corporate Governance

I. Basic Information of Corporate Governance

During the Reporting Period, the Company established and improved the modern enterprise system in strict accordance with the Company Law, Securities Law, Shenzhen Stock Exchange Listing Rules, Code of Corporate Governance for Listed Companies in China and other relevant laws and regulations, and constantly improved the corporate governance structure, improved the internal control system and standardized the Company's operation.

During the Reporting Period, the Company held 7 shareholders' meetings, 25 board meetings, 22 meetings of Board of Supervisors, etc. The procedures for holding the meetings are legal and the resolutions are legal and effective.

Were there any significant differences between the Company's actual corporate governance and the requirements of the CSRC on listed company governance

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is no case of relying on or entrusting shareholders or other related parties to sell products, or relying on or entrusting shareholders or other related parties to purchase raw materials. There is no horizontal competition with the controlling shareholders, actual controllers and the enterprises under their control. The actual controller of the Company, Paul Xiaoming Lee's family, controlling shareholder Heyi Investment and shareholder Heli Investment have all made commitments to avoid horizontal competition. For details, please refer to Section 5-III-3 "Equity structure and control" of the Company's 2020 Annual Report. "The commitments made by the Company, its shareholders, purchasers, and others that were fulfilled during the Reporting Period and those not fulfilled as of the end of the Reporting Period".

III. Horizontal Competition

"Commitment by the Company and its PIC"

IV. Details about the Annual General Meeting and Extraordinary General Meeting of Shareholders Convened during the Reporting Period

Annual meeting during the Reporting Period

Meeting	Meeting Type	Investor Participation	Date Convened	Disclosure Date	Disclosure index
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of Shareholders in 2020					General Meeting of Shareholders in 2020 (Announcement No.: 2020-128) on cninfo.com
Fifth Extraordinary General Meeting of Shareholders in 2020	Extraordinary General Meeting of Shareholders	57.63%	September 14, 2020	September 15, 2020	Announcement on Resolutions of the Fifth Extraordinary General Meeting of Shareholders in 2020 (Announcement No.: 2020-170) on cninfo.com
Sixth Extraordinary General Meeting of Shareholders in 2020	Extraordinary General Meeting of Shareholders	59.07%	September 24, 2020	September 25, 2020	Announcement on Resolutions of the Sixth Extraordinary General Meeting of Shareholders in 2020 (Announcement No.: 2020-177) on cninfo.com

2. Extraordinary general meeting requested by the preferred shareholder with restitution of voting rights

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V. Performance of Independent Directors during the Reporting Period

1. Details of independent dir

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Name of independent director	Meetings required to attend during the Reporting Period (times)	Attendance in person (times)	Attendance by way of telecommunication (times)	Entrusted presence (times)	Absence (times)	Non-attendance in person for two consecutive times or not	Attendance in shareholders' igpgtcn" meeting

During the Reporting Period, no independent directors objected to relevant events of the Company.

3. Other details about the performance of independent directors

Was advice to the Company from independent directors adopted

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Explanation of advice to the Company from independent directors adopted or not

During the Reporting Period, independent directors of the f addrthe laig109(d)-6(e)4(,)6(ted) cCeiel4(a)4(ti)-6(n)7s,edihRepEn (n)-6(a)ted.

IX. Internal Control Assessment Report

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2. Self-assessment report on internal control

Disclosure date of the assessment report on internal control	March 18, 2021
Disclosure index of the assessment report on internal control	2020 Assessment Report on Internal Control disclosed on cninfo.com on March 18, 2021
Ratio of total assets of the unit	

Section 11 Corporate Bonds

Reasons for change, procedwtgu" r gthqt o gf. "k o rcev" qp" kpxguvqtuø" kpvgtguvu. "gve" y jgtg" v jg" bond trustee or credit rating agency changed during the Reporting Period (if applicable)	N/A
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III. Use of Proceeds from Bond Offering

Use of proceeds from bond offering and procedures performed	
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	<p>Supervision Agreement on Proceeds.</p> <p>At the 42nd meeting of the third Board of Directors of the Company, the Proposal on the Use of Proceeds from Offering of Convertible Corporate Bonds to Replace Self-raised Funds Invested in Fund-raising Investment Projects in Advance was considered and approved, agreeing to use of proceeds to replace self-raised funds invested in fund-raising investment projects in advance, with a total replacement amount of RMB1,586,122,641.51. As of April 30, 2020, the Company's proceeds from offering of convertible corporate bonds were all replaced, and the balance of the special account was RMB0. The Company completed the account cancellation procedures for the special account as required by special account management.</p>
Whether the use of proceeds was in line with that mentioned in the prospectus, the plan for use and other agreements	Yes

IV. Rating Results of Corporate Bonds

The rating was implemented on July 18, 2019 for the first time. According to the Credit Rating Report on Public Offering of Convertible Corporate Bonds by Yunnan Energy New Material Co., Ltd. (No.: Credit Rating on Corporate Bonds by Shanghai Brilliance (2019) 010759) issued by Shanghai Brilliance Credit Rating & Investors Service Co, Ltd., the credit rating of the Company is AAA.

The follow-up rating was implemented on May 15, 2020. According to the Follow-up Rating Report on Public Offering of Convertible Corporate Bonds by Yunnan Energy New Material Co., Ltd. (No.: Follow-up Rating on Corporate Bonds by Shanghai Brilliance (2020) 100053) issued by Shanghai Brilliance Credit Rating & Investors Service Co, Ltd., the credit rating of the Company is AAA. The said bonds were affirmed AAA.

V. Credit Enhancement Mechanism, Repayment Plans and Other Repayment Guarantee Measures

1. Regarding the convertible bonds issued this time, interest payment annually and payment of principal and the interest of the last year upon maturity shall be adopted. According to the current interest enjoyed by the holders of total par value of convertible bonds for each full year since the first day of convertible bond offering, the coupon rate of the Company's convertible bond is 0.40% in the first year, 0.60% in the second year, 1.00% in the third year, 1.50% in the fourth year, 1.80% in the fifth year and 2.00% in the sixth year. Within 5 business days after the maturity date of the convertible bonds, the Company will repay all the principal and interest of the last year for the convertible bonds which are not yet transferred.

2. The convertible bonds of the Company are unsecured.

3. Put provision of convertible bonds of the Company

(1) Conditional put provision: In the last two interest-bearing years of the convertible bonds issued this time, if the closing price of the Company's shares is lower than 70% of the current conversion price in any 30 consecutive trading days, the holders of the convertible bonds have the right to put-back all or part of the convertible bonds held by them to the Company in the par value plus the current accrued interest. In case of any adjustment to share conversion price within the aforesaid trading day due to the distribution of stock dividends, conversion of capital reserve into share capital, new share issuance (excluding the share capital increase due to the conversion of convertible bonds to shares), allotment of shares and distribution of cash dividends, etc., the conversion price and closing price before adjustment shall be adopted on the trading day before the adjustment day, while the adjusted conversion price and closing price shall be adopted on the trading day on and after the adjustment day. If there is a downward revision of the conversion price, the conversion price after the first trading day after the adjustment of the conversion price. Holders of convertible bonds in the last two interest-bearing years can exercise the put options once each year after the put provision is met for the first time. If the put provision is met for the first time while the holders of convertible bonds do not make an announcement or implement the put-back during the put-back Reporting Period of the Company, the put option cannot be exercised in that interest-bearing year. The holders of convertible bonds cannot exercise partial put options multiple times.

(2) Additional put provision: If the implementation of the investment project with proceeds from offering of convertible corporate bonds of the Company is not in line with the Company's commitment in the prospectus, and the inconformity is identified by the China Securities Regulatory Commission as a change in the use of the proceeds, holders of convertible bonds may enjoy the put

option once. Holders of convertible bonds have the right to carry out put-back of all or part of the convertible bonds they hold to the

X. Credit Lines Granted by Banks, Their Utilization and Repayment of Bank Loans during the Reporting Period

The Company has maintained a good credit standing, business relations with multiple banks and good reputation. As of the end of the Reporting Period, the Company has obtained a total line of credit up to RMB18.10 billion from several commercial banks and recorded an actual balance of RMB5.09 billion in use. During the Reporting Period, the Company repaid the principal plus interest totaling RMB5.56 billion on time and incurred no extension, reduction and exemption.

XI. Fulfillment of Agreements or Commitments Made in Bond Prospectuses of the Company during the Reporting Period

During the Reporting Period, the Company strictly implemented the relevant agreements or commitments made in the bond prospectus, and there was no breach of agreements or commitments that damaged the interests of bondholders.

XII. Significant Events during the Reporting Period

The Company issued convertible bonds on February 11, 2020. During the Reporting Period, the Company expanded the business scale of lithium-ion battery separator film. As of the end of the Reporting Period, the short-term borrowings of the Company has declined by RMB874,685,500 from the beginning

Section 12 Financial Report

I. Audit Report

Type of audit opinion	Standard unqualified opinion
Audit report signing date	March 17, 2021
Audit organization name	Dahua CPAs (SGP)
Audit report No.	Da Hua Shen Zi [2021] No. 001534
Name of Certified Public Accountant	Tang Rongzhou, Yao Rui

Body of the audit report

To all shareholders of Yunnan Energy New Material Co., Ltd.:

I. Audit Opinions

We have audited the financial statements of Yunnan Energy New Material Co., Ltd. and its subsidiaries (collectively referred to as "Yunnan Energy New Material") balance sheets as of December 31, 2020, the consolidated and individual profit and loss statements, consolidated and individual cash flow statements, consolidated and individual statements of changes in equity, and the relevant notes to financial statements.

In our opinion, the enclosed financial statements were prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects and positions as of December 31, 2020 as well as the consolidated and the parent company financial statements.

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1. Description of matters

Please refer to Note IV-(33) and Note VI-40 of the consolidated financial statements for the accounting policies and book amount information of the revenue recognition of the Company in this year.

The operating income of the Company in 2020 amounted to RMB4,283,007,600, which was the main source of its profit and affects its key performance indicators. In addition, according to the industry practice, after signing the sales order with customer, the Company arranges production based on customer's requirements, delivers it to customers pursuant to the agreed delivery method, obtains the customer's evidence on the transfer of the ownership of goods, and then recognizes the sales revenue. Since the time of revenue recognition is later than the product delivery, and the delivery time and delivery document recognition are all dependent on the customer, there may be significant risk of misstatement if the sales revenue is fully included in the appropriate accounting period. Therefore, we recognize revenue as a key audit matter.

2. Audit Response

Our key audit procedures for revenue recognition include:

- (1) Understand and evaluate the design of internal control of revenue recognition by the management, and test the effectiveness of key control implementation;
- (2) Obtain a major business contract, identify terms and conditions related to the transfer of commodity ownership, and assess whether the income recognition policy of the Company is in line with the relevant provisions of the enterprise accounting standards;
- (3) Understand the background and basic information of the main customers, identify whether they are related parties, and confirm the accounts receivable balance and sales amount of the main customers by confirmation letters;
- (4) Select samples from the sales revenue ledger, check the relevant documents such as contracts (orders), invoices, delivery a(s)4(;) TJ 4lihe f iou9a20.75inc the tomers, i36

situation and the forecast of the future economic situation, the management considers to accrue bad debt for the accounts receivable according to the expected credit loss in the whole duration. As the determination of the amount of bad debt provision requires the management to use significant accounting estimates and judgments, and accounts receivable is important to the financial statements, therefore, we regard the bad debt provision of accounts receivable as a key audit matter.

2. Audit response

(1) Understand and evaluate the management's key internal control over the daily management and provision for accounts receivable, and carry out the corresponding walk through test;

(2) For accounts receivable with significant single amount and credit impairment occurred after initial recognition, all the bases for the management's assessment of the expected future available cash flow shall be reviewed to analyze whether it is reasonable;

(3) For the accounts receivable of bad debt provision withdrawn by the management according to the combination of credit risk characteristics, combined with the credit risk characteristics and aging analysis, evaluate the rationality of the withdrawal of bad debt provision by the management;

(4) The adequacy of the management's provision for bad debt is evaluated in combination with the check of payment collection after the period;

(5) Assess whether the management's disclosure of accounts receivable financial statements is appropriate.

Based on the audit procedures we have implemented and the evidence we have obtained, we believe that the accounting estimates of the bad debt provision of accounts receivable made by the Company are fully reasonable.

IV. Other Information

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cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the

VI. Responsibilities of CPA for Auditing Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. This level of assurance is a high level of assurance, but

communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Financial Statements

The unit of notes to financial statements is: RMB

1. Consolidated balance sheet

Prepared by: Yunnan Energy New Material Co., Ltd.

December 31, 2020

Unit: RMB

Item	December 31, 2020	December 31, 2019
Current assets:		
Monetary funds	2,374,743,862.70	1,011,554,636.06
Settlement reserves		
Loa		

Non-current assets:		
Loans and advances to customers		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments		

Dividends payable	7,871,573.20	7,574,667.67
Fees and commissions payable		
Reinsurance amounts payable		
Hold-for-sale liabilities		
Non-current liabilities due within one year	526,281,063.88	448,243,627.51
Other current liabilities	1,021,339.34	
Total current liabilities	4,289,673,440.97	4,229,322,190.56
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	2,666,911,132.37	1,BT 1 0 0 67(,)10

Current assets:		
Monetary funds	1,356,011,083.93	173,535,371.19
Held-for-trading financial assets	1,210,015,416.66	
Derivative financial assets		
Notes receivable	439,422,816.05	9,600,000.00
Accounts receivable	13,500,863.18	41,692,384.78
Receivable financing		
Prepayments	424,285.77	1,230,107.09
Other receivables	4,145,526,029.74	1,101,125,909.57
Including: Interest receivable		
Dividends receivable	241,040,000.00	272,540,000.00
Inventories	11,921,375.85	24,548,426.09
Contractual assets		
Held-for-sales assets		
Non-current assets due within one year		
Other current assets	571,205.74	1,866,350.09
Total current assets	7,177,393,076.92	1,353,598,548.81
Non-current assets:		
Debt investment		
Other debt investment		
Investments in other equity instruments		
Long-term equity investments	4,662,093,871.62	4,167,834,622.62
Investments in other equity instruments		
Other non-current financial		

Advances from customers		688,175.71
Contractual liabilities	306,389.38	
Employee benefits payable		198,382.51
Taxes payable	3,921,261.63	5,190,155.03
Other payables	98,408,526.81	502,673,483.50
Including: Interest payable		
Dividends payable		
Hold-for-sale liabilities		
Non-current liabilities due within one year	2,806,004.27	
Other current liabilities	39,830.62	
Total current liabilities	272,576,125.30	909,826,026.58
Non-current liabilities:		
Long-term borrowings	290,000,000.00	
Bonds payable	755,725,620.04	
Including: preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	E	

Fee and commission incomes		
II. Total operating cost	3,068,774,846.93	2,189,218,723.03
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1. Net profit from continuing operations (net loss is indicated with $\tilde{0}-\tilde{0}+$)

1,175,649,460.92

attributable to minority interests		
VIII. Earnings per share:		
(I) Basic earnings per share	1.34	1.06
(II) Diluted earnings per share	1.34	1.06

Legal representative: PAUL XIAOMING LEE Person in charge of accounting work: Li Jian Person in charge of accounting department: Liu Lianhua

4. Income statement of parent company

Unit: RMB

Item	2020	2019
I. Operating income	234,623,935.16	435,495,970.14
Less: Operating cost	168,222,882.65	326,842,879.99
Taxes and surcharges	2,880,451.60	3,796,804.93
Selling expenses	448,512.10	13,460,720.37
Administrative expenses	19,514,060.89	41,219,833.24
R&D expenses	7,495,274.77	14,039,341.87
Financial expenses	-4,489,911.90	1,981,921.71
Including: Interest expense	103,063,984.02	10,247,211.39
Interest income	107,278,598.69	7,882,890.73
Add: Other income	852,455.62	1,420,499.05
Investment income (loss is indicated with "-")	58,000,000.00	160,000,000.00
Including: Income from investment in associates and joint ventures		
Derecognized financial assets measured by amortized cost (loss is indicated with "-")		
Net exposure hedging		
Income from changes in fair value of financial assets and liabilities	10,015,416.66	
Credit impairment losses	-7,013,346.63	-2,862,924.22
Asset impairment losses (loss is indicated with "-")		
Income from disposal of non-current assets and other long-term investments	-11,416.29	
II. Operating profit (loss is indicated with "-")	102,395,774.41	192,712,042.86
Add: Non-operating income	305,202.78	22,800.87
Less: Non-operating expenses	601,273.52	196,959.99
III. Total profit (total loss is indicated with "-")	102,099,703.67	192,537,883.74
Less: Income tax expense	-25,870,566.29	-1,463,417.32
IV. Net profit (net loss is indicated with "-")	127,970,269.96	194,001,301.06
(I) Net profit from continuing operations	127,970,269.96	194,001,301.06

customers and placements from corporations in the same industry		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash received for receiving premium of original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of the insured and investment		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Net cash received from acting sale of securities		
Receipts of tax refunds	245,563,708.07	67,271,303.44
Other cash receipts related to operating activities	343,505,512.60	440,968,285.34
Subtotal of cash inflows from operating activities	3,780,284,210.92	3,309,747,737.65
Cash payments for goods purchased and services received	1,980,955,396.48	1,579,794,759.70
Net increase in loans and advances		
Central Bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Net increase in placements to banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	375,257,883.44	337,831,154.53
Payments of all types of taxes	256,970,205.27	264,858,968.34

assets

equivalents		
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6. Cash flow statement of parent company

