**附件2：**

**ABC Company**

**Notes to the Financial Statements**

For the Year Ended 31 December 20xx

(Unless otherwise specified, the currency is CNY)

# Company Profile

XX Company (the “Company”), established in [month and year], is a [state owned] enterprise. The registered office of the Company is in [address]. The unified social credit code of the Company is [xx]. The legal representative of the Company is [xx].

The principle activities of the Company and its subsidiaries (the “Group”) are [please specify].

# Basis of Preparation of Financial Statements

The financial statements of the Group are prepared on a going concern basis. The preparation of financial statements is in compliance with the Accounting Standards for Business Enterprises - Basic Standard issued and revised by the Ministry of Finance of People’s Republic of China (“MOF”) (MOF Order No. 33 and No. 76), 42 specific accounting standards, implementation guidance, interpretation and other related regulations issued and revised by the MOF on 15 February 2006 and thereafter (collectively referred to as “CAS”).

# Statement of Compliance with CAS

The financial statements prepared by the Company meet the requirements of the CAS, which presented truthfully and completely for the Company’s [and the Group’s] financial position as of 31 December 20xx, and financial performance and cash flows for the year then ended.

# Significant Accounting Policies and Accounting Estimates

1. **Accounting Period**

The accounting period of the Group is classified as interim period and financial year. Interim period refers to the reporting period shorter than a complete financial year. The financial year of the Group is calendar year from 1 January to 31 December.

1. **Functional Currency**

CNY is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries adopt CNY as their functional currency. The overseas subsidiaries of the Company use [*XX*] as their functional currency based on the currency of the primary economic environment. The Group’s presentation currency is CNY.

1. **Basis of Accounting and Principle of Measurement**

According to Accounting Standards for Business Enterprises, the financial statements of the Group are prepared using the accrual basis. Except for [please insert], the financial statements use historical cost method. If an asset is impaired, the Group recognizes an impairment loss according to relevant accounting standards.

1. **Business Combination**

Business combination is a transaction or event that brings together two or more separate enterprises into one reporting entity. It is classified into business combination of entities or businesses under common control (“business combination under common control”) and business combination of entities or businesses not under common control (“business combination not under common control”).

1. Business Combinations Under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. In such business combination, the combining party is the one that obtains control of another participating entity on the combination date, while the other participating entity is the combined party.

The combination date is the date on which the combining party obtains control of the combined party.

The assets and liabilities acquired by the combining party are measured at carrying amount in the combined party on the combination date. Difference between the carrying amount of net assets acquired by the combining party and the carrying amount of paid consideration (or total par value of the shares issued) shall adjust capital reserve (share premium), and then adjust retained earnings if capital reserve (share premium) balance is reduced to zero.

Professional fees such as audit, legal, valuation fees and general administrative costs incurred for the business combination are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Business Combination Not Under Common Control

A business combination involving entities not under common control is a business combination in which the combining entities or businesses are not ultimately controlled by the same party or parties both before and after the business combination. In such business combination, the acquirer is the entity that obtains control of another entity on the acquisition date, while the other entity is the acquiree. The acquisition date is the date on which the acquirer obtains control of the acquiree.

In a business combination not under common control, the cost of combination includes the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred or assumed by the acquirer, and the equity interests issued by the acquirer in exchange for control of the acquiree. Professional fees such as audit, legal, valuation fees and general administrative costs incurred for the business combination are accounted for as expenses in the periods in which the costs are incurred and the services are received. The costs to issue equity or debt securities shall be recognized in the initial cost of equity or debt securities. Contingent consideration involved in a business combination is recognized at acquisition-date fair value in the cost of the combination; If, within 12 months from the acquisition date, the acquirer obtains new information or additional evidences about facts and circumstances that existed as of the acquisition date, and if known, would have affected the measurement of the contingent consideration recognized as of that date, the acquirer shall make adjustment to goodwill accordingly. The cost of combination and the net identifiable assets acquired from the acquiree are measured at their fair values on the acquisition date. The acquirer shall recognize goodwill measured at the excess of (a) over (b): (a) the cost of acquisition, (b) acquirer’s proportionate share of the acquiree’s net identifiable assets measured at acquisition-date fair value. If above (b) exceeds (a), the acquirer shall review the measurement of all identifiable assets acquired, liabilities assumed, and contingent liabilities; after the review, if the excess remains, the acquirer shall recognize the resulting gain in profit or loss.

If deductible temporary differences arise in a business combination and relevant deferred tax assets are not recognized because the criteria are not satisfied, subsequently, within 12 months after acquisition date, the acquirer obtains new or additional information about facts and circumstances that existed at the acquisition date and expects that the economic benefits resulting from the deductible temporary differences are realizable, the acquirer shall recognize deferred tax assets and reduce the carrying amount of goodwill related to the acquisition; if the carrying amount of that goodwill is zero, any remaining deferred tax assets shall be recognized in profit or loss. All other deferred tax assets related to business combinations, within 12 months from the acquisition date, which is not considered new or additional information about facts and circumstances that existed at the acquisition date should be recognized in profit or loss.

For a business combination not under common control that is achieved in stages, the acquirer shall make judgment based on Circular of the Ministry of Finance on Publishing Interpretation No. 5 for Accounting Standards for Business Enterprises (CaiKuai [2012] No. 19) and the criteria stipulated in Article 51 of Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements, on whether or not the related multiple arrangements should be accounted for as a single transaction. If they should be treated as a single transaction, the acquirer shall account for the transaction based on preceding paragraphs of this section and Note IV-XX “Long-term Equity Investments”; otherwise, the accounting treatments are as follows:

In the acquirer’s individual financial statements, the initial cost of investments is calculated as the sum of the carrying amount of its previously held equity interest in the acquiree and additional cost of investments on the acquisition date; if its previously held equity interest in the acquiree involves recognition in other comprehensive income, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would have been required if the acquiree had disposed directly of the previously held equity interest (that is, other than the proportionate share of the changes resulting from remeasurement of the acquiree’s defined benefit liabilities/assets under equity method, all the other gains or losses are recognized in the investment income for the current period).

In the consolidated financial statements, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in investment income for the current period, or in other comprehensive income, as appropriate; if its previously held equity interest in the acquiree involves recognition in other comprehensive income, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would have been required if the acquiree had disposed directly of the previously held equity interest (that is, other than the proportionate share of the changes resulting from remeasurement of the acquiree’s defined benefit liabilities/assets under equity method, any other gain or loss is recognized in the investment income for the current period).

1. **Preparation Method of Consolidated Financial Statements**

(1) Identification of the scope of the consolidation

The scope of consolidation of the financial statement shall be determined on the basis of control. The Group controls an investee when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The scope of consolidation includes the Company and all its subsidiaries. Subsidiary is the entity controlled by the Group.

If facts and circumstances indicate that there are changes to one or more of the elements in the above definition, the Group shall reassess whether it controls an investee.

1. Preparation of Consolidated Financial Statements

Consolidation of a subsidiary shall begin from the date the Group obtains control of the net assets and operational management of the subsidiary; Consolidation of an investee shall cease when the Group loses control of the investee.

For a subsidiary that is disposed, its financial performance and cash flows before the date of disposal are appropriately presented in the consolidated statement of comprehensive income and consolidated statement of cash flows; for a subsidiary that is disposed during the current period, the opening balances in the statement of financial position shall not be adjusted. For a subsidiary acquired through a business combination not under common control, its financial performance and cash flows after the acquisition date are appropriately presented in the consolidated statement of comprehensive income and consolidated statement of cash flows; the opening balances and comparative information in the statement of financial position shall not be adjusted. For a subsidiary acquired through a business combination under common control [and the combined party under a merger], its financial performance and cash flows, from the beginning of the period when the combination occurs to date of combination, are appropriately presented in the consolidated statement of comprehensive income and consolidated statement of cash flows; the comparative information in the statement of financial position shall be adjusted at the same time.

If a subsidiary uses accounting policies or reporting period other than those adopted by the Group, appropriate adjustments are made to those subsidiaries’ financial statements in preparing the consolidated financial statements to ensure the conformity with the Group’s accounting policies and reporting period. In a business combination not under common control, the acquiree’s financial statements shall be adjusted based on the acquisition-date fair values of the net identifiable assets.

All significant intragroup balances, transactions and unrealized profits are eliminated upon consolidation.

The Group shall present non-controlling interests in the consolidated statement of financial position within equity, separately from the equity of the owners of the Group; profit or loss attributable to non-controlling interests in a subsidiary shall be separately presented as “profit or loss attributable to non-controlling interests” within net profits in the consolidated statement of comprehensive income. When the loss attributable to non-controlling interests exceeds the opening balance of non-controlling interest in the subsidiary, the loss shall continue to offset the non-controlling interests.

If the Group loses control of a subsidiary due to partial disposal of equity investments or other reasons, the Group recognizes any investment retained in the former subsidiary at its fair value when control is lost. Excess of (a) the sum of fair value of the consideration received from the disposal of equity investments and fair value of any investment retained, over (b) the Group’s previous pro rata share in the former subsidiary’s net assets calculated since acquisition date, shall be recognized in investment income in the period when control is lost. When it loses control of the subsidiary, the Group shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would have been required if the acquiree had directly disposed of the related assets or liabilities (that is, other than the changes resulting from remeasurement of the former subsidiary’s defined benefit liabilities/assets, any other gain or loss is reclassified to the investment income for the current period). Then, any investment retained shall be subsequently measured according to Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments or Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

When the Group loses control of a subsidiary in two or more arrangements (transactions), the Group shall determine whether the multiple arrangements should be accounted for as a single transaction. If terms and conditions of the arrangements and their economic effects meet one or more of the following, it usually indicates that the Group should account for the multiple arrangements as a single transaction：(1) The multiple arrangements are entered into at the same time or in contemplation of each other; (2) They form a single transaction designed to achieve an overall commercial effect; (3) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement; (4) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements. If the multiple arrangements should not be accounted for as a single transaction, the Group shall make accounting treatments, as appropriate, based on “disposal of long-term equity investments without losing control of the subsidiary” or “losing control of a subsidiary due to partial disposal of equity investments or other reasons” in the preceding paragraph. If the multiple arrangements should be accounted for as a single transaction, the Group recognizes the arrangements as a single transaction that results in loss of control of the subsidiary; however, before loss of control, the difference of consideration received and the Group’s proportionate share of the subsidiary’s net assets for the disposed investments in each arrangement shall be recognized in other comprehensive income in consolidated financial statements, and the cumulative amount shall be reclassified to profit or loss when control is lost.

1. **Types of Joint Arrangements and Accounting Treatment for Joint Operations**

A joint arrangement is an arrangement of which two or more parties have joint control. Based on the rights and obligations of the parties to the arrangement, the Group classifies a joint arrangement as a joint operation or a joint venture. A joint operation is a joint arrangement whereby the Group that has joint control of the arrangement and has rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement which is structured through a separate vehicle over which the Group has joint control together with other parties and only has rights to the net assets of the arrangement based on legal forms, contractual terms and other facts and circumstances.

The Group is using equity method for investment in a joint venture.

As a joint operator, the Group recognizes in relation to its interest in a joint operation: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expense, including its share of any expense incurred jointly.

When the Group, as a joint operator, enters into a transaction with a joint operation, for a contribution or sale of assets (the assets do not constitute a business, the same below), or for a purchase of assets, before the assets are sold to a third party, the Group shall recognize gains and losses resulting from such a transaction only to the extent of the other parties’ interests in the joint operation. When such assets are subject to an impairment loss in accordance with the “Accounting Standards for Business Enterprises No. 8 – Impairment of Assets”, the Group shall fully recognize the loss in the case that the Group contributes or sells assets to the joint operation; the Group shall recognize its share of the loss in the case that the Group purchases assets from the joint operation.

1. **Cash and Cash Equivalents**

Cash and cash equivalents comprise the Group’s cash on hand, demand deposits, and short-term (which means it has a short maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

1. **Foreign Currency Transactions and Translation to the Presentation Currency**
2. Reporting Foreign Currency Transactions

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount [the spot exchange rate between the functional currency and the foreign currency / the average exchange rate for the current period/ the weighted average exchange rate for the current period/ ] at the date of the transaction; However, foreign currency exchanges and relevant transactions are translated to the functional currency at the actual exchange rate.

1. Translation of Foreign Currency Monetary Items and Foreign Currency Non-Monetary Items

At the end of each reporting period, foreign currency monetary items are translated using the spot exchange rate at the reporting date, the exchange differences arised, other than the following, shall be recognized in profit or loss in the period in which they arise: ① Exchange differences arising from foreign currency borrowings that are made specifically for the purpose of obtaining a qualifying asset, shall be treated under principle of borrowing costs capitalization; [②（Exchange differences arising from a hedging instrument that is determined to be an effective hedge of a net investment in a foreign operation (shall be recognized in other comprehensive income, and shall be reclassified from equity to profit or loss on disposal of the net investment); And ③ exchanges differences arising from changes in balances of foreign currency monetary items available for sale, except for changes in balances of their amortized costs, shall be recognized in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured, the amount differences between the functional currency and the foreign currency are recognized as changes in fair value (including exchange differences)，and recorded in profit or loss or other comprehensive income.

(3) Translation to the Presentation Currency

The financial statements of a foreign operation are translated into CNY financial statements using following procedures: Assets and liabilities in the statement of financial position are translated at the spot exchange rate at the reporting date; Equity items for statement of financial position presented, other than “undistributed profits”, are translated at the spot exchange rate of the date of transaction. Income and expenses in the statement of comprehensive income are translated at [the spot exchange rate between the functional currency and the foreign currency/ the average exchange rate for the current period/ the weighted average exchange rate for the current period/ ] at the date of the transaction. Opening balance of undistributed profits is the translated closing balance of undistributed profits of prior year; Closing balance of undistributed profits is calculated based on translated profit distribution items; Difference between translated assets and the sum of translated liabilities and [owners’ equity/ shareholders ‘equity], is recorded as “translation differences of financial statements presented in foreign currencies” and recognized in other comprehensive income. On the disposal or partial disposal of a foreign operation, which involves the loss of control of the foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, as accumulated in the [owners’ equity/ shareholders’ equity] of the statement of financial position, shall reclassified from equity to profit or loss, in full or in proportionate share, when the gain or loss on disposal is recognized.

Foreign currency cash flows [and cash flows of a foreign subsidiary], shall be translated at the [the spot exchange rate between the functional currency and the foreign currency/ the average exchange rate for the current period/ the weighted average exchange rate for the current period/ ] at the date of the cash flows. The effect of exchange rate changes on cash in a foreign currency is separately presented in the statement of cash flows as reconciliation.

Opening balances of current year and amounts of prior year are presented after translation of prior year’s financial statements.

On the disposal of all the owners’ equity in a foreign operation, or in the event of loss of control of a foreign operation due to partial disposal of equity investments or other reasons, the cumulative amount of the exchange differences relating to that foreign operation, as accumulated in owners’ equity of the statement of financial position, shall be reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

In the event of reduction in the Group’s ownership interest in a foreign operation due to the partial disposal of equity investments or other reasons, which, however, does not involve the Group’s loss of control of the foreign operation, the Group shall re-attribute the proportionate share of the cumulative amount of the exchange differences, which are related to the disposal of the foreign operation, to the non-controlling interests in that foreign operation, instead of reclassifying that to profit or loss. In partial disposal of equity investments in a foreign operation which is a joint venture or an associate, the Group shall reclassify to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognized.

When the consolidated financial statements involves a foreign operation, exchange differences arising on a monetary item that forms part of the reporting entity’s net investment in the foreign operation, shall be accounted for as “translation differences of financial statements presented in foreign currencies” and recognized in other comprehensive income, and reclassified from equity to profit or loss on disposal of the net investment.

1. **Financial Instruments**

The Group recognizes a financial asset or a financial liability when the Group becomes party to the contractual provisions of the instrument.

1. Classification, Recognition and Measurement of Financial Assets

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value. For financial assets measured at fair value through profit or loss, related transaction costs are directly recorded in profit or loss; for other types of financial assets, related transaction costs are recorded in the amount initially recognized. Trade receivables or notes receivable that arise from sale of goods or rendering of services, which do not contain or involve a significant financing component, shall be measured, at the initial recognition, at the amount of consideration to which the Group expects to be entitled.

① Financial Assets Measured at Amortized Cost

For a financial asset measured at amortized cost, it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and its contractual cash flow characteristics are consistent with those of a basic lending arrangement, that is, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group applies effective interest method and subsequently measures this type of financial assets at amortized costs, a gain or loss arising from amortization or impairment is recognized in profit or loss.

② Financial Assets Measured at Fair Value Through Other Comprehensive Income

For a financial asset at fair value through other comprehensive income, it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual cash flow characteristics are consistent with those of a basic lending arrangement. A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for: impairment gains or losses, foreign exchange gains and losses, and interest calculated using the effective interest method, which are recognized in profit or loss.

In addition, the Group designates particular investments in equity instruments that are not held for trading as financial assets measured at fair value through other comprehensive income. Dividends on such investments are recognized in profit or loss; changes in fair values of the investments are recognized in other comprehensive income. Upon derecognition of these financial assets, cumulative gains or losses presented in other comprehensive income will be subsequently transferred to retained earnings, but not to profit or loss.

③ Financial Assets Measured at Fair Value Through Profit or Loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income in accordance with preceding paragraphs. In addition, the Group designates some financial assets as measured at fair value through profit or loss when doing so eliminates or significantly reduces accounting mismatches. The Group subsequently measures this type of financial assets at fair value; changes in fair values are recognized in profit or loss.

1. Classification, Recognition and Measurement of Financial Liabilities

At initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, or other financial liabilities. For financial liabilities at fair value through profit or loss, related transaction costs are directly recorded in profit or loss; for other financial liabilities, related transaction costs are recorded in the amount initially recognized.

① Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss comprise financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss at initial recognition.

Financial liabilities held for trading (including derivatives that are liabilities) are subsequently measured at fair value; except for those related to hedge accounting, the changes in fair values are recognized in profit or loss.

For a financial liability designated as at fair value through profit or loss, the Group presents its gain or loss based on the following: (a) the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, upon derecognition of the liability, cumulative change in fair value recognized other comprehensive income, which is attributable to changes in the credit risk of that liability, will be subsequently transferred to retained earnings; and (b) the remaining amount of change in the fair value of the liability shall be presented in profit or loss. However, if the treatment of the effects of changes in the liability’s credit risk described in (a) would create or enlarge an accounting mismatch in profit or loss, the Group will present all gains or losses on that liability (including the effects of changes in the credit risk of that liability) in profit or loss.

② Other Financial Liabilities

Other financial liabilities, except for financial guarantee contracts and financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are classified as financial liabilities measured at amortized cost, and are subsequently measured at amortized cost; gains or losses arising from derecognition or amortization will be recognized in profit or loss.

1. Impairment of Financial Assets

Based on the expected credit losses, the Group recognizes an impairment loss on a financial asset measured at amortized cost, a financial asset at fair value through other comprehensive income (debt instrument investment), a lease receivable, a contract asset or a financial guarantee contract, and records a credit impairment loss.

Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. For a purchased or originated credit-impaired financial asset, the discount rate is the credit-adjusted effective interest rate of that financial asset.

