Shenzhen Textile (Holdings) Co., Ltd.

Auditor’s Report

Grant Thornton International Ltd（Special General Partnership）

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Auditor' s Report

Zhi Tong Shen Zi（2021）No.441A002830

To all shareholders of Shenzhen Textile (Holdings) Co., Ltd:

I. Opinion

We have audited the financial statements of Shenzhen Textile (Holdings) Co., Ltd . (hereinafter referred to as "the Company"), which comprise the balance sheet as at December 31, 2020, and the income statement, the statement of cash flows and the statement of changes in owners' equity for the year then ended and notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises and present fairly the financial position of the Company as at December 31, 2020 and its operating results and cash flows for the year then ended.

II. Basis for Our Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants in China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. According to the Code of Ethics for Chinese CPA, we are independent of the Company in accordance with the Code of Ethics for Chinese CPA and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(I) Recognition of revenue

Please refer to Note III, 26 and Note V, 35 to the financial statement for details of the relevant information disclosure.

1.Description of matters

The operating income of Shenzhen Textile in 2020 was RMB 2,108,964,700, of which the main business income was RMB 2,097,432,900, accounting for 99.45%. As revenue is one of the key performance indicators of Shenzhen Textile, there is inherent risk that the Company's management manipulates revenue recognition in order to achieve specific goals or expectations, and since the main business income is large, we identify revenue recognition as a key audit item.

2. Response to the audit

For revenue recognition, we mainly implemented the following audit procedures:

(1) Understand, evaluate and test the design effectiveness and operation effectiveness of internal control related to sales revenue cycle;

(2) Obtain the main sales contracts according to the products and business types, check the relevant clauses related to revenue recognition, and interview the management to evaluate whether the revenue recognition meets the requirements of accounting standards;

(3) Implement analytical procedures, compare the changes of income between this year and last year according to product types, observe the fluctuations of income between months and the changes of important customers in this period, and analyze the rationality of income changes based on factors such as the company's production capacity, market expansion and industry trends;

(4) Perform detailed tests to check whether the basis related to sales revenue recognition is sufficient, including checking sales contracts or performing detailed tests, including checking sales contracts or orders, delivery orders, customs declarations and other supporting documents, evaluate the authenticity and accuracy of revenue recognition, and evaluate the authenticity and accuracy of revenue recognition;

(5) Perform cut-off test to evaluate whether income is recorded in the proper accounting period;

(6) Select samples from major customers on this recognition procedures, and perform alternative tests on the non-replied parts to judge the authenticity of sales revenue.

(II) Inventory falling price reserves

Please refer to Note III, 12 and Note V, 8 to the financial statement for details of the relevant information disclosure.

1.Description of matters

As of December 31, 2020, the balance of inventory depreciation reserve of Shenzhen Textile is RMB 75,474,600. As the inventory depreciation reserve and its changes have a significant influence on the financial statements, the determination of the net realizable value of inventory involves the major judgment and estimation of the management, so we identify the inventory depreciation reserve as a key audit item.

2. Response to the audit

The audit process implemented for inventory falling price reserves includes mainly:

(1) Understand, evaluate and test the design and operation effectiveness of internal control related to inventory depreciation reserve;

(2) Understand and evaluate the appropriateness of the Company's accrual policy for inventory depreciation reserve;

(3) Understand and inquire about inventory storage location and inventory accounting method, and determine the scope of inventory supervision; Implement inventory supervision procedures to check whether the inventory is damaged, obsolete, outdated, defective, etc.;

(4) Obtain the inventory year-end inventory age list, and carry out analytical review of inventory age according to the status of products to analyze whether the inventory depreciation reserve is reasonable;

(5) Review and evaluate the rationality of the major estimates made by the management when determining the net realizable value;

(6) Obtain the calculation table of inventory depreciation reserve, check whether the accrual of inventory depreciation reserve is implemented according to relevant accounting policies, and recalculate the

inventory depreciation reserve; Check the changes of inventory depreciation accrued in previous years, evaluate the rationality of estimated selling price and estimated related taxes and fees as key parameters of net realizable value, review the sufficiency of basis of estimated selling price, and analyze the rationality of inventory depreciation reserve.

IV. Other information

The management of the Company is responsible for the other information. The other information comprises information of the Company's annual report in 2019, but excludes the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

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

The Company's management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. Auditor's Responsibilities for the Audit of the 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, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Company.

(4) Conclude on the appropriateness of using the going concern assumption by the management of the Company, and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements and bear all liability for the opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit matters, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, 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

Grant Thornton International Ltd.(Special General Partnership ）

Chinese C.P.A.:
Project Partner

Chinese C.P.A.:

Beijing China

March 10,2021

Balance Sheet(Consolidated and Parent)

December 31,2020

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

In RMB

Iterms	Note V	December 31,2020		December 31,2019	
		Consolidated	Parent	Consolidated	Parent
Current asset:					
Monetary fund	（1）	279,087,236.95	113,560,327.21	409,564,847.52	27,979,338.37
Transactional financial assets	（2）	684,617,260.06	514,277,000.82	830,000,000.00	650,000,000.00
Notes receivable	（3）	16,813,657.28		40,424,601.97	
Account receivable	（4）	547,310,217.90	1,461,400.20	365,325,029.38	522,931.04
Financing of receivables	（5）	102,051,314.08		17,933,597.98	
Prepayments	（6）	16,902,516.39	18,706.17	18,445,857.53	768,099.94
Other account receivable	（7）	5,265,002.71	7,450,934.40	12,440,761.13	17,039,506.00
Incl：Interest receivable				7,610,043.19	7,329,228.31
Dividend receivable					
Inventories	（8）	480,847,581.44	8,808.00	391,717,935.12	
Assets held for sales					
Non-current asset due within 1 year					
Other current asset	（9）	77,482,083.47		140,821,609.72	
Total of current assets		2,210,376,870.28	636,777,176.80	2,226,674,240.35	696,309,875.35
Non-current assets:					
Debt investment					
Other investment on bonds					
Long-term receivable					
Long term share equity investment	（10）	147,929,137.2	2,103,977,343	152,209,929.7	2,102,430,511

		3	.32	2	.88
Other equity instruments investment	（11）	190,607,427.54	177,142,433.45	248,781,946.73	206,816,952.64
Other non-current financial assets	（12）	30,650,943.40			
Property investment	（13）	110,572,471.92	101,644,481.93	112,730,320.90	107,199,622.80
Fixed assets	（14）	790,183,905.38	21,876,099.34	903,229,077.83	25,500,695.77
Construction in progress	（15）	1,301,750,141.12		839,866,275.92	19,552.00
Production physical assets					
Oil & gas assets					
Intangible assets	（16）	36,048,978.91	492,923.62	36,517,996.34	659,937.75
Development expenses					
Goodwill	（17）				
Long-term expenses to be amortized	（18）	2,876,561.53		2,692,750.67	800,858.17
Deferred income tax asset	（19）	5,243,425.26	5,097,360.00	5,618,026.43	5,466,478.06
Other non-current asset	（20）	143,307,689.66	96,871,196.43	3,079,321.10	
Total of non-current assets		2,759,170,681.95	2,507,101,838.09	2,304,725,645.64	2,448,894,609.07
Total of assets		4,969,547,552.23	3,143,879,014.89	4,531,399,885.99	3,145,204,484.42

Legal Representative: Person-in-charge of the accounting work: Person-in -charge of the accounting organ:

Balance Sheet(Consolidated and Parent)-continued

December 31,2020

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

In RMB

Iterms	Note V	December 31,2020		December 31,2019	
		Consolidated	Parent	Consolidated	Parent
Current liabilities:					
Short-term loans					
Transactional financial liabilities					
Notes payable					
Account payable	(21)	329,468,601.90	411,743.57	241,297,770.64	411,743.57
Advance receipts	(22)	3,542,394.33	2,875,936.58	30,530,117.62	2,878,936.58
Contract liabilities	(23)	279,631.27			
Employees’ wage payable	(24)	55,642,549.53	14,824,723.81	38,556,180.20	11,910,175.11
Tax payable	(25)	12,198,522.02	11,497,591.21	22,545,550.33	20,801,961.18
Other account payable	(26)	156,118,440.42	95,023,378.12	152,645,780.14	119,984,209.60
Incl:Interest payable					
Dividend payable					
Liabilities held for sales					
Non-current liability due within 1 year					
Other current liability					
Total of current liability		557,250,139.47	124,633,373.29	485,575,398.93	155,987,026.04
Non-current liabilities:					
Long-term loan	(27)	343,100,174.35			
Bond payable					
Long-term payable					

Expected liabilities					
Deferred income	(28)	110,740,322.21	500,000.00	121,264,571.22	600,000.00
Deferred income tax liability	(19)	59,141,666.58	56,150,418.06	69,944,345.66	66,953,097.14
Other non-current liabilities					
Total non-current liabilities		512,982,163.14	56,650,418.06	191,208,916.88	67,553,097.14
Total of liability		1,070,232,302.61	181,283,791.35	676,784,315.81	223,540,123.18
Owners' equity:	(29)	507,772,279.00	507,772,279.00	509,338,429.00	509,338,429.00
Share capital	(30)	1,967,514,358.53	1,583,307,509.86	1,974,922,248.03	1,589,869,499.36
Less：Shares in stock	(31)	7,525,438.20	7,525,438.20	16,139,003.40	16,139,003.40
Other comprehensive income	(32)	116,605,932.42	107,632,186.85	119,737,783.31	110,764,037.74
Special reserve					
Surplus reserves	(33)	94,954,652.14	94,954,652.14	90,596,923.39	90,596,923.39
Retained profit	(34)	86,912,390.50	676,454,033.89	49,307,764.03	637,234,475.15
Total of owner’s equity belong to the parent company		2,766,234,174.39	2,962,595,223.54	2,727,764,144.36	2,921,664,361.24
Minority shareholders’ equity		1,133,081,075.23		1,126,851,425.82	
Total of owners' equity		3,899,315,249.62	2,962,595,223.54	3,854,615,570.18	2,921,664,361.24
Total of liabilities and owners' equity		4,969,547,552.23	3,143,879,014.89	4,531,399,885.99	3,145,204,484.42

Legal Representative: Person-in-charge of the accounting work: Person-in -charge of the accounting organ:

Income Statement(Consolidated and Parent)

2020

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

In RMB

Iterms	Note V	Year 2020		Year 2019	
		Consolidated	Parent	Consolidated	Parent
I. Income from the key business	(35)	2,108,964,687.80	61,296,888.21	2,158,184,855.71	123,585,753.10
Less:Business income	(35)	1,814,298,395.02	10,666,274.44	1,973,495,608.35	60,654,551.98
Business tax and surcharge	(36)	7,347,125.65	2,435,257.11	8,466,143.40	3,088,345.17
Sales expense	(37)	28,644,230.87	-	20,785,078.66	
Administrative expense	(38)	105,094,934.36	38,680,586.21	96,870,842.37	38,275,813.43
R & D expense	(39)	67,160,964.22	-	53,178,714.33	
Financial expenses	(40)	8,287,888.28	-1,020,628.37	15,862,799.64	-2,114,743.82
Including：Interest expense		234,815.67	13,780.96	4,893,018.58	476,191.57
Interest income		3,702,735.59	1,012,329.64	8,593,894.58	2,611,348.37
Add：Other income	(41)	29,506,252.69	117,006.72	27,547,902.92	106,720.83
Investment gain（“-”for loss）	(42)	22,599,670.74	35,656,479.65	78,038,530.25	68,053,467.35
Including: investment gains from affiliates		-3,446,613.86	-3,964,766.27	-7,404,083.27	-7,404,083.27
Financial assets measured at amortized cost cease to be recognized as income					
Net exposure hedging income					
Changing income of fair value	(43)	2,687,518.74	392,767.12		
Credit impairment loss	(44)	-10,394,533	-799,858.92	7,005,890.93	-194,490.83

		.65			
Impairment loss of assets	(45)	-72,412,477.63	-95,343.40	-97,172,532.71	
Assets disposal income	(46)	276,544.73	286,963.56	3,967.97	280.00
III. Operational profit（"-"for loss）		50,394,125.02	46,093,413.55	4,949,428.32	91,647,763.69
Add ：Non-operational income	(47)	1,445,662.38	562,910.99	5,003,548.34	146,868.07
Less: Non-operating expense	(48)	138,421.27	27,244.40	420,575.07	
IV. Total profit("-"for loss)		51,701,366.13	46,629,080.14	9,532,401.59	91,794,631.76
Less：Income tax expenses	(49)	8,203,720.98	7,746,152.13	28,059,080.22	25,628,936.32
V. Net profit		43,497,645.15	38,882,928.01	-18,526,678.63	66,165,695.44
(I) Classification by business continuity					
1.Net continuing operating profit		43,497,645.15	38,882,928.01	-18,526,678.63	66,165,695.44
2.Termination of operating net profit					
(II) Classification by ownership					
1.Net profit attributable to the owners of parent company		37,267,995.74	38,882,928.01	19,679,910.43	66,165,695.44
2.Minority shareholders' equity		6,229,649.41		-38,206,589.06	
VI. Net after-tax of other comprehensive income		-3,131,850.89	-3,131,850.89	-52,500,997.28	-52,500,997.28
Net of profit of other comprehensive income attributable to owners of the parent company		-3,131,850.89	-3,131,850.89	-52,500,997.28	-52,500,997.28
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		-2,815,824.67	-2,815,824.67	-52,715,913.64	-52,715,913.64
1.Re-measurement of defined benefit plans of changes in net debt or net assets					
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.					

3.Changes in the fair value of investments in other equity instruments		-2,815,824.67	-2,815,824.67	-52,715,913.64	-52,715,913.64
4.Changes in the fair value of the company's credit risks					
5.Other					
(II) Other comprehensive income that will be reclassified into profit or loss		-316,026.22	-316,026.22	214,916.36	214,916.36
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.					
2.Changes in the fair value of investments in other debt obligations					
3.Gains and losses from changes in fair value available for sale financial assets					
4.Other comprehensive income arising from the reclassification of financial assets					
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets					
6.Allowance for credit impairments in investments in other debt obligations		-316,026.22	-316,026.22	214,916.36	214,916.36
7. Reserve for cash flow hedges					
8.Translation differences in currency financial statements					
9.Other					
Net of profit of other comprehensive income attributable to Minority shareholders' equity					
VII. Total comprehensive income		40,365,794.26	35,751,077.12	-71,027,675.91	13,664,698.16
Total comprehensive income attributable to the owner of the parent company		34,136,144.85	35,751,077.12	-32,821,086.85	13,664,698.16
Total comprehensive income attributable minority shareholders		6,229,649.41		-38,206,589.06	
VIII. Earnings per share					

(I)Basic earnings per share		0.07		0.04	
(II)Diluted earnings per share		0.07		0.04	

Legal Representative: Person-in-charge of the accounting work: Person-in -charge of the accounting organ:

Cash flow statement(Consolidated and Parent)

2020

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

In RMB

Iterms	Note V	Year 2020		Year 2019	
		Consolidated	Parent	Consolidated	Parent
I.Cash flows from operating activities:					
Cash received from sales of goods or rending of services		1,827,292,276.43	64,167,036.73	2,239,603,149.40	76,051,827.26
Tax returned		116,428,895.93	-	37,887,179.50	
Other cash received from business operation	(50)	123,408,000.43	6,524,378.62	61,696,291.74	16,144,244.57
Sub-total of cash inflow		2,067,129,172.79	70,691,415.35	2,339,186,620.64	92,196,071.83
Cash paid for purchasing of merchandise and services		1,742,576,211.51	4,462,365.49	1,664,396,359.07	5,479,277.51
Cash paid to staffs or paid for staffs		181,692,353.93	27,619,751.65	163,768,856.39	22,463,068.76
Taxes paid		43,712,017.07	34,788,061.46	31,514,698.29	20,712,126.49
Other cash paid for business activities	(50)	97,217,657.52	8,944,859.88	96,360,918.39	25,827,850.33
Sub-total of cash outflow from business activities		2,065,198,240.03	75,815,038.48	1,956,040,832.14	74,482,323.09
Net cash generated from /used in operating activities		**1,930,932.76**	**-5,123,623.13**	**383,145,788.50**	**17,713,748.74**
II. Cash flow generated by investing:					
Cash received from investment retrieving		6,437,640.00	6,437,640.00	60,428,769.00	72,428,769.00
Cash received as investment gains		2,908,856.94	1,957,306.47	5,821,323.94	2,715,003.90
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		2,800,914.39	2,759,267.00	298,580.00	34,500.00
Net cash received from disposal of subsidiaries or other operational		-	-		

units					
Other investment-related cash received	(50)	3,240,861,003.37	1,623,459,188.57	4,164,457,418.70	1,448,303,833.93
Sub-total of cash inflow due to investment activities		3,253,008,414.70	1,634,613,402.04	4,231,006,091.64	1,523,482,106.83
Cash paid for construction of fixed assets, intangible assets and other long-term assets		564,014,103.94	2,528,077.97	618,799,656.48	10,991,096.71
Cash paid as investment		-	3,555,968.96		
Net cash received from subsidiaries and other operational units		-	-		
Other cash paid for investment activities	(50)	3,008,065,275.20	1,530,015,275.20	4,556,430,000.00	1,580,000,000.00
Sub-total of cash outflow due to investment activities		**3,572,079,379.14**	**1,536,099,322.13**	**5,175,229,656.48**	**1,590,991,096.71**
Net cash flow generated by investment		-319,070,964.44	98,514,079.91	-944,223,564.84	-67,508,989.88
III.Cash flow generated by financing:					
Cash received as investment gains					
Including: Cash received as investment from minor shareholders					
Cash received as loans		342,660,000.00		86,033,453.75	
Other financing –related cash received	(50)		6,545,900.00	203,775,154.17	3,806,454.17
Sub-total of cash inflow from financing activities		342,660,000.00	6,545,900.00	289,808,607.92	3,806,454.17
Cash to repay debts				536,552,100.76	
Cash paid as dividend, profit, or interests		3,511,622.58	11,231.64	43,473,617.45	356,766.80
Including: Dividend and profit paid by subsidiaries to minor shareholders		-	-		
Other cash paid for financing activities	(50)	9,344,136.30	14,344,136.30	13,791,675.60	11,091,675.60
Sub-total of cash outflow due to financing activities		**12,855,758.88**	**14,355,367.94**	**593,817,393.81**	**11,448,442.40**

Net cash flow generated by financing		329,804,241.12	-7,809,467.94	-304,008,785.89	-7,641,988.23
IV. Influence of exchange rate alternation on cash and cash equivalents		**-2,973,560.67**		**158,915.19**	
V.Net increase of cash and cash equivalents		9,690,648.77	85,580,988.84	-864,927,647.04	-57,437,229.37
Add: balance of cash and cash equivalents at the beginning of term		**268,646,588.18**	**27,979,338.37**	**1,133,574,235.22**	**85,416,567.74**
VI. Balance of cash and cash equivalents at the end of term		278,337,236.95	113,560,327.21	268,646,588.18	27,979,338.37