Unit: RMB

Item	2020	2019
activities:		

Net cash flows from investment activities	-6,770,057,109.30	-252,505,550.70
III. Cash flows from financing activities:		
Cash received from absorbing investment	4,982,504,554.49	
Cash received from borrowings	1,416,500,000.00	242,986,222.89
Cash received from bond issuance	1,586,122,641.51	
Other cash received relating to financing activities	2,207,533,096.38	302,510,000.00
Subtotal of cash inflows from financing activities	10,192,660,292.38	545,496,222.89
Cash paid for debt repayment	1,284,486,222.89	122,000,000.00
Cash paid for distributing dividends and profits or paying		

3. Covering loss
with surplus
reserve

(decrease is indicated with "-")	00				25.95	4.50			11		8.09		4.75		
(I) Total comprehensive income											849,837.425.81		849,837.425.81	85,731,350.03	935,568,775.84
(II) Contribution and withdrawal of capital by owners	-204,680.00				27,614,012.05	-22,080,124.50							49,489,456.55	3,294,457.18	52,783,913.73
1. Common shares invested by owner															

6. Other															
(V) Special reserve															
1. Provision for the period															
2. Utilization for the period															
(VI) Others															
IV. Closing balance for the period	805,370,770.00				1,894,027,132.14	28,137,312.00			135,153,637.58		1,744,638,648.71		4,551,052,876.43	330,073,008.95	4,881,125,885.38

8. Statement of changes in owners' equity of parent company

Amount of current period

Unit: RMB

Item	2020											
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Other	Total equity
		Preferred stock	Perpetual bonds	Other								
I. Closing balance of the previous year	805,37											

2020 Annual Report of Yunnan Energy New Material Co., Ltd.

	0.00				24 12	312.00						24 12
(III) Profit distribution									12,797.0 27.00	-113,447. 801.03		-100,650.7 74.03
1. Withdrawal of surplus reserve									12,797.0 27.00	-12,797.0 27.00		
2. Distribution to owners (or e f1 6.96 Tf 1 0 0												

errors in the prior period												
Other												
II. Opening	473.8											

income carried forward to retained earning												
6. Other												
(V) Special reserve												
1. Provision for the period												
2. Utilization for the period												
(VI) Others												
IV. Closing balance for the period	805,370,770.00				3,651,035,741.69	28,137,312.00			107,401,126.59	187,733,251.59		

In accordance with the resolution of the fourteenth meeting of the third board of directors held by the Company on July 20, 2018 and the revised articles of association, and approved by China Securities Regulatory Commission (hereinafter referred to as "CSRC") ZJXK [2018] No. 671 and Ministry of Commerce of the People's Republic of China (hereinafter referred to as "Ministry of Commerce") SZCH [2018] No. 225, the Company issued 201,023,712 A-shares in private to Paul Xiaoming Lee, Li Xiaohua, Wang Yuhua, Kunming Huachen Investment Co., Ltd, Sherry Lee, Future Industry Investment Fund (Limited Partnership), Zhuhai Hengjie Enterprise Management Firm (Limited Partnership) , Huang Shuhua, Zhang Tao, Gao Xiang, He Baohua, Huang Yuchen, Hu Jiadong, Wang Chizhou, Jiang Xinmin, Zhang Fang, Zhang Fan, Zheng Mei, Liu Wei, Du Jun and Cao Ben, with a par

included in the "share capital" and RMB4,913,060,110.49 was included in the "capital reserve-share capital premium". All the above capital contributions have been subscribed in place and have been verified by Dahua CPAs (SGP) issuing the capital verification report (DHYZ [2020] No. 000460).

Approved by the Reply on Approval of Yunnan Energy New Materials Co., Ltd. to Issue Convertible Corporate Bonds Publicly (ZJXK [2019] No. 2701), the Company publicly issued 16 million convertible corporate bonds on February 11, 2020. The conversion period of convertible corporate bonds shall start from the first trading day six months after the end of the issuance to the maturity date of the convertible corporate bonds, that is, from August 17, 2020 to February 11, 2026. As of December 31, 2020, a total of 11,774,057.00 shares of convertible corporate bonds were converted into shares.

According to the resolution of the fourth extraordinary general meeting of shareholders of 2020 held by the Company on July 30, 2020 and the revised articles of association of the Company, the Company canceled the repurchase of part of incentive shares, repurchased the shares subscribed by four persons in the form of monetary capital, totaling RMB194,809.12, including: reducing share capital by RMB23,120.00, reducing capital reserve-share capital premium by RMB171,689.12. It has been verified by the capital verification report (DHYZ [2020] No. 000561) issued by Dahua CPAs (SGP).

After years of distribution of bonus shares, allotment of new shares, conversion of share capital and issuance of new shares, as of December 31, 2020, the Company has issued a total of 886,566,151.00 shares of share capital, with a registered capital of RMB886,566,151.00.

Business nature and main business activities of the Company

The business scope of the Company mainly includes: Packaging and decoration and other printing products printing; commodity trademark printing (including tobacco and drug trademarks), trademark design; packaging box production, processing and sales; color printing; paper products (excluding paper making), plastic products and other supporting products production, processing and sales; production, processing and sales of printing raw materials and auxiliary materials; production, processing, sale of plastic film and modified plastics; production, processing and sale of laser transfer paper, gold and silver card paper, liquid packaging paper, electrified aluminum, high-grade packaging paper; production, processing and marketing of anti-counterfeiting labels, anti-counterfeiting materials; packaging machinery, packaging machinery spare parts design, manufacture, processing and marketing; production, processing and sale of new energy materials and corresponding new technologies and new products development; import and export of goods (except those with national restrictions and prohibition). (the above projects do not involve special management measures for foreign investment access)(approvals from competent authorities shall be obtained for the operation of the activities requiring approval in accordance with the laws)

The Company is a rubber and plastic products industry, the main products can be divided into three categories: (1) film products, mainly including the production and manufacturing of lithium-ion separator film, BOPP film and special paper by wet process. Lithium-ion separator film products include base film and coating film, and BOPP film products include smoke film and flat film; (2) packaging and printing products, mainly including cigarette label and aseptic packaging; (3) paper products packaging mainly includes specialty paper products, holographic anti-counterfeiting electrified aluminium, transfer film and other products. Special paper products include laser transfer anti-counterfeiting paper, direct plating paper and coated paper.

Authorization of financial statements for issue

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There are 21 subsidiaries included in the consolidated financial statements in this period, including:

Name of subsidiaries	Type of subsidiary	Tier	Shareholding ratio (%)	Voting ratio (%)
Yunnan Dexin Paper Co., Ltd.	Wholly-owned subsidiary	Tier 2	100.00	100.00

Shenzhen Qingsong Jinze Technology Development Co., Ltd.	Wholly-owned subsidiary	Tier 3	100.00	100.00
Hunan Qingsong Jingze Technology Development Co., Ltd.	Wholly-owned subsidiary	Tier 4	100.00	100.00
Yunnan Hongchuang Packaging Co., Ltd.	Wholly-owned subsidiary	Tier 2	100.00	100.00
Wuxi Energy Trading Co., Ltd.	Wholly-owned subsidiary	Tier 2	100.00	100.00
Yunnan Hongta Plastic Co., Ltd.	Wholly-owned subsidiary	Tier 2	100.00	100.00
Hongta Plastic (Chengdu) Co., Ltd.	Wholly-owned subsidiary	Tier 3	100.00	100.00
Yuxi Feiermu Trading Co., Ltd.	Wholly-owned subsidiary	Tier 3	100.00	100.00
Shanghai Energy New Material Technology Co., Ltd.	Holding subsidiary	Tier 2	95.22	95.22
Zhuhai Energy New Material Technology Co., Ltd.	Wholly-owned subsidiary	Tier 3	100.00	100.00
Guangdong Energy New Material Institute Co., Ltd.	Wholly-owned subsidiary	Tier 4	100.00	100.00
Wuxi Energy New Material Technology Co., Ltd.	Wholly-owned subsidiary	Tier 3	100.00	

Subsidiaries removed from the consolidated financial statements in the Reporting Period

Name	Reason for change
Shanghai Energy Information Technology Co., Ltd.	Canceled
Shanghai Fengzhou Trading Co., Ltd.	Canceled

Ugg"ōXKKK"ejcpig"qh"eqpuqnfckvqp"ueqrgö"hqt"fgvcknu"qh"vjg"uwdlgev"qh"ejcpig"qh"eqpuqnfckvqp" scope.

VI. Basis for Preparation of Financial Statements

1. Basis for preparation

The preparation of financial statements of the Company is based on the actual transactions and events in accordance with the "Accounting Standards for Business Enterprises - Basic Standards" published by the Ministry of Finance and specific corporate accounting standards, application guidelines for corporate accounting standards, corporate accounting standards interpretations and other relevant regulations (hereinafter collectively referred to as "corporate accounting standards") for confirmation and measurement, combining the provisions of

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15 - I gpgtcn"Rtqxkukqpu"qp"Hkpcpekcn" Tgrqtvuö"*tgxkugf"kp"4236+"rwdnkujgf"d{"EUTE0

2. Going concern basis

The Company has evaluated the ability to continue as a going concern for 12 months from the end of the Reporting Period and has not identified any issues or circumstances that result in significant doubts about its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

3. Basis of bookkeeping and pricing principles

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

V. Significant Accounting Policies and Accounting Estimates

Reminders on specific accounting policies and accounting estimates:

According to the characteristics of actual production and operation, the Company has formulated specific accounting policies and accounting estimates for such transactions or events as the provision for bad debts of accounts receivables, depreciation of fixed assets, amortization of intangible assets and revenue recognition.

1. Statement of compliance with the accounting standards for business enterprises

The financial statements are in compliance with the requirements of accounting standards for business enterprises, and truly and completely reflect the financial status, operating results, cash flow and other relevant information of the Company during the Reporting Period.

2. Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

3. Operating cycle

Operating cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents. The Company takes 12 months as an operating cycle and uses it as the standard for dividing the liquidity of assets and liabilities.

4. Functional currency

The Company's functional currency is Renminbi (RMB).

5. Accounting treatments for merger of enterprises under common control and not under common control

(1) When the terms, conditions and economic influence of transactions in the process of a step-by-step combination conform to one or more of the following, accounting for multiple transactions is treated as a package transaction.

- 1) These transactions are made simultaneously or with consideration of influence on each other;
- 2) These transactions can only achieve a complete business outcome when treated as a whole;
- 3) The occurrence of a transaction depends on the occurrence of at least one of the other transactions;

liabilities of the invested entity; other changes in owner's equity other than net profit or loss, other comprehensive income or profit distribution of net assets of the invested company recognized by equity method are not subject to accounting, and will be transferred to the current profit and loss until the disposal of the investment.

(3) Business combination not under the common control

Purchase date refers to the date when the Company actually obtains the control right over the acquiree, that is, the date when the control right over the net assets or production and operation decision is transferred to the Company. When the following conditions are met at the same time, the Company generally considers that the transfer of control right has been realized:

The business combination contract or agreement has been approved by the internal authority of the Company.

The business combination matters that need to be examined and approved by the relevant competent departments of the state have been approved.

Necessary procedures for transfer of property rights have been completed.

The Company has paid most of the merger price, and has the ability and plan to pay the remaining amount.

In fact, the Company has controlled the financial and operational policies of the acquiree, enjoyed corresponding benefits and assumed corresponding risks.

The assets paid and liabilities incurred or assumed of the Company as a consideration for the business combination are measured at fair value on the date of purchase, and the difference between the fair value and the book value is recognized in profit or loss.

The difference between the higher combination cost and lower fair value of identifiable net assets of the acquiree gained in the combination is recognized as goodwill by the Company. In case that the cost of combination is less than the fair value of the identifiable net assets of the acquiree gained in the combination, the difference is included in the current profit and loss by the Company after review.

For the case where a business combination involving enterprises not under common control is finally realized through multiple transactions step by step, if it is a package transaction, each transaction is treated as a transaction for acquiring control; if it is not a package transaction, if the equity investment held before the date of combination is accounted for by equity method, the sum of the book value of equity investment of the acquiree held before the date of acquisition plus the new investment cost on the date of acquisition is recognized as the initial cost of the investment; the other comprehensive income confirmed by equity method before the date of acquisition is accounted for, when the investment is disposed, on the same basis as those the invested party adopted directly to dispose the relevant assets or liabilities. If the equity investment held before the date of combination is accounted for by financial instrument recognition and measurement criteria, the sum of the fair value of equity investment on the date of combination plus the new investment cost is taken as the initial investment cost on the date of combination. The difference between the fair value and the book value of the original equity interest, and the accumulated fair value changes originally included in other comprehensive income should be transferred to investment income in the current period of combination date.

(4) Related expenses incurred for business combination

The agency fees paid for audits, legal services, assessments and other related expenses incurred in the business combination are recognized in profit or loss in the period in which they are incurred. The transaction costs for the issuance of equity securities for the business combination that may be directly attributed to equity transactions can be deducted from equity.

6. Methods for preparation of the consolidated financial statements

(1) The scope of consolidation

the parties involved in the merger shall be deemed to have made adjustments in their current state when the ultimate controlling party begins the control. For the equity investment held by the merging entity prior to obtaining control over the merged entity, the relevant profit and loss, other comprehensive income and other changes to net assets recognized in the period from the date of acquiring the original equity or the date when the merging entity and merged entity are under common control, whichever is later, to the date of merger, shall be covered by writing down the opening retained earnings or current profit and loss of the comparison period.

During the Reporting Period, if a subsidiary or business is added due to a business combination involving enterprises under non-common control, the opening balance of the consolidated balance sheet is not adjusted; the income, expenses and profits of the subsidiary and business from the date of acquisition to the end of the Reporting Period are included in the consolidated income statement; the cash flows of the subsidiary and business from the date of acquisition to the end of the Reporting Period are included in the consolidated cash flow statement.

If the investee under the common control can be controlled due to additional investment or other reasons, the equity interest held in the acquiree prior to the date of acquisition is re-measured according to its fair value at the date of acquisition. The difference between the fair value and the book value is recognized as investment income for the current period. If the equity held in the acquiree held before the acquisition date net profit and loss, other comprehensive income and profit distribution, related other comprehensive income, acquisition date, except for other comprehensive gains arising from the re-measurement of net liabilities of the defined benefit plan made by the invested party or changes in net assets.

2) Disposal of subsidiary or business

General treatment method

During the Reporting Period, if the Company disposes of a subsidiary or business, the income, expenses and profits of the subsidiary or business from the beginning of the period to the disposal date are included in

- A. These transactions are made simultaneously or with consideration of influence on each other;
- B. These transactions can only achieve a complete business outcome when treated as a whole;
- C. The occurrence of a transaction depends on the occurrence of at least one of the other transactions;
- D. A transaction is uneconomical when treated alone, but is economical when considered together with other transactions.

If all transactions from disposal of equity investment in subsidiaries to loss of control belong to a package deal, each transaction shall be treated as a transaction for disposal of equity investment in subsidiaries and loss of control. The difference between each disposal price and the share of the subsidiary's net assets corresponding to the disposal investment before the loss of the control is recognized as other comprehensive income in the consolidated financial statements, which is transferred into the current profit and loss when the control is lost.

If the disposal of the equity investment in the subsidiary until the loss of control is not a package deal, before the loss of control, the accounting treatment shall be carried out in accordance with the relevant policies for partial disposal of the equity investment of the subsidiary without loss of control; when the control is lost, the accounting treatment shall be carried out in accordance with the general treatment method for the disposal of the subsidiary.

3 Acquisition of minority' equity in subsidiary

The difference between the additional long-term equity investment arising from the acquisition of minority equity and the net assets of the subsidiary, which is calculated according to the new holding proportion since the date of acquisition (or the date of merger) shall be covered by adjusting the equity premium in capital reserve of the consolidated balance sheet; if the equity premium in capital reserve is not sufficient for write-off, retained earnings shall be adjusted.

4 Partial disposal of the equity investment of the subsidiary without loss of control

If the parent company disposes of part of its equity investment in the subsidiary without losing its control, the difference between the disposal price and the net assets of the subsidiary corresponding to the equity investment disposed of since the date of acquisition or the date of merger shall be covered by adjusting the equity premium in capital reserve of the consolidated balance sheet; if the equity premium in capital reserve is not sufficient for write-off, retained earnings shall be adjusted.