At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition; if the credit risk on that financial asset has increased significantly since initial recognition, the Group shall measure the impairment loss for the financial asset at an amount equal to the lifetime expected credit losses; if the credit risk has not increased significantly since initial recognition, the Group shall measure the impairment loss for the financial asset at an amount equal to the 12-month expected credit losses. The Group considers reasonable and supportable information, including forward-looking information, when assessing the expected credit losses.

For trade receivables that do not contain a significant financing component, the Group uses simplified approach to measure the impairment loss at an amount equal to lifetime expected credit losses. If a financial instrument is determined to have low credit risk at the reporting date, the Group assumes the credit risk on that financial instrument has not increased significantly since initial recognition, and measures impairment loss for the financial instrument at an amount equal to 12-month expected credit losses.

1. Recognition and Measurement of Transfers of Financial Assets

A financial asset that meets one of the following conditions shall be derecognized: (a) the contractual rights to the cash flows from the financial asset expire; (b) the company transfers the financial asset, and it transfers substantially all the risks and rewards of the ownership of the financial asset to the transferee; (c) the company transfers the financial asset, it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, however, it has not retained control of the financial asset.

When a company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and has retained control of the financial asset, the company shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset, and recognize an associated liability. The extent of the company’s continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

If a company transfers a financial asset in a transfer that qualifies for derecognition in its entirety, the difference between: (a) the carrying amount of the financial asset transferred, and (b) the sum of consideration received and cumulative changes in fair value that have been previously recognized in other comprehensive income, shall be recognized in profit or loss.

If the transferred asset is part of a larger financial asset, and the part transferred qualifies for the derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognized and the part that is derecognized, on the basis of the relative fair values of those parts on the date of the transfer. The difference between: (a) the sum of the consideration received for the part derecognized and cumulative changes in fair value allocated to the part derecognized which have been previously recognized in other comprehensive income, and (b) the carrying amount allocated to the part derecognized, shall be recognized in profit or loss.

For a financial asset sold with recourse, or a financial asset transferred through endorsement, the Group determines whether it transfers substantially all the risks and rewards of the ownership of the financial asset. If the Group transfers substantially all the risks and rewards of ownership of the financial asset, it shall derecognize the financial asset; if the Group retains substantially all the risks and rewards of ownership of the financial asset, it shall continue to recognize the financial asset; if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset, and make corresponding accounting treatment based on preceding principles.

1. Derecognition of Financial Liabilities

A financial liability (or a part of a financial liability) is derecognized when the present obligation specified in the contract is discharged or cancelled or expires. If, as an existing borrower, the Group signs agreement with an existing lender, to replace original financial liability with a new financial liability, and the exchange of debt instruments has substantially different terms, the Group shall derecognize the original financial liability and recognize the new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) shall be recognized in profit or loss.

1. Offsetting a Financial Asset and a Financial Liability

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, the Group: (a) currently has a legally enforceable right to set off the recognized amounts; and (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In all other circumstances, financial assets and financial liabilities are presented separately in the statement of financial position.

1. Equity Instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group recognizes changes in equity when it issues (including refinancing), repurchases, sells or cancels equity instruments. The Group does not recognize changes in fair values of equity instruments. Transaction costs of an equity transaction are accounted for as a deduction from equity.

All distributions (excluding stock dividends) to holders of an equity instrument will reduce the amount of shareholders’ equity. Changes in fair values of equity instruments are not recognized.

1. **Hedging Instruments**

In order to avoid certain risks, the Group uses certain financial instruments as hedging instruments. The hedging that meets specified criteria shall apply hedge accounting. The Group's hedging relationships include fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation. A hedge of the foreign currency risk of a firm commitment is accounted for as a [cash flow hedge/ fair value hedge].

At the inception of the hedge, there is a formal designation and documentation of the hedging relationship and the Group’s risk management objective and strategy for undertaking the hedge. Since the inception of the hedge, the Group assesses the hedge effectiveness on an ongoing basis.

1. Fair Value Hedges

For a fair value hedge that meets the qualifying criteria, the gain or loss on the hedging instrument is recognized in profit or loss. If the hedging instrument hedges a not-held-for-trading equity instrument (or a component thereof) for which the Group has elected to present changes in fair value in other comprehensive income, the gain or loss on the hedging instrument is recognized in other comprehensive income. The hedging gain or loss on the hedged item, which arises from hedged exposure, shall adjust the carrying amount of the hedged item, and be recognized in profit or loss. If the hedged item is measured at fair value, the hedging gain or loss on the hedged item, which arises from hedged risk, shall be recognized in profit or loss or other comprehensive income, and shall not adjust the carrying amount of the hedged item.

When the Group revokes the designation of a hedging relationship, or when the hedging instrument expires or is sold, terminated or exercised, or the hedging relationship ceases to meet the qualifying criteria, the Group shall discontinue hedge accounting.

(2) Cash Flow Hedges

For a cash flow hedge that meets the qualifying criteria, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized as cash flow hedge reserve in other comprehensive income, the remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognized in profit or loss.

As for the amount that has been accumulated in the cash flow hedge reserve in the preceding paragraph: (a) If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost of the asset or the liability; (b) for other cash flow hedges, that amount shall be reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. However, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, the Group shall immediately reclassify the amount that is not expected to be recovered into profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, it shall account for the amount that has been accumulated as cash flow hedge reserve in other comprehensive income as follows: (a) if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve; (b) if the hedged future cash flows are no longer expected to occur, that amount shall be reclassified from other comprehensive income to profit or loss.

(3) Hedges of a Net Investment in a Foreign Operation

Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income, the ineffective portion shall be recognized in profit or loss.

The cumulative gain or loss on the hedging instrument that has been accumulated in other comprehensive income shall be reclassified from other comprehensive income to profit or loss on the disposal of the foreign operation.

1. **Receivables**

Receivables include trade receivables, other receivables, etc.

1. Accounting for Allowance for Doubtful Accounts
2. Recognition and Measurement of Allowance for Doubtful Accounts of Receivables that are Individually Significant

A receivable with the amount of CNY XXXX or higher is determined to be a receivable that is individually significant.

For a receivable that is individually significant, the Group makes individual assessment of the receivable’s credit risk, and measures the impairment loss at an amount equal to the lifetime expected credit losses or an amount equal to the 12-month expected credit losses. After the individual assessment of the receivable’s credit risk, the Group shall not group the receivables on the basis of shared credit risk characteristics.

1. Recognition and Measurement of Allowance for Doubtful Accounts of Receivables that are Individually Not Significant, But Collectively Assessed with High Risk as in a Group of Receivables of Shared Credit Risk Characteristics
2. Basis for Grouping Financial Assets of Shared Credit Risk Characteristics

For receivables that are individually not significant, the Group groups these financial assets based on similarity and relevance of their credit risk characteristics. Such credit risks usually reflect the debtor’s ability to settle the amount due according to the contractual terms of such assets, and are related to the estimated future cash flows of the assets.

Basis for grouping:

|  |  |
| --- | --- |
| Items | Basis for Grouping |
| Portfolio 1 |  |
| Portfolio 2 |  |
| …… |  |

B．Measurement for Groups of Financial Assets with Shared Credit Risk Characteristics

When performing impairment test on groups of receivables, based on the group structure and shared credit risk characteristics (the debtor’s ability to settle the amount due according to the contractual terms of such assets), the Group shall measure the allowance for doubtful accounts at an amount equal to the 12-month expected credit losses or an amount equal to the lifetime expected credit losses. The Group considers reasonable and supportable information, including forward-looking information, when assessing the expected credit losses.

Measurement for allowance for doubtful accounts of different groups:

|  |  |
| --- | --- |
| Items | Measurement |
| Portfolio 1 |  |
| Portfolio 2 |  |
| …… |  |

1. Portfolio 1, using aging analysis method for allowance for doubtful accounts

| Aging | Percentage of allowance for doubtful accounts to trade receivables (%) | Percentage of allowance for doubtful accounts to other receivables (%) |
| --- | --- | --- |
| Within 1 year (including 1 year) |  |  |
| 1-2 years (including 2 years) |  |  |
| 2-3 years (including 3 years) |  |  |
| Above 3 years |  |  |

1. Portfolio 2, using percentage of receivables method for allowance for doubtful accounts

|  |  |  |
| --- | --- | --- |
| Portfolio name | Percentage of allowance for doubtful accounts to trade receivables (%) | Percentage of allowance for doubtful accounts to other receivables (%) |
| [Portfolio 1] |  |  |
| [Portfolio 2] |  |  |
| …… |  |  |

c. Portfolio 3, using other methods

|  |  |  |
| --- | --- | --- |
| Portfolio name | Percentage of allowance for doubtful accounts to trade receivables (%) | Percentage of allowance for doubtful accounts to other receivables (%) |
| [Portfolio 1] |  |  |
| [Portfolio 2] |  |  |
| …… |  |  |

1. Measurement of Allowance for Doubtful Accounts of Receivables that are Individually Not Significant But are Individually Assessed for Impairment
2. Reversal of Allowance for Doubtful Accounts

At the reporting date, if the amount of expected credit losses is lower than the carrying amount of the impairment loss for a receivable, the difference shall be recognized as an impairment gain.

When the Group sells a non-recourse receivable to a financial institution, the difference between (a) consideration received and (b) carrying amount of the receivable and related taxes and surcharges shall be recognized in profit or loss.

1. **Inventories**
2. Classification of Inventories

Inventories mainly include [materials, work in progress and semi-finished goods, reusable materials, finished goods, and merchandise, etc.

1. Cost Measurement for Inventories

When acquired, the cost of inventories shall be measured at the actual costs, which comprise costs of purchase, costs of conversion and other costs. During the physical flows of inventories, their cost shall be assigned by using the [first-in, first-out (FIFO)/ weighted average cost formula/ specific identification method of individual costs.]

1. Measurement of Net Realizable Value and Write-Down

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale, and related taxes and surcharges. Estimates of net realizable value are based on reliable evidence available at the time the estimates are made, at the same time, take into consideration the purpose for which the inventory is held and effect of subsequent events after the reporting date.

At the reporting date, inventories shall be measured at the lower of cost and net realizable value. If the cost of inventory is in excess of the net realizable value, the inventory shall be written down. [Usually] the write-down is measured at the excess of inventory cost over net realizable value item by item. [For inventories with large volume and low unit price, the Group writes down the inventory to net realizable value on the basis of the classification; For items of inventory relating to the same product line that have similar purposes or end uses, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line, it may be appropriate to group these items for inventory write-down.]

When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realizable value is higher than the carrying amount, the amount of the write-down is reversed (i.e. the reversal is limited to the amount of the original write-down), and the amount of reversal is recorded in profit or loss.

1. Inventory Counting

Inventory counting is performed using [the perpetual inventory system/ periodic inventory system].

1. Amortization of Low-Cost Consumables and Packaging Materials

When used, low-cost consumables are amortized by using [fifty-fifty amortization method / one-off amortization method/ fractional amortization method]; packaging materials are amortized by using [fifty-fifty amortization method / one-off amortization method/ fractional amortization method].

1. **Long-term Equity Investments**

Long-term equity investments refer to the long-term equity investment in which the Group has control or joint control of, or significant influence over, the investee. Long-term equity investments in which the Group has no control or joint control of, or significant influence over, the investee shall be recognized as available-for-sale financial assets or financial assets measured at fair value through profit or loss.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

1. Cost of Investments

For long-term equity investments recognized in a business combination under common control, on the combination date, the initial cost shall be measured at the proportionate share of the carrying amount of the acquiree’s shareholders’ equity in the acquiree’s ultimate controlling party’s consolidated financial statements. Difference between the initial cost of long-term equity investments and the carrying amount of consideration paid (including any cash paid, non-cash assets transferred or liabilities assumed) shall adjust capital reserve, and then adjust retained earnings if capital reserve balance is reduced to zero. If a company issues equity interests in exchange for control of the acquiree, on the combination date, the initial cost of long-term equity investments shall be measured at the proportionate share of the carrying amount of the acquiree’s shareholders’ equity in the acquiree’s ultimate controlling party’s consolidated financial statements, the total par value of the shares issued shall be recognized as share capital, difference between the initial cost of long-term equity investments and the total par value of the shares issued shall adjust capital reserve, and then adjust retained earnings if capital reserve balance is reduced to zero. For a business combination under common control that is achieved in stages, the acquirer shall make judgment on whether or not the related multiple arrangements should be accounted for as a single transaction. If they should be accounted for as a single transaction, the acquirer shall account for the transaction as a single transaction that results in control of the acquiree. Otherwise, the acquirer shall account for the initial cost of long-term equity investments, on the combination date, at the proportionate share of the carrying amount of the acquiree’s shareholders’ equity in the acquiree’s ultimate controlling party’s consolidated financial statements, difference between (a) the initial cost of long-term equity investments and (b) the sum of the carrying amount of the long-term equity investments before the acquirer gains control and consideration paid for the newly acquired equity interests on the combination date shall adjust capital reserve, and then adjust retained earnings if capital reserve balance is reduced to zero. The other comprehensive income recognized under equity method for equity investments held before the combination date, or other comprehensive income recognized for available-for-sale financial assets before the combination date, is not subject to accounting treatment for these arrangements.

For long-term equity investments recognized in a business combination not under common control, on the acquisition date, the initial cost shall be measured at the cost of combination, which includes fair values of the assets transferred by the acquirer, the liabilities incurred or assumed by the acquirer, and the equity interests issued by the acquirer in exchange for control of the acquiree. For a business combination not under common control that is achieved in stages, the acquirer shall make judgment on whether or not the related multiple arrangements should be accounted for as a single transaction. If they should be accounted for as a single transaction, the acquirer shall account for the transaction as a single transaction that results in control of the acquiree. Otherwise, the initial cost of investment is calculated as the sum of the carrying amount of its previously held equity interest in the acquiree and additional cost of investments on the acquisition date, and long-term equity investment shall be measured at cost. The other comprehensive income recognized under equity method for previously held equity interest is not subject to accounting treatment for these arrangements.

Professional fees such as audit, legal, valuation fees and general administrative costs incurred for the business combination are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Equity investments, other than those arise in business combinations, are recognized at cost on initial recognition; based on ways of acquisition, the cost is accounted for at the amount of cash paid by the Group, the fair value of equity interests issued by the Group, the agreed value in the investment contract, the fair value or original carrying amount of non-cash assets transferred by the Group, or the fair value of the long-term equity investments, etc. Any direct expense, tax and necessary cost are recognized in the cost of investments. For [additional investments] that result in significant influence over or joint control of the investee (and do not result in control), the cost of long-term equity investments is the sum of fair value of previously held equity interest in the investee and the additional cost of investments, according to Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

1. Subsequent Measurement and Recognition of Profit or Loss

Long-term equity investments where the Group has joint control (except for joint operation) of or significant influence over the investee are accounted for by equity method. The Group accounts for long-term equity investments at cost where the Group has control of the investee.

1. Long-term Equity Investments Measured at Cost

Long-term equity investments are recognized at cost on initial recognition; if the Group increases or recovers the cost of its investments in the investee, the cost of long-term equity investments shall be adjusted accordingly. The Group accounts for investment income for current period at the amount of its share of cash dividends declared and profits to be distributed by the investee, except for: (a) cash dividends declared but undistributed or (b) undistributed profits, which are included in the consideration paid for the investments.

1. Long-term Equity Investments Using Equity Method

Under equity method, when the initial cost of long-term equity investments exceeds the Group’s proportionate share in the acquisition-date fair values of the investee’s identifiable net assets, the initial cost of investments is not subject to adjustment; when the initial cost of investments is lower than the Group’s proportionate share in the acquisition-date fair values of the investee’s identifiable net assets, the difference shall be recognized in profit or loss, and the cost of investments shall be adjusted at the same time.

The carrying amount of long-term equity investments is adjusted to recognize the Group’s share of the profit or loss of the investee and the Group’s proportionate interest in the investee arising from changes in the investee’s other comprehensive income, at the same time, the Group’s share of the investee’s profit or loss is recognized in investment income, and the Group’s proportionate interest in the investee arising from changes in the investee’s other comprehensive income is recognized in the Group’s other comprehensive income. The Group’s share of profits to be distributed or cash dividends declared by the investee reduce the carrying amount of long-term equity investments. Other changes in investee’s equity, except for profit or loss, other comprehensive income and profit distribution, shall be recognized in capital reserve, and the carrying amount of long-term equity investments shall be adjusted accordingly. Appropriate adjustments to the Group’s share of the investee’s profit or loss after acquisition are made in order to account for the net identifiable assets based on their fair values at the acquisition date. If the investee’s accounting policy and accounting period are not in conformity with those of the Group, appropriate adjustments shall be made based on the Group’s accounting policy and accounting period, in order to recognize the amounts of investment income and other comprehensive income. As for transactions between the Group and its associate or joint venture, when the contributed or sold assets do not constitute a business, the Group’s share in the associate’s or joint venture’s unrealized gains or losses resulting from these transactions is eliminated; on that basis, investment income is recognized. However, if the unrealized losses are impairment losses of assets sold or contributed during the transactions, they shall not be eliminated. When the contributed assets from the Group to its joint venture or associate constitute a business, and consequently the Group gains long-term equity investments but not control of the investee, the Group shall account for the additional long-term equity investments at fair value of the contributed business; difference between the initial cost of investments and the carrying amount of contributed business, shall be recognized in full in profit or loss. When the sold assets from the Group to its joint venture or associate constitute a business, the difference between consideration received and the carrying amount of the business shall be recognized in full in profit or loss. When the purchased assets from its associate or joint venture constitute a business, the Group shall fully recognize relevant profit or loss, according to Accounting Standards for Business Enterprises No. 20 – Business Combination.

If the Group’s share of losses of an investee equals or exceeds the carrying amount of the long-term equity investments in the investee together with any long-term interests that, in substance, form part of the Group’s net investment in the investee, the Group discontinues recognizing its share of further losses. If the Group has incurred obligations to assume additional losses for the investee, the Group shall recognize a liability and relevant loss in current period. If the investee subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

For any long-term equity investment in its associate or joint venture held before initial application of the new accounting standards on [MM-DD-200Y], the Group recognizes the amortized amount of the existing debit balance of the investment, using straight-line method over the original remaining term, in profit or loss.

1. Purchase of Non-Controlling Interests

In preparation of consolidated financial statements, difference between (a) the increase in long-term equity investments due to purchase of non-controlling interests and (b) the Group’s newly acquired share in the investee’s net assets calculated since acquisition date (or combination date) shall adjust capital reserve, and then adjust retained earnings if capital reserve balance is reduced to zero.

1. Disposal of Long-term Equity Investments

In the consolidated financial statements, for the partial disposal of long-term equity investments without losing control of the subsidiary, the difference between consideration received and the proportionate share of the subsidiary’s net assets for the disposed investments shall be recognized in equity; for the partial disposal of long-term equity investments that results in loss of control of the subsidiary, see Note IV-XX “Preparation Method of Consolidated Financial Statements” - (2) for the accounting treatment.

In other circumstances of disposal of long-term equity investments, the difference between the carrying amount of the disposed investments and the consideration received shall be recognized in profit or loss.