Legal Representative: Person-in-charge of the accounting work: Person-in -charge of the accounting organ:

Consolidated Statement on Change in Owners' Equity

2020

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

In RMB

Iterms	Year 2020								
	Owner's equity Attributable to the Parent Company							Minor shareholders' equity	Total of owners' equity
	share capital	Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit		
I.Balance at the end of last year	509,338,429.00	1,974,922,248.03	16,139,003.40	119,737,783.31	-	90,596,923.39	49,307,764.03	1,126,851,425.82	3,854,615,570.18
Add: Change of accounting policy									-
Correcting of previous errors									-
Merger of entities under common control									-
Other									-
II.Balance at the beginning of current year	509,338,429.00	1,974,922,248.03	16,139,003.40	119,737,783.31	-	90,596,923.39	49,307,764.03	1,126,851,425.82	3,854,615,570.18
III.Changed in the current year	-1,566,150.00	-7,407,889.50	-8,613,565.20	-3,131,850.89	-	4,357,728.75	37,604,626.47	6,229,649.41	44,699,679.44
（1）Total comprehensive income				1,562,508.59			37,267,995.74	6,229,649.41	45,060,153.74
（II） Investment or decreasing of capital by owners	-1,566,150.00	-7,407,889.50	-8,613,565.20	-	-	-	-	-	-360,474.30

1．Ordinary Shares invested by shareholders									-
2．Amount of shares paid and accounted as owners' equity									-
3．Other	-1,566,150.00	-7,407,889.50	-8,613,565.20						-360,474.30
（III）Profit allotment	-	-	-	-	-	3,888,292.80	-3,888,292.80	-	-
1.Providing of surplus reserves						3,888,292.80	-3,888,292.80		-
2．Allotment to the owners (or shareholders)									-
3．Other									-
(IV) Internal transferring of owners' equity	-	-	-	-4,694,359.48	-	469,435.95	4,224,923.53	-	-
1. Capitalizing of capital reserves (or to capital shares)									-
2. Capitalizing of surplus reserves (or to capital shares)									-
3. Making up losses by surplus reserves.									-
4.Change amount of defined benefit plans that carry forward				-4,694,359.48		469,435.95	4,224,923.53		

retained earnings									
5.Other									-
(V) Special reserves	-	-	-	-	-	-	-	-	-
1. Provided this year									-
2．Used this term									-
（VI）Other									-
IV. Balance at the end of this term	507,772,279.00	1,967,514,358.53	7,525,438.20	116,605,932.42	-	94,954,652.14	86,912,390.50	1,133,081,075.23	3,899,315,249.62

Legal Representative: Person-in-charge of the accounting work: Person-in -charge of the accounting organ:

Consolidated Statement on Change in Owners' Equity

2019

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

In RMB

Year 2019								
Owner's equity Attributable to the Parent Company							**Minor shareholders' equity**	**Total of owners' equity**
share capital	**Capital reserves**	**Less: Shares in stock**	**Other Comprehensive Income**	**Specialized reserve**	**Surplus reserves**	**Retained profit**		
511,274,149.00	1,865,716,983.63	27,230,679.00	1,339,208.41		80,004,803.23	-57,774,473.41	1,086,150,534.88	3,459,480,526.74
			170,899,572.18		3,975,550.61	35,779,955.53		210,655,078.32
								-
								-
								-
511,274,149.00	1,865,716,983.63	27,230,679.00	172,238,780.59	-	83,980,353.84	-21,994,517.88	1,086,150,534.88	3,670,135,605.06
-1,935,720.00	109,205,264.40	-11,091,675.60	-52,500,997.28	-	6,616,569.55	71,302,281.91	40,700,890.94	184,479,965.12
			5,737,943.75			19,679,910.43	-38,206,589.06	-12,788,734.88
-1,935,720.00	-9,155,955.60	-11,091,675.60	-	-	-	-	-	-
								-
								-
-1,935,720.00	-9,155,955.60	-11,091,675.60						-
-	-	-	-	-	6,616,569.55	-6,616,569.55	-	-
					6,616,569.55	-6,616,569.55		-
								-
								-
-	-	-	-58,238,941.03	-	-	58,238,941.03	-	-

								-
								-
								-
			-58,238,941.03			58,238,941.03		
								-
-	-	-	-	-	-	-	-	-
								-
								-
	118,361,220.00						78,907,480.00	197,268,700.00
509,338,429.00	1,974,922,248.03	16,139,003.40	119,737,783.31	-	90,596,923.39	49,307,764.03	1,126,851,425.82	3,854,615,570.18

Legal Representative: Person-in-charge of the accounting work: Person-in -charge of the accounting organ:

Notes to financial statements

I. Basic Information of the Company

1.Company profile

Shenzhen Textile (Group) Co., Ltd. (hereinafter referred to as "Company" or "the Company") is a joint-stock company registered in Guangdong Province with a registered capital of RMB 511.274149 million and a unified social credit code of 91440300192173749Y. The Company has publicly issued RMB common shares (A shares) and domestic listed foreign shares (B shares) to the public at home and abroad, and listed and traded them. The Company is headquartered address are 6/F,Shenfang Building, No.3 Huaqiang Road. North, Futian District, Shenzhen.

The company was previously the Shenzhen Textile Industry Company, on April 13, 1994, approved by the Letter(1994)No.15 issued by Shenzhen Municipal People's Government, the Company was restructured and named as Shenzhen Textile (Group) Co., Ltd. ， As of December 31, 2020, the Company has issued a total of 507,772,279.00 shares.

The Company has established the corporate governance structure of General Meeting of Shareholders, Board of Directors and Board of Supervisors, and currently has the Board Office, Office, Strategic Development Department, Operation and Management Department, Finance Department, Audit Department, Human Resources Department and other departments.

the Company is mainly engaged in high-tech industry focusing on R&D, production and marketing of polarizers for liquid crystal display, management of properties in bustling business districts of Shenzhen and reserved high-class textile and garment business.

The financial statements have been authorized for issuance of the 2n meeting of the 8th Board of Directors of the Group on March 10,2021.

2.Scope of consolidated financial statements

As of December 31, 2020, A total of 8 subsidiaries of the Company are included in the scope of consolidation. For details, please refer to Note VII "Rights and Interests in Other Subjects". The consolidation scope of the Company this year has increased by one compared with the previous year. For details, please refer to Note VI "Change of Consolidation Scope".

II.Basis for the preparation of financial statements

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

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

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

III. Important accounting policies and estimations

According to its own production and operation characteristics, the Company determines the policies of depreciation of fixed assets, amortization of intangible assets and revenue recognition. See Note III. 16, III. 19 and III. 26 for specific accounting policies.

1. Statement on complying with corporate accounting standards

This financial statement conforms to the requirements of Accounting Standards for Business Enterprises, and truly and completely reflects the combination and financial status of the Company on December 31, 2020, as well as the combination and operating results and cash flow of the Company in 2020.

2.Fiscal Year

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

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Accounting standard money

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

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

（1）Enterprise merger under same control：

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

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

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

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

(2) Business combination involving entities not under common control

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

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

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

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

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

(3) Treatment of transaction costs in business combination

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

6 .Compilation method of consolidated financial statements

(1)The scope of consolidation

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

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

(2) Compilation method of consolidated financial statements

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

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

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

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

(3) Acquisition of minority shareholders' equity of subsidiaries

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

(4) Treatment of losing control over subsidiaries

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

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

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

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

(1) Joint operation

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

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

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

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

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

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

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

(2) Joint venture

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

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

8.Recognition Standard of Cash & Cash Equivalents

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

9.Foreign currency transaction

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

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

10.Financial instruments

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

(1) Recognition and derecognition of financial instruments

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

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

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

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

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

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

(2) Classification and measurement of financial assets

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

Financial assets measured at amortized cost

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

The Company's business model of managing such financial assets is to collect contract cash flow as the goal;

According to the contract terms of the financial asset, the cash flow generated on a specific date is only the payment of principal and interest based on the unpaid principal amount.

After initial recognition, such financial assets are measured in amortized cost by the effective interest rate method. Gains or losses arising from financial assets measured in amortized cost that are not part of any hedging relationship are included in current profits and losses when derecognition, amortization according to the effective interest rate method, or impairment recognition.

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

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

The company's business model of managing the financial assets aims at both collecting contract cash flow and selling the financial assets;

According to the contract terms of the financial asset, the cash flow generated on a specific date is only the payment of principal and interest based on the unpaid principal amount.

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

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

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

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

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

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

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

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

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

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

(3) Classification and measurement of financial liabilities

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

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

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

Financial liabilities measured in amortized cost

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

Distinction between financial liabilities and equity instruments

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

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

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

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

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

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

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

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

(4) Derivative financial instruments and embedded derivative instruments

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

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

(5) Fair value of financial instruments

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

(6) Impairment of financial assets

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

① Financial assets measured at amortized cost;

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

③ Lease receivables;

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

Measurement of expected credit loss

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

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

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

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

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

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

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

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

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

A. Notes receivable

Notes receivable portfolio 1: bank acceptance bill

Notes receivable portfolio 2: commercial acceptance bill

B. Accounts receivable

Accounts receivable portfolio 1: polarizer sales receivable

Accounts receivable portfolio 2: textile and garment sales receivable

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

Accounts receivable portfolio 4: other receivables

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

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

Other receivables

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

Other receivables portfolio: aging portfolio

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

Debt investment and other debt investment

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

Evaluation of significant increase in credit risk

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

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

The debtor fails to pay the principal and interest according to the expiration date of the contract;

Serious deterioration of external or internal credit rating (if any) of financial instruments that has occurred or is expected;

Serious deterioration of the debtor's operating results that has occurred or is expected;

Changes in existing or expected technology, market, economic or legal environment, and significant adverse effects on the debtor's repayment ability of the Company.

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

Financial assets with credit impairment

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

The issuer or debtor has major financial difficulties;

The debtor violates the contract, such as default or overdue payment of interest or principal;

The Company gives concessions that the debtor will not make under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulties;

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

The financial difficulties of the issuer or debtor cause the active market of the financial assets to disappear.

Presentation of expected credit loss provision

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

Cancel after verification

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

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

(7) Transfer of financial assets

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

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

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

(8) Offset of financial assets and financial liabilities

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

11.Fair value measurement

Fair value refers to the price that a market participant must pay to sell or transfer a liability in an orderly transaction that occurs on the measurement date.

The Company measures related assets or liabilities at fair value, assuming that the orderly transaction of selling assets or transferring liabilities is conducted in the main market of related assets or liabilities; If there is no major market, the Company assumes that the transaction will be conducted in the most favorable market of related assets or liabilities. The main market (or the most favorable market) is the trading market that the Company can enter on the measurement day. The Company adopts the assumptions used by market participants to maximize their economic benefits when pricing the assets or liabilities.

If there are financial assets or financial liabilities in an active market, the fair value of the financial assets or financial liabilities shall be determined by the quotation in the active market by the Company. For financial instruments with active market, the Company adopts valuation technology to determine their fair values.

When measuring non-financial assets at fair value, the ability of market participants to apply the assets for the best purpose to generate economic benefits or the ability to sell the assets to other market participants for the best purpose to generate economic benefits shall be considered.

The Company adopts the valuation technology which is applicable in the current situation and supported by sufficient available data and other information, and gives priority to the relevant observable input values, and only uses the unobservable input values when the observable input values are unavailable or impractical.

For assets and liabilities measured or disclosed at fair value in financial statements, the fair value level is determined according to the lowest level input value which is of great significance to fair value measurement as a whole: The first-level input value is the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in an active market; The second-level input value is directly or indirectly observable input value of related assets or liabilities except the first-level input value; The third-level input value is the unobservable input value of related assets or liabilities.

On each balance sheet date, the Company reassesses the assets and liabilities recognized in the financial statements that are continuously measured at fair value to determine whether there is a conversion between the fair value measurement levels.

12.Inventory

1.Investories class

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

(2) Pricing method of issued inventory

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

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

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

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

(4) Inventory system of inventory

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

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

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

13.Held for sale and discontinuing operation

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

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

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

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

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

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

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

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

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

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

② Recoverable amount.

(2) Discontinuing operation

Discontinuing operation refers to the components that have been disposed of by the Company or classified as held-for-sale by the Company and can be distinguished separately, which meet one of the following conditions:

① Such component represents an independent main business or a separate main business area.

② Such component is part of an associated plan to dispose an independent main business or a separate main business area.

③ Such component is a subsidiary acquired for resale.

(3) Presentation

In the balance sheet, the Company presents the non-current assets held for sale or the assets in the disposal group held for sale as "assets held for sale", and presents the liabilities in the disposal group held for sale as "liabilities held for sale".

The Company separately presents the profit and loss from continuing operations and the profit and loss from discontinuing operations in the income statement. For non-current assets or disposal groups held for sale that do not meet the definition of discontinuing operation, the impairment loss, reversal amount and disposal profit and loss are presented as the profit and loss of continuing operations. Operating profit and loss and disposal profit and loss such as impairment loss and reversal amount of discontinuing operation are presented as discontinuing operation profits and losses.

A disposal group that intends to terminate its use instead of selling and meets the conditions of relevant components in the definition of discontinuing operation shall be presented as discontinuing operation from the date when it ceases to use.

For the discontinuing operation reported in the current period, in the current financial statements, the information originally presented as the profits and losses of continuing operation is re-presented as the profits and losses of discontinuing operation in the comparable accounting period. If the discontinuing operation no longer meets the classification conditions of holding for sale, the information originally presented as the profits and losses of discontinuing operation in the current financial statements will be presented again as the profits and losses of continuing operation in the comparable accounting period.

14.Long-term equity investments

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

(1) Determination of initial investment cost

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

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

(2) Subsequent measurement and profit and loss recognition method

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Equity investment held for sale

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

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

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

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

For investment in subsidiaries, associated enterprises and joint ventures, please refer to Note III. 21 for the accrual method for impairment provision.

15.Investment real estate

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

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

For investment real estate that is subsequently measured by cost model, please refer to Note III. 21 for the accrual method of asset impairment.

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

16.Fixed assets

(1) Recognition conditions of fixed assets

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

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

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

(2) Depreciation methods of various fixed assets

The Company adopts the life average method to accrue depreciation. Depreciation of fixed assets begins when they reach the intended usable state, and stops when they are derecognized or classified as non-current assets held for sale. Without considering the impairment provision, according to the category, estimated service life and estimated residual value of fixed assets, the Company determines the annual depreciation rate of various fixed assets as follows:

Category	Expected useful life（Year）	Estimated residual value	Depreciation
House and Building--	35	4.00	2.74
House and	40	4.00	2.40
Decoration of Fixed	10		10.00
Machinery and	10-14	4.00	9.60-6.86
Transportation	8	4.00	12.00
Electronic equipment	8	4.00	12.00
Other equipment	8	4.00	12.00

For the fixed assets with the impairment provision withdrawn, the accumulative amount of the withdrawn fixed assets impairment provision shall be also deducted to calculate and determine the rate of depreciation.

(3) See Note III. 21 for the impairment test method and accrual method for impairment provision of fixed assets.

(4) Identification basis, valuation method and depreciation method of fixed assets leased by financing

Fixed assets leased by the Company shall be recognized as fixed assets acquired under finance leases when they meet one or more of the following criteria:

① Upon expiration of the lease term, the ownership of the leased assets shall be transferred to the Company.

② The Company has the option right to purchase the leased assets, and the concluded purchase price is expected to be far lower than the fair value of the leased assets when exercising the option right. Therefore, the exercise of this option right by the Company can be determined reasonably on the starting date of the lease.

③ Even though the ownership of the assets is not transferred, the lease term accounts for most of the service life of the leased assets.

④ The present value of the minimum lease payment of the Company on the lease start date is almost equal to the fair value of the leased assets on the lease start date.

⑤ In case of special properties of the leased assets and no large alteration, only the Company can use them.

Fixed assets leased by finance lease shall be recorded at the lower of the fair value of the leased assets on the lease start date and the present value of the minimum lease payment. The minimum lease payment is taken as the recorded value of long-term payables, and the difference is taken as unrecognized financing expenses. Initial direct expenses such as handling fees, attorney fees, travel expenses, stamp duty, etc., which occur during the lease negotiation and signing of the lease contract, are included in the value of the leased assets. Unrecognized financing expenses are amortized by the effective interest rate method in each period of the lease term.

Fixed assets leased by financing shall be depreciated by adopting policies consistent with the self-owned fixed assets. If it can be reasonably determined that the ownership of the leased asset will be acquired upon the expiration of the lease term, depreciation shall be accrued within the serviceable life of the leased asset; If it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the serviceable life of the leased asset.

(5) At the end of each year, the Company rechecks the service life, estimated net salvage value and depreciation method of fixed assets.

If the estimated service life is different from the original estimate, the service life of fixed assets shall be adjusted; If the estimated net salvage value is different from the original estimate, the estimated net salvage value shall be adjusted.

(6) Major repair cost

The major repair cost incurred by the Company in carrying out regular inspections of fixed assets, if there is conclusive evidence showing that they meet the conditions for recognition of fixed assets, shall be included in the cost of fixed assets, while those that do not meet the conditions for recognition of fixed assets shall be included in the profits and losses of the current period. Fixed assets shall be depreciated during the interval between regular overhaul.

17.Construction in progress

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

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

See Note III. 21 for the method of depreciation of assets in construction in progress.

18.Borrowing costs

(1) Recognition principle of capitalization of borrowing costs

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

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

② Borrowing costs have already occurred;

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

(2) Capitalization period of borrowing costs

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

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

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

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

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

19.Intangible assets

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

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

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

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

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

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

See Note III. 21 for the method of depreciation of intangible assets.

20.Research and development expenditure

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

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

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

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

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

21. Assets Impairment

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

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

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

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

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

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

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

22.Long-term deferred expenses

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

23. remuneration

(1) Scope of employee remuneration

Employee compensation refers to various forms of remuneration or compensation given by enterprises to obtain services provided by employees or to terminate labor relations. Employee remuneration includes short-term salary, post-employment benefits, dismissal benefits and other long-term employee benefits. Benefits provided by enterprises to spouses, children, dependents, family dependants of deceased employees and other beneficiaries are also employee remuneration.

According to liquidity, employee remuneration is listed in the "Payable Employee Remuneration" and "Long-term Payable Employee Remuneration" in the balance sheet.

(2) Short term remuneration

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

(3) Post-employment benefits

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

Set deposit plan

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

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

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

Set benefit plan

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

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

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

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

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

(4) Dismissal benefits

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

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

(5) Other long-term benefits

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

24. Estimated Liabilities

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

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

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

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

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

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

25.Share-based payment and equity instruments

(1) Types of share-based payment

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

(2) Method for determining fair value of equity instruments

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

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

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

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

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

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

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

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

① Distinction between financial liabilities and equity instruments

According to the contract terms of the issued financial instruments and their economic essence, not only in legal form, but also in combination with the definitions of financial assets, financial liabilities and equity instruments, the Company classifies the financial instruments or their components as financial assets, financial liabilities or equity instruments at the time of initial recognition.