7. Classification of joint venture arrangements and accounting treatment method for joint operations

1 Classification of joint arrangements

The Company divides joint venture arrangements into joint operations and joint ventures based on factors such as the structure, legal form, and terms in the joint venture arrangement and other relevant facts and circumstances.

Joint venture arrangements that are not reached through separate entities are classified as joint operations; joint arrangements reached through separate entities are usually classified as joint ventures; there is conclusive evidence that joint arrangements that meet any of the following conditions and comply with relevant laws and regulations are classified as joint operations:

The legal form of the joint arrangement indicates that the joint venture party has the rights and obligations of the related assets and liabilities in the arrangement.

According to contractual terms of the joint arrangement, the joint venture party has the rights and obligations of the related assets and liabilities in the arrangement.

Other relevant facts and circumstances indicate that the joint venture party has the rights and obligations of the related assets and liabilities in the arrangement. For example, the joint venture party enjoys almost all the output related to the joint venture arrangement, and the settlement of the liabilities in the arrangement continues to rely on the support from the joint venture party.

2 Accounting treatment for joint operations

The Group recognizes the following items related to the share of interests in joint operations and makes accounting treatment according to the relevant ASBE:

Recognizes the assets held separately, and the assets held jointly according to its proportion;

Recognizes the liabilities assumed separately, and the liabilities assumed jointly according to its proportion;

Recognizes the income from the sales of its share in the outputs of joint operation;

Recognizes the income from the sales of the outputs of joint operation according to its proportion;

Recognizes the expenses incurred separately, and recognize the expenses incurred jointly according to its proportion.

If the Company invests or sells assets, etc. to a joint operation (except that if the asset constitutes a business), before the asset, etc., is sold by the joint operation to a third party, only the profit and loss arising from the transaction attributable to other participants in the joint operation is recognized. In the event of asset impairment losses complying with the "Accounting Standards for Business Enterprises No. 8 - Asset Impairment" and other provisions of assets invested or sold, the Company shall recognize the loss in full.

If the Company purchases assets, etc. from a joint operation (except that if the asset constitutes a business), before the asset, etc., is sold to a third party, only the profit and loss arising from the transaction attributable to other participants in the joint operation is recognized. In the event of asset impairment losses complying with the "Accounting Standards for Business Enterprises No. 8 - Asset Impairment" and other provisions of assets purchased, the Company shall recognize the loss based

construction of assets eligible for capitalization, which are treated in accordance with the principle of capitalization of borrowing costs. The foreign currency non-monetary items measured at historical cost are still translated at the spot exchange rate on the date of transaction without changing the amount of recording currency.

Foreign currency non-monetary items measured at fair value shall be translated at the spot exchange rate on the date of determination of fair value. The difference between the translated amount of recording currency and the original amount of recording currency shall be treated as fair value changes (including changes in exchange rate), and included in the current profit and loss or recognized as other comprehensive income.

2 Translation of foreign currency financial statements

The assets and liabilities items in the balance sheet shall be treated at the spot exchange rate on the balance sheet date. Except for the "undistributed profit" items, other owner's equity items shall be translated at the spot exchange rate at the time of occurrence. The income and expense items in the income statement shall be translated at the spot exchange rate on the date of transaction. The exchange differences on translation of foreign currency financial statements generated in accordance with the above translation shall be included in other comprehensive income.

When disposing of an overseas operation, the difference in translation of the foreign currency financial statements related to the overseas operation listed in other comprehensive income items in the balance sheet shall be transferred from other comprehensive income items to the profits and losses of the current period for disposal.

When the proportion of overseas business interests held is reduced due to the disposal of part of equity investment or other reasons but the right of control over overseas business is not lost, the difference of translation of foreign currency statements related to the disposal part of overseas business will be attributed to minority shareholders' rights and interests and will not be transferred to current profit and loss. When disposing of part of the equity of an overseas operation that is an associate or a joint venture, the difference on translation of the foreign currency statement related to the overseas operation shall be transferred to the disposal of the current profit and loss according to the proportion of the disposal of the overseas operation.

10. Financial instruments

When the Company becomes a party to a financial instrument, it recognizes a financial asset or liability.

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

The effective interest rate refers to the interest rate used to discount the estimated future cash flow of a financial asset or financial liability during its expected duration to the book balance of the financial asset or the amortized cost of the financial liability. When determining the effective interest rate, the expected cash flow is estimated on the basis of considering all contract terms of financial assets or liabilities (such as prepayment, extension, call options or other similar options), but the expected credit loss is not considered.

The amortized cost of a financial asset or financial liability is the accumulated amortization amount formed by deducting the repaid principal from the initial recognition amount of the financial asset or financial liability, adding or subtracting the difference between the initial recognition amount and the maturity amount by using the effective interest method, and then deducting the accumulated accrued loss reserve (only applicable to financial assets).

1 Classification and measurement of financial assets

According to the business model of the financial assets under management and the contractual cash flow

characteristics of the financial assets, the Company divides the financial assets into the following three categories:

Financial assets measured at amortized cost.

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

Financial assets measured at fair value and whose changes are included in the current profit and loss.

Financial assets are measured at fair value when initially recognized, but if the accounts or notes receivable arising from the sale of goods or the provision of services do not contain significant financing components or do not consider financing components for no more than one year, the initial measurement shall be made at the transaction price.

financial asset as above, the Company may designate the whole of the mixed contract as a financial instrument measured at fair value and whose changes are included in the current profit and loss. Except under the following circumstances:

Embedded derivatives do not significantly change the cash flow of mixed contracts.

When determining for the first time whether similar mixed contracts need to be split, it is almost clear that embedded derivatives contained in them should not be split without analysis. If the prepayment right embedded in a loan allows the holder to prepay the loan at an amount close to the amortized cost, the prepayment right does not need to be split.

The Company carries out subsequent measurement of such financial assets at fair value, and includes gains or losses arising from changes in fair value as well as dividends and interest income associated with such financial assets into current profit and loss.

The Company reports such financial assets as trading financial assets and other non-current financial assets according to their liquidity.

2 Classification and measurement of financial liabilities

The Company classifies a financial instrument or its components into financial liabilities or equity instruments upon initial recognition according to the contract terms of and the economic essence reflected by the financial instrument issued, rather than only in legal form, in combination with the definitions of financial liabilities and equity instruments. Financial liabilities are classified at initial recognition as measured at fair value and whose

The Company subsequently measures such financial liabilities at fair value. Except changes in fair value that are brought about by changes in the Company's own credit risk are included in other comprehensive income, other changes in fair value are included in current profit and loss. Unless including such changes in other comprehensive income will cause or expand accounting mismatch in profit or loss, the Company will include all changes in fair value (including the amount affected by changes in its own credit risk) in current profit and loss.

2 Other financial liabilities

The Company classifies financial liabilities except for the following items as measured at amortized cost. Such financial liabilities are recognized by the effective interest method and subsequently measured at amortized cost. Gains or losses arising from derecognition or amortization are included in the current profit and loss:

Financial liabilities measured at fair value and whose changes are included in the current profit and loss.

Financial liabilities resulting from the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets.

Financial guarantee contracts that do not fall under the first two categories of this article, and loan

- 2 If almost all the risks and rewards of the financial asset ownership are retained, such financial asset shall continue to be recognized.
- 3 In circumstances when the Company neither transfers nor retains almost all the risks and rewards of the financial asset ownership (i.e. circumstances other than 1) and 2) of this article), according to whether it retains control over such financial asset:

The financial asset shall be derecognized, and the rights and obligations generated or retained in the transfer shall be separately recognized as assets or liabilities if such control is not retained; or the relevant financial asset shall continue to be recognized to the extent that it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly if such control is retained. The extent that it continues to be involved in the transferred financial asset refers to the extent the Company bears

The fair value of financial assets or liabilities without an active market shall be determined by valuation techniques. At the time of valuation, the Company adopts valuation techniques that are applicable under the current circumstances and are supported by sufficient available data and other information, selects input values consistent with the characteristics of relevant assets or liabilities considered by market participants in the transactions thereof, and gives priority to the use of relevant observable input values whenever possible. If the relevant observable input value cannot be obtained or be feasibly obtained, the unobservable input value shall be used.

6 Impairment of financial instruments

Based on the expected credit loss, the Company conducts impairment accounting of financial assets classified as measured at amortized cost, financial assets classified as measured at fair value and whose changes are included in other comprehensive income and financial guarantee contracts and recognizes loss reserves.

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 all contractual cash flows discounted at the original effective interest rate and receivable according to the contract and all cash flows expected to be collected of the Company, i.e. the present value of all cash shortfalls. Among them, credit-impaired purchased or originated financial assets of the Company shall be discounted at the credit-adjusted effective interest rate of such financial assets.

For receivables arising from transactions regulated by the income criteria, the Company uses the simplified measurement method to measure the loss reserve according to the amount equivalent to the expected credit loss during the entire duration.

For credit-impaired purchased or originated financial assets, only the accumulated changes in the expected credit losses during the entire duration since the initial recognition are recognized as loss reserves on the balance sheet date. On each balance sheet date, the amount of change in the expected credit loss during the entire duration is included in the current gains and losses as impairment losses or gains. Even if the expected credit loss during the entire duration on the balance sheet date is less than that reflected in the estimated cash flow upon initial recognition, the favorable change in the expected credit loss is recognized as impairment gains.

In addition to other financial assets adopting the above simplified measurement method and other than the credit-impaired purchased or originated ones, the Company evaluates whether the credit risk of relevant financial instruments has increased significantly since the initial recognition, measures its loss reserves and recognizes the expected credit loss and its changes respectively according to the following circumstances on each balance sheet date:

- 1 If the credit risk of the financial instrument has not increased significantly since its initial recognition and is in the first stage, its loss reserve shall be measured according to an amount equivalent to its expected credit loss in the next 12 months, and the interest income shall be calculated at the book balance and the effective interest rate.
- 2 If the credit risk of the financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, it is in the second stage, then its loss reserve shall be measured according to an amount equivalent to its expected credit loss throughout its life, and the interest income shall be calculated at the book balance and the effective interest rate.
- 3 If the financial instrument is credit-impaired since its initial recognition, it is in the third stage, and the Company shall measure its loss reserve according to an amount equivalent to its expected credit loss throughout its life, and calculate the interest income at the amortized cost and the effective interest rate.

The increase or reversed amount of the credit loss reserve for financial instruments shall be included in the current profit and loss as impairment losses or gains. Except for financial assets classified as measured at fair value and whose changes are included in other comprehensive income, the credit loss reserve will offset the carrying amount of the financial assets. For financial assets classified as measured at fair value and whose changes are included in other comprehensive income, the Company recognizes its credit loss reserve in other comprehensive income without reducing its carrying amount presented in the balance sheet.

In the previous accounting period, the Company has measured the loss reserve, the amount of which is equivalent to the expected credit loss of the financial instrument throughout its life. However, on the balance sheet date of the current period, the financial instrument no longer conforms to the situation of significant increase in credit risk since initial confirmation; on the balance sheet date of the current period, the Company has measured the loss reserve of the financial instrument, the amount of which is equivalent to the expected credit loss in the next 12 months, and the reversed amount of the loss reserve thus formed is included in the current profit and loss as impairment profit.

1 Significant increase of credit risk- 5557 ET EMC /P <</MCID 1/Lang (en-US)53] T5T 1 0 0 1 77.6642lond ival2

- 1) The Company has the legal right, which is currently enforceable, to offset the confirmed amount;
- 2) The Company plans to settle on a net basis, or realize the financial assets and settle the financial liabilities at the same time.

11. Notes receivable

For the determination method and accounting treatment method of the Company for the expected credit

13. Receivables financing

For the determination method and accounting treatment method of the Company for the expected credit losses on receivables financing, please refer to "10. Financial instruments" of "V. Important Accounting Policies and Accounting Estimates" in this section.

14. Other receivables

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

For the determination method and accounting treatment method of the Company's expected credit loss on other receivables, please refer to "10. Financial instruments" of "V. Important Accounting Policies and Accounting Estimates" in this section.

The Company separately determines credit losses for other receivables that have sufficient evidence to assess expected credit losses at a reasonable cost at the level of a single instrument.

If sufficient evidence of expected credit loss cannot be assessed at reasonable cost at the level of single instrument, the Company will divide the other receivables into several combinations according to the credit risk characteristics, and calculate the expected credit loss on the basis of the combinations (with reference to the experience of historical credit loss, and in combination with the current situation with the judgment of future economic situation). The basis for determining the portfolio is as follows:

Item	Basis for determining portfolio	Method
Related party within the consolidation scope	Other receivables between companies included in the consolidation scope	No provision for expected credit loss shall be made with reference to historical credit loss experience
Aging portfolio	Other receivables with similar credit risk characteristics by aging, except for the portfolio scope of the consolidated related parties	With reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the expected credit loss is calculated through the default risk exposure and the credit loss rate in the next 12 months or the entire duration.

15. Inventories

Classification of inventories

Inventories refer to the finished products or commodities held for sale by the Company in the course of its daily activities, the products being in the process of production, and the materials and supplies consumed

inventories that need to be processed, in the normal production and operation process, the net realizable value is determined by the amount of the estimated selling price of finished products produced less the estimated cost to be occurred at the time of completion, the estimated selling expenses and related taxes; for inventories held for the execution of sales contracts or labor contracts, the net realizable value is calculated on the basis of

(2)Contract acquisition cost

The above principles apply to all non-current assets, but do not include investment properties that are subsequently measured using the fair value model, biological assets that are measured using the net amount of fair value less selling expenses, assets formed by employee compensation, deferred tax assets, financial assets regulated by accounting standards related to financial instruments, and rights generated by insurance contracts regulated by accounting standards related to insurance contracts.

19. Debt investments

20. Other debt investments

For the determination method and accounting treatment method of the Company's expected credit loss on other debt investments, please refer to "10. Financial instruments" of "V. Important Accounting Policies and Accounting Estimates" in this section.

21. Long-term receivables

For the determination method and accounting treatment method of the Company's expected credit loss on long-term receivables, please refer to "10. Financial instruments" of "V. Important Accounting Policies and Accounting Estimates" in this section.

The Company separately determines credit losses for long-term receivable that have sufficient evidence to assess expected credit losses at a reasonable cost at the level of a single instrument.

If sufficient evidence of expected credit loss cannot be assessed at reasonable cost at the level of single instrument, the Company will divide the long-term receivables into several combinations according to the credit risk characteristics, and calculate the expected credit loss on the basis of the combinations (with reference to the experience of historical credit loss, and in combination with the current situation with the judgment of future economic situation). The basis for determining the portfolio is as follows:

Item	Basis for determining portfolio	Method
Overdue portfolio	Overdue long-term receivables	Provision in accordance with the comparison table of the number of overdue days and the expected credit loss rate of the entire duration
Unexpired portfolio	Long-term receivables other than those in the portfolio above	Refer to the experience of historical credit loss, combines the current situation and judgment on future economic situation to measure the expected credit loss

22. Long-term equity investment

(1) Recognition of initial investment cost

1) For the long-term equity investment formed by the merger of enterprises, the specific accounting policies are detailed in "5. Accounting treatments for merger of enterprises under common control and not under common control" of "V. Important Accounting Policies and Accounting Estimates" in this section.

2) Long-term equity investment acquired by other means

For long-

For a long-term equity investment obtained by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued. Transaction costs incurred in the issuance or acquisition of one's own equity instruments those can be directly attributable to the equity transaction shall be deducted from the equity.

Provided that the non-monetary asset exchange contains commercial substance and the fair value of the assets received or assets surrendered can be reliably measured, the initial investment cost of the long-term equity investment received with non-monetary assets is determined based on the fair value of the assets surrendered, except that there is conclusive evidence indicates that the fair value of assets received is more reliable. For non-monetary assets that do not satisfy the above condition, the book value of assets surrendered and related taxes and fees payable are recognized as the initial investment cost of the long-term equity investment.

The initial investment cost of a long-term equity investment acquired by debt restructuring is determined on the basis of fair value.

(2) Subsequent measurement and recognition of related profit and loss

1) Cost method

The Company can use the cost method to calculate the long-term equity investment controlled by the invested entity, price it according to the initial investment cost, and increase or recoup the cost of invest on adjusting a long-term equity investment.

Except for the declared but undistributed cash dividends or profits included in the actual payment or consideration when the investment is obtained, the Company shall recognize the cash dividends or profits declared to be distributed by the invested entity as current investment income.

2) Equity method

The Company adopts equity method for accounting of long-term equity investments in associates and joint ventures. For the equity investment in associates in which part of it is held indirectly through venture capital institutions, mutual funds, trust companies or similar entities including investment-linked insurance funds, it shall be measured at fair value and its changes shall be recorded into profits and losses.