After the disposal of long-term equity investments accounted for using equity method, if the equity method still applies for the investments retained, the Group shall account for the proportionate amounts previously recognized in other comprehensive income on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. Any equity previously recognized for changes of investee’s equity excluding changes in investee’s net profit or loss, other comprehensive income and profit distribution, is proportionately reclassified to profit or loss.

After the Group disposes long-term equity investments measured at cost, if the investments retained are still measured at cost, the Group shall account for the amounts previously recognized in other comprehensive income, that are recognized according to equity method or recognition and measurement requirements of financial instruments before the Group obtains control of the investee, on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and the proportionate amounts shall be reclassified to profit or loss; any equity previously recognized under equity method for changes of investee’s equity excluding changes in investee’s net profit or loss, other comprehensive income and profit distribution, is proportionately reclassified to profit or loss.

After the Group loses control of an investee due to partial disposal of equity investments, if the Group has joint control of, or significant influence over, the investee, the Group shall account for the investments retained using equity method in its individual financial statements, and apply equity method retrospectively to the date of acquisition; if the Group has neither joint control of, nor significant influence over, the investee, the Group shall account for the investments retained according to the recognition and measurement requirements of financial instruments, the difference between the fair value and carrying amount of the investments retained shall be recognized in profit or loss when the control is lost. When the Group loses control of the investee, the Group shall account for the amounts previously recognized in other comprehensive income, that are recognized according to equity method or recognition and measurement requirements of financial instruments before the Group obtains control of the investee, on the same basis as would have been required if the investee had directly disposed of related assets or liabilities; any equity previously recognized under equity method for changes of investee’s equity excluding changes in investee’s net profit or loss, other comprehensive income and profit distribution, is reclassified to profit or loss when the control is lost. If the investments retained are accounted for using equity method, the above-mentioned other comprehensive income and equity are proportionately reclassified; if the investments retained are accounted for according to the recognition and measurement requirements of financial instruments, the above-mentioned other comprehensive income and equity are reclassified in full.

After the Group loses joint control of, or significant influence over, the investee due to partial disposal of equity investments, the retained investments are accounted for according to the recognition and measurement requirements of financial instruments, the difference between the fair value and carrying amount of the investments retained shall be recognized in profit or loss when the joint control or significant influence is lost. When the Group discontinues the use of the equity method, the Group shall account for the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of related assets or liabilities; any equity previously recognized under equity method for changes of investee’s equity excluding changes in net profit or loss, other comprehensive income and profit distribution, is reclassified in full to profit or loss.

If the Group loses control of a subsidiary in two or more arrangements (transactions), and the multiple arrangements should be accounted for as a single transaction, the Group recognizes the arrangements as a single transaction that results in loss of control of the subsidiary; before loss of control, the difference of consideration received and the share of the carrying amount of long-term equity investments for the disposed investments in each arrangement shall be recognized in other comprehensive income, and the cumulative amount shall be reclassified to profit or loss when control is lost.

1. Recognition and Measurement of Impairment

For recognition and measurement of impairment of long-term equity investments, see Note IV-XX “Impairment of Non-current and Non-financial Assets”.

1. **Investment Properties**

Investment property is held to earn rentals or for capital appreciation or both, which includes leased land use rights, land use rights readily transferable after capital appreciation, and leased buildings, etc. In addition, if the board of directors (or equivalent body) has a written resolution on a vacant building held to be leased out, and it is clearly stated that the building will be leased out under one or more operating leases and that intention will not change in the short-term, the building shall be presented as an investment property.

The Group chooses [cost model/ fair value model] for subsequent measurement of investment property.

Subsequent measurement at cost model:

An investment property is measured initially at its cost. When (a) it is probable that the future economic benefits that are associated with the investment property will flow to the Group, and (b) the cost can be measured reliably, costs incurred subsequently in relation to the investment property shall be recognized in the cost of investment property when incurred. All other costs incurred subsequently shall be recognized in profit or loss when incurred.

After initial recognition, the Group chooses cost model to measure investment property; the depreciation or amortization methods applied to the investment property shall be consistent with those of properties and buildings or land use rights.

For impairment test and measurement of impairment, see Note IV-XX “Impairment of Non-current and Non-financial Assets”.

A transfer from owner-occupied property or inventories to investment property, or a transfer from investment property to owner-occupied property, does not change the carrying amount of the property transferred.

Subsequent measurement at fair value model:

If the investment properties are subsequently measured at fair value model, the basis for choosing such accounting policy includes:

① There are active markets for properties where the investment property is located.

② The Group is able to obtain quoted prices for identical or similar properties or other inputs that are observable in the markets, so that the Group can reasonably estimate the fair value of the investment property.

③ Key assumptions and major uncertainties when the Group estimates the fair value of investment property include:

The Group does not depreciate or amortize the investment property. At the reporting date, the Group measures the investment property at fair value; a gain or loss arising from a change in the fair value shall be recognized in profit or loss for the period in which it arises.

The Group measures the fair value of an investment property using below evidence: (a) current market prices for identical or similar properties in active markets; (b) when current market prices are not available, recent transaction prices for identical or similar properties in active markets, also taking into consideration of terms, dates, and locations of the transactions; or (c) present value of expected future rental income and relevant cash flows.

[In very rare cases, there is a clear evidence when the Group first acquires an investment property (or when an existing property first becomes investment property after a change in use or completion of construction or development) that the fair value of the property will not be reliably measurable on a continuing basis, the Group shall measure that investment property using the cost model and continue to apply until disposal of the property. The residual value of the investment property shall be assumed to be zero.]

When the Group transfers an owner-occupied property or inventory to an investment property, the property shall be accounted for at fair value on the date of transfer, and if the fair value of the property at that date is lower than its previous carrying amount, any difference shall be recognized in profit or loss; if the fair value of the property at that date exceeds its previous carrying amount, any difference shall be recognized in other comprehensive income. When the Group transfers an investment property to an owner-occupied property, the property’s carrying amount shall be its fair value at the date of transfer, any difference between the fair value of the property at that date and the previous carrying amount shall be recognized in profit or loss.

[When there is a change in use to owner-occupation, from that date, the Group shall transfer the investment property to fixed asset or intangible asset. When there is change in use from owner-occupation to earning rentals or capital appreciation, from that date, the Group shall transfer the fixed asset or intangible asset to investment property. If an owner-occupied property becomes an investment property measured using cost model, the property shall be accounted for at its previous carrying amount before the transfer occurs. If an owner-occupied property becomes an investment property that will be carried at fair value, the property shall be accounted for at fair value on the date of transfer.]

An investment property shall be derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from sales, transfer, retirement of investment property shall be determined as the difference between (a) the net disposal proceeds and (b) the carrying amount of the asset and related taxes and surcharges shall be recognized in profit or loss.

1. **Fixed Assets**
2. Recognition

Fixed assets are tangible items that: a) are held for use in the production or supply or goods or services, for rental to others, or for administrative purposes; and b) are expected to be used during more than one financial year. A fixed asset shall be recognized only when (a) it is probable that future economic benefits associated with the item will flow to the Group, and (b) the cost of the item can be measured reliably. A fixed asset is recognized at cost on initial recognition, also taking into consideration of its estimated dismantlement, removal and restoration costs.

1. Classification, Measurement, and Depreciation

From the subsequent month after a fixed asset gets ready for its intended use, the Group depreciates the fixed asset on a monthly basis over its useful life. Useful life, residual value rate, and annual depreciation rate for each class of fixed assets are as follows:

| Class of fixed assets | Useful life | Residual value rate (%) | Annual depreciation rate (%) | Depreciation method |
| --- | --- | --- | --- | --- |
| Land |  |  |  |  |
| Properties and buildings |  |  |  |  |
| Machinery equipment |  |  |  |  |
| Transportation equipment |  |  |  |  |
| Electronic equipment |  |  |  |  |
| …… |  |  |  |  |

Residual value is the estimated amount that the Group would currently obtain from disposal of the fixed asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

1. Impairment Test and Measurement of Impairment

For impairment test and measurement of impairment of fixed assets, see Note IV-XX “Impairment of Non-current and Non-financial Assets”.

1. Others

Subsequent costs incurred for a fixed asset are recognized in the carrying amount of the fixed asset if (a) it is probable that future economic benefits associated with the asset will flow to the entity and (b) the costs can be measured reliably; and the carrying amount of the replaced parts of the asset is derecognized. Otherwise, subsequent costs are recognized in profit or loss as incurred.

The carrying amount of a fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The difference between (a) the net disposal proceeds arising from sales, transfer, retirement of the asset and (b) the carrying amount of the fixed asset and related taxes and surcharges is recognized in profit or loss when the asset is disposed.

The Group reviews the useful lives, residual values and depreciation methods applied to fixed assets at least at each financial year-end; any change is accounted for as a change in accounting estimate.

1. **Construction in Progress**

Construction in progress is measured at cost, which includes costs of construction during the construction period, [borrowing costs capitalized before the asset gets ready for intended use] and other relevant costs. Construction in progress is recognized as fixed asset when it is ready for intended use.

For impairment test and measurement of impairment of construction in progress, see Note IV-XX “Impairment of Non-current and Non-financial Assets”.

1. **Borrowing Costs**

Borrowing costs include interest expense, amortization of discounts or premiums, ancillary expenses incurred in connection with the borrowing of funds, and exchange differences arising from foreign currency borrowings, etc. The Group begins capitalizing borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying asset, on the date when the Group first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale. The Group ceases capitalizing borrowing costs when the qualifying asset gets ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

If the Group borrows funds specifically for the purpose of obtaining a qualifying asset (specific-purpose borrowings), the amount of borrowing costs eligible for capitalization is the actual interest expense incurred on that borrowing for the period less any interest income from depositing the unused borrowings or any investment income on the temporary investment of those borrowings. If the Group borrows funds generally (general-purpose borrowings) and uses them for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The expenditures on that asset shall be calculated as the weighted average of the excess of accumulated expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is calculated as the weighted average of the interest rates applicable to general-purpose borrowings of the Group.

During the capitalization period, exchange differences in connection with a specific-purpose borrowing denominating in foreign currency are all capitalized. Exchange differences in connection with a general-purpose borrowing are recognized in profit or loss as incurred.

A qualifying asset is a fixed asset, an investment property, or an inventory that necessarily takes a substantial period of time of acquisition, construction or production activities to get ready for its intended use or sale.

The Group suspends capitalization of borrowing costs during periods in which the acquisition, construction or production of a qualifying asset is delayed by activities other than those necessary to prepare the asset for its intended use or sale, and the delay is for a continuous period of more than 3 months; the Group resumes capitalization of borrowing costs after it restarts the acquisition, construction or production activities of the qualifying asset.

**18. Biological Assets**

1. Consumable Biological Assets

Consumable biological assets are those that are held for sale, or to be harvested as agricultural produce in the future, including field crops, vegetables, trees being grown for lumber, livestock held for sale, etc. Consumable biological assets are initially measured at cost. The costs associated with the cultivation, planting, procreation or breeding of the consumable biological assets before [harvest/closed canopy/sale/stockage] are directly attributable to the necessary expenses of the said assets, including borrowing costs that qualify for capitalization, the subsequent expenses for maintenance, feeding, etc. [after harvest/closed canopy/stockage] are included in profit or loss.

At the point of harvests or sales, the costs of consumable biological assets are carried forward based on the carrying amounts using [weighted average method/ specific identification method/growing stock method/rotation age method].

Consumable biological assets, at the reporting date, are measured at the lower of the costs and the net realizable values, and are calculated for the impairment loss according to the same method used for inventories. If the factors that affect the impairment of the consumable biological assets no longer exist, the impairment loss recognized in prior periods shall be reversed (i.e., the reversal is limited to the amount of the original impairment loss), and the reversal is included in profit or loss.

If the nature of use changes that consumable biological asset transfers into bearer biological asset, the cost after the change is determined according to the carrying amount when change occurs. In case that consumable biological asset transfers into biological asset for commonweal, the Group shall identify whether the asset is impaired in accordance with Accounting Standards for Business Enterprises No. 8 – Impairment of Assets. If the said asset is impaired, impairment loss shall be recognized, and the cost shall be determined at carrying amount (i.e., net of impairment loss).

1. Bearer Biological Assets

Bearer biological assets are those that are held to bear agricultural produce, render labor services or are held for rental, including forest for non-timber products, forest for firewood, bearer livestock and draught animals. Bearer biological assets are measured initially at cost. The costs associated with planting or procreation of the bearer biological assets are directly attributable to the necessary expenses of the said assets before they could accomplish the expected objectives for production or operation, including the borrowing costs that qualify for capitalization.

After bearer biological assets could accomplish the expected objectives for production or operation, they are depreciated over their useful lives using [straight-line method/workload method/unit-of-production method]. The useful lives, estimated residual value rate and depreciation rate is shown as follows:

| Items | Useful life | Estimated residual rate (%) | Annual depreciation rate (%) |
| --- | --- | --- | --- |
| XXX |  |  |  |
| XXX |  |  |  |

The useful live, estimated residual value and depreciation method of the bearer biological asset are reviewed at least at year end, and the change is accounted for as changes in accounting estimate.

If the bearer biological asset is disposed by sales, physical count loss, death or destruction, the difference between the disposal proceeds and its carrying amount and related taxes and surcharges is recognized in profit or loss.

The Group tests at each reporting date whether there is any indication that the bearer biological asset may be impaired. If any such indication exists, recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount is less than the carrying amount, the difference is recorded as impairment loss, and recognized in profit or loss.

Above impairment loss, once recognized, shall not be reversed in a subsequent period.

If the nature of use changes that bearer biological asset transfers into consumable biological asset, the cost after the change is determined according to the carrying amount when change occurs. In case that bearer biological asset transfers into biological asset for commonweal, the Group shall identify whether the asset is impaired in accordance with Accounting Standards for Business Enterprises No. 8 – Impairment of Assets. If the said asset is impaired, impairment loss shall be recognized, and the cost shall be determined at carrying amount (i.e., net of impairment loss).

1. Biological Assets for Commonweal

Biological assets for commonweal are those are held for conservation and environmental protection, including windbreaking and sanding fixing forest, forest for soil and water conservation, forest for water resource conservation, etc. The biological assets for commonweal are initially measured at cost. The costs associated with planting of the biological assets for commonweal before closed canopy are directly attributable to the necessary expenses of the said assets, including the borrowing costs that qualify for capitalization.

The subsequent expenses for maintenance, feeding, etc. after closed canopy are included in profit or loss.

Biological assets for commonweal are subsequently measured at cost model, and no impairment loss shall be recognized for biological assets for commonweal.

If the biological asset for commonweal is disposed by sales, physical count loss, death or destruction, the difference between the disposal proceeds and its carrying amount and related taxes and surcharges is recognized in profit or loss.

If the nature of use changes that biological asset for commonweal transfers into [consumable biological asset/bearer biological asset], the cost after the change is determined according to the carrying amount when change occurs.

**19. Oil and Gas Assets**

Costs of development wells and related supporting facilities are capitalized. The Group capitalizes exploratory well costs as construction in progress before the well discovers proven reserves. Exploratory well costs are included in profit or loss when the well fails to discover proven reserves. If the discovery of proven reserves is not confirmed, the exploratory well costs shall not be carried as asset more than one year. If the proven reserves are not discovered after one year, the exploratory well costs are included in profit or loss. Other exploration costs (including geological and geophysical exploration costs) shall be included in current income statement as incurred. Unless the oil and gas area with the proven reserves is sold, the Group shall not recognize related asset. Proceeds by sales of any such oil and gas asset shall be credited in its carrying amount.

The Group recognizes future dismantlement costs of oil and gas assets based on current common practice in the industry with consideration of expected dismantlement method and estimate of the engineers. Dismantlement costs shall be discounted using the risk-free return rate after credit rating to determine the present value, which is then capitalized as part of the value of oil and gas asset and amortized subsequently. The capitalized costs of oil and gas asset with proven reserves are depreciated on a unit-of-production basis.

1. **Intangible Assets**
2. Recognition and Measurement of Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance, which are possessed or controlled by the Group.

The intangible assets are initially measured at cost. Expenditure on the intangible assets, if it is probable that the expected economic benefits that are attributable to the assets will flow to the entity, and the cost of the assets can be measured reliably, shall be included in the cost of the intangible assets. Expenditure other than these shall be included in profit or loss as incurred.

The land use right is usually recognized as intangible asset. For buildings such as plants that are developed and constructed by the Group, relevant land use rights and buildings are recognized as intangible assets and fixed assets respectively. For purchased buildings, the payments shall be reasonably allocated to land use right and buildings, if it is difficult to allocate reasonably, then all are treated as fixed assets.

1. Amortization of Intangible Assets

For the intangible asset with a finite useful life, when it is available for use, its original value [less estimated residual value and accumulative impairment] shall be amortized using [straight line method/unit-of-production method] over its useful life. The intangible asset with an indefinite useful life shall not be amortized.

The useful life and amortization method of intangible asset with a finite useful life shall be reviewed at period end, and the change is accounted for as a change in accounting estimate. The useful life of the intangible asset with an indefinite useful life shall be reviewed as well, if there is evidence showing a foreseeable limit to the period over which such asset is expected to generate economic benefits for the entity, it, over its estimated useful life, shall be amortized according to the policy for intangible asset with a finite useful life.

1. Research and Development Expenditure

The internally generated research and development expenditure is divided into expenditure for the research phase and for the development phase. Among them, research refers to original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding, for example, activities aimed at obtaining new knowledge; the search for, evaluation and final selection of, application of research findings or other knowledge; the search for alternatives for materials, devices, products, processes, systems or services; and the formulation, design, evaluation and final selection of possible alternatives for new or improved materials, devices, products, processes, systems or services. Development refers to the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use, for example, the design, construction and testing of pre-production or pre-use prototypes and models; the design, construction and operation of a pilot plant that is not of a scale economically feasible for commercial production.

Expenditure on the research phase shall be included in profit or loss when it is incurred.

Expenditure on the development phase shall be recognized as intangible asset if the Group can demonstrate all of the following; otherwise, it shall be included in profit or loss:

①The technical feasibility of completing the intangible asset so that it will be available for use or sale;

②Its intention to complete the intangible asset and use or sell it;

③How the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate 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;

④The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

⑤Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

If research expenditure cannot be distinguished from development expenditure, all expenditure will be recorded in profit or loss as a whole.

1. Impairment Test and Measurement of Impairment for Intangible Assets

Please see Note IV-XX “Impairment of Non-current and Non-financial Assets”.

1. **Long-term Prepaid Expenses**

The long-term prepaid expenses are expenses which have been paid but will be amortized within the period over one year, including the current reporting period during which the expenses were incurred and the subsequent reporting period(s). The long-term prepaid expenses of the Group, together with its amortization method and amortization period are shown as follows:

| Items | Amortization method | Amortization period |
| --- | --- | --- |
|  |  |  |
|  |  |  |

1. **Impairment of Non-current and Non-financial Assets**

For fixed assets, construction in progress, intangible assets with finite useful lives, investment property measured at cost model, long-term equity investment on subsidiaries, joint-ventures or associates, goodwill and other non-current and non-financial assets, the Group assesses at the reporting date whether there is any indication that the asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset and carries out impairment test. Goodwill, intangible assets with indefinite useful lives or intangible assets not yet available for use will be tested for impairment annually, irrespective of whether there is any indication of impairment.