② Accounting treatment of other financial instruments such as preferred shares and perpetual bonds

The financial instruments issued by the Company are initially recognized and measured according to the financial instrument standards; After that, interest is accrued or dividends are distributed on each balance sheet date, which shall be handled according to relevant accounting standards for specific enterprises. That is, to determine the accounting treatment of interest expense or dividend distribution of such instrument based on the classification of issued financial instruments. For financial instruments classified as equity instruments, their interest expenses or dividend distribution are regarded as the profit distribution of the Company, and their repurchase and cancellation are treated as changes in equity; For financial instruments classified as financial liabilities, the interest expense or dividend distribution shall be treated according to the borrowing costs in principle, and the profit or loss arising from repurchase or redemption shall be included in the current profits and losses.

When the Company issues financial instruments, the transaction expenses such as handling fees and commissions, which are classified as debt instruments and measured in amortized cost, are included in the initial measurement amount of the issued instruments; If it is classified as an equity instrument, it will be deducted from equity.

26. Revenue

(1) General principles

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

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

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

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

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

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

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

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

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

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

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

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

⑤ The customer has accepted the goods.

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

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

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

(2) Specific method

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

Polarizer/Textile and garment sales contract:

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

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

Revenue from property/accommodation services:

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

27.Contract costs

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

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

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

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

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

③ The cost is expected to be recovered.

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

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

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

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

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

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

28.Government subsidy

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

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

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

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

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

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

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

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

29.The Deferred Tax Assets / The deferred Tax Liabilities

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

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

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

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

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

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

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

(2) For deductible temporary differences related to investments of subsidiaries, joint ventures and associated enterprises, corresponding deferred income tax assets are recognized if the following conditions are met at the same time: temporary differences are likely to be reversed in the foreseeable future, and taxable income used to offset the deductible temporary differences is likely to be obtained in the future.

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

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

30.Operating lease and financing lease

The Company recognizes the leases that have substantially transferred all risks and rewards related to asset ownership as financial leases, and other leases except financial leases as operating leases.

(1) The Company serves as the lessor

In the financial lease, at the beginning date of the lease term, the Company takes the sum of the minimum lease payment and the initial direct expenses as the recorded value of the financial lease receivable, and records the unsecured residual value; The difference between the sum of the minimum lease payment amount, initial direct expenses and unsecured residual value and its present value is recognized as unrealized financing income. For the unrealized financing income, the current financing income shall be calculated and recognized as per the effective interest method in all periods within the lease term.

For the rent in the operating lease, the Company recognizes the current profits and losses according to the straight-line method in each period of the lease term. The initial direct expenses incurred are included in current profits and losses.

(2) The Company serves as the lessee

In financial leasing, at the beginning date of the lease term, the Company take the lower of the fair value of leased assets and the present value of the minimum lease payment as the recorded value of leased assets, and the minimum lease payment as the recorded value of long-term payables, and the difference between them as unrecognized financing expenses. The initial direct cost shall be included into the value of the leased assets. For the unrecognized financing cost, the current financing cost shall be calculated and recognized as per the effective interest method in all periods within the lease term. The Company adopts the depreciation policy consistent with that of the self-owned fixed assets to withdraw the depreciation of the leased assets.

The rent in the operating lease is included in the relevant asset cost or current profits and losses by the Company according to the straight-line method in each period of the lease term; The initial direct expenses incurred are included in current profits and losses.

(3) Rent concession caused by COVID-19 outbreak

For rent concessions such as rent reduction or exemption and deferred payment reached between the Company and the lessee on the existing lease contract directly caused by the COVID-19 outbreak, and the following conditions are met, the Company adopts simplified methods for leasing houses and buildings:

① The lease consideration after concession is reduced or basically unchanged compared with that before concession, in which the lease consideration is not discounted or is discounted at the discount rate before concession;

② After comprehensive consideration of qualitative and quantitative factors, it is determined that there is no significant change in other terms and conditions of the lease.

The Company does not evaluate whether there is any lease change.

When the Company serves as the lessor, for operating lease, the Company continues to recognize the original contract rent as lease revenue in the same way as before the concession. In case of rent reduction or exemption, the Company will take the reduced rent as contingent rent and offset the lease revenue during the reduction or exemption period. In case of rent reduction or exemption, the Company will take the reduced rent as contingent rent, and when the concession agreement is reached and other rights to collect the original rent are waived, the original recognized lease revenue will be offset.

31.Share repurchase

The repurchased shares of the Company shall be managed as treasury shares before cancellation or transfer, and all expenses for repurchased shares shall be converted into treasury shares cost. Where the consideration and transaction costs paid in share repurchase reduce the owner's equity, when repurchasing, transferring or canceling the Company's shares, the gains or losses are not recognized.

Transfer of treasury stock shall be included in the capital reserve according to the difference between the actually received amount and the book amount of the treasury stock. If the capital reserve is insufficient to offset, the surplus reserve and undistributed profits shall be offset. For write-off of treasury stocks, reduce capital stock according to par value and number of cancelled stocks, and write off capital reserve according to the difference between book balance and par value of cancelled treasury stocks. If capital reserve is insufficient to write off, write off surplus reserve and undistributed profits.

32.Restricted stocks

In the equity incentive plan, the Company grants restricted stocks to the incentive object, and the incentive object subscribes for stocks first. If the unlocking conditions specified in the equity incentive plan are not met later, the Company will repurchase the stocks at the price agreed in advance. If the restricted stocks issued to employees have gone through the registration and other capital increase procedures according to relevant regulations, on the grant date, the Company will recognize the capital stock and capital reserve (capital stock premium) according to the share subscription payment by employees; At the same time, the treasury stocks and other payables are recognized for repurchase obligations.

33.Significant accounting judgments and estimates

Based on historical experience and other factors, including reasonable expectations for future events, the Company continuously evaluates the important accounting estimates and key assumptions adopted. Important accounting estimates and key assumptions that are likely to cause significant adjustment risks to the book value of assets and liabilities in the next fiscal year are listed as follows:

Classification of financial assets

The major judgments involved in determining the classification of financial assets by the Company include the analysis of business model and contract cash flow characteristics.

The Company determines the business model of managing financial assets at the level of financial asset portfolio. The factors considered include the way of evaluating and reporting the financial asset performance to key managers, the risks affecting the financial asset performance and their management methods, and the way of getting remuneration for relevant business managers.

When evaluating whether the contractual cash flow of financial assets is consistent with the basic loan arrangement, the Company focuses on the following main judgments: Whether the time distribution or amount of the principal may change during the duration due to prepayment and other reasons; Whether interest only includes the time value of money, credit risk, other basic borrowing risks, and consideration with costs and profits. For example, whether the prepayment amount only reflects the unpaid principal and interest based on the unpaid principal, and the reasonable compensation paid for the early termination of the contract.

Measurement of expected credit loss of accounts receivable

The Company calculates the expected credit loss of accounts receivable through the default risk exposure and expected credit loss rate of accounts receivable, and determines the expected credit loss rate based on the default probability and loss given default. The Company uses internal historical credit loss experience and other data to determine the expected credit loss rate, and adjusts the historical data based on the current situation and forward-looking information. When considering forward-looking information, the indicators used by the Company include the risk of economic downturn, and changes in external market environment, technical environment and customer conditions. The Company regularly monitors and rechecks the assumptions related to the calculation of expected credit losses.

Deferred income tax assets

Deferred income tax assets shall be recognized for all unused tax losses to the extent that it is likely that there will be enough taxable profits to offset the losses. It requires a lot of judgments from the management to estimate the time and amount of future taxable profits, and to determine the amount of deferred income tax assets that should be recognized based on the tax planning strategies.

Determination of fair value of unlisted equity investment

The fair value of unlisted equity investment is the estimated future cash flow discounted according to the current discount rate of items with similar terms and risk characteristics. This valuation requires the Company to estimate the expected future cash flow and discount rate, so it is uncertain. Under limited circumstances, if the information used to determine fair value is insufficient, or the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of fair value within the range, such cost can represent its proper estimate of fair value within the distribution range.

34.Changes in important accounting policies and accounting estimates

(1) Changes in important accounting policies

① New income standards

The Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.14-Income (Revised) in 2017 (hereinafter referred to as the "New Income Standards"). The Company implemented such Standards from January 1, 2020 after deliberation and approval by the 27th meeting of the Seventh Board of Directors, and adjusted the relevant contents of accounting policies.

The Company has fulfilled the performance obligation in the contract, that is, to recognize the revenue when the customer obtains the control right of related goods or services. When certain conditions are met, the Company will perform its performance obligations within a certain period of time; Otherwise, it will perform its performance obligations at a certain time. If the contract contains two or more performance obligations, the Company will amortize the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation on the contract start date, and measure the revenue according to the transaction price amortized to each individual performance obligation.

The Company has adjusted the relevant accounting policies according to the specific provisions on specific matters or transactions in the new income standards.

The Company has transferred goods to customers and has the right to receive consideration, and such right is listed as contract assets depending on other factors except the passage of time. The Company's obligation to transfer goods to customers for received or receivable consideration from customers is listed as a contractual liability.

According to the cumulative impact of the first implementation of the New Income Standards, the Company adjusted the amount of retained earnings and other related items in the financial statements at the beginning of 2020, but did not adjust the data of the comparative financial statements. The Company only adjusted its retained earnings at the beginning of 2020 and the amount of other related items in the financial statements for the cumulative impact of unfinished contracts on January 1, 2020. Due to the implementation of the New Income Standards, the Company reclassified the advance receipts related to the sales of goods and the provision of labor services as contract liabilities.

Contents and causes of changes in accounting policies	Affected report items	Affected amount (January 1, 2020)
Due to the implementation of the New Income Standards, the Company reclassified the advance receipts related to the sales of goods and the provision of labor services as contract liabilities.	Contract liabilities	2,349,448.90
	Advance receipts	-2,349,448.90

Compared with the original income standards, the impact of implementing the New Income Standards on related items in the 2020 financial statements is as follows:

Affected balance sheet items	Affected amount
Contract liabilities	2,511,466.76
Advance receipts	-2,511,466.76

Affected income statement items	Affected amoun
None	

② Interpretation of Accounting Standards for Business Enterprises No.13

In December 2019, the Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No.13 (CS [2019] No.21) (hereinafter referred to as "Interpretation No.13").

Interpretation No.13 revised the three elements constituting the business, refined the judgment conditions of the business, and introduced the method of "concentration test" to the acquirer of business combination not under the same control when judging whether the acquired operating activities or asset portfolios constitute a business.

Interpretation No.13 clarifies that the related parties of an enterprise include joint ventures or associated enterprises of other common member units (including parent companies and subsidiaries) of the enterprise to which the enterprise is affiliated, and joint ventures or associated enterprises of investors who jointly control the enterprise.

Interpretation No.13 will be implemented as of January 1, 2020, and the Company will adopt the future applicable law for accounting treatment of the above changes in accounting policies.

The adoption of Interpretation No.13 has no significant impact on the financial position, operating results and related party disclosure of the Company.

③ In June 2020, the Ministry of Finance issued the Notice on Printing and Distributing the "Accounting Treatment Regulations for Rent Concessions Due to COVID-19" (CS [2020] No.10), which allows a simplified method for rent concessions due to COVID-19 according to the accounting treatment regulations.

The Company has adopted the simplified method in the accounting treatment regulations (see Notes III. 30. (3)) for the rent concessions related to the house lease since January 1, 2020, and recorded the relevant rent concessions into profit and loss during the concession period or when the relevant rights and obligations are released and abandoned when the concession agreement is reached. The amount of impact of the simplified method on the current profit is RMB 10,113,923.47.

The above simplified treatment method is not applicable to the rent concessions occurred for the Company before January 1, 2020.

II. Changes in accounting estimates

None

（3）Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

Consolidated balance sheet

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Current asset：			
Monetary fund	409,564,847.52	409,564,847.52	
Transactional financial assets	830,000,000.00	830,000,000.00	
Derivative financial assets			
Notes receivable	40,424,601.97	40,424,601.97	

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Account receivable	365,325,029.38	365,325,029.38	
Financing of receivables	17,933,597.98	17,933,597.98	
Prepayments	18,445,857.53	18,445,857.53	
Other account receivable	12,440,761.13	12,440,761.13	
Including：Interest receivable	7,610,043.19	7,610,043.19	
Dividend receivable			
Inventories	391,717,935.12	391,717,935.12	
Contract assets			
Assets held for sales			
Non-current asset due within 1 year			
Other current asset	140,821,609.72	140,821,609.72	
Total of current assets	2,226,674,240.35	2,226,674,240.35	
Non-current assets：			
Creditor's right investment			
Other investment on bonds			
Long-term receivable			
Net assets for defined benefit plan			
Long term share equity investment	152,209,929.72	152,209,929.72	
Other equity instruments investment	248,781,946.73	248,781,946.73	
Other non-current financial assets			
Real estate investment	112,730,320.90	112,730,320.90	
Fixed assets	903,229,077.83	903,229,077.83	
Construction in progress	839,866,275.92	839,866,275.92	
Production physical assets			
Oil & gas assets			
Intangible assets	36,517,996.34	36,517,996.34	

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Development expenses			
Goodwill			
Long-germ expenses to be amortized	2,692,750.67	2,692,750.67	
Deferred income tax asset	5,618,026.43	5,618,026.43	
Other non-current asset	3,079,321.10	3,079,321.10	
Total of non-current assets	2,304,725,645.64	2,304,725,645.64	
Total of assets	4,531,399,885.99	4,531,399,885.99	
Current liabilities			
Short-term loans			
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Account payable	241,297,770.64	241,297,770.64	
Advance receipts	30,530,117.62	28,180,668.72	-2,349,448.90
Contract liabilities		2,349,448.90	2,349,448.90
Employees' wage payable	38,556,180.20	38,556,180.20	
Tax payable	22,545,550.33	22,545,550.33	
Other account payable	152,645,780.14	152,645,780.14	
Including：Interest payable			
Dividend payable			
Liabilities held for sales			
Non-current liability due within 1 year			
Other current liability			
Total of current liability	485,575,398.93	485,575,398.93	
Non-current liabilities：			
Long-term loan			

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Bond payable			
Including：preferred stock			
Sustainable debt			
Long-term payable			
Long-term remuneration payable to staff			
Expected liabilities			
Deferred income	121,264,571.22	121,264,571.22	
Deferred income tax liability	69,944,345.66	69,944,345.66	
Other non-current liabilities			
Total non-current liabilities	191,208,916.88	191,208,916.88	
Total of liability	676,784,315.81	676,784,315.81	
Owners' equity：			
Share capital	509,338,429.00	509,338,429.00	
Other equity instruments			
Including：preferred stock			
Sustainable debt			
Capital reserves	1,974,922,248.03	1,974,922,248.03	
Less：Shares in stock	16,139,003.40	16,139,003.40	
Other comprehensive income	119,737,783.31	119,737,783.31	
Special reserve			
Surplus reserves	90,596,923.39	90,596,923.39	
Retained profit	49,307,764.03	49,307,764.03	
Total of owner's equity belong to the parent company	2,727,764,144.36	2,727,764,144.36	
Minority shareholders' equity	1,126,851,425.82	1,126,851,425.82	
Total of owners' equity	3,854,615,570.18	3,854,615,570.18	
Total of liabilities and owners' equity	4,531,399,885.99	4,531,399,885.99	

Parent Company Balance Sheet

Items	2019.12.31	2020.01.01	Amount involved in the adjustment
Current asset：			
Monetary fund	27,979,338.37	27,979,338.37	
Transactional financial assets	650,000,000.00	650,000,000.00	
Derivative financial assets			
Notes receivable			
Account receivable	522,931.04	522,931.04	
Financing of receivables			
Prepayments	768,099.94	768,099.94	
Other account receivable	17,039,506.00	17,039,506.00	
Including：Interest receivable	7,329,228.31	7,329,228.31	
Dividend receivable			
Inventories			
Assets held for sales			
Non-current asset due within 1 year			
Other current asset			
Total of current assets	696,309,875.35	696,309,875.35	
Non-current assets：			
Creditor's right investment			
Other investment on bonds			
Long-term receivable			
Net assets for defined benefit plan			
Long term share equity investment	2,102,430,511.88	2,102,430,511.88	
Other equity instruments investment	206,816,952.64	206,816,952.64	
Other non-current financial			

Items	2019.12.31	2020.01.01	Amount involved in the adjustment
assets			
Real estate investment	107,199,622.80	107,199,622.80	
Fixed assets	25,500,695.77	25,500,695.77	
Construction in progress	19,552.00	19,552.00	
Production physical assets			
Oil & gas assets			
Intangible assets	659,937.75	659,937.75	
Development expenses			
Goodwill			
Long-germ expenses to be amortized	800,858.17	800,858.17	
Deferred income tax asset	5,466,478.06	5,466,478.06	
Other non-current asset			
Total of non-current assets	2,448,894,609.07	2,448,894,609.07	
Total of assets	3,145,204,484.42	3,145,204,484.42	
Current liabilities			
Short-term loans			
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Account payable	411,743.57	411,743.57	
Advance receipts	2,878,936.58	639,024.58	-2,239,912.00
Contract Liabilities		-2,239,912.00	2,239,912.00
Employees' wage payable	11,910,175.11	11,910,175.11	
Tax payable	20,801,961.18	20,801,961.18	
Other account payable	119,984,209.60	119,984,209.60	
Including：Interest payable			
Dividend payable			

Items	2019.12.31	2020.01.01	Amount involved in the adjustment
Liabilities held for sales			
Non-current liability due within 1 year			
Other current liability			
Total of current liability	155,987,026.04	155,987,026.04	
Non-current liabilities：			
Long-term loan			
Bond payable			
Including：preferred stock			
Sustainable debt			
Long-term payable			
Long-term remuneration payable to staff			
Expected liabilities			
Deferred income	600,000.00	600,000.00	
Deferred income tax liability	66,953,097.14	66,953,097.14	
Other non-current liabilities			
Total non-current liabilities	67,553,097.14	67,553,097.14	
Total of liability	223,540,123.18	223,540,123.18	
Owners' equity			
Share capital	509,338,429.00	509,338,429.00	
Other equity instruments			
Including：preferred stock			
Sustainable debt			
Capital reserves	1,589,869,499.36	1,589,869,499.36	
Less：Shares in stock	16,139,003.40	16,139,003.40	
Other comprehensive income	110,764,037.74	110,764,037.74	
Special reserve			
Surplus reserves	90,596,923.39	90,596,923.39	

Items	2019.12.31	2020.01.01	Amount involved in the adjustment
Retained profit	637,234,475.15	637,234,475.15	
Total of owners' equity	2,921,664,361.24	2,921,664,361.24	
Total of liabilities and owners' equity	3,145,204,484.42	3,145,204,484.42	

IV. Taxes of the Company

1. Main taxes categories and tax rate

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

Name of taxpayer	Income tax rates
Shenzhen Textile (Holdings) Co., Ltd	25%
Shenzhen Lisi Industrial Co., Ltd.	20%
Shenfang Property Management Co., Ltd.	20%
Shenfang Property Management Co., Ltd.	20%
Shenzhen Huaqiang Hotel	20%
Shenzhen Beauty Century Garment Co., Ltd.	20%
SAPO Photoelectric Co., Ltd.	15%
Shenzhen Shenfang Imports & Exports Co., Ltd.	25%
Shengtou （HK）Co., Ltd.	16.5%

2. Tax preference and approval file

(2).In accordance with relevant provisions of the Notice of Ministry of Finance, General Administration of Customs and State Taxation Administration Regarding Tax Preference Policies for Further Supporting the Development of New-type Display Device Industry (Cai Guan Shui (2016) No. 62), Shenzhen Shengbo Optoelectronic Technology Co., Ltd. manufactured key materials and parts for the upstream industry of new-type display devices including colorful light filter coating and polarizer sheet that comply with the planning for independent development of domestic industries may enjoy the preferential policies of exemption fro m import tariff for the import of raw materials and consumables for the purpose of self use and production that can not be produced domestically from January 1, 2016 and December 31, 2020.

