



OFFCN EDUCATION TECHNOLOGY CO., LTD.

2021 Semi-Annual Report

Stock Code: 002607

Stock Abbr.: OFFCN EDU

August, 2021

Chapter 1 Important Notes, Contents and Definitions

The Company's Board of Directors, Supervisory Committee, directors, supervisors, and senior management hereby guarantee that the contents of the annual report are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions, and shall assume individual and joint legal liabilities.

Wang Zhendong, the Company's legal representative, Shi Lei, head in charge of accounting and Luo Xue, head of the accounting department (Accounting supervisor), declare that they warrant the truthfulness, accuracy and completeness of the financial report in the annual report.

All directors attended the board meeting for reviewing this report.

The forward-looking statements on future plans and development strategies involved in this report do not constitute a substantial commitment to investors. The possible risks have been detailed in Chapter 3 "Management Discussion and Analysis" of this report. Please pay attention to the potential investment risks.

The Company plans not to distribute cash dividends, bonus shares, nor to increase share capital by converting capital reserve.

The Company's 2021 Semi-Annual Report is prepared and published in Chinese version, and the English version is for reference only. Should there be any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

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Documents Available for Reference

- I. The full text of 2021 Semi-Annual Report signed by Wang Zhendong, the Company's legal representative.
- II. The financial statement signed and sealed by the legal representative of the Company, the person in charge of accounting work and the person in charge of accounting department (accounting supervisor).
- III. The original copies of all the documents of the Company which have been disclosed in newspapers designated by the China Securities Regulatory Commission during the reporting period.
- IV. Other relevant documents.

The place where the above-mentioned documents are maintained: the office of the Company's Secretary of the Board of Directors.

Definitions

Term(s)	Definition
The listed Company, The Company, Offcn Edu	Offcn Education Technology Co., Ltd.
The Counterparty, Li Yongxin and other 10 Counterparties, All Shareholders of Offcn Ltd.	Lu Zhongfang, Li Yongxin, Wang Zhendong, Aerospace Industry, Guangyin Venture, Kerui Technology Innovation, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, Zhang Zhi'an
This major assets restructuring, This transaction, This restructuring	Base on the assessment, Yaxia Auto takes all assets and liabilities other than retained assets as the exchange-out assets to swap the equivalent portion of 100% equity of Offcn which held by Li Yongxin and other 10 counterparties, and the swapping deficiency is settled by issuance of Yaxia Auto shares according to the proportion of shareholding. At the same time, Yaxia Industrial transfers 80,000,000 and 72,696,561 Yaxia Auto shares to Offcn Partnership and Li Yongxin respectively. All shareholders of Offcn entrust Yaxia Auto to directly deliver the exchange-out assets to Yaxia Industrial or its designated third party as the consideration for the transfer of 80,000,000 shares to Offcn Partnership, and Li Yongxin offers RMB1 billion in cash as the consideration for the transfer of 72,696,561 shares.
Aerospace Industry	Beijing Aerospace Industry Investment Fund (Limited Partnership)
Guangyin Venture	Beijing Guangyin Venture Capital Center (Limited Partnership)
Kerui Technology Innovation	Beijing Kerui Technology Innovation Investment Center (Limited Partnership)
Offcn Partnership	Beijing Offcn Future Information Consulting Center (Limited Partnership), established by all shareholders of Offcn Ltd. in accordance with the shareholdings ratio, which is used to undertake 80,000,000 shares of the listed Company transferred by Yaxia Industrial.
Offcn Online	Beijing Offcn Online Education Technology Co., Ltd.
Performance Compensation Obligor, Performance Commitment Person	Lu Zhongfang, Li Yongxin, Wang Zhendong, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, Zhang Zhi'an
Yaxia Industrial	Anhui Yaxia Industrial Co., Ltd. (the original controlling shareholder of the listed Company)
Committed net profit	Committed net profit attributable to shareholders of the parent company after deducting non-recurring profits and losses under the consolidated statement of any of the three fiscal years of Offcn Edu.
Actual net profits	The actual net profits attributable to shareholders of the parent company after deducting non-recurring profits and losses under the consolidated statements of any of the three fiscal years of Offcn Edu.
Net profits after deducting non-recurring profits and losses	The net profits attributable to the owner of the parent company after deducting non-recurring profits and losses under the consolidated statement.
Offcn Ltd. Predecessor of Beijing Offcn Beijing Offcn	Beijing Offcn Education Technology Co., Ltd. (predecessor: Beijing Offcn Education Technology Stock Co., Ltd.)

Term(s)	Definition
<i>Profit Forecast Compensation Agreement</i>	<i>Profit Forecast Compensation Agreement</i> signed by Yaxia Auto and Lu Zhongfang, Li Yongxin, Wang Zhendong, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, Zhang Zhi'an.
CSRC	China Securities Regulatory Commission
<i>Company Law</i>	<i>Company Law of the People's Republic of China</i>
<i>Securities Law</i>	<i>Securities Law of the People's Republic of China</i>
Articles of Corporation	Articles of Corporation of Offcn Education Technology Co., Ltd.
Yuan, 10 thousand yuan, 100 million yuan	RMB yuan, RMB 10 thousand yuan, RMB 100 million yuan
<i>The New lease Standard</i>	<i>The Accounting Standards for Business Enterprises No. 21 — Lease</i> issued by the Ministry of Finance in 2018

Chapter 2 Corporate Profile & Key Financial Indicators

Section I. Corporate profile

Stock Abbreviation	OFFCN EDU	Stock Code	002607
Changed Stock Abbreviation (if any)	/		
Listed Stock Exchange	Shenzhen Stock Exchange		
Chinese Name of the Company	中公教育科技有限公司		
Chinese Name Abbreviation of the Company	中公教育		
English Name of the Company (if any)	Offcn Education Technology Co., Ltd.		
English Name Abbreviation of the Company (if any)	OFFCN EDU		
Legal Representative of the Company	Wang Zhendong		

Section II. Contact information

	Board Secretary	Securities Affairs Representative
Name	Gui Hongzhi	Gu Pan
Address	Block B, Hanhua Century Mansion, No.23 Xueqing Road, Haidian District, Beijing, China	Block B, Hanhua Century Mansion, No.23 Xueqing Road, Haidian District, Beijing, China
Tel.	010-83433677	010-83433677
Fax	010-83433666	010-83433666
E-mail	ir@offcn.com	ir@offcn.com

Section III. Other information

1. Company contact information

Whether the Company's registered address, office address and its postal code, website and/or email address changed during the reporting period

Applicable Not applicable

The Company's registered address, office address and its postal code, website and email address remain the same during this reporting period. Details can be found in 2020Annual Report.

2. Location of information disclosure and storage

Whether location of information disclosure and storage changed during the reporting period

Applicable Not applicable

The newspaper designated by the Company for information disclosure, website designated by CSRC for semi-annual report publishing, and storage location of this semi-annual report remain the same during the

reporting period. Details can be found in 2020 Annual Report.

Section IV. Key accounting information and financial indicators

Does the Company need to adjust its financial information retrospectively or restate its accounting information of previous year?

Yes No

	Current reporting period	Same period of the previous year	Increase/decrease in current reporting period over same period of the previous year
Revenue (RMB)	4,855,998,263.50	2,807,980,480.60	72.94%
Net profit attributable to shareholders of the listed Company (RMB)	-97,162,509.03	-233,026,645.16	58.30%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains or losses (RMB)	-169,905,023.78	-367,542,382.83	53.77%
Net cash flow from operating activities (RMB)	-939,091,457.95	4,063,675,504.19	-123.11%
Basic earnings per share (RMB/share)	-0.02	-0.04	50.00%
Diluted earnings per share (RMB/share)	-0.02	-0.04	50.00%
Weighted average return on assets	-2.30%	-9.00%	6.70%
	End of current reporting period	End of the previous year	Increase/decrease at the end of this reporting period over end of the previous year
Total assets (RMB)	14,170,766,300.30	14,418,850,027.27	-1.72%
Total net assets attributable to shareholders of the listed Company (RMB)	4,177,965,284.17	4,275,127,793.20	-2.27%

Section V. Differences of accounting data under domestic and overseas accounting standards

1. Differences between net profits and net assets disclosed in the financial reports under Chinese accounting standards and international accounting standards :

Applicable Not applicable

There is no difference between the net profits and net assets disclosed in the financial reports of the Company under Chinese accounting standards and international accounting standards during the reporting period.

2. Differences between net profits and net assets disclosed in the financial reports under Chinese accounting standards and overseas accounting standards:

Applicable Not applicable

There is no difference between the net profits and net assets disclosed in financial reports of the Company under Chinese accounting standards and overseas accounting standards during the reporting period.

Section VI. Items with non-recurring gains or losses and the amounts

Applicable Not applicable

Unit:RMB

Items	Amount	Note
Disposal gains or losses of non-current assets (including the offset part of the provision for asset impairment)	-168,828.03	
Government subsidies included in the current gains and losses (closely related to the business of the enterprise, except for government subsidies that are fixed or quantified in accordance with national unified standards)	1,430,028.70	
Gains or losses from entrusting others to invest or manage assets	28,910,968.77	
Gains and losses on changes in fair value arising from the possession of transactional financial assets, derivative financial assets, transactional financial liabilities, and derivative financial liabilities; and the investment income from the disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other debt investments except the effective hedging business related to the Company's normal business operations.	9,068,865.15	
Other non-operating income and expenses except for the items above	-311,355.41	
Other gains or losses items that meet the definition of non-recurring gains and losses	45,101,048.40	
Less: Impact on income tax	11,288,212.83	
Total	72,742,514.75	--

Provide explanations for classifying items of non-recurring gains and losses defined or listed in *the Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Gains and Losses* as items of recurring gains and losses.

Applicable Not applicable

The Company does not classify any non-recurring gains and losses items that are defined or listed in *the Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Gains and Losses* as items of recurring gains and losses during the reporting period.

Chapter 3 Management Discussion and Analysis

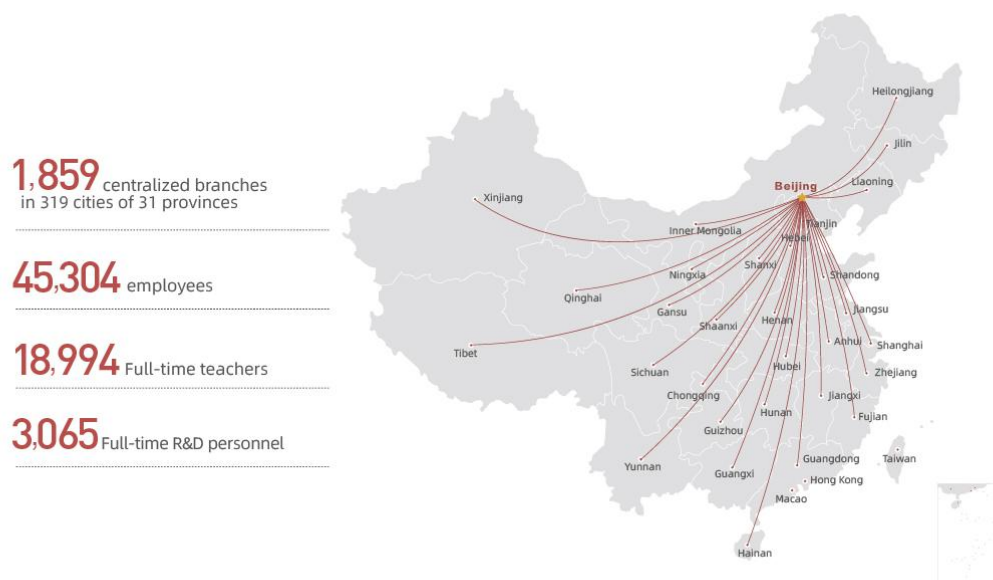
Section I. The Company’s main business during the reporting period

1. The main business, products and business model of the Company during the reporting period

Offcn Edu is a leading full-category vocational education institution in China, and it is also the pioneer and leader in the field of public service recruitment examination training. the Company's main business covers three major sectors including recruitment examination training, vocational and academic qualification preparation, and vocational skills training. It provides more than 100 categories of comprehensive vocational training services.

Offcn Edu mainly serves knowledge-based employment population including college students, university graduates, and various professionals, ranging from age 18 to 45. This huge group of hundreds of millions of people is spread throughout the country, cities and towns at all levels and in all walks of life. Employment and vocational ability improvement are their two core demands.

Currently, The Company operates in more than 1,800 outlets across the country, covering more than 300 prefecture-level cities, and is rapidly expanding into thousands of counties and universities. Offcn Edu has a large-scale full-time R&D team of more than 3,000 people, a large-scale teacher team of more than 18,000 people, and a total staff of more than 45,000 people. Relying on outstanding team execution and nationwide vertical integration and rapid response capabilities, the Company has developed into an innovation-driven high-growth enterprise platform.



2.Overview of the industry and business environment

(1) Greater progress has been made in education equity, and the “14th Five-Year Plan” has established new targets for investment in public services such as education and medical care.

Equity in Education has become the main tone of current education reform. With the return of basic education to its nature of public products, this round of reforms will greatly promote the business expansion of training for teacher recruitment and teacher qualification certificate examinations.

The “14th Five-Year Plan”requires education equality and quality to be greatly improved, higher education to be popularized, and more than 60 million new jobs to be created in cities and towns. In addition, 20,000 kindergartens will be built, renovated and expanded in order to increase enrollments by over 4 million for ordinary families. And more than 4,000 primary and secondary schools will be newly built, renovated and expanded.

In terms of medical and health care, on the one hand, it is necessary to expand disease prevention and control bases and build national and regional medical centers. On the other hand, it is necessary to strive to upgrade 500 county-level hospitals to meet the facilities and service capabilities of top-tier hospitals.

In terms of elderly care services, 500 districts and counties will be supported in building model community-home elderly care service network, about 300 training and convalescent institutions will be supported in transformation into inclusive elderly care institutions, and more nursing beds will be provided for about 1,000 public elderly care institutions.

In terms of childcare services, 150 cities will be supported to develop childcare services with social resource, and more than 500,000 exemplary inclusive childcare enrollments will be added.

In summary, the “14th Five-Year Plan” will further accelerate investment in public services and further quantify the indicators, which will strongly promote the sustainable growth of the recruitment sectors, especially teachers, medical and community services.

(2) The pandemic has accelerated the elimination of industries, and large leading companies have further promoted the demand growth.

For a long time, the vocational education industry has been filled with small and scattered companies and the market competition is in chaos. On the one hand, the supply of cost-effective and high-quality education products is severely insufficient, which depresses the educational demand, but on the other hand, there is a serious excess of homogenized production capacity. Vicious competition is widespread. Only large enterprises can break through

the difficulties and obstacles caused by the extreme fragmentation of the market. Through sufficient investment in core business such as teaching and research, channels, and management, brand-new and cost-effective products can be created, and huge potential demand can be dug out. By expanding business into various sectors and pushing each sector forward, a vocational education market field valued of tens of billions can be created.

(3) Main industry characteristics and cyclical characteristics

The industry of vocational education distributes vastly all over the country and demonstrates a significant long-tail effect. The demand of vocational education distributes vastly in every province and every city, especially in the prefecture-level cities and the counties. Almost every county has a vocational high school, and every prefecture-level city has vocational colleges. The recruitment demand of public employers as well mainly exists in prefecture-level cities and counties, which stimulates lots of local small training institutions and provides a wide space for the large scale players to expand their network of marketing channels. Meanwhile, the nationwide operation adds more difficulties to management on one hand, and lifts the barriers to competition on the other hand.

The training for public services recruitment tests is seasonal. For students, the 1-2 years before or after graduation are the key period to take training classes for the recruitment tests. The national civil servant test takes place once a year, and the provincial examinations for each province basically take place once a year, while few provinces will have another joint examination to recruit civil servants in the second half year. The recruitment of public institution employees and teachers are carried out according to the needs of the provinces and cities, which are distributed in each month throughout the year uncertainly. The documents of recruitment plan are of a great amount.

This seasonal fluctuation of recruitment has caused major growth bottlenecks for small and medium-sized training companies and has also provided large institutes with continuous motivation to constantly challenge the scale boundary. With the rapid increase in examination categories and business sectors, large enterprises will increasingly enjoy the results of scale effects and obtain a more sound resource allocation structure. In recent years, the momentum of recruitment examinations has switched to new areas such as public institutions, teachers and comprehensive recruitment, bringing the rapid concentration of market share into leading enterprises.

(4) Trends of the industry's future development

1) The status of vocational education in education system is increasing.

For a long time, China's education system has been dominated by curricula education and the foundation of vocational education is relatively weak. There is a serious shortage of high-end skilled talents supply and in the future, the need for more "skilled craftsmen" and "great builders" will remain urgent.

In recent years, China's industrial structure is undergoing transformation and upgrading. The government has clearly proposed that great efforts will be made to promote the development of emerging industries with strategic importance, and the proportion of modern service industry will be further increased. With rapid changes in the industrial structure, the requirements from enterprises for the professional competence and comprehensive quality of technical personnel have gradually increased. New requirements for their practical ability have also been put forward. Traditional academic education can't fully meet the new requirements.

Besides, the government continues to enhance the efforts to develop vocational education. In addition to the pertinent documents, such as *Decision of the State Council on Making Great Efforts to Develop Vocational Education* published in 2005, and *National Plan for Vocational Education Reform* and *China's Education Modernization Plan 2035* published in 2019, the 2021 National Vocational Education Conference further emphasized that vocational education has a bright future and promising prospects in the new journey of building a modern socialist country in all respects, and put in an explicit request for accelerating the construction of a modern vocational education system, and cultivating more high-caliber technical and skilled professionals, thus promoting the status of vocational education in the whole education system from both the policy and institutional levels.

2)The continuous increase in the number of college graduates is an important indicator of the employment situation.

Usually, a faster growing economy will bring a higher level of employment. In recent years, economic growth has slowed down, but the number of university graduates has continued to grow. It will reach 9.09 million this year, setting a new historical record.

College graduates account for more than half of the annual demand of over 15 million new jobs, and the bonus period for the export of cheap rural labor has come to an end. The expansion of university enrollment has obviously and directly accelerated the arrival of the turning point. The labor shortage of farmer laborers coexists with the difficult employment of college graduates. The demand for training for public service recruitment examination continues to rise.

In addition, aiming to maintain sustained economic growth, realize transformation and upgrading, and overcome the "middle-income trap", it is urgently necessary to carry out industrial upgrading of middle and high-end vocational education in order to improve the vocational skills and professional literacy of knowledge-based employees.

3) The serious shortage of high-quality supply is the main contradiction that restricts the development of the vocational education industry.

At present, the foundation of vocational education is still weak. Due to the extremely low concentration of the industry and the limited number of large vocational education institutes and enterprises, the supply of high-quality vocational education is seriously insufficient. With the improvement of industry concentration and the continuous development of leading vocational education enterprises, core business elements such as R&D, management and marketing of vocational education will gradually break through the original boundaries of the industry, create high-quality and cost-effective supplies, drive demand-side volume with supply-side innovation and push the industry into a new track of rapid development.

4) The urbanization wave will promote the continuous improvement of public service and the number of employees of the public service sector will continue to expand.

The process of urbanization is a key driver of the long-term impact on China's employment market growth. At present, the urbanization rate has exceeded 60%. Urbanization will expand the public financial expenditure and the number of employees in the public service sector. China's urbanization rate remains in a high-speed growth range of 30% to 70%. It is likely to continue to develop for nearly 20 years to achieve an urbanization rate of more than 80% in developed countries. Meanwhile, continuous urbanization may also lead to more seriously inadequate public service supply in cities, which will also impose higher requirements on the quality of public services.

Compared with public products such as infrastructure, public services are labor-intensive inputs, especially the basic public services of local governments. It hires a huge number of employees while improving public service capabilities. China's long-term goal for 2035 and the main goal of economic and social development during the "14th Five-Year Plan" period require a significant increase in the level of equalization of public services. According to the research by the National Academy of Governance, the employed population in the public sector in developed countries accounts for about 10% to 20% of the workforce, which is even higher than 20% in Canada and Hong Kong. However, the employed population in the current public sector only accounts for 5% in China.

With the deepening of urbanization, the proportion of employed population in China's public sector will gradually increase; and the market of training for public service recruitment examination will also maintain a long-term steady growth, which has been partially proved by the astonishing demands on the training for teacher recruitment examination and recruitment examination in medical treatment and public health.

3. Main performance driving factors

During this reporting period, to achieve the annual business goals, the Company expands the market proactively and increases its market share constantly, generating a total operating income of RMB 4,855,998,263.50, with an increase of 72.94% over the same period of last year. However, influenced by the earlier pandemic, the changed situation of market competition and other external factors, as well as the rising cost from the Company's forward-looking strategic investment, the Company experienced its periodical losses. The net profit attributable to

shareholders of the listed Company is RMB -97,162,509.03, with a year-on-year decrease of 58.30%; the net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses is RMB -169,905,023.78, with a year-on-year decrease of 53.77%. With the steadily increasing scale of operation, the input-output effect exerted by the Company's forward-looking core resource will become an important development pillar in the next stage, and the production capacity will be released gradually.

(1) The ahead-of-schedule multi-provinces joint examination shortens the period of collecting training fees and the recruiting pace is returning to normal gradually.

During the reporting period, the ahead-of-schedule multi-provinces joint examination of the civil servant has shortened the peak period of collecting training fees, which influenced the performance of the sector for civil servant recruitment exams to some degree. The sector generated the revenue of RMB 2,314,794,227.86, an increase of 90.02% over the same period of last year and an increase of 12.31% over the same period in 2019. The rising trend of recruiting demand for civil servants has been confirmed.

Meanwhile, the ahead-of-schedule multi-provinces joint examination of the civil servant has created favorable conditions for the recruitment recovery of the training sectors for public institution exams, teachers recruitment exams, medical qualification and etc., and these sectors got more investment of time and resource in their operation. During the reporting period, by seizing that opportunity, using its leading advantage of multi-categories and large-scale operation and actively innovating the products, the training sector for public institution exams generated the revenue of RMB 618,725,582.65, a year-on-year increase of 148.37%; the training sector for teachers recruitment exams generated the revenue of RMB 534,948,828.84 in the current reporting period, a year-on-year increase of 52.82%; and the training sector for other public services test and new businesses generated the revenue of RMB 1,360,062,898.84 in the current reporting period, a year-on-year increase of 40.10%.

The key operating resources and performance indicators are shown in the table below:

Item	Indicators	At the end of the reporting period	At the end of last year	Change at the end of this reporting period compared with the end of last year
Operating resources	Directly operated branches	1,859.00	1,669.00	11.38%
	Employees	45,304.00	45,066.00	0.53%
	R&D personnels	3,065.00	3,025.00	1.32%
	Teaching professionals	18,994.00	18,863.00	0.69%
Item	Indicators	At the end of the reporting period	Same period last year	Year-on-year change (%)
Business & Revenues	Revenue of face-to-face training (RMB)	3,120,444,415.18	1,622,095,227.36	92.37%

Revenue of online training (RMB)	1,708,087,123.01	1,166,091,772.30	46.48%
Trainees	2,792,112.00	2,452,252.00	13.86%
Revenue (RMB)	4,855,998,263.50	2,807,980,480.60	72.94%
Net profits attributable to shareholders of the listed Company(RMB)	-97,162,509.03	-233,026,645.16	58.30%

(2) Digital operation produces significant result and the online-merge-offline (OMO) business keeps growing.

The Company keeps promoting the integration of digital operation and vertical integrated fast response system in depth, and uses digital operation to increase the efficiency of fast response to further enhance the Company's core competitiveness based on speed economy. The continual and recurrent pandemic leads to further expansion of digital operation. Through the intelligent teaching platform with huge potential, online large-scale R&D and comprehensive service capacity, the Company endeavors to promote OMO products and keeps growing in the tough business environment. During the reporting period, the online training business of the Company generated revenue of RMB 1,708,087,123.01, a year-on-year increase of 46.48%.

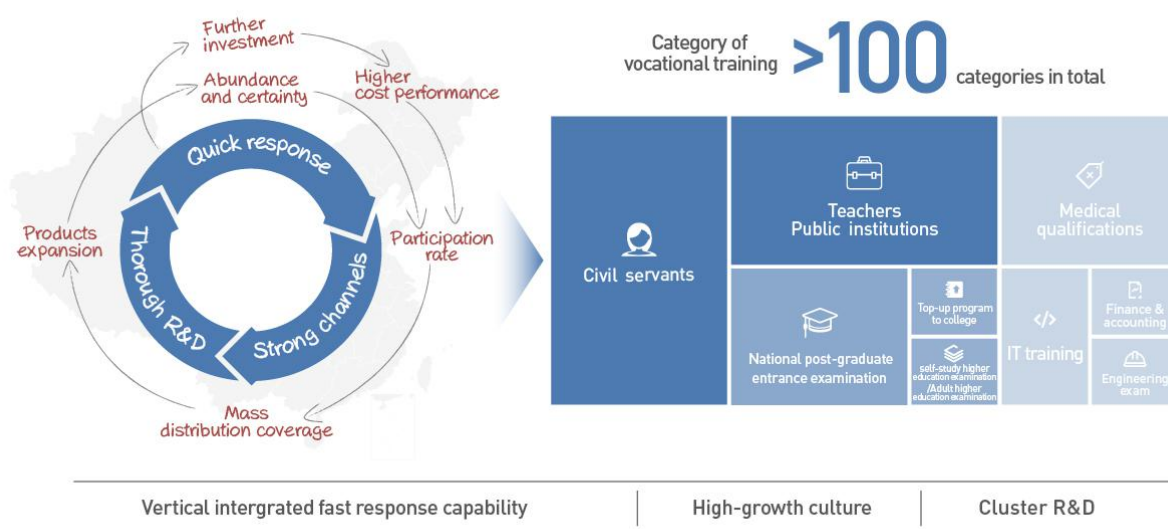
(3) The forward-looking strategic layout is efficient and the new business sector releases production capacity gradually.

From the second half of last year to the first half of this year, the Company is determined to expand operations across sectors, invests intensive resources in active new businesses constantly, and especially puts forward-looking strategic investment into important sectors including the training sectors for post-graduate entrance examination, college and high institution enrollment exams and IT. During the reporting period, the training sectors for post-graduate entrance examination, college and high institution enrollment exams and medical qualification and other new business sectors maintains a high level of activeness, thus contributing to the revenue of RMB 1,360,062,898.84 from the training sector, with a year-on-year increase of 40.10%.

With the growth and maturity of reserve talents, the Company's new business sectors gradually release production capacity, which promotes the performance of the pertinent sections in the current period and more importantly, further sharpens the advantage of overall arrangement to make for the growth trend of sector rotation in the medium and long term.

Section II. Analysis of the Company's core competitiveness

The Company's core competitiveness is based on the formation of an enterprise platform which empowers rapid growth driven by the capability of vertically integrated quick response. The key driving factors are as follows:



1. Outstanding execution fosters the fast-growth culture

The team built the Company with outstanding execution, and fostered the Company's fast-growth culture through a long period of endeavoring to grow in adversity and persistently pursuing to break the growth boundary. The team always maintains the firm will and belief to create the future, invests audaciously, achieves economies of scale in a highly fragmented and regionally isolated market, strives to be close to the optimal output, captures opportunities, and confronts fluctuations. With constant self-revolution of creative destruction, the team can always create new markets in inconspicuous places, making sustained rapid growth possible.

2. Clustered professional R&D output continuously increases the momentum for innovation

At the beginning of the career, the Company took the lead in carrying out full-time and professional R&D, based on which it created a brand-new market. Over the past decade, the Company has fostered an expert team with rich practical experience of R&D and R&D management through front-line teaching practice and adaption to market upgrading. Under the joint lead of the founding team and the expert team, a full-time R&D team of more than 3,000 people has formed. With the expansion of categories and the involvement of different sectors, the Company's professional R&D not only achieves the continuous division of labor under the scale effect, but also continuously creates R&D cluster effect of continuous collaboration between categories, which greatly improves the efficiency of R&D, especially the graft efficiency of stock R&D resources for new categories and new businesses.

3. Rapid response capability based on the vertical integrated system supports the Company's sustainable high growth structurally and efficiently.

The high operation efficiency far beyond the general industries is a necessity to realize scale economy and establish competitive barrier in the decentralized market. Therefore, vertical integrated rapid response system and

capability can best adapt to this kind of market environment. In each exam, ‘Business outlets - Headquarters command center - Teaching sites’ are giving responses and feedback with high frequency every day. Thus, the effect of management and learning far above average can be realized.

Vertical integrated corporate structure can not only realize the high efficiency of operation, but also be effectively compatible with the management impact brought by high growth and rapid business category expansion. So investment in and innovation on this corporate structure has always been a central part of the management reform. At present, Offcn Edu has established more than 1,800 business outlets covering 300 prefecture-level cities with constantly accelerating expansion. Simultaneously, the headquarters command center continues to seek the scale effect of management with the help of management reform and digital operation. In recent years, Offcn Edu has also continuously invested in the construction of large-scale one-stop bases for food, housing and learning to promote the realization of large-scale factory operation on the teaching sites.

4. “The flywheel effect of multi-categories growth” magnifies the Company’s growth prospects step by step

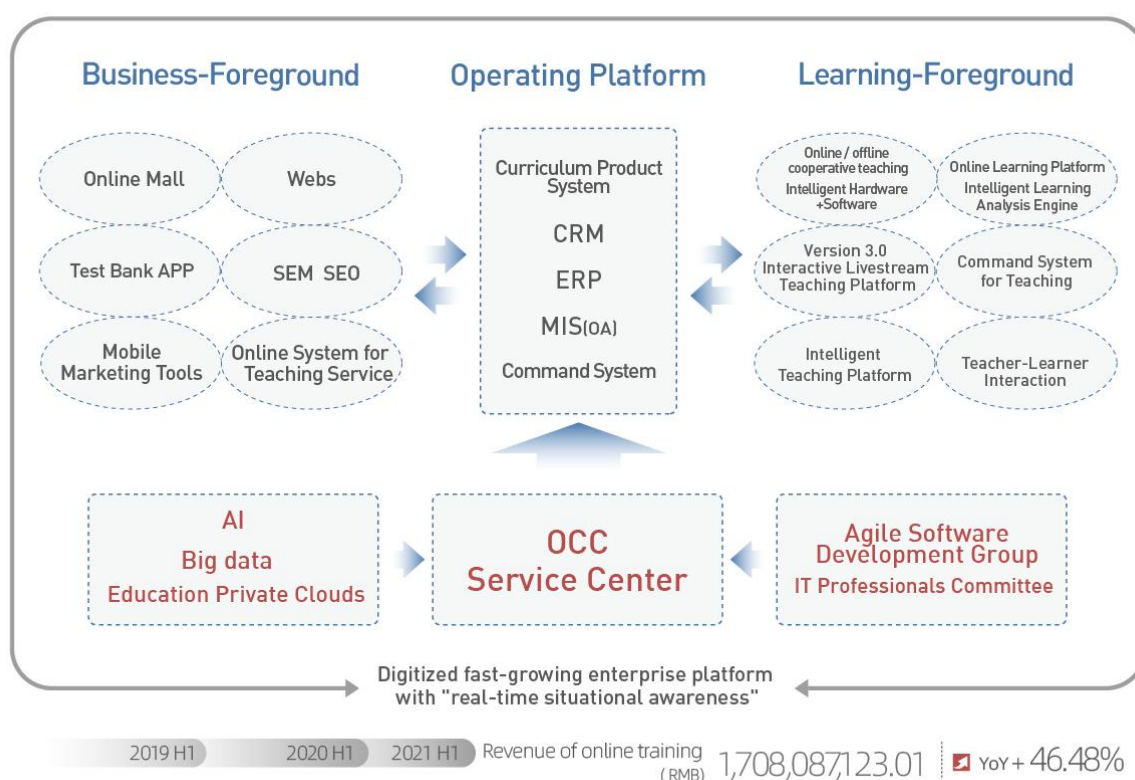
Investment capacities between multi-categories gets accumulated and superposed. The flywheel effect of multi-categories growth constantly increases. The development of new and old categories mutually amplifies investment adequacy. Together a stronger ability of operating infrastructure is jointly promoted.

The main business of the Company, whose customers include hundreds of millions of knowledge-based labor population aged between 18 and 45 across the country, spans three sectors of training for public service recruitment examination, college and high institution enrollment examination, and vocational ability enhancement. to provide comprehensive vocational training services covering more than 100 categories.

At present, the flywheel effect of growth has expanded to involve the three sectors and magnified the Company’s growth prospects step by step. The sector of training for college and high institution enrollment examination will become an important impetus for growth in 3 to 5 years while the sector of training for vocational ability enhancement will become the largest and the most significant contributor to the growth of the Company in 5 to 10 years.

5. Digital operation forms the enterprise platform with “real-time situational awareness”

The team’s exploration for digital operation has lasted for more than 15 years, and in recent years, the investment scale for digital operation infrastructure has increased significantly. One reason is to meet the management needs for fast growth and rapid expansion of categories. The other reason lies in the great adaptability of vertically integrated fast response system to the digitization. After the system was integrated with the digitization in depth, it generated higher operating efficiency and significantly improved the front and background response frequency from units of days to a level close to “real-time situational awareness”, which greatly enhanced the Company’s core competitiveness based on speed economy.



6. The values of kindness and altruism allow the Company to maintain strong organizational cohesion in high growth

As a knowledgeable staff-intensive vocational education institution, the Company has established a concise and effective corporate culture in the long journey of arduous entrepreneurship, with the core value of "Be Kind & Do Right" and advocating altruism. Not only has it become a company system, but also the founding team has taken the lead to set an example, driven it step by step, and unswervingly implemented it in the operation, making the values of Offcn Edu ubiquitous and flourishing in the enterprise. This distinctive and tangible corporate culture allows the company to maintain strong organizational cohesion in high growth.

7. Offcn Edu strives to strengthen the Party's construction to promote the healthy and vigorous development of the Company

From the establishment of the Party committee in 2018 to the establishment of the first Party school of non-public-owned enterprise in 2019, the Party committee of Offcn Edu has fully utilized the Company's advantages of knowledge, theory, and technology and actively promotes and implements the Party's political routes, principles, and policies to employees and students. Meanwhile, Offcn Edu focuses on the integration of the Party building of non-public enterprises and corporate culture construction to promote the healthy and vigorous development of the enterprise.

As of June 30, 2021, the Company had 9,286 Party members, accounting for more than one-fifth of the total number of employees.

Section III. Core business analysis

Refer to “Section I.The Company’s main business during the reporting period”.