For the balance that the initial investment cost is $b_i i g t^{\prime} v j c p^{\prime} v j g^{\prime}$ distinguished net assets which shall be enjoyed by the Company, the Company will not adjust the initial investment cost of long-term equity investments; for the balance that the initial investment cost is smaller than $v j g^{\prime}$ $t^{\prime} x c n w g^{\prime}$ $t g u^{\prime} q$ $^{\prime} k p x g u v g f^{\prime}$ $v u o^{\prime} f k u v k p i w k u j g f^{\prime} p g v^{\prime} c u u g v u^{\prime} y j k e j^{\prime}$ Company will adjust the book value of long-term equity investment.

After the Company obtains long-term equity investment, it shall recognize investment income and other comprehensive income respectively according to its share of the net profit or loss realized by the invested entity and other comprehensive income, and adjust the book value of long-term equity investment at the same time. In addition, the part to be enjoyed shall be calculated according to the profit or cash dividend declared by the invested entity to be distributed, and the book value of long-term equity investment shall be reduced accordingly. For other changes in owners' equity other than net profit and loss, other comprehensive income and profit distribution of the invested entity, the book value of long-term equity investment shall be adjusted and recorded into owners' equity.

When $c o n f i^{\prime} o j g^{\prime}$ $t g u^{\prime} q$ $^{\prime} k p x g u v g f^{\prime}$ $v u o^{\prime} p g v^{\prime} i c k p^{\prime} q$ $^{\prime} n q$ $^{\prime} v q$ $d g^{\prime}$ $c p f^{\prime} e q$ $t o$ $j g^{\prime} k p x g u v g f^{\prime} w p k v u o^{\prime}$ $^{\prime}$ $o q^{\prime} k p i^{\prime}$ $q n k e k g u^{\prime}$ assets when investments are obtained, and according to $^{\prime} k p i^{\prime}$ $q n k e k g u^{\prime}$ For the gain or loss on the non-realized internal transactions between the Company and associates enterprises/ joint ventures, the part attributing to the Company will be calculated as per the proportion to be enjoyed, will

be written down, and on this basis, the investment yield will be confirmed.

The Company recognizes that the loss suffered by the invested unit should be dealt with in the following order: first, reduce the Book value of Long-term equity investments. Secondly, if the book value of long-term equity investments is not sufficient to offset, the book value of other long-term equity books that substantially constitute the net investment in the invested entity shall be used to continue to recognize the investment loss and offset the book value of long-term receivables. Finally, after the above treatment, according to the investment contract or agreement, the enterprise still assumes the additional obligations, and it will confirm the Provisions according to the expected obligations and shall be included in the current investment losses.

If the investee makes profits in the future, the Company shall, after deducting the unrecognized loss share, deal with it in the reverse order, write down the book balance of the confirmed provisions, recover other long-term interests that substantially constitute the net investment to the investee and the book value of long-term equity investments, and resume the recognition of investment income.

(3)Transformation of accounting method of long term equity investments

1)Transfer of fair value measurement to equity method

The equity investment originally held by the Company that does not have control, joint control or significant influence on the investee and is subject to accounting treatment according to the recognition and measurement standards of financial instruments can exert significant influence on the investee or implement joint control but does not constitute control due to additional investment and other reasons, the sum of the fair value of the originally held equity investment plus the newly increased investment cost determined in accordance with the accounting standards for Business Enterprises No. 22 - recognition and measurement of financial instruments shall be regarded as the initial investment cost calculated according to the equity method.

The initial investment cost calculated by the equity method is less than the difference between the fair value of the identifiable net assets of the investee calculated and determined according to the new shareholding ratio after the additional investment, the book value of long term equity investments is adjusted and included in the non-operating income of the current period.

2)Transfer of fair value measurement or equity method to cost method

The equity investment originally held by the Company that does not have control, joint control or significant impact on the investee and is subject to accounting treatment in accordance with the recognition and measurement standards of financial instruments, or the long term equity originally held by the Company for joint ventures and joint ventures: If the investee under different control can be controlled due to additional investment and other reasons, when preparing individual financial statements, the sum of book value of equity investment originally held plus new investment cost shall be taken as the initial investment cost calculated by cost method instead.

The other comprehensive income, which is recognized as equity investment held before the purchase date, is accounted for by the equity method. When disposing the investment, it adopts the same basis as the direct assets or liabilities directly disposed of by the invested entity for accounting treatment.

If the equity investment held before the acquisition date is accounted for in accordance with the relevant provisions of the accounting standards for Business Enterprises No.22 - recognition and measurement of financial instruments, the changes in the accumulated fair value originally included in other comprehensive income are transferred to the current profit and loss when the cost method is used for accounting.

3)Transfer of equity method accounting to fair value measurement

If the Company loses joint control or signifi

for Business Enterprises No. 22 - recognition and measurement of financial instruments, and the difference between the fair value and book value on the date of loss of joint control or significant impact shall be included in the current profit and loss.

The other comprehensive income of the original equity investment recognized due to the use of equity method shall be accounted on the same basis as the invested unit's direct disposal of relevant assets or liabilities when the equity method is terminated.

4) Transfer of cost method to equity method

If the Company loses the control over the investee due to the disposal of part of the equity investment and other reasons, when preparing individual financial statements, if the residual equity after disposal can exercise joint control or exert significant influence on the investee, the equity method shall be used for accounting instead, and the residual equity shall be deemed to be adjusted by the equity method when it is obtained.

5) Transfer of cost method to fair value measurement

If the Company loses control over the investee due to the disposal of part of equity investment and other reasons, when preparing individual financial statements, if the residual equity after disposal cannot exercise joint control or exert significant influence on the investee, the accounting treatment shall be carried out in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 22 - recognition and measurement of financial instruments, and the accounting treatment shall be carried out on the date of loss of control. The difference between the fair value and the book value is included in the current profit and loss.

(4) Disposal of Long-Term Equity Investments

For the disposal of long term equity investments, the difference between the book value and the actually obtained price shall be included in the current profit and loss. Long term equity investments accounted by the equity method shall be disposed on the same basis as the investee's direct disposal of relevant assets or liabilities, and the part originally included in other comprehensive income shall be accounted according to the corresponding proportion.

If the terms, conditions and economic impact of the disposal of various transactions of equity investment in subsidiaries meet one or more of the following conditions, multiple transactions shall be accounted as a package deal:

- 1) These transactions are made simultaneously or with consideration of influence on each other;
- 2) These transactions can only achieve a complete business outcome when treated as a whole;
- 3) The occurrence of a transaction depends on the occurrence of at least one of the other transactions;
- 4) A transaction is uneconomical when treated alone, but is economical when considered together with other.

If the control over the original subsidiary company is lost due to the disposal of part of equity investment or other reasons, and it does not belong to a package deal, the relevant accounting treatment shall be made by

corresponding share of net assets of the subsidiary calculated continuously from the purchase date or the merger date for each transaction before the loss of control over the subsidiary, adjust the capital reserve (share capital premium) If the capital reserve is insufficient to offset, the retained earnings shall be adjusted; if the control right over the subsidiary is lost, the remaining equity shall be remeasured according to its fair value on the date of losing the control right. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity minus the share of the net assets of the original subsidiary calculated continuously from the purchase date calculated according to the original shareholding ratio shall be included in the investment income of the current period when the control right is lost, and goodwill shall be offset at the same time. Other comprehensive income related to the equity investment of the original subsidiary will be converted into the current investment income when the control right is lost.

If all transactions from disposal of equity investment in subsidiaries to loss of control belong to a package deal, each transaction shall be treated as a transaction for disposal of equity investment in subsidiaries and loss of control, and relevant accounting treatment shall be conducted according to individual financial statements and consolidated financial statements:

1) In individual financial statements, the difference between each disposal price and the long term equity investment book value corresponding to the disposed equity before the loss of control right is recognized as other comprehensive income, which is transferred to the loss and profit of the current period when the control right is lost.

2) In the consolidated financial statements, the difference between each disposal price and the share of the subsidiary's net assets corresponding to the disposal investment before the loss of the control right is recognized as other comprehensive income, which is transferred into the current profit and loss when the control right is lost.

(5) Judgment criteria for joint control and significant impact

If the Company controls an arrangement collectively with other participants in accordance with relevant agreements, and the activity decision-making that has a significant impact on the return of the arrangement needs to exist after the consensus of the participants sharing the control right, it is deemed that the Company and other participants jointly control an arrangement, which is a joint venture arrangement.

When the joint venture arrangement is reached by a single body, the individual entity shall be judged as a joint venture and the equity method shall be used for accounting when the Company has the right to enjoy the net assets of the individual entity according to the relevant agreement. If it is judged that the Company does not have the right to the net assets of the individual subject according to the relevant agreement, the individual subject shall be regarded as the joint operation, the Company shall recognize the items related to the share of interests of the joint operation, and carry out accounting treatment in accordance with the provisions of the relevant accounting standards for business enterprises.

Significant influence means that the investor has the right to participate in the decision-making of the financial and operational policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. The Company judges to have a significant impact on the investee through one or more of the following circumstances and comprehensive consideration of all facts and circumstances: 1) having a representative on the board of directors or similar authority of the investee; 2) participate in the financial and operational policy-making process of the investee; 3) there are significant transactions with the investee; 4) dispatch management personnel to the investee; and 5) provide key technical data to the investee.

23. Investment properties

Measuring mode of investment properties

Measured at cost

Depreciation or amortization method

The Company's investment property means the property held for the purpose of earning rent or capital appreciation, or both, including the land use rights that have been leased, the land use rights that are held for

(2) Depreciation method

Type	Depreciation method	Depreciation life	Rate of residual value	Annual depreciation rate
Property and plant	Straight-line method	20	5-10	4.50-4.75
Machinery and equipment	Straight-line method	10-13	5-10	6.92-9.50
Transportation equipment	Straight-line method	5	5-10	18.00-19.00
Electronic equipment	Straight-line method	5	5-10	18.00-19.00
Office equipment	Straight-line method	5	5-10	18.00-19.00
Other equipment	Straight-line method	5	5-10	18.00-19.00

1) Initial recognition of fixed assets

The Company's fixed assets shall be initially measured according to cost.

- a. The cost of purchased fixed assets includes the purchase price, import duties and other related taxes, as well as other expenses directly attributable to the fixed assets incurred before they reach the predetermined usable state.
- b. The cost of self-constructed fixed assets consists of the necessary expenditures incurred before the asset is constructed to a predetermined usable state.
- c. The fixed assets invested by the investor shall be recorded at the value agreed upon in the investment contract or

26. Borrowing costs

(1) Recognition principles of capitalization of borrowing costs

Borrowing costs, that are directly attributable to the acquisition, constructi100eh29.n, orructi100ef29.n, uctiowing a01(cse01(

Patent rights	10	Benefit period
Non-proprietary technology	10	Benefit period

The service life of the intangible assets with limited service life and its amortization method shall be reviewed at the end of each period.

After review, the service life and amortization method of the intangible assets at the end of the period this year are different from that estimated previously.

b. Intangible assets with uncertain useful lives

Intangibles assets of which the time period that brings economic benefits to the Company cannot be foreseen, are regarded as intangibles assets with uncertain useful lives.

Intangibles assets with uncertain useful lives are not amortized during the holding period, but are reviewed for remaining useful lives at each year end. If the post-review useful lives are still uncertain, the impairment tests will be conducted during each accounting period.

After review, the useful lives for such intangible assets are still uncertain.

(2) Accounting policies for internal research and development expenditures

31. Impairment of long-term assets

Repair and maintenance fee	2-3 years	
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33. Contractual liabilities

The Company recognizes as a contractual liability the portion of its obligation to transfer commodities to a customer for which the customer consideration has been received or is receivable.

34. Employee benefits

(1) Accounting treatment for short-term employee benefits

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, and short-term paid absences. The employee benefit liabilities are recognized in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at their fair value.

(2) Accounting treatment for post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans.

During the accounting period when employees provide services to the Company, the amount of deposit payable calculated according to the defined deposit plan shall be recognized as liabilities and included in the current profit and loss or related asset costs.

The Company shall have no other payment obligations after regularly paying the above-mentioned funds in accordance with the standards and [annuity plans](#) stipulated by the state.

(3) Accounting treatment for termination benefits

If the Company terminates the labor relationship with an employee before the labor contract expires, or offers compensation for encouraging the employee to accept the redundancies voluntarily, the liabilities arising from the termination of labor relations with the employee is determined, and also included in the current profit and loss, at the time when the group cannot unilaterally withdraw the termination of the labor relationship plan or

age. For the early retirement welfare, the Company shall carry out accounting treatment according to the termination benefits. When the relevant recognition conditions of the termination benefits are met, the wages and social insurance premiums to be paid to the early retired employees from the date when the employees stop providing services to the normal retirement date shall be recognized as liabilities and included in the current profit and loss once. The difference caused by the change of actuarial assumption and the adjustment of welfare standard of early retirement welfare shall be included in the current profit and loss when it occurs.

(4) Accounting treatment for other long-term employee benefits

35. Lease liabilities

36. Estimated Liabilities

Recognition criteria of provisions

When an obligation related to the contingent events satisfies all the following conditions, it is recognized by the Company as provisions:

The obligation is the current obligation of the Company;

The performance of obligation is likely to result in the outflow of economic benefits from the Company;

The cost of the obligation can be measured in a reliable way.

Measurement of provisions

The provisions of the Company are initially measured on the basis of the best estimate of the expenditure required to perform the relevant current obligations.

When determining the best estimate, the Company considers factors such as risks, uncertainties and time value of money related to contingent events. Where the time value of money has a significant impact, the best estimate is determined by discounting the relevant future cash outflows.

The best estimates are handled as follows:

In case that there is a continuous range (or interval) of required expenditures, within which the possibility of occurrence of various results is the same, the best estimate is determined by the average of the middle value of the range, that is, the average of the upper and lower limits.

In case that there is no continuous range (or interval) of required expenditures, or there is a continuous range but the possibility of various results in the range is different, if the contingency involves a single item, the best estimate is determined based on the most probable amount; if a contingency involves multiple items, the best estimate is determined based on various possible outcomes and associated probabilities.

If all or part of the expenses required by the Company to settle the provisions are expected to be compensated by a third party, the compensation amount is separately recognized as an asset when it is basically confirmed to be received, and the recognized compensation amount should not exceed the book value of provisions.

37. Share-based payments

Categories of share-based payments

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

Determination method of fair value of equity instruments

For the granted equity instruments such as options with active market, their fair value shall be

determined according to the quoted price in the active market. For the granted equity instruments without active market, the option pricing model is used to determine their fair value. The following factors are considered in the option pricing model: (1) the exercise price of the option; (2) the validity period of the option; (3) the current price of the target share; (4) the expected volatility of the share price; (5) the expected dividend of the share; (6) the Risk free interest rate.

When determining the fair value of the equity instrument on the grant date, the impact of market conditions and non exercise conditions in the vesting conditions specified in the share based payment agreement shall be considered. If there are non vesting conditions for share based payment, as long as the employees or other parties meet all non market conditions (such as service term, etc.) in the vesting conditions, the corresponding cost of the services received shall be recognized.

Basis for determining the best estimate of exercisable equity instruments

At each balance sheet date in the vesting period, the Company would make best estimate in accordance with the newly acquired information such as changes in the number of employees entitled to equity instruments, and amend the number of exercisable equity instruments. On the exercisable date, the ultimate estimated number of exercisable equity instruments coincides with the actual number.

Accounting treatment

The equity-settled share-based payment shall be measured at the fair value of the equity instrument granted to the employee. If the right is feasible immediately after the grant, the relevant cost or expense shall be recorded in accordance with the fair value of the equity instrument on the grant date, and the capital reserve shall be increased accordingly. If the right is not viable until the service within the waiting period is completed or the performance conditions are met, on each balance sheet date within the waiting period, the services acquired in the current period shall be included into relevant costs or expenses and capital reserves based on the best estimate of the number of the equity instruments of the viable rights and based on the fair value on the grant date of the equity instruments. No adjustments shall be made after the vesting date for the related costs or expenses recognized and total owners' equity.

The cash-settled share-based payment where the Company calculates and determines the cash payment or any other asset obligation on the basis of shares or other equity instruments in return for services, is measured at the fair value of the liabilities calculated based on relevant equity instruments. Where the right is feasible immediately after the grant, the fair value of the liabilities borne by the Company shall be included into the relevant costs or expenses on the grant date, and the liabilities shall be increased accordingly. Where the share-based payment is not exercisable until the service in the vesting period is completed or specified performance conditions are met, then at each balance sheet date within the vesting period, the service obtained in the current period shall be included in cost or expenses and in liabilities at the fair value of the Company's liabilities based on the best estimates of the quantity of exercisable equity instruments made by the Company. At each balance sheet date and settlement date before relevant liabilities are settled, the fair value of the liabilities is remeasured and the changes are recognised in profit or loss.