SAPO Photoelectric Co., Ltd. the subsidiary company of our company, has been qualified as national high-tech enterprise since 2019 ,High-tech and enterprise certificate No.: GR201944205666 ,The certificate is valid for three years, The enterprise income tax rate of this year is 15%.

Shenzhen Beauty Century Garment Co., Ltd., Shenzhen Huaqiang Hotel Garment Co., Ltd. and Shenzhen Lisi Industrial Development Co., Ltd., subsidiaries of the Company, are all small and low-profit enterprises as stipulated in the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing Inclusive Tax Concession Policy for Small and Micro Enterprises (CS [2019] No.13). For the part of the taxable income of this year that does not exceed RMB 1 million, the taxable income is reduced to 25%, and the enterprise income tax is paid at a rate of 20%; For the taxable income of this year that exceeds RMB 1 million but does not exceed RMB 3 million, the taxable income is reduced to 50% and the enterprise income tax is paid at a rate of 20%.

V. Notes of consolidated financial statement

1.Monetary Capital

Items	2020.12.31	2019.12.31
Cash at hand	4,127.10	11,091.94
Bank deposit	271,085,025.10	272,366,495.29
Other monetary funds	7,998,084.75	137,187,260.29
Total	279,087,236.95	409,564,847.52
Including : The total amount of deposit abroad	7,829,822.78	3,272,384.31

Note: At the end of the period, RMB 750,000.00 of other monetary funds of the Company is the L/C security deposit, except for which there is no mortgage, pledge or freezing, or money deposited abroad with restricted repatriation.

2. Transactional financial assets

Items	2020.12.31	2019.12.31
Structure deposit	200,536,575.34	830,000,000.00
Monetary funds	484,080,684.72	--
Total	684,617,260.06	830,000,000.00

3. Notes receivable

Category	2020.12.31			2019.12.31		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Bank acceptance	--	--	--	40,424,601.97	--	40,424,601.97

.Commercial acceptance bill	16,898,148.02	84,490.74	16,813,657.28	--	--	--
Total	16,898,148.02	84,490.74	16,813,657.28	40,424,601.97	--	40,424,601.97

Note：

1.The company has no Notes receivable pledged.

（2）Notes receivable which had endorsed by the Company or had discounted and had not due on the balance sheet date at the period-en

Category	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank acceptance	60,260,489.10	--

（3）At the end of the period, the Company has no bills transferred to accounts receivable due to the drawer's non-performance

(4) Classification by accrual method for bad debts

Category	2020.12.31					2019.12.31				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Expected credit loss rate (%)		Amount	Proportion(%)	Amount	Credit loss rate (%)	
Bad debt provision is accrued according to individual items	--	--	--	--	--	--	--	--	--	--

Bad debt provision is accrued according to portfolios										
Including:										
Commercial acceptance bill	16,898,148.02	100.00	84,490.74	0.50	16,813,657.28	--	--	--	--	--
Bank acceptance	--	--	--	--	--	40,424,601.97	100.00	--	--	40,424,601.97
Total	16,898,148.02	100.00	84,490.74	0.50	16,813,657.28	40,424,601.97	100.00	--	--	40,424,601.97

Note:

Accrual of bad debt provision by portfolio:

Portfolio accrual items: commercial acceptance bills

Name	2020.12.31			2019.12.31		
	Notes receivable	Bad-debt provision	Expected credit loss rate (%)	Notes receivable	Bad-debt provision	Expected credit loss rate (%)
.Commercial acceptance bill	16,898,148.02	84,490.74	0.50	--	--	--

(5) Bad debt provision accrued, recovered or reversed in the current period

	Amount of bad-debt provision
2019.12.31	
Current accrual	84,490.74
2020.12.31	84,490.74

(6) There is no actual write-off of notes receivable in the current period

4. Account receivable

（1）Disclosure by aging

Aging	2020.12.31	2019.12.31
Within 1 year	567,264,103.99	382,065,942.05
1-2 years	6,063,040.66	813,122.40
2-3 years	103,011.28	1,076.93
3-4 years	389.73	6,728.70
4-5 years	6,728.70	4,636,402.32
Over 5 years	12,483,245.35	7,930,426.56
Subtotal	585,920,519.71	395,453,698.96
Less：Bad debt provision	38,610,301.81	30,128,669.58
Total	547,310,217.90	365,325,029.38

（2）Disclosure by classification according to the bad debt accrual method

Types	2020.12.31					2019.12.31				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion(%)	Amount	Expected credit loss rate (%)		Amount	Proportion(%)	Amount	Expected credit loss rate (%)	

Bad debt provision is accrued according to individual items	20,641,002.24	3.52	13,552,865.25	65.66	7,088,136.99	12,753,137.41	3.22	10,823,862.18	84.87	1,929,275.23
Bad debt provision is accrued according to portfolios	565,279,517.47	96.48	25,057,436.56	4.43	540,222,080.90	382,700,561.55	96.78	19,304,807.40	5.04	363,395,754.15
Total	585,920,519.71	100.00	38,610,301.81	6.59	547,310,217.89	395,453,698.96	100.00	30,128,669.58	7.62	365,325,029.38

Accrual of bad debt provision by single item:：

Unit name	2020.12.31			
	Book balane	Bad-debt provision	Expected credit loss rate (%)	Accrual reason
Dongguan Xiangteng New Material Technology Co., Ltd.	6,961,050.25	397,710.96	5.71	There is a dispute between the two parties that the net recovery after deducting the amount payable is extremely unlikely and bad debts have been fully accrued on the net portion
Dongguan Yaxing Semiconductor Co., Ltd.	2,797,016.81	2,797,016.81	100.00	The credit period is exceeded by a long time,

				and the possibility of recovery is extremely slim
Dongguan Fair LCD Co., Ltd.	1,698,449.31	1,698,449.31	100.00	The credit period is exceeded by a long time, and the possibility of recovery is extremely slim
Guangdong Ruili Baolai Technology Co., Ltd.	1,298,965.36	1,298,965.36	100.00	The credit period is exceeded by a long time, and the possibility of recovery is extremely slim
Jiangsu Xiangteng New Material Co., Ltd.	1,049,595.40	524,797.70	50.00	The credit period is exceeded by a long time, and the possibility of recovery is extremely slim
Total of other individual accrual units	6,835,925.11	6,835,925.11	100.00	The credit period is exceeded by a long time, and the possibility of recovery is extremely slim
Total	20,641,002.24	13,552,865.25	65.66	

Accrual of bad debt provision by portfolio:

Portfolio accrual items:

	2020.12.31			2019.12.31		
	Receivable	Bad-debt provision	Expected credit loss rate (%)	Receivable	Bad-debt provision	Expected credit loss rate (%)
Within 1 year	564,591,259.21	24,862,108.87	4.40	382,032,402.05	19,101,620.10	5.00
1-2 years	688,258.26	195,327.69	28.38	668,159.50	203,187.30	30.41
Total	565,279,517.47	25,057,436.56	4.43	382,700,561.55	19,304,807.40	5.04

(3) Bad debt provision accrued, recovered or reversed in the current period

	Amount of bad-debt provision
2019.12.31	30,128,669.58

	--
2020.01.01	30,128,669.58
Current accrual	8,481,632.23
Withdrawal or reversal in current period	--
2020.12.31	38,610,301.81

(4) There is no account receivable actually written off in the current period

(5) The top five units of the closing balance of accounts receivable collected by the arrears

Unit name	Nature of payment	Other receivable closing balance	Aging	Proportion of total closing balance of other receivables (%)	Bad-debt provision Closing balance
Top 1	Goods	132,428,291.01	Within 1	22.60%	5,840,087.63
Top 2	Goods	68,516,402.40	Within 1 year	11.69%	3,021,573.35
Top 3	Goods	51,794,178.25	Within 1 year	8.84%	2,284,123.26
Top 4	Goods	39,315,045.56	Within 1 year	6.71%	1,733,793.51
Top 5	Goods	38,777,319.65	Within 1 year	6.62%	1,710,079.80
Total	--	330,831,23	--	56.46%	14,589,6

（6）No account receivable which terminate the recognition owning to the transfer of the financial assets

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

5.Receivable financing

Items	2020.12.31	2019.12.31
Notes receivable	102,051,314.08	17,933,597.98

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

There is no single bank acceptance bill with impairment provision of the Company. On December 31, 2020, the Company considered that there was no significant credit risk in the bank acceptance bills held by it, and there would be no significant loss due to bank default.

6.Prepayments

(1)Disclosure by age

Aging	2020.12.31		2019.12.31	
	Amount	Proportion%	Amount	Proportion%
Within 1 year	14,934,263.03	88.35	16,750,558.60	90.82
1-2 years	557,043.06	3.30	729,266.20	3.95
2-3 years	540,748.42	3.20	15,494.14	0.08
Over 3 years	870,461.88	5.15	950,538.59	5.15
Total	16,902,516.39	100.00	18,445,857.53	100.00

Note: As of December 31, 2020, there is no large prepayment for more than 1 year in the balance of prepayments.

(2) The top five ending balances of prepayments collected according to prepaid objects totaled RMB 12,005,147.74, accounting for 71.03% of the total closing balances of prepayments

7．Other receivale

Items	2020.1	2019.12.31
Interest receivable	--	7,610,043.19
Other receivavble	5,265,002.71	4,830,717.94
Total	5,265,002.71	12,440,761.13

（1）Interest receivable

1) Category of interest receivable

Items	2020.12.31	2019.12.31
Fixed deposit	--	109,425.24
Structure deposit	--	7,500,617.95
Subtotal	--	7,610,043.19
Less：Bad debt provision	--	--
Total	--	7,610,043.19

（2）Other receivable

(1)Category of Other receivable

Aging	2020.12.31	2019.12.31
Within 1 year	5,011,410.31	2,250,037.41

1-2 years	550,486.21	1,213,773.48
2-3 years	697,124.67	647,494.79
3-4 years	173,007.52	1,837,174.29
4-5 years	1,802,920.64	1,015,782.04
Over 5 years	14,827,417.02	13,835,408.91
Subtotal	23,062,366.37	20,799,670.92
Less：Bad debt provision	17,797,363.66	15,968,952.98
Total	5,265,002.71	4,830,717.94

(2)Other accounts receivable classified by the nature of accounts

Items	2020.12.31	2019.12.31
	Book balance	Book Balance
Export rebate	1,658,146.29	1,191,949.50
Unit account	16,369,395.10	15,674,175.33
Deposit	2,585,585.87	2,435,689.74
Reserve fund and staff loansLoans	379,477.97	428,019.47
Other	2,069,761.14	1,069,836.88
Subtotal	23,062,366.37	20,799,670.92
Less：Bad debt provision	17,797,363.66	15,968,952.98
Total	5,265,002.71	4,830,717.94

(3）Bad-debt provision

At the end of the period, bad debt provision in the first stage:

Types	Book Balance	Bad-debt provision	Book value

Bad debt provision accrued by aging portfol	5,838,599.72	573,597.01	5,265,002.71
Total	5,838,599.72	573,597.01	5,265,002.71

At the end of the period, the Company does not have interest receivable, dividend receivable and other receivables in the second stage;

At the end of the period, bad debt provision in the third stage:

Types	Book Balance	Bad-debt provision	Book value	Reason
Bad debt provision is accrued according to individual items	17,223,766.65	17,223,766.65	--	Long aging and low possibility of recovery
Total	17,223,766.65	17,223,766.65	--	

On December 31, 2019, bad debt provisions are as follows:

Bad debt provision in the first stage:

Types	Book Balance	Bad-debt provision	Book value
Bad debt accrued by aging portfolios	6,406,385.55	1,575,667.61	4,830,717.94
Total	6,406,385.55	1,575,667.61	4,830,717.94

As of December 31, 2019, the Company has no interest receivable, dividend receivable and other receivables in the second stage.As of December 31, 2019,，Bad debt provision in the third stage:

Types	Book Balance	Bad-debt provision	Book value	Reason
Bad debt provision is accrued according to individual items	14,393,285.37	14,393,285.37	--	Long aging and low possibility of recovery
Total	14,393,285.37	14,393,285.37	--	

④ Bad debt provision accrued, recovered or reversed in the current period

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit	

			impairment occurred)	
Balance as at December 31,2019	1,575,667.61	--	14,393,285.37	15,968,952.98
Balance as at December 31,2019In current	--	--	--	--
——Transfer to stage II	--	--	--	--
——Transfer to stage III	-1,059,367.39	--	1,059,367.39	--
——Transfer to stage II	--	--	--	--
——Transfer to stage I	--	--	--	--
Provision in the current period	57,296.79	--	1,771,113.89	1,828,410.68
Turn back in the current period	--	--	--	--
Reseller in the current period	--	--	--	--
Write - off in the current period	--	--	--	--
Other	--	--	--	--
Balance as at December 31,2020	573,597.01	--	17,223,766.65	17,797,363.66

(5) Other account receivables actually cancel after write-off :Nil

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

Name	Nature	Year-end balance	Age	Portion in total other receivables(%)	Bad debt provision of year-end
Top 1	Unit	11,389,044.60	Over 5	49.38%	11,389,044.60
Top 2	Unit account	1,800,000.00	4-5 years	7.80%	1,800,000.00
Top 3	Unit account	1,100,000.00	Within 1 year	4.77%	55,000.00
Top 4	Unit account	1,018,295.37	1-2 years、2-3	4.42%	349,497.32
Top 5	Deposit	980,461.06	Over 5 years	4.25%	980,461.06
Total	--	16,287,801.	--	70.63%	14,574,0

(7) No Accounts receivable involved with government subsidies

(8) No other account receivable which terminate the recognition owning to the transfer of the financial assets

(9) The amount of the assets and liabilities formed by the no transfer and the continues involvement of other accounts receivable

8.Inventory

1）Inventories types

Items	2020.12.31			2019.12.31		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Raw materials	258,191,196.82	13,788,646.60	244,402,550.22	212,371,911.48	31,148,714.05	181,223,197.43
Processing products	132,780,479.72	43,914,789.90	88,865,689.82	135,636,148.29	53,692,060.27	81,944,088.02
Finished product	2,715,845.96	--	2,715,845.96	5,962,105.18	--	5,962,105.18
Semi-finished product	131,069,647.77	14,613,640.62	116,456,007.15	130,209,635.92	36,196,938.50	94,012,697.42
Goods in transit	524,698.46	--	524,698.46	1,618,894.41	48,491.27	1,570,403.14
Commissioned materials	31,040,280.45	3,157,490.62	27,882,789.83	30,643,409.60	3,637,965.67	27,005,443.93
Total	556,322,1	75,474,5	480,847,5	516,442,1	124,724,1	391,717,9

（2）Inventory Impairment provision

Items	2020.01.01	Increased in current		Decreased in current		2020.12.31
		Provision	Othe	Transferred	Other	
Raw materials	31,148,714.05	3,666,817.13	--	21,026,884.58	--	13,788,646.60
Finished product	53,692,060.27	27,366,959.59	--	37,144,229.96	--	43,914,789.90
Semi-finished product	36,196,938.50	34,909,052.14	--	56,492,350.02	--	14,613,640.62
Goods in transit	48,491.27	--	--	48,491.27	--	--
Commissioned materials	3,637,965.67	--	--	480,475.05	--	3,157,490.62

Total	124,724,1	65,942,82	--	115,192,43	--	75,474,567.

（2）Inventory Impairment provision（Continue)

Items	Specific basis for determining the net realizable value/remaining consideration and the cost to be incurred	Reversal or resale in current period Reason for provision for inventor
Raw materials	Net realizable value is lower than inventory cost	Use of relevant materials
Finished product	Net realizable value is lower than inventory cost	Sales of related finished products
Semi-finished product	Net realizable value is lower than inventory cost	Sales of related semi-finished products
Goods in transit	Net realizable value is lower than inventory cost	Sales of related finished products
Commissioned materials	Net realizable value is lower than inventory cost	Collection of relevant consigned processing materials

9.Other current assets

Items	2020.12.31	2019.12.31
After the deduction of input VAT	77,482,083.47	140,821,609.72
Total	77,482,083.47	140,821,609.72

10.Long-term equity investment

Investees	2019.12.31	Increase/decrease								2020.12.31	losing balance of impairment provision
		dditional investment	egative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	hanges of other equity	Cash bonus or profits announced to issue	ithdrawal of impairment provision	ther		
I. Joint venture											
Anhui Huapeng Textile Co.,Ltd.	10,098,833.77			698,189.37						10,797,023.14	
Shenzhen Guanhua	129,623,072.69			-1,716,907.5						127,906,165.17	
Subtotal	139,721,906.46			-1,018,718.15						138,703,188.31	
2. Affiliated Company											
Shenzhen Changlianfa Printing & dyeing Company	2,450,676.14			255,586.24						2,706,262.38	
Jordan Garment	902,269.19			-904,422.99	2,153.80						

Factory					
Hongkong Yehui International Co., Ltd.	9,135,077.93	-2,297,211.37	-318,180.02		6,519,686.54
Subtotal	12,488,023.26	-2,946,048.12	-316,026.22		9,225,948.92
Total	152,209,929.72	-3,964,766.27	-316,026.22		147,929,137.23

11. Other equity instruments investment

Items	2020.12.31	2019.12.31
FUAO（000030）	10,129,390.84	6,568,923.76
Shenzhen Dailishi Underwear Co., Ltd.	12,315,939.61	12,315,939.61
Union Development Group Co., Ltd.	152,469,200.00	152,469,200.00
Shenzhen Xiangjiang Trade Co., Ltd.	--	7,474,900.00
Shenzhen Xinfang Knitting Co., Ltd.	2,227,903.00	2,227,903.00
Jintian Industry（Group）Co., Ltd.	--	--
Shenzhen Jiafeng Textile Industry Co., ltd.	--	--
Shenzhen Xieli Auto Co., Ltd.	--	25,760,086.27
Shenzhen South Textile Co., Ltd.	13,464,994.09	13,464,994.09
Changxing Junying Investment Partnership	--	28,500,000.00
Total	190,607,427.54	248,781,946.73

As the above items are investments that the Company plans to hold for a long time for strategic purposes, the Company designates them as financial assets measured at fair value with changes included in other comprehensive income.