If impairment test shows that the recoverable amount of the asset is less than its carrying amount, the difference shall be recorded as loss allowance and recognized as impairment loss. The recoverable amount of the asset is the higher of its fair value less costs of disposal and its present value of expected future cash flows. The fair value of the asset is determined by price as agreed in the sales agreement in an arm’s length transaction. Where there is no sales agreement, but there is active market, the fair value is determined by the quoted price by the buyer of the asset. Where there is neither sales agreement nor active market, the fair value is estimated based on the best information available. Costs of disposal include legal costs, related taxes and surcharges, costs of removing the asset, and direct incremental costs to bring the asset into condition for its sale. Present value of the expected future cash flow is calculated by estimating the future cash flows to be derived from continuing use of the asset and from its ultimate disposal, and applying the appropriate discount rate to those future cash flows. Impairment is calculated and recognized for the individual asset, if it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit to which the said asset belongs. A cash-generating unit is the smallest group of assets that generates cash inflows that are independent of the cash inflows from other assets or groups of assets.

For the purpose of impairment testing, the carrying amount of the goodwill presented separately in the financial statement is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. The impairment loss is recognized for the cash-generating unit or group of the cash-generating units to which goodwill has been allocated if the recoverable amount of the unit (group of units) is less than the carrying amount of the unit (group of units). The impairment loss is allocated to first reduce the carrying amount of the goodwill allocated to the cash-generating unit (group of units), and then, to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units).

Above impairment loss, once recognized, shall not be reversed in a subsequent period.

1. **Employee Benefits**

The employee benefits of the Group include short-term employee benefits, post-employment benefits, termination benefits [and other long-term employee benefits].

Short-term employee benefits include salaries, bonuses allowances and subsidies, welfare, health insurance, maternity insurance, work injury insurance, housing funds, labor union funds, employee education funds, and other non-monetary benefits. The actual short-term employee benefits for the accounting period when the employee has rendered service to the Group are recognized as liability, and recorded in profit or loss or in the cost of related asset. The non-monetary benefits are measured at fair value.

Post-employee benefits include basic pensions, unemployment insurance and annuity. Post-employee benefit plans include defined contribution plan and [defined benefit plan]. Under defined contribution plan, the contribution payable is recorded in the cost of related asset or in the profit or loss as incurred. [The Group adopts a defined benefit plan that XXX. Under such defined benefit plan, the Group hires an independent actuary, using the projected unit credit method, and unbiased and mutually compatible actuarial assumption to make estimates about demographic variables and financial variables and determine the defined benefit obligations and the reporting periods that the obligations shall be recognized. At the reporting date, the Group shall present the present value of the defined benefit obligations, and recognize the current service cost in profit or loss.]

In the event that the Group decides to terminate an employee’s employment before the contract is expired, or the Group offers benefits in exchange of an employee’s decision to accept the redundancy, the liabilities related to the termination benefits shall be recognized at the earlier date when the Group cannot unilaterally withdraw the offer of those benefits, and when the Group recognizes costs for restructuring and involves the payment of termination benefits, and recorded in profit or loss. If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, the Group shall apply the requirements for other long-term employee benefits.

Same principle as above termination benefits shall be applied for early retirement plan of employee. The Group recognizes the compensation and social security contributions payable to the employee under the early retirement plan for the period since the date when the employee no longer renders any service till the normal retirement date in profit or loss (termination benefit), only if the criteria for recognition of provisions is met.

Other long-term employee benefits the Group offers, if meeting the requirements for defined contribution plan, shall be accounted for as defined contribution plan accordingly. Otherwise, accounting treatment of defined benefit plan shall be applied.

1. **Share-based Payments**
2. Classification of Share-based Payment

The share-based payment transactions of the Group include: XX.

Share-based payment is a transaction in which the Group receives services from employees or other parties as consideration for its own equity instruments or by incurring liabilities for amounts based on the price (or value) of equity instruments of the Group. Share-based payment transactions are classified as equity-settled share-based payment transactions and cash-settled share-based payment transactions. As of 31 December 20xx, the share-based payments of the Group are [equity-settled share-based payments or cash-settled share-based payments].

* 1. Equity-settled Share-based Payments

For equity-settled share-based payment transactions with employees, the Group measures those services received by the Group by reference to the fair value of the equity instruments granted at grant date. [If the equity instruments granted do not vest until the employee completes a specific period of service, or a performance condition is satisfied, the services (fair value) are recognized in related costs or expenses on a straight-line basis over the vesting period based on the best available estimate of the number of awards that are expected to vest during the vesting period/If the equity instruments granted vest immediately, the services (fair value) are recognized in related costs or expenses at grant date], with a corresponding increase in capital reserves.

For equity-settled share-based payment transactions with other parties, if the services rendered by other parties can be measured reliably, services are measured at their fair value at the date when they are rendered. If the services cannot be measured reliably, but the equity instruments can be measured reliably, the services are recognized in related costs or expenses by reference to the fair value of the equity instruments at the date when the services are rendered, with a corresponding increase in equity.

* 1. Cash-settled Share-based Payments

For cash-settled share-based payment transactions, the Group measures the services at fair value of the liabilities based on the price of the share or other equity instruments granted by the Group. If the equity instruments granted vest immediately, the services are recognized in related costs or expenses at grant date, with a corresponding increase in liability; If the equity instruments granted do not vest until a specific period of service is completed, or a performance condition is satisfied, the services received at each period are recognized in related costs or expenses at the fair value of the liabilities of the Group based on the best available estimate of the number of awards that are expected to vest at that period at each reporting date over the vesting period, with a corresponding increase in the liability.

At each reporting date and at the settlement date before the liability is settled, the fair value of the recognized liability is remeasured, with changes included in profit or loss.

1. Method for Determining Fair Value of the Equity Instruments

The share option granted by the Group is priced according to binomial options pricing model.

1. Basis for Best Estimate of Vested Equity Instruments

At each reporting date during the vesting period, the Group shall revise the number of awards that are expected to vest based on the best available estimate made according to latest data on changes in number of employees whose equity instruments vest and other subsequent information.

1. Accounting for Modification and Cancellation of Share-based Payments

When the Group modifies its share-based payment arrangement, if the modification increases the fair value of the equity instruments granted, the Group shall include the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. If the modification reduces the fair value of the equity instruments granted, or the Group modifies in a manner that is not beneficial to the employee, the Group shall continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred, other than a cancellation of some or all the equity instruments granted.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group shall account for the cancellation as an acceleration of vesting, and shall therefore recognize immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period in profit or loss, capital reserve shall be recognized at the same time. If the employee or other party can choose whether to meet a non-vesting condition, the Group shall treat the failure of the employee or other party to meet that non-vesting condition during the vesting period as a cancellation.

1. Accounting for Share-based Payments Involving the Group and Its Shareholder or Actual Controller

For share-based payment transaction involving the Group, its shareholder or actual controller, if among the entity settling the transaction and the entity receiving the goods or services, one is included in the Group, and the other is out of the Group, in the Group’s consolidated financial statement, following accounting shall apply:

①The entity settling the transaction shall account for share-based payment transaction in which it settles with its own equity instrument as equity-settled; otherwise, it shall be accounted for as cash-settled.

If the entity settling the transaction is the investor of the entity receiving the goods or services, the former recognizes a long-term equity investment on the latter at the fair value of the equity instrument at the grant date or fair value of the liabilities incurred, and also recognize capital reserve (other capital reserve) or liability.

②If the entity receiving the goods or services has no obligation to settle the transaction or the awards granted to its employee are its own equity instruments, such share-based payment transaction is recognized as equity-settled. If the entity receiving the goods or services has obligation to settle the transaction and the awards granted to its employee are not its own equity instruments, such share-based payment transaction is recognized as cash-settled.

For share-based payment transaction among entities within the Group, if the entity receiving the goods or services are not the same as the entity settling the transaction, in their individual financial statements, same policies as above shall be applied for the recognition and measurement of the share-based payment transaction.

1. **Bonds Payable**

The Group accounts for its non-convertible corporate bond as liability at the amount actually received (less relevant transaction fees); the difference between the amount actually received from the issuance of the bond and total par value of the bond, as premium or discount of the bonds, shall be amortized at [effective interest rate/nominal interest rate] over the duration in accrued interest, and shall be accounted for in accordance with the same standards as borrowing costs.

The Group accounts for its convertible corporate bond separately as liability component and equity component at initial recognition. The liability component shall be initially recognized at its fair value which is determined first, the equity component is initially recognized at issue price of the bond (less relevant transaction costs) less amount initially recognized for the liability component.

1. **Provisions**

A provision shall be recognized when the obligation related to the contingent event meets all of the following conditions: a) it is the present obligation of the Group; b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and c) a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account of risks, uncertainties of the contingent event, time value of the money and other factors.

When some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized as a separate asset when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision.

Events and reasons that the Group recognizes provisions include:

1. Onerous Contracts

Onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If an executory contract becomes onerous, and the obligation under such onerous contract meets the recognition criteria for provisions, the Group shall recognize the excess of estimated loss of the contract over impairment loss recognized for the underlying asset of the contract (if any) as a provision.

1. Outstanding lawsuit
2. Warranty
3. Restructuring obligations

When the Group has a detailed formal restructuring plan which has also been publicly announced, if the recognition criteria for provisions are met, direct expenditure arising from the restructuring is recognized as a provision. [No obligation arises for the sale of an operation until the Group is committed to the sale, i.e. there is a binding sale agreement.

1. **Preference Shares, Perpetual Debts and Other Financial Instruments**
2. Classification of Perpetual Debts, Preference Shares and Others

Perpetual debts, preference shares and other financial instruments issued by the Group are recognized as equity instruments if all following conditions are met:

① The financial instrument includes no contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are unfavorable to the Group;

② If the instrument will or may be settled in the Group’s own equity instruments, when it is a non-derivative, it includes no contractual obligation for the Group to deliver a variable number of its own equity instruments; or when it is a derivative, it will be settled only by the Group exchanging a fixed amount of cash and another financial asset for a fixed number of its own equity instruments.

Except above that can be classified as equity instruments, other financial instruments issued by the Group are classified as financial liabilities.

If the Group issues a compound financial instrument which contains both liability component and equity component, a financial liability is recognized at the fair value of the liability component, and other equity instrument is recognized at the residual amount after deducting the fair value of the liability component from the amount received for such compound financial instrument as a whole. Transaction costs that relate to the issue of the compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

1. Accounting for Perpetual Debts, Preference Shares and Others

Interest, dividends, gains or losses, and gains or losses associated with redemptions or refinancing relating to perpetual debts, preference shares and other financial instruments that are classified as financial liabilities are recognized in profit or loss, expect for borrowing costs that qualify for capitalization (please see Note IV-XX “Borrowing Costs”).

The issue (including refinancing), repurchase, sales or withdrawal of perpetual debts, preference shares and other financial instruments that are classified as equity instrument are recognized in changes in equity. Transaction costs are deducted from equity. Distributions to holders of equity instrument are recognized as profit distribution.

Changes in fair value of the equity instrument are not recognized.

1. **Revenue**

The Group shall recognize the consideration received as revenue when the customer obtains control of promised goods or services if the contract with customer meets all of the following criteria : the parties to the contract have approved the contract and are committed to perform their respective obligations; each party’s rights and obligations regarding the goods or services to be transferred are identified; the payment terms for the goods or services to be transferred are identified; the contract has commercial substances, i.e. the risk, timing or amount of the Group’s future cash flow is expected to change as a result of the contract; it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

At contract inception, the Group shall identify every single performance obligation in the contract, and allocate the transaction price in proportion to each performance obligation based on the stand-alone selling prices of the promised goods or services underlying each obligation. When determining the transaction price, the Group shall consider the effects of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer.

For each of the performance obligation, the Group shall recognize the revenue over time at an amount of transaction price allocated to that performance obligation based on its progress towards complete satisfaction of the performance obligation, If one of the following criteria is met: a) the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs; b) the Group’s performance creates work in progress that the customer controls as it is created; and c) the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Progress towards complete satisfaction of a performance obligation is measured in accordance with input methods or output methods based on the nature of the goods or services to be transferred. If the Group may not be able to reasonably measure the progress towards complete satisfaction of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group shall recognize revenue only to the extent of the costs incurred until such time that it can reasonably measure the progress towards complete satisfaction of that performance obligation.

If any of above criteria is not satisfied, the Group shall recognize revenue at an amount of transaction price allocated to the performance obligation at a point in time at which the customer obtains control of the promised goods or services. In determining the point in time at which a customer obtains control of the promised goods or services, the Group shall consider following indicators: a) the Group has a present right to payment for the promised goods or services, i.e. the customer is presently obliged to pay for such goods or services; b) the Group has transferred the legal title of the promised goods or services to the customer, i.e. the customer has legal tile to such goods or services; c) the Group has transferred physical possession of the promised goods or services, i.e. the customer has physical possession of such goods or services; d) the Group has transferred the significant risks and rewards of ownership of the promised goods or services to the customer, i.e. the customer has the significant risks and rewards of ownership of such goods or services; and e) the customer has accepted the promised goods or services, and other indicators of the transfer of control.

1. **Government Grants**

Government grants refer to monetary grants and non-monetary grants the Group receives from the government for free, excluding the capital invested by the government as an investor and in return the government can enjoy the corresponding owner’s equity. Government grants involve grants related to assets and grants related to income. Monetary government grants shall be measured at the amount received or expected to be received. Non-monetary government grants shall be measured at fair value, and otherwise measured at nominal amount if the fair value cannot be reliably obtained. Government grants measured at nominal amount shall be recognized directly in profit or loss.

If the government grants comprise both grants related to assets and grants related to income, the Group shall treat them separately, and if they cannot be distinguished from each other, they shall be accounted for as government grants related to income as a whole.

Government grants related to the daily operation of the Group shall be recognized in other income or by deducting related costs based on the nature of such economic business. Government grants unrelated to daily operation shall be recognized in non-operating revenue or expenses.

When the government grants become repayable, [repayment of such grants shall be applied first against the remaining amount of deferred income recognized in respect of the grants. To the extent that the repayment exceeds any such deferred income, the repayment shall be recognized in profit or loss.] Or [for government grants related to assets that deduct the carrying amount of related assets at initial recognition, the repayment shall be recognized by adjusting the carrying amount of the assets.] For other conditions, the repayment shall be recognized immediately in profit or loss.

1. **Deferred Tax Assets and Deferred Tax Liabilities**

For temporary differences between the carrying amount and tax base of certain assets or liabilities, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the “balance sheet liability method”.

For taxable temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither the accounting profit nor taxable profit (or deductible loss), no deferred tax liability is recognized. For taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, no deferred income tax liability is recognized when the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For all other taxable temporary differences except for above-mentioned situations, deferred tax liabilities shall be recognized.

For deductible temporary differences associated with the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither the accounting profit nor taxable profit (or deductible losses), no deferred tax asset is recognized. For deductible temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, no deferred income tax asset is recognized when it is not likely that the temporary difference will reverse in the foreseeable future, or when it is not likely that the Group’s taxable profit will be available against which the temporary difference can be utilized. For all other deductible temporary differences except for the above-mentioned situations, deferred tax assets are recognized, to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets are recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled in accordance with tax laws at the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of that deferred tax assets to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

1. **Leases**

A lease is a contract that conveys the right to control the use of an identified asset or assets for a period of time in exchange for consideration. At inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1. The Group as the Lessee

The major class of the leased assets is XX.

* 1. Initial Measurement

At the commencement date, the Group recognizes the right to use the underlying asset during the lease term as right-of-use asset, and recognizes lease liability [excluding short-term leases and leases of low-value assets] at the present value of the lease payments that are not paid a that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

* 1. Subsequent Measurement

The Group applies the depreciation requirements in Accounting Standards for Business Enterprises No. 4 – Fixed Assets (see Note IV-XX “Fixed Assets”) in depreciating the right-of-use asset. If it is reasonably certain that the Group will obtain the ownership of the underlying asset by the end of lease term, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the lease term or the end of the useful life of the right-of-use asset.

The Group uses constant periodic rate of interest to calculate the interest on the lease liability in each period during the lease term, and recognizes the amount in profit or loss or in carrying amount of relevant asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss or in carrying amount of relevant asset when those payments occur.

After the commencement date, when there are changes in (a) in-substance fixed payments, (b) expected payments of guaranteed residual value, (c) index or rate in measurement of lease payments, or (d) results of assessment or exercise of options to purchase the underlying asset or options to extend or terminate the lease, the Group remeasures the lease liability at present value of the lease payments after the changes, and recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

* 1. Short-term Leases and Leases of Low-value Assets

For short-term leases (lease term of 12 month or less) and leases of low-value assets, a simplified method is adopted. Instead of recognizing right-of-use asset and lease liability, the Group recognizes the lease payments associated with those leases as an expense or in carrying amount of relevant assets on either a straight-line basis over the lease term or another systematic basis.

1. The Group as the Lessor

At the commencement date, the Group classifies each of its leases as either an operating lease or a finance lease, based on the substance of the transaction. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset. An operating lease is a lease other than a finance lease.

1. Operating Leases

The Group recognizes lease payments from operating leases as income on [a straight-line basis] over the lease term. Variable lease payments not included in measurement of the lease payments from operating leases shall be recognized in profit or loss when occur.

1. Finance Leases

At commencement date, the Group recognizes a receivable under a finance lease, and derecognizes the underlying assets. At initial measurement, the receivable is an amount equal to the net investment in the lease (i.e., present value of the sum of unguaranteed residual value and lease payments that are not received at the commencement date, discounted at the interest rate implicit in the lease). The Group recognizes interest income over the lease term based on constant periodic interest rate. Income relating to variable lease payments not included in the measurement of the net investment in the lease shall be recognized in profit or loss when occurs.

1. **Assets Held for Sale**

The Group classifies a non-current asset or disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction (including exchange of non-monetary assets with commercial substance, the same below) rather than through continuing use. Specifically, all the following criteria shall be met: a) the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups; b) the Group has made resolution on a plan to sell the asset or disposal group, and a buyer has committed to complete the plan; c) the sale is expected to be completed within one year from the date of classification. A disposal group is a group of assets to be disposed of, by sales or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. The group shall include goodwill acquired in a business combination if the group is a cash-generating unit to which goodwill has been allocated in accordance with the requirements of Accounting Standard for Business Enterprises No. 8 – Impairment of Assets.

On initial recognition or subsequent remeasurement at each reporting date, the Group measures a non-current asset or disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell. An impairment loss is recognized in profit or loss when the carrying amount is higher than the fair value less costs to sell, and impairment loss is recognized accordingly. For the disposal group, the recognized impairment loss on assets is offset against the carrying amount of the goodwill in the disposal group, and then reduced in proportion of the carrying amount of the non-current assets applicable to requirements set out in Accounting Standards for Business Enterprises No. 42 – Non-Current Assets Held for Sale, Disposal Group and Discontinued Operations. The Group shall recognize a gain during the period for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized after the reclassification to non-current assets held for sale. The carrying amount of assets in the disposal group is increased proportionately according to the proportion of the carrying amount of each non-current asset except for goodwill. Impairment loss recognized before the reclassification to non-current assets held for sale shall not be recovered.