If the granted equity instrument is cancelled in the waiting period, the Company will treat the cancellation of the granted equity instrument as accelerated exercise, and the amount to be recognized in the remaining waiting period will be included in the current profit and loss immediately, and capital reserve will be recognized at the same time. If the employee or other parties can choose to meet the non-vesting conditions but fail to meet them within the waiting period, the Company will treat them as the cancellation of the granted equity instrument.

38. Preferred stock, perpetual bonds and other financial instruments

The Company classifies the financial instruments and their components at initial recognition into either

of the contract terms of and the economic substances but not only the legal forms reflected by the preferred stock, perpetual bonds and other fi

Performance obligation refers to the commitment of the Company in the contract to assign commodities or services that can be clearly distinguished to the customer.

Obtaining the control right of the related commodity means to be able to dominate the use of the commodity and obtain almost all the economic benefits from it.

The Company shall evaluate the contract on the commencement date of the contract, identify the individual performance obligations contained in the contract, and determine whether each individual performance obligation shall be performed within a certain period of time or at a certain point in time. If one of the following conditions is satisfied, the performance obligation shall be performed within a certain period of time, and the Company shall recognize the income within a certain period of time according to the performance progress of the Company: (1) the client shall obtain and consume the economic benefits brought by the performance of the Company at the same time; (2) the customer is able to control the goods under construction during the performance of the Company; and (3) the products produced by the Company during the performance of the contract are of irreplaceable use, and the Company is entitled to collect payment for the part of the contract which has been completed so far during the whole term of the contract. Otherwise, the Company recognizes revenue at the time point when the customer acquires control of the relevant goods or services.

For the performance obligations performed during a certain period of time, the Company will use the output/input method to determine the appropriate performance schedule based on the nature of the goods and services. The output method determines the performance schedule according to the value to the customer of the goods that have been transferred to the customer (the input method determines the performance schedule according to the Company's input to fulfill the performance obligation). If the performance schedule cannot be reasonably determined and the Company is expected to be compensated for the costs already incurred, the revenue shall be recognized in accordance with the amount of costs already incurred until the performance progress can be reasonably determined.

Specific method of income recognition

The timing of revenue recognition of the Company for major products respectively are as follows: (1) For BOPP cigarette films, cigarette labels, aseptic packaging products, when the products are delivered to the locations designated by the customers, and the delivery is completed and the evidence of transfer of control of the goods is obtained from the customers. (2) For BOPP flat films and lithium battery separator films, when the delivery has been completed according to the method agreed by the customers, and the evidence of transfer of control of goods is obtained from the customers or the carriers designated by the customers. (3) For special paper products, the products are delivered to designated locations by the customers, the delivery is completed and the evidence of conforming requirements from customers is obtained.

Differences in accounting policies for revenue recognition due to the adoption of different business models for similar businesses

40. Government grant

Type

Government subsidies are transfers of monetary or non-monetary assets from the government to the Group at nil consideration. According to the subsidy targets stipulated in the relevant government documents, government subsidies are classified into government subsidies related to assets and government subsidies related to income.

The government subsidies related to assets refer to the government subsidies obtained by the Company

for purchasing and constructing or forming long-term assets in other ways. Government subsidies related to income refer to government subsidies other than those related to assets.

Recognition of government subsidies

If there is evidence at the end of the period that the Company can meet the relevant conditions specified in the financial support policy and it is expected to receive the financial support funds, the government subsidy shall be recognized according to the receivable amount. Otherwise, government subsidies are recognized when they are actually received.

If a government subsidy is a monetary asset, it is measured at the amount received or receivable. If a government subsidy is a non-monetary asset, it is measured at fair value. If the fair value cannot be obtained in a reliable way, it is measured at the nominal amount (RMB1). Government subsidies measured at nominal amounts are recognized directly in the current profit and loss.

Accounting treatment

According to the essence of economic business, the Company determines whether the total amount method or the net amount method should be used for accounting treatment of a certain type of government subsidy business. Generally, the Company only selects one method for the same or similar government subsidy business, and consistently uses the method for the business.

The government subsidies related to the assets shall be written off against the book value of the relevant assets or recognized as deferred income. If the government subsidy related to the asset is recognized as deferred income, it shall be recorded into the profit and loss in stages in accordance with a reasonable and systematic method during the service life of the asset built or purchased.

If the government subsidy related to the income is used to compensate the relevant expenses or losses of the enterprise in the future period, it shall be recognized as deferred income and recorded into the current profit and loss or the relevant costs shall be written off during the period of recognition of the relevant expenses or losses; If it is used to compensate the related expenses or losses incurred by the enterprise, it shall be directly recorded into the current profit and loss or the relevant costs shall be written off.

The government subsidies related to the daily activities of the enterprise shall be included in other income or used to write off related costs and expenses; Government subsidies not related to the daily activities of the enterprise shall be included in the non-operating income and expenditure.

For preferential loans for policy discount, if the government finance department appropriates the discounted funds to the lending bank, the borrowing cost is accounted for according to the principal of the loan and the policy preferential interest rate, with the amount actually received as the entry value of the loan. If the government finance department directly appropriates the interest subsidy funds to the Company, the subsidies offset the related borrowing costs.

In case that a confirmed government subsidy is required to be returned, the book value of the asset is adjusted if the book value of relevant assets is offset at the initial recognition; if there is related deferred income, the book balance of deferred income is offset, and the excess is included in the current profit and loss; in case of other circumstances, it is directly included in the current profit and loss.

41. Deferred income tax assets/Deferred income tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). On the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period when the asset is expected to be recovered or the liability is expected to be settled.

Basis for recognition of deferred income tax assets

The Company recognizes the deferred tax assets generated by the deductible temporary differences to the extent that it is likely to obtain the taxable income that can be used to offset the deductible temporary differences, carry forward the deductible losses and tax credits in the following years. However, deferred tax assets arising from the initial recognition of assets or liabilities in transactions with the following characteristics shall not be recognized: (1) the transaction is not a business combination; and (2) the transaction does not affect the accounting profit or taxable income or deductible loss.

(2) Accounting treatment for finance leases

(1) Financial leased assets: On the date when lease starts, the Company recognizes the fair value of the leased asset or the present value of the minimum lease payment as the book value of the leased asset, whichever is lower, and recognizes the minimum lease payment amount as the book value of the long-term payable, and the difference between the two is recognized as unconfirmed financing expenses. For the identification basis, valuation and depreciation methods of the finance leasing assets, please refer to "24. Fixed assets" of "V. Important Accounting Policies and Accounting Estimates" in this section.

The Company adopts the effective interest rate method to amortize the unrecognized financing expenses during the asset lease period and includes them in financial expenses.

(2) Financial leasing assets: On the date when lease starts, the Company recognizes the receivable of the financial lease, the difference between the sum of unsecured residual value and its present value as unrealized financing income, and recognizes the lease income in the future period of the lease. The initial direct costs incurred by the Company in connection with lease transactions are included in the initial measurement of financial lease receivable, and the amount of income recognized during the lease term is reduced.

43. Other critical accounting policies and accounting estimates

1> Discontinuation of operation

The Company recognizes a component disposed of or classified as a component that can be separately distinguished from the category held for sale and satisfied any of the following as a component of discontinued operations:

(1) The component represents an independent major business or a separate major business area;

(2) This component is part of a related plan to dispose of an independent major business or a separate major operating area;

(3) This component is a subsidiary that is acquired for resale.

Operating profit and loss, such as impairment losses for discontinued operations and the amount reversed, and disposal profit and loss are presented in the income statement as profit and loss of discontinued operations.

2> Hedge accounting

The Company categorizes the hedging instruments into fair value hedges, cash flow hedges and net investment hedges in a foreign operation, in accordance with hedging relationships.

For hedging instruments satisfy all following conditions, hedge accounting is applied for accounting treatment:

(1) The hedging relationship is comprised of only qualifying hedging instruments and hedged items.

(2) Prior to hedging, the Company has formally designated the hedging instruments and the hedged items, and prepared the documentation regarding hedging relationships and risk management strategy and objectives for undertaking the hedging.

(3) The hedging relationship meets the hedge effectiveness requirements.

The hedging relationship that meets all of the following conditions, are regarded in accordance with hedge effectiveness requirements.

1) There is an economic relationship between the hedged item and the hedging instrument, which makes the values of the hedging instruments and the hedged items generally move in the opposite direction because of the same hedged risk.

2) The effect of credit risk does not dominate the value changes that result from that economic relationship between the hedged item and the hedging instruments.

3) The hedge ratio of hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that the quantity of hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create the hedge ineffectiveness that could result in an economic outcome that would be inconsistent with the purpose of hedge accounting.

Accounting treatment for fair value hedges

(1) Gains or losses arising from hedging instruments shall be included in current profit and loss. If the hedging instrument hedges the non tradable equity instrument investment (or its components) that is selected to be measured at fair value and its change is included in other comprehensive income, the gains or losses generated by the hedging instrument are included in other comprehensive income.

(2) Gains or losses of the hedged item arising from the hedged risk exposure are included in the current profit and loss, and the book value of the hedged item that is not measured at fair value is adjusted. If the hedged item is a financial asset (or its component) measured at fair value and its change is included in other comprehensive income, the profit or loss generated from the hedged risk exposure is included in the current profit and loss, and its book value has been measured at fair value without adjustment; the hedged item is measured at fair value and its change is included in other comprehensive income for the Company. For the non-tradable equity instrument investment (or its components) of income, the gains or losses arising from the hedged risk exposure are included in other comprehensive income, and its book value has been measured at fair value without adjustment.

If the hedged item is an unrecognized firm commitment (or its component), the accumulated change in fair value caused by the hedged risk after the designation of the hedging relationship shall be recognized as an asset or liability, and the relevant gains or losses shall be included in the profits and losses of each relevant period. When the assets are determined or commitments are made, the initial recognised amount of the asset or liability is adjusted to include the fair value cumulative change of the recognized hedged item.

(3) If the hedged item is a financial instrument (or its component) measured at amortized cost, the adjustment of book value of the hedged item shall be amortized according to the actual interest rate recalculated on the amortization date and included in the current profit and loss. The amortization can start from the adjustment date, but not later than the time point when the hedging gains and losses are adjusted for the termination of the hedged item. If the hedged item is a financial asset (or its component) measured at fair value and its change is included in other comprehensive income, the accumulated recognized hedging gains or losses shall be amortized in the same way and included in the current profit and loss, but the book value of the financial asset (or its component) shall not be adjusted.

Accounting for cash flow hedges

(1) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income: The amount of the cash flow hedge reserve shall be determined by the lower of the absolute amount of the following two items:

1) the cumulative gain or loss on the hedging instrument from inception of the hedge; and

2) the present value of the cumulative change in the hedged expected future cash flows of the hedged item from inception of the hedge. The amount of the cash flow hedge reserve recognized in the other comprehensive income during each accounting period is the change in the cash flow hedge reserve for the accounting period.

(2) Any remaining gain or loss on the hedging instrument (or any gain or loss required to balance the change in the cash flow hedge reserve calculated) is hedge ineffectiveness that shall be recognized in profit or loss.

(3) The amount that has been accumulated in the cash flow hedge reserve shall be accounted for as follows:

1) If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or the liability.

2)

and written records shall be made at the same time, but the following conditions shall be met simultaneously:

- (1) the name of the credit exposure (for example, the borrower, or the holder of a loan commitment) matches
- (2) the seniority of the financial instrument matches that of the instruments that can be delivered in accordance with the credit derivative.

44. Changes in critical accounting policies and accounting estimates

The impact of the implementation of the new revenue standards on the consolidated balance sheet as at 31 December 2020 is as follows:

Item	Number of statements	Assuming the original guidelines are followed	Influence
Advances from customers		8,892,912.54	-8,892,912.54
Contractual liabilities	7,677,129.87		7,677,129.87

Non-current assets due within one year			
Other current assets	523,124,562.78	523,124,562.78	
Total current assets	5,023,026,799.69	5,023,026,799.69	
Non-current assets:			



Other non-current financial assets			
Investment properties			
Fixed assets	78,899,091.13	78,899,091.13	
Construction in progress	2,401,314.53	2,401,314.53	
Productive biological assets			
Oil and gas assets			

Total	319,032,411.48	295,898,721.28
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2. Trading financial assets

Item	Closing balance	Opening balance
Financial assets that are measured at fair value and whose changes are included in the current profit and loss	1,340,551,914.18	

Provision for bad debts by portfolio:

Unit: RMB

Name	
------	--

Type	Opening balance	
------	-----------------	--

Youdian'ai
(Chuzhou) Health
Technology Co.,
Ltd.

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The Company believes that for the financing of receivables measured at fair value and whose changes are included in other comprehensive income, as the remaining maturity is not long and the difference between the actual interest rate and the market interest rate is very small, the fair value and the book value are similar.

If provision was made for accounts receivable financing in accordance with the general expected credit loss model, please disclose

balance is: the production line of lithium battery separator film has been put into production, and the prepayment for materials has increased accordingly.

8. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Dividends receivable		1,188,900.87
Other receivables	10,861,029.53	830,448,417.93
Total	10,861,029.53	831,637,318.80

(1) Interest receivable

1) Interest receivable by type: None

2) Major overdue interest: None

3) Provision for bad debts

"Cr rnkcdng ç"PlC"

(2) Dividends receivable

1) Dividends receivable by type

Unit: RMB

Project (or investee)	Closing balance	Opening balance
Yuxi Kunshasi Plastic Color Masterbatch Co., Ltd.		1,188,900.87
Total		1,188,900.87

2) Major dividend receivable aged over one year: None

3) Provision for bad debts

"Cr rnkcdng ç"PlC"

(3) Other receivables

1) Other receivables by nature

Unit: RMB

Nature of amount	Book balance at the end of the Reporting Period	Book balance at the beginning of the Reporting Period
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Equity acquisition		820,000,000.00
Issuing expenses of convertible bonds		1,084,905.66
Guarantees and deposits		

(3) Provision for bad debts accrued, recovered or reversed during the Reporting Period: None

4) Actual write-off of other receivables for the period: None

5) Top five customers with closing balance of other receivables collected by arrear party

Unit: RMB

Company name	Nature of amount	Closing balance	Aging	Percentage of total of closing balance of other receivables	Closing balance of bad debt provision
China Tobacco Henan Industrial Co., Ltd.	Guarantees and deposits	813,000.00			

		performance cost depreciation reserve			performance cost depreciation reserve	
Raw material	181,857,690.10	944,622.50	180,913,067.60	112,792,578.57	23,191.84	112,769,386.73
Goods in process	24,480,339.87	436,222.88	24,044,116.99	31,577,592.12	436,222.88	31,141,369.24
Finished goods	1,024,022,804. 36	150,081,339.35	873,941,465.01	560,323,330.51	5,570,216.82	554,753,113.69
Turnover material	33,714,499.63		33,714,499.63	16,721,617.70		16,721,617.70
Goods in transit	34,110,894.27	183,334.00	33,927,560.27	30,118,007.46		30,118,007.46
Consigned processing material	164,506.20		164,506.20	91,289.59		91,289.59
Semi-finish goods	10,325,445.01		10,325,445.01	13,635,262.44		13,635,262.44
Total	1,308,676,179. 44	151,645,518.73	1,157,030,660. 71	765,259,678.39	6,029,631.54	759,230,046.85

(3) Capitalization of interest in the closing inventories balance

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

10. Contractual assets: None

11. Held-for-sales assets: None

12. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
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Long-

		debts					
Financial lease proceeds	2,956,802.29		2,956,802.29				
Including: unrealized financing income	43,197.71		43,197.71				
Long-term receivables due within one year	-2,956,802.29		-2,956,802.29				

Impairment of provision for bad debts

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance of January 1, 2020 for the period	0 0	0 0	0 0	0 0

(1) Disposal				
(2) Other transfer-out				

terial Co., Ltd.

5,140,402,993.45	22,096,333.89	56,054,782.54	6,116,900,417.27
4,195,196,933.08	7,063,271.30	46,854,165.52	5,140,586,708.25
42,591,962.89	1,740,836.84	7,159,930.65	52,612,751.74
1,917,650,105.15	1,273,141.59	8,601,630.87	2,606,589,280.89
2,234,954,865.04	4,049,292.87	31,092,604.00	2,481,384,675.62
2,364,267.89	508,945.73	59,255.98	2,932,469.60
2,364,267.89	508,945.73	59,255.98	2,932,469.60
9,333,235,658.64	28,650,659.46	102,849,692.08	11,254,554,655.92

IV. Book value					
1. Closing book value	1,511,611,122.97	6,843,642,817.39	10,935,896.49	54,574,379.35	8,420,764,216.20
2. Opening book value	715,766,276.98	4,175,723,788.50	9,770,233.07	35,337,680.62	4,936,597,979.17

(2) Fixed assets in temporary idle

Unit: RMB

Item	Original book value	Accumulative depreciation	Provision for impairment	Book value	Notes
Property and plant	2,105,695.50	779,418.94		1,326,276.56	As of December 31, 2020, the recoverable amount was estimated based on the selling prices of similar houses and buildings in the same lot. The recoverable amount was higher than the book value, so no provision for impairment of fixed assets was made.
Machinery and equipment	9,135,247.28	5,059,520.64		4,075,726.64	As of December 31, 2020, the recoverable amount was estimated based on the selling price of similar machinery and equipment. The recoverable amount was higher than the book value, so no provision for impairment of fixed assets was made.