Year-on-year changes of major financial data

Unit: RMB

	Current Reporting Period	Same period last year	Year-on-year increase or decrease	Reasons of changes
Revenue	4,855,998,263.50	2,807,980,480.60	72.94%	Mainly due to the ending of the pandemic in the second half of 2020, the continuous recovery of the market and the gradual increase of the business income because of the regular conduction of various examinations in the first half of 2021
Operating cost	2,684,951,238.24	1,452,611,180.39	84.84%	Mainly due to the ending of the pandemic, the gradual recovery of face-to-face training and the increased teaching investment
Marketing expenses	975,972,472.83	700,817,453.92	39.26%	Mainly due to the increase of staff salary and marketing fee under the influence of the resumption of marketing activities and the increase of market investment
Management expenses	607,894,812.80	518,959,454.14	17.14%	
Financial expenses	257,804,336.41	182,654,623.66	41.14%	Mainly due to the increase in short-term borrowing interest and collection fees and the amortization of unrecognized financing expenses to financial expenses according to the new lease standard
Income tax expenses	7,582.67	9,055,694.44	-99.92%	Mainly due to the recognition of deferred income tax expenses in the previous period
R&D investment	542,875,812.43	383,227,531.01	41.66%	Mainly due to the Company’s expansion of R&D and increased investment
Net cash flow of business operation	-939,091,457.95	4,063,675,504.19	-123.11%	Mainly due to the cost increase resulted from strategic investment

				and the shortage of period of collecting training fees from multi-provinces joint examination in the first half of year
Net cash flow of investment	-857,536,416.32	-1,155,418,651.54	25.78%	Mainly due to the increase of net inflow from financial management
Net cash flow of fund raising	-593,198,529.67	-966,792,941.80	38.64%	Mainly due to the distribution of dividends in the previous period
Increase of cash and cash equivalents	-2,389,826,403.94	1,941,463,910.85	-223.09%	Mainly due to the increased cost of investment in the reporting period, the purchase of fixed assets and intangible assets and the shortage of period of collecting training fees from multi-provinces joint examination in the first half of year

Whether components or origin of profits changed during the reporting period

Applicable Not applicable

Components or origin of profits did not change during the reporting period

Composition of revenue

Unit: RMB

	This reporting period		Same period last year		Year-on-year increase or decrease
	Amount	Proportion of revenue	Amount	Proportion of revenue	
Revenue	4,855,998,263.50	100%	2,807,980,480.60	100%	72.94%
Sectors					
Educational training	4,828,531,538.19	99.43%	2,788,186,999.66	99.30%	73.18%
Others	27,466,725.31	0.57%	19,793,480.94	0.70%	38.77%
Categories of product					
Training for Civil Servant Test	2,314,794,227.86	47.66%	1,218,210,409.21	43.38%	90.02%
Training for Public Institution Test	618,725,582.65	12.74%	249,112,502.48	8.87%	148.37%
Training for Teachers' Recruitment Test	534,948,828.84	11.02%	350,053,110.07	12.47%	52.82%
Training for other public services test and new businesses	1,360,062,898.84	28.01%	970,810,977.90	34.58%	40.10%
Others	27,466,725.31	0.57%	19,793,480.94	0.70%	38.77%
Regions					
Northeast China	733,517,217.12	15.10%	411,190,963.24	14.65%	78.39%

North China	890,311,431.14	18.33%	505,278,366.94	17.99%	76.20%
East China	1,172,672,546.07	24.15%	777,042,423.85	27.67%	50.91%
Middle China	559,497,519.24	11.52%	311,713,998.87	11.10%	79.49%
South China	379,585,003.57	7.82%	224,764,348.31	8.01%	68.88%
Southwest China	547,267,354.92	11.27%	286,608,910.60	10.21%	90.95%
Northwest China	545,680,466.13	11.24%	271,587,987.85	9.67%	100.92%
Others	27,466,725.31	0.57%	19,793,480.94	0.70%	38.77%

Particulars of sectors, products or regions that account for more than 10% of the revenue or operating income

Applicable Not applicable

Explanation on changes in the relevant data by more than 30% year-on-year

Applicable Not applicable

Section IV. Non-core Business Analysis

Applicable Not applicable

Unit: RMB

	Amount	Reasons	Sustainable or Not
Investment Income	61,423,487.06	Mainly including income from financial products, and interest on time deposits.	Yes
Gains and losses from changes in fair value	9,068,865.15	Changes in fair value of financial product	Uncertain
Non-operating income	37,698.84	Formed during the operating process.	Uncertain
Non-operating expenses	349,054.25	Formed during the operating process.	Uncertain

Section V. Analysis of Assets and Liabilities

1. Major Changes in Asset Composition

Unit: RMB

	End of the reporting period		End of the same period last year		Increase or decrease in proportion	Explanations on major changes
	Amount	Proportion of Total Assets	Amount	Proportion of Total Assets		
Monetary fund	3,560,568,685.18	25.13%	5,950,395,089.12	41.27%	-16.14%	Mainly due to the increased cost of investment in the reporting period, the purchase of intangible assets and the shortage of period of collecting training fees from multi-provinces joint examination in the first half of year

Accounts receivable	32,423,539.80	0.23%	21,493,637.66	0.15%	0.08%	Mainly due to the increase of rent receivables
Investment properties	657,723,948.43	4.64%	668,014,515.82	4.63%	0.01%	No major changes in the current period
Long-term equity investment	1,580,386,983.37	11.15%	1,612,792,592.67	11.19%	-0.04%	No major changes in the current period
Construction in progress	256,986,886.10	1.81%	214,248,125.04	1.49%	0.32%	Please refer to Section VII. (22) in Chapter 10 Financial Statements
Right-of-use asset	1,345,123,513.84	9.49%			9.49%	Mainly due to the increase of right-of-use assets under the implement of the new lease standard since January 1, 2021
Short-term borrowings	3,875,201,272.25	27.35%	3,976,019,329.22	27.58%	-0.23%	No major changes in the current period
Contract liabilities	4,228,504,433.91	29.84%	4,925,428,309.33	34.16%	-4.32%	Mainly due to the shortage of collecting training fees from multi-provinces joint examination in the first half of year
Lease liability	534,044,069.15	3.77%			3.77%	Mainly due to the increase of lease liability under the implementation of the new lease standard since January 1, 2021

2.Key Overseas Assets

Applicable Not applicable

3. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Items	Opening Balance	Gains and losses from the changes in fair value during the period	Cumulative changes in fair value attributed to equity	Impairment accrued in the current period	Amount of purchase in the current period	Amount of sales in the current period	Other Changes	Closing Balance
Financial Assets								
Transactional financial assets (excluding derivative financial assets)	1,191,656,173.26	9,068,865.15	0.00	0.00	4,644,550,000.00	5,456,410,000.00		388,865,038.41

Investment in other equity instruments	152,800,000.00							152,800,000.00
Subtotal of financial assets	1,344,456,173.26	9,068,865.15	0.00	0.00	4,644,550,000.00	5,456,410,000.00		541,665,038.41
Total	1,344,456,173.26	9,068,865.15	0.00	0.00	4,644,550,000.00	5,456,410,000.00		541,665,038.41
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00		0.00

Others changes

None.

Whether the Company's major assets measurement attributes have significant changes during the reporting period

Yes No

4. Assets with restricted rights as of the end of the reporting period

Items	Book value at the end of the period	Reasons for Restriction
Monetary fund	358,600.00	Deposit
<u>Total</u>	358,600.00	

Section VI. Analysis of Investments

1. Overview

Applicable Not applicable

Amount of investment during the reporting period (RMB)	Amount of investment in the same period of last year	Variation
8,300,352,568.17	18,542,275,652.81	-55.24%

2. Major equity investment obtained during the reporting period

Applicable Not applicable

3. Major non-equity investment ongoing during the reporting period

Applicable Not applicable

Unit: RMB

Project	Offcn Office Building in Fushun	Changping Land Use Right	Total
Investment Method	Self-built project	Other	—
Whether it is a fixed asset investment	Yes	Yes	—
Industries involved in investment projects	Educational technology development, service and culture consultation	Educational technology development, service and culture consultation	—
Amount of investment in this	7,365,856.80	2,494,150,000.00	2,501,515,856.80

reporting period			
Cumulative amount of investment as of the end of the reporting period	147,653,548.32	3,097,058,000.00	3,244,711,548.32
Sources of funds	Self-owned fund	Self-owned fund	—
Project progress	44.74%	—	—
Expected income	0.00	0.00	0.00
Cumulative income as of the end of the reporting period	0.00	0.00	0.00
Reasons for not reaching the planned progress and expected income	Not Completed	Not yet started	—
Date of disclosure (If any)	—	Dec.3, 2020	—
Index of disclosure (If any)	—	www.cninfo.com.cn (Announcement No:2020-046)	—

4. Financial assets investment

(1) Securities investment

√ Applicable □ Not applicable

Unit: RMB

Securities	Securities code	Securities abbreviation	Original investment cost	Accounting measurement model	Book value at the beginning of the period	Profits and losses from changes in fair value for the current period	Accumulated changes in fair value included in equity	Purchase amount for this period	Selling Amount for this period	Profits and losses during the reporting period	Book value at the end of the period	Accounting subjects	Sources of fund
Funds	010439	Huitianfu Stable-profit Hybrid Securities Fund with one-year holding period	9,999,000.00	fair value measurement	10,467,953.10	489,951.00	0.00	0.00	0.00	489,951.00	10,957,904.10	Transactional financial assets	Self-owned funds
Total			9,999,000.00	--	10,467,953.10	489,951.00	0.00	0.00	0.00	489,951.00	10,957,904.10	--	--

Disclosure Date of the announcement of securities investment approval by board of directors	N/A
Disclosure date of the announcement of the securities investment approval by board of shareholders (if any)	N/A

(2) Derivatives investment

Applicable Not applicable

There is no derivatives investment during the reporting period.

Section VII. Sale of Major Assets and Equity

1. Sales of major assets

Applicable Not applicable

There is no sales of major assets during the reporting period.

2. Sales of major equity

Applicable Not applicable

Section VIII. Analysis of major shareholding companies

Applicable Not applicable

Major subsidiaries and shareholding companies that have impact on more than 10% net profit of the Company

Unit: RMB

Company name	Beijing Offcn Education Technology Co., Ltd.
Company type	Subsidiary
Major business	Educational technology consulting, technology development, technical services, technology promotion, technology transfer; educational consulting; cultural consulting; corporate management consulting; corporate investment consulting; computer technology training (not for national admissions); public relations services; hosting exhibition activities; organizing cultural and artistic exchange activities (excluding performances); conference services; design, production, agency, release of advertisements; publication wholesale; publication retail; operating telecommunications business; human resource services; radio and television program production; engaging in Internet cultural activities. (Market entities independently choose operating projects and carry out operating activities in accordance with the law; engage in Internet cultural activities, publication wholesale, publication retail, telecommunications business, radio and television program production, human resource

	services, and projects subject to approval in accordance with the law, and after approval by relevant departments, carry out operating activities in accordance with the approved content; shall not engage in operating activities that are prohibited or restricted by the state and this city's industrial policies.)
Registered capital	90,000,000.00
Total assets	11,736,902,897.51
Net assets	3,148,337,159.19
Revenue	4,842,219,472.70
Operating income	-61,612,880.80
Net profit	-62,172,307.07

Acquisition and disposal of subsidiaries during the reporting period.

Applicable Not applicable

Company name	Method of acquisition and disposal of subsidiaries in the reporting period	The Impact on the overall business operation and performance
Anshan Tiedong Offcn Education Training School Co.,Ltd.	New establishment	No major impact
Diqing Offcn Training School Co., Ltd.	New establishment	No major impact
Wenling Offcn Information Consultancy Co., Ltd	New establishment	No major impact

Major holding and participating companies

The wholly-owned subsidiary of the Company, Beijing Offcn Education Technology Co., Ltd, earned revenue of RMB 4,842.2195 million in the first half of 2021, with an increase of 73.02% over the first half of 2020; the net profits of Beijing Offcn Education Technology Co., Ltd in the the first half of 2021 is RMB -62.1723 million, with an increase of 71.19% over the same period of last year. The main reason for the steady and rapid growth of operating income and profit is that to achieve the annual business goals, the Company carries every task forward steadily, constantly increases investment in R&D, teaching, marketing and OMO platform, expands the market proactively and increases market share constantly, which promotes the R&D capacity, management efficiency and the transformation of products and services toward technology and internet based, and makes the comprehensive advantages of brand and platform more explicit.

Section IX. Structured Entities Controlled by the Company

Applicable Not applicable

Section X. Possible Risks and Responses

1. Risks of policies

The prosperity of the vocational education industry has a high correlation with the policy environment, and is easily affected by vocational education policies. In recent years, in order to support the development of the vocational education industry, the state has successively issued a number of industry support and encouragement policies. *Regulations for the Implementation of the Law of the People's Republic of China on the Promotion of Private Education* newly issued in 2021 reveals the adherence to the method of supporting and regulating private

education, and provides encouragement and supports for the development of vocational education in the policy prospect. However, some regional authorities may have different understandings of the *Regulations* (mentioned above), and this uncertainty may bring risks to the Company's future business development in some regions. In addition, the Company has many branches and wide distribution of training venues. It is not ruled out that in the future, relevant regulatory departments of provinces, autonomous regions and municipalities will issue more stringent regulations for the local education and training industry, which may affect the company's operations in the region.

Risk response: The Company pays close attention to the regulations and policies issued by the State Council, education administration and other relevant departments and local governments, and complies with the latest regulatory requirements. The Company establishes a policy risk warning mechanism, regularly checks the policy risks in the operation of each branch, conducts risk education and provides compliance reminders for each business department to ensure that the Company is guided by regulatory policies and operates compliantly and prudently. At the same time, the Company's team responsible for tracking and studying policy obtains, perceives and predicts the change direction and trend of the relevant policy in local places in a timely manner, actively studies relevant policies and regulations, makes arrangements and adjustments in advance, avoids relevant policy risks, and leverages industry policies to help the Company's business development.

2. Risks of marketing competition

The overall scale of the vocational education market is large, the market demand is widely dispersed throughout the country, and the initial investment scale is relatively small. This has spawned a large number of local small and medium-sized training institutions, among whom the homogeneity of products is relatively serious, and the vicious competition in the industry is widespread. The implementation of the new policy on easing the burden of excessive homework and off-campus tutoring for students undergoing compulsory education may propel more and more capital and institutions to enter the vocational education and training industry, leading to increasingly fierce market competition. How to effectively deal with the competition and impact of competing products in the industry and emerging institutions is a challenge facing the company's comprehensive development of the vocational education industry.

Risk response: the Company will continue to maintain heavy R&D investment, continue to increase investment in technological infrastructure and technical teams, and integrate technological productivity into the operating system to drive business innovation. At the same time, it will continue to explore new subdivision tracks, create a full-category market for mid-to-high-end vocational education, and further enhance the Company's core competitiveness in the industry. After more than 20 years of accumulation, the Company has a fast iterative teaching and research system, offline channel resources and online layout, and has significant advantages in future market competition

3. Risk of core brain drain

As a vocational education enterprise with highly intensive knowledge-based staff, the Company regards talents as its one of core resources. Brain drain is a common risk faced by the education and training industry. The loss of the Company's core management, R&D talent team and backbone teachers may adversely affect the Company's long-term stable development.

Risk response: On the one hand, the Company has attracted a large number of high-quality talents with its brand advantages, which has continuously injected new forces into the Company. At the same time, since the Company was founded, it has taken "Be Kind & Do Right" as its core value and advocated selflessness and altruism. This ubiquitous and endless corporate culture allows the Company to maintain strong organizational cohesion. On the other hand, the Company attaches importance to the basic rights and interests of employees, completes a fair and transparent performance evaluation system, provides employees with diversified compensation and incentive paths, pays attention to the personal growth of employees, supplies employees with sustainable development opportunities and growth space, and reduces the risk of core brain drain.

4. Risks of operation and management

With the continuous expansion of the Company's business categories and branches, the Company must face the risk brought about by the mismatch between expansion and management capabilities. To facilitate the development, the cost of venue leasing and human resources increases continually, which results in the decline of the current profit level and profit rate, etc. At the same time, the pandemic of COVID-19 is likely to continue and exist for a long time, which means that the conducting of training business in some regions will under strict control, thus challenging the Company's operation and management.

Risk response: In view of the above risks, the Company will continue to optimize its management system of vertical integrated fast response, enhance the coordination between large-scale knowledge employees, improve management and operation efficiency, upgrade human resources structure, and moderate the business expansion strategy of the Company. The Company attaches importance to talent reserves, makes arrangements in advance, and promotes the realization of growth expectations for new categories. In the face of this pandemic, the Company has realized the deep integration of online and offline products with the help of digital operating results and deep research and development capabilities, and effectively responded to the impact of the pandemic. In addition, in recent years, the Company has also continued to invest in the construction of a large-scale one-stop base for food, accommodation and learning, promote the realization of large-scale factory-style operations at the teaching site, and further improve the quality of services while reducing operating costs.

Chapter 4 Corporate Governance

Section I. Annual general meeting and extraordinary general meetings convened during the reporting period

1. Particulars about the shareholders' general meeting during the reporting period

Session	Type	Investor Participation	Convening date	Disclosure date	Disclosure index
2021 First Extraordinary General Meeting	Extraordinary General Meeting	78.68%	January 25, 2021	January 26, 2021	For details, refer to the <i>Announcement on Resolutions of the First Extraordinary General Meeting of 2020</i> (No. 2021-004) disclosed on www.cninfo.com.cn.
2020 Annual General Meeting	Annual General Meeting	80.10%	June 15, 2021	June 16, 2021	For details, refer to the <i>Announcement on Resolutions of the Annual General Meeting of 2020</i> (No. 2021-044) disclosed on www.cninfo.com.cn.

2. Extraordinary general meetings requested by preferred shareholders with restored voting rights:

Applicable Not applicable

Section II. Changes of Directors, Supervisors, and Senior Executives

Applicable Not applicable

The Company's directors, supervisors and senior executives did not change during the reporting period. For more specific information, please refer to the 2020 Annual Report.

Section III. The Company's common stock profit distribution and capitalization of capital reserve

Applicable Not applicable

The Company plans not to distribute cash dividends, bonus shares, nor to increase share capital by converting capital reserve.

Section IV. Implementation of the Company's equity incentive plan, employee stock ownership plan or other employee incentive measures

Applicable Not applicable

There is no such situation of the Company's equity incentive plan, employee stock ownership plan or other employee incentive measures.

Chapter 5 Environmental and social responsibilities

Section I. Environmental protection

Did the listed Company and its subsidiaries belong to the major pollutant discharge units announced by the Ministry of Ecology and Environment?

Yes No

Situations of receiving administrative punishment due to environmental issues during the reporting period

Name of company or its subsidiaries	Reasons of punishment	Details of issues	Results of punishment	Influence on operations of the listed Company	Rectification measures of the company
N/A	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Other environmental information disclosed in reference with major pollutant discharge units

Not applicable

Reasons of not disclosing other environmental information

The Company and its subsidiaries do not belong to the major pollutant discharge units announced by the Ministry of Ecology and Environment. The Company and its subsidiaries strictly follow the relevant laws and regulations issued by the state regarding environment protection and did not receive any administrative punishment due to environmental issues during the reporting period.

Section II. Social Responsibilities

The Company has not carried out targeted poverty alleviation work in the first half of the year.

Chapter 6 Significant Events

1. Commitments that the Company's actual controllers, shareholders, related parties, acquirers, the Company and other relevant parties have fulfilled during the reporting period and have not fulfilled as of the end of the reporting period

√ Applicable Not applicable

Important commitments made by the parties involved in the major assets restructuring are as follows:

Commitment Party	Commitment Type	Main contents of commitment	Commitment time	Commitment period	Performance
Yaxia Industrial, Zhou Xiayun, Zhou Hui, Zhou Li, Phase-I employee stock ownership plan	Letter of commitment on lock-up period	<p>After the completion of the transaction (starting from the date of the listing of shares issued in this transaction), the company/I/the plan shall not transfer the shares with rights and interests of Yaxia Auto within 36 months .</p> <p>After the completion of the transaction, the shares held by the Company/I/the plan, derived from Yaxia Auto shares due to the distribution of stock dividends and the conversion of capital reserve to share capital shall also comply with the above-mentioned arrangement of restricted sale of shares.</p> <p>If the China Securities Regulatory Commission and/or Shenzhen Stock Exchange have/has other provisions for the above-mentioned lock-up period arrangement , the company/I/the plan will adjust and implement the above-mentioned lock-up period arrangement according to the latest regulations of the China Securities Regulatory Commission and/or Shenzhen Stock Exchange.</p> <p>If violating the above commitments, the company/I/the plan will bear all losses caused to Yaxia Auto.</p>	May 4, 2018	Jan. 31, 2022	Under normal implementation
Li Yongxin	Letter of Commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed company stock is lower than the issue price for consecutive 20 trading days , or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by myself shall be automatically extended for 6 months. (If dividend or bonus shares distribution, conversion of capital reserve or allotment by the listed company occurred during the above-mentioned period, the aforementioned issue price shall be calculated based on</p>	Apr. 27, 2018	Jan. 31, 2022	Under normal implementation

		<p>the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. As the transferee of 72,696,561 Yaxia Auto shares held by Anhui Yaxia Industrial Co., Ltd., I shall not transfer such shares within 36 months from the registration date of such shares in my securities account.</p> <p>3. The aforesaid arrangement of share lock-up does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed company has the right to relieve the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>4. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>5. After the completion date of this transaction, my increased shares due to bonus shares distribution or conversion of capital reserve of the listed Company shall also comply with the foregoing requirements.</p> <p>6. If the aforementioned lock-up period arrangement does not comply with the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, I agree to implement the arrangement in accordance with the latest laws and regulations and the requirements of the regulatory agency.</p> <p>7. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
<p>Lu Zhong Fang</p>	<p>Letter of commitment on lock-up period for subscription of shares</p>	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed company stock is lower than the issue price for consecutive 20 trading days , or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by myself shall be automatically extended for 6 months. (If dividend or bonus shares distribution,</p>	<p>Apr. 27, 2018</p>	<p>Jan. 31, 2022</p>	<p>Under normal implementation</p>

		<p>conversion of capital reserve or allotment by the listed company occurred during the above-mentioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The aforesaid arrangement of share lock-up does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed company has the right to relieve the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>3. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>4. After the completion date of this transaction, my increased shares due to bonus shares distribution or conversion of capital reserve of the listed Company shall also comply with the foregoing requirements.</p> <p>5. If the aforementioned lock-up period arrangement does not comply with the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, I agree to implement the arrangement in accordance with the latest laws and regulations and the requirements of the regulatory agency.</p> <p>6. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Kerui Technology Innovation	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by Kerui Technology Innovation in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by Kerui Technology Innovation shall be automatically extended for 6 months. (If dividend or bonus shares distribution, conversion of</p>	Jul. 27, 2018	Jan. 31, 2022	Under normal implementation

		<p>capital reserve or allotment by the listed company occurred during the above-mentioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The enterprise promises to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>3. After the completion date of this transaction, the increased shares that the enterprise owns due to bonus shares distribution or conversion of capital reserve of the listed Company shall also comply with the foregoing requirements.</p> <p>4. If the aforementioned lock-up period arrangement does not comply with the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the arrangement in accordance with the latest laws and regulations and the requirements of the regulatory agency.</p> <p>5. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Aerospace Industry, Guangyin Venture	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by Kerui Technology Innovation in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by Kerui Technology Innovation shall be automatically extended for 6 months. (If dividend or bonus shares distribution, conversion of capital reserve or allotment by the listed company occurred during the above-mentioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights,</p>	Jul. 27, 2018	Jan. 31, 2021	The Company's shares held by the Aerospace Industry and Guangyin Venture were listed for circulation on Febru

		<p>etc.)</p> <p>2. The enterprise promises to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>3. After the completion date of this transaction, the increased shares that the enterprise owns due to bonus shares distribution or conversion of capital reserve of the listed Company shall also comply with the foregoing requirements.</p> <p>4. If the aforementioned lock-up period arrangement does not comply with the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the arrangement in accordance with the latest laws and regulations and the requirements of the regulatory agency.</p> <p>5. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			<p>ary 1, 2021, the shareholders' share lock-up commitments had been fulfilled</p>
<p>Wang Zhendong, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, Zhang Zhi'an</p>	<p>Letter of commitment on lock-up period for subscription of shares</p>	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by myself shall be automatically extended for 6 months. (If dividend or bonus shares distribution, conversion of capital reserve or allotment by the listed company occurred during the above-mentioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The aforesaid arrangement of share lock-up does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed company has the right to relieve</p>	<p>Jul. 27, 2018</p>	<p>Jan. 31, 2021</p>	<p>The Company's shares held by Wang Zhendong, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, and Zhang Zhi'an were listed for</p>

		<p>the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>3. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>4. After the completion date of this transaction, my increased shares due to bonus shares distribution or conversion of capital reserve of the listed Company shall also comply with the foregoing requirements.</p> <p>5. If the aforementioned lock-up period arrangement does not comply with the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, I agree to implement the arrangement in accordance with the latest laws and regulations and the requirements of the regulatory agency.</p> <p>6. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			<p>circulation on February 1, 2021, the shareholders' share lock-up commitments have been fulfilled</p>
Offcn Partnership	Letter of commitment on the lock-up of shares	<p>Within 36 months from the date of the transfer of 80,000,000 shares of Yaxia Auto held by Anhui Yaxia Industrial Co., Ltd. to the enterprise, the shares shall not be transferred. The lock-up period of the shares increased during the above period due to bonus shares distribution, conversion of capital reserve or allotment of shares by Yaxia Auto, shall also comply with the foregoing requirements.</p> <p>If the enterprise violates commitments listed above, it will bear all losses caused to Yaxia Auto.</p>	Apr. 27, 2018	Jan. 31, 2022	Under normal implementation
Li Yongxin and other 10 counterparties	Letter of commitment on the lock-up of Offcn Partnership's contribution shares	<p>Within 36 months from the date of the transfer of 80,000,000 shares of Yaxia Auto held by Anhui Yaxia Industrial Co.,Ltd. to Beijing Offcn Future Information Consulting Center (Limited Partnership), I or the enterprise shall not in any way transfer the shares of Beijing Offcn Future Information Consulting Center (Limited Partnership) or withdraw from the partnership with Beijing Offcn Future Information Consulting Center (Limited Partnership), nor do we transfer, assign or authorize other entities in any way to fully or partially have the rights and interests indirectly related to the shares of Yaxia Industrial Co., Ltd. held by Beijing Offcn Future Information Consulting Center (Limited Partnership).</p>	Jul. 27, 2018	Jan. 31, 2022	Under normal implementation
Li Yongxin	Letter of commitment	I. Guarantee the independence of the listed Company's	April 27, 2018	Long-term	Under imple

<p>Lu Zhongfang Wang Zhendong Offcn Partnership</p>	<p>on maintaining independence of the listed Company</p>	<p>personnel</p> <p>(1) It is guaranteed that after the completion of this transaction, the personnel, human resources and remuneration management of the listed Company shall be completely independent from myself/Offcn Partnership, and from other related parties, such as companies, enterprises or economic organizations, controlled by myself/Offcn Partnership.</p> <p>(2) It is guaranteed that after the completion of this transaction, senior executives shall work as full-time employees and receive remuneration in the listed Company. They shall not hold any positions other than directors or supervisors in other companies, enterprises, or economic organizations controlled by myself/Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of this transaction, the official powers of the shareholders' meeting and board of directors on personnel appointments and dismissals shall not be interfered.</p> <p>II. Guarantee the independence of institutes of the listed Company</p> <p>(1) It is guaranteed that after the completion of this transaction, the listed Company shall build a sound structure of corporate governance and develop an independent and complete organizational structure.</p> <p>(2) It is guaranteed that after the completion of this transaction, the general meeting of shareholders, the board of directors, and the board of supervisors shall independently exercise their powers in accordance with laws, regulations and the Company's <i>Articles of Corporation</i>.</p> <p>III. Guarantee the independence and completeness of the assets of the listed Company.</p> <p>(1) It is guaranteed that after the transaction, the listed Company shall have independent and complete assets related to production and operation.</p> <p>(2) It is guaranteed that after the completion of this transaction, the business premises of the listed Company shall be independent from myself/Offcn Partnership, and other related parties, such as companies, enterprises, or other economic organizations controlled by myself/Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of this transaction, except for normal business dealings, there</p>			<p>mentat ion norma lly</p>
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		<p>shall be no capital and assets of the listed Company occupied by myself/Offcn Partnership, and other related parties, such as companies, enterprises or economic organizations, controlled by myself or Offcn Partnership.</p> <p>IV. Guarantee the independence of the listed Company's business.</p> <p>(1) It is guaranteed that after the completion of this transaction, the listed Company shall have the qualifications of independently conducting business activities and the capabilities of running market-oriented, independent, autonomous, sustainable business.</p> <p>(2) It is guaranteed that after the completion of this transaction, I/Offcn Partnership, or other related parties, such as companies, enterprises, or other economic organization controlled by myself/Offcn Partnership shall avoid businesses which have a competitive relationship with the listed Company and its subsidiaries.</p> <p>(3) It is guaranteed that after the completion of this transaction, I/Offcn Partnership, or related parties, such as companies, enterprises, or other economic organizations controlled by myself/Offcn Partnership shall reduce related-party transactions with the listed Company and its subsidiaries. Related-party transactions that are really necessary and unavoidable shall be conducted in a market-oriented and fairly way and perform relevant approval processes and information disclosure obligations in accordance with relevant laws, regulations and regulatory documents.</p> <p>V. Guarantee the financial independence of the listed Company.</p> <p>(1) It is guaranteed that after the completion of this transaction, the listed Company shall establish an independent financial department with independent financial accounting systems and standardized and independent financial accounting rules.</p> <p>(2) It is guaranteed that after the completion of this transaction, the listed Company shall open bank accounts independently and shall not share bank accounts with myself/Offcn Partnership/other related parties, such as companies, enterprises or other economic organizations controlled by myself or Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of this transaction, financial personnel hired by the listed Company shall not hold any part-time positions in other</p>			
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		<p>related parties, such as companies, enterprises or other economic organizations controlled by myself or Offcn Partnership</p> <p>(4) It is guaranteed that after the completion of this transaction, the listed Company can make financial decisions independently. I/Offcn Partnership shall not interfere with the use of funds by the listed Company.</p> <p>(5) It is guaranteed that after the completion of this transaction, the listed Company will pay taxes independently according to laws.</p> <p>I/Offcn Partnership shall be liable for all losses caused to the listed Company and its subsidiaries due to my/Offcn Partnership's failure in fulfilling the above commitments.</p>			
Li Yongxin, Lu Zhongfang	Letter of Commitment on avoiding horizontal competition	<p>1. As of the date of signing this commitment letter, myself, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, except for Beijing Offcn Online Education Technology Co., Ltd. (hereinafter referred to as Offcn Online), controlled by my relatives Xuhua and Lu Yan, and its affiliated schools which are involved in the same or similar businesses conducted by Offcn Ltd., other related parties are not involved in any same, similar or related businesses conducted by the listed Company, Offcn Ltd. and its affiliated companies and schools. Except for serving as a director in Kunming Wuhua Offcn training school, which is affiliated to Offcn Online, Li Yongxin neither holds any full-time or part-time positions nor provides consultancy at any companies or enterprises, which conducts competitive businesses with the listed Company, Offcn Ltd. and their affiliates. I also do not directly or indirectly hold any equity or shares of companies or enterprises conducting the same, similar or related businesses as the listed Company, Offcn Ltd. and its affiliates.</p> <p>2. As of the date of signing this commitment letter, Offcn Online and its two subordinate training schools' disposals are as follow: Offcn Online conducts no education businesses (to be canceled after subordinate schools transferred). Kairuier Training School in Haidian District of Beijing is to be transferred to an unrelated third party and the transfer agreement has been signed. If the transfer is not completed within 24 months since the date of signing this commitment letter, I will urge Offcn Online to cancel the Kairuier Training School in Haidian District of Beijing. Kunming Wuhua Offcn Training School,</p>	Sept. 20, 2018	<p>1. The transfer of Kairuier Training School in Haidian District of Beijing: within 24 months from the date of the signing of this letter of commitment</p> <p>2. The transfer of Kunming Wuhua Offcn Training School : within 12 months after the revised Regulations of Implementation officially promulgated and</p>	<p>As of the end of the reporting period, Kairuier Training School in Haidian District of Beijing had been transferred to an unrelated third party. Other commitments are under normal implementation</p>

	<p>associated with Offcn Online, has been closed and it will be transferred to an unrelated third party or will be canceled within 12 months after the revised <i>Regulations for the Implementation of the Law on the Promotion of Private Education of the People's Republic of China</i> (hereinafter referred to as <i>Regulations of Implementation</i>) is officially promulgated and implemented and supporting regulations formulated by relevant local education authorities in accordance with the revised Regulations of Implementation comes into effect.</p> <p>3. As of the date of signing this commitment letter, Offcn Ltd. as the organizer intends to transfer its 100% of the organizer's rights of 33 private schools for non-academic qualifications to Li Yongxin and signed the <i>Agreement on Transfer of Organizer's Rights of Private Schools for Non-Academic Qualifications Affiliated to Beijing Offcn Education Technology Co., Ltd.</i> Li Yongxin is willing to entrust the transferred 33 private schools for non-academic qualifications to Offcn Ltd. and signed the <i>Trusteeship Agreement of Private Schools for Non-academic Qualifications</i>.</p> <p>4. After the completion of transaction, except for the above-mentioned cases, I promise that during the time of being the actual controller of the listed Company, I, my close relatives and other related parties, such as companies, enterprises or other economic organizations, controlled by myself and my close relatives shall not in any way (including but not limited to self operated or with other parties to operate joint venture, cooperation, joint operation, investment, mergence, and trustee operation home and aboard) engage in the same, similar, related and competitive businesses with the listed Company, which includes the follows:</p> <p>(1) I will not directly or indirectly operate, participate in or assist others to conduct same, similar businesses or other economic activities which directly or indirectly constitute a competitive relationship with businesses currently operated by the listed Company and its affiliated companies.</p> <p>(2) I will not directly or indirectly invest on any economic entities whose businesses constitute a direct or indirect competitive relationship with the listed Company and its affiliates.</p> <p>(3) I will not be hired by any competitors that directly or</p>		<p>implemented and supporting regulations formulated by relevant local education authorities in accordance with the revised Regulations of Implementation comes into effect.</p>	
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		<p>indirectly compete with the listed Company and its affiliates, or provide any advice, assistance or business opportunities directly or indirectly to such competitors;.</p> <p>(4) I will not instigate, mislead, encourage or otherwise induce, persuade, or coerce the employees or management personnel in the listed Company and its affiliates to terminate their labor or employment relationship with the Company and its affiliates.</p> <p>(5) I will not urge others to hire employees or management personnel from the listed Company and its affiliates.</p> <p>5. I promise that if I, my close relatives and other related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives obtain any business opportunities from any third party, which can or may compete with the listed Company and its affiliates in the future, I will notify the listed Company and its affiliates in writing within 5 working days. After obtaining the third party's promise, I will attempt to transfer these business opportunities to the listed Company and its affiliates.</p> <p>6. I guarantee that I would never use my knowledge about and the information I'm aware of the listed Company and its affiliates to assist third parties to engage, participate, or invest in businesses or projects that compete with the listed companies and its affiliates.</p> <p>7. If I violate the above commitments, the benefits obtained by the violation of commitments shall belong to the listed Company and I shall be liable for all losses caused to the listed Company and its affiliates. Within 30 working days since receiving the writing notice from the listed Company, compensation will be made in cash.</p> <p>8. I will disclose relevant information in a timely manner if commitments fail to be fulfilled or to be fulfilled on schedule because of objective reasons, such as changes in relevant laws, regulations and policies, or natural disasters. Except for the above-mentioned objective reasons, if the commitment is anyhow unable to be fulfilled or fulfilling the commitment is not conducive to safeguarding the rights and interests of the listed Company, I should fully disclose the reasons and either provide a new commitment to the listed Company and related investors to replace the original one, or propose an exemption from fulfilling the commitment.</p> <p>9. The commitment is valid from the date when the commit letter is signed to the time when I cease to be the actual controller of the listed Company.</p>			
Wang Zhendong, Offcn Partnership	Letter of Commitment on avoiding horizontal	1. As of the date of signing this letter of commitments, I, my close relatives, related parties, such as companies, enterprises or other economic organizations controlled by	April 27, 2018	Long-term	Under normal implementation

	<p>competition</p>	<p>myself and my close relatives, Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, participate in no businesses which are the same, similar or related to businesses competing with the listed Company, Offcn Ltd. and their affiliated companies and schools. Except for serving as a director at Beijing Haidian District Kairuier Training School, affiliated to Offcn Online (Offcn Online tends to transfer the rights of Kairuier Training School to an unrelated third party and after this transfer, Wang Zhendong will not hold the post as a director.), I neither holds any full-time or part-time positions nor provides consultancy at any companies or enterprises which conducts competitive businesses with the listed Company, Offcn Ltd. and their affiliates. I do not directly or indirectly hold the equity of an company or entity that runs the same, similar or relevant business engaged by the listed Company, Offcn Ltd. and its affiliates.</p> <p>2. After the completion of transaction, I/Offcn Partnership promise that during the time of being shareholders of the listed Company, I, my close relatives and other related parties, such as companies, enterprises or other economic organizations, controlled by myself and my close relatives, Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, shall not in any way (including but not limited to self operated or with other parties to operate joint venture, cooperation, joint operation, investment, merger, and trustee operation home and abroad) engage in the same, similar, related and competitive businesses with the listed Company, which includes the follows:</p> <p>I will not directly or indirectly operate, participate in or assist others to conduct same, similar businesses or other economic activities which directly or indirectly constitute a competitive relationship with businesses currently operated by the listed Company and its affiliated companies.</p> <p>2. I will not directly or indirectly invest on any economic entities whose businesses constitute a direct or indirect competitive relationship with the listed Company and its affiliates.</p> <p>3. I will not be hired by any competitors that directly or indirectly compete with the</p>			<p>mentat ion</p>
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		<p>listed Company and its affiliates, or provide any advice, assistance or business opportunities directly or indirectly to such competitors;. 4. I will not instigate, mislead, encourage or otherwise induce, persuade, or coerce the employees or management personnel in the listed Company and its affiliates to terminate their labor or employment relationship with the Company and its affiliates. 5. I will not urge others to hire employees or management personnel from the listed Company and its affiliates.</p> <p>3. I/Offcn Partnership promise that if I, my close relatives and other related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives, Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, obtain any business opportunities from any third party, which can or may compete with the listed Company and its affiliates in the future, I/Offcn Partnership will immediately notify the listed Company. After obtaining the third party's promise, I will attempt to transfer these business opportunities to the listed Company and its affiliates.</p> <p>4. I guarantee that I would never use my knowledge about and the information I'm aware of the listed Company and its affiliates to assist third parties to engage, participate, or invest in businesses or projects that compete with the listed companies and its affiliates.</p> <p>If I/Offcn Partnership shall be liable for all losses caused to the listed Company and its affiliates due to my/Offcn Partnership's failure in fulfilling commitments.</p>			
<p>Li Yongxin, Lu Zhongfang</p>	<p>Letter of Commitment on reducing and regulating related-party transactions</p>	<p>1. After the transaction is completed, during the time of being the actual controller of the listed Company, I, my close relatives and other companies, enterprises or other economic organizations controlled by myself, my close relatives will try to avoid and reduce the related-party transactions with the listed Company and its affiliates; unless it is necessary for the business development of the listed Company, any related-party transactions with the listed Company and its affiliates will not be conducted.</p> <p>2. After the transaction is completed, for the related-party transactions which are unavoidable or reasonable to happen with the listed Company and its affiliates, I, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, will sign related-party transaction agreements with the listed Company and its affiliates in accordance with the relevant laws, regulations and</p>	<p>Jul. 27, 2018</p>	<p>Long-term</p>	<p>Under normal implementation</p>

		<p>regulatory documents and follow the general business principles of equality, willingness, equivalence and paid-use. The prices of related-party transactions shall be fair. Decision-making procedures, lawful information disclosure obligations and relevant reporting and approval procedures regarding the related-party transactions, shall be followed. The status of shareholders shall not be used to damage the legitimate rights and interests of the listed Company and other shareholders.</p> <p>3. After the completion of the transaction, I will not use the shareholders' rights of the listed Company to manipulate or instruct the listed Company or its directors, supervisors and senior executives to make the listed Company provide or accept funds, commodities, services or other assets under unequal conditions or engage in any behaviors that would damage the interests of the listed companies.</p> <p>4. I will urge my close relatives and other companies, enterprises and other economic organizations controlled by myself and my close relatives to abide by the aforementioned commitments.</p> <p>5. If I, my close relatives and other companies, enterprises and other economic organizations controlled by myself and my close relatives violate the above commitments, the profits obtained by the violation of commitments belong to the listed Company, and I shall be liable for all losses caused to the listed Company and its affiliates. Within 30 working days since receiving the written notice from the listed Company, compensation will be made in cash.</p> <p>6. The commitment is valid from the date when it is signed to the time when I cease to be the actual controller of Yaxia Auto and there is no other related relationship with Yaxia Auto.</p>			
<p>Wang Zhendong, Aerospace Industry, Offcn Partnership</p>	<p>Letter of Commitment on reducing and regulating related-party transactions</p>	<p>1. After the completion of transaction, during the period of being the actual controller/shareholder , I, my close relatives and other companies, enterprises or other economic organizations controlled by myself, my close relatives , Aerospace Industry or Offcn Partnership, will try to avoid and reduce the related-party transactions with the listed Company.</p> <p>2. After the transaction is completed, for the related-party transactions which are unavoidable or reasonable to happen with the listed Company and its affiliates, myself, my close relatives and other companies, enterprises or</p>	<p>April 27, 2018</p>	<p>Long-term</p>	<p>Under normal implementation</p>

		<p>economic organizations controlled by myself and my close relatives, Aerospace Industry or Offcn Partnership, will sign related-party transaction agreements with the listed Company and its affiliates in accordance with the relevant laws, regulations and regulatory documents and follow the general business principles of equality, willingness, equivalence and paid-use. The prices of related-party transactions shall be fair. Decision-making procedures, lawful information disclosure obligations and relevant reporting and approval procedures regarding the related-party transactions, shall be followed. The status of shareholders shall not be used to damage the legitimate rights and interests of the listed Company and other shareholders.</p> <p>3. After the completion of the transaction, I/Aerospace Industry/Offcn Partnership will not use the shareholders' rights of the listed Company to manipulate or instruct the listed Company or the directors, supervisors and senior executives of the listed Company to make the listed Company provide or accept funds, commodities, services or other assets in different forms under unequal conditions or engage in any behaviors that would damage the interests of listed companies.</p> <p>I/Aerospace Industry/Offcn Partnership shall be liable for all losses caused to the listed Company and its affiliates due to my/Aerospace Industry's/Offcn Partnership's failures in fulfilling commitments.</p>			
Whether the commitments are fulfilled on time	Yes				

Section II. The non-operating capital occupation of the listed Company by the controlling shareholder and its related parties

Applicable Not applicable

During the reporting period, there was no non-operating capital occupation of the listed Company by the controlling shareholder and its related parties.