A non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale is not depreciated or amortized, interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

A non-current asset or disposal group that no longer meets the criteria to be classified as held for sale shall be removed from that category and measured at the lower of: a) its carrying amount before the asset or disposal group was classified as held for sale, adjusted for any depreciation, amortization or impairment that would have been recognized had the asset or disposal group not been classified as held for sale; and b) its recoverable amount.

1. **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless that the fair value is observed or estimated using the valuation techniques, the fair value used for measurement and/or disclosed in this financial statement is determined on this basis.

1. Assets and Liabilities Measured at Fair Value

At the year end, the assets measured at fair value mainly include XX, XX, and the liabilities measured at fair value mainly include XX, XX.

1. Valuation Techniques

When determining the fair value used to measure assets or liabilities, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other supporting information are available to measure fair value. The valuation techniques used are the market approach, the income approach and the cost approach. The Group uses valuation techniques consistent with one or more of those approaches to measure fair value, the results shall be evaluated considering the reasonableness of the range of values indicated by those results, and the fair value selected by the Group is the one within that range that is most representative of fair value in the circumstances.

Fair value measurement is categorized into three levels based on whether the inputs are observable, and how important are the inputs to the fair value measurement as a whole:

Level 1 inputs are quoted prices (unadjusted) in active markets for the identical assets or liabilities that the Group can access at the measurement date. Active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active; (c) inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads; and (d) market-corroborated inputs. Level 3 inputs are unobservable inputs for the asset or liability. The Group only uses Level 3 inputs to the extent that relevant observable inputs are not available, thereby allowing for situation in which there is little, if any, market activity for the asset or liability at the measurement date.

When measuring the assets and liabilities at fair value, the Group gives the highest priority to use Level 1 inputs, followed by Level 2 inputs and Level 3 inputs.

1. Accounting Treatment

For assets or liabilities measured at fair value, whether the Group shall recognize the changes in fair value in profit or loss or in other comprehensive income, shall be guided by relevant accounting standards under which the Group is required or allowed to measure or disclose such assets or liabilities at fair value, please see Note VI for other relevant information.

1. **Securitization**

When determining accounting policies for securitization, the Group has considered the extent that risks and rewards of the assets have transferred to another entity, and whether the Group has retained the control of the assets:

When the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group derecognizes such financial asset; When the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize such financial asset; If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group determines whether it has retained control of the financial asset. In the case that the Group has not retained control, it derecognizes the financial asset, and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer. In the case that the Group has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

# Changes in Accounting Policies, Accounting Estimates, and Correction of Errors

1. **Changes in Accounting Policies**
2. **Changes of Accounting Estimates**

**……**

1. **Correction of Material Prior Period Errors**

**……**

# Taxes

1. **Major Taxes and Tax Rates**

| Tax | Tax rate |
| --- | --- |
| Value added tax (VAT) | Output VAT rate is [13] % for taxable sales; VAT is paid after offsetting the deductible input VAT. |
| Consumption tax | CNY X per ton in the sales of [alcohol] |
| City construction Tax | [7]% of turnover tax paid |
| Corporate income tax (CIT) | [25]% of taxable income |
| Resources tax | …… |
| Land VAT | …… |

1. **Tax Incentives and Approvals**

According to [Department of State] [Approval No.X], the Company/subsidiary of the Company XX enjoys CIT preferential policy by halving the tax rate to XX% from [20XX] to [20XX].

[According to [Department of State] [Approval No.X], XX, a subsidiary of the Group, enjoys CIT preferential policy based on relevant regulations of XX, that it, from the first profitable year, CIT will be exempted from [ ] to [ ], and halved from [ ] to [ ], applicable tax rate for the current year is [] %. ]

[According to [Department of State] [Approval No.X], XX, a subsidiary of the Group, is approved for deferred payment of [CIT].]

# Business Combination and Consolidated Financial Statements

1. **Subsidiaries**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Enterprise name | Level | Enterprise type | Registered address | Principal place of business | Business nature | Paid-in capital | Proportion of shares  (%) | Proportion of voting rights  (%) | Investment | Acquisition method |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |

1. **Reasons That the Parent Has Control of the Investee When It Owns Less Than Half of the Voting Rights Over the Investee**

| No. | Enterprise name | Proportion of shares  (%) | Proportion of voting rights (%) | Registered capital | Investment | Level | Reason for consolidation |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

1. **Reasons That the Parent Has No Control of the Investee When It Directly Owns or Indirectly Owns Through Other Subsidiaries More Than Half of the Voting Rights Over the Investee**

| No. | Enterprise name | Proportion of shares  (%) | Proportion of voting rights  (%) | Registered capital | Investment | Level | Reason for not being consolidated |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

1. **Significant Partially-owned Subsidiaries**
2. Non-controlling Interests

| No. | Enterprise name | Proportion of non-controlling interests (%) | Profit or loss attributable to non-controlling interests | Dividends paid to non-controlling interests | Cumulative non-controlling interests at year end |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Major Financial Information

| Items | Current Year | | | Prior Year | | |
| --- | --- | --- | --- | --- | --- | --- |
| Enterprise 1 | Enterprise 2 | …… | Enterprise 1 | Enterprise 2 | …… |
| Current assets |  |  |  |  |  |  |
| Non-current assets |  |  |  |  |  |  |
| Total assets |  |  |  |  |  |  |
| Current liability |  |  |  |  |  |  |
| Non-current liability |  |  |  |  |  |  |
| Total liability |  |  |  |  |  |  |
| Operating revenue |  |  |  |  |  |  |
| Net profit |  |  |  |  |  |  |
| Total comprehensive income |  |  |  |  |  |  |
| Cash flows from operating activities |  |  |  |  |  |  |

1. **Accounting Period of a Subsidiary Not in Conformity with that of the Parent**

**……**

1. **Former Subsidiaries that are Not Consolidated in Current Year**
2. Former Subsidiaries That are Not Consolidated in Current Year

| Former subsidiary name | Registered address | Business nature | Proportion of shares  (%) | Proportion of voting rights  (%) | Reason for not being a subsidiary in current year |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Financial Position of the Former Subsidiaries at the Date of Disposal and the Reporting Date of Prior Year

| Former subsidiary name | Date of disposal | Date of disposal | | | 31 December 20xx | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Total assets | Total liabilities | Total owners' equity | Total assets | Total liabilities | Total owners' equity |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

1. Financial Performance of the Former Subsidiaries From Beginning of Current Year to Date of Disposal

| Former subsidiary name | Date of disposal | From beginning of current year to date of disposal | | |
| --- | --- | --- | --- | --- |
| Revenue | Costs | Net profit |
|  |  |  |  |  |
|  |  |  |  |  |

1. **Entities that are Newly Consolidated in Current Year**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Entity name | Closing balance of net assets | Net profit in current year | Nature of control |
|  |  |  |  |  |
|  |  |  |  |  |

1. **Business Combinations Under Common Control in Current Year**

| Enterprise name | Combination date | Basis for determination of combination date | Carrying amount of net assets | Consideration | Controlling party | From beginning of current year to combination date | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Revenue | Net profit | Net increase in cash | Net cash flows from operating activities |
|  |  | Note① |  |  |  |  |  |  |  |
|  |  | Note② |  |  |  |  |  |  |  |
|  |  | Note③ |  |  |  |  |  |  |  |

Note:①

②

③

1. **Business Combinations Not Under Common Control in Current Year**

| Enterprise name | Acquisition date | Basis for determination of acquisition date | Carrying amount of net assets | Fair value of net identifiable assets | |
| --- | --- | --- | --- | --- | --- |
| Amount | Determining method |
|  |  | Note(1)① |  |  | Note(1)② |
|  |  | Note(2)① |  |  | Note(2)② |
|  |  | Note(3)① |  |  | Note(3)② |

(Continued)

| Enterprise name | Consideration | Goodwill | | Revenue of the acquiree from acquisition date to year end | Net profit of the acquiree from acquisition date to year end |
| --- | --- | --- | --- | --- | --- |
| Amount | Determining method |
|  |  |  | Note(1)③ |  |  |
|  |  |  | Note(2)③ |  |  |
|  |  |  | Note(3)③ |  |  |

Note: (1)① ② ③

…… (2)① ② ③……

1. **Reverse Acquisition in Current Year**

|  |  |  |  |
| --- | --- | --- | --- |
| Acquirer (legal acquiree that intends to become a public entity) | Basis for determination of reverse acquisition | Method for determining cost of combination | Recognition of goodwill, profit or loss, or equity adjustment |
|  |  |  |  |
|  |  |  |  |

1. **Mergers in Current Year**
2. Major Assets and Liabilities Acquired Through Merger Under Common Control

①Enterprise 1

| Major assets | Amount | Major liabilities | Amount |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

②Enterprise 2

……

1. Major Assets and Liabilities Acquired Through Merger Not Under Common Control

①Enterprise 1

| Major assets | Amount | Major liabilities | Amount |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

②Enterprise 2

……

1. **Significant Restrictions Upon Subsidiaries’ Ability to Use the Company’s Assets or Settle the Company’s Liabilities**

**……**

1. **Consolidated Structured Entities**

**……**

1. **Changes In the Parent’s Ownership Interest In A Subsidiary**

In current year, transactions that result in changes in the parent’s ownership interest in a subsidiary while the parent still has control of the subsidiary mainly include: acquisition of xx% shares of xx subsidiary (after the transaction, the parent holds xx% shares of the subsidiary), sales of xx% shares of xx subsidiary (after the transaction, the parent holds xx% shares of the subsidiary). Effects of these transactions to non-controlling interests and owners’ equity attributable to the parent are as follows:

| Items | XX Enterprise | XX Enterprise | …… |
| --- | --- | --- | --- |
| Acquisition cost / Disposal consideration |  |  |  |
| —Cash |  |  |  |
| —Fair value of non-cash assets |  |  |  |
| …… |  |  |  |
| Total acquisition cost / disposal consideration |  |  |  |
| Less: Proportionate share of net assets in subsidiaries calculated based on shares acquired/disposed |  |  |  |
| Difference |  |  |  |
| Including: Adjustment in capital reserve |  |  |  |
| Adjustment in surplus reserve |  |  |  |
| Adjustment in undistributed profits |  |  |  |

1. **Strict Restrictions Upon Subsidiary’s Ability to Transfer Funds to the Parent**

# Significant Items in Consolidated Financial Statements

As for following items, unless otherwise stated, the amount are demonstrated in CNY; "opening balance" means balance on 1 January 20xx,(the “opening balance” of all items have reflected the effects of initial application of new accounting standards for [revenues, financial instruments,leases] in 20xx on the closing balance of the financial statements of 20xx, (please refer to Note V “Changes in Accounting Policies, Accounting Estimates and Correction of Errors” for details), "closing balance" means 31 December 20xx, "prior year" means the year of 20xx, and "current year" means the year of 20xx.

1. **Cash at bank and on hand**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Cash on hand |  |  |
| Bank deposits |  |  |
| Other cash balances |  |  |
| Total |  |  |
| Including: Total amount placed overseas |  |  |

The restricted cash/bank balances are as follows:

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Bank acceptance draft deposits |  |  |
| Letter of credit guarantee deposits |  |  |
| Performance bond |  |  |
| Time deposit or notice deposit for guarantee |  |  |
| Cash placed overseas and restricted for repatriation of funds |  |  |
| …… |  |  |
|  |  |  |
| Total |  |  |

1. **Financial Assets Held for Trading**

| Items | Fair value at year end | Fair value at year beginning |
| --- | --- | --- |
| Financial assets classified as at fair value through profit or loss |  |  |
| Including: Debt instrument investments |  |  |
| Equity instrument investments |  |  |
| Others |  |  |
| Financial assets designated as at fair value through profit or loss |  |  |
| Including: Debt instrument investments |  |  |
| Compound instrument investments |  |  |
| Others |  |  |
| Total |  |  |

1. **Derivative Financial Assets**

| Items | Closing balance | Opening balance | Cause |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Total |  |  |  |

1. **Notes Receivable**

①Classification of Notes Receivable

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Classification | Closing balance | | | Opening balance | | |
| Gross carrying amount | Allowance for doubtful accounts | Carrying amount | Gross carrying amount | Allowance for doubtful accounts | Carrying amount |
| Bank acceptance draft |  |  |  |  |  |  |
| Commercial acceptance draft |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

②Notes Receivable Pledged at Year End

| Classification | Pledged amount at year end |
| --- | --- |
| Bank acceptance draft |  |
| Commercial acceptance draft |  |
| Total |  |

③Notes Receivable that has been Endorsed or Discounted But Not Yet Mature at Year End

| Classification | Amount derecognized at year end | Amount not derecognized at year end |
| --- | --- | --- |
| Bank acceptance draft |  |  |
| Commercial acceptance draft |  |  |
| Total |  |  |

④Notes Transferred to Trade Receivables at Year End Due to the Drawer’s Failure to Perform

| Classification | Amount transferred to trade receivables at year end |
| --- | --- |
| Bank acceptance draft |  |
| Commercial acceptance draft |  |
| Total |  |

1. **Trade Receivables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Classification | Closing balance | | | |
| Gross carrying amount | | Allowance for doubtful accounts | |
| Amount | Proportion (%) | Amount | Proportion  (%) | |
| Trade receivables that are individually significant and individually assessed for impairment |  |  |  |  | |
| Trade receivables that are collectively assessed for impairment as in a group of receivables of shared credit risk characteristics |  |  |  |  | |
| Trade receivables that are individually not significant but are individually assessed for impairment |  |  |  |  | |
| Total |  |  |  | — | |

(Continued)

| Classification | Opening balance | | | |
| --- | --- | --- | --- | --- |
| Gross carrying amount | | Allowance for doubtful accounts | |
| Amount | Proportion (%) | Amount | Proportion  (%) |
| Trade receivables that are individually significant and individually assessed for impairment |  |  |  |  |
| Trade receivables that are collectively assessed for impairment as in a group of receivables of shared credit risk characteristics |  |  |  |  |
| Trade receivables that are individually not significant but are individually assessed for impairment |  |  |  |  |
| Total |  |  |  | — |

①Trade Receivables that are Individually Significant and Individually Assessed for Impairment at Year End

| Debtor name | Gross carrying amount | Allowance for doubtful accounts | Aging | Proportion (%) | Reason for recognition |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  | — | — | — |

②Trade Receivables that are Collectively Assessed for Impairment as in a Group of Receivables of Shared Credit Risk Characteristics

1. Using Aging Analysis Method

| Aging | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Gross carrying amount | | Allowance for doubtful accounts | Gross carrying amount | | Allowance for doubtful accounts |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year (including 1 year) |  |  |  |  |  |  |
| 1-2 years (including 2 years) |  |  |  |  |  |  |
| 2-3 years (including 3 years) |  |  |  |  |  |  |
| Over 3 years |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

1. Using Percentage of Receivables Method or Other Portfolio Methods

| Portfolio name | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Amount | Proportion (%) | Allowance for doubtful accounts | Amount | Proportion (%) | Allowance for doubtful accounts |
| Portfolio 1 |  |  |  |  |  |  |
| Portfolio 2 |  |  |  |  |  |  |
| …… |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

③Trade Receivables that are Individually not significant But are Individually Assessed for Impairment at Year End

| Debtor name | Gross carrying amount | Allowance for doubtful accounts | Aging | Proportion (%) | Reason for recognition |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  | — | — | — |

④Reversals or Collections

| Debtor name | Amount of reversals or collections | Accumulated allowance for doubtful accounts prior to reversals or collections | Reason and method for reversals or collections |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
| Total |  |  | — |

⑤Write-offs in Current Year

| Debtor name | Nature of trade receivables | Write-off amount | Reason for write-off | Write-off procedure | Arising from related party transaction? |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total | — |  | — | — | — |

⑥Top Five Debtors According to Closing Balances

| Debtor name | Gross carrying amount | Proportion of total trade receivables  (%) | Allowance for doubtful accounts |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Total |  |  |  |

⑦ Trade Receivables Derecognized Due to Transfer of Financial Assets

|  |  |  |
| --- | --- | --- |
| Debtor name | Amount derecognized | Gain or loss related to derecognition (loss expressed with “-“) |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

⑧Assets and Liabilities Arising in Continuing Involvement in the Transfer of Trade Receivables (For Example, Securitization, Factoring, Etc.)

| Items | Closing balance |
| --- | --- |
| Assets: |  |
|  |  |
|  |  |
| Subtotal |  |
| Liabilities: |  |
|  |  |
|  |  |
| Subtotal |  |

1. **Receivables Financing**

|  |  |  |
| --- | --- | --- |
| Classification | Closing balance | Opening balance |
| Notes receivable |  |  |
| Trade receivables |  |  |
| Total |  |  |

1. **Advances to Suppliers**
2. Aging Analysis

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Aging | Closing balance | | | Opening balance | | |
| Gross carrying amount | | Allowance for doubtful accounts | Gross carrying amount | | Allowance for doubtful accounts |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year (including 1 year) |  |  |  |  |  |  |
| 1-2 years (including 2 years) |  |  |  |  |  |  |
| 2-3 years (including 3 years) |  |  |  |  |  |  |
| Over 3 years |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

1. Significant Advances to Suppliers Aged Over One Year

| Creditor | Debtor | Closing balance | Aging | Reason for outstanding |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total | |  | — | — |

1. Top Five Advances to Suppliers Classified by Debtors at Year End

| Debtor name | Gross carrying amount | Proportion of total advances to suppliers (%) | Allowance for doubtful accounts |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Total |  |  |  |

1. **Other Receivables**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Interests receivable |  |  |
| Dividends receivable |  |  |
| Other receivables |  |  |
| Total |  |  |

1. Interests Receivable

①Classification of Interests Receivable

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Time deposits |  |  |
| Entrusted loans |  |  |
| Bond investments |  |  |
| Others |  |  |
| Total |  |  |

②Significant Overdue Interests

| Debtor | Closing balance | Overdue period (month) | Reason for overdue | Any impairment loss incurred and its basis |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  | — | — | — |

1. Dividends Receivable

| Items | Closing balance | Opening balance | Reason for being uncollectible | Any impairment loss incurred and its basis |
| --- | --- | --- | --- | --- |
| Dividends receivable aged within one year |  |  |  |  |
| Including: (1) |  |  |  |  |
| (2) |  |  |  |  |
| … |  |  |  |  |
| Dividends receivable aged over one year |  |  |  |  |
| Including: (1) |  |  |  |  |
| (2) |  |  |  |  |
| … |  |  |  |  |
| Total |  |  | — | — |

1. Other Receivables

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Classification | Closing balance | | | |
| Gross carrying amount | | Allowance for doubtful accounts | |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Other receivables that are individually significant and individually assessed for impairment |  |  |  |  |
| Other receivables that are collectively assessed for impairment as in a group of receivables of shared credit risk characteristics |  |  |  |  |
| Other receivables that are individually not significant but are individually assessed for impairment |  |  |  |  |
| Total |  | — |  | — |

(Continued)

| Classification | Opening balance | | | |
| --- | --- | --- | --- | --- |
| Gross carrying amount | | Allowance for doubtful accounts | |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Other receivables that are individually significant and individually assessed for impairment |  |  |  |  |
| Other receivables that are collectively assessed for impairment as in a group of receivables of shared credit risk characteristics |  |  |  |  |
| Other receivables that are individually not significant but are individually assessed for impairment |  |  |  |  |
| Total |  | —— |  | —— |