Items	Recognized dividend income	Accumulating income	Accumulating losses	Amount of other comprehensive income transferred to retained earnings	Reason
Fuao（000030）	234,604.42	1,188,792.53			

Shenzhen Dailishi Underwear Co., Ltd.	1,037,735.85	9,756,083.35			
Union Development Group Co., Ltd.	208,000.00	149,869,200.00			
Shenzhen Xiangjiang Trade Co., Ltd.	358,702.05	7,314,900.00		4,694,359.48	Disposal
Shenzhen Xinfang Knitting Co., Ltd.	156,000.00	1,703,903.00			
Jintian Industry（Group）Co., Ltd.			14,831,681.50		
Shenzhen Jiafeng Textile Industry Co., ltd.			16,800,000.00		
Shenzhen Xieli Auto Co., Ltd.		21,516,380.83			Disposal
Shenzhen South Textile Co., Ltd.	951,550.47	11,964,994.09			

12. Other non-current financial assets

Types	2020.12.31	2019.12.31
Financial assets measured at fair value with changes included in current profits and losses	30,650,943.40	--
Total	30,650,943.40	--

13. Investment real estate

(1) Investment real estate adopted the cost measurement mode

Items	House, Building
I. Original price	
1.2019.12.31	257,183,260.74
2. Increase in the current	4,559,679.79
(1) Purchase	4,559,679.79

3.Decreased amount of the period	--
4.2020.12.31	261,742,940.53
II.Accumulated amortization	
1.2019.12.31	144,452,939.84
2.Increased amount of the	6,717,528.77
(1) Withdrawal	6,717,528.77
3.Decreased amount of the period	--
4.2020.12.31	151,170,468.61
IV.Book value	
1.Book value at period -end	110,572,471.92
2.Book value at period-beginning	112,730,320.90

(2) Fixed assets without property right certificate

Items	Book value	Reasons for failing to obtain the property right certificate
House, Building	11,145,270.23	Unable to apply for warrants due to historical reasons

14. Fixed assets

Items	2020.12.31	2019.12.31
Fixed assets	790,183,905.38	903,229,077.83
Total	790,183,905.38	903,229,077.83

Fixed assets

1.Fixed assets

Items	Houses & buildings	Machinery equipment	Transportations	Other equipment	Total
I.Original price					
1.2019.12.31	548,661,4	1,017,917,028.	10,160,88	39,760,701	1,616,500,066.

2.Increased amount of the period	105,312.66	1,971,675.05	1,721,088.34	3,144,439.59	6,942,515.64
(1) Purchase	105,312.66	1,971,675.05	1,721,088.34	3,144,439.59	6,942,515.64
（3）Other					
3.Decreased amount of the period	2,869,833.47	2,195,270.12	502,243.58	484,468.16	6,051,815.33
（1）Disposal	2,759,267.00	2,090,183.17	500,725.00	439,068.16	5,789,243.33
（2）Other	110,566.47	105,086.95	1,518.58	45,400.00	262,572.00
4.2020.12.31	545,896,931.25	1,017,693,432.96	11,379,729.08	42,420,673.14	1,617,390,766.43
II. Accumulated depreciation					
1.2019.12.31	140,171,992.87	545,911,130.40	2,841,269.42	24,225,958.94	713,150,351.63
2.Increased amount of the period (1) Withdrawal	20,033,362.68	86,571,277.07	855,148.09	3,262,794.71	110,722,582.55
(1) Withdrawal	20,033,362.68	86,571,277.07	855,148.09	3,262,794.71	110,722,582.55
（2）Other					

3.Decrease in the reporting period	286,963.56	1,964,902.60	479,386.65	404,469.05	3,135,721.86
（1）Disposal	286,963.56	1,964,902.60	479,386.65	404,469.05	3,135,721.86
（2）Other					
4.2020.12.31	159,918,3	630,517,504.8	3,217,030.	27,084,284	820,737,212.3
III. Impairment provision					
1.2019.12.31	120,636.6	--	--	--	120,636.66
2.Increase in the reporting period	--	6,373,080.81	--	96,567.92	6,469,648.73
(1)Withdrawal	--	6,373,080.81	--	96,567.92	6,469,648.73
（2）Other	--	--	--	--	--
3.Decrease in the reporting period	120,636.66	--	--	--	120,636.66
（1）Disposal	--	--	--	--	--
（2）Other	120,636.66	--	--	--	120,636.66
4.2020.12.31	--	6,373,080.81	--	96,567.92	6,469,648.73
IV. Book value					
1.2020.12.31Book value	385,978,539.26	380,802,847.28	8,162,698.22	15,239,820.62	790,183,905.38

2.2019.12.31Book value	408,368,822.53	472,005,897.63	7,319,614.90	15,534,742.77	903,229,077.83

(2) Fixed assets without property right certificate

Items	Book value	Reasons for failing to obtain the property right certific
Houses and buildings	21,195,008.77	Unable to apply for warrants due to historical reasons

15. Construction in progress

Items	2020.12.31	2019.12.31
Construction in progress	1,301,750,141.12	839,866,275.92
Total	1,301,750,1	839,866,275.92

（1）Construction in progress(1) List of construction in progress

Items	2020.12.31			2019.12.31		
	Book balance	Provision for	Book Net value	Book balance	Provision for	Book Net value
Industrialization project of polaroid for super large	1,301,693,689.12	--	1,301,693,689.12	839,443,318.50	--	839,443,318.50
Other	56,452.00	--	56,452.00	422,957.42	--	422,957.4
Total	1,301,750,141	--	1,301,750,	839,866,275	--	839,866,2

（2）Changes of significant construction in progress

Name	2019.12.31	Increase at this period	Transferred to fixed assets	Other decrease	Capitalisation of interest accumulated balance	Including: Current amount of capitalization of interest	Capitalisation of interest ratio（%）	2020.12.31
Industrialization project of polaroid	839,443,318.50	462,250,370.62	--	--	3,940,565.29	3,940,565.29	0	1,301,693,689.12
Total	839,443,	462,250,3	--	-	3,940,5	3,940,5		1,301,693,

Changes of significant construction in progress（Continuous）

Name	Budget	Proportion(%)	Progress of work	Source of funds
Industrialization project of polaroid for super large size TV (Line 7)	1,959。50 million	66.43%	Basic completion of civil engineering, primary acceptance of clean area of main production workshop; process equipment, extension machine, coating machine, counter inspection machine and other main equipment have been installed and completed and into the commissioning stage, the overall commissioning is expected to be completed in March 2021 into trial production	Self
Total	1,959。50			

16. Intangible assets

(1) Information

Items	Land use right	Software	Patent right	Total
I. Original price				
1.2019.12.31	48,258,239.00	2,936,607.54	11,825,200.00	63,020,046.54
2.Increase in the current period				
(1) Purchase		1,143,346.16		1,143,346.16
3.Decreased amount of the period				
4.2020.12.31	48,258,239.00	4,079,953.70	11,825,200.00	64,163,392.70
II.Accumulated amortization				
1.2019.12.31	12,591,751.27	2,085,098.93	11,825,200.00	26,502,050.20
2. Increase in the current period				

(1) Withdrawal	895,440.00	716,923.59		1,612,363.59
3.Decreased amount of the period				
4. 2020.12.31	13,487,191.27	2,802,022.52	11,825,200.00	28,114,413.79
III. Impairment provision				
1.2019.12.31				
2. Increase in the current period				
3.Decreased amount of the period				
4.2020.12.31				
4. Book value				
1.2020.12.31Book value	34,771,047.73	1,277,931.18	--	36,048,978.91
2.2019.12.31 Book value	35,666,487.73	851,508.61	--	36,517,996.34

17. Goodwill

(1) Original book value of goodwill

Name of the investees or the events formed goodwill	2019.12.31	Increase	Decrease	2020.12.31
SAPO Photoelectric	9,614,758.			9,614,758.
Shenzhen Beauty	2,167,341.			2,167,341.
Shenzhen Shenfang	82,246.61			82,246.61
Total	11,864,346			11,864,346

（2）Impairment of goodwill

Investee	2019.12.31	Increased at this period	.Decreased at this period	2020.12.31
SAPO Photoelectric	9,614,758.			9,614,758.
Shenzhen Beauty	2,167,341.			2,167,341.
Shenzhen Shenfang	82,246.61			82,246.61
Total	11,864,346			11,864,346

18. Long term amortize expenses

Items	2019.12.31	Increa	Decreased at this period	2020.12.

		se in this period	Amortized expenses	Other loss	31
Decoration fee	96,994.84	40,000.00	25,452.99		111,541.85
Renovation fee	1,595,771.58		330,816.84		1,264,954.74
Other	999,984.25	726,329.58	226,248.89	-	1,500,064.94
Total	2,692,750.67	766,329.58	582,518.72		2,876,561.53

19. Deferred income tax assets/deferred income tax liabilities

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

Items	2020.12.31		2019.12.31	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Deferred income tax assets				
Assets	18,865,669.84	4,709,761.70	17,933,26	4,478,07
Unattained	2,413,307.05	361,996.06	2,502,421.	375,363.
Changes in fair value of	--	--	2,371,674.55	592,918.64
Restricted stock repurchase interest	686,670.00	171,667.50	686,670.00	171,667.50
Subtotal	21,965,646.89	5,243,425.26	23,494,02	5,618,02
Deferred income tax liabilities				
The difference between the initial recognition cost and tax base of	62,083,693.36	15,520,923.34	77,651,921.36	19,412,980.34
Changes in fair value of	174,482,972.97	43,620,743.24	202,125,461.26	50,531,365.32
Total	236,566,666.33	59,141,666.58	279,777,3	69,944,3

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

Items	2020.12.31	2019.12.31

Deductible temporary	122,887,462.20	156,410,415.69
Deductible loss	682,013,840.25	605,506,184.05
Total	804,901,302.45	761,916,599.74

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

Year	2020.12.31	2019.12.31	Remark
2021	--	1,128,868.47	
2023	129,226,944.33	129,226,944.33	
2024	148,095,898.11	148,095,898.11	
2025	83,287,153.64	83,287,153.64	
2026	120,820,767.06	120,820,767.06	
2028	22,594,586.97	22,594,586.97	
2029	100,351,965.47	100,351,965.47	
2030	77,636,524.67	——	
Total	682,013,840.25	605,506,184.05	

20 .Other non-current assets

Items	2020.12.31	2019.12.31
Advance payment for equipment fund	47,483,219.83	3,079,321.10
Certificate of deposit for more than 1 year	70,064,383.56	--
Other	25,760,086.27	--
Total	143,307,689.66	3,079,321.10

22. Accounts payable

Items	2020.12.31	2019.12.31
Within 1 year	325,354,275.46	238,370,055.75
1-2 years	1,912,000.86	196,392.86
2-3 years	96,543.25	1,691,830.35
3-4 years	1,093,369.87	37,402.40
4-5 years	37,402.40	35,075.05
Over 5 years	975,010.06	967,014.23
Total	329,468,601.90	241,297,770.64

No Significant accounts payable that aged over one year

22.Advance account

Items	2020.12.31	2019.12.31

Within 1 year	671,534.26	29,824,350.33
1-2 years	--	16,004.11
2-3 years	--	30,171.98
Over 3 years	639,024.58	659,591.20
Total	1,310,558.84	30,530,117.62

23.Contract liabilities

Items	2020.12.31	2019.12.31
Goods	200,000.00	--
Rent received in advance	2,311,466.76	--
Less：Contractual liabilities charged to other non-current liabilities	--	--
Total	2,511,466.76	--

24.Payable Employee wage

Items	2019.12.31	Increase in this period	Decrease in this period	2020.12.31
Short-term employee benefits	38,556,180.20	188,713,147.25	171,626,777.92	55,642,549.53
Post-employment benefits	--	7,080,075.35	7,080,075.35	--
Termination benefit	--	2,985,500.66	2,985,500.66	--
Total	38,556,180.20	199,149,610.77	181,692,353.93	55,642,549.53

（2）Short-term remuneration

Items	2019.12.31	Increase in this period	Decrease in this period	2020.12.31
Wages, bonuses, allowances and subsidies	36,751,528.90	169,798,753.71	153,256,730.67	53,293,551.94
Employee welfare	--	6,351,145.22	6,310,052.02	
Social insurance	--	2,682,417.92	2,682,417.92	--

Including：1.Medical insurance	--	2,220,227.06	2,220,227.06	--
2.Maternity insurance	--	100,867.74	100,867.74	--
3.Work injury insurance	--	324,403.12	324,403.12	--
4．Supplementary medical insurance	--	36,920.00	36,920.00	--
Public reserves for housing	--	6,020,759.24	6,020,759.24	--
.Union funds and staff education fee	1,804,651.30	3,860,071.16	3,356,818.07	2,307,904 .39
Total	38,556,180.	188,713,147.2	171,626,777.9	55,642,54

（2）Defined contribution plans listed

Items	2019.12.31	Increase in this period	Decrease in this period	2020.12.31
After-service benefits	--	7,080,075.35	7,080,075.35	--
1. Basic old-age insurance premiums	--	4,962,621.48	4,962,621.48	--
2.Unemployment insurance	--	168,614.71	168,614.71	--
3. Annuity payment	--	1,948,839.16	1,948,839.16	--
Total	--	7,080,075.35	7,080,075.35	--

25.Tax Payable

Items	2020.12.31	2019.12.31
Enterprise Income tax	11,219,726.43	18,567,808.63

Individual Income tax	469,169.71	441,485.02
VAT	286,928.75	2,992,712.57
House property Tax	102,146.02	127,685.17
City Construction tax	48,751.30	209,489.81
Education surcharge	33,386.49	149,635.58
Stamp tax	36,370.02	54,690.21
Land use tax	2,043.30	2,043.34
Total	12,198,522.02	22,545,550.33

26.Other payable

Items	2020.12.31	2019.12.31
Other payable	156,118,44	152,645,780.14
Total	156,118,44	152,645,780.14

（1）Other payable

Items	2020.12.31	2019.12.31
Project equipment funds	32,713,413.76	36,025,975.90
Unit current	48,394,939.72	51,891,693.06
Deposit	36,130,306.12	27,258,145.87
Restrictive stock repurchase obligations	7,844,373.00	16,825,673.40
Other	31,035,407.82	20,644,291.91
Total	156,118,440.42	152,645,780.14

27.Long-term borrowings

Items	2020.12.31	Interest rate interval	2019.12.31	Interest rate interval
Mortgage+Deposit	343,100,17	4.41%	--	--
Subtotal	343,100,17	--	--	--
Less：Long-term borrowings due within 1 year	--	--	--	--
Total	343,100,17	--	--	--

28.Deferred income

Items	2019.12.31	Increase at	Decrease at	2020.12.31	Reason
Govern ment	121,264,571.22	1,710,000.00	12,234,249.01	110,740,322.21	

Note: See Note XIV. 2, Government Subsidies for details of government subsidies included in deferred income.

29.Stock capital

Items	2019.12.31	Changed（+，-）					2020.12.31
		Issuance of	Bonus	Capitalization	Other	Subtotal	
Tota	509,338,4				-1,566,1	-1,566,1	507,772,2

Note: This year, 1,566,150.00 restricted shares which have been granted but not unlocked have been repurchased and cancelled, and the share capital has been reduced by RMB 1,566,150.00, which has been verified by the same accounting firm (special general partnership), and the capital verification report (ZTY Zi (2020) No. 441ZC00334) was issued on September 11, 2020.

30.Capital reserve

Items	2019.12.31	Increase in the current period	Decrease in the current period	2020.12.31
Share premium	1,839,805,031.	--	7,407,889.50	1,832,397,142.
Other	135,117,216.09	--	--	135,117,216.09
Total	1,974,922,248.	--	7,407,889.50	1,967,514,358.

Note: The change of capital stock premium in the current period is from the repurchase and cancellation of some restricted stocks granted by the Company's restricted stock incentive plan in 2017.

31. Treasury stock

Items	2019.12.31	Increase in the current period	Decrease in the current period	2020.12.31
Treasury stock	16,139,003.	--	8,613,565.2	7,525,438.20

Note: The change of capital stock premium in the current period is from the repurchase and cancellation of some restricted stocks granted by the Company's restricted stock incentive plan in 2017.

32.Other Comprehensive incom

Items	2019.12.31	Amount of current period						2020.12.31
		Amount incurred before income tax	Less：Amount transferred into profit	Less：Prior period included in other composite income transfer to	Less：Income tax expenses	After-tax attribute to the parent company	After-tax attribute to	

			and loss in the current period that recognied into other comprehensive income in prior period	retained income in the current period			minority shareholder	
1. Other comprehensive income that cannot be reclassified in the loss and gain in the future	118,183,658.54	-1,925,707.92		16,137,285.62	890,116.75	-18,953,110.29	-	99,230,548.25
Changes in fair value of investments in other equity instruments	118,183,658.54	-1,925,707.92		16,137,285.62	890,116.75	-18,953,110.29	-	99,230,548.25
2.Other comprehensive income reclassifiable to profit or loss in subsequent periods	1,554,124.77	-316,026.22		--	--	-316,026.22	-	1,238,098.55
Translation differences of financial statements denominated	1,554,124.77	-316,026.22		--	--	-316,026.22	-	1,238,098.55

2.Energy Menthod							
Total of other comprehensive income	119,737,783.31	-2,241,734.14		16,137,285.62	890,116.75	-19,269,136.51	-	100,468,646.80

33. Surplus reserves

Items	2019.12.31	Adjustment	2020.01.01	Increase in the current	Decrease in the current	2020.12.31
Statutory surplus reserve	90,596,923.39	--	--	4,346,566.05		94,943,489.44

34.Retained profits

Items	Amount of current period	Amount of previous period	Proportion%
Before adjustments: Retained profits at the period end	49,307,764.03	-57,774,473.41	--
Adjustment: Total unappropriated profits at the beginning of the year	--	35,779,955.53	--
After adjustments: Retained profits at the period beginning	49,307,764.03	-21,994,517.88	--
Add: Net profit attributable to owners of the Company for the period	37,267,995.74	19,679,910.43	--
Other consolidated earnings carried forward to retained earnings for the current year	20,362,209.15	58,238,941.03	--
Less: Appropriation to statutory surplus reserve	3,888,292.80	6,616,569.55	10%
Retained profits at the period end	103,049,676.12	49,307,764.03	--

35.Business income, Business cost

（1）Business income, Business cost

Items	Amount of current period	Amount of previous period

	Income	Cost	Income	Cost
Main business cost	2,097,432,885.06	1,808,092,705.48	2,099,197,694.45	1,915,880,730.30
Other business cost	11,531,802.74	6,205,689.54	58,987,161.26	57,614,878.05
Total	2,108,964,68	1,814,298,39	2,158,184,85	1,973,495,60

（2）Main business（Industry）

Name	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Domestic and foreign trade	--	--	517,020,991.54	483,603,729.67
Manufacturing	2,012,255,019.03	1,786,199,780.24	1,475,804,647.66	1,408,148,827.10
Property management, leasing	85,177,866.03	21,892,925.24	106,372,055.25	24,128,173.53
Subtotal	2,097,432,885.06	1,808,092,705.48	2,099,197,694.45	1,915,880,730.30

（3）Main business（Production）

Name	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Property and rental income	85,177,866.03	21,892,925.24	106,372,055.25	24,128,173.53
Textile income	60,503,325.78	48,466,207.78	46,047,351.10	39,166,964.15
Polaroid income	1,951,751,693.25	1,737,733,572.46	1,429,757,296.56	1,368,981,862.95
Trade income	--	--	517,020,991.54	483,603,729.67
Subtotal	2,097,432,885.06	1,808,092,705.48	2,099,197,694.45	1,915,880,730.30

（4）Main Business（Area）

Name	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Domestic	1,756,659,062.01	1,526,209,625.21	1,922,327,308.13	1,751,836,922.09
Oversea	340,773,823.05	281,883,080.27	176,870,386.32	164,043,808.21
Total	2,097,432,885.06	1,808,092,705.48	2,099,197,694.45	1,915,880,730.30

36.Business tax and subjoin

Items	Amount of current period	Amount of previous period
House taxes	4,338,584.18	5,772,193.68
Urban construction tax	718,695.23	665,327.79
Education surcharge	517,483.70	477,821.51
Other	1,772,362.54	1,550,800.42
Total	7,347,125.65	8,466,143.40

37.Sales expenses

Items	Amount of current period	Amount of previous period
Wage	12,958,215.67	3,900,045.35
Transportation changes	--	6,328,597.94
Business expenses	668,407.23	380,985.91
Sell	12,697,476.62	3,077,231.50
Other	2,320,131.35	7,098,217.96
Total	28,644,230.87	20,785,078.66

Note: The increase in sales expenses and wages this year is mainly due to the department adjustment of the Company and the better benefit of the subsidiary SAPO Photoelectric; The increase of sales service fee is mainly due to the increase of new customers, which leads to the increase of new agents.