Section III. Illegal Provision of Guarantees for External Parties

Applicable Not applicable

During the reporting period, there was no illegal provision of guarantees for external parties.

Section IV. Appointment and dismissal of the CPA firm

Has the semi-annual financial report been audited?

Applicable Not applicable

The semi-annual financial report has not been audited yet.

Section V. Explanations provided by the Board of Directors and the Supervisory Committee regarding the “non-standard audit report” issued by the auditor for the reporting period

Applicable Not applicable

Section VI. Explanations provided by the Board of Directors regarding the “non-standard audit report” issued by the auditor for the last year

Applicable Not applicable

Section VII. Bankruptcy and Reorganization

Applicable Not applicable

There was no such situation for the Company during the reporting period.

Section VIII. Major litigation and arbitration matters

Applicable Not applicable

There is no such situation of litigation and arbitration.

During the reporting period, other litigation and arbitration matters of the Company and its subsidiaries are as follows:

1. During the reporting period, the amount of litigation involved in closed cases was RMB 12.7113 million, and the actual amount of judgments in effective legal documents was approximately RMB 1.3236 million. The results of the litigation had no significant impact on the Company's operations;
2. At the end of the reporting period, the amount of litigation involved in unsettled cases was RMB 5.6326 million and the amount of litigation involved in pending cases accounted for 0.13% of the audited net assets attributable to shareholders of the listed Company in 2020, which had no significant impact on the Company's operations.

Section IX. Punishment and rectification

Applicable Not applicable

There is no such situation of punishment and rectification of the Company during the reporting period

Section X. Integrity of the Company and its controlling shareholders and actual controllers:

Applicable Not applicable

Section XI. Significant related transactions

1. Related-party transactions relevant to routine operations

Applicable Not applicable

There is no such situation of related-party transactions relevant to routine operations.of the Company during the

reporting period.

2. Related party transactions arising from acquisition and sale of assets or equity

Applicable Not applicable

There is no such situation of related-party transactions arising from acquisition and sale of assets or equity of the Company during the reporting period.

3. Related-party transactions of joint foreign investments

Applicable Not applicable

There is no such situation of related-party transactions of joint foreign investments of the Company during the reporting period.

4. Related credit and debt transactions

Applicable Not applicable

There is no such situation of Related credit and debt transactions of the Company during the reporting period.

5. Transactions with related financial companies and financial companies controlled by the Company

Applicable Not applicable

No deposits, loans, credits or other financial business between the Company and the related financial companies and financial companies controlled by the Company and related parties.

6. Other significant related-party transactions

Applicable Not applicable

Section XII. Major contracts and their performance

1. Trusteeship, contracting and leasing matters

(1) Trusteeship situation

Applicable Not applicable

Explanations on trusteeship situation

On September 20, 2018, Offcn Ltd. and Li Yongxin signed *Agreement on Transfer of Organizer's Rights of Private Schools for Non-Academic Qualifications Affiliated to Beijing Offcn Education Technology Co., Ltd.*. All 100% rights of organizers as of September 20, 2018 were to be transferred to Li Yongxin. On the same day, Li Yongxin and Offcn Ltd. signed the *Trusteeship Agreement of Private Schools* stipulating that Li Yongxin would entrust the transferred private schools to Offcn Ltd. for management. The period of trusteeship started from the date when Li Yongxin paid all the transfer price to the day when the private schools' 100% rights of organizers were transferred to the unrelated third party or canceled (Note: within 12 months after the revised *Implementation Regulations* was officially promulgated and the relevant local education authorities passed the supporting regulations in accordance with the revised *Implementation Regulations*, Li Yongxin transferred 100% of the owner's rights to the unrelated third party or canceled them.)

Projects with trusteeship that profits or losses reached more than 10% of the total profits of the Company

Applicable Not applicable

There was no project with trusteeship that profits or losses reached more than 10% of the total profits of the Company during the reporting period.

(2) Contracting situation

Applicable Not applicable

There was no contracting situation of the Company during the reporting period.

(3) Leasing situation

There was no leasing situation of the Company during the reporting period.

2. Major guarantee

Applicable Not applicable

There was no major guarantee of the Company during the reporting period.

3. Explanations on entrusted financial management

Applicable Not applicable

Explanations on entrusted financial management during the reporting period

Unit: RMB 10 thousands

Types	Sources of entrusted financing	Amount of entrusted financing	Undue Balance	Overdue amount yet to be recovered	Impairment Provision of Overdue Outstanding Funds
Bank Financial Product	Self-owned fund	126,155.00	14,060.00	0	0
Trust Financial Products	Self-owned fund	27,000.00	17,000.00	0	0
Others	Self-owned fund	999.90	999.90	0	0
Total		154,154.90	32,059.90	0	0

Particulars of high-risk entrusted financial management with a large single amount, low security, poor liquidity or no capital protection

Applicable Not applicable

Entrusted financing is overdue and the principal cannot be recovered or there are other cases that may cause impairments.

Applicable Not applicable

4. Major contract of daily business operation

Applicable Not applicable

5. Other significant contract

√ Applicable Not applicable

Name of the contracting company	Name of contracting party	Contract subject	Date of contract signing	Name of evaluation agency	Pricing principles	Price of trading (10 thousandyuan)	Whether related transaction	Relation of connection	Performance as of the date of the reporting	Date of disclosure	Indexes of disclosure
Beijing Offcn Education and Technology Co., Ltd.	Beijing Jingchen Runye Technology Development Co., Ltd.	Lease of Building A, No. 1 of Building B, No. 18, 19, 21 of Building A, in East Courtyard of Daokou Village, Wangsiying Township, Chaoyang District, Beijing	Jul. 1, 2014	Not applicable	Fair market pricing	9,810.87	No	No	Executing	Dec. 1, 2018	Juchao Information Network (http://www.cninfo.com.cn) Major Asset Replacement and Issuance of Shares to Purchase Assets and Related Party Transactions Report (November 2018)
Beijing Offcn Education and Technology Co., Ltd.	Beijing Jingchen Runye Technology Development Co., Ltd.	Lease of the facade area of Phase 2 and Phase 3, Building 2, Area C, East Courtyard, Wangsiying Township, Chaoyang District, Beijing; Building 2, Area A, Building 2, Area B, and Building 2, Area D (six buildings) Small building) and Building No. 1 in Area D, etc.	Jan. 1, 2020	Not applicable	Fair market pricing	5,056.83	No	No	Executing	—	—
Beijing Offcn Education and Technology Co., Ltd.	Beijing Guangyuan Hui Feng Construction Engineering Co., Ltd.	Renovation project of branches of Offcn Education	Sept. 3, 2017	Not applicable	Fair market pricing	30,000.00	No	No	Completed	Dec. 1, 2018	Juchao Information Network (http://www.cninfo.com.cn) Major Asset Replacement and Issuance of Shares to Purchase Assets and Related Party Transactions Report (November 2018)
Beijing Offcn Education and Technology Co., Ltd.	Harbin Yucheng Pharmaceutical Co., Ltd.	Lease the West Building of Hanhua Century Building, Building 1, No. 23 Xuesiqing Road, Haidian District, Beijing	Jun. 16, 2013	Not applicable	Fair market pricing	10,753.69	No	No	Executing	Dec. 1, 2018	Juchao Information Network (http://www.cninfo.com.cn) Major Asset Replacement and Issuance of Shares to Purchase Assets and Related Party Transactions Report
Beijing Offcn Education and Technology Co., Ltd.	Shenyang Lijing Mingzhu Hotel Management Co., Ltd.	Lease is located in Building No. 129, Beishuncheng Road, Shenhe District, Shenyang	Jul. 1, 2016	Not applicable	Fair market pricing	25,090.48	Yes	Actual control of Beijing Huiyou Zhiyuan Investment Center (Limited Partnership) controlled by the executives and core employees of Offcn	Executing	Dec. 1, 2018	Juchao Information Network (http://www.cninfo.com.cn) Major Asset Replacement and Issuance of Shares to Purchase Assets and Related Party Transactions Report (November 2018)
Beijing Offcn Education and Technology Co., Ltd.	Beijing Chuangsheng Construction Decoration Engineering Co., Ltd.	Renovation Project of Offcn branches	Aug. 7, 2019	Not applicable	Fair market pricing	28,674.70	No	No	Executing	—	—
Beijing Offcn Education and Technology Co., Ltd.	Beijing Huaxia Shunxin Property Management Co., Ltd.	The lease is located in Huicong Park, Qiliquan Village, Shahe Town, Changping District, Beijing	26-May-20	Not applicable	Fair market pricing	29,009.51	No	No	Executing	—	—
Beijing Offcn Education and Technology Co., Ltd.	Hainan Jiahexin Technology Co., Ltd.	Network Promotion Service	Mar. 24, 2021	Not applicable	Fair market pricing	15,000.00	No	No	Executing	—	—

Section XIII. Other significant events

√ Applicable Not applicable

The progress of the Company's non-public matters:

The Company held the Company's board of directors, board of supervisors, and the third extraordinary general meeting of shareholders in 2020 on November 23, 2020 and December 9, 2020, reviewed and approved the Proposal on the Company's Compliance with the Conditions for Non-public Issuance of A Shares, Proposal on the Company's Plan of Non-Public Issuance of A Shares, and Proposal on the Company's Proposal of Non-Public Issuance of A Shares and other proposals related to this non-public issuance.

On December 30, 2020, the Company announced the Announcement on the Acceptance of Applications for Non-public Issuance of Shares by the China Securities Regulatory Commission (Announcement No.: 2020-052).

On January 8, 2021, the Company announced the Notice on Receiving the First Feedback from the China Securities Regulatory Commission's Administrative Licensing Project Review (Announcement Number: 2021-002).

On January 27, 2021, the Company announced the Report on the Reply to the First Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review and other documents.

On the same day, the Company also announced the adjustments to the non-public issuance plan including the Revised Proposal for Non-public Issuance of A Shares reviewed and approved at the 17th meeting of the Fifth Board of Directors and the 14th Meeting of the Fifth Supervisory Committee.

On May 18, 2021, the Company announced the Announcement on the Revised Reply to the First Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review, the Notice on Receiving the Second Feedback from the China Securities Regulatory Commission's Administrative Licensing Project Review and other documents.

On May 29, 2021, the Company announced the Report on the Reply to the Second Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review and other documents. On the same day, the Company also announced the adjustments to the non-public issuance plan including the Second Revised Proposal for Non-public Issuance of A Shares reviewed and approved at the 19th meeting of the Fifth Board of Directors and the 16th Meeting of the Fifth Supervisory Committee.

On June 5, 2021, the Company issued the Announcement on the Revised Reply to the Second Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review and other documents.

On June 16, 2021, the Company's non-public matters were reviewed and approved by the Issuance Review Committee of the China Securities Regulatory Commission.

Regarding the follow-up progress of the Company's non-public issuance of shares, the Company will perform its information disclosure obligations in a timely manner in accordance with the requirements of relevant laws and regulations.

For other important announcements, please refer to the following statements and indexes:

Name of announcement	Date of disclosure	Website of announcement disclosure
<i>Announcement on the Reply to the First Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review</i>	2021/1/27	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Non-Public Issuance of A shares to Dilute Immediate Returns, the Company's Remedial Measures and Commitments of Related Entities (revised draft)</i>	2021/1/27	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on Adjustment to the Plan of Non-Public Issuance of A Shares</i>	2021/1/27	CNINFO (http://www.cninfo.com.cn)
<i>Informative Announcement on the Listing and Circulation of Some Restricted Shares</i>	2021/1/29	CNINFO (http://www.cninfo.com.cn)
<i>Special Note on No Profit Distribution in 2020</i>	2021/4/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Expected Daily Connected Transaction Quota in 2021</i>	2021/4/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Company and Its Subsidiaries Using Their Own Funds for Cash Management</i>	2021/4/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Confirmation of the Company's Directors, Supervisors and Senior Executives' Remuneration Plan in 2021</i>	2021/4/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on Changes in Accounting Policies</i>	2021/4/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Renewal of Hiring the Accounting Firm</i>	2021/4/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Company and Its Subsidiaries Applying for a General Credit Limit From the Bank</i>	2021/4/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Difference Between Actual Net Profit and Committed net Profit of Beijing Offcn Education Technology Co., Ltd. in 2020</i>	2021/4/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Revised Reply to the First Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review</i>	2021/5/18	CNINFO (http://www.cninfo.com.cn)

<i>Announcement on Receiving the Second Feedback Notice from the China Securities Regulatory Commission's Administrative Licensing Project Review</i>	2021/5/18	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Reply to the Second Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review</i>	2021/5/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Non-Public Issuance of A shares to Dilute Immediate Returns, the Company's Remedial Measures and Commitments of Related Entities (2nd revised draft)</i>	2021/5/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on Adjustment to the Plan of Non-Public Issuance of A Shares</i>	2021/5/29	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the addition of provisional proposal and supplementary notice to the 2020 Annual General Meeting of Shareholders of the Company</i>	2021/6/3	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Revised Reply to the Second Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review</i>	2021/6/5	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Analysis of the Impact of Amendment to the Regulations for the Implementation of the Law on the Promotion of Private Education on Offcn Edu</i>	2021/6/9	CNINFO (http://www.cninfo.com.cn)
<i>Announcement on the Approval of Non-Public Issuance of A Shares by the Issuance Review Committee of China Securities Regulatory Commission</i>	2021/6/16	CNINFO (http://www.cninfo.com.cn)

Section XIV. Significant events of the Company's subsidiaries

Applicable Not applicable

Chapter 7 Share Changes and Shareholders

Section I. Changes in Shares

1. Changes in Shares

Unit: share(s)

	Before Change		Increase or Decrease (+ or -)					After Change	
	Number of shares	Proportion	New shares issued	Bonus shares	Conversion of equity reserves into share capital	Other	Subtotal	Number of shares	Proportion
1. Shares with trading restrictions	5,419,759,990	87.88%				-894,908,104	-894,908,104	4,524,851,886	73.37%
(1) Shares held by state									
(2) Shares held by state-owned legal person									
(3) Other shares held by domestic capital	5,419,759,990	87.88%				-894,908,104	-894,908,104	4,524,851,886	73.37%
Of which: shares held by domestic legal person	534,706,341	8.67%				-445,588,618	-445,588,618	89,117,723	1.44%
Shares held by domestic natural person	4,885,053,649	79.21%				-449,319,486	-449,319,486	4,435,734,163	71.92%
(4) Shares held by overseas capital									
Of which: shares held by overseas legal person									
Shares held by overseas natural person									
2. Shares without trading restrictions	747,639,399	12.12%				894,908,104	894,908,104	1,642,547,503	26.63%
(1) RMB ordinary shares	747,639,399	12.12%				894,908,104	894,908,104	1,642,547,503	26.63%
(2) Domestic - listed shares for oversea investors									
(3) Foreign - listed shares for overseas investors									
(4) Other									
3. Total number of shares	6,167,399,389	100.00%				0	0	6,167,399,389	100.00%

Reasons for changes in shares

√Applicable □ Not applicable

The sales restrictions on part of the shares issued by the major asset restructuring were released on February 1, 2021 and the locked shares of the senior executives changed during the reporting period.

Approval of changes in shares

Applicable Not applicable

Transfer of share changes

Applicable Not applicable

Implementation progress of share repurchase

Applicable Not applicable

Progress in the implementation of the centralized bidding method to reduce the shareholding repurchase

Applicable Not applicable

The impact of share changes on financial indicators such as basic earnings per share and diluted earnings per share, net assets per share attributable to the Company's ordinary shareholders, etc. in the most recent year and the most recent period

Applicable Not applicable

Other content that the Company deems necessary or required by the securities regulatory agency to disclose

Applicable Not applicable

2. Changes in shares with sales restrictions:

Applicable Not applicable

Unit: share(s)

Name of shareholder	Number of shares with sales restrictions at the beginning of the period	Number of shares with sales restrictions released in the period	Number of shares with sales restrictions increased in the period	Number of shares with sales restrictions at the end of the period	Reasons for sales restrictions	Date of releasing restrictions on sales
Wang Zhendong	962,471,418	234,535,429	0	727,935,989	Sales restriction commitment on shares from major replacement of assets and issuance for assets purchase	February 1, 2021
Beijing Aerospace Industry Investment Fund(Limited Partners)	267,353,171	267,353,171	0	0	Sales restriction commitment on shares from major replacement of assets and issuance for assets purchase	February 1, 2021

Beijing Guangyin Venture Investment Center (Limited Partners)	178,235,447	178,235,447	0	0	Sales restriction commitment on shares from major replacement of assets and issuance for assets purchase	February 1, 2021
Yang Shaofeng	48,123,570	48,123,570	0	0	Sales restriction commitment on shares from major replacement of assets and issuance for assets purchase	February 1, 2021
Zhang Zhian	48,123,570	48,123,570	0	0	Sales restriction commitment on shares from major replacement of assets and issuance for assets purchase	February 1, 2021
Guo Shihong	48,123,570	12,030,893	0	36,092,677	Sales restriction commitment on shares from major replacement of assets and issuance for assets purchase	February 1, 2021
Zhang Yongsheng	48,123,570	12,030,893	0	36,092,677	Sales restriction commitment on shares from major replacement of assets and issuance for assets purchase	February 1, 2021
Liu Bin	48,123,570	48,123,570	0	0	Sales restriction commitment on shares from major replacement of assets and issuance for assets purchase	February 1, 2021
Li Yongxin	1,131,415,121	46,351,561	0	1,085,063,560	Allocation of transferrable quota between trusteeship units	—
Total	2,780,093,007	894,908,104	0	1,885,184,903	—	—

Section II. Issuance and listing of securities

Applicable Not applicable

Section III. Numbers of Shareholders and Shareholdings

Unit: Share(s)

Total number of shareholders with ordinary shares at the end of the reporting period	87,198	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) (See Note 8)	0				
Shareholders with over 5% ordinary shares or top 10 ordinary shareholders							
Name of	Nature of	Sharehol	Total ordinary	Increase and	Number of	Number of	Pledged or Frozen

Shareholder	shareholder	ding Percentage (%)	shares held at the end of the reporting period	decrease of shares during the reporting period	ordinary shares held with sales restrictions	ordinary shares held without sales restrictions	Status of shares	Number of shares
Lu Zhongfang	Domestic natural person	41.36%	2,550,549,260	0	2,550,549,260	0	Pledged	450,000,000
Li Yongxin	Domestic natural Person	18.35%	1,131,415,121	0	1,085,063,560	46,351,561	Pledged	423,501,561
Wang Zhendong	Domestic natural person	15.51%	956,447,318	-6,024,100	727,935,989	228,511,329	Pledged	250,089,966
Beijing Aerospace Industry Investment Fund(Limited Partnership)	Domestic non-state- owned legal person	4.24%	261,280,477	-6,072,694	0	261,280,477		
Beijing Kerui Venture Investment Center(Limited Partnership)	Domestic non-state-owned legal person	1.44%	89,117,723	0	89,117,723	0		
Beijing Offcn Future Information Consulting Center(Limited Partnership)	Domestic non-state-owned legal person	1.30%	80,000,000	0	0	80,000,000		
Zhou Xiayun	Domestic natural person	1.28%	78,848,640	0	0	78,848,640	Pledged	48,500,000
Zhou Hui	Domestic natural person	1.17%	72,277,920	0	0	72,277,920	Pledged	12,410,000
Beijing Guangyin Venture Investment Center (Limited Partnership)	Domestic non-state-owned legal person	1.04%	64,355,896	-113,879,551	0	64,355,896		
Hong Kong Securities Clearing Co.,Ltd.	Overseas legal person	1.04%	63,981,550	-55,267,239	0	63,981,550		
Strategic Investors or Ordinary Legal Persons Become the Top 10 Shareholders with Ordinary Shares by the replacement of New Shares	No							
Description of the Above-mentioned	The Company's controlling shareholder and actual controller Lu Zhongfang and Li Yongxin are in a parent-child							

Shareholders' Relationship or Concerted Action	relationship. Lu Zhongfang, Li Yongxin, and Beijing Offcn Future Information Consulting Center (Limited Partnership) constitute persons acting in concert. Zhou Xiayun and Zhou Hui have a father-son relationship. It is unknown whether there is an associated relationship among the above-mentioned other shareholders, and whether the above-mentioned shareholders belong to the parties acting in concert as stipulated in the <i>Administrative Measures on Disclosure of Information Disclosure of Shareholding Changes in Listed Companies</i> .		
Explanation of the above-mentioned shareholders' entrusting/entrusted voting rights and waiver of voting rights	N/A		
\Description of top 10 shareholders with ordinary Shares without sales restrictions			
Name of Shareholder	Number of ordinary shares without sales restrictions at the end of the reporting period	Type	
		Type	Quantities
Wang Zhendong	228,511,329	RMB ordinary shares	228,511,329
Beijing Aerospace Industry Investment Fund (Limited Partnership)	261,280,477	RMB ordinary shares	261,280,477
Beijing Offcn Future Information Consulting Center (Limited Partnership)	80,000,000	RMB ordinary shares	80,000,000
Zhou Xiayun	78,848,640	RMB ordinary shares	78,848,640
Zhou Hui	72,277,920	RMB ordinary shares	72,277,920
Beijing Guangyin Venture Investment Center (Limited Partnership)	64,355,896	RMB ordinary shares	64,355,896
Hong Kong Securities Clearing Co.,Ltd.	63,981,550	RMB ordinary shares	63,981,550
Zhou Li	48,185,280	RMB ordinary shares	48,185,280
Li Yongxin	46,351,561	RMB ordinary shares	46,351,561
China Merchants Bank-Bank of Communications Schroder New Growth Hybrid Securities Investment Fund	43,815,910	RMB ordinary shares	43,815,910
Description of the relationship or concerted action among the top 10 shareholders of ordinary shares without restrictions on , and	The company's controlling shareholder and actual controller Lu Zhongfang and Li Yongxin are in a parent-child relationship. Lu Zhongfang, Li Yongxin, and Beijing Offcn Future Information Consulting Center (Limited Partnership) constitute persons acting in concert. Zhou Xiayun and Zhou Hui have a father-son relationship. It is		

between the top 10 shareholders of ordinary shares without restriction and the top 10 shareholders of ordinary shares	unknown whether there is an associated relationship among the above-mentioned other shareholders, and whether the above-mentioned shareholders belong to the parties acting in concert as stipulated in the Administrative Measures on Disclosure of Information Disclosure of Shareholding Changes in Listed Companies.
Description of the Top 10 Ordinary Shareholders Participating in the Margin trading(if any)	N/A

Whether the company's top 10 ordinary shareholders and top 10 ordinary shareholders without restrictions conducted agreed repurchase transactions during the reporting period

Yes No

The company's top 10 ordinary shareholders and top 10 ordinary shareholders without restrictions didn't conduct agreed repurchase transactions during the reporting period

Section IV. Changes in shares held by directors, supervisors and senior executives

Applicable Not applicable

Name	Title	Tenure status	Shares held at the beginning of the period (share)	Quantity Of shares increased in the current period (share)	Other increased or decreased changes (share)	Quantity of shares held at the end of the period (share)	Quantity of restricted shares granted at the beginning of the period	Quantity of restricted shares granted in current period	Quantity of restricted shares granted at the end of the period
Wang Zhendong	Director, general manager	Incumbent	962,471,418	0	6,024,100	956,447,318	0	0	0
Total	--	--	962,471,418	0	6,024,100	956,447,318	0	0	0

Section V. Change of controlling shareholder or actual controller

Change of controlling shareholder in the reporting period

Applicable Not applicable

Controlling shareholder did not change during the reporting period.

Change of actual controller during the reporting period

Applicable Not applicable

The actual controller did not change during the reporting period.

Chapter 8 Preferred Shares

Applicable Not applicable

There were no preferred shares during the reporting period.

Chapter 9 Corporate Bonds

Applicable Not applicable

Chapter 10 Financial Statements

Section I. Auditor's Report

Whether audit has been performed on this semi-annual financial report.

Yes No

The Company's 2021 semi-annual financial report has not been audited.

Section II. Financial Statement

The unit of statement in financial notes is : RMB

1. Consolidated Balance Sheet

Company: Offcn Education Technology Co., Ltd.

June 30, 2021

Unit: RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	3,560,568,685.18	5,950,395,089.12
Settlement reserve		
Lendings		
Transactional financial assets	178,565,832.93	983,205,858.25
Derivative financial assets		
Notes receivable		
Accounts receivable	32,423,539.80	21,493,637.66
Receivables financing		
Prepayments	1,540,010.00	2,204,120.00
Premium receivable		
Accounts receivable reinsurance		
Reserve for reinsurance receivable contracts		
Other receivables	382,044,846.69	304,318,966.20
Including: interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventory		
Contract assets		

Assets held-for-sale		
Non-current assets due within one year	20,027,866.69	1,985,873,462.75
Other current assets	988,720,230.46	175,179,650.61
Total current assets	5,163,891,011.75	9,422,670,784.59
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment		
Other equity investment	152,800,000.00	152,800,000.00
Other non-current financial assets	210,299,205.48	208,450,315.01
Investment property	657,723,948.43	668,014,515.82
Fixed assets	1,580,386,983.37	1,612,792,592.67
Construction in progress	256,986,886.10	214,248,125.04
Productive biological assets		
Oil and gas assets		
Right-of-use asset	1,345,123,513.84	
Intangible assets	515,387,722.09	426,352,455.75
Development expenditure		
Goodwill	99,867,720.38	99,867,720.38
Long-term prepaid expenses	403,141,170.81	440,955,377.93
Deferred tax assets	21,841,285.69	21,606,436.77
Other non-current assets	3,763,316,852.36	1,151,091,703.31
Total non-current assets	9,006,875,288.55	4,996,179,242.68
Total assets	14,170,766,300.30	14,418,850,027.27
Current liabilities:		
Short-term loan	3,875,201,272.25	3,976,019,329.22
Borrowing from the central bank		
Borrowings from banks and other financial institutions		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		

Accounts payable	149,870,791.22	211,824,402.86
Deposit received		
Contract liabilities	4,228,504,433.91	4,925,428,309.33
Financial assets sold for repurchase		
Absorbing deposits and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Payroll payable	371,640,434.73	637,448,433.99
Taxes payable	43,165,616.53	131,111,770.78
Other payable	51,658,574.07	9,479,383.03
Including: interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	507,142,087.47	
Other current liabilities	126,855,133.02	147,765,156.66
Total current liabilities	9,354,038,343.20	10,039,076,785.87
Non-current liabilities:		
Insurance contract reserve		
Long-term loan		
Bonds payable		
Bonds payable_preferred stock		
Bonds payable_perpetual bond		
Lease liability	534,044,069.15	
Long-term payables		
Long-term salary payable		
Estimated liabilities		
Deferred income		
Deferred tax liability	104,752,688.88	104,677,444.59
Other non-current liabilities		
Total non-current liabilities	638,796,758.03	104,677,444.59
Total Liabilities	9,992,835,101.23	10,143,754,230.46
Owners' equity:		

Share capital	103,807,623.00	103,807,623.00
Other equity instruments		
Other equity instruments_preferred stock		
Other equity instruments_perpetual bond		
Capital reserve	1,225,481,049.50	1,225,481,049.50
Less: Treasury stock		
Other comprehensive income	30,000,000.00	30,000,000.00
Special reserve		
Surplus reserves	45,000,000.00	45,000,000.00
General risk preparation		
Undistributed profits	2,773,676,611.67	2,870,839,120.70
Total owner's equity attributable to the parent company	4,177,965,284.17	4,275,127,793.20
Minority shareholders' equity	-34,085.10	-31,996.39
Owners' equity	4,177,931,199.07	4,275,095,796.81
Liabilities and owner's equity	14,170,766,300.30	14,418,850,027.27

Legal representative: Wang Zhendong Person in charge of accounting: Shi Lei Head of accounting department: Luo Xue

2. Parent company balance sheet

Unit: RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	111,675,390.64	56,138,356.37
Transactional financial assets	1,653,627.28	1,630,453.37
Derivative financial assets		
Notes receivable		
Accounts receivable	21,668,679.91	14,792,320.38
Receivables financing		
Prepayments		
Other receivables	528,158,760.42	621,900,443.29
Including: interest receivable		
Dividend receivable		
Inventory		
Contract assets		
Assets held-for-sale		

Non-current assets due within one year		
Other current assets		
Total current assets	663,156,458.25	694,461,573.41
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	18,582,307,907.14	18,582,307,907.14
Other equity investment	152,800,000.00	152,800,000.00
Other non-current financial assets		
Investment property	376,285,034.81	384,641,527.88
Fixed assets	379,420,929.98	383,060,000.00
Construction in progress	72,569,103.57	72,569,103.57
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets	20,720,161.43	20,529,151.44
Other non-current assets	501,095,111.10	501,095,111.10
Total non-current assets	20,085,198,248.03	20,097,002,801.13
Total assets	20,748,354,706.28	20,791,464,374.54
Current liabilities:		
Short-term loan	1,301,276,472.26	871,083,875.00
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	83,621,752.26	83,621,752.26
Deposit received		
Contract liabilities		
Payroll payable		
Taxes payable	1,448,248.34	1,437,291.71

Other payable	6,933,161.99	446,606,530.72
Including:interest payable		
Dividend payable		
Liabilities held-for-sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,393,279,634.85	1,402,749,449.69
Non-current liabilities:		
Long-term loan		
Bonds payable		
Bonds payable _preferred stock		
Bonds payable _perpetual bond		
Lease liability		
Long-term payables		
Long-term salary payable		
Estimated liabilities		
Deferred income		
Deferred tax liability	10,013,406.82	10,007,613.34
Other non-current liabilities		
Total non-current liabilities	10,013,406.82	10,007,613.34
Total Liabilities	1,403,293,041.67	1,412,757,063.03
Owners' equity:		
Share capital	6,167,399,389.00	6,167,399,389.00
Other equity instruments		
Other equity instruments _preferred stock		
Other equity instruments _perpetual bond		
Capital reserve	12,775,326,370.33	12,775,326,370.33
Less:Treasury stock		
Other comprehensive income	30,000,000.00	30,000,000.00
Special reserve		
Surplus reserves	387,458,806.65	387,458,806.65
Undistributed profits	-15,122,901.37	18,522,745.53
Owners' equity	19,345,061,664.61	19,378,707,311.51
Liabilities and owner's equity	20,748,354,706.28	20,791,464,374.54

3. Consolidated Income Statement

Unit: RMB

Item	First half year of 2021	First half year of 2020
I. Total operating income	4,855,998,263.50	2,807,980,480.60
Including:operating income	4,855,998,263.50	2,807,980,480.60
Interest income		
Premium earned		
Fee and commission income		
II. Total operating costs	5,085,316,223.70	3,244,547,876.16
Including:operating cost	2,684,951,238.24	1,452,611,180.39
Interest expense		
Fee and commission expenses		
Surrender money		
Net reimbursement expenditure		
Withdrawal of net insurance liability contract reserves		
Policyholder dividend expenses		
Reinsurance expenses		
Taxes and surcharges	15,817,550.99	6,277,633.04
Sales expenses	975,972,472.83	700,817,453.92
Management expenses	607,894,812.80	518,959,454.14
R&D expenses	542,875,812.43	383,227,531.01
Financial expenses	257,804,336.41	182,654,623.66
Including:interest expenses	126,914,597.79	85,130,012.11
Interest income	24,674,100.13	2,889,907.48
Add:other income	63,597,930.11	84,454,707.44
Investment income (Loss is listed with “-”)	61,423,487.06	128,818,126.44
Including:investment income from associates and joint ventures		
Derecognition income of financial assets measured at amortized cost		
Exchange earnings (Loss is listed with “-”)		
Net exposure hedge income (Loss is listed with “-”)		
Fair value change income (Loss is listed with “-”)	9,068,865.15	
Expected credit loss (Loss is listed with “-”)	-1,449,153.75	-770,761.79
Asset impairment loss (Loss is listed with “-”)		

Asset disposal income (Loss is listed with “-”)	-168,828.03	162,043.59
III. Operating profit (Loss is listed with “-”)	-96,845,659.66	-223,903,279.88
Add:non-operating income	37,698.84	20,148.00
Less:non-operating expenses	349,054.25	93,502.28
IV. Total profit (The total loss is listed with “-”)	-97,157,015.07	-223,976,634.16
Less:income tax expenses	7,582.67	9,055,694.44
V. Net profit (Net loss is listed with “-”)	-97,164,597.74	-233,032,328.60
i. Classified by business continuity		
1.Net profit from continuing operations (Net loss is listed with “-”)	-97,164,597.74	-233,032,328.60
2.Net profit from discontinued operations (Net loss is listed with “-”)		
ii. Classification by ownership		
1. Net profit attributable to the owner of the parent company	-97,162,509.03	-233,026,645.16
2. Minority shareholders' gains and losses	-2,088.71	-5,683.44
VI. Net other comprehensive income		
Net other comprehensive income attributable to the parent company owner		
i. Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes from the remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments		
4. Changes in fair value of the company's own credit risk		
5. Other		
ii. Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income of convertible profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provisions of other debt investment		
5. Cash flow hedge reserve		
6. Foreign currency financial statement translation difference		
7.Other		
Net other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-97,164,597.74	-233,032,328.60
Total comprehensive income attributable to owners of the parent	-97,162,509.03	-233,026,645.16

Total comprehensive income attributable to minority shareholders	-2,088.71	-5,683.44
VIII. Earnings per share:		
i. Basic earnings per share	-0.02	-0.04
ii. Diluted earnings per share	-0.02	-0.04

If a business combination under the same control occurs in the current period, the net profit realized by the combined party before the combination is: RMB 0.00. The net profit realized by the combined party in the previous period was: RMB 0.00.