(3) Fixed assets rented through finance lease: None**(4) Fixed assets leased through operating lease: None****(5) Fixed assets not obtaining the title certificate**

Unit: RMB

Item	Book value	Reason
Property and plant	1,052,491,443.41	Being processed

Other explanations

*3+ "Vjg" o ckp" tgcupq" hqt" vjg" nct i gt" kpetgcug" kp" vjg" gp f k p i " dncp e g" qh" vjg" Eq o rcp { 0u" hkzgf" cuugvu" qxgt" vjg" q r g p k p i " balance is: the subsidiary Shanghai Energy New Material Technology Co., Ltd. and its subsidiaries are in the growth stage, the Company intensifies the construction of production lines, and the number of assembly lines completed in this period increases accordingly; enterprises not under common control of the subsidiary Shanghai Energy New Material Technology Co., Ltd. merge Suzhou Green Power New Energy Material Co., Ltd. and Chongqing Yuntianhua Newmi Technological Co., Ltd., resulting in the increase in fixed assets for the period.

(2) Please refer to "81. Assets with restricted ownership or use right" in "VII. Notes to items in consolidated financial statements" of this section for details of the limited ownership of fixed assets of the Company.

(6) Liquidation of fixed assets: None

22. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress		

project of Jiangxi Tonry (expansion of phase I)	71	71
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(1) Disposal					
4. Closing balance	473,734,900.83	26,000,000.00	23,338,200.00	14,280,518.68	537,353,619.51
II. Accumulative amortization					
1. Opening balance	31,211,400.20			1,268,861.45	32,480,261.65

27. Development expenditures: None

28. Goodwill

(1) Original book value of goodwill

Unit: RMB

Events that may generate goodwill through investee names	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Generated by business combination	Others	Disposal	Others	
Business combination not under the common control	44,154,633.34	485,747,491.01				529,902,124.35
Total	44,154,633.34	485,747,491.01				529,902,124.35

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The acquisition cost minus the fair value of the book identifiable net assets of Shenzhen Qingsong on the acquisition date multiplied by the proportion of acquired equity equals to goodwill, that is, 20,000,000.00 minus 10,328,555.30 multiplied by 100% equals to RMB9,671,444.70.

At the end of the period, the Company recognized Shenzhen Qingsong Jinze Technology Development Co., Ltd. as an asset group for goodwill impairment test. As the production of Shenzhen Qingsong Jinze Technology Development Co., Ltd. is currently suspended, the recoverable amount of goodwill is calculated based on the fair value of the assets minus the net amount of disposal expenses. Upon confirmation by the Zhi Zheng Ping Bao Zi [2021] No. 0202 appraisal report issued by Yunnan Zhizheng Asset Appraisal Co., Ltd., the recoverable value is lower than the book value of the asset group including the goodwill of all shareholders, and full provision for impairment is made for the goodwill.

(3) Goodwill related to Suzhou Green Power New Energy Material Co., Ltd.

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The acquisition cost minus the fair value of the book identifiable net assets of Suzhou Green Power on the acquisition date multiplied by the proportion of acquired equity equals to goodwill, that is, 739,219,511.67 minus 269,061,777.98 multiplied by 100% equals to RMB470,157,733.69.

At the end of the period, the Company identified Suzhou Green Power New Energy Material Co., Ltd. as an asset group and conducted goodwill impairment test. The recoverable amount of goodwill is calculated according to the present value of estimated future cash flow. The estimated future cash flow is determined according to the financial budget of the relevant asset group from 2021 to 2025. After 2025, it will be a perpetual period. It is estimated that the annual growth rate of cash flow will be 5%, and the recoverable value of the asset group will be calculated according to the discount rate of 7.35%. The recoverable value exceeds the book value of the asset group including all shareholders goodwill, and there is no goodwill impairment.

(4) Goodwill related to Chongqing Yuntianhua Newmi Technological Co., Ltd.

Goodwill calculation process of Newmi Tech merged by enterprises not under common control:

The acquisition cost minus the fair value of the book identifiable net assets of Newmi Technological on the acquisition date multiplied by the proportion of acquired equity equals to goodwill, that is, 68,259,500.00 minus 68,977,915.28 multiplied by 76.3574% equals to RMB15,589,757.32.

At the end of the period, the Company identified Newmi Tech as an asset group and conducted goodwill impairment test. The recoverable amount of goodwill is calculated according to the present value of estimated future cash flow. The estimated future cash flow is determined according to the financial budget of the relevant asset group from 2021 to 2025. After 2025, it will be a perpetual period. It is estimated that the annual growth rate of cash flow will be 5%, and the recoverable value of the asset group will be calculated according to the discount rate of 7.35%. The recoverable value exceeds the book value of the asset group including all shareholders goodwill, and there is no goodwill impairment.

29. Long-term unamortized expenses

Unit: RMB

Item	Opening balance	Increase for the period	Amortized amount for the period	Decrease in other amounts	Closing balance
Leasehold improvement		428,078.20	150,775.54		277,302.66
Workshop improvement	144,459.93	512,868.29	232,425.07	13,262.36	411,640.79
Filling machine	1,788,295.24	2,434,800.00	1,990,290.91		2,232,804.33

Rented substation	70,969.84	11,259.84	59,710.00
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	deferred income tax assets and deferred income tax liabilities at the end of the Reporting Period	deferred income tax assets or liabilities after offset	deferred income tax assets and deferred income tax liabilities at the beginning of the Reporting Period	deferred income tax assets or liabilities after offset
Deferred income tax assets		202,903,996.37		94,713,958.19
Deferred income tax liabilities		100,406,057.96		60,696,969.12

(4) Details of unrecognized deferred income tax assets: None**(5) Deductible losses for which deferred income tax assets were unrecognized will expire in the following years: None**

Other explanations:

Description of deferred income tax liabilities before offset:

According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Policy of Deducting the Enterprise Income Tax of Equipment and Appliances (Cai Shui [2018] No. 54), the Company and its subsidiaries deduct the enterprise income tax of equipment and appliances with the unit value of below RMB5 million purchased from January 1, 2018 to December 31, 2020 when calculating the taxable income. As a result, temporary differences in taxable income are formed and further turned into deferred income tax liabilities.

31. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advance payment for equipment	515,786,72 2.70		515,786,72 2.70	194,394,61 5.91		194,394,61 5.91
Advance payment for project	59,073,039 .82		59,073,039 .82	9,556,037. 22		9,556,037. 22
Quality guarantee Note 1	1,350,000. 00		1,350,000. 00	1,350,000. 00		1,350,000. 00
Installment for sale of equipment Note 2	8,083,352. 09		8,083,352. 09	7,401,936. 18		7,401,936. 18
Deductible input tax	14,897,818 .46		14,897,818 .46			
Other				13,000,000 .00		13,000,000 .00
Total	599,190,93 3.07		599,190,93 3.07	225,702,58 9.31		225,702,58 9.31

Other explanations:

Description of other non-current assets

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over the opening balance is: the sub-subsidiaries Wuxi Energy New Material Technology Co., Ltd. And Jiangxi Tonry New Energy Technology Development Co., Ltd. is in the growth stage, the Company intensifies the construction of production lines, and the advance payment for equipment increases accordingly.

Note 1: Guizhou Hao1duo Dairy Co., Ltd. signed an agreement with the Company, and the two parties entered into a long-term strategic partnership. The company provided Guizhou Hao1duo Dairy Co., Ltd. with the above money as its quality guarantee. Guizhou Hao1duo Dairy Co., Ltd. promised to purchase no less than 13 million boxes of products from the Company every year, and returningly.

kp"eqpuqnf cvg f" hkcpekc n" uvcvg o gpvu\$ "qh" v j ku" ugevkqpö

Note 2: For details of loans obtained through the guarantee provided by actual controllers of the Company, the Company and its subkfcktkgu." rncug" tghgt" vq" ö*6+ "Tgncvgf" rctv{ "i wctcpvgguö" wpfgt" ö70" Tgncvgf" rctv{ "vtcpucevkqpuö" kp" öZKK0" Tgncvgf" Rctvkgu" cpf" Tgncvgf" Rctv{ "Vtcpucev kqpuö

33. Trading financial liabilities: None

34. Derivative financial liabilities: None

35. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Commercial acceptance	14,547,851.27	10,615,319.33
Bank acceptance	680,878,688.42	512,058,770.17
Total	695,426,539.69	522,674,089.50

The total amount of notes payable that have been overdue and outstanding at the end of the Reporting Period is RMB[].

36. Accounts payable

(1) Accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Materials payable	277,833,591.11	197,480,189.34
Engineering equipment payable	125,081,160.84	148,392,577.43
Accessories and spare parts payable	11,543,629.05	6,172,762.14
Transportation fee payable	23,477,922.68	14,633,758.80
Other payable	33,140,214.54	16,012,272.14
Total	471,076,518.22	382,691,559.85

(2) Major accounts payable aged over one year

Unit: RMB

Item	Closing balance	Reasons for outstanding or carry-over
------	-----------------	---------------------------------------

Mingsheng Machinery Co., Ltd	1,500,000.00	Not mature
Shanghai Kaijin New Material Technology Co., Ltd.	1,492,489.00	Not mature
Total	18,094,454.06	--

Other explanations:

The main reason for the larger increase in the ending balance of the Company's accounts payable over the opening balance is: the merger of Suzhou Green Power and Newmi Tech by enterprises not under common control of the subsidiary Shanghai Energy for the period.

37. Receipts in advance: None

38. Contractual liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advance receivable for goods	7,677,129.87	8,177,989.37
Total	7,677,129.87	8,177,989.37

39. Employee benefits payable

(1) Employee benefits payable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term remuneration	19,341,191.37	461,327,781.59	452,524,154.97	28,144,817.99
II. Retirement pension program-defined contribution plan	852,860.52	3,551,656.38	4,404,516.90	
Total	20,194,051.89	464,879,437.97	456,928,671.87	28,144,817.99

(2) Short-term benefits

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period
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4. Housing fund	299,376.00	16,785,910.84	16,750,506.84	334,780.00
5. Labor union budget and staff education fund	802,449.04	3,524,149.61	3,251,979.62	1,074,619.03
Total	19,341,191.37	461,327,781.59	452,524,154.97	28,144,817.99

(3) Defined contribution plans

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension	817,598.11	3,449,707.61	4,267,305.72	
2. Unemployment insurance	35,262.41	101,948.77	137,211.18	
Total	852,860.52	3,551,656.38	4,404,516.90	

Other explanations:

40. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	58,372,023.20	28,116,303.25
Corporate income tax	112,955,783.69	46,448,805.71
Personal income tax	756,962.07	482,324.73
City maintenance and construction tax	1,517,261.49	747,573.66
Property tax	1,204,000.74	52,432.61
Land using tax	577,940.85	412,047.52
Education surtax	3,245,319.76	881,666.86
Other	354,783.64	113,562.29
Total	178,984,075.44	77,254,716.63

Other explanations:

41. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Dividends payable	7,871,573.20	7,574,667.67
Other payables	577,510,854.43	91,083,316.69
Total	585,382,427.63	98,657,984.36

(1) Interest payables: None**(2) Dividends payable**

Unit: RMB

Item	Closing balance	Opening balance
Common share dividends	7,871,573.20	4,960,000.00
Employee incentive dividend		2,614,667.67
Total	7,871,573.20	7,574,667.67

(3) Other payables**1) Other payables listed by nature of payment**

Unit: RMB

Item	Closing balance	Opening balance
Equity acquisition	44,736,010.00	44,736,010.00
Restricted stock repurchase obligation		28,137,312.00
Loans from non-financial institutions	470,118,553.75	7,039,200.00
Withholding and remitting employee incentive and dividend Personal income tax	46,031,316.80	
Deposits and guarantees	10,498,912.12	7,570,083.14
Withholding employees' social insurance	2,392,968.63	1,213,196.63
Reimbursement	2,550,636.39	2,124,442.89
Other	1,182,456.74	263,072.03
Total	577,510,854.43	91,083,316.69

2) Major other payables aged over one year

Unit: RMB

Item	Closing balance	Reasons for outstanding or carry-over
Gao'an Kewei investment partnership (limited partnership)	22,380,000.00	Payment terms not been met
DENCO LIMITED	20,356,010.00	Payment terms not been met
Nantong 10th Construction Group Co., Ltd.	5,000,000.00	Payment terms not been met
Total	47,736,010.00	--

Other explanations

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42. Hold-for-sales liabilities

Note 3: For details of loans obtained through the guarantee provided by actual controllers of the Company, the Company and its

46. Bonds payable

(1) Bonds payable

Unit: RMB

Item	Closing balance	Opening balance
Convertible corporate bonds	755,725,620.04	
Total	755,725,620.04	

(2) Changes in bonds payable: (excluding preferred shares classified as financial liabilities, perpetual bonds and other financial instruments)

Unit: RMB

Name of bond	Par value	Issue date	Term	Issue size	Opening balance	Issued in current period	Interest provisioned by par value	Amortization of discounts and premiums	Paid in the current period	Shares converted in the current period	Closing balance
Convertible corporate bonds of Yunnan Energy New Material Co., Ltd.	1,600,000,000.00	2020-11-02	6	1,600,000,000.00		1,600,000,000.00	5,508,386.32	-83,360,866.28		-766,421,900.00	755,725,620.04
Total	--	--	--	1,600,000,000.00		1,600,000,000.00	5,508,386.32	-83,360,866.28		-766,421,900.00	755,725,620.04

(3) Explanation on conversion conditions and conversion time of convertible corporate bonds

According to the Listing Rules of Shares on the Shenzhen Stock Exchange Stock and the Prospectus of Yunnan Energy New Material Co., Ltd. on the Public Issuance of Convertible Corporate Bonds, the debt and share conversion period of Yunnan Energy commences from the first trading day in the six months after the end of the issuance to the maturity date of the convertible corporate bonds, that is, from August 17, 2020 to February 11, 2026, and the initial conversion price is RMB64.61 per share.

On May 21, 2020, according to the Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds, as the Company implements the 2019 annual equity distribution plan, the conversion price of debts and shares of Yunnan Energy is adjusted from RMB64.61 per share to RMB64.49 per share.

Corporate Bonds, as the Company adopts the non-public issuance of new shares, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB65.09 per share.

(4) Explanation on other financial instruments classified as financial liabilities: None

47. Lease liabilities: None

48. Long-term payables

(1) Long-term payables listed by nature of payment

Unit: RMB

Item	Closing balance	Opening balance
Financial lease proceeds payable	4,988,932.48	

Note 1								
Item subsidy for the development of advanced equipment manufacturing industry Note 2	191,103,925.95			14,308,295.53			176,795,630.42	Related to assets
Support and incentive payment of the Xishan Economic and Technological Development Zone Note 3		120,000,000.00		5,552,890.20			114,447,109.80	Related to assets
Special funds for the development of provincial strategic emerging industries Note 4		30,000,000.00					30,000,000.00	
Subsidies for infrastructure construction Note 5	26,812,000.00			1,340,599.92			25,471,400.08	
High-performance lithium ion battery separator film project with an annual output of 90 million square meters Note 6	18,928,314.72			2,696,405.70			16,231,909.02	
Municipal technological transformation project for high-quality development Note 7		11,250,000.00		93,750.00				

Note 14								
Boiler upgrading and reconstruction projects Note 15		2,558,800.00					2,558,800.00	Related to assets
Subsidies of the Yuxi Municipal Bureau of Finance for the first major technical equipment Note 16	754,717.04			113,207.52			641,509.52	Related to assets
Specials fund for the construction of the Yuxi								

apportion in 2020 of RMB1,340,600.

Note 6: In July 2011, the National Development and Reform Commission and the Ministry of Industry and Information Technology issued the Notice on Issuing the First Batch of Investment Plans within the Central Budget for the Revitalization and Technological Transformation Projects of the Electronic Information Industry in 2011 [Fa Gai Tou Zi (2011) No. 1387], Shanghai Energy, a subsidiary of the Company, received a subsidy of RMB12 million for the high-performance lithium ion battery separator film project with an annual output of 90 million square meters.

In June 2011, the Shanghai Municipal Commission of Economy and Informatization issued the Official Reply Concerning the Report on the Application for Special Funds for Key Industrial Revitalization and Technological Transformation of the New 90 Million Square Meter High-Performance Lithium Ion Battery Separator Film Projects of Shanghai Energy New Material Technology Co., Ltd. in 2011 [Hu Jing Xin Tou (2011) No. 298], Shanghai Energy, a subsidiary of the Company, received a subsidy of RMB12 million for the high-performance lithium ion battery separator film project with an annual output of 90 million square meters.