38.Administrative expenses

Items	Amount of current period	Amount of previous period
Wage	74,848,348.24	57,632,391.81
Depreciation of fixed assets	9,794,203.66	11,714,741.86

Water and electricity	2,576,447.96	2,736,839.25
Intermediary organ	3,271,775.61	6,188,892.57
Intangible assets amortization	1,612,363.59	1,362,819.51
Travel expenses	408,221.21	1,506,687.67
Office expenses	946,055.89	878,072.35
Business entertainment	615,454.09	922,668.63
Lawsuit expenses	144,161.32	327,254.72
Repair charge	1,366,609.60	2,030,445.26
Property insurance	380,689.81	483,245.82
Other	9,130,603.38	11,086,782.92
Total	105,094,934.36	96,870,842.37

39.R & D costs

Items	Amount of current period	Amount of previous period
Wage	13,177,489.03	13,430,653.87
Material	49,679,847.18	34,839,486.54
Depreciation	2,984,978.79	2,782,174.41
Fuel & Power	1,017,795.21	1,447,036.66
Travel expenses	226,949.44	356,165.02
Other	73,904.57	323,197.83
Total	67,160,964.22	53,178,714.33

40.Financial Expenses

Items	Amount of current period	Amount of previous period
Interest expenses	4,175,380.96	4,893,018.58
Less：Interest Capitalization	3,940,565.29	
Interest income	-3,702,735.59	-8,593,894.58
Exchange loss	8,108,404.80	16,760,131.65
Fees and other	3,647,403.40	2,803,543.99
Total	8,287,888.28	15,862,799.64

41.Other income

Subsidy items (source of other income)	Amount incurred in current period	Amount incurred in previous period	Related to assets/ Related to
Amortization of textile special funds	142,857.16	142,857.16	Related to assets
Amortization of subsidy funds for industrialization items of TFT-LCD polarizer	1,300,000.00	1,300,000.00	Related to assets
Amortization of subsidy funds for narrow line (Line 5) of TFT-LCD polarizer phase I project	500,000.00	500,000.00	Related to assets
Amortization for purchasing imported equipment and technical subsidies	175,090.20	175,090.20	Related to assets
Amortization of innovation and venture funds for TFT-LCD polarizer phase I project	50,000.00	50,000.00	Related to assets
Amortization of innovation and venture funds in Shenzhen polarized materials and technology engineering laboratory	50,000.00	50,000.00	Related to assets
Amortization of polarized materials and technical engineering laboratory in Shenzhen	500,000.00	500,000.00	Related to assets
Amortization of subsidy funds for technical center construction	300,000.00	300,000.00	Related to assets
Amortization of subsidy funds for introducing advanced technology	14,388.10	14,388.10	Related to assets
Amortization of local supporting funds for TFT-LCD polarizer phase II project (Line 6)	1,500,000.00	1,500,000.00	Related to assets
Amortization of innovation and venture funds for TFT-LCD polarizer phase II project (Line 6)	50,000.00	50,000.00	Related to assets
Amortization of subsidy funds for key technology R&D equipment of optical compensation film for polarizer	500,000.00	500,000.00	Related to assets

Amortization of national subsidy for TFT-LCD polarizer phase II project (Line 6)	1,000,000.00	1,000,000.00	Related to assets
Amortization of funds for pilot projects of regional agglomeration development of strategic emerging industries in Guangdong Province	2,500,000.00	2,500,000.00	Related to assets
Amortization of subsidies for new production lines and purchased equipment in the phase II project of polarizer for TFT-LCD	3,000,000.00	3,000,000.00	Related to assets
Amortization of subsidy funds for energy-saving transformation	29,642.93	29,642.93	Related to assets
Amortization of subsidy funds for old elevator renovation	142,255.72	142,255.72	Related to assets
Special fund subsidies for improving the quality of atmospheric environment in Shenzhen	468,931.57	--	Related to assets
2020 Subsidy for special technical transformation investment project of multiplication by technical transformation	11,083.33	--	Related to assets
Subsidy for post stabilization	160,712.86	174,114.77	Related to Income
Sewage fee refund	597,362.55	--	Related to
Tax bureau fee refund	24,898.73	416,818.25	Related to
Subsidy for cost reduction of industrial and commercial electricity in Shenzhen	6,952,943.71	6,486,248.28	Related to Income
Maternity allowance returned to the employees by Social Security Bureau	32,609.51	--	Related to Income
Insurance premium refund by Social Security Bureau	1,815		Related to Income
Second batch of epidemic grants from Pingshan District Finance Bureau	759		Related to Income

Water saving carrier award fund from Shenzhen Water Affairs Bureau in 2019	374,102.00	--	Related to Income
Harmonious labor relations enterprise incentive fund from Shenzhen Pingshan District Finance Bureau in 2018	1,000,000.00	--	Related to Income
Enterprise R&D Funds from Shenzhen Science and Technology Innovation Committee in 2018	1,278,000.00	--	Related to Income
High-tech enterprise certification award from Pingshan District Science and Technology Innovation Bureau in 2019	50,000.00	--	Related to Income
Subsidies for working in lieu of by training in Pingshan District	1,645,500.00	--	Related to Income
Trial post training subsidy of Human Resources Bureau of Pingshan District, Shenzhen City	111,600.00	--	Related to Income
2020 Pingshan district foreign trade stable growth funds of the Financial Bureau of Pingshan District, Shenzhen City	1,200,000.00	360,000.00	Related to Income
Received refund of unemployment benefits from the social security bureau to the enterprises affected by the epidemic	2,709,874.84	--	Related to Income
The second batch of patent grants from the Market Supervision Administration in 2018	9,000.00	--	Related to Income
Government subsidies for epidemic protection articles	10,000.00	--	Related to Income
Cultural tourism stabilization support subsidy	100,000.00	--	Related to Income
The first batch of special funds for scientific and technological innovation in 2019	966,000.00	--	Related to Income

Received subsidies from the Public Employment Service Center to help enterprises stabilize their posts	1,425.20	--	Related to Income
Received the award for epidemic prevention effect from the Bureau of Industry and Information Technology	20,000.00	--	Related to Income
Received epidemic prevention subsidy from the Housing and Construction Bureau of Luohu District, Shenzhen for #145 residential building on Fenghuang Road	5,638.00	--	Related to Income
Received epidemic prevention subsidy from Shenzhen Luohu District Housing and Construction Bureau for Shenzhen Textile Courtyard at No.52 Tianbei Second Road	8,531.45	--	Related to Income
Halved urban construction tax and surcharges	1,047.51	--	Related to Income
Halved stamp duty	183.32	--	Related to
Epidemic prevention subsidy in Luohu District	10,000.00	--	Related to Income
Shenzhen standard special funds	--	360,000.00	Related to
The first batch of premium subsidies for new materials	--	4,806,400.00	Related to Income
Cuizhu Street 2018 old residential property management support project qualified property Tianbei courtyard	--	30,000.00	Related to Income
The second batch of enterprise R&D subsidy funds of Shenzhen Municipal Finance Committee	--	1,935,000.00	Related to Income
Other	--	25,087.51	Related to
National subsidy fund for special project of industrialization of new flat panel display devices	--	1,000,000.00	Related to assets
Matching funds for high-tech industrialization demonstration projects	--	200,000.00	Related to income
Total	29,506,252.69	27,547,902.9	

42. Investment income

Items	Amount of this period	Amount of last period
Long-term equity investment returns accounted for by equity method	-3,446,613.86	-7,404,083.27
Investment income from the disposal of long-term equity investment	--	55,481,817.13
Dividend income earned during investment holdings in other equity instruments	2,946,592.79	4,654,009.67
structured deposit interest	18,231,107.84	25,306,786.72
Interest income on term deposits over 1 year	853,205.47	
Net monetary gains	4,015,378.50	--
Total	22,599,670.74	78,038,530.25

43. Income from change in income fair value

Sources of income from changes in fair value	Amount of this period	Amount of last period
Other non-current financial assets		
Where: Financial assets measured at fair value with changes included in current profits and losses	2,687,518.74	--
Total	2,687,518.74	--

44. Credit impairment loss

Items	Amount of this period	Amount of last period
Lossof bad debt notes receivable	-84,490.74	
Loss of bad debts account receivable	-8,481,632.23	6,929,467.72
Other	-1,828,410.68	76,423.21
Total	-10,394,533.65	7,005,890.93

45. Losses from asset impairment

Items	Amount of this period	Amount of last period
Loss of inventory price	-65,942,828.90	-97,172,532.71
Loss on impairment of fixed assets	-6,469,648.73	--
Total	-72,412,477.63	-97,172,532.71

46. Asset disposal income

Items	Amount of current period	Amount of previous period
Gains& losses on the disposal of fixed assets	276,544.73	3,967.97

47. Non-Operation income

Items	Amount of current period	Amount of previous period	Amount included in non-recurrent gains
Loss of end-of-life gains on non-current assets	--	39,823.01	--
Insurance compensation	--	4,033,846.00	--
Payable without payment	1,371,678.99	597,578.12	1,371,678.99
Other	73,983.39	332,301.21	73,983.39
Total	1,445,662.38	5,003,548.34	1,445,662.38

48.Non-current expenses

Items	Amount of current period	Amount of previous period	Amount included in non-recurrent gains and losses for the year
Non-current asset Disposition loss	3,315.15	414,453.28	3,315.15
Fine expenses	115,314.20	6,000.00	115,314.20
Other	19,791.92	121.79	19,791.92
Total	138,421.27	420,575.07	138,421.27

49.Income tax expenses

(1)Income tax expenses

Items	Amount of current period	Amount of previous
Current income tax calculated according to tax law and relevant regulations	8,422,038.43	28,069,828.99
Deferred income tax expense	-218,317.45	-10,748.77
Total	8,203,720.98	28,059,080.22

(2) The relationship between income tax expense and total profit is as follows:

Items	Amount of current period	Amount of previous period
Total profits	51,701,366.13	9,532,401.59
Income tax expenses calculated at the applicable tax rate (total profit *25%)	12,925,341.53	2,383,100.40
Influence of different tax rates applied by some subsidiaries	-1,928,531.95	9,445,356.09
Adjustment of current income tax in previous periods	21,090.96	178,201.63
Profit and loss of joint ventures and associated enterprises accounted by equity method	991,191.57	3,794,799.87
Income not subject to tax	-630,419.57	-322,906.47
Non-deductible costs, expenses and losses	295,317.96	221,237.56
The influence of tax rate change on the balance of deferred income tax at the beginning	-1,222.02	5,458.59
Tax impact by the unrecognized deductible losses and deductible temporary differences in previous years	-173,798.62	-775,053.15
Tax impact of unrecognized deductible losses and deductible temporary differences	5,073,772.21	19,522,497.03
Tax impact of research and development fee plus deduction	-7,555,608.48	-5,982,605.36
Income tax fee reduction and exemption	-813,412.61	-411,005.97
Income tax fee	8,203,720.98	28,059,080.22

50. Supplementary information to cash flow statement

(1) Other cash received relevant to operating activities

Items	Amount of	Amount of previous
Letter of Credit Deposit	95,971,397.61	32,712,277.24

Interest income and other	3,812,160.83	9,787,432.90
Government Subsidy	10,319,059.97	8,107,420.53
Current account	4,476,707.73	7,629,683.54
Other	4,817,267.42	3,459,477.53
Total	119,396,593	61,696,291.74

(2).Other cash paid related to operating activities

Items	Amount of current	Amount of
Letter of Credit Deposit	50,257,183.69	42,928,583.04
Cash charges	37,855,834.17	39,178,178.19
Other	9,104,639.66	14,254,157.16
Total	97,217,657.52	96,360,918.39

(3)Other Cash received related to investment activities

Items	Amount of current period	Amount of previous period
Structured deposits, financial products, principal and income	3,112,161,370.37	4,093,427,051.70
L/C margin for purchase of line 7 equipment	126,799,633.00	71,030,367.00
Credit deposit for non-Line 7 equipment	1,900,000.00	--
Total	3,240,861,003.37	4,164,457,418.70

(4).Cash paid related to other investment activities

Items	Amount of current period	Amount of previous period
Structured deposits, financial products, principal and income	3,004,000,000.00	4,360,000,000.00
L/C margin for purchase of line 7 equipment	2,150,000.00	196,430,000.00
Credit deposit for non-Line 7 equipment	1,900,000.00	--
Stock transaction cost	15,275.20	--
Total	3,008,065,275.20	

（5）Other cash received in relation to financing activities

Items	Amount of current period	Amount of previous period
Performance compensation	--	197,268,700.00
Borrowing funds	--	6,506,454.17
Total	--	203,775,154.17

（6）Cash paid related with financing activities

Items	Amount of current period	Amount of previous period
Restricted stock of stock repurchase incentive object	9,344,136.30	11,091,675.60
Borrowing funds		2,700,000.00
Total	9,344,136.30	13,791,675.60

51.Supplement Information for cash flow statement

（1）Supplement Information for cash flow statemen

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities		
Net profit	43,497,645.15	-18,526,678.63
Add: Impairment loss provision of assets	72,412,477.63	97,172,532.71
Credit impairment losses	10,394,533.65	-7,005,890.93
Depreciation of fixed assets, oil and gas assets and consumable biological assets	117,440,111.32	120,272,039.47
Amortization of intangible assets	1,612,363.59	1,362,819.51
Amortization of Long-term deferred expenses	582,518.72	505,932.97
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-276,544.73	-3,967.97

Loss on scrap of fixed assets	3,315.15	374,630.27
Loss on fair value changes	-2,687,518.74	--
Financial cost	455,850.38	4,734,103.39
Loss on investment	-22,599,670.74	-78,038,530.25
Decrease in deferred income tax assets	374,601.17	351,508.05
Increased of deferred income tax liabilities	-10,802,679.08	1,478,752.30
Decrease of inventories	-39,880,044.30	12,010,403.04
Decease of operating receivables	-188,437,910.96	289,069,889.61
Increased of operating Payable	15,830,477.68	-40,611,755.04
Other		--
Net cash flows arising from operating activities	-2,080,474.11	383,145,788.50
II. Significant investment and financing activities that without cash flows:		-
Debt-to-capital conversion	--	--
Convertible loan due within 1 year	--	--
Fixed assets acquired under financial lease	--	--

3．Movement of cash and cash equivalents：

Ending balance of cash	274,325,830.08	268,646,588.18

Less: Beginning balance of cash equivalents	268,646,588.18	1,133,574,235.22
Add：Ending balance of cash equivalents		--
Less: Beginning balance of cash equivalents		--
Net increase of cash and cash equivalents	5,679,241.90	-864,927,647.04

(2)Composition of cash and cash equivalents

Items	Year-end balance	Year-beginning balance
I. Cash	274,325,830.08	268,646,588.18
Including：Cash at hand	4,127.10	11,091.94
Demand bank deposit	274,085,025.1	268,424,080.67
Demand other monetary funds	236,677.88	211,415.57
II. Cash equivalents	--	--
III. Balance of cash and cash equivalents at the period end	274,325,830.08	268,646,588.18

52. The assets with the ownership or use right restricted

Items	Book value at the end of the period	Restricted reason
Monetary fund	750,000.00	Letter of Credit margin
Fixed assets	330,744,828.51	Mortgage
Intangible assets 产	34,771,047.73	Mortgage
Construction in process	1,301,880,727.03	Mortgage
Total	1,668,146,603.27	

53.Foreign currency monetary items

(1)Foreign currency monetary items

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary funds			

Including：USD	8,843,259.32	6.5249	57,701,382.74
Yen	78,877,109.00	0.063236	4,987,872.86
HKD	811,727.03	0.84164	683,181.94
Account receivable			
Including：USD	18,973,368.14	6.5249	123,799,329.78
HKD	278,280.00	0.84164	234,211.58
Advance payments			
Including：USD	257,305.00	6.5249	1,678,889.39
Euro	805,500.00	8.025	6,464,137.50
Other receivable			
Including：USD	37,399.02	6.5249	244,024.87
Account payable			
Including：USD	4,530,318.93	6.5249	29,559,877.99
Yen	2,680,544,919.88	0.063236	169,506,938.56
Other payable			
Including：USD	676,686.00	6.5249	4,415,308.48
HKD	1,986,068.33	0.84164	1,671,554.55
Yen	3,381,983.93	0.063236	213,863.14
Euro	22,500.00	8.025	180,562.50

VI. Change in consolidation scope

On August 24, 2020, the Company established Shenzhen Textile Sungang Property Management Co., Ltd. with a registered capital of RMB 1,000,000.00, which was included in the consolidation scope in this period.