Legal representative: Wang Zhendong Person in charge of accounting: Shi Lei Head of accounting department: Luo Xue

4. Parent company income statement

Unit: RMB

Item	First half Year of 2021	First half Year of 2020
I. Operating income	7,278,174.71	7,276,570.86
Less: operating cost	5,632,943.03	5,667,932.11
Taxes and surcharges	2,217,898.16	2,120,841.35
Sales expenses		
Management expenses	10,918,194.18	2,930,657.06
R&D expenses		
Financial expenses	22,843,885.71	10,672,898.30
Including: interest expenses	22,918,691.67	10,703,779.17
Interest income	87,954.96	43,607.28
Add: other income	138,234.55	474,801.04
Investment income (Loss is listed with "-")	1,330,502.21	
Including: investment income from associates and joint ventures		
Derecognition income of financial assets measured at amortized cost		
Net exposure hedge income (Loss is listed with "-")		
Fair value change income (Loss is listed with "-")	23,173.91	
Expected credit loss (Loss is listed with "-")	-764,039.94	-382,019.97
Asset impairment loss (Loss is listed with "-")		
Asset disposal income (Loss is listed with "-")	-223,987.77	
II. Operating profit (Loss is listed with "-")	-33,830,863.41	-14,022,976.89
Add: non-operating income		
Less: non-operating expenses		
III. Total profit (The total loss is listed with "-")	-33,830,863.41	-14,022,976.89

Less:income tax expenses	-185,216.51	-95,504.99
IV. Net profit(Net loss is listed with “-”)	-33,645,646.90	-13,927,471.90
i. Net profit from continuing operations(Net loss is listed with “-”)	-33,645,646.90	-13,927,471.90
ii. Net profit from discontinued operations(Net loss is listed with “-”)		
V. Net other comprehensive income		
i. Other comprehensive income that cannot be reclassified into profit or loss		
1.Changes from the remeasurement of the defined benefit plan		
2.Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3.Changes in fair value of other equity instruments		
4.Changes in fair value of the company's own credit risk		
5.Other		
ii. Other comprehensive income that will be reclassified into profit or loss		
1.Other comprehensive income of convertible profit and loss under the equity method		
2.Changes in fair value of other debt investments		
3.Financial assets reclassified into other comprehensive income		
4.Credit impairment provisions of other debt investment		
5.Cash flow hedge reserve		
6.Foreign currency financial statement translation difference		
7.Other		
VI. Total comprehensive income	-33,645,646.90	-13,927,471.90
VII. Earnings per share:		
i Basic earnings per share		
ii Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	First half Year of 2021	First half Year of 2020
I. Cash flow from operating activities:		
Cash received from the sale of goods and services	4,268,598,303.00	7,685,015,351.32
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from central bank		

Net increase in funds borrowed from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance business		
Net increase in policyholders' deposits and investment funds		
Cash charged with interest, handling fees and commissions		
Net increase in funds borrowed in		
Net increase in repurchase funds		
Net cash received from agent buying and selling of securities		
Tax refund		
Other cash received related to other business activities	55,211,569.96	14,139,064.39
Subtotal of cash inflow from operating activities	4,323,809,872.96	7,699,154,415.71
Cash paid for the purchase of goods and services	965,750,873.57	519,654,701.91
Net increase in customer loans and advances		
Net increase in deposit of central bank and interbank		
Cash paid for the original insurance contract		
Net increase in borrowed funds		
Cash paid for interest, handling fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	3,545,895,731.44	2,295,211,119.61
Various taxes paid	192,705,882.06	199,637,364.28
Other cash paid for business activities	558,548,843.84	620,975,725.72
Subtotal of cash outflows from business activities	5,262,901,330.91	3,635,478,911.52
Net cash flow from operating activities	-939,091,457.95	4,063,675,504.19
II. Cash flows from investing activities:		
Cash received from investment recovery	7,306,410,000.00	17,567,171,173.89
Cash received from investment income	220,793,791.47	91,865,286.31
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-168,828.03	162,043.59
Net cash received from disposal of subsidiaries and other business units		
Other cash received related to investing activities		
Subtotal of cash inflows from investment activities	7,527,034,963.44	17,659,198,503.79
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	2,800,021,379.76	844,329,065.33
Cash paid for investment	5,584,550,000.00	17,970,288,090.00

Net increase in pledge loans		
Net cash paid for r acquiring subsidiaries and other business units		
Other cash paid related to investing activities		
Subtotal of cash outflows from investment activities	8,384,571,379.76	18,814,617,155.33
Net cash flows from investing activities	-857,536,416.32	-1,155,418,651.54
III. Cash flow from financing activities:		
Cash received from investment absorption		
Including:cash received from subsidiaries in absorbing minority shareholders' investment		
Cash received from the loan	2,769,000,000.00	2,320,000,000.00
Other cash received related to fundraising activities		
Subtotal of cash inflows from financing activities	2,769,000,000.00	2,320,000,000.00
Cash paid for debt repayment	2,867,000,000.00	1,730,000,000.00
Cash paid for dividends, profits or interest payments	103,069,077.75	1,556,459,462.95
Including:dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	392,129,451.92	333,478.85
Subtotal of cash outflows from financing activities	3,362,198,529.67	3,286,792,941.80
Net cash flow from financing activities	-593,198,529.67	-966,792,941.80
IV. Effect of the changes of the exchange rate on cash and the equivalents		
V. Net increase in cash and cash equivalents	-2,389,826,403.94	1,941,463,910.85
Add:balance of cash and cash equivalents at the beginning of the period	5,950,036,489.12	2,724,335,001.58
VI. Balance of cash and cash equivalents at the end of the period	3,560,210,085.18	4,665,798,912.43

6. Parent company cash flow statement

Unit: RMB

Item	First half Year of 2021	First half Year of 2020
I. Cash flow from operating activities:		
Cash received from the sale of goods and services		
Tax refund		
Other cash received related to other business activities	3,566,724.42	1,748,092.19
Subtotal of cash inflow from operating activities	3,566,724.42	1,748,092.19
Cash paid for the purchase of goods and services		
Cash paid to and for employees		

Various taxes paid	2,398,724.13	2,606,189.88
Other cash paid for business activities	354,011,436.05	707,635,847.22
Subtotal of cash outflows from business activities	356,410,160.18	710,242,037.10
Net cash flow from operating activities	-352,843,435.76	-708,493,944.91
II. Cash flows from investing activities:		
Cash received from investment recovery	1,600,000.00	
Cash received from investment income	1,330,502.21	1,700,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-223,987.77	
Net cash received from disposal of subsidiaries and other business units		
Other cash received related to investing activities		
Subtotal of cash inflows from investment activities	2,706,514.44	1,700,000,000.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		300,000,000.00
Cash paid for investment	1,600,000.00	1,500,000.00
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid related to investing activities		
Subtotal of cash outflows from investment activities	1,600,000.00	301,500,000.00
Net cash flows from investing activities	1,106,514.44	1,398,500,000.00
III. Cash flow from financing activities:		
Cash received from investment absorption		
Cash received from the loan	1,000,000,000.00	800,000,000.00
Other cash received related to fundraising activities		
Subtotal of cash inflows from financing activities	1,000,000,000.00	800,000,000.00
Cash paid for debt repayment	570,000,000.00	
Cash paid for dividends, profits or interest payments	22,726,044.41	1,489,922,632.52
Other cash paid related to financing activities		333,478.85
Subtotal of cash outflows from financing activities	592,726,044.41	1,490,256,111.37
Net cash flow from financing activities	407,273,955.59	-690,256,111.37
IV. Effect of the changes of the exchange rate on cash and the equivalents		
V. Net increase in cash and cash equivalents	55,537,034.27	-250,056.28
Add: balance of cash and cash equivalents at the beginning of the period	55,780,356.37	6,931,803.33
VI. Balance of cash and cash equivalents at the end of the period	111,317,390.64	6,681,747.05

7. Consolidated Statement of Changes in Owners' Equity

Current Amount

Unit: RMB

Items	First Half Year of 2021														Minority interests	Total equity
	Equity attributable to equity holders of the parent company												Subtotal			
	Share capital	Preferred stock	Perpetual bond	Other	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General risk preparation	Undistributed profits	Other				
I. Ending balance of last year	103,807,623.00				1,225,481,049.50		30,000,000.00		45,000,000.00		2,870,839,120.70		4,275,127,793.20	-31,996.39	4,275,095,796.81	
Add: Impact from changes in accounting policies																
Impact from corrections of errors in prior period																
Business combination under common control																
Other																
II. Beginning balance of current year	103,807,623.00				1,225,481,049.50		30,000,000.00		45,000,000.00		2,870,839,120.70		4,275,127,793.20	-31,996.39	4,275,095,796.81	
III. Movement for current year("—" for decrease)											-97,162,509.03		-97,162,509.03	-2,088.71	-97,164,597.74	
i. Total comprehensive income											-97,162,509.03		-97,162,509.03	-2,088.71	-97,164,597.74	
ii. Shareholder's contributions and withdrawals of capital																
1. Common stock contributed by shareholders																
2. Capital contributed by other equity instruments holders																
3. Share-based payment recorded in shareholder's equity																
4. Other																
iii. Profits distribution																
1. Appropriation of surplus reserve																
2. Withdraw general risk reserves																
3. Distribution to shareholders																
4. Other																
iv. Internal transfer within shareholder's equity																
1. Conversion of capital reserve into share capital																
2. Conversion of surplus reserve into share capital																
3. Recover of loss by surplus reserve																
4. Change of defined benefit obligations carried forward to retained earnings																
5. Other comprehensive income carried forward to retained earnings																
6. Other																
v. Special reserve																
1. Accrual of special reserve																
2. Utilization of special reserve																
vi. Other																
IV. Ending balance of current year	103,807,623.00				1,225,481,049.50		30,000,000.00		45,000,000.00		2,773,676,611.67		4,177,965,284.17	-34,085.10	4,177,931,199.07	

Amount of the previous period

Unit: RMB

Items	First Half Year of 2020														Minority interests	Total equity
	Equity attributable to equity holders of the parent company															
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General risk preparation	Undistributed profits	Other	Subtotal			
	Preferred stock	Perpetual bond	Other													
I. Ending balance of last year	103,807,623.00				1,198,581,049.50		37,500,000.00		45,000,000.00		2,046,657,231.32		3,431,545,903.82	-6,019.50	3,431,539,884.32	
Add: Impact from changes in accounting policies																
Impact from corrections of errors in prior period																
Business combination under common control																
Other																
II. Beginning balance of current year	103,807,623.00				1,198,581,049.50		37,500,000.00		45,000,000.00		2,046,657,231.32		3,431,545,903.82	-6,019.50	3,431,539,884.32	
III. Movement for current year(" - " for decrease)					26,900,000.00						-1,713,202,498.52		-1,686,302,498.52	-5,683.44	-1,686,308,181.96	
i. Total comprehensive income											-233,026,645.16		-233,026,645.16	-5,683.44	-233,032,328.60	
ii. Shareholder's contributions and withdrawals of capital					26,900,000.00								26,900,000.00		26,900,000.00	
1. Common stock contributed by shareholders																
2. Capital contributed by other equity instruments holders																
3. Share-based payment recorded in shareholder's equity					26,900,000.00								26,900,000.00		26,900,000.00	
4. Other																
iii. Profits distribution											-1,480,175,853.36		-1,480,175,853.36		-1,480,175,853.36	
1. Appropriation of surplus reserve																
2. Withdraw general risk reserves																
3. Distribution to shareholders											-1,480,175,853.36		-1,480,175,853.36		-1,480,175,853.36	
4. Other																
iv. Internal transfer within shareholder's equity																
1. Conversion of capital reserve into share capital																
2. Conversion of surplus reserve into share capital																
3. Recover of loss by surplus reserve																
4. Change of defined benefit obligations carried forward to retained earnings																
5. Other comprehensive income carried forward to retained earnings																
6. Other																
v. Special reserve																
1. Accrual of special reserve																
2. Utilization of special reserve																
vi. Other																
IV. Ending balance of current year	103,807,623.00				1,225,481,049.50		37,500,000.00		45,000,000.00		333,454,732.80		1,745,243,405.30	-11,702.94	1,745,231,702.36	

8、Statement of Changes in Equity of the Company's Owners

Current Amount

Unit RMB

Items	First Half Year of 2021											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Undistributed profits	Other	Total equity
		Preferred stock	Perpetual bond	Other								
I. Ending balance of last year	6,167,399,389.00				12,775,326,370.33		30,000,000.00		387,458,806.65	18,522,745.53		19,378,707,311.51
Add: Impact from changes in accounting policies												
Impact from corrections of errors in prior period												
Other												
II. Beginning balance of current year	6,167,399,389.00				12,775,326,370.33		30,000,000.00		387,458,806.65	18,522,745.53		19,378,707,311.51
III. Movement for current year ("-" for decrease)										-33,645,646.90		-33,645,646.90
i. Total comprehensive income										-33,645,646.90		-33,645,646.90
ii. Shareholder's contributions and withdrawals of capital												
1. Common stock contributed by shareholders												
2. Capital contributed by other equity instruments holders												
3. Share-based payment recorded in shareholder's equity												
4. Other												
iii. Profits distribution												
1. Appropriation of surplus reserve												
2. Distribution to shareholders												
3. Other												
iv. Internal transfer within shareholder's equity												
1. Conversion of capital reserve into share capital												
2. Conversion of surplus reserve into share capital												
3. Recover of loss by surplus reserve												
4. Change of defined benefit obligations carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Other												
v. Special reserve												
1. Accrual of special reserve												
2. Utilization of special reserve												
vi. Other												
IV. Ending balance of current year	6,167,399,389.00				12,775,326,370.33		30,000,000.00		387,458,806.65	-15,122,901.37		19,345,061,664.61

Amount of the previous period

Unit: RMB

Items	First Half Year of 2020											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Undistributed profits	Other	Total equity
		Preferred stock	Perpetual bond	Other								
I. Ending balance of last year	6,167,399,389.00				12,775,326,370.33		37,500,000.00		387,458,806.65	1,527,629,604.14		20,895,314,170.12
Add: Impact from changes in accounting policies												
Impact from corrections of errors in prior period												
Other												
II. Beginning balance of current year	6,167,399,389.00				12,775,326,370.33		37,500,000.00		387,458,806.65	1,527,629,604.14		20,895,314,170.12
III. Movement for current year ("-" for decrease)										-1,494,103,325.26		-1,494,103,325.26
i. Total comprehensive income										-13,927,471.90		-13,927,471.90
ii. Shareholder's contributions and withdrawals of capital												
1. Common stock contributed by shareholders												
2. Capital contributed by other equity instruments holders												
3. Share-based payment recorded in shareholder's equity												
4. Other												
iii. Profits distribution										-1,480,175,853.36		-1,480,175,853.36
1. Appropriation of surplus reserve												
2. Distribution to shareholders										-1,480,175,853.36		-1,480,175,853.36
3. Other												
iv. Internal transfer within shareholder's equity												
1. Conversion of capital reserve into share capital												
2. Conversion of surplus reserve into share capital												
3. Recover of loss by surplus reserve												
4. Change of defined benefit obligations carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Other												
v. Special reserve												
1. Accrual of special reserve												
2. Utilization of special reserve												
vi. Other												
IV. Ending balance of current year	6,167,399,389.00				12,775,326,370.33		37,500,000.00		387,458,806.65	33,526,278.88		19,401,210,844.86

Section III. General Information

1. Overview of the Company

Offcn Education Technology Co., Ltd. (hereinafter referred to as the “Company” or “the Company”) was formerly known as Yaxia Automobile Co., Ltd. (hereinafter referred to as “Yaxia Auto”). Yaxia Auto, a limited company established by Wuhu Yaxia Industrial Co., Ltd obtained the Enterprise Business License of Enterprise Legal Person No. 3402012104768 issued by Wuhu Administration for Industry and Commerce on November 30, 2006. Yaxia Auto was approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) for The approval of the initial public offering of Wuhu Yaxia Automobile Co., Ltd. (CSRC License [2011] No. 1046) and issued RMB 22 million ordinary shares to the public and traded on the Shenzhen Stock Exchange in August 2011. The controlling shareholder is Anhui Yaxia Industrial Co., Ltd. (hereinafter referred to as “Yaxia Industrial”). On July 1, 2016, the Company obtained the No. 91340200711040703A “Enterprise Business License of Enterprise Legal Person” issued by Wuhu Administration for Industry and Commerce.

In accordance with the resolution of the 3rd Extraordinary General Meeting of Yaxia Auto in 2018 and the resolution of the 24th Board Meeting of the 4th Board of Directors, and approved by China Securities Regulatory Commission’s The approval of major asset restructuring of Yaxia Automobile Co., Ltd. and the issuance of shares to Lu Zhongfang and others for asset purchase (Securities Regulatory Commission [2018] No. 1975), Yaxia Auto swapped all assets and liabilities (“exchange-out assets”) as of the assessment date, excluding the retained assets that do not constitute business, with the equivalent portion (“exchange-in assets”) of 100.00% of the equity in Beijing Offcn Education Technology Co., Ltd. (hereinafter referred to as “Offcn Ltd.”) respectively held by 11 transaction counter-parties including Li Yongxin, and paid the difference between the exchange-out assets and the exchange-in assets by issuing shares.

On December 27, 2018, Yaxia Auto and the counterpart Yaxia Industrial signed the Confirmation of Delivery of Exchange-out Assets. The delivery date of the exchange-out assets was December 27, 2018. And from the date of delivery, Yaxia Auto and the counterpart would complete the delivery obligations, regardless of whether the delivery, ownership change registration or filing procedures of exchange-out assets (including but not limited to land use rights, housing ownership, intellectual property rights and qualifications, licenses, other intangible assets, etc.) is actually completed; the ownership of the exchange-out assets belongs to Yaxia Industrial, and all the rights, obligations, responsibilities and risks related to the disposed assets (including contingent liabilities and implicit liabilities) are owned and undertaken by Yaxia Industrial, which has the completely exclusive actual control and disposal rights over the exchange-out assets, while Yaxia Auto no longer has any actual rights. On the same day, Offcn Ltd. completed the registration procedures for industrial and commercial changes on the matters of shareholder change. After the completion of this alteration, Yaxia Auto holds a 100.00% stake in Offcn Ltd., and accordingly, Li Yongxin and Lu Zhongfang become the controlling shareholder and actual controller of the Company. On February 2, 2019, Yaxia Auto changed its name and its business scope.

On January 23, 2019, the registration procedures for the transfer of shares of the Company and the new shares of the Company related to the restructuring transaction were completed. As of June 30, 2021, the Company's share capital was RMB 6,167,399,389.00.

Unified social credit code: 91340200711040703A

Company residence: Yaxia Automobile City, Yijiang North Road, Jiujiang District, Wuhu City, Anhui Province

Headquarters Address: Hanhua Century Building B, Xueqing Road 23, Haidian District, Beijing

Nature of business: Education

Nature of customer: Mainly natural persons

Business Scope: engaged in technology development, technical services, technology promotion, technology transfer, technical consulting and the business of education and training (reserved to branches) in the field of education and technology; holding exhibitions; organizing cultural and artistic exchange activities (excluding performances); offering conference services and consulting services of enterprise management. (Projects subject to approval according to the law can be carried out under the approval of the relevant departments)

The Financial Statements were approved by the Board of Directors of the Company on August 30, 2021.

2. The scope of the consolidated financial statements

The consolidated scope of the consolidated financial statements of the Company is determined on a control basis, including the financial statements of the Company and all subsidiaries. A subsidiary is an enterprise or entity controlled by the Company. The scope of the consolidated financial statements is detailed in Note IX (1) "Interest in subsidiaries" of this report; changes in the scope of consolidated financial statements are detailed in Note VIII. "Changes in the Consolidated Scope" of this report.

Section IV. Basis for Preparation of Financial Statements

1. Basis of preparation

The financial statements are prepared on a going concern basis, according to the actual transactions and the relevant provisions of the Accounting Standards for Business Enterprises (collectively referred to as the "CASs"), and based on the important accounting policies and accounting estimates described below.

2. Going concern

The Company evaluated the ability to continue operations for 12 months from the end of the reporting period and did not find any matters and situations that may cast significant doubts on the ability to continue operations. Therefore, it is reasonable for the Company to prepare financial statements on a going concern basis.

Section V. The Company's Significant Accounting Policies and Accounting Estimates

Notes on specific accounting policies and accounting estimates:

None

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements based on the above-mentioned preparation basis meet the requirements of the latest CASs and its application guidelines, interpretations, and other relevant regulations issued by the Ministry of Finance, which truly and completely present the Company's financial position, business performance, cash flows and other information for the year then ended. In addition, the financial report is compiled by reference to the listing and disclosure requirements of the Rules for the Information Disclosure and Compilation of Companies Publicly Issuing Securities NO.15 — General Provisions for Financial Report (Revised in 2014) of the CSRC as well as the Notice on Implementation of the New Accounting Standards for Listed Companies (Letter of the Accounting Department [2018] no. 453).

2. Accounting period

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

3. Business cycle

The Company's business cycle starts on January 1 and ends on December 31.

4. Recording currency

The Company adopts Renminbi (RMB) as their recording currency.

5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

5.1 The accounting treatment of business combinations involving enterprises under common control

The Company achieves a merger under the same control in one transaction or through step-by-step multiple transactions. Assets and liabilities obtaining from the merger of enterprise are measured according to the share of book value of consolidated financial statements of final controlling party under the owner's equity of combined party within combining date. The difference between the book value of the net assets obtained by the Company and book value of combined consideration paid (or the aggregate face value of shares issued as consideration) is adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

5.2 The accounting treatment of business combinations involving enterprises under uncommon control

Where the cost of combination exceeds the acquiree's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. If the combination cost is less than the share of identifiable fair value of net assets of acquiree, firstly, conducting the review of measurement is necessary to achieve the acquiree the identifiable assets, liabilities and the fair value of contingent liabilities as well as the combination costs. If the acquiree combination costs after reviews are still less than the fair value of identifiable net asset, the difference will be added into the current profits and losses.

To achieve business combinations not under common control by step-by-step multiple transactions should be

handled in the following order:

(1) Adjust the initial investment cost of long-term equity investments. If the equity held before the purchase date is accounted for using the equity method, it is remeasured at the fair value of the equity on the purchase date, and the difference between the fair value and its book value is included in the current investment income; Changes in other comprehensive income and other owners' equity under the equity method shall be converted to the current income at the acquisition date, except for other comprehensive income arising from the net liabilities or net assets' changes of the benefit plan remeasured by the investee.

(2) Recognize goodwill (or the amount included in the current profit or loss). Compare the initial investment cost of the adjusted long-term equity investment with the fair value of the identifiable net assets of the subsidiary that should be enjoyed on the purchase date. If the former is greater than the latter, the difference is recognized as goodwill; the former is less than the latter, and the difference is booked into the current profit and loss.

Circumstances of disposing of equity through step-by-step multiple transactions to the loss of control over subsidiaries

(1) Determine whether the various transactions in the process of step-by-step disposal of equity to the loss of control over subsidiaries follow the "package deal" principle

Generally transactions in stages are treated as a package deal in accounting if the transaction terms, conditions, and economic impact of the disposal of the subsidiary's equity interests comply with one or more of the following:

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

(2) The accounting method of each transaction belonging to the "package deal" in the process of disposing of the equity in stages to the loss of control over the subsidiary

All the transactions, belonging to the package deal in the process of disposing of equity investments in subsidiaries to the loss of control, should be accounted for as one transaction disposing of the subsidiary to the loss of control over it; however, the difference between each disposal price and the share of the subsidiary's net assets obtained by the disposal of investment before the loss of control shall be recognized as other comprehensive income in the consolidated financial statements and shall be transferred to the profit and loss of the period when the control is lost.

In the consolidated financial statements, the remaining equity should be remeasured at its fair value on the date when the control is lost. The difference between the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, and the shares of the net assets of the original subsidiary

calculated from the purchase date based on the original shareholding ratio, shall be included in the investment income of the period when the control is lost. Other comprehensive income related to the original subsidiary's equity investment shall be converted to current investment income when control is lost.

(3) The accounting method of each transaction not belonging to the "package deal" in the process of disposing of the equity in stages to the loss of control over the subsidiary

If the disposal of the investment in the subsidiary does not lose control, the difference between the disposal price in the consolidated financial statements and the share of the subsidiary's net assets obtained from the disposal of investment is included in the capital reserve (capital premium or equity premium). If the capital premium is insufficient to offset, the retained earnings should be adjusted.

When the control over disposing of the investment in a subsidiary is lost, in the consolidated financial statements, the remaining equity should be remeasured at its fair value on the date when control is lost. The sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity minus the share of the net assets that should be calculated by the original subsidiary from the date of purchase based on the original shareholding ratio is included in the investment income of the period when the control is lost. Other comprehensive income related to the equity investment of the original subsidiary shall be converted to current investment income when control is lost.

6. Preparation of consolidated financial statements

Consolidated financial statements based on the Parent's and its subsidiaries' financial statements are prepared by the Company in accordance with *the CASs No.33 — Consolidated financial statement* and other relevant materials.

7. Classification of joint arrangement and accounting methods of joint operations

7.1 Identification and classification of joint arrangements

A joint arrangement refers to an arrangement jointly controlled by two or more parties. The joint arrangement has the following characteristics: (1) all participants are bound by the arrangement; (2) two or more participants exercise joint control over the arrangement. No single party shall be able to control the arrangement, and any party that has joint control over the arrangement shall be able to prevent any other party or combination of parties from controlling the arrangement alone.

Joint control refers to the shared control over a certain arrangement as required in the contract. And the decision about the activities of the arrangement can be made only when all participants with the shared control have consented.

A joint arrangement is classified as either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, related to the arrangement. A joint venture is a joint arrangement whereby the joint parties only have the rights to the net assets under this arrangement.

7.2 Accounting treatment of joint arrangements

A joint operator shall recognize the following items in relation to its interests in a joint operation, and account for them in accordance with relevant accounting standards: (1) Its solely-held assets, and its share of any assets held jointly; (2) Its solely-assumed liabilities, and its share of any liabilities incurred jointly; (3) Its revenue from the sale of its share of the output arising from the joint operation; (4) Its share of the revenue from sale of the output by the joint operation; (5) Its solely-incurred expenses and its share of any expenses incurred jointly.

The participants in a joint venture shall, in accordance with the Accounting Standards for Enterprises No.2 — Long-term Equity Investment, make accounting arrangements for the investment of the joint venture.

8. Criteria for the recognition of cash and cash equivalents

The term “cash” in cash flow statement refers to cash on hand and deposits that are available for payment at any time. The term of “cash equivalents” refers to short-term (usually due within 3 months from the purchase date) and highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

9. Translation of foreign currency transactions and foreign currency statement

9.1 Translation of transactions denominated in foreign currencies

On initial recognition, a foreign currency amount is translated into the amount denominated in RMB by applying the spot exchange rate on the date of the transaction announced by People’s Bank of China. At the balance sheet date, foreign currency balance comprised of foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date, and the exchange differences caused by different exchange rates, except the exchange difference of the principal and interest of foreign currency special loans related to the acquisition and construction of assets that meet the capitalization conditions, shall be included into profit and loss for the period; foreign currency non-monetary items measured at historical cost are still converted at the spot exchange rate on the transaction date, and their RMB amount is not changed; foreign currency non-monetary items measured at fair value, are translated at the spot exchange rate on the fair value determination date, and the difference shall be included into profit and loss for the period or other comprehensive income.

9.2 Translation of financial statements denominated in foreign currencies

The assets and liabilities of the balance sheet are translated at the spot exchange rate of the balance sheet date; all items about the owner’s equity except the “undistributed profits” are translated at the spot exchange rate on the transaction date; the revenue and expenses in the income statement are translated at the approximate rate of the spot exchange rate on the transaction date. Differences arising from the above translation of financial statements denominated in foreign currencies are recognized as other comprehensive income.

10. Financial instruments

10.1 Recognition and derecognition of financial instruments

The Company recognizes a financial asset or a financial liability when it becomes the contractual party of the financial instrument.

All regular ways of purchasing or selling of financial assets are recognized and derecognized on a trade date basis. Regular ways of purchasing or selling mean that the receiving or delivery of financial assets should be within the time limit stipulated by regulations or common practices, as agreed in the terms of the contract. Trade date is the date on which the Company promises to buy in or sell out the financial assets.

The Company will derecognize the financial assets (either a part, or a part of a similar group), and write it off the account and the balance sheet, if following conditions are met:

- (1) Expiration of the right to receive cash flows from financial assets;
- (2) The Company's right to receive cash flows from financial assets has been transferred, or bear the obligation to pay all cash received to the third party in time due to "Hand-Over arrangement"; and (a) almost all risks and benefits of the ownership of the financial assets have been transferred virtually, or (b) though none of risks and benefits of the ownership the financial assets have been transferred or retained virtually, the Company waives the control of the financial assets.

10.2 Classification and measurement of financial assets

According to the business model for managing financial assets and the contractual cash flow characteristics of financial assets, the Company's financial assets have initially been classified as follows: financial assets measured at amortized cost, financial assets measured at fair value and the changes are included in other comprehensive income, and financial assets measured at fair value and the changes are included in profit or loss of the period. Subsequent measurement of financial assets depends on its categories.

The Company's classification of financial assets is based on the Company's business model of managing financial assets and its characteristics of cash flows.

(1) Financial assets at amortized cost

Financial assets are classified as financial assets at amortized cost when following conditions are met: the Company's business model for managing financial assets targets to receive contractual cash flows; The contractual terms of the financial assets stipulate that the cash flows generated on a specific date are exclusively used to pay the principal and the interest based on the outstanding principal amount. For such financial assets, effective interest rate method is applied to subsequently measure them at amortized cost, and gains or losses arising from amortization or impairment are recognized in current profit or loss.

(2) Liability investment at fair value through other comprehensive income

Financial assets are classified as liability at fair value through other comprehensive income when following conditions are met: the Company's business model for managing financial assets targets at both the receiving of contractual cash flows and the sale of financial assets; the contractual terms of the financial asset stipulate that the

cash flows generated on a specific date are exclusively used to pay the principal and the interest based on the outstanding principal amount. Such financial assets are subsequently measured at fair value. The discount or premium is amortized by using the effective interest method and recognized as interest income or expense. Except that the impairment loss and the exchange differences of foreign currency monetary financial assets are recognized as profit or loss for the period, the changes in the fair value of such financial assets are recognized as other comprehensive income, and the accumulated gains or losses are transferred into profit or loss until such financial assets are derecognized. Interest income related to such financial assets is included in the current profit and loss.

(3) Equity investment at fair value through other comprehensive income

The Company irrevocably designated the non-trading equity investment as financial assets at fair value through other comprehensive income, and the related dividend income is included in profit or loss. The changes of fair value are included in other comprehensive income and the accumulated gains or losses are transferred to retained earnings until the financial assets are derecognized.

(4) Financial assets at fair value through profit or loss

Any financial assets that are not recognized as the financial assets at amortized cost or at fair value through other comprehensive income mentioned above are measured at fair value through profit or loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, financial assets can be designated as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss.

When and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets.

For financial assets at fair value through profit or loss, the related-party transaction expense is directly recognized in current profit or loss as incurred. And other financial assets' transaction expense is included in the initial recognition amount.

10.3 Classification and measurement of financial liabilities

The Company's financial liabilities have initially been classified as follows: financial liabilities at amortized cost and financial liabilities at fair value through profit or loss.

The financial liabilities meeting any of the following conditions can be initially designated as the financial liabilities at fair value through profit and loss: (1) Such designation can eliminate or significantly reduce accounting mismatches. (2) According to corporate risk management or investment strategies as stated in formal written documents, the management and performance evaluation of financial liability portfolios or combinations of financial assets and financial liabilities are based on fair value, and reported to key management personnel on this basis within the enterprise. (3) Such financial liabilities include embedded derivatives that need to be split separately.

The Company determines the classification of financial liabilities at initial recognition. For financial liabilities measured at fair value through profit or loss, the related-party transaction expense is directly recognized in current profit or loss. The related-party transaction expense of other financial liabilities is included in the initial recognition amount.

Subsequent measurement of financial liabilities depends on its categories:

(1) Financial liabilities at amortized cost

Such financial liabilities are subsequently measured by using the effective interest rate method at amortized cost.

(2) Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value and booked into current profits and losses, which includes trading financial liabilities (including derivatives of financial liabilities) and those initially designated as financial liabilities at fair value through profit or loss.

10.4 Offsetting of financial instruments

If the following conditions are met at the same time, the net amount obtained after the offsetting of financial assets and financial liabilities shall be shown in the balance sheet: there is a legal right to offset the recognized amount, and such legal right is currently enforceable; plan to settle on a net basis, or cash the financial assets and liquidate the financial liabilities at the same time.

10.5 Impairment of financial assets

The Company undertakes impairment treatment and confirms loss provisions based on expected credit losses as for the financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, financial guarantee contracts and etc.. Credit loss refers to the difference between the cash flow of all contracts discounted at the original effective interest rate and the expected cash flow of all contracts receivables, i.e. the present value of all cash shortages.

The Company estimates, individually or in combination, the expected credit losses of financial assets measured at amortized cost and financial assets (debt instruments) measured at fair value through other comprehensive income, taking into account all reasonable and evidence-based information, including forward-looking information.

(1) General model of expected credit loss

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company shall measure the loss provision at the amount equivalent to the expected credit loss of the financial instrument for the entire life of the instrument; If the credit risk of the financial instrument has not increased significantly since the initial recognition, the Company shall measure the loss provision at the amount equivalent to the expected credit loss of the financial instrument in the next 12 months. The increase or rollover amount of the loss provision shall be recorded in the current profit and loss as an impairment loss or gain. For the Company's specific assessment of credit risk, please refer to this report Note X "Risks Associated With Financial Instruments" for details.

The credit risk of the instrument is generally deemed to have increased significantly if the default is more than 30 days, unless there is conclusive evidence that the credit risk of the instrument has not increased significantly since the initial recognition.

Specifically, the Company divides the process of credit impairment of financial instruments without credit impairment at the time of purchase or origination into three stages. There are different accounting treatments for the impairment of financial instruments at different stages:

Stage 1: credit risk has not increased significantly since initial recognition.

For the financial instrument at this stage, the Company shall measure the loss provision according to the expected credit loss in the next 12 months, and calculate the interest income according to its book balance (that is, the impairment provision is not deducted) and the actual interest rate (if the instrument is a financial asset, the same as below).

Stage 2: Credit risk has increased significantly since the initial recognition, but credit impairment has not yet occurred.

For a financial instrument at this stage, the Company shall measure the loss provision according to the expected credit loss of the instrument throughout its life, and calculate interest income according to its book balance and actual interest rate.

Stage 3: Credit impairment occurs after initial recognition.

For the financial instrument in this stage, the Company shall measure the loss provision according to the expected credit loss of the instrument throughout its lifetime, but the calculation of interest income is different from that of the financial asset in the first two stages. For the financial assets whose credit impairment has occurred, the Company shall calculate the interest income at their amortized cost (book balance less the impairment provision, that is, book value) and the actual interest rate.

For financial assets whose credit impairment has occurred at the time of purchase or origin, the Company shall only recognize the changes in the expected credit loss during the whole duration after the initial recognition as loss provision, and calculate interest income at their amortized cost and the actual interest rate adjusted by credit.

(2) The Company chooses not to compare the credit risk of a financial instrument with a lower credit risk on the balance sheet date with the credit risk at the time of the initial recognition, but directly assumes that the credit risk of the instrument has not increased significantly since the initial recognition.

If the Company confirms that the default risk of the financial instruments is low, the borrowers' short-term ability to fulfill its obligation to pay the contract cash flow is very strong, and even the economic situation and business environment is in a long-term adverse change, the borrower's ability to fulfill its obligation to pay the contract cash flow will not be necessarily reduced, then the financial instruments can be deemed with a lower credit risk.

(3) Receivables and lease receivables

The Company, for the receivables stipulated in the Accounting Standards for Enterprises No. 14 — Revenues and without major financing elements (including the situation when the financing elements no more than a year in the contract are not taken into consideration according to the Standards), adopts the simplified model of expected credit losses, and measures the loss provision always in accordance with the expected amount of credit losses throughout the duration.

For receivables containing significant financing elements and lease receivables specified in the Accounting Standards for Business Enterprises No. 21 — Leasing, the Company makes an accounting policy choice and adopts a simplified model of expected credit loss, that is, to measure the loss provision according to the amount equivalent to the expected credit loss in the whole duration.

10.6 Financial assets transfer

If almost all the risks and rewards of ownership of financial assets have been transferred to the transferee, the financial assets are derecognized; if almost all the risks and rewards of ownership of the financial assets are retained, the financial assets are not derecognized.

Neither transfer nor retain almost all risks and rewards of ownership of financial assets, which are dealt with as follows: if the control of financial assets are waived, derecognize the financial assets and recognize the assets and liabilities; if not, it needs to recognize the relevant financial assets according to the extent to which they continue to be involved in the transferred financial assets, and recognize the related liabilities.

If the transferred financial assets are continued to be involved by financial warranty, the assets should be recognized at the lower one between the book value of the financial assets and the financial warranty amount. The financial warranty amount refers to the maximum amount of the consideration received that will be required to be repaid.

11. Notes receivable

None

12. Accounts receivable

For accounts receivable, whether significant financing is involved in or not, the simplified model of expected credit loss is adopted. The Company will always measure its provision for loss based on the amount equivalent to the expected credit loss of its entire duration, and the increase or reversal amount of the provision for loss resulting therefrom is included in the profit and loss of the period as an impairment loss or gain.

The Company considers all reasonable and evidence-based information, including forward-looking information, to estimate the expected credit loss of the accounts receivables individually or in combination.