In March 2013, pursuant to the relevant provisions of the Measures for the Use and Management of Special Development Funds of the Shanghai Zhangjiang National Innovation Demonstration Zone [Hu Cai Yu (2012) No. 141] and the Notice of the Use of Special Development Funds of the Shanghai Zhangjiang National Innovation

related assets. As of December 31, 2020, the construction of the subsidy-related assets has been completed and transferred to the fixed assets, with the apportionment in 2020 of RMB76,923.08.

Note 13. From 2009 to 2012, Chengdu Hongsu, a third-level subsidiary of the Company, obtained RMB6.8 million o

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Note 20: In May 2016: the Company obtained the renovation subsidy of RMB500,000 for the auxiliary power project outside the factory in Kowloon region issued by the Administrative Committee of Yuxi High-tech Industrial Development Zone. The government subsidy is related to the assets of the auxiliary power project. The profit and loss amount is confirmed by the Machinery and equipment depreciation period stage and the depreciation period is 10 years.

Note 21: In March 2018, Shanghai Energy, a level 2 subsidiary of the Company, got the subsidies for expanding business in Wuxi city from Wuxi Xishan Economic and Technological Development Zone Management Committee with an investment cooperation agreement and a supplementary agreement. Xishan Economic and Technological Development Zone Administrative Committee want to encourage companies to accelerate the process of their item, so it promised to set up a special industrial support fund with RMB69.4992 million which should come under the income-related government subsidy. Of which, RMB51.84 million of the subsidies has in 2019 met the conditions stipulated in the supplementary agreement of the investment agreement and was recognized as other income; The remaining RMB17.6592 million met the agreed conditions according to the supplementary agreement of the investment agreement, so it was recognized as loss and profit of current period

52. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Government support for lithium battery separation film project	455,517,694.55	619,187,419.79
Total	455,517,694.55	619,187,419.79

Other explanations:

Jiangxi Tonry New Energy Technology Development Co., Ltd., the third level subsidiary of the Company,

53. Share capital

Unit: RMB

	Opening balance	Increase or decrease (,)					Closing balance
		New issues	Bonus issuance	Conversion of reserve into share	Others	Subtotal	
Total amount of shares							

Equity instrument of convertible corporate bonds				177,419,515.43		84,986,376.32		92,433,139.11
Total				177,419,515.43				

See Note XIII. Share-based payment As all the employee incentive share are released, the capital reserve resulting from the payment-other capital reserve are transferred to the capital reserve (capital stock premium), amounting to RMB70,458,636.09.

56. Treasury stock

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period
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60. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Retained earnings before adjustments at the end of prior year	1,744,638,648.71	1,093,630,310.62
Retained earnings adjusted at beginning of the year	1,744,638,648.70	1,093,630,310.62
Less: Withdrawal of statutory surplus reserve	1,115,604,020.47	849,837,425.81
Withdrawal of random surplus reserve	12,797,027.00	19,400,130.11
Common share dividends payable	100,650,774.03	179,428,957.61
Undistributed profits at the end of the period		

Details on adjustment of undistributed profits at the beginning of the period:

1) Due to retrospective adjustments in accordance with Accounting Standards for Business Enterprises and relevant new provisions, undistributed profits at the beginning of the period read RMB[].

City maintenance and construction tax	5,629,419.35	3,006,771.05
Education surcharge	8,499,476.81	3,206,664.97
Property tax	6,958,921.14	5,709,257.96
Land using tax	3,653,135.48	1,805,288.18
Vehicle and vessel usage tax	24,092.50	28,717.50
Stamp duty	2,974,343.13	1,133,217.48
Land value-added tax	4,459,864.19	
Other	291,767.68	30,526.22
Total	32,491,020.28	14,920,443.36

Other explanations:

63. Selling expenses

Unit: RMB

Item	Amount for current period	Amount for previous period
Transportation and handling charges		41,986,808.20
Sales commission	21,570,707.19	
Labor costs	16,094,980.44	12,329,938.44
Sales agency expense	4,335,824.29	1,519,244.73
Depreciation and amortization	3,743,322.45	429,178.90
Entertainment expense	3,790,466.62	4,063,055.23
Travel expense	2,476,652.84	3,009,489.50
Other	4,353,596.13	3,912,492.94
Total	56,365,549.96	67,250,207.94

Other explanations:

The reason that the Company has no transportation and handling fees is that: the Company in 2020 implemented a new income rule, under which, the fees above would be recorded in the main business costs as the contract performance costs.

64. Administrative expenses

Unit: RMB

Item	Amount for current period	Amount for previous period
Labor costs	63,919,851.38	50,242,454.74
Share-based expense	22,215,924.74	30,995,694.08
Depreciation and amortization	26,684,666.04	15,022,235.90
Agencies	12,011,876.97	8,193,514.18
Maintenance costs	5,229,480.24	1,942,171.16
Office expense	3,417,237.08	4,039,640.70
Travel expense	3,424,879.55	2,881,295.77
Entertainment expense	2,886,409.51	2,170,444.23

Lease costs	2,781,713.31	21,804.79
Other		

Proceeds from wealth management products	7,111,089.67	191,780.82
Total	8,627,395.44	1,676,352.85

Other explanations:

Vjg"tgcuqp"hqt"vjg"uki pkhkecpv"kpetgcug"qh"vjg"Eq o rcp{øu"kp xguv o gpv"kpeq o g"kp"vjg"ewttgpv"rgtkqf"qxgt"vjcv"qh"ncst period is: The Company purchased more wealth management products that the last period.

69. Net exposure hedge income: None

70. Gains on fair value change

Unit: RMB

Source	Amount for current period	Amount for previous period
Trading financial assets	10,951,914.18	
Total	10,951,914.18	

71. Credit impairment losses

Unit: RMB

Item	Amount for current period	Amount for previous period
Bad debt losses	-28,865,898.12	-26,343,860.48
Impairment loss on notes receivable	-7,256,643.88	
Impairment losses on accounts receivable financing	-2,622,000.00	
Total	-38,744,542.00	-26,343,860.48

Other explanations:

72. Asset impairment losses

Unit: RMB

Item	Amount for current period	Amount for previous period
II. Inventory falling price losses and contract performance cost depreciation losses	-8,138,653.87	-5,191,727.71
XI. Goodwill impairment loss	-9,671,444.70	
Total	-17,810,098.57	-5,191,727.71

Other explanations:

73. Gains on disposal of assets

Unit: RMB

Source	Amount for current period	Amount for previous period
Disposal of fixed assets	-144,872.28	2,066.58

74. Non-operating income

Unit: RMB

Item	Amount for current period	Amount for previous period	Amount of non-recurring gain or loss included in the current period
Accepting donations	112,000.00		112,000.00
Compensation received	48,990.09		48,990.09
Amount of combination cost less than the fair value share of identifiable net assets obtained	673,727.72		673,727.72
Other	861,437.24	209,752.60	861,437.24
Total	1,696,155.05	209,752.60	1,696,155.05

Government grants included in profit or loss for the current period: None

75. Non-operating expenses

Unit: RMB

Item	Amount for current period	Amount for previous period	Amount of non-recurring gain or loss included in the current period
Donation	3,095,889.50	612,015.00	3,095,889.50
Abandonment losses of non-current assets	9,015.27		9,015.27
Other	2,119,519.32	363,844.91	2,119,519.32
Total	5,224,424.09	975,859.91	5,224,424.09

76. Income tax expenses**(1) Table of income tax expenses**

Unit: RMB

Item	Amount for current period	Amount for previous period
Current income tax	175,442,968.27	145,997,905.67
Deferred income tax	-37,845,346.91	-19,636,957.65
Total	137,597,621.36	126,360,948.02

(2) Adjustment process of accounting profit and income tax expense

Unit: RMB

Item	Amount for current period
Total profit	1,313,247,082.28
Income tax expenses calculated based on the statutory (or applicable) tax rates	196,987,062.34
Impact of different tax rates applied to subsidiaries	4,139,155.39
Impact of adjusting income tax in previous periods	-5,004,654.94

Impact of non-taxable income	-227,445.87
Impact of non-deductible costs, expenses, and losses	920,056.71
Impact of R&D expenses plus deduction	-17,678,126.24
Impact of the market value of employee incentive shares is higher than that of exercise cost and share cost.	-30,943,102.93

of Yunnan Energy New Material Co., Ltd.

Item	Amount for current period	Amount for previous period
received from acquisitions of subsidiaries	1,098,067.46	
	1,098,067.46	

h received relating to other investing activities:

nts relating to other investing activities: 1,098,067.46

Amortization of long-term unamortized expenses	3,740,895.56	1,183,881.89
Losses from disposal of fixed assets, intangible assets, and other long-vgt o "cuugvu" * i ckp "ku" kp fkecvgf" ykvj "ö-ö+	144,872.28	

JPY	683,850,777.06		
Long-term borrowings	--	--	262,796,022.85
EUR			

85. Others

VIII. Changes in the Consolidation Scope

1. Merger of enterprises not under common control

(1) Merger of enterprises not under common control in the current period

Unit: RMB

Name of acquiree	Timing of acquisition	Equity acquisition cost	Ratio of equity acquired	Means of equity acquisition	Acquisition date	Basis for determining the acquisition date	Income of acquirees from the acquisition date to the period-end	Net profit of acquirees from the acquisition date to the period-end
							3,380	229,900,083.43
Tech	23, 2020	.00	76.3574%		23, 2020	acquisition of control	.00	-1,026,465.00
Donghang Photoelectr	February 29, 2020	1.00	70.00%	Acquisition	February 29, 2020	Actual acquisition	41,771,880.98	-13,980,966.89

Unit: RMB

	Suzhou Green Power	Newmi Tech	Donghang Photoelectric
	739,219,511.67	68,259,500.00	
	739,219,511.67	68,259,500.00	
value of the share of identifiable net assets acquired	269,061,777.98	100110(9)-6(

Fixed assets	970,221,678.53	928,699,578.53	380,602,674.51	376,670,884.70	21,645,061.71	21,645,061.71
Intangible assets	73,012,713.25	37,120,023.09	26,850,844.50	15,657,866.27	28,100.31	28,100.31
Notes receivable	63,567,205.82	63,567,205.82	19,003,128.08	19,003,128.08	1,004,097.19	1,004,097.19
Receivable financing	168,564,678.23	168,564,678.23				
Advances to customers	3,832,268.99	3,832,268.99	1,871,354.12		18,559.68	18,559.68
Other receivables	915,120.72	915,120.72	451,898.28	451,898.28	1,668,008.55	1,668,008.55
Non-current assets due within one year			2,956,802.29			

(4) Profit or loss generated from the re-measurement of equity held before the acquisition date at the fair value

Whether there is a transaction that realizes mergers step by step via multiple transactions and obtains control during the Reporting Period

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Yunnan Dexin Paper Co., Ltd.	Yuxi, Yunnan	Yuxi, Yunnan	Paper production and sales	100.00%		Newly established
Yunnan Hongchuang Packaging Co., Ltd.	Yuxi, Yunnan	Yuxi, Yunnan	Production and sales of aseptic packing box	59.46%		Newly established
Wuxi Energy Trading Co., Ltd.	Wuxi, Jiangsu	Wuxi, Jiangsu				

Chongqing Yuntianhua Newmi Technological Co., Ltd.	Chongqing	Chongqing	Production and sales of lithium battery separator film	76.36%	control Business combination not under the 702.94 56.
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	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Shanghai Energy New Material Technology Co., Ltd.	2,647,651,880.53	961,572,206.27	961,572,206.27	220,246,091.98	1,952,042,718.82	864,227,318.93	864,227,318.93	398,882,625.10

Other explanations:

(4) Major restrictions on the use of assets and settlement of debts of the corporate group

(5) Financial support or other support provided for structured entity included in the scope of the consolidated financial statements

2. Transaction in which the share of owner's equity in the subsidiary changes while control over the subsidiary remains unchanged

(1) Explanations on changes in the share of owner's equity in the subsidiary

The Company in the current period purchased in cash 5.1418% of the shares in the level 2 subsidiary Shanghai Energy held by Tan Kim Chwee and Yin Hongqiang. After the transaction, the Company held 95.22% of the shares in Shanghai Energy.

(2) Impact of the transaction on the minority shareholders' equity and the owner's equity attributable to the parent company

Unit: RMB

--Cash	490,557,252.00
Total of purchase costs/disposal consideration	490,557,252.00
Nguu<"uwdukfkt {0u"pgv"cuugvu"rtqrqtkqp"ecnewncvgf"cu"rgt" obtained/disposed equity ratio	170,268,545.48
Difference	320,288,706.52
Including: adjust capital reserve	320,288,706.52

3. Interests in joint arrangement or associates

(1) Important joint ventures or associates

Name of joint ventures or associates	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Accounting treatment for investments in joint ventures or associates
				Direct	Indirect	
Yuxi Kunshasi Plastic Color Masterbatch	Yuxi, Yunnan	Yuxi, Yunnan	Additive production	40.00%		Equity

Co., Ltd.						
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Explanation on the inconsistency of the percentage of shares in joint ventures or associates with the proportion of voting rights:

Basis for holding 20% or less voting rights but having important influence, or holding 20% or more voting rights but not having important influence:

(2) Main financial information of important joint ventures: None

(3) Main financial information of important associates

Unit: RMB

	Closing balance/Amount for the current period	Opening balance/Amount for the previous period
Current assets	9,558,003.37	12,274,453.10
Non-current assets	195,918.55	236,281.64
Total assets	9,753,921.92	12,510,734.74
Current liabilities	1,315,899.74	4,152,069.71
Total liabilities	1,315,889.74	4,152,069.71
Shareholders' equity attributable to the		
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financial assets comes from the default of the counterparty, and the maximum credit risk exposure is the book amount of each financial asset in the statement of financial position. The company does not provide any other guarantee that may expose company to credit risk.

The cash and cash equivalents held by the Company are mainly deposited in the state-owned holding banks and other large and medium-sized commercial banks and other financial institutions. The management believes that these commercial banks have high reputation and asset status, there is no significant credit risk, and there will be no significant loss caused by the default of the other

and financial background of each well-known financial institution, so as to limit the amount of credit risk to any single financial institution.

Cu" rctv" qh" vjg" Eq o rcp{Ø" etgfkv" tkum" cuugv" o cpc ig o gpv." vjg" Eq o rcp{" wugu" ceeqwpv" cikpi" vq" cuuguu" vjg" ko rckt ogpt loss of accounts receivable and other receivables. The accounts receivable and other receivables involve a large number of customers. The aging information can reflect the solvency and bad debt risk of these customers for accounts receivable and other receivables. Based on historical data, the Company calculates the historical actual bad debt rate of different account age periods, and takes into account the forecast of current and future economic conditions, such as national GDP growth, total infrastructure investment, national monetary policy and other forward-looking information to adjust the expected loss rate. For long term receivables, the Company comprehensively considers the settlement period, payment period agreed in the contract, the financial situation of the debtor and the geqqp o ke" ukvwcvkqp" qh" vjg" fgdvqtØu" kpfwuvt{." cpf" tgcupcdn{" gxcnwcvgu" vjg" gzrgevfg" etgfkv" nquu" chvgt" cflwuvkpi" vjg" chqtguckf" forward-looking information.

As of December 31, 2020, the book balance and expected credit impairment loss of related assets are as follows:

Aging	Book balance
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Short-term borrowings	1,795,679,528.91		1,795,679,528.91
Notes payable	695,426,539.69		695,426,539.69

The financial department of the Company continuously monitors the interest rate level of company. The rising interest rate will increase the cost of new interest bearing debt and the interest expense of the outstanding interest bearing debt with floating interest rate, and have a significant adverse impact on the financial performance of company. The management will make timely adjustments according to the latest market conditions, which may be interest rate swap arrangements to reduce interest rate risk.

(1) The company has no significant interest rate swap arrangement in this year.