① Other Receivables that are Individually Significant and Individually Assessed for Impairment at Year End

| Debtor name | Gross carrying amount | Allowance for doubtful accounts | Aging | Proportion (%) | Reason for recognition |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  | — | — | — |

② Other Receivables that are Collectively Assessed for Impairment as in a Group of Receivables of Shared Credit Risk Characteristics

1. Using Aging Analysis Method

| Aging | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Gross carrying amount | | Allowance for doubtful accounts | Gross carrying amount | | Allowance for doubtful accounts |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year (including 1 year) |  |  |  |  |  |  |
| 1-2 years (including 2 years) |  |  |  |  |  |  |
| 2-3 years (including 3 years) |  |  |  |  |  |  |
| Over 3 years |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

1. Using Percentage of Receivables Method or Other Portfolio Methods

| Portfolio name | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Amount | Proportion (%) | Allowance for doubtful accounts | Amount | Proportion (%) | Allowance for doubtful accounts |
| Portfolio 1 |  |  |  |  |  |  |
| Portfolio 2 |  |  |  |  |  |  |
| …… |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

③ Other Receivables that are Individually not significant But are Individually Assessed for Impairment at Year End

| Debtor name | Gross carrying amount | Allowance for doubtful accounts | Aging | Proportion (%) | Reason for recognition |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  | — | — | — |

④ Reversals or Collections

|  |  |  |  |
| --- | --- | --- | --- |
| Debtor name | Amount of reversals or collections | Accumulated allowance for doubtful accounts prior to reversals or collections | Reason and method for reversals or collections |
|  |  |  |  |
|  |  |  |  |
| Total |  |  | — |

⑤ Write-offs in Current Year

| Debtor name | Nature of other receivables | Write-off amount | Reason for write-off | Write-off procedure | Arising from related party transaction? |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total | — |  | — |  | — |

⑥ Top Five Debtors According to Closing Balances

| Debtor name | Nature of receivables | Gross carrying amount | Aging | Proportion of total other receivables  (%) | Allowance for doubtful accounts |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total | — |  |  |  |  |

⑦Other Receivables Derecognized Due to Transfer of Financial Assets

| Debtor name | Amount derecognized | Gain or loss related to derecognition (loss expressed with “-“) |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

⑧ Assets and Liabilities Arising in Continuing Involvement in the Transfer of Other Receivables (For Example, Securitization, Factoring, Etc.)

| Items | Closing balance |
| --- | --- |
| Assets: |  |
|  |  |
|  |  |
| Subtotal |  |
| Liabilities: |  |
|  |  |
|  |  |
| Subtotal |  |

⑨Other Receivables Related to Government Grants

| Enterprise name | Project name of government grants | Closing balance | Aging at year end | Estimated collection date, amount, and the basis |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. **Inventories**
2. Classification of Inventories

| Items | Closing balance | | |
| --- | --- | --- | --- |
| Gross carrying amount | Write-down | Carrying amount |
| Raw materials |  |  |  |
| Semi-finished products and work-in-process |  |  |  |
| Including: real estate in the process of construction (applying to real estate enterprises) |  |  |  |
| Merchandise (Finished goods) |  |  |  |
| Including: real estate which its construction is complete (applying to real estate enterprises) |  |  |  |
| Reusable materials (Packaging materials, Low-valued consumables etc.) |  |  |  |
| Consumable biological assets |  |  |  |
| Portion of contract assets which was previously classified as inventories |  |  |  |
| Others |  |  |  |
| Including: land reserve which has not been developed (applying to real estate enterprises) |  |  |  |
| Total |  |  |  |

(Continued)

| Items | Opening balance | | |
| --- | --- | --- | --- |
| Gross carrying amount | Write-down | Carrying amount |
| Raw materials |  |  |  |
| Semi-finished products and work-in-process |  |  |  |
| Including: real estate in the process of construction (applying to real estate enterprises) |  |  |  |
| Merchandise (Finished goods) |  |  |  |
| Including: real estate which its construction is complete (applying to real estate enterprises) |  |  |  |
| Reusable materials (Packaging materials, Low-valued consumables etc.) |  |  |  |
| Consumable biological assets |  |  |  |
| Portion of contract assets which was previously classified as inventories |  |  |  |
| Others |  |  |  |
| Including: land reserve which has not been developed (applying to real estate enterprises) |  |  |  |
| Total |  |  |  |

1. Capitalization of Borrowing Costs in Closing Balance of Inventories

| Items | Closing balance of capitalized borrowing costs |
| --- | --- |
|  |  |
|  |  |
| Total |  |

1. **Contract Assets**
2. Contract Assets

| Items | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Gross carrying amount | Impairment loss | Carrying amount | Gross carrying amount | Impairment loss | Carrying amount |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

1. Impairment loss for Contract Assets

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. **Assets Held for Sale**

| Items | Carrying amount at year end | Fair value at year end | Estimated costs of disposal | Schedule of disposal |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  | — |

1. **Non-current Assets Due Within One Year**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Other Current Assets**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Debt Investments**
2. Debt Investments

| Items | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Gross carrying amount | Impairment loss | Carrying amount | Gross carrying amount | Impairment loss | Carrying amount |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

1. Significant Debt Investments at Year End

| Bond items | Par value | Nominal interest rate | Effective interest rate | Maturity date |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  | — | — | — |

1. **Other Debt Investments**
2. Other Debt Investments

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. Significant Other Debt Investments at Year End

| Other Debt Investments | Par value | Amortized cost | Fair value | Cumulative amount of changes in fair value recognized in other comprehensive income | Impairment loss recognized |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  |  |  | — |

1. **Long-term Receivables**
2. Long-term Receivables

| Items | Closing balance | | | Opening balance | | | Range of discount rate at year end |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Gross carrying amount | Allowance for doubtful accounts | Carrying amount | Gross carrying amount | Allowance for doubtful accounts | Carrying amount |
| Finance lease payments |  |  |  |  |  |  |  |
| Including: Unearned finance income |  |  |  |  |  |  |  |
| Installment sale of merchandise |  |  |  |  |  |  |  |
| Installment sale of services |  |  |  |  |  |  |  |
| Others |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |

1. Long-term Receivables Derecognized Due to Transfer of Financial Assets

| Transfer method of financial assets | Amount of long-term receivables derecognized | Gain or loss related to derecognition |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

1. Assets and Liabilities Arising in Continuing Involvement in the Transfer of Long-term Receivables

| Items | Closing balance |
| --- | --- |
| Assets: |  |
|  |  |
| Subtotal |  |
| Liabilities: |  |
|  |  |
| Subtotal |  |

1. **Long-term Equity Investments**
2. Classification of Long-term Equity Investments

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| Investments in subsidiaries |  |  |  |  |
| Investments in joint ventures |  |  |  |  |
| Investments in associates |  |  |  |  |
| Subtotal |  |  |  |  |
| Less: Impairment loss for long-term equity investments |  |  |  |  |
| Total |  |  |  |  |

1. Long-term Equity Investments

| Investee | Cost of investments | Opening balance | Increase/decrease in current year | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Increase in investments | Decrease in investments | Investment gain or loss recognized under equity method | Adjustment in other comprehensive income |
| Total |  |  |  |  |  |  |
| I. Joint ventures |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| II. Associates |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

(Continued)

| Investee | Increase/decrease in current year | | | | Closing balance | Closing balance of impairment loss |
| --- | --- | --- | --- | --- | --- | --- |
| Other changes in equity | Cash dividends declared and profits to be distributed | Impairment loss | Others |
| Total |  |  |  |  |  |  |
| I. Joint ventures |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| II. Associates |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. Major Financial Information of Significant Joint Ventures

| Items | Current year | | | Prior year | | |
| --- | --- | --- | --- | --- | --- | --- |
| Enterprise 1 | Enterprise 2 | … | Enterprise 1 | Enterprise 2 | … |
| Current assets |  |  |  |  |  |  |
| Non-current assets |  |  |  |  |  |  |
| Total assets |  |  |  |  |  |  |
| Current liabilities |  |  |  |  |  |  |
| Non-current liabilities |  |  |  |  |  |  |
| Total liabilities |  |  |  |  |  |  |
| Net assets |  |  |  |  |  |  |
| Proportionate share of net assets calculated based on shareholding |  |  |  |  |  |  |
| Adjustments |  |  |  |  |  |  |
| Carrying amount of equity investments in joint ventures |  |  |  |  |  |  |
| Fair value of equity investments with quoted market prices |  |  |  |  |  |  |
| Operating revenue |  |  |  |  |  |  |
| Financial expenses |  |  |  |  |  |  |
| Income tax expenses |  |  |  |  |  |  |
| Net profit |  |  |  |  |  |  |
| Other comprehensive income |  |  |  |  |  |  |
| Total comprehensive income |  |  |  |  |  |  |
| Dividends received from joint ventures in current year |  |  |  |  |  |  |

1. Major Financial Information of Significant Associates

| Items | Current year | | | Prior year | | |
| --- | --- | --- | --- | --- | --- | --- |
| Enterprise 1 | Enterprise 2 | … | Enterprise 1 | Enterprise 2 | … |
| Current assets |  |  |  |  |  |  |
| Non-current assets |  |  |  |  |  |  |
| Total assets |  |  |  |  |  |  |
| Current liabilities |  |  |  |  |  |  |
| Non-current liabilities |  |  |  |  |  |  |
| Total liabilities |  |  |  |  |  |  |
| Net assets |  |  |  |  |  |  |
| Proportionate share of net assets calculated based on shareholding |  |  |  |  |  |  |
| Adjustments |  |  |  |  |  |  |
| Carrying amount of equity investments in associates |  |  |  |  |  |  |
| Fair value of equity investments with quoted market prices |  |  |  |  |  |  |
| Operating revenue |  |  |  |  |  |  |
| Net profit |  |  |  |  |  |  |
| Other comprehensive income |  |  |  |  |  |  |
| Total comprehensive income |  |  |  |  |  |  |
| Dividends received from associates in current year |  |  |  |  |  |  |

1. Summary of Joint Ventures and Associates that are not Significant

| Items | Current year | Prior year |
| --- | --- | --- |
| Joint ventures: | **—** | **—** |
| Total carrying amount of the investments |  |  |
| Total amount calculated by proportion of shares for following items |  |  |
| Net profit |  |  |
| Other comprehensive income |  |  |
| Total comprehensive income |  |  |
| Associates: | **—** | **—** |
| Total carrying amount of the investments |  |  |
| Total amount calculated by proportion of shares for following items |  |  |
| Net profit |  |  |
| Other comprehensive income |  |  |
| Total comprehensive income |  |  |

1. Risks Associated with Equity in Joint Ventures and Associates

| Name of joint venture or associate | Cumulative amount of unrecognized net investment loss at end of prior year | | Unrecognized loss in current year (or net profit/other comprehensive income shared this year) | | Cumulative amount of unrecognized net investment loss at year end | |
| --- | --- | --- | --- | --- | --- | --- |
| Net profit | other comprehensive income | Net income | other comprehensive income | Net profit | other comprehensive income |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. Structured Entities that are Not Consolidated

……

1. **Other Equity Instrument Investments**
2. Other Equity Instrument Investments

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. Significant Other Equity Instrument Investments at Year End

|  |  |  |  |
| --- | --- | --- | --- |
| Items | Cost of investments | Cumulative amount of changes in fair value recognized in other comprehensive income | Fair value at year end |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

1. **Other Non-current Financial Assets**

| Items | Fair value at year end | Fair value at year beginning |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Investment Properties**
2. Investment Properties

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Total gross carrying amount |  |  |  |  |
| Including: Buildings |  |  |  |  |
| Land use rights |  |  |  |  |
| II. Accumulated depreciation (amortization) |  |  |  |  |
| Including: Buildings |  |  |  |  |
| Land use rights |  |  |  |  |
| III. Total carrying amount before impairment |  | — | — |  |
| Including: Buildings |  | — | — |  |
| Land use rights |  | — | — |  |
| IV. Cumulative amount of impairment loss |  |  |  |  |
| Including: Buildings |  |  |  |  |
| Land use rights |  |  |  |  |
| V. Total carrying amount |  | — | — |  |
| Including: Buildings |  | — | — |  |
| Land use rights |  | — | — |  |

[Investment properties measured at fair value shall be disclosed as follows:]

| Items | Fair value at year beginning | Increase in current year | | | | Decrease in current year | | | Fair value at year end | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Purchases | Amount transferred from owner-occupied properties or inventories | Changes in fair value | | Disposals | | Amount transferred to owner-occupied properties |
| I. Total cost |  |  |  | | — | |  |  | |  |
| Including: Buildings |  |  |  | | — | |  |  | |  |
| Land use rights |  |  |  | | — | |  |  | |  |
| II. Total changes in fair value |  |  |  | |  | |  |  | |  |
| Including: Buildings |  |  |  | |  | |  |  | |  |
| Land use rights |  |  |  | |  | |  |  | |  |
| III. Total carrying amount |  |  |  | |  | |  |  | |  |
| Including: Buildings |  |  |  | |  | |  |  | |  |
| Land use rights |  |  |  | |  | |  |  | |  |

1. Investment Properties Without Certificates of Ownership

| Items | Carrying amount | Reason for not obtaining certificates of ownership |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |

1. **Fixed Assets**

| Items | Carrying amount at year end | Carrying amount at year beginning |
| --- | --- | --- |
| Fixed assets |  |  |
| Disposal of fixed assets |  |  |
| Total |  |  |

1. Fixed Assets

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Total gross carrying amount |  |  |  |  |
| Including: Land |  |  |  |  |
| Buildings |  |  |  |  |
| Machinery Equipment |  |  |  |  |
| Transportation equipment |  |  |  |  |
| Electronic equipment |  |  |  |  |
| Office equipment |  |  |  |  |
| Hotel furniture |  |  |  |  |
| Others |  |  |  |  |
| II. Accumulated depreciation |  |  |  |  |
| Including: Land | — | — | — | — |
| Buildings |  |  |  |  |
| Machinery Equipment |  |  |  |  |
| Transportation equipment |  |  |  |  |
| Electronic equipment |  |  |  |  |
| Office equipment |  |  |  |  |
| Hotel furniture |  |  |  |  |
| Others |  |  |  |  |
| III. Total carrying amount before impairment |  | — | — |  |
| Including: Land |  | — | — |  |
| Buildings |  | — | — |  |
| Machinery Equipment |  | — | — |  |
| Transportation equipment |  | — | — |  |
| Electronic equipment |  | — | — |  |
| Office equipment |  | — | — |  |
| Hotel furniture |  | — | — |  |
| Others |  | — | — |  |
| IV. Total impairment loss |  |  |  |  |
| Including: Land | — | — | — | — |
| Buildings |  |  |  |  |
| Machinery Equipment |  |  |  |  |
| Transportation equipment |  |  |  |  |
| Electronic equipment |  |  |  |  |
| Office equipment |  |  |  |  |
| Hotel furniture |  |  |  |  |
| Others |  |  |  |  |
| V. Total carrying amount |  | — | — |  |
| Including: Land |  | — | — |  |
| Buildings |  | — | — |  |
| Machinery Equipment |  | — | — |  |
| Transportation equipment |  | — | — |  |
| Electronic equipment |  | — | — |  |
| Office equipment |  | — | — |  |
| Hotel furniture |  | — | — |  |
| Others |  | — | — |  |

1. Fixed Assets That are Temporarily Idle

| Items | Gross carrying amount | Accumulated depreciation | Impairment loss | Carrying amount | Note |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  |  |  |  |

1. Fixed Assets Without Certificates of Ownership

| Items | Carrying amount | Reason for not obtaining certificates of ownership |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |

1. Disposal of Fixed Assets

| Items | Carrying amount at year end | Carrying amount at year beginning | Reasons for transferring to disposal of fixed assets |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
| Total |  |  |  |

1. **Construction in Progress**

| Items | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Gross carrying amount | Impairment loss | Carrying amount | Gross carrying amount | Impairment loss | Carrying amount |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| …… |  |  |  |  |  |  |
| Construction materials |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

1. Changes of Significant Construction in Progress in Current Year

| Project name | Budget | Opening balance | Increase in current year | Amount transferred to fixed assets in current year | Other decrease in current year | Closing balance |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

(Continued)

| Project name | Proportion of accumulated investments to the budget (%) | Percentage of completion | Cumulative amount of capitalized interests | Including: Capitalized interests in current year | Interest capitalization rate for current year (%) | Sources of funds |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total | — |  |  |  | — |  |

1. Impairment loss of Construction in Progress Recognized in Current Year

| Items | Amount recognized in current year | Basis for recognition |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. Construction Materials

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Bearer Biological Assets**
2. Carrying Amount at Year Beginning, at Year End, and Changes in Current Year of the Biological Assets Subsequently Measured at Costs

| Items | Carrying amount at year beginning | Increase in current year | Decrease in current year | Carrying amount at year end | |
| --- | --- | --- | --- | --- | --- |
| Amount | Quantity |
| I. Plantation |  |  |  |  |  |
| Including: |  |  |  |  |  |
| … |  |  |  |  |  |
| II. Livestock raising |  |  |  |  |  |
| Including: |  |  |  |  |  |
| … |  |  |  |  |  |
| III. Forestry |  |  |  |  |  |
| Including: |  |  |  |  |  |
| … |  |  |  |  |  |
| IV. Aquaculture |  |  |  |  |  |
| Including: |  |  |  |  |  |
| … |  |  |  |  |  |
| Total |  |  |  |  |  |

Note: ① For bearer biological assets measured at costs, increases due to purchases are CNY XX, increases due to procreation are CNY XX in [plantation/livestock raising/forestry/aquaculture].