When a single financial asset can evaluate the expected credit loss at a reasonable cost, the Company chooses to calculate the credit loss individually. When a single financial asset cannot evaluate the expected credit loss at a reasonable cost, the Company will divide the accounts receivables into several combinations in accordance with the

characteristics of credit risk, and the expected credit loss is calculated on the basis of the combination. The basis for determining the combination is as follows:

Types of combination	Determining the basis of the combination
Combination 1	Receivables from related companies
Combination 2	Receivables from hotel services
Combination 3	Other receivables

For the accounts receivable classified as a combination, the Company refers to the historical credit loss experience, and combines the current situation and the forecast of future economic conditions, to prepare a comparison table of the age of accounts receivable and the expected credit loss rate for its entire duration and calculate the expected credit loss.

13. Receivables financing

If a financial asset meets the following conditions at the same time, it is recognized as a financial assets at fair value through other comprehensive income: the Company's business model for managing the financial asset is to both collect contractual cash flows and sell financial assets. The contractual terms of the financial asset stipulate that the cash flows generated on a particular date are only used as payment of principal and interest based on the amount of outstanding principal.

The Company transfers the receivables held by discount or endorsement with a high frequency and a large amount, and its actual business model of management is characterized by both receiving contractual cash flows and selling them. In accordance with the relevant provisions about financial instruments, the receivables mentioned above are recognized as financial assets at fair value through other comprehensive income.

14. Other receivables

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

The Company adopts the general model of expected credit loss to deal with other receivables, as detailed in Note V (10) "Financial Instruments".

The Company considers all reasonable and substantiated information, including forward-looking information, to estimate the expected credit loss of other receivables individually or in combination.

When single financial assets can evaluate the expected credit loss at a reasonable cost, the Company chooses to calculate the credit loss individually. When a single financial asset cannot evaluate the expected credit loss at a reasonable cost, the Company will divide the other receivables into several portfolios in accordance with the characteristics of credit risk, and the expected credit loss is calculated on the basis of the combination. The basis for determining the combination is as follows:

Type of combination	Determining the basis of the combination
Combination 1	Receivables from related parties
Combination 2	Receivables from employee reserve funds, deposits, and security deposits
Combination 3	Receivables not in Combination 1 and Combination 2

For other receivables divided into portfolios, the Company refers to the historical credit loss experience and combines the current situation and the forecast of future economic conditions, to calculate the expected credit loss based on default risk exposure and expected credit loss rate in the next 12 months or the whole duration.

15. Inventory

15.1 Classification of inventories

Inventories refer to the finished goods or commodities held for sale in daily activities, goods in progress in the production process, and consumed materials and supplies in the process of production or providing services.

15.2 Method of valuation for delivery of inventory

The monthly weighted average method is used to deliver the inventory.

15.3 The basis for determining the net realizable value of inventories and the method of accruing inventory depreciation reserves

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. For inventories directly used for sale, in the normal production and operation process, the net realizable value is determined by the amount of the estimated selling price of the inventory less the estimated sales cost and relevant taxes and fees; for material inventories that need to be processed, in the normal production and operation process, the net realizable value is determined by the amount of the estimated selling price of finished products produced less the estimated cost to be occurred during the producing process, the estimated selling expenses and related taxes and fees; on the balance sheet date, if some of the inventory has contractual price and the others do not, the net realizable value is determined separately and by comparing with its corresponding cost, the amount of the provision for inventory depreciation or reversal is determined separately.

15.4 Inventory stocktaking system

The perpetual inventory system is maintained for inventory stocktaking system.

15.5 Amortization of low-value consumables and packages

(1) Low-value consumables

Low-value consumables are amortized by one-time write-off.

(2) Packages

Packages are amortized by one-time write-off.

16. Contract assets

16.1 Method and standard for determination of contract assets

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between the performance of obligations and customer payments. The consideration (except the receivables) that the Company has the right to receive in exchange for goods or services that the Company has transferred to the customer is listed as contract assets.

16.2 Methods for determining and accounting of expected credit loss of contract assets

For contract assets, whether significant financing is involved in or not, the simplified model of expected credit loss is adopted. The Company will always measure its provision for loss based on the amount equivalent to the expected credit loss of its entire duration, and the increase or reversal amount of the provision for loss resulting therefrom is included in the profit and loss of the period as an impairment loss or gain.

17. Contract costs

Contract costs are divided into contract performance costs and contract acquisition costs.

The cost incurred by the Company to perform the contract is recognized as an asset as the contract performance cost when meeting the following conditions:

1. The cost is directly related to a current or expected contract, including direct labor and materials expenses, manufacturing expenses (or similar expenses), clearly defined costs borne by the customer, and other costs incurred only due to the contract;
2. The cost increases the Company's future resources for fulfilling contract obligations;
3. The cost is expected to be recovered.

If the incremental cost incurred by the Company for obtaining the contract is expected to be recovered, it is recognized as an asset as the cost of obtaining the contract; however, if the amortization period of the asset does not exceed one year, the Company could include it in the current profits and losses when it occurs.

Assets related to contract costs are amortized on the same basis as the revenue of goods or services related to the asset.

If the book value of assets related to contract costs is higher than the difference between the following two items, the Company will make provisions for impairment for the excess part and recognize it as the asset impairment loss:

1. The remaining consideration expected to be obtained due to the transfer of goods or services related to the asset;
2. Costs estimated to incur for the transfer of the related goods or services

If the aforementioned asset impairment provision is subsequently reversed, the book value of the asset after reversal shall not exceed the book value of the asset on the date of reversal under the assumption that no impairment provision is made.

18. Holding for sale

The Company divides the corporate components (or non-current asset) that meet all of the following conditions into holding for sale:(1) Based on the usual practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions; (2) The sale is highly probable, a resolution has been made on a sale plan, a firm purchase commitment (a firm purchase commitment refers to a legally binding purchase agreement signed by the enterprise and other parties.The agreement has important items about transaction price, time and sufficiently severe default penalty so there is little possibility of significant adjustment or revocation of the agreement) has been obtained and it is expected that the sale will be completed within one year. Approvals from relevant authorities or regulatory authorities have been obtained in accordance with relevant regulations.

The Company adjusts the expected net salvage value held for sale to reflect the net amount of its fair value less costs to sell (not over its original book value). The difference between the original book value and the adjusted net residual value is included in the profit or loss of the current period as an asset impairment loss. At the same time, provision for impairment of assets held for sale is made. For the amount of impairment loss of assets confirmed by the disposal group held for sale, the book value of goodwill in the disposal group should be offset first, and then the the book value should be offset on the proportion of the book value of various non-current assets in the disposal group which is applicable to the measurement requirements of this standard.

If the net value of the fair value of the non-current assets held for sale on the balance sheet date less than the selling expenses increases, the amount of the previous write-down shall be restored, it shall be reversed within the amount of asset impairment loss recognized after being classified as held for sale, and the reversed amount shall be included in the current profit and loss. The amount of the loss is reversed and the amount reversed is included in the current profit or loss. Impairment losses on assets recognized prior to classification as held for sale shall not be reversed. If the net value of the fair value of the disposal group held for sale on the subsequent balance sheet day less than the selling expenses increases, the amount previously written down shall be restored, it shall be reversed within the amount of asset impairment loss recognized by the non-current assets which are applicable to the measurement requirements of this standard after being classified as held for sale, and the reversed amount is included in the current profit or loss. The book value of the goodwill that has been offset and the asset impairment loss recognized before the non-current assets applicable to the measurement of this standard are classified as held for sale shall not be reversed. For the subsequent reversal of the asset impairment loss confirmed by the disposal group held for sale, the face value shall be increased on the proportion of the book value of various non-current assets applicable to the measurement requirements of this standard in the disposal group except the goodwill.

If the Company loses control of the subsidiary because of some reasons including its sale of investments in the subsidiary, it shall classify the overall investment in the subsidiary as held for sale in the parent company's individual financial statements and classify all the assets and liabilities of the subsidiary as held for sale in the consolidated Financial Statements when the investment in the subsidiary to be sold meets the criteria for the held for sale, whether the Company retains part of the equity investment after the sale.

19. Debt investment

The Company uses the general model of expected credit losses for debt investment. For details, please refer to Note V. (10). “Financial Instruments”.

20. Other debt investment

None

21. Long-term receivables

None

22. Long-term equity investments**22.1 Determination of investment costs**

(1) In case the enterprise mergers are under same control and the combining party offers combined consideration by paying in cash, transferring non-cash assets, assuming debt or issuing equity securities, the initial investment cost shall be book value of the share of the combined party owner’s equity in the consolidated financial statements of the final control party on the combination date. Capital reserves (capital premium or equity premium) are adjusted based on the difference between initial investment cost in the long-term equity investment and book value of the paid merger consideration or the total amount of the face value of the issued shares; if capital reserves are insufficient to write-downs, it needs to adjust the retained earnings.

Where an enterprise merger under the same control is realized step by step, the initial investment cost shall be the owner’s equity share in the combined party’s book calculated on shareholding ratio on the merger date. The difference between the initial investment cost and the book value of the original long-term equity investment plus the sum of the book values of further consideration paid for the new shares on the merger date is adjusted for capital reserve (capital premium or equity premium). If capital reserve is insufficient to offset, it needs to adjust the retained earnings.

(2) If the enterprise mergers are under the same control, the initial investment cost shall be the fair value of merger consideration paid on the acquisition date.

(3) Except for the situation of enterprise merger: if the purchase is paid in cash, the initial investment cost shall be the purchase price actually paid; Where equity securities are issued, the fair value of equity securities issued shall be taken as the initial investment cost; Where an investor invests, the initial investment cost shall be the value agreed upon in the investment contract or agreement (except where the value agreed upon in the contract or agreement is not fair).

22.2 Subsequent measurement and recognition methods of profits and losses

For the long-term equity investment controlled by the Company to the investee, the Company shall adopt the cost method in the individual financial statements of the Company; long-term equity investments with joint control or significant influence shall be accounted for using the equity method.

Under the cost method, a long-term equity investment is measured at initial investment cost. Except for the price actually paid upon investment or cash dividends or profits already declared but not yet paid in the consideration, investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee. And at the same in accordance with the relevant asset impairment policy, whether the long-term investment is declined in value shall be considered.

For checking by the equity method, if the initial investment cost of the long-term equity investment is greater than the fair value share of the net identifiable assets of the investee in the investment, the difference between them shall be classified as initial investment cost of the long-term equity investment; if the initial investment cost of the long-term equity investment is smaller than the fair value share of the net identifiable assets of the investee in the investment, the difference is included in current profit and loss and the cost of the long-term equity investment is adjusted.

When the equity method is adopted, after the acquisition of long-term equity investment, the investment profit and loss shall be recognized and the book value of long-term equity investment shall be adjusted according to the share of net profit and loss realized by the investee that should be enjoyed or shared. Upon the confirmation of the enjoyed share of the net profit and loss from the invested entity, it shall be made on the basis of the fair value of the identifiable assets of the investee when the investment is acquired, according to the company's accounting policies and accounting periods, offsetting insider trading profits and losses between associated enterprises and joint ventures, calculating the proportion that shall be included in investor according to the shareholding ratio (but if insider trading loss belongs to the asset impairment loss, it should be fully confirmed) and adjusting the net profit of the investee. According to the profit or cash dividend declared to be distributed by the investee, the share payable shall be calculated, and correspondingly the book value of the long-term equity investment is reduced. The company shall recognize the net loss incurred by the investee to the extent that the book value of the long-term equity investment and other long-term rights and interests substantially constituting the net investment of the investee shall be written down to zero, except where the company is obligated to bear additional losses. For the changes of owners' equity other than the net profit and loss of the investee, the book value of the long-term equity investment shall be adjusted and included in the owners' equity.

22.3 Determine the basis of controlling and significant influence on the invested entity

Control refers to having the power over the investee, enjoying the variable return through participating in the investee's relevant activities, and having the ability to use the power over the investee to affect the return amount; major influence means that the investor has the right to participate in the decision making of the financial and business policies of the investee, but cannot control or jointly control the formulation of these policies with other parties.

22.4 Disposal of long-term equity investments

(1) Partial disposal of a long-term equity investment in a subsidiary without loss of control

If part of the long-term equity investment in the subsidiary is disposed of without losing control, the difference between the disposal price and the book value corresponding to the disposal investment shall be recognized as the current investment income.

(2) Loss of control over a subsidiary for partial disposal of an equity investment or other reasons

If the Company loses control over the subsidiary due to the disposal of equity investment or other reasons, the book value of the long-term equity investment corresponding to the sold equity shall be carried forward, and the difference between the sale price and the book value of the disposal long-term equity investment shall be recognized as investment income (loss); meanwhile, the remaining equity shall be recognized as long-term equity investment or other relevant financial assets according to its book value. If the remaining equity after disposal is able to exert joint control or significant influence on the subsidiary, accounting treatment shall be conducted according to the relevant provisions of the conversion from cost method to equity method.

22.5 Methods of impairment assessment and determining the provision for impairment loss

For the long term investment in subsidiaries, joint venture and associates, if there is an objective evidence for the impairment on the balance sheet date, the corresponding impairment provision is made based on the difference between the book value and the recoverable amount.

23. Investment properties

Measurement model of Investment properties

Measured by cost method

Depreciation or amortization method

23.1 The Company's investment properties include the land use right that is leased out, the land use right held for transfer upon capital appreciation, and the building that is leased out.

23.2 The Company initially measures the Investment properties at cost, uses the cost model for subsequent measurement, and adopts a depreciation or amortization policy for the investment property, which is consistent with that for fixed assets or intangible assets. On the balance sheet date, if there are signs that the Investment properties is impaired, the corresponding impairment provision shall be made based on the difference between the book value and the recoverable amount.

24. Fixed Assets

(1) Recognition criteria for fixed assets

24.1 Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. Fixed assets are initially measured at acquisition cost, and depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use.

(2) Deprecation methods for fixed assets

Category	Deprecation methods	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	Straight-line	20-40 年	5%	2.38-4.75%
Decoration of buildings	Straight-line	4-10 年	-	10.00-25.00%
Transportation equipment	Straight-line	4 年	5%	23.75%
Electronic equipment	Straight-line	3-5 年	5%	19.00-31.67%
Office equipment	Straight-line	3-5 年	5%	19.00-31.67%

(3) Basis of asserting, valuation method and depreciation method for fixed assets acquired under financing leases

None

25. Construction in progress

25.1 Construction in progress should be transferred into fixed assets at its actual costs after it has reached the working condition for its intended use. Construction in progress that has reached the working condition but not completed, shall be transferred at its estimated costs. The estimated cost of construction in progress should be adjusted against the actual costs after completion of settlement, while the depreciation already provided will not be adjusted.

25.2 On the balance sheet date, if there is any indication that the construction in progress may be impaired, the corresponding impairment provision shall be made based on the difference between the book value and the recoverable amount.

26. Borrowing cost

26.1 Recognition criteria of capitalization

Borrowing costs are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Other borrowing costs shall be recognized as expenses when incurred and shall be included in the current profit and loss.

26.2 Period of capitalization

(1) When borrowing costs meet the following conditions at the same time, capitalization starts 1) Asset expenditure has occurred. 2) Borrowing costs have incurred 3)The purchase, construction or production activities necessary to make the assets usable or saleable have started.

(2) Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed.

(3) Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale.

26.3 Capitalization amount of borrowing costs

Where funds are borrowed for the purpose of purchasing, constructing or producing assets that meet the capitalization conditions, the amount of interest to be capitalized is the actual interest expenses incurred on that borrowing for the period (including the amortization of discounts or premiums determined in accordance with the actual interest rate method), less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment. Where general borrowings are occupied for the purchase, construction or production of assets that meet the capitalization conditions, the Company determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general borrowings.

27. Biological assets

None

28. Oil and gas assets

None

29. Right-of-use assets

29.1 Conditions for recognition of right-of-use assets

Right-of-use assets refer to the right of the Company, as a lessee, to use the leased assets during the lease term. The Company confirms the right-of-use assets to the lease on the starting date of the lease term. The right-of-use asset is recognized when the economic benefits are likely to flow in and at the same time, the cost can be measured reliably.

29.2 Initial measurement of right-of-use assets

The Company shall make the initial measurement of right-of-use assets based on the cost. The cost includes the following four items: 1) the initial measured amount of the lease liability; 2) the payment for lease made on or before the starting date of the lease term, deducting the amount of lease incentive enjoyed if there's any; 3) the incurred initial direct expenses of the lessee; 4) the expected costs to dismantle and remove the leased assets, restore the site where the leased assets are located, or restore the leased assets to the agreed status stipulated in the leasing terms.

29.3 Subsequent measurement of right-of-use assets

- (1) The Company adopts the cost model to make subsequent measurement of the right-of-use assets.
- (2) The Company shall depreciate the right-of-use assets in a straight-line method. If it is reasonable to confirm the ownership of the leased assets at the end of the lease term, depreciation shall be accrued for the remaining service life of the leased assets, and if not, depreciation shall be accrued on the shorter term between the lease term and the remaining service life of the leased assets.

(3) When the Company remeasures the lease liability based on the present value of the lease payment after the change, and adjusts the book value of the right-of-use assets accordingly. in the event that the book value of right-of-use assets has been deducted to zero, and the further deduction of lease liability is needed, the Company shall include the remaining amount in the current profit and loss.

30. Intangible assets

(1) Valuation method, service life and impairment test

30.1 Intangible assets, including land use rights etc. are recognized at costs.

30.2 Intangible assets with finite useful lives are amortized in accordance with the expected realization method of the economic benefits related to the intangible asset over its estimated useful life. If it is not possible to reliably determine the expected realization method, use the straight-line method. The specific years are as follows:

Item	Validity period (Year)
Land use rights	40
Software use rights	5-10
Trademark rights	10

30.3 On the balance sheet date, if there is any indication that the intangible assets with definite life has been impaired, the corresponding impairment provision shall be made based on the difference between the book value and the recoverable amount. Intangible assets with uncertain service life and intangible assets that have not yet reached the usable state, whether or not there are signs of impairment, are tested for impairment every year.

(2) Accounting policies for internal research and development expenditure

Expenditure in the research phase of internal research and development projects is included in the current profits and losses when they occur. Expenditure during the development phase that meets the following conditions at the same time is recognized as intangible asset. (1) It is technically feasible to complete the intangible asset so that it will be available for use or sale; (2) The Company has the intention to complete the intangible asset and use or sell it; (3) The Company can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

31. Impairment of long-term assets

The Company make judgement on whether there is any indication that the asset may be impaired at the balance sheet date.

The goodwill and intangible assets with an uncertain useful life resulting from a business combination was tested for impairment annually, regardless of whether there is any indication of impairment.

The impairment should be recorded when the assets occur the following indications:

(1) The market price of assets fell sharply in the current period, and the decline was significantly higher than the expected decline due to the passage of time or normal use; (2) Significant changes of the economic, technical or legal environment in which the enterprise operates and the market in which the assets are located will occur in the current period or in the near future, which will adversely affect the company; (3) The market interest rate or other market investment returns have increased during the current period, which affects the company's discount rate for calculating the present value of the expected future cash flow of assets, leading to the recoverable amount has been greatly reduced; (4) There is evidence that the assets have become obsolete or their entities have been damaged; (5) The assets have been or will be idle, terminated or planned to be disposed of in advance; (6) The evidence reported by the enterprise indicates that economic performance of the assets has been or will be lower than expected, such as the net cash flow created by the assets or the realized operating profit (or loss) is far lower (or higher) than the expected amount; (7) Other indications that the asset may have signs of impairment.

If there are any signs of asset impairment, the recoverable amount should be estimated.

The recoverable amount should be determined based on the higher of the net amount of the fair value of the asset minus the disposal costs and the present value of the estimated future cash flows of the asset.

Disposal costs include legal costs related to asset disposal, related taxes, transportation charges, and direct costs incurred to make the asset available for sale.

The present value of the estimated future cash flows of the asset should be determined by discounting the amount of the asset based on the expected future cash flow generated during the continuous use of the asset and at the time of final disposal. The present value of the expected future cash flow of the asset should take into account factors such as the estimated future cash flow of the asset, its useful life, and the discount rate.

The measurement results of the recoverable amount indicate that if the recoverable amount of the asset is lower than its book value, the book value of the asset should be written down to the recoverable amount, and the reduced amount should be recognized as the asset impairment loss and included in the current profit and loss. Meanwhile, corresponding provisions for asset impairment should be made.

32. Long-term deferred expense

Long-term deferred expense are recorded according to the actual amount incurred and amortized in the period of benefit or within the prescribed period. If the long-term deferred expense item cannot benefit the subsequent accounting period, the amortized value of the item that has not been amortized will be transferred into the current profit and loss.

33. Contract liabilities

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between the performance of obligations and customer payments. The obligation of transferring products or providing services to

customers after the Company has received the consideration from customers or the consideration is receivable, is listed as contract liabilities.

34. Employee compensation

(1) Accounting treatment methods of short-term employee remuneration

During the accounting period when the employees provide services, the Company shall recognize the actual short-term compensation as liabilities and record it into the current profit and loss or the cost of related assets. Among them, non-monetary welfare is measured according to fair value.

(2) Accounting treatment methods of post-employment benefits

None

(3) Accounting treatment methods of termination benefits

When the Company terminates the employment relationship with employees before the expiration of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Company has a formal plan for termination of employment relationship or has made an offer for voluntary redundancy which will be implemented immediately, and the Company cannot unilaterally withdraw from the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognized with a corresponding charge to the profit or loss for the period, and include in current profits or losses.

(4) Accounting treatment methods of other long-term employee benefits

The Company's employees participated in the social basic endowment insurance organized and implemented by the local labor and social security departments. The company pays endowment insurance premium to organization of agency of local society primary endowment insurance according to the social primary endowment insurance pay base and scale with local regulation monthly. After the employee retires, the local labor and social security department has the responsibility to pay the social basic pension to the retired employee. The accounting period during which the company provides services to its employees, and the amount calculated in accordance with the above social security provisions shall be recognized as a liability and recorded into the current profit and loss or the cost of relevant assets.

35. Lease liabilities

On the starting date of the lease term, the Company recognizes the present value of the unpaid lease payment as lease liabilities. When calculating the present value of the lease payment, the Company adopts the interest rate implicit in lease as the discount rate. In the event of an unconfirmed interest rate implicit in lease, the Company adopts incremental borrowing rate as the discount rate. The balance between the lease payment and its present value is deemed to be an unrecognized financing expense, whose interest expense shall be calculated on the discount rate of present value of confirmed lease payment during each period of the lease term, and be added to the

current profit and loss. The variable lease payments that are not included in the lease liability measurement charge to the current profit and loss on occurring. After the start of the lease term, the Company remeasures the lease liability at the present value of the changed lease payment amount when there is a change in the actual fixed payment amount, the expected payable for the residual value of the guarantee, the index or ratio used to determine the lease payment, or in the evaluation results or actual exercise of the purchase option, the renewal option or termination option.

36. Provisions

36.1 The Company shall recognize this obligation as contingent liability when the obligations arising from the provision of external guarantees, litigation matters, product quality guarantees, loss contracts and other contingencies become the current obligations assumed by the Company and the fulfillment of such obligations is likely to result in the outflow of economic benefits from the company and the amount of such obligations can be reliably measured.

36.2 The Company shall initially measure the provisions according to the best estimate of the expenses required to perform the relevant current obligations, and shall review the book value of the estimated liabilities on the balance sheet date.

37. Share-based payments

37.1 Categories of share-based payments

Share-based payments comprise equity-settled and cash-settled payments.

37.2 Determination of fair value of equity instruments

- (1) If there is an active market, it should be determined based on the quoted price in the active market.
- (2) If there is no active market, it is determined by using valuation techniques, including considering the prices used in recent market transactions made by parties familiar with the situation and taking transactions voluntarily, and considering the current fair values and cash flows of other financial instruments that are substantially the same discount method and option pricing model.

37.3 Basis for determining the best estimate of exercisable equity instruments

The Company would make best estimate in accordance with the newly acquired information such as changes in the number of employees entitled to equity instruments.

37.4 Relevant accounting treatment of implementation, modification and termination of share-based payment plan

(1) Equity-settled share-based payments

Equity-settled share-based payments that are immediately available after the grant in exchange for employee services are included in related costs or expenses based on the fair value of the equity instruments on the grant date, and the capital reserve is adjusted accordingly. Equity-settled share-based payments for services that have been completed during the waiting period or that are exercisable only if the required performance conditions are met are

exchanged for employee services. At each reporting date during the waiting period, the best estimate of the number of exercisable equity instruments is based on the fair value of the equity instrument grant date, the services obtained in the current period are included in related costs or expenses, and the capital reserve is adjusted accordingly.

For equity-settled share-based payments in exchange for services provided by other parties, if the fair value of services provided by other parties can be reliably measured, they should be measured at the fair value of the services of other parties on the acquisition date; if the fair values of services provided by other parties cannot be measured reliably, but for the equity instruments whose fair value can be reliably measured, they should be measured at the fair value of the equity instrument on the date of service acquisition and included in related costs or expenses, increasing owner's equity accordingly.

(2) Cash-settled share-based payments

The cash-settled share-based payment in exchange for employee services immediately after the grant is included in the related costs or expenses at the fair value of the liability assumed by the Company on the grant date, and the liability is increased accordingly. Cash-settled share-based payments for services that have been completed within the waiting period or that have met the required performance conditions in exchange for employee services are based on the best estimate of the right to exercise at each balance sheet date during the waiting period, According to the fair value of liabilities assumed by the company, the services obtained in the current period are included in related costs or expenses and corresponding liabilities.

(3) Modifying and terminating the share payment plan

If the amendment increases the fair value of the equity instruments granted, the Company will recognize the increase in the acquisition of services in accordance with the increase in the fair value of the equity instruments; if the amendment increases the number of equity instruments granted, the company will increase the value of the equity instruments. The fair value is correspondingly recognized as an increase in access to services; if the company modifies the conditions of the exercisable rights in a manner that benefits employees, the company considers the modified conditions of the exercisable rights when processing the conditions of the exercisable rights.

If the amendment reduces the fair value of the equity instrument granted, the Company continues to recognize the amount of services obtained based on the fair value of the equity instrument on the grant date, without considering the decrease in the fair value of the equity instrument; if the amendment reduces the equity granted for the number of instruments, the company will treat the reduction as the cancellation of the granted equity instruments; if the conditions of the exercisable rights are modified in a manner that is not conducive to employees, the revised conditions of the exercisable rights are not considered when processing the conditions of the exercisable rights.

If the Company cancels the granted equity instruments or clears the granted equity instruments during the waiting period (except for those that are canceled because the conditions of the exercisable rights are not met), the cancellation or settlement is treated as an expedited exercisable right and the original amount recognized during the remaining waiting period.

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

None

39. Revenue

Accounting policies applied in revenue recognition and measurement

39.1 Recognition of income

The Company's revenue is mainly derived from education and training.

The Company has fulfilled its performance obligation in the contract, that is, to recognize revenue when the customer acquires control of the relevant goods.

39.2 According to the relevant provisions of the income standards, the Company judges that the nature of the relevant performance obligations belongs to "performance obligations performed within a certain period of time" or "performance obligations performed at a certain point of time", and respectively recognizes the income according to the following principles.

(1) If the Company meets one of the following conditions, it belongs to the performance obligation within a certain period of time:

- 1) The customer obtains and consumes the economic benefits brought by the Company's performance when the Company fulfills its performance.
- 2) The customer can control the assets under construction during the performance of the Company.
- 3) The assets produced by the Company during the performance have irreplaceable uses, and the Company has the right to collect payment for the cumulative performance that has been completed so far during the entire contract period.

For performance obligations performed within a certain period of time, the Company shall recognize the income according to the performance schedule within that period, except where the performance schedule can not be reasonably determined. The Company considers the nature of the goods and adopt the output method or input method to determine the appropriate progress of performance.

(2) For performance obligations that are not performed within a certain period of time, but are performance obligations performed at a certain point of time, the Company recognizes revenue at the point when the customer obtains control of the relevant products.

When judging whether the customer has obtained control of the product, the Company considers the following signs:

- 1) The Company has the current right to collect payment for the goods or services, that is, the customer has the current payment obligation for the product;
- 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 goods in kind to the customer, that is, the customer has taken possession of the goods in kind;

4) The Company has transferred the legal ownership of the product or the main risks and rewards of ownership to the customer, that is, the customer has obtained the main risks and rewards in the ownership of the goods;

5) The customer has accepted the commodity in control;

6) Other indications that customers have taken control of the goods.

Specific policies for revenue recognition:

The Company's revenue mainly includes training revenue from the common courses training and the contractual courses training. When a face-to-face training in the common courses is completed, all the training fees received in advance are recognized as revenue. Revenue from online training in common courses is recognized on a straight-line basis during the validity period of the service provided. Non-refundable portion of advance payments received for the contractual courses is recognized as revenue upon completion of training services. According to the agreement on the contractual courses, the refund part of the advance received is recognized as revenue when the non-refundable conditions are met.

39.3 Measurement of revenue

The Company shall measure revenue at the transaction price allocated to each individual performance obligation. In determining the transaction price, the Company considers the influence of factors such as variable consideration, major financing components in the contract, non-cash consideration, and consideration payable to customers.

(1) Variable consideration

The Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration should not exceed the accumulated recognized revenue when the relevant uncertainty is eliminated. When assessing whether the cumulative recognized income is likely not to be significantly reversed, the enterprise shall also consider the possibility and proportion of the income reversal.

(2) Significant financing component

Where there is a significant financing component in the contract, the Company shall determine the transaction price based on the amount payable in cash on the assumption that the customer acquires control of the goods. The difference between the transaction price and the contract consideration shall be amortized by the effective interest method during the contract period.

(3) Non-cash consideration

If the customer pays non-cash consideration, the company shall determine the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration can not be reasonably estimated,

the Company shall indirectly determine the transaction price with reference to the separate selling price of the goods it undertakes to transfer to the customer.

(4) Consideration payable to customer

For the consideration payable to the customer, the consideration payable shall be offset by the transaction price, and the current revenue shall be offset at the time when the relevant revenue is recognized and the payment (or promised to pay) of the customer's consideration is later. Except where the customer consideration is due to obtain other clearly distinguishable goods from the customer.

If the enterprise pays the customer consideration to obtain other clearly distinguishable goods from the customer, it shall confirm the purchased goods in a manner consistent with other purchases by the enterprise. If the consideration payable by the enterprise to the customer exceeds the fair value of the clearly distinguishable commodity obtained from the customer, the excess amount shall be offset against the transaction price. If the fair value of the clearly distinguishable commodity obtained from the customer cannot be reasonably estimated, the enterprise shall offset the transaction price in full from the consideration payable to the customer.

Differences in accounting policies for revenue recognition due to different business models

None

40. Government grants

40.1 Government grants include asset related government grants and income related government grants.

40.2 If a government grant is in the form of monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

40.3 The government grant adopts the total method

(1) A government grant related to an asset is recognized as deferred income, and amortized to profit or loss on a reasonable and systematic basis over the useful life of the related asset. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful lives, the undistributed balance of related deferred income will be transferred to the profit or loss of the asset disposal in the current period.

(2) If a government grant related to income is used to compensate for the related expenses or losses in the subsequent period, it shall be recognized as deferred income and shall be recorded in the current profit or loss in which the relevant expenses are recognized; For the compensation of related expenses or losses that have occurred, they shall be directly included in the current profits and losses.

For government grants that include both the asset-related portion and the income-related portion, the different parts are separately accounted for; if it is indistinguishable, the overall classification is revenue-related government subsidies.

40.4 Government grants related to the company's daily activities in accordance with the nature of the economic

business are included in other income or written down the related costs; government grants that are unrelated to the daily activities of the company shall be included in non-operating income and expenditure.

41. The deferred income tax assets and the deferred income tax liabilities

41.1 According to the book value of the assets, liabilities and its tax base the difference between the (not confirmed project as assets and liabilities of its tax base can be determined in accordance with the provisions of the tax law, the tax base and the difference between the book number), according to the forecast of the asset is recovered or the applicable tax rate calculation during the debt confirmed Deferred tax assets and deferred tax liabilities.

41.2 Confirm the deferred income tax assets to probably get used to making the deductible temporary differences are limited to the amount of taxable income. During the balance sheet date, there is strong evidence that the future is likely to obtain sufficient taxable income to offset the deductible temporary difference, confirm the unconfirmed deferred income tax assets in previous accounting periods.

41.3 On the balance sheet date, review the book value of the deferred income tax assets, and if during the period of the future may not be able to obtain sufficient taxable income to offset the benefit of the deferred income tax assets, the write-downs on the book value of the deferred income tax assets. If it is likely to obtain sufficient taxable income, return the amount of write-downs.

41.4 The Company's current income tax and deferred income tax as recorded into the profits and losses of the current income tax expenses, or earnings, but does not include the income tax in the following circumstances: (1) The business combination;(2) Direct confirmation of transactions or events in the owner's equity.

42. Lease

42.1 Accounting treatment of operating leases

The Company as lessee under operating leases: operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

The Company as lessor under operating leases: rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.

42.2 Accounting treatment of financial leases

The Company as lessee under finance leases: at the commencement of the lease term, the Company records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of the lease, and recognizes a long-term payable at an amount equal to

the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge. Unrecognized finance charges are recognized as finance charge for the period using the effective interest method over the lease term.

The Company as lessor under finance leases: at the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognized as a finance lease receivable, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognized as unearned finance income. Unearned finance income is recognized as finance income for the period using the effective interest method over the lease term.

43. Other significant accounting policies and accounting estimates

None

44.Changes in Important Accounting Policies and Accounting Estimates

(1) Changes in Important Accounting Policies

Applicable Not applicable

Content and reasons of changes in accounting policies	Approval procedures	Remarks
On December 7, 2018, the Ministry of Finance revised, printed and issued the <i>Accounting Standards for Business Enterprises No. 21 – Lease</i> ” (<i>Finance and Accounting [2018] No. 35</i>). Companies that are listed both at home and abroad, and companies that are listed overseas and adopt International Financial Reporting Standards or Accounting Standards for Business Enterprises to prepare financial statements are required to implement it from January 1, 2019. Other companies that implement the Accounting Standards for Business Enterprises shall implement it from January 1, 2021.	Approved by the 18th Meeting of the 5th Board of Directors and the 15th Meeting of the 5th Board of Supervisors.	Based on the revision of accounting standards mentioned above and the requirements of the performing period, the Company made adjustments to the corresponding content of accounting policy and started to implement it since Jan. 1, 2021.

(2) Changes in important accounting estimates

Applicable Not applicable

(3) The related items of financial statements at the beginning of the year that need to be adjusted after the implementation of the new lease standard in 2021

Applicable

Whether to adjust the balance sheet account at the beginning of the year

Yes No

Consolidated balance sheet

Unit: RMB

Item	Dec. 31 st , 2020	Jan. 1 st , 2021	Adjustment
Current Assets:			
Monetary funds	5,950,395,089.12	5,950,395,089.12	
Settlement reserve			
Due from banks and other financial institutions			
Transactional financial assets	983,205,858.25	983,205,858.25	
Derivative financial assets			
Notes Receivable			
Accounts Receivable	21,493,637.66	21,493,637.66	
Financing receivables			
Prepayments	2,204,120.00	2,204,120.00	
Premium receivables			
Reinsurance accounts receivable			
Reinsurance contract reserve receivables			
Other receivables	304,318,966.20	304,318,966.20	
Inc: Interest receivables			
Dividends receivables			
Financial assets purchased under resale agreements			
Inventories			
Contract assets			
Assets held for sale			
Non-current assets due within one year	1,985,873,462.75	1,985,873,462.75	
Other current assets	175,179,650.61	44,858,022.80	-130,321,627.81
Total current assets	9,422,670,784.59	9,292,349,156.78	-130,321,627.81
Non-current assets:			
Loans and Advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investment			
Other equity instruments	152,800,000.00	152,800,000.00	
Other non-current financial assets	208,450,315.01	208,450,315.01	

Investment properties	668,014,515.82	668,014,515.82	
Fixed assets	1,612,792,592.67	1,612,792,592.67	
Construction in progress	214,248,125.04	214,248,125.04	
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,491,006,998.14	1,491,006,998.14
Intangible assets	426,352,455.75	426,352,455.75	
Development expenditure			
Goodwill	99,867,720.38	99,867,720.38	
Long-term prepaid expense	440,955,377.93	412,508,666.20	-28,446,711.73
Deferred tax assets	21,606,436.77	21,606,436.77	
Other non-current assets	1,151,091,703.31	1,151,091,703.31	
Total non-current assets	4,996,179,242.68	6,458,739,529.09	1,462,560,286.41
Total assets	14,418,850,027.27	15,751,088,685.87	1,332,238,658.60
Current liabilities:			
Short-term borrowings	3,976,019,329.22	3,976,019,329.22	
Borrowing from the central bank			
Borrowings from banks and other financial institutions			
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	211,824,402.86	211,824,402.86	
Receipts in advance			
Contract liabilities	4,925,428,309.33	4,925,428,309.33	
Financial assets sold for repurchase			
Receipt of deposits and deposits from other banks			
Customer deposits for trading in securities			
Amounts due to issuer for securities underwriting			
Employee benefits payable	637,448,433.99	637,448,433.99	
Taxes payable	131,111,770.78	131,111,770.78	
Other payable	9,479,383.03	9,479,383.03	
Inc: Interest payables			
Dividends payable			
Fees and commission payable			

Accounts payable reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one Year		699,372,590.26	699,372,590.26
Other current liabilities	147,765,156.66	147,765,156.66	
Total current liabilities	10,039,076,785.87	10,738,449,376.13	699,372,590.26
Non-current Liabilities:			
Deposits for insurance contracts			
Long-term loans			
Bonds payable			
Inc: Bonds payable preferred stock			
Bonds payable perpetual bond			
Lease liabilities		632,866,068.34	632,866,068.34
Long-term payable			
Long-term payroll payable			
Provisions			
Deferred Income			
Deferred tax liabilities	104,677,444.59	104,677,444.59	
Other non-current liabilities			
Total non-current liabilities	104,677,444.59	737,543,512.93	632,866,068.34
Total liabilities	10,143,754,230.46	11,475,992,889.06	1,332,238,658.60
Owners' equity:			
Share capital	103,807,623.00	103,807,623.00	
Other equity instrument			
Inc: Other equity instruments preferred stock			
Other equity instruments_perpetual bond			
Capital reserve	1,225,481,049.50	1,225,481,049.50	
Less: Treasury stock			
Other comprehensive income	30,000,000.00	30,000,000.00	
Special reserve			
Surplus reserve	45,000,000.00	45,000,000.00	
General risk reserve			
Undistributed earnings	2,870,839,120.70	2,870,839,120.70	
Total owners' equity attributable to the parent company	4,275,127,793.20	4,275,127,793.20	
Minority shareholders' equity	-31,996.39	-31,996.39	

Total owners' equity	4,275,095,796.81	4,275,095,796.81	
Total liabilities and owners' equity	14,418,850,027.27	15,751,088,685.87	1,332,238,658.60

Statements on adjustments

According to the *Notice on Revision and Issuance of Accounting Standards for Business Enterprises No. 21 – Lease* (Finance and Accounting [2018] No. 35) issued by the Ministry of Finance in December 2018, the Company, from January 1, 2021, discloses accounting statements in accordance with the new lease standards.