The difference between book value and fair value of the above financial assets and liabilities not measured at fair value is very small

9. Others

As of December 31, 2020, the Company had no financial instruments measured at fair value except receivable financing. The book value of the receivable financing is similar to the fair value, and its fair value is conducted as the book value

XII. Related Parties and Related Party Transactions

PAUL XIAOMING LEE	Main members of the ultimate controller family
Li Xiaohua	Main members of the ultimate controller family
YAN MA	Main members of the ultimate controller family
Yanyang Hui	Main members of the ultimate controller family
Industrial and Commercial Bank of China Limited	The spouse of the independent director of the Company serves as its non-executive director

Other explanations

5. Related party transactions

(1) Related party transactions on purchase and sales of goods and rendering and receiving of services

Statement of purchase of goods/acceptance of services

Unit: RMB

Related party	Particulars of related party transaction	Amount for current period	Approved transaction limit	Whether exceeding the transaction limited	Amount for previous period
Yuxi Kunshasi Plastic Color Masterbatch Co., Ltd.	Purchase additives	32,405,011.05	40,000,000.00	None	31,505,422.58

Statement of sales of goods/rendering of services

Unit: RMB

Related party	Particulars of related party transaction	Amount for current period	Amount for previous period
Yuxi Kunshasi Plastic Color Masterbatch Co., Ltd.	Sale raw materials	12,510,578.39	17,108,807.77

Wuxi Energy	100,000,000.00
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a total amount of RMB20,000,000.00;

The Company has provided the guarantees for the comprehensive line of credit for its subsidiary Hongta Plastic (Chengdu) Co., Ltd., including acceptance draft, in a total amount of RMB20,000,000.00;

The Company has provided the guarantees for the comprehensive line of credit for its subsidiary Shanghai Energy New Material Technology Co., Ltd., including line of credit, loan, acceptance draft, payment agency and bill advance, in a total amount of RMB4,136,000,000.00;

The Company has provided the guarantees for the comprehensive line of credit for its tier-2 subsidiary Zhuhai Energy New Material Technology Co., Ltd., including loan, letter of credit, acceptance draft, payment agency and bill advance, in a total amount of RMB565,000,000.00;

The Company and its subsidiary Shanghai Energy New Material Technology Co., Ltd. Have jointly provided the guarantees for the comprehensive line of credit for Zhuhai Energy New Material Technology Co., Ltd., loan, acceptance draft, trade financing and letter of guarantee, in a total amount of RMB2,370,000,000.00;

The Company has provided the guarantees for the comprehensive line of credit for its tier-2 subsidiary Wuxi Energy New Material Technology Co., Ltd., including acceptance draft and loan, in a total amount of RMB100,000,000.00;

The Company and its subsidiary Shanghai Energy New Material Technology Co., Ltd. Have jointly provided a guarantee for the comprehensive line of credit for Wuxi Energy New Material Technology Co., Ltd., including acceptance draft, loan, letter of credit, import and export bill financing and non-financing guarantee, in a total amount of RMB1,330,000,000.00;

The Company has provided the guarantees for the comprehensive line of credit for its tier-2 subsidiary Jiangxi Tonry New Energy Technology Development Co., Ltd., including acceptance draft and loan, in a total amount of RMB427,500,000.00;

The Company and its subsidiary Shanghai Energy New Material Technology Co., Ltd. Have jointly provided the guarantees for the comprehensive line of credit for Jiangxi Tonry New Energy Technology Development Co., Ltd., including line of credit, in a total amount of RMB1,500,000,000.00;

The Company has provided the guarantees for the comprehensive line of credit for its subsidiary Suzhou Green Power New Energy Materials Co., Ltd., including acceptance draft, in a total amount of RMB250,000,000.00;

The subsidiary Yunnan Hongta Plastic Co., Ltd. has provided the guarantee for the comprehensive line of credit of the Company, including line of credit, loan and acceptance draft, in a total amount of RMB100,000,000.00;

The subsidiary Yunnan Dexin Paper Co., Ltd. has provided the guarantee for the comprehensive line of credit of the Company, including line of credit, loan and acceptance draft, in a total amount of RMB46,000,000.00;

The subsidiary Shanghai Energy New Material Technology Co., Ltd. has provided the guarantee for the comprehensive line of credit of the Company, including line of credit, loan and acceptance draft, in a total amount of RMB20,000,000.00;

(2) Acceptance of related party guarantees

The details of the guarantee provided by the shareholders of the Company for the subsidiary Shanghai Energy are as follows:

Guarantor	Amount guaranteed	Commencement date of guarantee	Expiry date of guarantee	Guarantee fully fulfilled
PAUL XIAOMING LEE	1,000,000,000.00	August 14, 2017	August 13, 2025	No
Li Xiaohua	1,000,000,000.00	August 14, 2017	August 13, 2025	No
PAUL XIAOMING LEE	50,000,000.00	September 20, 2017	September 20, 2022	No
Li Xiaohua				
PAUL XIAOMING LEE, YAN MA	200,000,000.00	October 1, 2017	June 30, 2021	No
Li Xiaohua, HUI YANYANG	200,000,000.00	October 1, 2017	June 30, 2021	No
PAUL XIAOMING LEE YAN MA	50,000,000.00	August 18, 2017	August 18, 2024	No

Li Xiaohua, YANYANG HUI	50,000,000.00	August 18, 2017	August 18, 2024	No
PAUL XIAOMING LEE	120,000,000.00			

			Period
Accounts payable	Yuxi Kunshasi Plastic Color Masterbatch Co., Ltd.		

The cash dividends obtained from the restricted shares granted to the incentive objects shall be managed by the Company on behalf of the incentive objects and paid to the incentive objects when the restricted shares are lifted; if the restricted shares cannot be lifted under the plan, they shall be recovered by the Company. The restricted shares granted to the incentive objects due to the conversion of capital reserve fund to share capital, stock dividend and stock split shall be restricted for sale at the same time, and shall not be sold in the secondary market or transferred in other ways. The period of lifting the restriction on sale of such shares is the same as that of lifting the restriction on sale of restricted shares.

During the agreed period, the restricted stock that was not applied for lifting the restricted sale or restricted stock that could not be applied for releasing the restricted sale because of the condition that the sale limit had not been met, the Company will buy back and cancel the restricted stock that the incentive object has not yet lifted.

The release of restricted shares granted shall meet both the Company's performance assessment requirements and individual assessment requirements, as follows:

Company performance assessment requirements

Index of financial performance assessment: net profit growth rate.

For the restricted stocks granted in the plan, in each fiscal year of the period of lifting the sales restriction, the performance appraisal shall be carried out by year and the sales restriction shall be lifted, and the conditions for lifting the sales restriction as the incentive object have been met.

During the validity period of this incentive plan, the financial performance assessment objectives of each year are as follows:

Unlock period	Performance assessment indicators
1st unlock period	Based on the net profit attributable to the parent company in 2016, the growth rate of the net profit attributable to the parent company in 2017 is not less than 5%;
2nd unlock period	Based on the net profit attributable to the parent company in 2016, the growth rate of the net profit attributable to the parent company in 2018 is not less than 7%;
3rd unlock period	Based on the net profit attributable to the parent company in 2016, the growth rate of the net profit attributable to the parent company in 2019 is not less than 9%.

The above "net profit" index refers to the net profit before the incentive cost is deducted.

Personal performance assessment requirements

The incentive object can be unlocked only if it meets the requirements of the Company's performance assessment requirements and personal performance assessment requirements in the previous year, and the specific unlocking percentage is determined according to the individual performance assessment result of the incentive object. The results of individual performance assessment of incentive objects are classified according to four assessment levels: excellent, good, qualified and unqualified. The corresponding scores and the unlocking ratios of each assessment level are as follows:

Score	Ueqrtg×;2	90 Ueqrtg×:2	80 Ueqrtg×92	Score 70
Level	Excellent	Good	Pass	Unqualified
Unlocking ratios	100%	80%	50%	0

Determination method of fair value of equity instruments on the date of grant	For the senior managers, the international Black-Scholes model is adopted, except the other incentive objects of senior managers, the fair value is granted by the closing price of the grant day
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contract (to December 31, 2021). It is not allowed to resign unilaterally or leave the Company in other ways or use the existing technology and newly created technology for any third party. Otherwise, it will not have the right to enjoy the partner rights and interests obtained in Zhuhai Hengjie. All partner rights and interests will be owned by Zhuhai Hengjie, which is deemed as the agreed service period. Therefore, the above equity incentive will be confirmed by stages from April 2017 to December 2021. To sum up, during January-December 2017, the Company confirmed the share based payment fee of RMB13,859,242.11, the Company confirmed the share based payment fee of RMB18,478,989.48 in 2018, and the Company confirmed the share based payment fee of 8,472y f

(2) Where the Company has no significant contingencies to disclose, description is also required:

The Company has no significant contingencies to disclose.

(3) Other information required by the guidelines for information disclosure of automobile manufacturing related industries

Amount of sales adopting mortgage sales, finance lease and other models accounts for more than 10% of operating income

"Cr rnkcdng" N/A

Guarantees provided by the Company to distributors

"Cr rnkcdng" N/A

3. Others

XV. Events Subsequent to the Balance Sheet Date

1. Important non-adjusting events

Unit: RMB

Item	Content	Effects on financial conditions and operating results	Reasons for inestimable effects
Important external investments	(1) Under the 21st meeting of the 4th Board of Directors of the Company and the 2021 2nd Extraordinary General Meeting of the Company, the Company was approved to make and enter into the Agreement on the Investment in Projects of Changshou Economic and Technological Development Zone with the administrative committee of Changshou Economic and Technological Development Zone. Under the C i t g g o g p v . " v j g " E q o r c p { @ u " n g x g n " 4 " u w d u k f k c t { " U j c p i j c k " Energy planned to invest in the 16 high-performance		

increase of RMB22.84 million and RMB41.16 million to Jiangxi Mingyang New Material Technology Co., Ltd. (Jiangxi Mingyang), which was a wholly-owned subsidiary of Shanghai Energy incorporated on January 20, 2021. Following the capital increase, Jiangxi Mingyang would be a joint venture company, 51% equity of which would be held by Shanghai Energy and 49% held by Polypore Hong Kong. The total investments to Jiangxi Mingyang made by the two parties would increase to RMB250 million. Upon the first capital increase, Shanghai Energy and Polypore Hong Kong made another capital increase to Jiangxi Mingyang. After that, the registered capital of Jiangxi Mingyang would increase to RMB454 million, with the total investment up to RMB1.36 billion. The source for the increase was raised. On February 24, 2021, Shanghai Energy, Jiangxi Mingyang made and entered into the Novation Agreement with Polypore Hong Kong, PPO Energy Storage Materials HK, Ltd. Under the Agreement, Polypore Hong Kong shall irrecoverably transfer all the rights, ownership, interests, obligations and liabilities under the original agreement to PPO Energy Storage Materials HK, Ltd. Accordingly, PPO Energy Storage Materials HK, Ltd. Shall undertake all related matters of Polypore Hong Kong as one party of the original agreement instead of Polypore Hong Kong. As of the issue date of the report, Shanghai Energy had not made contributions to Jiangxi Mingyang.

(3) Under the 23rd meeting of the 4th Fourth Board of Directors of the Company, Jiangxi Mingyang New Material Technology Co., Ltd., a wholly-owned subsidiary of Shanghai Energy, was approved to make and enter into the Contract on Building the Lithium Battery Separator

2. Profit distribution

3. Sales return

4. Other events subsequent to the balance sheet date

XVI. Other Significant Events

1. Correction of previous accounting errors: None

2. Debt restructuring: None

3. Assets exchange: None

4. Annuity plan: None

5. Discontinuation of operation: None

6. Segment information

(1) Determination basis and accounting policy of reporting segments

The Company determines the business segment based on its internal organizational structure, management requirements and internal reporting system. The operating segments of the Company refer to the components meeting the following conditions at the same time:

The component can generate income and expenses in daily activities;

The management can regularly evaluate the operation results of the component to decide to allocate resources to it and evaluate its performance;

The relevant accounting information can be obtained from the financial status, operating results and cash flow of the component.

The Company determines the reporting segment based on the operating segment, and the operating segment meeting one of the following conditions is determined as the reporting segment:

The segment revenue of the business segment accounts for 10% or more of the total revenue of all segments.

The absolute profit (loss) of the division accounts for 10% or more of the absolute sum of the total profits of all profit segments or the total amount of all deficit segment losses.

According to the accounting policy, the proportion of the total revenue from the external revenue of the business segment of the reporting division determined by the above accounting policy does not reach 75% of the total revenue, increasing the number of reporting segments, and bringing the other non reporting divisions into the reporting segment according to the following provisions, reaching the proportion of 75%:

The management considers the disclosure of the business segment information to be a useful reporting segment for the accounting information users.

The business segment is merged with one or more other business segments which have similar economic characteristics and meet the merger conditions of the business segment as a reporting division.

The transfer price between segments is determined by referring to the market price, and the assets and related expenses used together with each segment are distributed among different segments according to the income

proportion.

The report segments of the Company are all business units providing different products and services. As various businesses require different technologies and market strategies, the Company independently manages the production and operation activities of each reporting segment, and separately evaluates its operating results to determine its allocation of resources and evaluate its performance.

The Company has 2 reporting segments: the lithium battery separator film business segment and the BOPP film business segment. The lithium battery separator film business segment is responsible for the production of lithium battery separator film, which is mainly used for the production of power car batteries and 3C product batteries; the BOPP film business segment is responsible for the production of BOPP film, which is mainly used for the outer packaging of cigarette boxes, food and other products.

(2) Financial information of reporting segments

Unit: RMB

Item	Lithium battery separation film business segment	
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(3) If the Company has no reporting segment or the total assets and total liabilities of the reporting segments cannot be disclosed, please explain the reason

(4) Other explanations

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8. Others

XVII. Notes to Major Items of Financial Statements of the Parent Company

Less than 1 year (inclusive)	14,082,469.16
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(1) Interest receivable: None

(2) Dividends receivable

1) Dividends receivable by type

Unit: RMB

Project (or investee)	Closing balance	Opening balance
Yunnan Dexin Paper Co., Ltd.	137,500,000.00	157,500,000.00
Shanghai Energy New Material Technology Co., Ltd.	103,040,000.00	45,040,000.00
Yunnan Hongta Plastic Co., Ltd.	500,000.00	70,000,000.00
Total	241,040,000.00	272,540,000.00

2) Major dividend receivable aged over one year: None

3) Provision for bad debts

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Other explanations:

(3) Other receivables

1) Other receivables by nature

Unit: RMB

Nature of amount	Book balance at the end of the Reporting Period	Book balance at the beginning of the Reporting Period
Equity acquisition		820,000,000.00
Capital lending	3,903,081,382.31	6,166,450.43
Issuing expenses of convertible bonds		1,084,905.66

Deposits and guarantees

Balance of January 1,

Total	--	3,903,417,211.98	--	99.97%	14,608.59
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6) Accounts receivable related to government grants None

7) Other receivables derecognized due to the transfer of financial assets None

8) Amount of assets and liabilities generated by transferring other receivables and continuing to be involved None

3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidies	4,662,093,871.62		4,662,093,871.62	4,167,834,622.62		4,167,834,622.62
Total	4,662,093,871.62		4,662,093,871.62	4,167,834,622.62		4,167,834,622.62

(2) Investments in associates and joint ventures: None

(3) Other explanations

4. Operating income and operating cost

Unit: RMB

Item	Amount for current period		Amount for previous period	
	Income	Cost	Income	Cost
Main businesses	215,805,133.19	151,401,585.18	363,757,839.43	259,160,659.85
Other businesses	18,818,801.97	16,821,297.47	71,738,130.71	67,682,220.14
Total	234,623,935.16	168,222,882.65	435,495,970.14	326,842,879.99

Information related to performance obligations:

The Company has transferred the main risks and rewards of ownership of the goods to the buyer; the Company does not retain the right of continuous management related to the ownership, nor effectively control the sold goods; the amount of revenue can be reliably measured; the relevant economic benefits are likely to flow into the enterprise; when the relevant costs incurred or to be incurred can be reliably measured, the revenue from commodity sales is recognized.

The timing of revenue recognition of the Company for major products is as fol

Government subsidies recognized in current gains or losses (except for those closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	139,305,009.71	Due to increase in investment in the production line of lithium-ion battery separator film, the local government gave policy support.
Profit generated for the costs of the Company in the acquisition of subsidiaries, associates or joint ventures are lower than the hckt"xcnwg"qh"vjg"Eq o rcp{ø"ujctg"kp"vjg"kf gpkhkdng"pgv"cuugvu" of the investees	673,727.72	
Gains or losses on entrusted investments or assets management	7,111,089.67	
Gains or losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities and investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments, excluding the effective hedging business related to the Eq o rcp{ø"pqt o cn"dwukpguu"qr gtcvkqpu	10,951,914.18	

(2) Differences between the net profit and the net assets in the financial statements disclosed in accordance with overseas accounting standards and in accordance with Chinese accounting standards at the same time

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(3) Descriptions of reasons for accounting data differences occurring under domestic and foreign accounting standards; if adjustment is made for data audited by an overseas audit institution, the name of the institution shall be provided

4. Others

Section 13 Documents Available for Inspection

- I. Financial statements signed and sealed by the legal representative, the person in charge of finance and the person in charge of the accounting department of the Company.
- II. The original copy of audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant.
- III. The original copies of all documents and announcements of the Company which have been publicly disclosed in newspapers designated by the China Securities Regulatory Commission during the Reporting Period.
- IV. The original text of the 2020 annual report signed by the chairman of the Board of Directors.
- V. The place