1. Depreciation and Impairment of Bearer Biological Assets Measured at Costs

| Items | Estimated useful life | | Estimated residual value | Depreciation method | Closing balance of accumulated depreciation | Closing balance of accumulated impairment loss |
| --- | --- | --- | --- | --- | --- | --- |
| I. Plantation |  |  | |  |  |  |
| Including: |  |  | |  |  |  |
| … |  |  | |  |  |  |
| II. Livestock raising |  |  | |  |  |  |
| Including: |  |  | |  |  |  |
| … |  |  | |  |  |  |
| III. Forestry |  |  | |  |  |  |
| Including: |  |  | |  |  |  |
| … |  |  | |  |  |  |
| IV. Aquaculture |  |  | |  |  |  |
| Including: |  |  | |  |  |  |
| … |  |  | |  |  |  |
| Total | － | － | | － |  |  |

1. Risks of Bearer Biological Assets and Related Management Measures

[Biological assets measured at fair value shall be disclosed as follows:]

1. Fair Value and Its Changes of Biological Assets Subsequently Measured at Fair Value

| Items | Carrying amount at year beginning | Increase in current year | Decrease in current year | Carrying amount at year end |
| --- | --- | --- | --- | --- |
| I. Plantation |  |  |  |  |
| Including: |  |  |  |  |
| … |  |  |  |  |
| II. Livestock raising |  |  |  |  |
| Including: |  |  |  |  |
| … |  |  |  |  |
| III. Forestry |  |  |  |  |
| Including: |  |  |  |  |
| … |  |  |  |  |
| IV. Aquaculture |  |  |  |  |
| Including: |  |  |  |  |
| … |  |  |  |  |
| Total |  |  |  |  |

1. Risks of Bearer Biological Assets and Related Management Measures
2. **Oil and Gas Assets**
3. Total Costs of Oil and Gas Assets
4. Classification

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Gross carrying amount |  |  |  |  |
| Including: Rights of exploration, development and production in wells with proven reserves |  |  |  |  |
| Rights of exploration, development and production in wells without proven reserves |  |  |  |  |
| Wells and relevant facilities |  |  |  |  |
| II. Total accumulated depreciation (amortization) |  |  |  |  |
| Including: Rights of exploration, development and production in wells with proven reserves |  |  |  |  |
| Rights of exploration, development and production in wells without proven reserves | — | — | — | — |
| Wells and relevant facilities |  |  |  |  |
| III. Total impairment losss |  |  |  |  |
| Including: Rights of exploration, development and production in wells with proven reserves |  |  |  |  |
| Rights of exploration, development and production in wells without proven reserves |  |  |  |  |
| Wells and relevant facilities |  |  |  |  |
| IV. Total carrying amount |  | — | — |  |
| Including: Rights of exploration, development and production in wells with proven reserves |  | — | — |  |
| Rights of exploration, development and production in wells without proven reserves |  | — | — |  |
| Wells and relevant facilities |  | — | — |  |

1. **Right-of-use Assets**

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Total gross carrying amount |  |  |  |  |
| Including: properties and buildings |  |  |  |  |
| Machinery equipments |  |  |  |  |
| …… |  |  |  |  |
| II. Accumulated depreciation |  |  |  |  |
| Including: properties and buildings |  |  |  |  |
| Machinery equipments |  |  |  |  |
| …… |  |  |  |  |
| III. Total carrying amount before impairment |  | — | — |  |
| Including: properties and buildings |  | — | — |  |
| Machinery equipments |  | — | — |  |
| …… |  | — | — |  |
| IV. Total impairment loss |  |  |  |  |
| Including: properties and buildings |  |  |  |  |
| Machinery equipments |  |  |  |  |
| …… |  |  |  |  |
| V. Total carrying amount |  | — | — |  |
| Including: properties and buildings |  | — | — |  |
| Machinery equipments |  | — | — |  |
| …… |  | — | — |  |

1. **Intangible Assets**
2. Classification

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Total gross carrying amount |  |  |  |  |
| Including: Software |  |  |  |  |
| Land use rights |  |  |  |  |
| Patents |  |  |  |  |
| Non-proprietary technology |  |  |  |  |
| Trademarks |  |  |  |  |
| Copyrights |  |  |  |  |
| Royalties |  |  |  |  |
| …… |  |  |  |  |
| II. Accumulated amortization |  |  |  |  |
| Including: Software |  |  |  |  |
| Land use rights |  |  |  |  |
| Patents |  |  |  |  |
| Non-proprietary technology |  |  |  |  |
| Trademarks |  |  |  |  |
| Copyrights |  |  |  |  |
| Royalties |  |  |  |  |
| …… |  |  |  |  |
| III. Total impairment loss |  |  |  |  |
| Including: Software |  |  |  |  |
| Land use rights |  |  |  |  |
| Patents |  |  |  |  |
| Non-proprietary technology |  |  |  |  |
| Trademarks |  |  |  |  |
| Copyrights |  |  |  |  |
| Royalties |  |  |  |  |
| …… |  |  |  |  |
| IV. Total carrying amount |  | — | — |  |
| Including: Software |  | — | — |  |
| Land use rights |  | — | — |  |
| Patents |  | — | — |  |
| Non-proprietary technology |  | — | — |  |
| Trademarks |  | — | — |  |
| Copyrights |  | — | — |  |
| Royalties |  | — | — |  |
| …… |  | — | — |  |

1. Land Use Rights without Property Licenses

| Items | Carrying amount | Reasons for not obtaining property licenses |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |

1. **Development Expenditure**

| Items | Opening balance | Increase in current year | | Decrease in current year | | | Closing balance |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Internal development expenditure | Others | Intangible assets recognized | Recorded in profit or loss | Others |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |

1. **Goodwill**
2. Carrying Amount of Goodwill

| Name of investee or events to generate goodwill | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. Impairment loss for Goodwill

| Name of investee or events to generate goodwill | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. **Long-term Prepaid Expenses**

| Items | Opening balance | Increase in current year | Amortization in current year | Other decrease | Closing balance | Reasons for other decrease |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

1. **Deferred Tax Assets and Deferred Tax Liabilities**
2. Deferred Tax Assets and Deferred Tax Liabilities Not Presented in Net Amount After Offsetting

①Recognized Deferred Tax Assets and Deferred Tax Liabilities

| Items | Closing balance | | Opening balance | |
| --- | --- | --- | --- | --- |
| Deferred tax assets/liabilities | Deductible /taxable temporary difference | Deferred tax assets/liabilities | Deductible /taxable temporary difference |
| I. Deferred tax assets |  |  |  |  |
| Impairment loss for assets |  |  |  |  |
| Start-up costs |  |  |  |  |
| Deductible losses |  |  |  |  |
| … |  |  |  |  |
| II. Deferred tax liabilities |  |  |  |  |
| Valuation for financial instruments held for trading and derivative financial instruments |  |  |  |  |
| Changes in fair value of financial assets held for trading included in other comprehensive income |  |  |  |  |
| Changes in fair value of other financial assets included in other comprehensive income |  |  |  |  |
|  |  |  |  |  |

②Unrecognized Deferred Tax Assets

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Deductible temporary differences |  |  |
| Deductible losses |  |  |
| …… |  |  |
| Total |  |  |

③Deductible Losses Unrecognized for Deferred Tax Assets that will Expire in the Following Years:

| Year | Closing balance | Opening balance | Notes |
| --- | --- | --- | --- |
| 2020 |  |  |  |
| 2021 |  |  |  |
| …… |  |  |  |
| Total |  |  |  |

1. Deferred Tax Assets and Deferred Tax Liabilities Presented in Net Amount After Offsetting

①Deferred Tax Assets or Liabilities After Offsetting, and Corresponding Deductible or Taxable Temporary Differences After Offsetting

| Items | Net amount of deferred tax assets or liabilities at year end | Deductible or taxable temporary difference at year end | Net amount of deferred tax assets or liabilities at year beginning | Deductible or taxable temporary difference at year beginning |
| --- | --- | --- | --- | --- |
| I. Deferred tax assets |  |  |  |  |
| Impairment loss for assets |  |  |  |  |
| Start-up costs |  |  |  |  |
| Deductible losses |  |  |  |  |
| … |  |  |  |  |
| II. Deferred tax liabilities |  |  |  |  |
| Valuation for financial instruments held for trading and derivative financial instruments |  |  |  |  |
| Changes in fair value of financial assets held for trading included in other comprehensive income |  |  |  |  |
| Changes in fair value of other financial assets included in other comprehensive income |  |  |  |  |
| …… |  |  |  |  |

②Offsetting Deferred Tax Assets and Deferred Tax Liabilities

|  |  |
| --- | --- |
| Items | Offsetting amount in current year |
|  |  |
|  |  |

③Unrecognized Deferred Tax Assets

|  |  |  |
| --- | --- | --- |
| Items | Closing balance | Opening balance |
| Deductible temporary differences |  |  |
| Deductible losses |  |  |
| …… |  |  |
| Total |  |  |

④Deductible Losses Unrecognized for Deferred Tax Assets that will Expire in Following Years

| Year | Closing balance | Opening balance | Notes |
| --- | --- | --- | --- |
| 2020 |  |  |  |
| 2021 |  |  |  |
| …… |  |  |  |
| Total |  |  |  |

1. **Other Non-current Assets**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Short-term Borrowings**
2. Classification

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Pledged loans |  |  |
| Mortgage loans |  |  |
| Guaranteed loans |  |  |
| Credit loans |  |  |
| Total |  |  |

1. Overdue Short-term Borrowings

| Creditor | Closing balance | Borrowing rate (%) | Overdue Time (month) | Overdue rate |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  | —— | —— | —— |

1. **Financial Liabilities Held for Trading**

| Items | Fair value at year end | Fair value at year beginning |
| --- | --- | --- |
| Financial liabilities held for trading |  |  |
| Including: Issued bonds held for trading |  |  |
| Financial liabilities designated as at fair value through profit or loss |  |  |
| Others |  |  |

1. **Derivative Financial Liabilities**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Notes Payable**

|  |  |  |
| --- | --- | --- |
| Items | Closing balance | Opening balance |
| Commercial acceptance draft |  |  |
| Bank acceptance draft |  |  |
| Total |  |  |

Note: The total closing balance of unpaid note payables is CNY XXX (The closing balance of the prior year is CNY XXX).

1. **Trade Payables**

| Aging | Closing balance | Opening balance |
| --- | --- | --- |
| Within 1 year (including 1 year) |  |  |
| 1-2 years (including 2 years) |  |  |
| 2-3 years (including 3 years) |  |  |
| Over 3 years |  |  |
| Total |  |  |

Including: Significant Trade Payables Aged Over One Year

| Creditor | Closing balance | Reason for unpaid |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  | — |

1. **Advances from Customers**
2. Aging Analysis

|  |  |  |
| --- | --- | --- |
| Aging | Closing balance | Opening balance |
| Within 1 year (including 1 year) |  |  |
| Over 1 year |  |  |
| Total |  |  |

1. Significant Advances from Customers Aged Over One Year

| Creditor | Closing balance | Reason for not carried forward |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  | — |

1. **Contract Liabilities**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Employee Benefits Payable**
2. Employee Benefits Payable

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Short-term employee benefits |  |  |  |  |
| II. Post-employment benefits – defined contribution plan |  |  |  |  |
| III. Termination benefits |  |  |  |  |
| IV. Other benefits due within one year |  |  |  |  |
| V. Others |  |  |  |  |
| Total |  |  |  |  |

1. Short-term Employee Benefits

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Salaries, bonuses, allowances and subsidies |  |  |  |  |
| II. Welfare |  |  |  |  |
| III. Social Insurance |  |  |  |  |
| Including: Health insurance |  |  |  |  |
| Work injury insurance |  |  |  |  |
| Maternity insurance |  |  |  |  |
| Others |  |  |  |  |
| IV. Housing funds |  |  |  |  |
| V. Labor union funds and employee education funds |  |  |  |  |
| VI. Short-term paid leave |  |  |  |  |
| VII. Short-term profit sharing plan |  |  |  |  |
| VIII. Others |  |  |  |  |
| Total |  |  |  |  |

1. Defined Contribution Plan

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Basic Pensions |  |  |  |  |
| II. Unemployment insurance |  |  |  |  |
| III. Enterprise annuity contribution |  |  |  |  |
| …… |  |  |  |  |
| Total |  |  |  |  |

1. **Tax and Surcharge Payable**

| Items | Opening balance | Payable in current year | Paid in current year | Closing balance |
| --- | --- | --- | --- | --- |
| VAT |  |  |  |  |
| Consumption taxes |  |  |  |  |
| Resource taxes |  |  |  |  |
| Corporate income taxes |  |  |  |  |
| City construction taxes |  |  |  |  |
| Property taxes |  |  |  |  |
| Land use taxes |  |  |  |  |
| Individual income taxes |  |  |  |  |
| Education surcharges (including local education surcharges) |  |  |  |  |
| Others |  |  |  |  |
| Total |  |  |  |  |

1. **Other Payables**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Interest payable |  |  |
| Dividend payable |  |  |
| Others |  |  |
| Total |  |  |

1. Interest Payable

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Interests of long-term borrowings with interests payable by installment and principal payable upon maturity |  |  |
| Bond interests |  |  |
| Interests of short-term borrowings |  |  |
| Interests of preference shares/ perpetual debts classified as financial liabilities |  |  |
| Other interests |  |  |
| Total |  |  |

Including: Significant overdue interests:

| Creditor | Amount overdue | Reason for overdue |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  | — |

1. Dividend Payable

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Dividends for ordinary shares |  |  |
| Dividends for preference shares or perpetual debts classified as equity instruments |  |  |
| Others |  |  |
| Total |  |  |

1. Others

① Other Payables Presented by Nature

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

② Significant Other Payables Aged Over One Year

| Creditor | Closing balance | Reason for unpaid |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  | — |

1. **Liabilities Held for Sale**

| Items | Carrying amount at year end | Fair value at year end | Estimated costs of disposal | Schedule |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. **Non-current Liabilities** **Due Within One Year**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Long-term borrowings due within one year |  |  |
| Bonds payable due within one year |  |  |
| Lease liabilities due within one year |  |  |
| Long-term payables due within one year |  |  |
| Other long-term liabilities due within one year |  |  |
| Total |  |  |

1. **Other Current Liabilities**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Short-term bonds payable |  |  |
|  |  |  |
| …… |  |  |
| Total |  |  |

Including: changes (increase/decrease) of short-term bonds payable

| Bond name | Par value | Issue date | Bond term | Amount issued | Opening balance |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

(Continued)

| Bond name | Issued in current year | Accrued interest at par value | Amortization of premiums/ discounts | Repayment in current year | …… | Closing balance |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. **Long-term Borrowings**

| Items | Closing balance | Opening balance | Interest range at year end |
| --- | --- | --- | --- |
| Pledged loans |  |  |  |
| Mortgage loans |  |  |  |
| Guaranteed loans |  |  |  |
| Credit loans |  |  |  |
| Subtotal |  |  |  |
| Less: Long-term borrowings due within one year |  |  |  |
| Total |  |  |  |

1. **Bonds Payable**
2. Bonds Payable

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Subtotal |  |  |
| Less: Bonds payable due within one year |  |  |
| Total |  |  |

1. Changes (Increase/Decrease) of Bonds Payable (Excluding Other Financial Instruments such as Preference Shares and Perpetual Debts Classified As Financial Liabilities)

| Bond name | Par value | Issue date | Bond term | Amount issued | Opening balance |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  |  |  |  |

(Continued)

| Bond name | Issued in current year | Interest at par value | Amortization of premium/discount | Repayment in current year | …… | Closing balance |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

1. Conditions and Time of Conversion of Convertible Corporate Bonds

……

1. **Preference Shares, Perpetual Debts and Other Financial Instruments**
2. Financial Instruments such as Preference Shares and Perpetual Debts Outstanding at Year End

| Financial instruments outstanding | Issue date | Classification | Dividend rate or interest rate | Issue price | Quantity | Amount | Due date or renewal | Conversion conditions | Conversion (if any) |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Instrument 1 |  |  |  |  |  |  |  |  |  |
| Instrument 2 |  |  |  |  |  |  |  |  |  |
| Instrument 3 |  |  |  |  |  |  |  |  |  |
| …… |  |  |  |  |  |  |  |  |  |
| Total | — | — | — | — | — |  | — | — | — |

1. Major Terms of Financial Instruments
2. Changes of Issued and Outstanding Financial Instruments such as Preference Shares and Perpetual Debts

| Issued and outstanding financial instruments | Opening balance | | Increase in current year | | Decrease in current year | | Closing balance | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Quantity | Carrying amount | Quantity | Carrying amount | Quantity | Carrying amount | Quantity | Carrying amount |
| Instrument 1 |  |  |  |  |  |  |  |  |
| Instrument 2 |  |  |  |  |  |  |  |  |
| Instrument 3 |  |  |  |  |  |  |  |  |
| …… |  |  |  |  |  |  |  |  |
| Total | — |  | — |  | — |  | — |  |

1. Dividend (or Interest) Determining Mechanism
2. Attributable to Equity Instrument Holders

| Items | Closing balance/current year | Opening balance/prior year |
| --- | --- | --- |
| I. Equity attributable to the owner of the parent (shareholders’ equity) |  |  |
| 1. Equity attributable to holders of ordinary shares of the parent |  |  |
| 2. Equity attributable to holders of other equity instruments of the parent |  |  |
| Including: Net profit |  |  |
| Total comprehensive income |  |  |
| Dividends distributed in current period |  |  |
| Accumulated undistributed dividends |  |  |
| II. Equity attributable to non-controlling shareholders |  |  |
| 1. Equity attributable to non-controlling shareholders of ordinary shares |  |  |
| 2. Equity attributable to non-controlling shareholders of other equity instruments |  |  |

1. **Lease Liabilities**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Unpaid lease payments |  |  |
| Unrecognized financing expenses |  |  |
| Reclassified to non-current liabilities due within one year(Note VIII-(XX)) |  |  |
| …… |  |  |
| Net lease liabilities |  |  |

1. **Long-term Payables**

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| Long-term payables |  |  |  |  |
| Special payables |  |  |  |  |
| Total |  |  |  |  |

1. Top Five Closing balance of Long-term Payables

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

1. Top Five Closing Balance of Special Payables

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. **Long-term Employee Benefits**

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Post-employment benefits – net liabilities arising from defined benefit plan |  |  |  |  |
| II. Termination benefits |  |  |  |  |
| III. Other long-term benefits |  |  |  |  |
| Total |  |  |  |  |

1. **Provisions**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Costs of dismantlement, removal and restoration |  |  |
| External guarantee |  |  |
| Outstanding lawsuit |  |  |
| Warranty |  |  |
| Restructuring obligations |  |  |
| Onerous contracts to be performed |  |  |
| Others |  |  |
| Total |  |  |

1. **Deferred Income**

| Items | Opening balance | Increase in current year | Decrease in current year | | Closing balance |
| --- | --- | --- | --- | --- | --- |
| Recognized in profit or loss | Return |
| Government grants |  |  |  |  |  |
| Including: |  |  |  |  |  |
| …… |  |  |  |  |  |
| Total |  |  |  |  |  |

1. **Other Non-current Liabilities**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Paid-in Capital**

| Name of Investors | Opening balance | | Increase in current year | Decrease in current year | Closing balance | |
| --- | --- | --- | --- | --- | --- | --- |
| Amount invested | Proportion (%) | Amount invested | Proportion (%) |
| Total |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. **Other Equity Instruments**

| Financial instruments outstanding | Opening balance | | Increase in current year | | Decrease in current year | | Closing balance | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Quantity | Carrying amount | Quantity | Carrying amount | Quantity | Carrying amount | Quantity | Carrying amount |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |

1. **Capital Reserve**

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| --- | --- | --- | --- | --- |
| I. Capital (or share) premiums |  |  |  |  |
| II. Other capital reserve |  |  |  |  |
| Total |  |  |  |  |
| Including: Exclusive state-owned capital reserve |  |  |  |  |

1. **Special Reserve**

| Items | Opening balance | | Increase in current year | Decrease in current year | Closing balance | | Notes |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Incl.: attributable to the parent | Incl.: attributable to non-controlling interest | Incl.: attributable to the parent | Incl.: attributable to non-controlling interest |
| Production safety reserve |  |  |  |  |  |  |  |
| Production maintenance reserve |  |  |  |  |  |  |  |
| Others |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  | — |

1. **Surplus Reserve**

| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance | Reason or basis |
| --- | --- | --- | --- | --- | --- |
| Statutory surplus reserve |  |  |  |  |  |
| Discretionary surplus reserve |  |  |  |  |  |
| Reserve fund |  |  |  |  |  |
| Enterprise development fund |  |  |  |  |  |
| Others |  |  |  |  |  |
| Total |  |  |  |  | — |