Parent company balance sheet

Unit: RMB

Item	Dec. 31 st , 2020	Jan. 1 st , 2021	Adjustment
Current Assets:			
Monetary funds	56,138,356.37	56,138,356.37	
Transactional financial assets	1,630,453.37	1,630,453.37	
Derivative financial assets			
Note receivables			
Accounts Receivable	14,792,320.38	14,792,320.38	
Financing receivables			
Prepayments			
Other receivables	621,900,443.29	621,900,443.29	
Inc: Interest receivables			
Dividends receivables			
Inventories			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets	694,461,573.41	694,461,573.41	
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	18,582,307,907.14	18,582,307,907.14	
Other equity instruments	152,800,000.00	152,800,000.00	
Other non-current financial assets			
Investment properties	384,641,527.88	384,641,527.88	

Fixed assets	383,060,000.00	383,060,000.00	
Construction in progress	72,569,103.57	72,569,103.57	
Productiver biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			
Goodwill			
Long-term prepaid expenses			
Deferred tax assets	20,529,151.44	20,529,151.44	
Other non-current assets	501,095,111.10	501,095,111.10	
Total non-current assets	20,097,002,801.13	20,097,002,801.13	
Total assets	20,791,464,374.54	20,791,464,374.54	
Current liabilities:			
Short-term loans	871,083,875.00	871,083,875.00	
Transactional financial liabilities			
Derivative financial liabilities			
Note payable			
Accounts payable	83,621,752.26	83,621,752.26	
Receipts in advance			
Contract liabilities			
Employee benefits payable			
Taxes payable	1,437,291.71	1,437,291.71	
Other payables	446,606,530.72	446,606,530.72	
Inc: Interest payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	1,402,749,449.69	1,402,749,449.69	
Non-current liabilities:			
Long-term loans			
Bonds payable			
Inc: Bonds payable preferred stock			

Bonds payable perpetual bond			
Lease liabilities			
Long-term payable			
Long-term payroll payable			
Provisions			
Deferred income			
Deferred tax liabilities	10,007,613.34	10,007,613.34	
Other non-current liabilities			
Total non-current liabilities	10,007,613.34	10,007,613.34	
Total liabilities	1,412,757,063.03	1,412,757,063.03	
Owners' equity:			
Share capital	6,167,399,389.00	6,167,399,389.00	
Other equity instrument			
Inc: Other equity instruments preferred stock			
Other equity instruments perpetual bond			
Capital reserve	12,775,326,370.33	12,775,326,370.33	
Less: treasury stock			
Other comprehensive income	30,000,000.00	30,000,000.00	
Special reserve			
Surplus reserve	387,458,806.65	387,458,806.65	
Undistributed earnings	18,522,745.53	18,522,745.53	
Total owners'equity	19,378,707,311.51	19,378,707,311.51	
Total liabilities and owners' equity	20,791,464,374.54	20,791,464,374.54	

Description of adjustment

None

(4) Description of comparative data in the early stage of retroactive adjustment of the new lease standard initially implemented since 2021

Applicable Not Applicable

45. Others

None

Section VI. Taxes

1. Major categories of taxes and tax rates

Category of tax	Basis of tax	Tax rate
Value-added tax	Taxable revenue for sales of goods and supply of services	3%、5%、6%

City maintenance and construction tax	Turnover taxes payable	5%、7%
Corporate income tax	Taxable income	15%、20%、25%
Education supplementary tax	Turnover taxes payable	3%
Local education supplementary tax	Turnover taxes payable	2%

Disclosure statement on taxpayers with different corporate income tax rates

Names of taxpayers	Income tax rates
1.The Company	25%
2.Offcn Ltd.	15%
3.Wuhu Yawei Automobile Sales Service Co., Ltd	25%
4. Ningguo Yaxia Motor Vehicle Driver Training School (Co., Ltd.)	25%
5.Huangshan Yaxia Fudi Automobile Sales Services Co., Ltd.	20%
6.Chaohu Yaxia Kaixuan Automobile Sales Service Co., Ltd.	25%
7.Bozhou Yaxia Motor Vehicle Driver Training School Co., Ltd.	25%
8.Suzhou Bokai Automobile Sales Service Co., Ltd.	25%
9.Beijing Offcn Future Education Technology Co. Ltd	20%
10.Beijing Offcn Future Research Education Technology Co., Ltd.	25%
11.Shaanxi Offcn Education Technology Co. Ltd.	25%
12. Chengdu Offcn Future Education Training School Co. Ltd.	25%
13.Zhejiang Offcn Education Technology Co. Ltd..	25%
14.Taizhou Offcn Future Enterprise Management Consulting Co., Ltd.	20%
15.Beijing Offcn Xinzhiyu Online Technology Co., Ltd.	20%
16.Hulunbeier Hailar Offcn Education Information Consulting Co., Ltd..	20%
17.Xilinhot Offcn Future Education Consulting Co., Ltd	25%
18.Yueqing Lecheng Offcn Training Center Co., Ltd..	20%
19.Jiaozuo Offcn Future Education Service Co., Ltd	20%
20.Xinzheng Offcn Cultural Communication Co., Ltd..	20%
21.Chongqing Jiangbei Offcn Vocational Examination Training Co., Ltd.	20%
22.Nanjing Offcn Future Education Consulting Co., Ltd.	25%
23.Baiyin Offcn Future Education Consulting Co., Ltd.	20%
24.Beijing Xinde Zhiyuan Enterprise Management Consulting Co., Ltd..	20%
25.Nanjing Huiyue Hotel Management Co., Ltd.	25%
26.Shandong Kunzhong Real Estate Co., Ltd.	25%

27.Sanmenxia Offcn Cultural Communication Co., Ltd.	20%
28.Liaoning Offcn Academic & Cultural Exchange Co., Ltd.	25%
29.Liaoning Offcn Education Technology Co., Ltd.	25%
30.Shandong Offcn Education Technology Co., Ltd.	25%
31.Jilin Changyi Offcn Education Training School Co., Ltd.	25%
32.Yuxi Offcn Training School Co., Ltd.	20%
33.Tonghua Offcn Training School Co., Ltd.	25%
34.Hunan Lightsalt Offcn Education Technology Co., Ltd..	25%
35.Tianjin Hexi Offcn Training School Co., Ltd.	20%
36.Chengdu Offcn Education Training School Co., Ltd.	20%
37.Shandong Zhuoda Business Management Co., Ltd.	20%
38.Liaoning Zhongcheng Real Estate Development Co.,Ltd.	25%
39. Wuhu Offcn Training School Co. Ltd.	25%
40.Wuhan Guoshang Human Resource Service Co., Ltd.	25%
41.Jinan Zhangqiu Offcn Training School Co. Ltd.	20%
42.Mengzi Offcn Education Training Co. Ltd..	25%
43.Beijing Offcn Technology Development Co. Ltd..	25%
44.Shanghai Offcn Education Technology Co. Ltd.	25%
45.Guangzhou Offcn Smart Education Technology Co. Ltd.	25%
46.Pingshan Offcn Education Technology Co. Ltd.	25%
47.Shandong Offcn Education Training School Co. Ltd.	25%
48.Lanzhou Offcn Education Training School Co. Ltd.	25%
49. Diqing Offcn Training School Co. Ltd.	25%
50. Anshan Tiedong Offcn Education Training School Co.,Ltd.	25%
51. Wenling Offcn Information Consultancy Co. Ltd	25%

2. Preferential taxation

2.1.Value-added tax

(1) According to the *Notice on Implementing the Inclusive Tax Reduction Policy for Small and Micro Enterprises* (CS [2019] No. 13), in order to further support the development of small and micro enterprises, from January 1, 2019 to December 31, 2021, small-scale value-added taxpayers with monthly sales less than RMB 100,000 (included) are exempt from value-added tax.

According to the *Announcement on clarifying the VAT exemption policy for small-scale taxpayers* (CS [2021] No. 11), from April 1, 2021 to December 31, 2022, small-scale taxpayers with monthly sales of less than RMB150,000 (included) will be exempt from VAT.

The Company's branches and subsidiaries that meet the exemption conditions are exempt from VAT.

(2) According to the *Notice of the Ministry of Finance and the State Administration of Taxation on the Relevant Policies on Deduction of Value Added Tax for Special Equipment and Technical Maintenance Costs of Value Added Tax Control System* (CS [2012] No. 15), if the VAT taxpayers purchase special equipment for the VAT tax control system (including separate ticket machines) for the first time after December 1, 2011 (including, the same below), the purchase expenses can be fully deducted from the VAT payable (the deduction is the total amount of price and tax) by the VAT invoice obtained from the purchase of special equipment for the VAT tax control system, and the deduction that is insufficient can be carried forward to the next period. The VAT taxpayer's technical maintenance fee paid after December 1, 2011 (excluding the technical maintenance fee paid before November 30, 2011) can be deducted from the tax payable at full amount by the technical maintenance invoice issued by the technical maintenance service unit, and those that are insufficient to be deducted can be carried forward to the next period. The Company and the qualified branches and subsidiaries deduct the VAT payable at full amount according to the regulations.

(3) In accordance with the *Announcement on Favorable Tax Policies for the Prevention and Control of Covid-19* (Announcement No. 8 of 2020 by the Ministry of Finance and the State Administration of Taxation), the taxpayers' income from offering public transportation services, daily life services, and delivering services for residents with living necessities is exempt from value-added tax. The specific scope of public transportation services complies with that stipulated in the "Regulations on Issues Related to the Pilot Program of Changing Sales Tax to Value-Added Tax" (Published and issued by F&T [2016] No. 36). The specific scope of life services and express delivery services complies with that stipulated in the "Sales Services, Intangible Assets, and Real Estate Notes" (issued by F&T [2016] No. 36). The Company's qualified branches and subsidiaries that meet the exemption conditions are exempt from the value-added tax.

(4) According to the *Announcement on Deepening the Reform of Relevant Policies About Value-Added Tax* (Announcement No. 39, 2019 of the Ministry of Finance, State Administration of Taxation, General Administration of Customs), from April 1, 2019 to December 31, 2021, Taxpayers involved in the production and living service industry are allowed to deduct deductible input tax plus 10% from the tax payable. The Company's qualified branches and subsidiaries will additionally deduct the value-added tax payable according to this preferential policy.

(5) According to *Announcement From the Ministry of Finance and the State Administration of Taxation on Continuing the Implementation of Some Preferential Tax Policies in Response to the Pandemic* (CS [2021] No. 7), in order to further support the prevention and control of the pandemic, the preferential tax policy stipulated in the *Announcement From the Ministry of Finance and State Administration of Taxation on VAT Policy to Support Individual Industrial and Commercial Entities to Resume Business* (CS [2020] No. 13) will extend to December 31, 2021. And from April 1, 2021 to December 31, 2021, for the small-scale VAT taxpayers in Hubei Province who are eligible to a rate of 3% on the taxable sales income, the VAT shall be levied at a reduced rate of 1%; for the items that are eligible to a 3% rate of pre-paid VAT, the pre-paid VAT shall be reduced at the pre-collection rate of 1%. Branches and subsidiaries of the Company that meet the exemption conditions are exempt from VAT or are levied at a reduced rate of 1%.

2.2. Education surcharge and local education surcharge

According to the *Notice of the Ministry of Finance and the State Administration of Taxation on Expanding the Exemption Scope of Relevant Governmental Funds* (CS [2016] No. 12), since February 1, 2016, the exemption scopes of education surcharges, local education surcharges and water conservancy construction fund are expanded from the current monthly taxpayers whose monthly sales or turnover does not exceed RMB30,000 (quarterly sales or turnover does not exceed RMB90,000 for quarterly taxes) to monthly taxpayers whose monthly sales or turnover does not exceed RMB100,000 (quarterly sales or turnover does not exceed RMB300,000 for quarterly taxes). Branches and subsidiaries of the Company that meet the exemption conditions are exempt from education surcharges and local education surcharges.

2.3. Corporate income tax

(1) On August 10, 2017, Offcn Co. Ltd. got authenticated as a high-tech enterprise by Beijing Municipal State Administration of Taxation, Beijing Municipal Tax Service, Beijing Municipal Finance Bureau and Beijing Municipal Science and Technology Commission, obtaining the high-tech enterprise certificate numbered GR20171101302. The validity period of the certificate is from August 10, 2017 to August 9, 2020. On October 21, 2020, Offcn Co. Ltd. got authenticated as a high-tech enterprise by Beijing Municipal State Administration of Taxation, Beijing Municipal Tax Service, Beijing Municipal Finance Bureau and Beijing Municipal Science and Technology Commission, obtaining the high-tech enterprise certificate numbered GR202011002730. The validity period of the certificate is from October 21, 2020 to October 20, 2023. Offcn Co. Ltd. and its subsidiaries shall pay corporate income tax at a rate of 15%.

(2) According to the *Notice on Implementing the Inclusive Tax Reduction Policy for Small and Micro Enterprises* (CS [2019] No. 13), from January 1, 2019 to December 31, 2021, for small and low-profit enterprises, the taxable portion of their annual taxable income not more than RMB1 million shall be measured at a reduced rate of 25%, and the corporate income tax shall be paid at a rate of 20%. The taxable portion of the annual taxable income more than RMB1 million but not more than RMB3 million shall be measured at a reduced rate of 50%, and the corporate income tax shall be paid at a rate of 20%.

According to the *Notice on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Businesses* (Notice No. 12 of the State Administration of Taxation and the Ministry of Finance, 2021), for small and low-profit enterprises, in addition to the preferential policies stipulated in Article 2 of the *Notice on Implementing the Inclusive Tax Relief Policies for Small and Micro Enterprises from Ministry of Finance and the State Administration of Taxation* (CS [2019] No. 13) the corporate income tax on the portion of the annual taxable income not more than RMB1 million, shall be further reduced by half. The period is from January 1, 2021 to December 31, 2022.

Subsidiaries of the Company that meet the conditions shall apply to the above policies in calculating and paying corporate income tax.

(3) According to the *Notice on Clarifying the Scope of Small and Low-profit Enterprises that Enjoy the Preferential Policies to Exempt from Local Share Portion of Corporate Income Tax from the Notice of Party Committee and the People's Government of Inner Mongolia Autonomous Region* (NCS [2019] No. 227), for small and low-profit enterprises with the annual taxable income not more than RMB 1 million, in accordance with the

Notice on Implementing the Inclusive Tax Reduction Policy for Small and Micro Enterprises (CS [2019] No. 13), the annual taxable income shall be measured at a reduced rate of 25%. After calculating the corporate income tax at a rate of 20%, according to the *Notice issued by the Party Committee and the People's Government of Inner Mongolia Autonomous Region* (NDF [2018] No. 23), the local share portion of corporate income tax (40%) shall be exempted. Subsidiaries of the Company that meet the conditions shall apply to the policies in calculating and paying corporate income tax.

3.Others

None

VII. Notes To Consolidated Financial Statements

1. Monetary funds

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	90,792.90	67,906.76
Cash on bank	3,366,518,184.89	5,882,201,630.73
Other monetary funds	193,959,707.39	68,125,551.63
Total	3,560,568,685.18	5,950,395,089.12

other information

(1) Other monetary funds mainly include the balances of third-party payment platforms such as POS, Alipay, and Tenpay.

(2) At the end of the period, there are no mortgage, pledge, freezing and other restrictions on the use of funds. Details on Note VII of this report, 81, "Assets with restricted ownership or rights of use".

(3) There were no cash deposited abroad at the end of the period.

2. Transactional financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value with changes included in current profit and loss	178,565,832.93	983,205,858.25
Inc:		
Debt instrument investment	178,565,832.93	983,205,858.25
Inc:		
Total	178,565,832.93	983,205,858.25

3. Derivative financial assets

Unit: RMB

Item	Closing balance	Opening balance
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4. Notes receivable

(1) Classification of notes receivable

Unit: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balancet		Bad debt r provision		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Inc:										
Inc:										

Provision for bad debts by per item:

Unit: RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion of provision	Reason for provision
Total			—	—

Provision for bad debts by portfolio:

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt reserves	Accrual ratio

If the bad debt provision of notes receivable is calculated according to the general model of expected credit loss, please disclose the relevant information of bad debt provision with reference to the disclosure method of other receivables:

Applicable Not Applicable

(2) Provision, recovery and reversal for bad debts in current period

Provision for bad debts in current period

Unit: RMB

Category	Opening balance	Amount of change in the current period	Closing balance
----------	-----------------	--	-----------------

Important provision, withdrawal or reversal for bad debts in current period:

Applicable Not Applicable

(3) Notes receivable pledged by the Company at the end of the period

Unit: RMB

Item	Pledged amount at the end of the period
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(4) Notes receivable that have been endorsed or discounted by the company at the end of the period and have not yet matured at the balance sheet date

Unit: RMB

Item	Amount of confirmation at the end of the period	Amount not confirmation at the end of the period
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(5) Notes transferred to accounts receivable by the Company due to the drawer's failure to perform the contract at the end of the period,

Unit: RMB

Item	Amount transferred to accounts receivable at the end of the period
------	--

(6)Notes receivable actually written off in current period

Unit: RMB

Item	Amount of writing off
------	-----------------------

Writing off important notes receivable:

Unit: RMB

Name of the Company	Nature of notes receivable	Amount of writing off	Reasons for writing off	Procedure of writing off	Whether the funds are generated by related party transactions
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5. Accounts receivable

(1) Classified disclosure of accounts receivable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Inc:										
Accounts receivable with provision for bad debts in combination	34,648,578.71	100.00%	2,225,038.91	5.00%	32,423,539.80	22,625,024.65	100.00%	1,131,386.99	5.00%	21,493,637.66
Inc:										
Combination 1	1,522,000.00	4.39%	76,100.00	5.00%	1,445,900.00					
Combination 2	3,264,680.96	9.42%	163,095.65	5.00%	3,101,585.31	2,618,094.65	11.57%	131,040.49	5.01%	2,487,054.16
Combination 3	29,861,897.75	86.19%	1,985,843.26	5.00%	27,876,054.49	20,006,930.00	88.43%	1,000,346.50	5.00%	19,006,583.50
Total	34,648,578.71	100.00%	2,225,038.91		32,423,539.80	22,625,024.65	100.00%	1,131,386.99		21,493,637.66

Provision for bad debts according to individual items:

Unit: RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion of provision	Reasons for provision

Provision for bad debts according to combination: 2,225,038.91

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion of provision
Combination 1	1,522,000.00	76,100.00	5.00%
Combination 2	3,264,680.96	163,095.65	5.00%
Combination 3	29,861,897.75	1,985,843.26	5.00%
Total	34,648,578.71	2,225,038.91	—

Description of the basis for determining the combination:

None

Provision for bad debts according to combination:

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion of provision

Description of the basis for determining the combination:

If the provision for bad debts of accounts receivable is calculated according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

Applicable Not Applicable

Disclosure by account age

Unit: RMB

Ages	Book balance
Within 1 year (included)	24,796,379.06
Within 1 year (included)	24,796,379.06
1 to 2 years	9,852,199.65
Total	34,648,578.71

(2) Provision, recovery and reversal for bad debts in current period

Provision for bad debts in the current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period	Closing balance

		Provision	recovery or reversal	Write off	Others	
Provision for bad debts of accounts receivable	1,131,386.99	1,093,651.92				2,225,038.91
Total	1,131,386.99	1,093,651.92				2,225,038.91

Important provision, recovery and reversal for bad debts in current period:

Unit: RMB

Company name	Amount recovered or reversed	Recovery method
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(3) Accounts receivable actually written off in the current period

Unit: RMB

Item	Write off amount
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Important write-off accounts receivable:

Unit: RMB

Company name	Nature of accounts receivable	Amount of writing off	Reasons for writing off	Procedures of writing off	Whether the funds are generated by related party transactions
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Description of the write-off of accounts receivable:

(4) Accounts receivable of top five closing balance collected by debtors

Unit: RMB

Company name	Closing balance of accounts receivable	Proportion in the total closing balance of accounts receivable	Closing balance of bad debt reserves
Yaxia Industrial Co. Ltd.	29,854,967.75	86.17%	1,985,496.76
Customer 1	1,522,000.00	4.39%	76,100.00
Customer 2	1,134,113.50	3.27%	56,705.68
Customer 3	197,644.50	0.57%	9,882.23
Customer 4	186,794.00	0.54%	9,339.70
Total	32,895,519.75	94.94%	

(5) Accounts receivable terminated due to transfer of financial assets

None

(6) Amount of assets and liabilities formed by transferring accounts receivable and continuing involvement

None

6. Receivables financing

Unit: RMB

Item	Closing balance	Opening balance
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Changes in receivable financing and fair values in current period

Applicable Not applicable

If the provision for impairment of receivables financing is withdrawn according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of impairment provision:

Applicable Not applicable

7. Prepayments

(1) Disclosure by account age

Unit: RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	1,540,010.00	100.00%	2,204,120.00	100.00%
Total	1,540,010.00	--	2,204,120.00	--

Reasons for not timely settling the important prepayments with an account age of more than one year:

None

(2)Prepayment of top five closing balance collected by prepayment objects

Name of company	Nature of Payment	Closing balance	Account age	Proportion in total amount of prepayment(%)	Provision for bad debts
Nanjing Tuniu International Travel Agency Co., Ltd	Air ticket payment	835,488.00	Within 1 year	54.25	
Nanjing Eurasian Air Passengers Transport Agency Co., Ltd.	Air ticket payment	704,522.00	Within 1 year	45.75	
<u>Total</u>		<u>1,540,010.00</u>		<u>100.00</u>	

8.Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	382,044,846.69	304,318,966.20
Total	382,044,846.69	304,318,966.20

(1)Interest receivable

1)Classification of interest receivable

Unit: RMB

Item	Closing balance	Opening balance
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2)Important overdue interest

Unit: RMB

Borrower	Closing balance	Overdue time	Overdue reasons	Whether there is
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				impairment and its judgment basis
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3) Provision for bad debts

Applicable Not applicable

(2) Dividends receivable

1) Classification of dividends receivable

Unit: RMB

Item (or Investee)	Closing balance	Opening balance
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2) Important dividends receivable with an account age of over 1 year

Unit: RMB

Item (or Investee)	Closing balance	Account age	Reasons for non recovery	Whether there is impairment and its judgment basis
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3) Provision for bad debts

Applicable Not applicable

other information:

None

(3) Other receivables

1) Classification of other receivables by nature of payment

Unit: RMB

Nature of payment	Closing Book balance	Opening Book balance
Deposits and guarantees	379,678,070.53	302,437,947.35
Reserve fund	304,970.00	120.00
deferred expense and others	2,061,806.16	1,880,898.85
Total	382,044,846.69	304,318,966.20

2) Provision for bad debts

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment has occurred)	Expected credit loss in the whole duration (credit impairment has occurred)	
Balance at Jan. 1 st , 2021		377,400.85	510,300.00	887,700.85
Balance at Jan. 1 st , 2021 in current period	—	—	—	—
Provision in the current period		185,401.83	170,100.00	355,501.83

Write-off in the current period			680,400.00	680,400.00
Balance at June 30 th , 2021		562,802.68	0.00	562,802.68

Changes in book balance of loss reserves with significant changes in current period

Applicable Not applicable

Disclosure by account age

Unit: RMB

Account age	Closing balance
Within 1 year (included)	132,887,291.95
Within 1 year (included)	132,887,291.95
1 to 2 years	222,953,484.07
2 to 3 years	7,675,997.74
More than 3 years	18,528,072.93
3 to 4 years	2,259,965.25
4 to 5 years	8,957,206.80
More than 5 years	7,310,900.88
Total	382,044,846.69

3) Provision, recovery and reversal for bad debts in current period

Provision for bad debts in current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts of other receivables	887,700.85	355,501.83		680,400.00		562,802.68
Total	887,700.85	355,501.83		680,400.00		562,802.68

The important amount of bad debt reserves recovered or reversed in the current period:

Unit: RMB

Name of company	Amount of recovered or reversed	Recovery method

4) Other receivables actually written off in the current period

Unit: RMB

Item	Write-off amount
receivables actually written off	680,400.00

Important write-off of other receivables:

Unit: RMB

Name of company	Nature of other receivables	Write-off amount	Write-off reasons	Write off procedures	Whether the funds are generated by related party transactions
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Description of write-off of other receivables:

None

5) Other receivables of top five closing balance collected by debtors

Unit: RMB

Name of company	Nature of payment	Closing balance	Account age	Proportion in total other closing balance receivables (%)	Closing balance of bad debt provision
Liaoning Hanhui Industrial Co., Ltd	Deposits and guarantees	200,000,000.00	1 to 2 years	52.35%	
Beijing Huaxia Shunxin Property Management Co., Ltd.	Deposits and guarantees	25,000,000.00	Within 1 year	6.54%	
Beijing Wushuang Technology Co., Ltd	Deposits and guarantees	15,000,000.00	1 to 2 years	3.93%	
Shenyang Lijing Mingzhu Hotel Management Co., Ltd	Deposits and guarantees	5,675,200.00	4 to 5 years	1.49%	
Harbin Yuheng Pharmaceutical Co., Ltd.	Deposits and guarantees	2,700,000.00	More than 5 years	0.71%	
Total	—	248,375,200.00	--	65.02%	

6) Receivables involving government subsidies

Unit: RMB

Name of company	Name of government subsidy project	Closing balance	Account age at the end of the period	Estimated time, amount and basis of collection
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None

7) Other receivables terminated due to transfer of financial assets

None

8) Amount of assets and liabilities formed by transferring other receivables and continuing involvement

None

9. Inventories

Whether the Company needs to comply with the disclosure requirements of the real estate industry

None

10. Contract assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

The amount and reasons for significant changes in the book value of contract assets in the current period:

Unit: RMB

Item	Change in the amount	Reasons for changes
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If the provision for bad debt of contract assets is withdrawn according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

Applicable Not applicable

Provision for impairment of contract assets in the current period

Unit: RMB

Item	Provision in the current period	Reversal in current period	Write-off in current period	Reasons
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other information:

11.Assets held for sale

Unit: RMB

Item	Book balance at the end of the period	Provision for impairment	Book value at the end of the period	Fair value	Estimated disposal costs	Estimated disposal time
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12. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Debt investment due within one year	20,027,866.69	1,985,873,462.75
Total	20,027,866.69	1,985,873,462.75

Important debt investment / Other debt investment

Unit: RMB

Credit item	Closing balance				Opening balance			
	Par value	Coupon rate	Real interest rate	Due date	Par value	Nominal rate	Real interest rate	Due date
Beijing Sidaokou Sub-branch of Huaxia Bank Co., Ltd.					500,000,000.00	4.12%	4.12%	April 4, 2021
Qianmen Sub-branch, China Construction Bank Corporation					500,000,000.00	3.85%	3.85%	April 12, 2021
Beijing Shangdi sub-branch of China Minsheng Bank Co., Ltd					300,000,000.00	4.30%	4.30%	June 5, 2021

Beijing Shangdi sub-branch of China Minsheng Bank Co., Ltd					200,000,000.00	4.30%	4.30%	June 13, 2021
Meihekou Rural Credit Cooperative, Cooperative Union Sales Department					100,000,000.00	4.20%	4.20%	June 6, 2021
Meihekou Rural Credit Cooperative, Cooperative Union Sales Department					100,000,000.00	4.20%	4.20%	July 2, 2021
Meihekou Rural Credit Cooperative, Cooperative Union Sales Department					50,000,000.00	4.20%	4.20%	April 26, 2021
Meihekou Rural Credit Cooperative, Cooperative Union Sales Department					50,000,000.00	4.20%	4.20%	May 31, 2021
China Merchants Bank Co., Ltd. Beijing Fangzhuang sub-branch	20,000,000.00	4.18%	4.18%	Dec. 18, 2021	20,000,000.00	4.18%	4.18%	Dec. 18, 2021
Total	20,000,000.00	—	—	—	1,820,000,000.00	—	—	—

other information:

None

13. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Prepaid expenses	51,252,413.48	3,025,677.50
Pending payment	16,268,215.47	41,832,345.30
Fixed-term deposit	896,475,291.65	
Prepaid corporate income tax	24,724,309.86	
Total	988,720,230.46	44,858,022.80

other information:

None

14. Debt investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

Important debt investment

Unit: RMB

Credit item	Closing balance				Opening balance			
	Par value	Coupon rate	Real interest rate	Due date	Par value	Coupon rate	Real interest rate	Due date

Provision for impairment

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment has occurred)	Expected credit loss in the whole duration (credit impairment has occurred)	
Balance at Jan. 1 st , 2021 in current period	---	---	---	---

Changes in book balance of loss reserves with significant changes in current period

Applicable Not applicable

other information:

15. Other debt investments

Unit: RMB

Item	Opening balance	Accrued interest	Changes in fair value in the current period	Closing balance	Cost	Changes in accumulated fair value	Accumulated loss reserves recognized in other comprehensive income	Remarks
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Other important debt investment

Unit: RMB

Other credit items	Closing balance	Opening balance
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Provision for impairment

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment has occurred)	Expected credit loss in the whole duration (credit impairment has occurred)	
Balance at Jan. 1 st , 2021 in current period	---	---	---	---

Changes in book balance of loss reserves with significant changes in current period

Applicable Not applicable

other information:

16. long-term receivables

(1) long-term receivables

Unit: RMB

Item	Closing balance	Opening balance	Discount rate range
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Impairment of bad debt reserves

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
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Changes in book balance of loss reserves with significant changes in current period

Applicable Not applicable

(2) Long-term receivables terminated due to transfer of financial assets

(3) Amount of assets and liabilities formed by transferring long-term receivables and continuing involvement

other information

17. Long term equity investment

Unit: RMB

Investee	Opening balance (book value)	Increase and decrease in the current period	Closing balance (book value)	Closing balance of provision for impairment
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18. Investment in other equity instruments

Unit: RMB

Item	Closing balance	Opening balance
Shanghai Zuihuibao Network Technology Co., Ltd	126,000,000.00	126,000,000.00
Anhui Ningguo Rural Commercial Bank Co., Ltd	26,800,000.00	26,800,000.00
Total	152,800,000.00	152,800,000.00

Disclosure of non tradable equity instrument investment in the current period

Unit: RMB

Item	Recognized dividend income	Accumulated profit	Accumulated losses	Amount of other comprehensive income transferred to retained earnings	Reasons for fair value measurement and its change included in other comprehensive income	Reasons for transferring other comprehensive income into retained earnings
Shanghai Zuihuibao Network Technology Co.,		40,000,000.00			Plan for long term holding	

Ltd						
Anhui Ningguo Rural Commercial Bank Co., Ltd	1,327,872.00				Plan for long term holding	
Total	1,327,872.00	40,000,000.00				

other information:

None

19. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening balance
Beijing Jinwu Venture Capital Center (limited partnership)	38,050,000.00	38,050,000.00
Financial products	172,249,205.48	170,400,315.01
Total	210,299,205.48	208,450,315.01

other information:

20. Investment properties

(1) Investment properties adopting cost measurement mode

Applicable Not applicable

Unit: RMB

Item	Premises and buildings	Land-use rights	Construction in progress	Total
I. Original book value				
1. Opening balance	377,111,222.22	473,825,849.87		850,937,072.09
2. Increase in current period				
(1) Outsourcing				
(2) Inventory/ Fixed assets/ Transfer in from construction in progress				
(3) Increase in business combination				
3. Decrease in current period		3,201,828.13		3,201,828.13
(1) Disposal		3,201,828.13		3,201,828.13
(2) Other transfers				

4.Closing balance	377,111,222.22	470,624,021.74		847,735,243.96
II. Accumulated depreciation and amortization				
1. Opening balance	50,891,399.79	71,833,552.56		122,724,952.35
2. Increase in current period	4,130,544.03	3,436,473.32		7,567,017.35
(1) Provision or amortization	4,130,544.03	3,436,473.32		7,567,017.35
3.Decrease in current period		478,278.09		478,278.09
(1) Disposal		478,278.09		478,278.09
(2) Other transfers				
4. Closing balance	55,021,943.82	74,791,747.79		129,813,691.61
III. Provision for impairment				
1. Opening balance	6,556,268.55	53,641,335.37		60,197,603.92
2. increase in current period				
(1) Provision				
3. Decrease in current period				
(1) Disposal				
(2) Other transfers				
4. Closing balance	6,556,268.55	53,641,335.37		60,197,603.92
IV. Book value				
1. Book value at the end of the period	315,533,009.85	342,190,938.58	0.00	657,723,948.43
2. Book value at the beginning of the period	319,663,553.88	348,350,961.94	0.00	668,014,515.82

(2) Investment properties adopting fair value measurement mode

Applicable Not applicable

(3) Investment properties without property right certificate

Unit: RMB

Item	Book value	Reasons for not completing the property rights certificate application
Premises and buildings	219,092,799.43	In process
Land-use right	5,227,422.33	In process

other information

None

21. Fixed Assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	1,580,386,983.37	1,612,792,592.67
Total	1,580,386,983.37	1,612,792,592.67

(1) Fixed assets

Unit: RMB

Item	Premises and buildings	Decoration of fixed assets	Transportation facility	Electronic equipment	Office equipment	Total
I. Original book value						
1. Opening balance	1,554,597,283.39	64,708,424.02	79,864,456.42	221,718,295.47	12,041,667.21	1,932,930,126.51
2. Increase in the current period			733,750.00	12,774,538.52	39,376.40	13,547,664.92
(1) Purchase			733,750.00	12,774,538.52	39,376.40	13,547,664.92
(2) Transfer from construction in progress						
(3) Increase in business combination						
3. Decrease in the current period			632,059.91			632,059.91
(1) Disposal or obsolescence			632,059.91			632,059.91
4. Closing balance	1,554,597,283.39	64,708,424.02	79,966,146.51	234,492,833.99	12,081,043.61	1,945,845,731.52
II. Accumulated depreciation						
1. Opening balance	95,350,935.18	23,777,361.06	67,037,779.49	123,219,503.77	10,672,970.00	320,058,549.50
2. Increase in the current	22,460,471.80	4,918,193.58	2,488,796.85	15,469,925.53	223,637.60	45,561,025.36

period						
(1) Accrual	22,460,471.80	4,918,193.58	2,488,796.85	15,469,925.53	223,637.60	45,561,025.36
3. Decrease in the current period			239,811.05			239,811.05
(1) Disposal or obsolescence			239,811.05			239,811.05
4. Closing balance	117,811,406.98	28,695,554.64	69,286,765.29	138,689,429.30	10,896,607.60	365,379,763.81
III. Impairment provision						
1. Opening balance				4,309.80	74,674.54	78,984.34
2. Increase in the current period						
(1) Accrual						
3. Decrease in the current period						
(1) Disposal or obsolescence						
4. Closing balance				4,309.80	74,674.54	78,984.34
IV. Book value						
1. Closing book value	1,436,785,876.41	36,012,869.38	10,679,381.22	95,799,094.89	1,109,761.47	1,580,386,983.37
2. Opening book value	1,459,246,348.21	40,931,062.96	12,826,676.93	98,494,481.90	1,294,022.67	1,612,792,592.67

(2) Temporarily idle fixed assets

Unit: RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note

(3) Fixed assets leased out through operating lease

Unit: RMB

Item	Closing book value

(4) Fixed assets without property rights certificate

Unit: RMB

Item	Book value	Reasons for not completing the property rights certificate application
Premises and buildings	747,215,249.27	In process

(5) Liquidation of fixed assets

Unit: RMB

Item	Closing Balance	Opening Balance
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other information:

None

22. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	256,986,886.10	214,248,125.04
Total	256,986,886.10	214,248,125.04

(1) Construction in progress

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Offcn Fushun Building	147,653,548.32		147,653,548.32	140,287,691.52		140,287,691.52
Yaxia Bozhou Fortune Plaza	62,847,721.95		62,847,721.95	62,847,721.95		62,847,721.95
GAC-Toyota Bozhou 4S Stores	9,721,381.62		9,721,381.62	9,721,381.62		9,721,381.62
Huangshan Fudi Stores	1,391,329.95		1,391,329.95	1,391,329.95		1,391,329.95
Rizhao Future Study Town Project	33,059,632.94		33,059,632.94			
New project of Zhongcheng Real Estate	2,313,271.32		2,313,271.32			
Total	256,986,886.10		256,986,886.10	214,248,125.04		214,248,125.04

(2) Changes of significant projects in construction in the current period

Unit: RMB

Item	Budget	Opening balance	Increase in the period	Transferred fixed assets in the period	Other decrease in the period	Closing balance	Proportion of accumulative project investment in budget (%)	Project progress (%)	Accumulative amount of interest capitalization	Including: capitalization amount of current interest	Current interest capitalization rate (%)	Capital sources
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Offcn Fushun Building	330,000,000.00	140,287,694.52	7,365,856.80			147,653,548.32	44.74%	44.74%			Others
Rizhao Future Study Town Project	195,000,000.00	0.00	33,059,632.94			33,059,632.94	16.95%	16.95%			Others
Total	525,000,000.00	140,287,694.52	40,425,489.74			180,713,181.26	--	--			--

(3) Accrual of impairment provision for construction in progress in the period

Unit: RMB

Item	Accrual amount	Reason
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Other information:

None

(4) Engineering materials

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

23. Productive biological assets

(1) Productive biological assets measured by cost

Applicable Not applicable

(2) Productive biological assets measured by fair value

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

25. Right-of-use assets

Unit: RMB

Item	Rent	Total
I. Original book value		
1. Opening balance	1,491,006,998.14	1,491,006,998.14
2. Increased amount in the current period	77,742,880.29	77,742,880.29
(1) New lease contracts	77,742,880.29	77,742,880.29

3. Decreased amount in the current period		
4. Closing balance	1,568,749,878.43	1,568,749,878.43
II. Accumulated impairment		
1. Opening balance		
2. Increased amount in the current period	223,626,364.59	223,626,364.59
(1) Accrual	223,626,364.59	223,626,364.59
3. Decreased amount in the current period		
(1) Disposal		
4. Closing balance	223,626,364.59	223,626,364.59
III. Impairment provision		
1. Opening balance		
2. Increased amount in the current period		
(1) Accrual		
3. Decreased amount in the current period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Closing book value	1,345,123,513.84	1,345,123,513.84
2. Opening book value	1,491,006,998.14	1,491,006,998.14

Other information:

None

26. Intangible assets

(1) Intangible assets

Unit: RMB

Item	Land use right	Patent right	Non-patent technology	Software use right	Trademark right	Total
I. Original book value						
1. Opening balance	446,725,693.93			7,774,286.02	7,140,521.53	461,640,501.48

2. Increase in the period	96,743,250.00					96,743,250.00
(1)Purchase	96,743,250.00					96,743,250.00
(2) Internal R&D						
(3) Increase from business combination						
3. Decrease in the period						
(1) Disposal						
4. Closing balance	543,468,943.93			7,774,286.02	7,140,521.53	558,383,751.48
II. Accumulated amortization						
1. Opening balance	29,028,132.73			3,810,053.83	2,446,748.17	35,284,934.73
2. Increase in the period	6,984,256.42			359,948.50	363,778.74	7,707,983.66
(1) Accrual	6,984,256.42			359,948.50	363,778.74	7,707,983.66
3. Decrease in the period						
(1) Disposal						
4. Closing balance	36,012,389.15			4,170,002.33	2,810,526.91	42,992,918.39
III. Impairment provision						
1. Opening balance				3,111.00		3,111.00
2. Increase in the period						
(1) Accrual						
3. Decrease in the period						
(1) Disposal						
4. Closing balance				3,111.00		3,111.00
IV. Book value						
1. Closing book value	507,456,554.78			3,601,172.69	4,329,994.62	515,387,722.09
2. Opening book value	417,697,561.20			3,961,121.19	4,693,773.36	426,352,455.75

No intangible assets formed through internal research and development at period-end.