VII. Equity in other entity

1. Equity in subsidiary

（1）Constitute of enterprise

Subsidiary	Main operation	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shenzhen Lishi Industry Development Co., Ltd	Shenzhen	Shenzhen	Domestic trade, Property Management	100		Establish
Shenzhen	Shen	Shen	Accommodation	100		Esta

Huaqiang Hotel	zhen	zhen	, restaurants, business center;			blish
Shenfang Property Management Co., Ltd.	Shenzhen	Shenzhen	Property Management	100		Establish
Shenzhen Beauty Century Garment Co., Ltd.	Shenzhen	Shenzhen	Production of fully electronic jacquard knitting whole shape	100		Establish
Shenzhen Shenfang Sungang Property Management Co., Ltd.	Shenzhen	Shenzhen	Property Management	100		Establish
SAPO Photoelectric Co., Ltd	Shenzhen	Shenzhen	Operating import and export business	60		Purchase
Shenzhen Shenfang Import & export Co., Ltd.	Shenzhen	Shenzhen	Operating import and export business		100	Establish
Shengtou (Hongkong) Co.,Ltd.	Hongkong	Hongkong	Production and sales of polarizer		100	Establish

2.Equity in joint venture arrangement or associated enterprise

1．Joint venture or associated enterprise

Joint venture or associated enterprise	Place of operation	Place of registration	Nature	Share-holding ratio		The accounting treatment of investment in associates
				Directly	Indirectly	
Joint venture:						
Shenzhen Guanhua Printing & Dyeing Co.,Ltd.	Shenzhen	Shenzhen	Property leasing	50.16		Equity method
Anhui Huapeng Textile Co., Ltd.	Anhui	Anhui	Manufacturing	50.00		Equity method
Associated enterprise						

Shenzhen Changlianfa Printing and dyeing Company	Shenzhen	Shenzhen	Property leasing	40.25	Equity method
Jordan Garment Factory	Jordan	Jordan	Manufacturing	35.00	Equity method
Yehui International Co., Ltd.	Hong kong	Hong kong	Manufacturing	22.75	Equity method

2.Key financial information of significant joint venture or associated enterprise

Items	Shenzhen Guanhua Printing & Dyeing Co.,Ltd	
	2020.12.31	2019.12.31
Current assets	19,854,144.21	10,286,534.45
Non-current assets	242,190,971.30	254,848,270.68
Total asseats	262,045,115.51	265,134,805.13
Current liabilities	12,261,343.60	10,815,587.15
Non-current liabilities	37,356,444.69	39,522,035.69
Total liabilities	49,617,788.29	50,337,622.84
Net assets	212,427,327.23	214,797,182.29
including：Minority shareholders' rights	--	--
Attributable to shareholders of the parent company	212,427,327.23	214,797,182.29
Share of net assets calculated by stake	106,553,547.34	107,742,266.64
Adjustment		
Including：Goodwill	21,595,462.44	21,595,462.44
Unrealized internal transaction gains and losses	--	--
Impairment preparation	--	--
Other	285,343.61	285,343.61
Book value of equity investment in joint ventures	128,434,353.39	129,623,072.69

Continue：

Items	Shenzhen Guanhua Printing & Dyeing Co.,Ltd	
	Amount of current period	Amount of previous period
Operating revenue	14,623,800.97	4,434,022.16
Financial expenses	-39,339.28	-18,017.22
Income tax expenses	-2,118,023.83	1,624,193.25
Net profit	-3,422,861.88	-7,457,362.64
Net profit from termination	--	--
-Other Comprehensive income	--	--
Total comprehensive income	-3,422,861.88	-7,457,362.64
Dividends received from joint ventures this period	--	--

VIII. Risks Related to Financial Instruments

The Company's main financial instruments include monetary funds, notes receivable, accounts receivable, receivables financing, other receivables, trading financial assets, investment in other equity instruments, accounts payable, other payables and long-term loans. Details of various financial instruments have been disclosed in relevant notes. The risks related to these financial instruments and the risk management policies adopted by the Company to reduce these risks are as follows. The management of the Company manages and monitors these risks to ensure that the above risks are controlled within a limited range.

1. Risk management objectives and policies

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

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

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

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

(1) Credit risk

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

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

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

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

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

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

Among the accounts receivable of the Company, the accounts receivable of the top five customers accounted for 56.46% of the total accounts receivable of the Company (in 2019: 65.56%); Among the other receivables of the Company, the other receivables of the top five companies in arrears accounted for 74.16% of the total other receivables of the Company (in 2019: 75.87%).

(2) Liquidity risk

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

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

The Company raises working capital through funds generated from business operations and bank and other loans. On December 31, 2020, the unused bank loan amount of the Company was RMB 456,899,800 (December 31, 2019: not applicable).

At the end of the period, the financial assets, financial liabilities and off-balance sheet guarantee items held by the Company are analyzed according to the maturity period of the undiscounted remaining contract cash flow as follows (In RMB10,000):

items	2020.12.31			
	Within 1 year	1 year to Within 5 years	Over 5 years	Total
Finance liabilities：				
Account payable	32,946.86			32,946.86
Other payable	13,035.84			13,035.84
Long-term loans	--	34,310.02	--	34,310.02
Total of Finance liabilities	45,982.70	34,310.02	--	80,292.72

At the beginning of the period, the financial assets, financial liabilities and off-balance sheet guarantee items held by the Company are analyzed according to the maturity period of the undiscounted remaining contract cash flow as follows (In RMB10,000):

Items	2019.12.31			
	Within 1 year	1 year to Within 5 years	Over 5 years	Total
Finance liabilities：				
Account payable	24,129.78	--	--	24,129.78
Other payable	15,264.58	--	--	15,264.58
Total of Finance liabilities	39,394.36	--	--	39,394.36

The amount of financial liabilities disclosed in the above table is the undiscounted contract cash flow, therefore it may be different from the book amount in the balance sheet.

(3) Market risk

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

Interest rate risk

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

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

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

The interest-bearing financial instruments held by the Company are as follows (In RMB10,000):

Item	Number of this year	Number of last year
Floating-rate financial instruments		
Financial liabilities	34,310.02	--
Including: long-term loans	34,310.02	--

On December 31, 2020, if the borrowing rate calculated by floating interest rate increases or decreases by 25 basis points, while other factors remain unchanged, the net profit and shareholders' equity of the Company will decrease or increase by about RMB 857,800 (December 31, 2019: not applicable).

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

Exchange rate risk

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

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

2. Capital management

The objective of the Company's capital management policy is to ensure that the Company can continue to operate, thereby providing returns to shareholders and benefiting other stakeholders, while maintaining the best capital structure to reduce the capital cost.

In order to maintain or adjust the capital structure, the Company may adjust the financing method, adjust the dividend amount paid to shareholders, return capital to shareholders, issue new shares and other equity instruments or sell assets to reduce debts.

The Company monitors the capital structure on the basis of asset-liability ratio (i.e. total liabilities divided by total assets). On December 31, 2020, the asset-liability ratio of the Company was 21.52% (December 31, 2019: 14.94%).

IX.Fair value

According to the input value of the lowest level which is of great significance to the whole measurement in fair value measurement, the fair value level can be divided into:

Level I: Quotes of the same assets or liabilities in active markets (unadjusted).

Level II: Use observable input values other than the market quotation of assets or liabilities in the Level I directly (i.e. price) or indirectly (i.e. derived from price).

Level III: Assets or liabilities use any input value that is not based on observable market data (unobservable input value).

(1) Items and amounts measured at fair value

On December 31, 2020, the assets and liabilities measured at fair value are listed as follows according to the above three levels:

Item	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	Total
I. Continuous fair value measurement				
(I) Transactional financial assets	--	--	684,617,260.06	684,617,260.06
1. Financial assets measured at fair value with changes included in current profits and losses	--	--	684,617,260.06	684,617,260.06
(II) Receivable financing	--	--	102,051,314.08	102,051,314.08
(III) Investment in other	10,129,3		180,478,0	190,607,42

equity instruments	90.84	36.70	7.54
Total assets continuously measured at fair value	10,129,3 90.84	967,146,6 10.84	977,276,00 1.68

X. Related parties and related-party transactions

1.Parent company information of the enterprise

Name	Registered address	Nature	Registered capital （RMB10,000)	The parent company of the Company's shareholding	The parent company of the Company’s vote ratio
Shenzhen Investment Holdings Co.,Ltd.	18/F, Investment Building, Shennan Road, Futian District,	Equity investment , Real-estate Development and Guarantee	2,800,900.00	45.96	45.96

The company is authorized and approved to be state-owned independent company by Shenzhen Government, and it Executes financial contributor function on state-owned enterprise within authorization scope.

During the reporting period, the registered capital of the parent company changed as follows:

In 10,000

Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
RMB 27,649 million	36,000.00	--	2,800,900.00

2.Subsidiaries of the Company

Details refer to the Note VII-1, Interest in the subsidiary

3. Information on the joint ventures and associated enterprises of the Company

Details refer to the Note VII-2, Interests in joint ventures or associates

4.Other Related parties information

Other related party	Relationship to the Company
Shenzhen Shenchao Technology Investment Co., Ltd.	Subject to the same party controls

Shenzhen City Construction and Development (Group) Co., Ltd	Subject to the same party controls
Shenzhen Tianma Microelectronics Co., Ltd.	Chairman of the Board Is the Vice Chairman of the Company
Hangzhou Jinjiang Group Co., Ltd.	The controlling party of SAPO Photoelectric Shareholder
Lan Xi Jinxin Investment Management Co., Ltd.	A subsidiary of Hangzhou Jinjiang Group Co., Ltd.
Shengbo （HK）Co., Ltd.	The Company Executives are Director of the company
Zhejiang Hengjie Industry Co., Ltd.	A subsidiary of Hangzhou Jinjiang Group Co., Ltd.
Hengmei Photoelectri Co., Ltd.	A subsidiary of Hangzhou Jinjiang Group Co., Ltd.
Shenzhen Xinfang Knitting Co., Ltd.	Sharing Company
Shenzhen Dailishi Underwear Co., Ltd.	Sharing Company

5. Related transactions.

（1）Related transactions on purchasing goods and receiving services

Acquisition of goods and reception of labor service

Related party	Content	Current amount	Last amount
Hengmei Photoelectri Co., Ltd.	Polarized	204,282,036.36	143,888,209.10

Related transactions on sale goods and receiving services

Related parties	Content of related transaction	Amount of current period	Amount of previous period
Shenzhen Tianma Microelectronics Co., Ltd.	Sales polarizer sheet	1,485,995.60	1,444,346.74
Hengmei Photoelectri Co., Ltd.	Polarized	110,545,214.28	141,106,466.92

(2) Related-party guarantee

(2) Related guarantee

Guaranteed party	Amount	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
SAPO Photoelectric	342,660,000.00	2020.09.08	Two years from the expiration of the debt performance period	No

(3) Inter-bank lending of capital of related parties：

Related party	Amount	Start date	Expiring date	Note
Borrowing fund：：				
Shenzhen Guanhua Printing & Dyeing Co., Ltd.	3,806,454.17	2019.07.30	Not yet agreed	The annual lending rate is 0.30%

(4). Rewards for the key management personnel

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	8.2102 million	6.1638million

6. Receivables and payables of related parties

（1）Receivables

Name	Related party	2020.12.31		2019.12.31	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable	Shenzhen Tianma Microelectronics	581,696.96	25,652.84	733,038.52	36,651.93
Account receivable	Hengmei Photoelectri Co., Ltd.	20,879,229.37	1,578,235.08	53,893,840.80	2,694,692.04
Other receivable	Anhui Huapeng Textile Company	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00
Other receivable	Shenzhen Dailishi Underwear Co., Ltd	1,100,000.00	55,000.00	404,780.23	20,239.01

（2）Payables

Name	Related party	2020.12.31	2019.12.31
Account payable	Hengmei Photoelectri Co., Ltd	35,787,643.44	56,245,028.58
Other payable	Shenzhen Xinfang Knitting Co., Ltd.	244,789.85	244,789.85
Other payable	Shenzhen Changlianfa Printing and dyeing Co., Ltd.	1,580,949.95	1,580,949.95
Other payable	Yehui International Co.,Ltd.	1,143,127.81	1,216,719.38
Other payable 款	SAPO （Hongkong）Co., Ltd.	315,000.00	315,000.00
Other payable	Shenzhen Guanhua Printing & Dyeing Co., Ltd.	3,811,240.92	3,811,053.20

XI.Share payment

1. Overall situation of share payment

Total amount of various equity instruments granted by the company during the current period	
Total amount of various equity instruments that the company exercises during the period	
Total amount of various equity instruments that have expired in the current period	1,566,150 shares
The scope of executive price of the company's outstanding share options at the end of the period and the remaining term of the contract	
The scope of executive price of the company's other equity instruments at the end of the period and the remaining term of the contract	5.73 yuan/share， 1 year

On December 14, 2017, the company's 3rd Extraordinary General Meeting of Shareholders in 2017 passed the Proposal on 'Shenzhen Textile (Group) Co., Ltd. 2017 Restricted Stock Incentive Plan (Draft) and Abstract'; on December 14, 2017, the board of directors of the company reviewed and passed the Proposal on

Adjusting the List of Incentive Objects of Restricted Stock Incentive Plans and the Number of Equity Granted of 2017, and the Proposal on Granting Restrictive Shares to Incentive Objects. On December 14, 2017, the company granted 4,752,300 restricted shares to the incentive object, the grant price was 5.73 yuan/share. Restrictions shall be lifted at the rate of 40%, 30%, and 30% respectively after 12 months, 24 months, and 36 months after the first transaction date of 24 months after the completion of the registration. The company's performance assessment for the restricted shares granted each period is as follows:

Restriction lifting period	Performance assessment goals
The first restriction lifting period	In 2018, the earnings per share shall be no less than 0.07 yuan, and shall not be lower than the 75 fractiles level of the comparable listed companies in the same industry; the growth rate of operating revenue in 2018 compared with 2016 is not less than 70%, and is not lower than the 75 fractiles level of comparable listed companies in the same industry; in 2018, the proportion of optical film business such as polarizers to operating revenue is no less than 70%.
The second restriction lifting period	In 2019, earnings per share shall be no less than 0.08 yuan, and shall not be lower than the 75 fractiles level of the comparable listed companies in the same industry; the growth rate of operating revenue in 2019 compared with 2016 is not less than 130%, and is not lower than the 75 fractiles level of comparable listed companies in the same industry; in 2019, the proportion of optical film business such as polarizers to operating revenue is not less than 75%.
The third restriction lifting period	In 2020, the earnings per share shall be no less than 0.20 yuan, and shall not be lower than the 75 fractiles level of comparable listed companies in the same industry; the growth rate of operating revenue in 2020 is not less than 200% compared to 2016, and is not lower than the 75 fractiles level of comparable listed companies in the same industry. In 2020, the proportion of optical film business such as polarizers to operating revenue will be no less than 80%.

Note: Earnings per share=net profit/total capital stock attributable to common shareholders of the Company upon deduction of non-recurring profit and loss.

On January 16, 2020, the Company convened the first extraordinary shareholders' meeting in 2020 to consider and pass the Proposal on Repurchase and Cancellation of Some Restricted Shares and agreed to repurchase and cancel 69,900 shares of restricted shares held by 3 original incentive objects who left the company for personal reasons at a repurchase price of 5.73 yuan per share.

On March 12, 2020, the 27th meeting of the Seventh Board of Directors of the Company deliberated and approved the Proposal on Repurchase and Cancellation of Some Restricted Stocks, on which related directors Zhu Jun, Zhu Meizhu and Ning Maozai avoided voting according to relevant laws, regulations and the Articles of Association of the Company. The company plans to repurchase and cancel a total of 1,313,340 restricted stocks held by 110 incentive targets that have not reached the conditions for lifting the restrictions on sales. The repurchase price is calculated at the grant price of RMB 5.73/share plus the bank deposit interest for the same period; A total of 120,000 restricted stocks which have been granted to the 3 resigned employees but have not yet lifted the restrictions on sale are planned to be repurchased and cancelled, at a repurchase price of RMB 5.73/share. A total of 1,433,340 restricted stocks were repurchased and cancelled by the Company. Independent directors of the Company issued independent opinions and lawyers issued legal opinions.

On April 3, 2020, the Company held the second extraordinary general meeting of shareholders in 2020 to review and approve the Proposal on Repurchase and Cancellation of Some Restricted Stocks, and agreed that the Company held a total of 1,313,340 restricted stocks that failed to lift the restrictions on sales in Phase II of 110 incentive objects at a repurchase price of RMB 6.01/share; It is agreed that the Company will repurchase and cancel a total of 120,000 restricted stocks that have been granted to the 3 resigned employees but have not yet lifted the restrictions on sale at a repurchase price of RMB 5.73/share, and a total of 1,433,340 restricted stocks will be repurchased and cancelled.

On June 8, 2020, the Company held the 30th meeting of the Seventh Board of Directors and the 21st meeting of the Seventh Board of Supervisors. The Board of Directors deliberated and approved the Proposal on Repurchase and Cancellation of Some Restricted Stocks, and proposed to repurchase and cancel 57,150 restricted stocks held by the 5 original incentive objects who resigned for personal reasons at a repurchase price of RMB 5.73/share; It is proposed to repurchase and cancel 5,760 restricted stocks held by 1 retired original incentive object at the repurchase price of RMB 6.14/share. Independent directors of the Company expressed their agreed independent opinions. The Board of Supervisors deliberated and approved the Proposal on Repurchase and Cancellation of Some Restricted Stocks, verified the number of repurchased and cancelled stocks and the list of incentive targets, and issued verification opinions, and lawyers issued legal opinions.

On June 29, 2020, the company held the 2019 Annual General Meeting of Shareholders to deliberate and approve the Proposal on Repurchase and Cancellation of Some Restricted Stocks, and agreed to repurchase and cancel 57,150 restricted stocks held by the 5 original incentive objects who resigned for personal reasons at a repurchase price of RMB 5.73/share; It is agreed to repurchase and cancel 5,760 restricted stocks held by 1 retired original incentive object at the repurchase price of RMB 6.14/share, and a total of 62,910 restricted stocks will be repurchased and cancelled.

2. Equity-settled share-based payment

Determination method of the fair value of equity instruments on the grant date	The closing price of the company's stock on grant date - grant price
Determination basis of the number of vesting equity instruments	On each balance sheet date of the waiting period, it is determined based on the latest information such as the change in the number of people that can be released from restrictions and the completion of performance indicators
The reasons for the significant difference between the current estimate and the previous estimate	
Equity-settled share-based payment is included in the accumulated amount of capital reserve	--
Total amount of fees confirmed by equity-settled share-based payments in the current period	--

XII. Commitments

1. Significant commitments

As of December 31,2020,The company does not disclose the pension plan undisclosed matter should exist.

2. Contingency

As of December 31,2020,The company does not disclose the pension plan undisclosed matter should exist.

XIII. Events after balance sheet date

The Company has no events after the balance sheet date that should be disclosed.