(2) Land use rights without property rights certificate

Unit: RMB

Item	Book value	Reasons for not completing property rights certificate application
Land-use rights	232,007,692.55	in process

Other information:

None

27. Development expenditure

Unit: RMB

Item	Opening balance	Increase in the period			Decrease in the period			Closing balance
		Internal development expenditure	Others		Recognized as intangible assets	Transferred to current profit and loss		

Other information:

None

28. Goodwill

(1) Original book value of goodwill

Unit: RMB

Name of the investee and item forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Formed by business combination		Disposal		
Shandong Kunzhong Real Estate Co., Ltd.	39,378,573.51					39,378,573.51
Nanjing Huiyue Hotel Management Co., Ltd.	60,489,146.87					60,489,146.87
Total	99,867,720.38					99,867,720.38

(2) Goodwill impairment provision

Unit: RMB

Name of the investee and item forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Accrual		Disposal		
Total						

Relevant information of asset group or combination of asset group where goodwill is located

The Company's acquisition of Shandong Kunzhong Real Estate Co., Ltd. in 2016 generated goodwill of RMB 39,378,573.51. The Company distributed the goodwill into relevant asset groups. The goodwill relevant asset groups consisted of long-term assets, goodwill and deferred tax liability. The recoverable amount of the asset groups is determined based on the net amount of fair value after deduction of the disposal expenses. The Company's acquisition of Nanjing Huiyue Hotel Management Co., Ltd. in 2018 generated goodwill of RMB 60,489,146.87. The Company distributed the goodwill into relevant asset groups. The goodwill relevant asset groups consisted of long-term assets, goodwill and deferred tax liability. The recoverable amount of the asset groups is determined based on the net amount of fair value after deduction of the disposal expenses.

Statement on the confirmation methods for the testing of goodwill impairment, key parameters (such as the growth rate in the forecast period when the present value of future cash flow is predicted, growth rate in the stable period, profit rate, discount rate, forecast period, etc.) and goodwill impairment loss:

Details on the method of goodwill impairment testing and provision for goodwill impairment are on Note V. 31, "Long-term Asset Impairment" of this report for reference.

The recoverable amount of the Company's asset groups containing goodwill is estimated according to the fair value of the asset groups containing goodwill after deduction of disposal expenses. For assets with fair value that can be referred to in the market, the market comparison method is applied to estimate, and at the same time, the difference about time, transaction, region and other factors are considered to determine the reference date fair value of the assets to be estimated. For other assets, the reference date fair value of the assets to be estimated will be measured by cost method based on the status quo of assets. The Company entrusted an asset appraisal company to test goodwill impairment. After the test, no impairment of goodwill was found, and no impairment provision was made.

Impact of goodwill impairment test

Other information

29. Long-term deferred expenses

Unit: RMB

Item	Opening balance	Increase in the period	Amortization in the period	Other decrease	Closing balance
Decoration expenditure	400,291,298.64	17,011,642.19	25,886,666.44		391,416,274.39
Marketing fee	4,647,461.46	124,000.00	281,139.54		4,490,321.92
Property and heating	552,757.48	82,887.94	47,434.94		588,210.48
Other	7,017,148.62	624,000.00	994,784.60		6,646,364.02
Total	412,508,666.20	17,842,530.13	27,210,025.52		403,141,170.81

30. Deferred tax assets and deferred tax liabilities

(1) Deferred income tax assets without offsetting

Unit: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	2,917,832.36	647,660.06	1,879,621.51	412,811.14
Deductible losses	84,774,502.49	21,193,625.63	84,774,502.49	21,193,625.63
Total	87,692,334.85	21,841,285.69	86,654,124.00	21,606,436.77

(2) Deferred income tax liabilities without offsetting

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Appraisal and appreciation of consolidated assets of non-identical controlled enterprises	360,122,696.52	90,030,674.13	365,183,429.96	91,295,857.49
Changes in fair value of other equity instrument investments	40,000,000.00	10,000,000.00	40,000,000.00	10,000,000.00
Changes in fair value of transactional financial assets held for trading	31,766,038.41	4,722,014.75	22,697,173.26	3,381,587.10
Total	431,888,734.93	104,752,688.88	427,880,603.22	104,677,444.59

(3) Deferred income tax assets or liabilities presented in net amount after offsetting

Unit: RMB

Item	Mutual offset amount at the end of the reporting period	Closing balance of deferred tax assets or liabilities after offset	Mutual offset amount at the end of the reporting period	Opening balance of deferred tax assets or liabilities after offset
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(4) Details of unrecognized deferred tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference		221,561.67
Deductible losses	153,903,457.17	55,733,407.18

Total	153,903,457.17	55,954,968.85
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(5) Deductible losses of unrecognized deferred income tax assets will expire in the following years

Unit: RMB

Year	Closing balance	Opening balance	Note
2021		10,989,030.45	
2022	119,383.82	119,383.82	
2023	11,480,964.23	11,480,964.23	
2024	9,916,453.43	9,975,369.01	
2025	22,613,078.75	23,168,659.67	
2026	109,773,576.94		
Total	153,903,457.17	55,733,407.18	--

Other information:

31. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayment for land	3,099,666.9 94.36		3,099,666.9 94.36	601,000.00 0.00		601,000.00 0.00
Investment funds	500,800.00 0.00		500,800.00 0.00	500,800.00 0.00		500,800.00 0.00
Prepayment for construction	152,033.62 6.50		152,033.62 6.50	35,584,390. 50		35,584,390. 50
Input tax to be deducted / to be certified	10,816,231. 50		10,816,231. 50	13,707,312. 81		13,707,312. 81
Total	3,763,316.8 52.36		3,763,316.8 52.36	1,151,091.7 03.31		1,151,091.7 03.31

32. Short-term borrowings

(1) Classification

Unit: RMB

Item	Closing balance	Opening balance
Pledge borrowings		479,768,050.00
Credit borrowings	3,875,201,272.25	3,496,251,279.22
Total	3,875,201,272.25	3,976,019,329.22

Description of the classification of short-term borrowings:

(2) Overdue short-term loans

The total amount of overdue short-term loans at the end of the period is RMB 0.00 , among which the important overdue short-term loans are as follows.

Borrower	Closing balance	Borrowing rates	Overdue time	Overdue interest rates
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33. Transactional financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
Inc:		
Inc:		

Other information:

None

34. Derivative financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
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Other information:

None

35. Notes payable

Unit: RMB

Category	Closing balance	Opening balance
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The amount of unpaid notes payable due by the end of current period is RMB 0.00.

36. Accounts payable

(1) List of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets payment	83,112,000.00	83,112,000.00
Project payments	50,477,611.42	53,138,461.93
Direct cost for class operating	3,876,587.87	47,005,391.45
Marketing fees	163,381.00	12,918,597.97
Decoration costs	12,241,210.93	11,312,336.01

Rent and property fees		4,337,615.50
Total	149,870,791.22	211,824,402.86

(2) Major accounts payable with account age over one year

Unit: RMB

Item	Closing balance	Causes for outstanding or carry-over
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37. Receipts in advance

(1) List of receipts in advance

Unit: RMB

Item	Closing balance	Opening balance
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(2) Major receipts in advance with account age over one year

Unit: RMB

Item	Closing balance	Causes for outstanding or carry-over
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38. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advanced receipts from training	4,228,450,064.98	4,925,351,396.44
Others	54,368.93	76,912.89
Total	4,228,504,433.91	4,925,428,309.33

Amount and reasons for major changes in book value in the period

Unit: RMB

Item	Changes in amount	Reasons for changes
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39. Employee compensation

(1) List of employee compensation

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
I. Short-term compensation	636,827,645.79	3,089,484,708.33	3,363,857,969.86	362,454,384.26
II. Post-employment welfare-defined contribution plan	620,788.20	190,838,474.97	182,273,212.70	9,186,050.47
III. Dismissal welfare		356,644.67	356,644.67	
Total	637,448,433.99	3,280,679,827.97	3,546,487,827.23	371,640,434.73

(2) List of short-term compensation

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
1. Wages or salaries, bonuses, allowances and subsidies	628,829,674.62	2,887,560,462.94	3,160,928,178.48	355,461,959.08
2. Staff welfare		9,591,743.11	9,591,743.11	
3. Social security contributions	6,950,840.17	115,339,522.25	115,976,797.12	6,313,565.30
Inc: Medical insurance	6,934,136.71	108,324,277.72	109,161,811.42	6,096,603.01
Employment injury insurance	3,575.24	3,657,756.77	3,446,907.76	214,424.25
Maternity insurance	13,128.22	3,357,487.76	3,368,077.94	2,538.04
4. Housing fund	1,041,581.00	76,918,831.83	77,282,458.19	677,954.64
5. Labor union expenditure and employee education expenditure	5,550.00	74,148.20	78,792.96	905.24
Total	636,827,645.79	3,089,484,708.33	3,363,857,969.86	362,454,384.26

(3) List of post-employment welfare-defined contribution plan

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
1. Basic endowment insurance	600,449.08	183,704,612.99	175,402,074.97	8,902,987.10
2. Unemployment insurance	20,339.12	7,133,861.98	6,871,137.73	283,063.37
Total	620,788.20	190,838,474.97	182,273,212.70	9,186,050.47

Other information:

None

40. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax	35,808,803.54	8,571,895.29

Corporate income tax	182,578.31	119,249,068.60
Individual income tax	278,487.34	160,427.08
City maintenance and construction tax	2,625,577.76	549,182.28
Property tax	1,307,267.91	1,251,091.59
Land use tax	955,384.35	806,176.59
Education surcharge	1,134,086.67	238,219.17
Others	873,430.65	285,710.18
Total	43,165,616.53	131,111,770.78

41. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Other payables	51,658,574.07	9,479,383.03
Total	51,658,574.07	9,479,383.03

(1) Interest payable

Unit: RMB

Item	Closing balance	Opening balance
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Major overdue interest payable:

Unit: RMB

Borrower	Amount outstanding	Reason
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Other information:

None

(2) Dividends payable

Unit: RMB

Item	Closing balance	Opening balance
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Other information including reasons for major dividends payable overdue for more than one year:

None

(3) Other accounts payable

1) List of other payables by nature of payment

Unit: RMB

Item	Closing balance	Opening balance
Current expense	42,805,952.64	1,597,271.61

Social security and housing fund	1,869,849.65	924,969.11
Reimbursed expenses and others	6,982,771.78	6,957,142.31
Total	51,658,574.07	9,479,383.03

2) Major other payables with account age over one year

Unit: RMB

Item	Closing balance	Causes for outstanding or carry-over
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Other information:

None

42. Held-for-sale liabilities

Unit: RMB

Item	Closing balance	Opening balance
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Other information:

None

43. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities due within one year	507,142,087.47	699,372,590.26
Total	507,142,087.47	699,372,590.26

44. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output tax to be transferred	126,855,133.02	147,765,156.66
Total	126,855,133.02	147,765,156.66

Changes in short-term bonds payable

Unit: RMB

Name of bond	Par value	Date of issuance	Bond period	Amount of issuance	Opening balance	Issuance in the period	Interest accrued at par value	Premium and discount amortization	Repay in the period	Closing balance
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Other information:

None

45. Long-term borrowings

(1) Category of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
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46. Bonds payable

(1) Bonds payable

Unit: RMB

Item	Closing balance	Opening balance
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(2) Changes in bonds payable (Excluding other financial instruments such as preferred stocks or perpetual bonds that are classified as financial liabilities)

Unit: RMB

Name of bond	Par value	Date of issuance	Bond period	Amount of issuance	Opening balance	Issuance in the period	Interest accrued at par value	Premium and discount amortization	Repay in the period		Closing balance
Total	--	--	--								

(3) Description of conversion conditions and conversion time of convertible corporate bonds

(4) Description of other financial instruments classified as financial liabilities

Information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Table of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Unit: RMB

Financial instruments issued	Opening		Increase in the period		Decrease in the period		Closing	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Explanation of the basis for classifying other financial instruments as financial liabilities

Other information

47. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease of premises and buildings	534,044,069.15	632,866,068.34

Total	534,044,069.15	632,866,068.34
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48. Long-term payable

Unit: RMB

Item	Closing balance	Opening balance
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(1) List of long-term payable by nature of payment

Unit: RMB

Item	Closing balance	Opening balance
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(2) Special payable

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance	Reason
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Other information:

49. Long-term employee compensation payable

(1) Long-term employee compensation payable

Unit: RMB

Item	Closing balance	Opening balance
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(2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

Unit: RMB

Item	Amount in the current period	Amount in the previous period
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Plan assets:

Unit: RMB

Item	Amount in the current period	Amount in the previous period
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Net liabilities of defined benefit plan (net assets)

Unit: RMB

Item	Amount in the current period	Amount in the previous period
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Description of the defined benefit plan's contents, relevant risks and impact on the Company's cash flow, time and uncertainty:

Description of the analysis result of the define benefit plan's significant actuarial assumptions and sensitivity:

Other information:

50. Estimated liabilities

Unit: RMB

Item	Closing balance	Opening balance	Reason
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51. Deferred income

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance	Reason
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Projects involving government subsidies

Unit: RMB

Item	Opening balance	Increased subsidies	Amount included in non-operating income	Amount included in other income	Amount of cost reduction	Other changes	Closing balance	Related to assets / income
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52. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
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Other information:

53. Share capital

Unit: RMB

	Opening balance	Changes in the current period (+/-)					Closing balance
		New shares issued	Bonus shares	Shares converted from capital reserve	Others	Subtotal	
Total number of shares	103,807,623.00						103,807,623.00

Other information:

None

54. Other equity instruments

(1) Information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the

period

None

(2) Changes for other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Unit: RMB

Financial instruments issued	Opening		Increase in the period		Decrease in the period		Closing	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Changes of other equity instruments in the current period, explanations of the reasons for the changes, and the basis for related accounting treatments:

Other information:

None

55. Capital reserve

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital premium (equity premium)	1,225,481,049.50			1,225,481,049.50
Total	1,225,481,049.50			1,225,481,049.50

Other information, including changes in the period and reasons for the changes:

None

56. Treasury stock

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance

Other information, including changes in the period and reasons for the changes:

None

57. Other comprehensive income

Unit: RMB

Item	Opening	Amount for the current period	Closing

	balance	Amount before income tax for the current period	Less: Earned to other comprehensive income in the previous period and transferred to profit and loss in the current period	Less: Earned to other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: income tax expenses	Attributable to the parent company, after tax	Attributable to minority shareholders after tax	balance
1. Other comprehensive income not reclassified into gains or losses	30,000,000.00							30,000,000.00
Changes in the fair value of other equity instrument investments	30,000,000.00							30,000,000.00
Total other comprehensive income	30,000,000.00							30,000,000.00

Other information: including the adjustment of the effective part of the cash flow hedge gains and losses converted into the initially confirmed amount of the hedged item:

None

58. Special reserve

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
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Other information including changes in the current period and the corresponding reasons:

None

59. Surplus reserve

Unit: RMB

Item	Opening balance	Increase in the current	Decrease in the current	Closing balance
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		period	period	
Statutory surplus reserve	45,000,000.00			45,000,000.00
Total	45,000,000.00			45,000,000.00

Information for surplus reserve, including the changes and the reasons in the current period:

None.

60. Retained earnings

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Retained earnings at the end of the previous period before adjustment	2,870,839,120.70	2,046,657,231.32
Retained earnings at the beginning of the year after adjustment	2,870,839,120.70	2,046,657,231.32
Add: net profit attributable to owners of the Parent Company for the current period	-97,162,509.03	2,304,357,742.74
Dividend payable for ordinary shares		1,480,175,853.36
Retained earnings at the end of the year	2,773,676,611.67	2,870,839,120.70

Details for the adjustment of the retained earnings at the beginning of the period:

- (1) The retained earnings at the beginning of the period impacted by the retroactive adjustment of the ASBE (Accounting Standards for Business Enterprises) and its new regulations: RMB 0.00 .
- (2) The retained earnings at the beginning of the period impacted by the changes in accounting policies: RMB0.00 .
- (3) The retained earnings at the beginning of the period impacted by the major accounting error correction: RMB0.00 .
- (4) The retained earnings at the beginning of the period impacted by the change of combination scope under common control: RMB0.00 .
- (5) The retained earnings at the beginning of the period impacted by other adjustments: RMB0.00 .

61. Revenue and operating cost

Unit: RMB

Item	Amount for the current period		Amount for the previous period	
	Revenue	Operating cost	Revenue	Operating cost
Main business	4,828,531,538.19	2,665,607,334.33	2,788,186,999.66	1,428,476,161.97
Other business	27,466,725.31	19,343,903.91	19,793,480.94	24,135,018.42
Total	4,855,998,263.50	2,684,951,238.24	2,807,980,480.60	1,452,611,180.39

Information about income:

Unit: RMB

Types of Contracts	Section 1	Section 2		Total
Inc:				
Inc:				
Inc:				
Inc:				
Inc:				
Inc:				
Inc:				

Information about the fulfillment of obligations:

None

Information about transaction price amortized in the rest of the obligation to be fulfilled:

The income from the unfulfilled or uncompleted obligation with signed contracts at the end of the reporting period:
RMB 0.00 .

Other information

62. Taxes and surcharges

Unit: RMB

Item	Amount for the current period	Amount for the previous period
City maintenance and construction tax	5,442,750.87	44,663.79
Education surcharge	3,893,418.07	36,306.17
Property tax	3,139,389.81	3,902,053.06
Land use tax	1,754,176.99	1,693,313.52
Vehicle and vessel use tax	90,412.50	99,003.90
Stamp tax	1,286,352.59	419,401.69
Others	211,050.16	82,890.91
Total	15,817,550.99	6,277,633.04

Other information:

None

63. Sales expenses

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Employee's benefits	692,182,853.04	514,355,130.96

Marketing fee	96,439,119.67	78,835,398.47
Rent property, depreciation and amortization expenses	107,794,443.67	62,420,815.84
Travel expenses	33,273,322.81	29,851,665.86
Others	46,282,733.64	15,354,442.79
Total	975,972,472.83	700,817,453.92

Other information:

None

64. General and administrative expenses

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Employee's benefits	408,979,549.36	348,545,272.28
Rent property, depreciation and amortization expenses	63,376,032.40	58,897,950.26
Office expenses	80,586,204.68	46,201,346.59
Share payments		26,900,000.00
Travel expenses	24,934,914.17	19,852,720.39
Welfare fee	7,656,913.34	2,910,382.85
Others	22,361,198.85	15,651,781.77
Total	607,894,812.80	518,959,454.14

Other information:

None

65. Research and development expenses

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Employee's benefits	506,860,968.14	364,891,204.61
Travel expenses	11,235,148.92	7,810,939.90
Others	24,779,695.37	10,525,386.50
Total	542,875,812.43	383,227,531.01

Other information:

None

66. Financial expenses

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Interest expenses	126,914,597.79	85,130,012.11
Less: Interest income	24,674,100.13	2,889,907.48
Service Charges	155,563,838.75	100,414,519.03
Total	257,804,336.41	182,654,623.66

67. Other income

Unit: RMB

Sources of other income	Amount for the current period	Amount for the previous period
Tax reduction and exemption	62,069,714.49	79,195,831.18
Subsidies for job security	998,635.38	4,606,016.51
Subsidies on insurance for the disabled	185,078.59	
Rent subsidy	109,500.00	49,680.00
Tax handling fee refund	98,186.92	483,555.74
Government rent subsidy	80,000.00	109,500.00
Small financial support income from the government	56,814.73	10,124.01
Total	63,597,930.11	84,454,707.44

68. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Dividend income from other equity instruments investment during the holding period	1,327,872.00	
Interest income obtained from debt investment during the holding period	31,184,646.29	37,890,649.58
Investment income from financial product	28,910,968.77	90,927,476.86
Total	61,423,487.06	128,818,126.44

Other information:

None

69. Net exposure hedging income

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Other information:

None

70. Gains from changes in fair values

Unit: RMB

Sources of gains from changes in fair values	Amount for the current period	Amount for the previous period
Transactional financial assets	9,068,865.15	
Total	9,068,865.15	

Other information:

None

71. Impairment losses of credit

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Loss on bad debts of other receivables	-355,501.83	
Loss on bad debts of receivables	-1,093,651.92	-770,761.79
Total	-1,449,153.75	-770,761.79

Other information:

72. Impairment losses of assets

Unit: RMB

Item	Amount for the current period	Amount for the previous period

Other information:

None

73. Income from assets disposal

Unit: RMB

Sources of income from assets disposal	Amount for the current period	Amount for the previous period
Fixed assets	55,159.74	162,043.59
Investment properties	-223,987.77	
Total	-168,828.03	162,043.59

74. Non-operating income

Unit: RMB

Item	Amount for the current period	Amount for the previous period	Amount included in current non-recurring gains and losses
Governmental subsidy		19,800.00	

Others	37,698.84	348.00	37,698.84
Total	37,698.84	20,148.00	37,698.84

Government subsidy reckoned into current gains and losses:

Unit: RMB

Item	Entity	Purpose	Type	Whether the subsidy impacts the gain/loss of the year	Whether it is special subsidy	Amount for the current period	Amount for the previous period	Related to assets/income
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Other information:

None

75. Non-operating expenses

Unit: RMB

Item	Amount for the current period	Amount for the previous period	Amount included in the current non-recurring gains or losses
Outward donation	100,001.18	90,002.28	100,001.18
Forfeiture and overdue fine	192,888.57	3,500.00	192,888.57
Loss of non-current assets disposal	5,264.50		5,264.50
Expenses on compensations	50,900.00		50,900.00
Total	349,054.25	93,502.28	349,054.25

Other information:

None

76. Income tax expenses

(1) Statement of income tax expenses

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Current income tax expense	167,187.30	4,399.43
Deferred income tax expense	-159,604.63	9,051,295.01
Total	7,582.67	9,055,694.44

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

Unit: RMB

Item	Amount for the current period
Total profit	-97,157,015.07

Income tax expenses calculated at statutory/applicable tax rate(s)	-14,573,552.26
Impact from different tax rates applicable to subsidiaries	-1,758,854.01
Impact from adjustment of previous periods income tax	57,195.60
Impact from non-taxable income	-331,968.00
Impact from non-deductible cost, expense and loss	89,605.73
Impact from using deductible losses of previously unrecognized deferred income tax assets	-67,674.20
Impact from deductible temporary differences or deductible losses of deferred income tax assets unrecognized in the current period	16,592,829.81
Expense of income tax	7,582.67

Other information:

None

77. Other comprehensive income

For details, please refer to Note VII(57) “Other comprehensive income” of this report.

78. Cash flow statement items

(1) Other cash received related to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Deposits and guarantees	28,930,208.62	5,802,263.50
Government subsidy and other non-operating income	1,528,215.62	5,403,032.41
interest income	24,674,100.13	2,889,907.48
Reserve funds	67,210.12	43,861.00
Reimbursed expenses and others	11,835.47	
Total	55,211,569.96	14,139,064.39

Information of cash received from other operating activities:

None

(2) Other Cash paid related to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Daily expenses	332,369,243.27	468,436,624.08
Service charges	117,563,838.75	77,914,519.03
Deposits and guarantees	107,899,911.95	74,271,198.10

Non-operating expenses	343,789.75	93,502.28
Reserve funds	372,060.12	259,882.23
Total	558,548,843.84	620,975,725.72

Information of cash paid for other operating activities:

None

(3) Other cash received related to investment activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Information of cash received from other investment activities:

None

(4) Other cash paid related to investment activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Information of cash paid for other investment activities:

None

(5) Other cash received related to fundraising activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Information of cash received from other fundraising activities:

None

(6) Other cash paid related to fundraising activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Service charges		333,478.85
Rental payment	392,129,451.92	
Total	392,129,451.92	333,478.85

Information of cash paid for other fundraising activities:

None

79. Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Unit: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Net profit adjusted to cash flow of operating activities:	--	--
Net profit	-97,164,597.74	-233,032,328.60
Add: Provision for impairment of assets	1,449,153.75	770,761.79
Depreciation of fixed assets and productive biological assets, and depletion of oil and gas assets	53,128,042.71	40,449,626.79
Depreciation of right-of-use assets	223,626,364.59	
Amortization of intangible assets	7,707,983.66	3,377,910.95
Amortization of long-term deferred expense	25,886,666.44	31,958,369.36
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "-")	168,828.03	-162,043.59
Losses on write-off of fixed assets (gains are indicated by "-")		
Losses on changes in fair values (gains are indicated by "-")	-9,068,865.15	
Financial expenses (income is indicated by "-")	126,914,597.79	85,130,012.11
Losses from investments (gains are indicated by "-")	-61,423,487.06	-128,818,126.44
Decrease in deferred income tax assets (increase is indicated by "-")	-234,848.92	10,319,742.19
Increase in deferred income tax liabilities (decrease is indicated by "-")	75,244.29	-1,268,447.18
Decrease in inventories (increase is indicated by "-")		
Decrease in operating receivables (increase is indicated by "-")	-142,759,060.10	-198,166,879.62
Increase in operating payables (decrease is indicated by "-")	-1,067,397,480.24	4,426,216,906.43
Others		26,900,000.00
Net cash flow from operating activities	-939,091,457.95	4,063,675,504.19
2. Significant investment and financing activities involving cash flow:	--	--
Conversion of debt into capital		
Convertible bonds due within 1 year		
Fixed assets acquired under financing lease		

3. Net changes in cash and cash equivalents:	--	--
Closing balance of cash	3,560,210,085.18	4,665,798,912.43
Less: Opening balance of cash	5,950,036,489.12	2,724,335,001.58
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase of cash and cash equivalents	-2,389,826,403.94	1,941,463,910.85

(2) Net cash paid for acquiring subsidiaries for the current period

Unit: RMB

	Amount
Inc:	--
Inc:	--
Inc:	--

Other information:

None

(3) Net cash acquired from disposal of subsidiaries in the current period

Unit: RMB

	Amount
Inc:	--
Inc:	--
Inc:	--

(4) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	3,560,210,085.18	5,950,036,489.12
Including: Cash on hand	90,792.90	67,906.76
Cash on bank available for payment at any time	3,366,159,584.89	5,881,843,030.73
Other monetary funds available for payment at any time	193,959,707.39	68,125,551.63
III. Closing balance of cash and cash equivalent	3,560,210,085.18	5,950,036,489.12

80. Notes on statement of changes in owners' equity

Explanation of the adjustment of name of "other items" and the amount to the closing balance at the end of the previous year:

Not applicable

81. Assets with restricted ownership or rights of use

Unit: RMB

Item	Closing book value	Reason for restriction
Monetary funds	358,600.00	guarantees
Total	358,600.00	—

82. Monetary items denominated in foreign currency

(1) Monetary items denominated in foreign currency

Unit: RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance of RMB converted
Monetary funds	—	—	
Inc: USD			
EURO			
HKD			
Accounts receivable	—	—	
Inc: USD			
EURO			
HKD			
Long-term borrowings	—	—	
Inc: USD			
EURO			
HKD			

(2) Descriptions for out-bound operational entity, including the disclosure of important out-bound entity's principal place of business, recording currency and the basis of selection. Reasons should be revealed if the recording currency changes.

Applicable Not applicable

83. Hedging

Disclosure of hedging items, related hedging tools and the qualitative and quantitative information on hedged risks according to hedge categories:

Not applicable

84. Government subsidies

(1) General information of Government subsidies

Unit: RMB

Types	Amount	Listed items	Amount included in current gains and losses
Subsidy for job security	998,635.38	Other income	998,635.38
Rent subsidy	109,500.00	Other income	109,500.00
Government rent subsidy	80,000.00	Other income	80,000.00
Small financial support income from the government	56,814.73	Other income	56,814.73
Subsidies on insurance for the disabled	185,078.59	Other income	185,078.59
Total	1,430,028.70		1,430,028.70

(2) Refund of government subsidies

Applicable Not applicable

Other information:

None

85. Others

None

Section VIII. Changes in the Consolidation Scope

1. Consolidation of non-identical controlled enterprises

(1) Consolidation of non-identical controlled enterprises for the current period

Unit: RMB

Name of the acquiree	Time of acquiring equity	Cost of acquiring equity	Proportion of equity acquisition	Ways of acquiring equity	Date of acquisition	Basis of determining the date of acquisition	Income of the acquiree from the purchase date to the end of the period	Net profit of the acquiree from the purchase date to the end of the period

Other information:

None

(2) Merger costs and goodwill

Unit: RMB

Merger costs	
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Explanation of the method of determining the fair value of the merger costs, and contingent consideration and its changes:

The main reasons for the formation of large amount of goodwill:

(3) The identifiable assets and liabilities of the acquiree at the date of acquisition

Unit: RMB

	Fair value at the date of acquisition	Book value of the date of acquisition

The method of determining the fair value of identifiable assets and liabilities:

The contingent liabilities of the acquiree assumed in the business combination:

Other information:

(4) Gains or losses arising from re-measurement of equity held before the purchase date at fair value

Whether there is a transaction that realizes business combination step by step through multiple transactions and obtains control during the reporting period

Yes No

(5) Relevant descriptions about the failure of determining the merger consideration or the fair value of the identifiable assets and liabilities of the acquiree on the date of acquisition or at the end of the merger period

(6) Other information

2. Consolidation of identical controlled enterprises

(1) Consolidation of identical controlled enterprises for the current period

Unit: RMB

Name of the merged party	Equity ratio obtained in the business combination	Basis for business combination under common control	Date of business combination	Basis of determining the combination date	Income of the merged party from the beginning of combination period to the combination date	Net profit of the merged party from the beginning of the combination period to the combination date	Income of the merged party during the comparison period	Net profit of the merged party during the comparison period

Other information:

(2) Merger costs

Unit: RMB

Merger costs	
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Descriptions for the contingent consideration and its changes:

None

(3) Book value of assets and liabilities of the merged party on the combination date

Unit: RMB

	Combination date	End of the previous period

Contingent liabilities of the merged party assumed in the business combination:

None

3. Reverse purchase

Basic information of the transaction, the basis for recognizing the transaction as reverse purchase, whether the assets and liabilities retained by the listed company constitute a business and its basis, the determination of the merger cost, the adjustment amount of equity and its calculation method when treated as equity transactions:

None

4. Disposal of subsidiaries

Whether there is a situation where a single disposal of the investment in the subsidiary results in the loss of control

Yes No

Whether there is a situation where the investment in the subsidiary disposed step by step through multiple transactions results in the loss of control in the current period

Yes No

5. Changes in the scope of consolidation due to other reasons

Explanation of the changes in the scope of consolidation caused by other reasons (such as newly established subsidiaries, liquidation subsidiaries, etc.) and the relevant circumstances:

Company	Shareholding ratio (%)	Reasons of changes
Anshan Tiedong Offcn Education Training School Co.,Ltd.	100.00	New establishment
Diqing Offcn Training School Co. Ltd	100.00	New establishment
Wenling Offcn Information Consultancy Co. Ltd.	100.00	New establishment

6. Others

Section IX. Interest In Other Entities

1. Interest in subsidiaries

(1) Composition of the Company

Name of subsidiaries	Principal place of business	Place of registration	Nature of business	Shareholding ratio		Acquisition method
				Direct	Indirect	
1. Offcn Ltd.	Beijing	Beijing	Service industry	100.00%		Reverse purchase
2. Wuhu Yawei Automobile Sales Service Co., Ltd	Wuhu	Wuhu	Merchandise sales, etc.	100.00%		New establishment
3. Ningguo Yaxia Automobile Driver Training School (Co., Ltd.)	Ningguo	Ningguo	Service industry	100.00%		New establishment
4. Huangshan Yaxia Fudi Automobile Sales Services Co., Ltd.	Huangshan	Huangshan	Merchandise sales, etc.	100.00%		New establishment
5. Chaohu Yaxia Kaixuan Automobile Sales Services Co., Ltd.	Hefei	Hefei	Merchandise sales, etc.	100.00%		New establishment
6. Bozhou Yaxia Automobile Driver Training School Co., Ltd.	Bozhou	Bozhou	Service industry	100.00%		New establishment
7. Suzhou Bokai Automobile Sales Services Co., Ltd.	Suzhou	Suzhou	Merchandise sales, etc.	100.00%		Acquisition
8. Beijing Offcn Future Education Technology Co. Ltd.	Beijing	Beijing	Service industry	100.00%		New establishment
9. Beijing Offcn Future Research Education Technology Co., Ltd.	Beijing	Beijing	Service industry		100.00%	New establishment
10. Shaanxi Offcn Education Technology Co. Ltd.	Xi'an	Xi'an	Service industry		100.00%	New establishment
11. Chengdu Offcn Future Education Training School Co. Ltd.	Chengdu	Chengdu	Service industry		100.00%	New establishment
12. Zhejiang Offcn Education Technology Co. Ltd.	Hangzhou	Hangzhou	Service industry		100.00%	New establishment
13. Taizhou Offcn Future Enterprise Management	Taizhou	Taizhou	Service		100.00%	New