XIV. Other significant events

1. Segment information

According to the Company's internal organizational structure, management requirements and internal reporting system, the Company's business includes 4 reporting segments: polarizer, textile, property leasing and trade. These reporting segments are determined based on the financial information required by the Company's daily internal management. The management of the Group regularly evaluates the operating results of these reporting segments, so as to decide to allocate resources to them and evaluate their performance. Segment profit or loss, assets and liabilities are as follows:

Current period or end of current period	Polarizer	Property lease	Textile	Trade	Offset	otal
Operating income	1,954,299,275.90	95,691,578.25	60,503,325.78	--	-1,529,492.13	2,108,964,687.80
Including: revenue from foreign transaction	1,954,299,275.90	94,195,699.39	60,469,712.51	--	--	2,108,964,687.80
Revenue from inter-segment	--	1,495,878.86	33,613.27	--	-1,529,492.13	--
Including: revenue from	1,954,299,275.90	86,707,358.16	60,503,325.7	--	-4,077,074.78	2,097,432,885.
Operating cost	1,737,374,562.38	28,134,125.79	49,877,951.65	--	-1,088,244.80	1,814,298,395.02
Including: main business cost	1,737,374,562.38	21,928,436.25	49,877,951.65	--	-1,088,244.80	1,808,092,705.48
Operating profit	9,491,199.52	39,054,820.16	2,119,203.22	-257,812.90	-371,420.53	50,394,125.02
Total assets	3,676,840,413.21	3,190,112,708.30	38,262,097.35	28,781,153.63	-1,964,319,763.74	4,969,547,552.23
Total indebtedness	878,156,778.18	177,919,940.25	20,735,649.08	19,444,715.13	-26,024,780.03	1,070,232,302.61

2. Government subsidy

Government subsidies included in deferred income are subsequently measured by the total amount method

Subsidy item	2019.12.31	New subsidy amount in the current period	Amount carried forward to profit or loss in the current period	Others Changes	2020.12.31	Listed items carried forward into profit	Asset-related/revenue-related

						or loss in the current period	
Amortization of textile special funds	428,571.41	--	142,857.16	--	285,714.25	Other income	Related to assets
Amortization of subsidy funds for industrialization items of TFT-LCD polarizer	3,033,333.34	--	1,300,000.00	--	1,733,333.34	Other income	Related to assets
Amortization of subsidy funds for narrow line (Line 5) of TFT-LCD polarizer phase I project	1,500,000.00	--	500,000.00	--	1,000,000.00	Other income	Related to assets
Amortization for purchasing imported equipment and technical subsidies	501,926.58	--	175,090.20	--	326,836.38	Other income	Related to assets
Amortization of innovation and venture funds for TFT-LCD polarizer phase I project	150,000.00	--	50,000.00	--	100,000.00	Other income	Related to assets
Amortization of innovation and venture funds in Shenzhen polarized	262,500.00	--	50,000.00	--	212,500.00	Other income	Related to assets

materials and technology engineering laboratory							
Amortization of polarized materials and technical engineering laboratory in Shenzhen	2,625,000.00	--	500,000.00	--	2,125,000.00	Other income	Related to assets
Amortization of subsidy funds for technical center construction	1,575,000.00	--	300,000.00	--	1,275,000.00	Other income	Related to assets
Amortization of subsidy funds for introducing advanced technology	43,164.31	--	14,388.10	--	28,776.21	Other income	Related to assets
Amortization of local supporting funds for TFT-LCD polarizer phase II project (Line 6)	12,750,000.00	--	1,500,000.00	--	11,250,000.00	Other income	Related to assets
Amortization of innovation and venture funds for TFT-LCD polarizer phase II project (Line 6)	425,000.00	--	50,000.00	--	375,000.00	Other income	Related to assets
Amortization of subsidy funds for key technology R&D equipment of optical compensation film for polarizer	3,625,000.00	--	500,000.00	--	3,125,000.00	Other income	Related to assets
Amortizatio	8,500,0	--		--		O	Related to assets

n of national subsidy for TFT-LCD polarizer phase II project (Line 6)	00.00		1,000,000.00		7,500,000.00	ther income	
Amortization of funds for pilot projects of regional agglomeration development of strategic emerging industries in Guangdong Province	21,250,000.00	--	2,500,000.00	--	18,750,000.00	Other income	Related to assets
Amortization of subsidies for new production lines and purchased equipment in the phase II project of polarizer for TFT-LCD	25,500,000.00	--	3,000,000.00	--	22,500,000.00	Other income	Related to assets
Amortization of subsidy funds for energy-saving transformation	56,815.63	--	29,642.93	--	27,172.70	Other income	Related to assets
Amortization of subsidy funds for old elevator renovation	1,004,752.95	--	142,255.72	--	862,497.23	Other income	Related to assets
Investment funds in the central budget of polarization industrialization project for super-large TV (Line 7)	30,000,000.00	--		--	30,000,000.00	Other income	Related to assets

R&D subsidy for key technologies of polarizers for ultra-thin IPS smart phone terminals	2,000,000.00	--		--	2,000,000.00	Other income	Related to assets
Shenzhen Municipal Finance Committee (R&D key technologies of high-performance polarizers for C2018N007 large-size display panels)	5,000,000.00	1,000,000.00		--	6,000,000.00	Other income	Related to assets
Special fund subsidy for improving atmospheric environmental quality in Shenzhen - SAPO Photoelectric	1,033,507.00	--	442,931.57	--	590,575.43	Other income	Related to assets
Special fund subsidies for improving the quality of atmospheric environment in Shenzhen-Meibainian	--	520,000.00	26,000.00	--	494,000.00	Other income	Related to assets
Subsidy for special technical transformation investment project of multiplication by technical transformation	--	190,000.00	11,083.33	--	178,916.67	Other income	Related to assets
Tota	121,26	1,710	12,23	--	110,74		

l	4,571.22	,000.00	4,249.01	0,322.21

(III)Other important matters affecting investors' decision-making

(1) Arbitration between the company and Jinjiang Group

At the end of 2016, the Company introduced Jinjiang Group as a strategic investor for SAPO Photoelectric' capital increase and share expansion. The Company, SAPO Photoelectric, Jinjiang Group and the limited partnership named Hangzhou Jinhang Equity Investment Fund Partnership (Limited Partnership) (hereinafter referred to as "Jinhang Investment") established by the Jinjiang Group as actual controllers, signed the Cooperation Agreement. Jinjiang Group made a commitment to the performance of SAPO Photoelectric from 2017 to 2019 and Jinjiang Group undertook to make up the difference between the promised net profit and the actual profit in cash if the promised income and net profit were not fulfilled. In 2018 and 2019, Jinjiang Group did not complete its performance commitments as agreed. The performance compensation company in 2018 has been received in 2019 as agreed, totaling RMB 197,268,700; As for the performance compensation in 2019, Jinjiang Group believes that it cannot dominate the operation and management of SAPO Photoelectric, which leads to the failure of the contractual purpose of the Cooperation Agreement, and applies to Shenzhen International Arbitration Court for arbitration. Request: ①To award the applicant to be exempted from fulfilling the 2019 annual performance compensation obligation stipulated in Article 3.1 of the Cooperation Agreement, that is, the applicant no longer pays RMB 244,783,800 to SAPO Photoelectric; ② If the arbitration tribunal finds that it will not support the first arbitration request mentioned above, then, request an award to rescind Article 3.1 of the Cooperation Agreement; The respondent shall compensate the applicant RMB 197,268,700 paid by the applicant in 2018; And the respondent shall compensate the applicant for the profit loss of RMB 202,340,700 that it could have obtained; ③To award the respondent to bear the arbitration fee and the actual expenses of the arbitration tribunal. As of the reporting date, the above arbitration has not yet been finalized.

(2) Undelivered property of Shenzhen Xieli Automobile Enterprise Co., Ltd. (hereinafter referred to as "Xieli Automobile")

Shenzhen Xieli Automobile Co., Ltd. (hereinafter referred to as "Shenzhen Xieli") is a Sino-foreign joint venture invested by the Company and Hong Kong Xieli Maintenance Co., Ltd in 1981, with a registered capital of RMB 3.12 million, and 50% equity held by the Company. The business term of the company ended in 2008 and its business license was revoked in 2014. The main asset of the company is real estate. In March 2020, the Industrial and Commercial license of Shenzhen Xieli was cancelled, but how to dispose of three properties under its name needs to be resolved upon further negotiation between shareholders of both parties.

XV. Notes s of main items in financial reports of parent company

(1) Account receivable

1. Aging disclosure

Aging	2020.12.31	2019.12.31
Within 1 year	1,538,316.00	550,453.73

Less：Bad debt provision	76,915.80	27,522.69
Total	1,461,400.20	522,931.04

（2）Disclosure by classification according to the bad debt accrual metho

Types	2020.12.31					2019.12.31				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion(%)	Amount	Expected credit loss rate (%)		Amount	Proportion(%)	Amount	Expected credit loss rate (%)	
Bad debt provision is accrued according to individual items	1,538,316.00	100.00	76,915.80	5.00	1,461,400.20	550,453.73	100.00	27,522.69	5.00	522,931.04

Bad debt provision is accrued according to portfoliosAccrual of bad debt provision by single item:：

	2020.12.31			2019.12.31		
	Book balane	Bad-debt provision	Expected credit loss rate (%)	Book balane	Bad-debt provision	Expected credit loss rate (%)
Within 1 year	1,538,316.00	76,915.80	5.00	550,453.73	27,522.69	5.00

(3) Bad debt provision accrued, recovered or reversed in the current period

	Amount of bad-debt provision
2019.12.31	27,522.69
Adjustment amount for the first implementation of the New Income	--
2020.01.01	27,522.69

Current accrual	49,393.11
Withdrawal or reversal in current period	--
2020.12.31	76,915.80

(4) There is no account receivable actually written off in the current period

(5) The top five units of the closing balance of accounts receivable collected by the arrears

The total amount of the top five accounts receivable collected by the Company according to the arrearage party was 1,538,316.00 yuan, accounting for 100% of the total year-end balance of accounts receivable, and all the top five arrears were rental of houses. The sum of the closing balance of the corresponding provision for bad debts is 76915.80 yuan

（6）No account receivable which terminate the recognition owning to the transfer of the financial assets

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

2.Other receivale

Items	2020.1	2019.12.31
Interest receivable	--	7,329,228.31
Other receivavble	7,450,934.40	9,710,277.69
Total	7,450,934.40	17,039,506.00

（1）Interest receivable

1) Category of interest receivable

Items	2020.12.31	2019.12.31
Fixed deposit	--	--
Structure deposit	--	7,329,228.31
Subtotal：	--	7,329,228.31
Less：Bad debt provisio	--	--
Total	--	7,329,228.31

（2）Other receivable

(1)Category of Other receivable

Aging	2020.12.31	2019.12.31

Within 1 year	5,011,410.31	5,143,593.73
1-2 years	2,410,316.25	3,828,819.36
2-3 years	328,819.35	1,830,359.77
3-4 years	454,759.77	1,810,047.30
4-5 years	1,800,000.00	--
Over 5 years	12,461,099.73	12,476,252.43
Subtotal	23,580,195.11	25,089,072.59
Less：Bad debt provision	16,129,260.71	15,378,794.90
Total	7,450,934.40	9,710,277.69

(2)Other accounts receivable classified by the nature of accounts

Items	2020.12.31	2019.12.31
	Book balance	Book Balance
Export rebate	7,175,600.00	9,366,582.51
Unit account	16,369,395.10	15,678,175.33
Deposit	10,000.00	--
Other	25,200.01	44,314.75
Subtotal	23,580,195.11	25,089,072.59
Less：Bad debt provision	16,129,260.71	15,378,794.90
Total	7,450,934.40	9,710,277.69

(3）Bad-debt provision

At the end of the period, bad debt provision in the first stage:

Types	Book Balance	Bad-debt provision	Book value
Bad debt provision accrued by aging portfol	8,468,948.79	1,018,014.39	7,450,934.4

Total	8,468,948.79	1,018,014.39	7,450,934.4

At the end of the period, the Company does not have interest receivable, dividend receivable and other receivables in the second stage;

At the end of the period, bad debt provision in the third stage:

Types	Book Balance	Bad-debt provision	Book value	Reason
Bad debt provision is accrued according to individual items	15,111,246.32	15,111,246.32	--	Long aging and low possibility of recovery
Total	15,111,246.32	15,111,246.32	--	

On December 31, 2019, bad debt provisions are as follows:

Bad debt provision in the first stage:

Types	Book Balance	Bad-debt provision	Book value
Bad debt accrued by aging portfolios	10,996,121.64	1,285,843.95	9,710,277.69
Total	10,996,121.64	1,285,843.95	9,710,277.69

As of December 31, 2019, the Company has no interest receivable, dividend receivable and other receivables in the second stage.As of December 31, 2019,，Bad debt provision in the third stage:

Types	Book Balance	Bad-debt provision	Book value	Reason
Bad debt provision is accrued according to individual items	14,092,950.95	14,092,950.95	--	Long aging and low possibility of recovery
Total	14,092,950.95	14,092,950.95	--	

④ Bad debt provision accrued, recovered or reversed in the current period

Bad debt provision	Stage 1 Expected credit losses over the next 12 months	Stage 2 Expected credit loss over life (no credit impairment)	Stage 3 Expected credit losses for the entire duration (credit impairment	Total

			occurred)	
Balance as at December 31,2019	1,285,843.95	--	14,092,950.95	15,378,794.90
Balance as at December 31,2019In current	--	--	--	--
——Transfer to stage II	--	--	--	--
——Transfer to stage III	-181,045.68	--	181,045.68	--
——Transfer to stage II	--	--	--	--
——Transfer to stage I	--	--	--	--
Provision in the current period	--	--	837,249.69	837,249.69
Turn back in the current period	86,783.88	--	--	86,783.88
Reseller in the current period	--	--	--	--
Write - off in the current period	--	--	--	--
Other	--	--	--	--
Balance as at December 31,2020	1,018,014.39	--	15,111,246.32	16,129,260.71

(5) Other account receivables actually cancel after write-off :Nil

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

Name	Nature	Year-end balance	Age	Portion in total other receivables(%)	Bad debt provision of year-end balance
Top 1	Unit account	11,389,044.60	Over 5 years	48.30%	11,389,044.60
Top 2	Unit account	7,175,600.00	Within 1 year，1-2 years	30.43%	--
Top 3	Unit account	1,800,000.00	4-5 years	7.63%	1,800,000.00

Top 4	Unit account	1,100,000.00	Within 1 year	4.66%	55,000.00
Top 5	Deposit	1,018,295.37	1-2 year，2-3 years，3-4 years	4.32%	349,497.32
T		22,482,93		95.35%	13,593,541.92

(7) No Accounts receivable involved with government subsidies

(8) No other account receivable which terminate the recognition owning to the transfer of the financial assets

(9) The amount of the assets and liabilities formed by the no transfer and the continues involvement of other accounts receivable

3.Long-term equity investment

Items	2020.12.31			2019.12.31		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	1,972,630,835.39	16,582,629.30	1,956,048,206.09	1,966,803,211.46	16,582,629.30	1,950,220,582.16
Investment to joint ventures	138,703,188.31		138,703,188.31	139,721,906.46		139,721,906.46
Investment to associated enterprises	9,225,948.92		9,225,948.92	12,488,023.26		12,488,023.26
Total	2,120,559,972.62	16,582,629.30	2,103,977,343.32	2,119,013,141.18	16,582,629.30	2,102,430,511.88

（1）Investment to the subsidiary

Name	2019.12.31	Increase	Decrease	2020.12.31	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
SAPO Photoelectric	1,924,663,070.03			1,924,663,070.03		14,415,288.09
Shenzhen Lisi Industrial Developmen	8,073,388.25			8,073,388.25		
Shenzhen Beauty Century Garment	16,864,215.55			16,864,215.55		2,167,341.21
Shenzhen Huaqiang Hotel	15,489,351.08			15,489,351.08		
Shenfang Property Managemen	1,713,186.55			1,713,186.55		
Shenfang Sungang Property Managemen		5,827,623.93		5,827,623.93		
Total	1,966,803,	5,827,6		1,972,630,		16,582,6

（2）Investment to joint ventures and associated enterprises

Name	2019.12.31	Increase /decrease in reporting period								2020.12.31	losing balance of impairm
		dd investment	ecreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	ther equity changes	Declaration of cash dividends or profit	ithdrawn impairmen	ther		

				t provision		ent provision
I. Joint ventures						
Anhui Huapeng Textile Co.,Ltd.	10,098,833.77	698,189.37			10,797,023.14	
Shenzhen Guanhua Printing & Dyeing Co., Ltd.	129,623,072.69	-1,716,907.52			127,906,165.17	
Subtotal	139,721,906.46	-1,018,718.15			138,703,188.31	
II. Associated enterprises						
Shenzhen Changlianfa Printing and dyeing Company	2,450,676.14	255,586.24			2,706,262.38	
Jordan Garnent Factory	902,269.19	-904,422.99	2,153.80			
Yehui International Co., Ltd.	9,135,077.93	-2,297,211.37	-318,180.02		6,519,686.54	
Subtotal	12,488,023.26	-2,946,048.12	-316,026.22		9,225,948.92	
Total	152,209,929.72	-3,964,766.27	-316,026.22		147,929,137.23	

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4.Business income, Business cost

（1）Business income, Business cost

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main	57,649,817.5	7,019,203.7	71,861,233.	8,340,126.19
Other	3,647,070.68	3,647,070.6	51,724,519.	52,314,425.7
Total	61,296,888.2	10,666,274.	123,585,753	60,654,551.9

（2）Main business（Industry）

Name	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Property rental	57,649,817.53	7,019,203.76	71,861,233.77	8,340,126.19

（3）Main business（Production）

Name	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Property rental	57,649,817.53	7,019,203.76	71,861,233.77	8,340,126.19

（4）Main Business（Area）

Name	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Shenzhen	57,649,817.53	7,019,203.76	71,861,233.77	8,340,126.19

5.Investment income

Items	Amount of current period	Amount of previous period

Income from long-term equity investment measured by adopting the Cost method	18,304,138.91	--
Income from long-term equity investment measured by adopting the equity method	-3,446,613.86	-7,404,083.27
Investment income from the disposal of long-term equity investment	--	55,481,817.13
Dividend income earned during investment holdings in other equity instruments	1,995,042.32	1,558,400.13
Structured deposit interest	14,919,678.58	18,417,333.36
Net monetary gains	3,884,233.70	--
Total	35,656,479.65	68,053,467.35

XVI. Supplement information

1. Particulars about current non-recurring gains and loss

Items	Amount	Notes
Non-current asset disposal gain/loss	273,229.58	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	29,506,252.69	Mainly due to recognize other income from government subsidies related to the main business.
Other non-business income and expenditures other than the above	1,310,556.26	
Net amount of non-operating income and expense except the aforesaid items	--	
Other non-recurring Gains/loss items	31,090,038.53	
Less：Income tax impact on non-current gains & losse	53,313.37	

Net non-current gains & losses	31,036,725.16
Less：Net impact of non-current gains & losses attributable to minority shareholders (after tax)	11,853,336.46
Non-current gains & losses attributable to common shareholders of the company	19,183,388.70

2. Return on net asset and earnings per share

Profit of report period	Weighted average returns equity(%)	Earnings per share	
		Basic earnings per share(RMB/share）	Diluted earnings per share(RMB/shar
Net profit attributable to the Common stock shareholders of Company.	1.36	0.07	0.07
Net profit attributable to the Common stock shareholders of Company after deducting of	0.66	0.04	0.04

Shenzhen Textile (Holdings) Co., Ltd.

March 10, 2021