Consulting Co., Ltd.			industry			establishment
14. Beijing Offcn Xinzhiyu Online Technology Co., Ltd.	Beijing	Beijing	Service industry		100.00%	New establishment
15. Hulunbuir Hailar Offcn Education Information Consulting Co., Ltd.	Hulunbuir	Hulunbuir	Service industry		100.00%	New establishment
16. Xilinhot Offcn Future Education Consulting Co., Ltd.	Xilinhot	Xilinhot	Service industry		100.00%	New establishment
17. Yueqing Lecheng Offcn Training Center Co., Ltd.	Yueqing	Yueqing	Service industry		100.00%	New establishment
18. Jiaozuo Offcn Future Education Service Co., Ltd.	Jiaozuo	Jiaozuo	Service industry		100.00%	New establishment
19. Xinzheng Offcn Cultural Communication Co., Ltd.	Zhengzhou	Zhengzhou	Service industry		100.00%	New establishment
20. Chongqing Jiangbei Offcn Vocational Examination Training Co., Ltd.	Chongqing	Chongqing	Service industry		100.00%	New establishment
21. Nanning Offcn Future Education Consulting Co., Ltd.	Nanning	Nanning	Service industry		100.00%	New establishment
22. Baiyin Offcn Future Education Consulting Co., Ltd.	Baiyin	Baiyin	Service industry		100.00%	New establishment
23. Beijing Xindezhiyuan Enterprise Management Consulting Co., Ltd.	Beijing	Beijing	Service industry		100.00%	New establishment
24. Nanjing Huiyue Hotel Management Co., Ltd.	Nanjing	Nanjing	Service industry		100.00%	Acquisition
25. Shandong Kunzhong Real Estate Co., Ltd.	Jinan	Jinan	Service industry		100.00%	Acquisition
26. Sanmenxia Offcn Cultural Communication Co., Ltd.	Sanmenxia	Sanmenxia	Service industry		100.00%	New establishment
27. Liaoning Offcn Academic & Cultural	Shenyang	Shenyang	Service		100.00%	New

Exchange Co., Ltd.			industry			establishment
28. Liaoning Offcn Education Technology Co., Ltd.	Shenfuxinqu	Shenfuxinqu	Service industry		100.00%	New establishment
29. Shandong Offcn Education Technology Co., Ltd.	Qingdao	Qingdao	Service industry		100.00%	New establishment
30. Jilin Changyi Offcn Education Training School Co., Ltd.	Jilin	Jilin	Service industry		100.00%	New establishment
31. Yuxi Offcn Training School Co., Ltd.	Yuxi	Yuxi	Service industry		100.00%	New establishment
32. Tonghua Offcn Training School Co., Ltd.	Tonghua	Tonghua	Service industry		100.00%	New establishment
33. Hunan Lighsalt Offcn Education Technology Co., Ltd.	Changsha	Changsha	Service industry		90.00%	New establishment
34. Tianjin Hexi Offcn Training School Co., Ltd.	Tianjin	Tianjin	Service industry		100.00%	New establishment
35 Chengdu Offcn Education Training School Co., Ltd.	Chengdu	Chengdu	Service industry		100.00%	New establishment
36. Shandong Zhuoda Business Management Co., Ltd.	Rizhao	Rizhao	Service industry		100.00%	New establishment
37. Liaoning Zhongcheng Real Estate Development Co., Ltd.	Shenfuxinqu	Shenfuxinqu	Real estate		100.00%	Acquisition
38. Wuhu Offcn Training School Co. Ltd.	Wuhu	Wuhu	Service industry		100.00%	New establishment
39. Wuhan Guoshang Human Resource Service Co., Ltd.	Wuhan	Wuhan	Service industry		100.00%	New establishment
40. Jinan Zhangqiu Offcn Training School Co. Ltd.	Jinan	Jinan	Service industry		100.00%	New establishment

41. Mengzi Offcn Education Training Co. Ltd.	Mengzi	Mengzi	Service industry		100.00%	New establishment
42. Beijing Offcn Technology Development Co. Ltd	Beijing	Beijing	Service industry		100.00%	New establishment
43. Shanghai Offcn Education Technology Co. Ltd.	Shanghai	Shanghai	Service industry		100.00%	New establishment
44. Guangzhou Offcn Smart Education Technology Co. Ltd.	Guangzhou	Guangzhou	Service industry		100.00%	New establishment
45. Pingshan Offcn Education Technology Co. Ltd.	Shijiazhuang	Shijiazhuang	Service industry		100.00%	New establishment
46. Shandong Offcn Education Training School Co. Ltd.	Jinan	Jinan	Service industry		100.00%	New establishment
47. Lanzhou Offcn Education Training School Co. Ltd.	Lanzhou	Lanzhou	Service industry		100.00%	New establishment
48. Diqing Offcn Training School Co., Ltd.	Diqing	Diqing	Service industry		100.00%	New establishment
49. Anshan Tiedong Offcn Education Training School Co., Ltd.	Anshan	Anshan	Service industry		100.00%	New establishment
50. Wenling Offcn Information Consultancy Co. Ltd.	Wenling	Wenling	Service industry		100.00%	New establishment

Explanation of the differences between the percentage of shares held in the subsidiary and the voting rights ratio:

None

Basis for the case of holding half or less of the voting rights but still controlling the investee, or holding more than half of the voting rights but not controlling the investee:

None

Basis for the important structured entities included in the scope of consolidation:

None

Basis for determining whether the Company is an agent or a principal:

None

Other information:

None

(2) Major non-wholly owned subsidiary

Unit: RMB

Name of the subsidiary	Minority Shareholding Ratio	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	The balance of minority shareholders' equity at the end of the period

Explanation for the differences between the ratio of the minority shareholders' shareholding and the voting rights ratio:

None

(3) Major financial information of important non-wholly owned subsidiaries

Unit: RMB

Name of the subsidiary	Closing balance						Opening Balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities

Unit: RMB

Name of the subsidiary	Amount for the current period				Amount for the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities

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

None

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

None

2. Changes in the ownership share of the subsidiary and still controlling the subsidiary's transactions

(1) Explanation of changes in the ownership share of subsidiaries

None

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

Unit: RMB

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3. Interests in joint arrangements or joint ventures

(1) Significant joint ventures and associates

Name of joint ventures and associates	The principal place of business	The place of registration	Business nature	Shareholding ratio		Accounting treatment of investment in joint ventures or associates
				Direct	Indirect	

Explanation of the differences between the shareholding ratio in a joint venture or an associate and that of the voting rights ratio:

Basis for the case of holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

(2) Main financial information of important joint ventures

Unit: RMB

	Closing balance / Amount for the current period	Opening Balance/ Amount for the previous period
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(3) Main financial information of important associates

Unit: RMB

	Closing balance / Amount for the current period	Opening Balance/ Amount for the previous period
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(4) Summary financial information of unimportant joint ventures and associates

Unit: RMB

	Closing balance / Amount for the current period	Opening Balance/ Amount for the previous period
Joint ventures:	--	--
Total of the following items calculated by shareholding ratio	--	--
Associates:	--	--
Total of the following items calculated by	--	--

shareholding ratio		
--------------------	--	--

Other information:

(5) Explanation of significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

(6) Excess losses incurred by joint ventures or associates

Unit: RMB

Name of joint ventures or associates	Unrecognized loss accumulated in the previous period	Unrecognized loss in the current period (or net profit shared in the current period)	Accumulated unrecognized loss at the end of the period

Other information:

(7) Unconfirmed commitments related to joint venture investment

(8) Contingent liabilities related to investment in joint ventures or associates

4. Important joint business

Name of joint business	The principal place of business	The place of registration	Business nature	Shareholding ratio/shares	
				Direct	Indirect

Explanation of the differences of the shareholding ratio or the shares enjoyed in the joint operation from that of the voting rights:

Basis for classification as a joint operation if the joint operation is a separate entity:

Other information:

5. Equity in structured entities not included in the scope of consolidated financial statements

Explanation of structured entities not included in the scope of consolidated financial statements:

6. Others

Section X. Risks Associated with Financial Instruments

1. Classification of financial instruments

The Company's main financial instruments include monetary funds, transactional financial assets, accounts receivable, other receivables, debt investments, other equity investment, and other non-current financial assets, etc. The risks associated with these financial instruments and the risk management policies adopted by the Company to reduce these risks are described below. The Company's management manages and monitors these risk exposures to ensure that the risks are confined to a defined range.

Risk management objectives and policies: The Company's risk management is to strike an appropriate balance between risks and benefits, minimize the negative impact of risks on the Company's business performance and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Company's risk management is to determine and analyze various risks faced by the Company,

establish an appropriate bottom line for risk tolerance, make risk management and timely and reliably supervise and confine various risks to a defined range.

The main risks caused by the Company's financial instruments are credit risk, liquidity risk and market risk..

1.1 Book value of various financial assets on the balance sheet date

(1) June 30, 2021

Unit: RMB

Item	Financial assets measured at amortized cost	Financial assets	Financial assets	<u>Total</u>
		measured at fair value and with variation reckoned into current gains/losses	measured at fair value and with variation reckoned into other comprehensive income	
Monetary funds	3,560,568,685.18			<u>3,560,568,685.18</u>
Transactional financial assets		178,565,832.93		<u>178,565,832.93</u>
Accounts receivable	32,423,539.80			<u>32,423,539.80</u>
Other receivables	382,044,846.69			<u>382,044,846.69</u>
Non-current assets due within one year	20,027,866.69			<u>20,027,866.69</u>
Other current assets	912,743,507.12			<u>912,743,507.12</u>
Investment in other equity instruments			152,800,000.00	<u>152,800,000.00</u>
Other non-current financial assets		210,299,205.48		<u>210,299,205.48</u>

(2) January 1, 2021

Unit: RMB

Item	Financial assets measured at amortized cost	Financial assets	Financial assets	<u>Total</u>
		measured at fair value and with variation reckoned into current gains/losses	measured at fair value and with variation reckoned into other comprehensive income	
Monetary funds	5,950,395,089.12			<u>5,950,395,089.12</u>
Transactional financial assets		983,205,858.25		<u>983,205,858.25</u>
Accounts receivable	21,493,637.66			<u>21,493,637.66</u>

Other receivables	304,318,966.20	<u>304,318,966.20</u>
Non-current assets due within one year	1,985,873,462.75	<u>1,985,873,462.75</u>
Other current assets	41,832,345.30	<u>41,832,345.30</u>
Investment in other equity instruments	152,800,000.00	<u>152,800,000.00</u>
Other non-current financial assets	208,450,315.01	<u>208,450,315.01</u>

1.2 Book value of various financial assets on the balance sheet date

(1) June 30, 2021

Unit: RMB

Item	Financial liabilities measured at fair value and		Total
	with variation reckoned into current gains/losses	Other financial liabilities	
Short-term borrowings		3,875,201,272.25	<u>3,875,201,272.25</u>
Accounts payable		149,870,791.22	<u>149,870,791.22</u>
Other payables		51,658,574.07	<u>51,658,574.07</u>

(2) January 1, 2021

Unit: RMB

Item	Financial liabilities measured at fair value and		Total
	with variation reckoned into current gains/losses	Other financial liabilities	
Short-term borrowings		3,976,019,329.22	<u>3,976,019,329.22</u>
Accounts payable		211,824,402.86	<u>211,824,402.86</u>
Other payables		9,479,383.03	<u>9,479,383.03</u>

2. Credit risk

The financial assets of the Company include monetary funds, transactional financial assets, accounts receivable, other receivables, etc. The credit risk of these financial assets is caused by the default of the counterparty. The maximum risk exposure is equal to the book amount of these instruments, including:

The Company's working capital is deposited in banks with high credit rating, so the credit risk of working capital is low.

The biggest credit risk to the Company is the book value of accounts receivable and other receivables in the

consolidated balance sheet. The Company continuously monitors the balance of accounts receivable and other receivables to ensure that the overall credit risk of the company is under control. The quantitative data of the Company's credit risk exposure arising from accounts receivable and other receivables can be found in Note VII (5) "Accounts receivable " and Note VII (8) "Other receivables".

3. Liquidity risk

The Company adopts the revolving liquidity plan tool to manage the risk of capital shortage. The facility considers both the maturity date of its financial instruments and the expected cash flow generated by the company's operations.

The goal of the Company is to maintain the balance between the sustainability and flexibility of financing through a variety of financing instruments, including bank loans and other interest-bearing loans.

When managing liquidity risks, the Company shall maintain sufficient cash and cash equivalents as deemed by the management and monitor them to meet the Company's operational needs and reduce the impact of cash flow fluctuations. The managements monitor the use of bank loans and ensure compliance with loan agreements.

Maturity analysis of financial liabilities based on undiscounted contract cash flow:

Unit: RMB

Item	June 30, 2021			Total
	Within 1 year	1-5 years	Over 5 years	
Short-term borrowings	3,875,201,272.25			<u>3,875,201,272.25</u>
Accounts payable	149,870,791.22			<u>149,870,791.22</u>
Other payables	51,658,574.07			<u>51,658,574.07</u>

Continued table:

Unit: RMB

Item	January 1, 2021			Total
	Within 1 year	1-5 years	Over 5 years	
Short-term borrowings	3,976,019,329.22			<u>3,976,019,329.22</u>
Accounts payable	211,824,402.86			<u>211,824,402.86</u>
Other payables	9,479,383.03			<u>9,479,383.03</u>

4. Market risk

Market risk refers to the risk that the fair value of financial instruments or future cash flow fluctuates due to changes in market prices, including interest rate risk and foreign currency risk.

4.1. Interest rate risk

None

4.2. Exchange rate risk

None

Section XI. Fair Value Disclosure

1. The financial assets and financial liabilities measured at fair value at the end of the reporting period

Unit: RMB

Item	Closing fair value			
	Level 1	Level 2	Level 3	Total
I. Continuous fair value measurement	--	--	--	--
1. Transactional financial asset		350,815,038.41	38,050,000.00	388,865,038.41
(1) Financial asset at fair value through profit or loss		350,815,038.41	38,050,000.00	388,865,038.41
① Debt instruments		350,815,038.41	38,050,000.00	388,865,038.41
3. Other equity instruments			152,800,000.00	152,800,000.00
Total assets measured continuously at fair value		350,815,038.41	190,850,000.00	541,665,038.41
II. Non-continuous fair value measurement	--	--	--	--

2. The basis for determining the market price of sustainable and non-sustainable fair value measurement items at the first level

None.

3. Information on the valuation technique and qualitative and quantitative for important parameters adopted as for sustainable and non-sustainable second-level fair value measurement items

The Company's sustainable second-level fair value measurement items are mainly financial products. The fair value is determined by the discounted cash flow method and the expected rate of return.

4. Information on the valuation technique and qualitative and quantitative for important parameters adopted as for sustainable and non-sustainable third-level fair value measurement items

The Company's sustainable third-level fair value measurement items are mainly non-tradable equity instruments investment and debt instruments investment. The fair value is determined by market method and liquidity discount.

5. Adjustment information between opening and closing book value and sensitivity analysis of unobservable parameters as for third-level fair value measurement items

None.

6. Reasons for the conversion between different levels during the current period and the policy to determine

the conversion point as for continuous fair value measurement items

None.

7. Valuation technical changes occurred during the period and the reasons for the changes

None.

8. The fair value of financial assets and financial liabilities not measured at fair value

None.

9. Others

None.

Section XII. Related Party and Related Transactions**1. Parent company of the Company**

Name of the Parent Company	Place of registration	Nature of business	Registered capital	The parent company's shareholding ratio in the Company	Proportion of voting rights of the parent company to the Company

The Company is ultimately controlled by Li Yongxin and Lu Zhongfang.

Other explanation:

The Company is ultimately controlled by Li Yongxin and Lu Zhongfang. As of June 30, 2021, the combined shareholding of Li Yongxin and Lu Zhongfang accounted for 61.01% of the Company's share capital.

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, see Note IX (1) "Interest in subsidiaries".

3. Joint ventures and associates of the Company

The important joint ventures or associates of the company are detailed in the notes.

The information of other joint ventures or associates that have related party transactions with the Company in the current period or that have related party transactions with the Company in the previous period to form a balance is as follows:

Name of joint ventures or associates	Relationship with the Company

Other information:

4. Other related parties of the Company

Name of other related parties	Relationship between other related parties and the Company
Li Yongxin	Actual controller

Beijing Qianqiu Intelligence Book & Media Co., Ltd.	Same ultimate controller
Beijing Haidian Offcn Training School	Same ultimate controller
Jinan Offcn Training School	Same ultimate controller
Kunming Wuhua Offcn Training School	Same ultimate controller
Baoding Lianchi Offcn Training School	Same ultimate controller
Beijing Haidian Baoquan Financial Training Centre	Same ultimate controller
Cangzhou Yunhe Offcn Training School	Same ultimate controller
Chengdu Wuhou Offcn Training School	Same ultimate controller
Cifeng Hongshan Offcn Training Centre	Same ultimate controller
Dezhou Offcn Training School	Same ultimate controller
Haikou Meilan Offcn Training School	Same ultimate controller
Handan Congtai Offcn Training School	Same ultimate controller
Hegang Offcn Training School	Same ultimate controller
Heihe Aihui Offcn Training School	Same ultimate controller
Kiamusze Offcn Training School	Same ultimate controller
Leshan Shizhong Offcn Training School	Same ultimate controller
Mudanjiang Offcn Training School	Same ultimate controller
Qiqihar Tiefeng Offcn Training School	Same ultimate controller
Shaoyang Shuangqing Offcn Training School	Same ultimate controller
Tangshan Lunan Offcn Training School	Same ultimate controller
Weifang Offcn Training School	Same ultimate controller
Urumqi Shayibake Offcn Training School	Same ultimate controller
Yiyang Heshan Offcn Training School	Same ultimate controller
Shenyang Lijing Pearl Hotel Management Co., Ltd.	A company controlled by our executives and core employees
Beijing Taifu Hotel Management Co., Ltd.	A company controlled by our executives and core employees
Beijing Xingshou Fuyuan Plantation	A company controlled by Xu Hua, spouse of Li Yongxin, the controlling shareholder and actual controller of the Company
Wang Zhendong	The Company's director/ senior manager/ shareholder who directly hold more than 5% (including 5%) of the Company's shares
Shi Lei	Director of the Company
Yi Ziting	Director of the Company
Wang Qiang	Independent director of the Company
Tong Yan	Independent director of the Company
Zhang Xuanming	Independent director of the Company

Yu Hongwei	Supervisor of the Company
Li Wen	Supervisor of the Company
He Di	Supervisor of the Company
Wang Xuejun	Senior management of the Company
He Youli	Senior management of the Company
Gui Hongzhi	Senior management of the Company
Luo Xue	Senior management of the Company
Li Lin	Core technique staff of the Company
Liu Yan	Core technique staff of the Company
Zhang Hongjun	Core technique staff of the Company

Other information:

5. Related-party transactions

(1) Related transactions in the purchase and sale of goods, provision and receipt of labor services

Table of the procurement of goods/ acceptance of labor services

Unit: RMB

Related parties	Content of related party transaction	Amount for the current period	Transaction amount granted	Whether it exceeds the transaction limit (Y/N)	Amount for the previous period
Beijing Taifu Hotel Management Co., Ltd.	Accommodation and catering services	11,802,340.00	40,000,000.00	N	8,245,500.00
Baoding Lianchi Offcn Training School	Joint school running	50,000.00		N	30,000.00
Cangzhou Yunhe Offcn Training School	Joint school running	50,000.00		N	30,000.00
Chengdu Wuhou Offcn Training School	Joint school running	50,000.00		N	40,000.00
Handan Congtai Offcn Training School	Joint school running	50,000.00		N	30,000.00
Heihe Aihui Offcn Training Center	Joint school running	31,500.00		N	36,998.00
Kiamusze Offcn Training School	Joint school running	30,000.00		N	24,000.00
Leshan Shizhong Offcn Training School	Joint school running	40,000.00		N	35,000.00
Mudanjiang Offcn Training School	Joint school	27,500.00		N	22,800.00

	running				
Qiqihar Tiefeng Offcn Training School	Joint school running	0.00		N	47,800.00
Tangshan Lunan Offcn Training School	Joint school running	50,000.00		N	30,000.00
Weifang Offcn Training School	Joint school running	0.00		N	71,100.00
Yiyang Heshan Offcn Training School	Joint school running	0.00		N	50,000.00
Haikou Meilan Offcn Training School	Joint school running	0.00		N	20,000.00
Zhanjiang Xiashan Offcn Training Center	Joint school running	140,000.00		N	0.00
Shaoyang Shuangqing Offcn Training School	Joint school running	60,000.00		N	0.00
Urumqi Shayibake Offcn Training Center	Joint school running	143,500.00		N	0.00

Sales of goods/ Table of provision of services

Unit: RMB

Related parties	Content of related party transaction	Amount for the current period	Amount for the previous period
Beijing Qianqiu Intelligence Book & Media Co., Ltd.	Exhibition services	1,435,849.06	1,179,245.28

Explanations for the procurement and sales of goods and rendering and receiving service:

None

(2) Related fiduciary management / contracting and entrusted management / outsourcing

The table of the Company's fiduciary management / contracting:

Unit: RMB

Name of entruster /outsourcer	Name of trustee / contractor	Type	Start date	Termination Date	The pricing basis of custody income / contracting income	Recognized custody income / contracting income for the current period
Li Yongxin	Offcn Ltd.	33 private schools	October 19, 2018		All reasonable returns on the entrusted assets	

Explanations for related entrustment and contracting:

None

The table of the Company's entrusted management and outsourcing

Unit: RMB

Name of entruster /outsourcer	Name of trustee / contractor	Type	Start date	Termination Date	Pricing basis for custody/outsourcing fee	Custody/outsourcing fee confirmed in this period

Explanations for related management and outsourcing

None.

(3) Related lease

The Company as the lessor:

Unit: RMB

Name of lessee	Category	Rental income recognized for the current period	Rental income recognized for the previous period

The Company as the lessee:

Unit: RMB

Name of lessor	Category	Rental fee recognized for the current period	Rental fee recognized for the previous period
Shenyang Lijing Pearl Hotel Management Co., Ltd.	Operating lease	25,030,700.00	25,030,700.00

Explanations of related lease

None

(4) Related guarantees

The Company as the guarantor

Unit: RMB

Guaranteed party	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled

The Company as the guaranteed party

Unit: RMB

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiration	Whether the guarantee

			date	has been fulfilled
--	--	--	------	--------------------

Explanations of related guarantees

(5) Borrowing from related parties

Unit: RMB

Related party	Amount	Start date	Expiration date	Description
Borrowed:				
Lent:				

(6) Related parties of assets transfer and debt restructuring

Unit: RMB

Related party	related-party transaction content	Amount for the current period	Amount for the previous period

(7) Remuneration for key management personnel

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Remuneration for key management personnel	3,190,424.12	3,189,135.48

(8) Other related transactions

None

6. Receivables and payables of related parties

(1) Receivables

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivables	Beijing Qianqiu Intelligence Book & Media Co., Ltd.	1,522,000.00	76,100.00		
Other receivables	Shenyang Lijing Mingzhu Hotel Management Co., Ltd.	5,675,200.00		5,675,200.00	
Total		7,197,200.00	76,100.00	5,675,200.00	

(2) Payables

Unit: RMB

Item	Related party	Closing book balance	Opening book balance
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7. Commitments of related parties

For details of the commitments of related parties, please refer to Note XIV (1) “Important commitments”.

8. Others

None

Section XIII. Share-based payment**1. Overview of share-based payment**

Applicable Not applicable

2. Equity-settled share payments

Applicable Not applicable

3. Share-based payment through cash settlements

Applicable Not applicable

4. Modification and termination of share-based payment

None

5. Others

None

Section XIV. Commitments and contingencies**1. Important commitments**

Important commitments on balance sheet date

2. Contingencies

(1) Important contingencies on balance sheet date

(2) Whether the Company has important contingencies that need to be disclosed and the explanations:

The Company has no important contingencies that need to be disclosed.

3. Others

None.

Section XV. Matters subsequent to the balance sheet date**1. Significant unadjusted matters**

Unit: RMB

Item	Content	Cumulative impacts on the financial status and operating results	Cause of failure in measuring cumulative impacts
------	---------	--	--

2. Profit distribution

Unit: RMB

Profits or dividends to be distributed	
Profits or dividends distributed after approval	

3.Sales return**4.Other matters subsequent to the balance sheet date****Section XVI. Other important matters****1. Corrections of accounting errors of previous period****(1) Retrospective restatement**

Unit: RMB

Corrections of accounting errors	Processing procedures	statements item of the affected comparison period	Cumulative impact
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(2) Prospective application

Corrections of accounting errors	Approval procedure	Reasons for adopting prospective application
----------------------------------	--------------------	--

2. Debt restructuring**3. Assets exchange****(1) Non-monetary asset exchange****(2) Other assets exchange****4. Pension plan****5. Discontinued operations**

Unit: RMB

Item	Revenue	Expense	Total profit	Income tax expenses	Net profit	Profit of discontinued operations attributable to the owner of the parent company
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Other information:

6. Information of segments**(1) Basis for determination of report segment and accounting policy**

The Company's main production and operation activities are decided by the Company, which is mainly engaged in education and training business. Therefore, the Company is managed as an operating segment. For accounting policies, please refer to Note V of this report — The Company's Significant Accounting Policies and Accounting Estimates.

(2) Financial information of the reporting segment

Unit: RMB

Item		Inter-segment offset	Total
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(3) If the Company has no reporting segment, or cannot disclose the total assets and liabilities of each segment, the reasons shall be clarified.

(4) Other statements

① Revenue from external transactions for each product and service or each similar product and service.

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Main business	4,828,531,538.19	2,788,186,999.66
Including: Education and training	4,828,531,538.19	2,788,186,999.66
Other businesses	27,466,725.31	19,793,480.94
<u>Total</u>	<u>4,855,998,263.50</u>	<u>2,807,980,480.60</u>

② Total foreign transaction income obtained by the Company from its own country and from other countries or regions.

Unit: RMB

Area	Amount for the current period	Amount for the previous period
Domestic area	4,855,998,263.50	2,807,980,480.60
<u>Total</u>	<u>4,855,998,263.50</u>	<u>2,807,980,480.60</u>

7. Other important transactions and events having impacts on decisions of investors

8. Others

None

Section XVII. Notes to the parent company's financial statements

1. Receivables

1.1 Classified disclosure of receivables

Unit: RMB

Item	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Including:										
Accounts receivable	23,211,26	100.00	1,542,	5.00%	21,668,	15,570,	100.00	778,543	5.00%	14,792,32

for which bad debt provision has been assessed by credit risk portfolios	3.03	%	583.12		679.91	863.56	%	.18		0.38
Including:										
Combination 3	23,211,263.03	100.00%	1,542,583.12	5.00%	21,668,679.91	15,570,863.56	100.00%	778,543.18	5.00%	14,792,320.38
Total	23,211,263.03	100.00%	1,542,583.12		21,668,679.91	15,570,863.56	100.00%	778,543.18		14,792,320.38

Bad debts provision on a single item basis:

Unit: RMB

Item	Closing balance			
	Book balance	Bad debt provision	Proportion	Reasons

Bad debt provision assessed by credit risk portfolios: 1,542,583.12

Unit: RMB

Item	Closing balance		
	Book balance	Bad debt provision	Proportion
Combination 3	23,211,263.03	1,542,583.12	5.00%
Total	23,211,263.03	1,542,583.12	--

Explanations for the determining basis of the portfolios:

None

Bad debt provision assessed by credit risk portfolios:

Unit: RMB

Item	Closing balance		
	Book balance	Bad debt provision	Proportion

Explanations of the basis for determining the portfolios

None

Bad debt provision assessed by credit risk portfolios:

Unit: RMB

Item	Closing balance		
	Book balance	Bad debt provision	Proportion

Explanations of the basis for determining the portfolios

If the bad debt provision of accounts receivable is based on the general model of expected credit loss, please refer to the disclosure methods of other receivables to disclose the relevant information of bad debt provision:

Applicable Not applicable

Disclosure by account age

Unit: RMB

Account age	Closing balance
Within 1 year (included)	15,570,863.62
1-2 years	7,640,399.41
Total	23,211,263.03

1.2 Provision, recovery or reversal of bad debts in current period

Provision of bad debts in current period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Written-off	Others	
Bad debts of accounts receivable	778,543.18	764,039.94				1,542,583.12
Total	778,543.18	764,039.94				1,542,583.12

Significant amount of recovery or reversal of bad debts in current period:

Unit: RMB

Name of institutions	Amount of recovery or reversal	Recovery method
None		

1.3 Receivables written-off in current period

Unit: RMB

Item	Written-off amount
Important receivables written-off:	

Important receivables written-off:

Unit: RMB

Creditor	Nature of receivables	Written-off amount	Reasons for written-off	Implemented written-off procedure	Whether generated from related transactions
Statement of receivables written-off:					
None					

Statement of receivables written-off:

None

1.4 Accounts receivables of the top five debtors based on the ending balance

Unit: RMB

Creditor	Closing balance receivables	Proportion in total closing balance receivables	Closing balance of bad debt provision
Yaxia Industrial	23,211,263.03	100.00%	1,542,583.12
Total	23,211,263.03	100.00%	

1.5 Receivables derecognized due to the transfer of financial assets

None

1.6 Amount of assets and liabilities formed by transferring accounts receivable and continuing involvement

None

Other information:

None

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	528,158,760.42	621,900,443.29
Total	528,158,760.42	621,900,443.29

2.1 Interest receivables**(1) Classification of interest receivables**

Unit: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

(2) Important overdue interest

Borrower	Closing balance	Time	Reason	Whether impairment occurs and the judgment basis
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Other information:

None

(3) Bad debt provision Applicable Not applicable**2.2 Dividends receivables****(1) Classification of dividends receivables**

Unit: RMB

Project (or investee)	Closing balance	Opening balance
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(2) Important dividend receivables with account age over 1 year

Unit: RMB

Project (or investee)	Closing balance	Aging	Cause of recovery failure	Whether impairment occurs and the judgment basis
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(3) Bad debt provision

Applicable Not applicable

Other information:

2.3 Other receivables

(1) Classification of other receivables by nature

Unit: RMB

Item	Closing balance	Opening balance
Current payment	528,153,160.42	621,894,843.29
Deposits and guarantees	5,600.00	5,600.00
Total	528,158,760.42	621,900,443.29

(2) Bad debt provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment).	Expected credit loss in the whole duration (credit impairment has occurred)	

Changes in the book balance with significant changes in the loss provision for the current period

Applicable Not applicable

Disclosure by account age

Unit: RMB

Account age	Closing balance
Within 1 year (included)	509,697,034.59
1 to 2 years	10,074,543.47
2 to 3 years	8,387,182.36
Total	528,158,760.42

(3) Provision, recovery or reversal of bad debt in current period

Bad debt provision in current period

Unit: RMB

Item	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or	Written-off	Others	

			reversal			
--	--	--	----------	--	--	--

Important recovery or reversal of bad debt in current period:

Unit: RMB

Creditor	Amount of recovery or reversal	Recovery method
----------	--------------------------------	-----------------

None

(4) Other receivables written off in current period

Unit: RMB

Item	Written-off amount
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Important other receivables written-off:

Unit: RMB

Creditor	Nature of other receivables	Written-off amount	Reason for Written-off	Implemented written-off procedure	Whether generated from related transactions
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Explanation of other receivables written-off:

None

(5) Other receivables of the top five debtors based on the ending balance

Unit: RMB

Creditor	Nature of receivable	Closing balance	Account age	Proportion in total closing balance of other receivables	Closing balance of bad debt provision
Offcn Ltd.	Current payment	508,588,562.61	Within 1 year	96.29%	
Bozhou Yaxia Automobile Driver Training School Co., Ltd.	Current payment	10,263,170.68	Within 2 years (including 2 years)	1.94%	
Wuhu Yawei Automobile Sales Service Co., Ltd	Current payment	3,619,677.02	Within 2 years (including 2 years)	0.69%	
Suzhou Bokai Automobile Sales Services Co., Ltd.	Current payment	3,223,466.22	Within 2 years (including 2 years)	0.61%	
Huangshan Yaxia Fudi Automobile Sales Services Co., Ltd.	Current payment	1,989,506.93	Within 2 years (including 2 years)	0.38%	
Total	--	527,684,383.46	--	99.91%	

(6) Receivables related to government subsidies

Unit: RMB

Name of institutions	Government subsidies	Closing balance	Closing aging	Time, amount and basis of expected collection
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None

(7) Other receivables derecognized due to the transfer of financial assets

None

(8) Assets and liabilities arising from transferring other receivables and continuing to be involved

None

3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	18,582,307,907.14		18,582,307,907.14	18,582,307,907.14		18,582,307,907.14
Total	18,582,307,907.14		18,582,307,907.14	18,582,307,907.14		18,582,307,907.14

3.1 Investment in subsidiaries

Unit: RMB

Investee	Opening balance (Book value)	Increase and decrease in current period				Closing balance (Book value)	Closing balance of provision for impairment
		Additonal investment	Investment reduction	Provision for impairment	Oth ers		
Offcn Ltd.	18,500,000,000.00					18,500,000,000.00	
Wuhu Yawei Automobile Sales Service Co., Ltd	23,000,000.00					23,000,000.00	
Ningguo Yaxia Motor Vehicle Driver Training School (Co., Ltd.)	17,474,782.14					17,474,782.14	
Huangshan Yaxia Fudi Automobile Sales Services Co., Ltd.	5,000,000.00					5,000,000.00	
Chaohu Yaxia Kaixuan Automobile Sales Service Co., Ltd.	5,000,000.00					5,000,000.00	
Bozhou Yaxia Motor Vehicle Driver Training School Co.,	20,000,000.00					20,000,000.00	

Ltd.							
Suzhou Bokai Automobile Sales Service Co., Ltd.	11,833,125.00					11,833,125.00	
Total	18,582,307,907.14					18,582,307,907.14	

3.2 Investment in associated enterprises and joint ventures

Unit: RMB

Investor	Opening balance (Book value)	Increase and decrease in current period								Closing balance (Book value)	Closing balance of provision for impairment
		Additional investment	Investment reduction	Investment gains and losses recognized under the equity method	Other Comprehensive income adjustment	Other Equity changes	Declared cash dividends or profits	Provision for impairment	Others		

3.3 Other statements

None

4. Revenue and operating cost

Unit: RMB

Item	Amount for the current period		Amount for the previous period	
	Revenue	Operating cost	Revenue	Operating cost
Other business	7,278,174.71	5,632,943.03	7,276,570.86	5,667,932.11
Total	7,278,174.71	5,632,943.03	7,276,570.86	5,667,932.11

Income related information:

Unit: RMB

Contract Classification	Segment 1	Segment 2		Total
Inc:				
Inc:				
Inc:				
Inc:				

Inc:				
Inc:				
Inc:				

Obligation performance related information:

None

Information related to the transaction price allocated to the remaining performance obligations:

The income from the unfulfilled or uncompleted obligation with signed contracts at the end of the reporting period: RMB0.00 .

Other information:

None

5. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Dividend income from holding other equity instrument investments	1,327,872.00	
Financing income	2,630.21	
Total	1,330,502.21	

6. Others

None

Section XVIII. Supplementary information

1. Details of current non-recurring gains and losses

Applicable Not applicable

Unit: RMB

Item	Amount	Explanation
Profits or losses from the disposal of non-current assets	-168,828.03	
Government subsidies included in the current profit and loss (except the government subsidies closely related to the business of the enterprise, and fixed or quantified in accordance with national unified	1,430,028.70	
Profit or loss from entrusting others to invest or manage assets	28,910,968.77	
In addition to the effective hedging business related to the Company's normal business operations, gains and losses from the changes in the fair value of the holding of financial assets held for trading, derivative financial assets, financial liabilities held for trading, and derivative financial liabilities, and the investment income from the disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments	9,068,865.15	
Non-operating income and expenses other than the above	-311,355.41	

Other profit and loss items in line with the definition of non-recurring profit and loss	45,101,048.40	
Less: Amount impacted by income tax	11,288,212.83	
Total	72,742,514.75	--

Provide statements for classifying non-recurring profit and loss items defined or listed in *the Explanatory Announcement No. 1 for Information Disclosures of the Company Issuing Securities Publicly — Non-recurring Profits and Losses*, and for classifying non-recurring profit and loss items listed in *the Explanatory Announcement No. 1 for Information Disclosures of the Company Issuing Securities Publicly — Non-recurring Profits and Losses* as recurring profit and loss items.

Applicable Not applicable

2. Return on equity and earnings per share

Profit in the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to common shareholders of the Company	-2.30%	-0.02	-0.02
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	-4.02%	-0.03	-0.03

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

(1) Differences in net profit and net assets in financial reports disclosed in accordance with both international accounting standards and Chinese accounting standards

Applicable Not applicable

(2) Differences in the financial report of net profits and net assets disclosed by Overseas Accounting Standards and China Accounting Standards

Applicable Not applicable

(3) Explanation of the differences in accounting data under domestic and overseas accounting standards. Names of overseas institutions shall be indicated if difference adjustments of data from overseas audit institutions are conducted

None

4. Others

None