1. **Undistributed Profits**

| Items | Current year | Prior year |
| --- | --- | --- |
| Opening balance |  |  |
| Increase in the year |  |  |
| Including: Amount transferred from net profit of the year |  |  |
| Other adjustments |  |  |
| Decrease in the year |  |  |
| Including: Appropriation to surplus reserve |  |  |
| Appropriation to general risk reserve |  |  |
| Cash dividends distributed in the year |  |  |
| Converted into paid-in capital |  |  |
| Others |  |  |
| Closing balance |  |  |

1. **Operating Revenue and Operating Costs**

| Items | Current year | | Prior year | |
| --- | --- | --- | --- | --- |
| Revenue | Costs | Revenue | Costs |
| Principal operating activities |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Other operating activities |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. **Selling Expenses, Administrative Expenses and Financial Expenses**
2. Selling Expenses

| Items | Current year | Prior year |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

1. Administrative Expenses

| Items | Current year | Prior year |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

1. Financial Expenses

| Items | Current year | Prior year |
| --- | --- | --- |
| Interest expenses |  |  |
| Less: Interest income |  |  |
| Exchange gains or losses |  |  |
| Others |  |  |
| Total |  |  |

1. **Other Income**

| Items | Current year | Prior year |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Investment Income**

| Sources for investment income | Current year | Prior year |
| --- | --- | --- |
| Income from long-term equity investments using equity method |  |  |
| Income from disposal of long-term equity investments |  |  |
| Investment income from financial assets measured at fair value through profit or loss during holding period |  |  |
| Investment income from disposal of financial assets measured at fair value through profit or loss |  |  |
| Income from held-to-maturity investments during holding period |  |  |
| Income from disposal of held-to-maturity investments |  |  |
| Income from available-for-sale financial assets |  |  |
| Income from disposal of available-for-sale financial assets |  |  |
| Interest income from debt investments during holding period (applicable under new Standards for Financial Instruments) |  |  |
| Interest income from other debt investments during holding period (applicable under new Standards for Financial Instruments) |  |  |
| Income from disposal of debt investments (applicable under new Standards for Financial Instruments) |  |  |
| Income from disposal of other debt investments (applicable under new Standards for Financial Instruments) |  |  |
| Gains from remeasurement of equity investments at fair value when obtaining control |  |  |
| Gains from remeasurement of equity investments retained at fair value after losing control |  |  |
| Others |  |  |
| Total |  |  |

1. **Gains of Net Position Hedging**

| Sources for gains of net position hedging | Current year | Prior year |
| --- | --- | --- |
| Amount of cumulative changes in fair value that are reclassified to profit or loss under net position hedging |  |  |
| Amount of cash flow hedge reserve that is reclassified to profit or loss under net position hedging |  |  |
| Total |  |  |

1. **Gains on Changes in Fair Value**

| Sources for gains on changes in fair value | Current year | Prior year |
| --- | --- | --- |
| Financial assets held for trading (applicable under new Standards for Financial Instruments) |  |  |
| Financial assets measured at fair value through profit or loss (applicable under former Standards for Financial Instruments) |  |  |
| Derivative financial assets |  |  |
| Financial liabilities held for trading (applicable under new Standards for Financial Instruments) |  |  |
| Financial liabilities at fair value through profit or loss (applicable under former Standards for Financial Instruments) |  |  |
| Derivative financial liabilities |  |  |
| Investment properties measured at fair value |  |  |
| Others |  |  |
| Total |  |  |

1. **Credit Impairment Loss**

| Items | Current year | Prior year |
| --- | --- | --- |
| Impairment loss for doubtful accounts |  |  |
| Credit impairment loss for debt investments |  |  |
| Impairment loss for other debt investments |  |  |
| Others |  |  |
| Total |  |  |

1. **Asset Impairment Losses**

| Items | Current year | Prior year |
| --- | --- | --- |
| Impairment loss for doubtful accounts (applicable under former Standards for Financial Instruments) |  |  |
| Impairment loss for inventories |  |  |
| Impairment loss for contract assets (applicable under new Standards for Revenue) |  |  |
| Impairment loss for assets held for sale |  |  |
| Impairment loss for available-for-sale financial assets (applicable under former Standards for Financial Instruments) |  |  |
| Impairment loss for costs of obtaining a contract (applicable under new Standards for Revenue) |  |  |
| Impairment loss for costs to fulfill a contract (applicable under new Standards for Revenue) |  |  |
| Impairment loss for held-to-maturity investments (applicable under former Standards for Financial Instruments) |  |  |
| Impairment loss for long-term equity investments |  |  |
| Impairment loss for investment properties |  |  |
| Impairment loss for fixed assets |  |  |
| Impairment loss for construction materials |  |  |
| Impairment loss for construction in progress |  |  |
| Impairment loss for bearer biological assets |  |  |
| Impairment loss for oil and gas assets |  |  |
| Impairment loss for intangible assets |  |  |
| Impairment loss for goodwill |  |  |
| Impairment loss for right-of-use assets (applicable under new Standards for Leases) |  |  |
| Others |  |  |
| Total |  |  |

1. **Gains on Disposal of Assets**

| Items | Current year | Prior year | Amount recognized in non-recurring profit or loss |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
| Total |  |  |  |

1. **Non-operating Income**
2. Classification of Non-operating Income

| Items | Current year | Prior year | Amount recognized in non-recurring profit or loss |
| --- | --- | --- | --- |
| Gains on retirement of non-current assets |  |  |  |
|  |  |  |  |
| Donations received |  |  |  |
| Government grants unrelated to daily operation of the Company |  |  |  |
| ... |  |  |  |
| Total |  |  |  |

1. Government Grants

| Items | Current year | Prior year |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Total |  |  |

1. **Non-operating Expenses**

| Items | Current year | Prior year | Amount recognized in non-recurring profit or loss |
| --- | --- | --- | --- |
| Losses on retirement of non-current assets |  |  |  |
|  |  |  |  |
| Donations |  |  |  |
| … |  |  |  |
| Total |  |  |  |

1. **Income Tax Expenses**
2. Income Tax Expenses

| Items | Current year | Prior year |
| --- | --- | --- |
| Income tax expenses in current period |  |  |
| Adjustment of deferred income taxes |  |  |
| Others |  |  |
| Total |  |  |

1. Reconciliation of Accounting Profit and Income Tax Expenses

| Items | Current year |
| --- | --- |
| Total profit |  |
| Income tax expenses calculated at the statutory / applicable tax rate |  |
| Effects of different applicable tax rates on subsidiaries |  |
| Effects of adjustments of income taxes in previous periods |  |
| Effects of non-taxable income |  |
| Effects of non-deductible costs, expenses, and losses |  |
| Effects of utilizing deductible losses that are not previously recognized as deferred tax assets |  |
| Effects of deductible temporary differences or deductible losses that are not recognized as deferred tax assets in current year |  |
| Changes in opening balances of deferred tax assets or liabilities resulting from tax rate adjustments |  |
| …… |  |
| Income tax expense |  |

1. **Other Comprehensive Income Attributable to Owners/Shareholders of the Company**
2. Items in Other Comprehensive Income, Relevant Effects of Income Taxes, and Reclassification to Profit or Loss

| Items | Current year | | | Prior year | | |
| --- | --- | --- | --- | --- | --- | --- |
| Pre-tax amount | Income tax | After-tax amount | Pre-tax amount | Income tax | After-tax amount |
| I. Other comprehensive income that will not be reclassified subsequently to profit or loss |  |  |  |  |  |  |
| 1. Remeasurement of defined benefit liability /(asset) |  |  |  |  |  |  |
| 2. Other comprehensive income that cannot be reclassified to profit or loss under equity method |  |  |  |  |  |  |
| 3. Equity instrument designated as at fair value through other comprehensive income - Changes in fair value (applicable under new Standards for Financial Instruments) |  |  |  |  |  |  |
| 4. Own credit risk - Changes in fair value (applicable under new Standards for Financial Instruments) |  |  |  |  |  |  |
| 5. Others |  |  |  |  |  |  |
| II. Other comprehensive income that may be reclassified subsequently to profit or loss |  |  |  |  |  |  |
| 1.Other comprehensive income that can be reclassified to profit or loss under equity method |  |  |  |  |  |  |
| Less: Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| 2. Debt instrument measured at fair value through other comprehensive income - Changes in fair value (applicable under new Standards for Financial Instruments) |  |  |  |  |  |  |
| Less: Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| 3. Gains or losses on changes in fair value of available-for-sale financial assets (applicable under former Standards for Financial Instruments) |  |  |  |  |  |  |
| Less: Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| 4. Other comprehensive income from reclassification of financial assets (applicable under new Standards for Financial Instruments) |  |  |  |  |  |  |
| Less: Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| 5. Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets (applicable under former Standards for Financial Instruments) |  |  |  |  |  |  |
| Less: Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| 6. Debt instrument measured at fair value through other comprehensive income - Credit impairment loss (applicable under new Standards for Financial Instruments) |  |  |  |  |  |  |
| Less: Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| 7. Cash flow hedge reserve (Effective portion of gains or losses on cash flow hedge) |  |  |  |  |  |  |
| Less: Amount transfer to initial cost of the hedged item |  |  |  |  |  |  |
| Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| 8. Translation differences of financial statements presented in foreign currencies |  |  |  |  |  |  |
| Less: Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| 9. Others |  |  |  |  |  |  |
| Less: Amount previously recognized in other comprehensive income and reclassified to profit or loss in current period |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |
| III. Total other comprehensive income |  |  |  |  |  |  |

1. Reconciliation of Items in Other Comprehensive Income

| Items | Remeasurement of defined benefit liability /(asset) | Other comprehensive income that cannot be reclassified to profit or loss under equity method | Equity instrument designated as at fair value through other comprehensive income - Changes in fair value | Own credit risk - Changes in fair value |
| --- | --- | --- | --- | --- |
| I. Opening balance in prior year |  |  |  |  |
| II. Increase or decrease in prior year (loss expressed with “-“) |  |  |  |  |
| III. Opening balance in current year |  |  |  |  |
| IV. Increase or decrease in current year (loss expressed with “-“) |  |  |  |  |
| V. Closing balance in current year |  |  |  |  |

(Continued 1)

| Items | Other comprehensive income that can be reclassified to profit or loss under equity method | Debt instrument measured at fair value through other comprehensive income - Changes in fair value | Gains or losses on changes in fair value of available-for-sale financial assets | Other comprehensive income from reclassification of financial assets | Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets |
| --- | --- | --- | --- | --- | --- |
| I. Opening balance in prior year |  |  |  |  |  |
| II. Increase or decrease in prior year (loss expressed with “-“) |  |  |  |  |  |
| III. Opening balance in current year |  |  |  |  |  |
| IV. Increase or decrease in current year (loss expressed with “-“) |  |  |  |  |  |
| V. Closing balance in current year |  |  |  |  |  |

(Continued 2)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Items | Debt instrument measured at fair value through other comprehensive income - Credit impairment loss | Cash flow hedge reserve (Effective portion of gains or losses on cash flow hedge) | Translation differences of financial statements presented in foreign currencies | Others | Subtotal |
| I. Opening balance in prior year |  |  |  |  |  |
| II. Increase or decrease in prior year (loss expressed with “-“) |  |  |  |  |  |
| III. Opening balance in current year |  |  |  |  |  |
| IV. Increase or decrease in current year (loss expressed with “-“) |  |  |  |  |  |
| V. Closing balance in current year |  |  |  |  |  |

1. **Earnings Per Share**
2. Earnings Per Share

| Items | Current year | Prior year |
| --- | --- | --- |
| Basic earnings per share |  |  |
| Diluted earnings per share |  |  |

Basic earnings per share shall be calculated by dividing net profit attributable to ordinary equity holders of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. Number of ordinary shares issued is calculated based on contractual terms, from the date consideration is receivable (which is generally the date of their issue).   
 In calculating the numerator for diluted earnings per share, the Company adjusts net profit attributable to ordinary equity holders of the Company in current period by the following: ① any interest recognized in the period related to dilutive potential ordinary shares; ② Any income or expense that would result from the conversion of the dilutive potential ordinary shares; and ③ Any related taxes for above adjustments.

The denominator for diluted earnings per share is the sum of: ① the weighted average number of ordinary shares outstanding in calculating the basic earnings per share; and ② the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

When calculating the ② in preceding paragraph, dilutive potential ordinary shares issued in previous period shall be deemed to have been converted into ordinary shares at the beginning of the period; dilutive potential ordinary shares issued in current period shall be deemed to have been converted into ordinary shares at the date of the issue of the potential ordinary shares.

1. Calculation of Basic Earnings Per Share and Diluted Earnings Per Share
2. When Calculating Basic Earnings Per Share, the Net Profit for Current Period Attributable to Ordinary Equity Holders is:

| Items | Current year | Prior year |
| --- | --- | --- |
| Net profit attributable to ordinary equity holders in current period |  |  |
| Including: Net profit from continuing operations |  |  |
| Net profit from discontinued operations |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. When Calculating Diluted Earnings Per Share, the Net Profit for Current Period Attributable to Ordinary Equity Holders is:

| Items | Current year | Prior year |
| --- | --- | --- |
| Net profit attributable to ordinary equity holders in current period |  |  |
| After-tax interest expenses recognized in the period related to dilutive potential ordinary shares, that are attributable to ordinary equity holders |  |  |
| After-tax income or expenses that would result from the conversion of dilutive potential ordinary shares, that are attributable to ordinary equity holders |  |  |
| Including: Net profit from continuing operations |  |  |
| Net profit from discontinued operations |  |  |

1. When Calculating Basic Earnings Per Share, the Denominator is the Weighted Average Number Of Ordinary Shares Outstanding, the Calculation Process is as Follows:

| Items | Current year | Prior year |
| --- | --- | --- |
| Number of ordinary shares outstanding at the beginning of the period |  |  |
| Add: Weighted average number of ordinary shares issued during the period |  |  |
| Less: Weighted average number of ordinary shares bought back during the period |  |  |
| Weighted average number of ordinary shares outstanding at the end of the period |  |  |

1. The Denominator for Diluted Earnings Per Share is Calculated as Follows:

| Items | Current year | Prior year |
| --- | --- | --- |
| Weighted average number of ordinary shares outstanding in calculating the basic earnings per share |  |  |
| Add: Weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares |  |  |
| Including: Weighted average number of additional ordinary shares that would be issued on the conversion of convertible debts |  |  |
| Weighted average number of additional ordinary shares that would be issued on the exercise of warrants/ share options |  |  |
| Weighted average number of additional ordinary shares that would be issued on repurchase of its own shares |  |  |
| …… |  |  |
| Weighted average number of ordinary shares outstanding in calculating the diluted earnings per share |  |  |

1. **Exchange of Non-monetary Assets**

| Assets received | | | | Assets transferred | | | Additional consideration | Gains to be recognized | Notes |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Class of assets | Carrying amount | Fair value | Cost determining method | Class of assets | Carrying amount | Fair value |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

1. **Share-based Payments**
2. Summary of Share-based Payments

| Items | Description |
| --- | --- |
| Total equity instruments granted in current year |  |
| Total equity instruments exercised in current year |  |
| Total equity instruments expired in current year |  |
| Exercise price range and remaining contractual life of the Company’s outstanding share options at year end |  |
| Exercise price range and remaining contractual life of the company’s other equity instruments at year end |  |

1. Equity-settled Share-based Payments

| Items | Description |
| --- | --- |
| Method for determining fair value of equity instruments at grant date |  |
| Method for determining best estimate for number of vested equity instruments |  |
| Reason for significant difference between estimates in current year and prior year |  |
| Cumulative amount recognized in capital reserve for equity-settled share-based payments |  |
| Total expenses recognized for equity-settled share-based payments |  |

1. Cash-settled Share-based Payments

|  |  |
| --- | --- |
| Items | Description |
| Method for determining fair value of liabilities based on the share or other equity instruments granted by the Group |  |
| Cumulative amount recognized in liabilities for cash-settled share-based payments |  |
| Total expenses recognized for cash-settled share-based payments |  |

1. Modification and Cancellation of Share-based Payments

…….

1. **Debt Restructuring**
2. Debt Restructuring in Which the Company is the Debtor

| Methods of debt restructuring | Carrying amount of debts | Gain on debt restructuring | Increase in share capital and other owners’ equity |
| --- | --- | --- | --- |
| Cash settlement of debts by amount less than its carrying amount |  |  | — |
| Settlement of debts by non-cash assets |  |  | — |
| Conversion of debts to capital |  |  |  |
| Modification of other terms of debts |  |  | — |
| Mixed methods for restructuring |  |  |  |

Method and basis for determining fair values of the non-cash assets transferred, share capital converted, and debts after modification of other terms in above chart are as following:

|  |  |  |
| --- | --- | --- |
| Items | Fair value | Method and basis |
| Non-cash assets |  |  |
| Share capital converted from debts |  |  |
| Debts after modification of other terms |  |  |

1. Debt Restructuring in Which the Company is the Creditor

| Methods of debt restructuring | Carrying amount of debts | Loss on debt restructuring | Increase in long-term equity investments | Proportion in debtor’s equity |
| --- | --- | --- | --- | --- |
| Cash settlement of debts by amount less than its carrying amount |  |  | — | — |
| Settlement of debts by non-cash assets |  |  | — | — |
| Conversion of debts to capital |  |  |  |  |
| Modification of other terms of debts |  |  | — | — |
| Mixed methods for restructuring |  |  |  |  |

Determining fair values of the non-cash assets received, share capital converted, and debts after modification of other terms in above chart is based on following:

| Items | Fair value | Determining method and basis |
| --- | --- | --- |
| Non-cash assets |  |  |
| Investments converted from debts |  |  |
| Debts after modification of other terms |  |  |

1. **Borrowing Costs**

|  |  |  |
| --- | --- | --- |
| Asset items eligible for capitalization | Capitalization rate for current year (only refers to capitalization of general-purpose borrowings) | Amount capitalized in current year |
|  |  |  |
|  |  |  |
|  |  |  |

1. **Foreign Currency Translation**
2. Exchange difference recognized in profit or loss in current period is CNY XX.XX.
3. The effects of disposal of foreign operations on the translation differences of financial statements presented in foreign currencies are [ ]。
4. **Leases**
5. Finance Leases (Lessor)

| Items | Amount |
| --- | --- |
| I. Income |  |
| Profit or loss from sales |  |
| Finance income from net investment in the lease |  |
| Income relating to variable lease payments not included in the measurement of the net investment in the lease |  |
| II. Undiscounted lease payments to be collected in five consecutive accounting year after the reporting period |  |
| The first year |  |
| The second year |  |
| The third year |  |
| The fourth year |  |
| The fifth year |  |
| III. Undiscounted lease payments to be connected in the remaining years |  |
| Within 1 year (including 1 year) |  |
| 1-2 years (including 2 years) |  |
| 2-3 years (including 3 years) |  |
| Over 3 years |  |

1. Operating Leases (Lessor)

| Items | Amount |
| --- | --- |
| I. Income |  |
| Profit or loss from sales |  |
| Finance income from net investment in the lease |  |
| Income relating to variable lease payments not included in the measurement of the net investment in the lease |  |
| II. Undiscounted lease payments to be collected in five consecutive accounting year after the reporting period |  |
| The first year |  |
| The second year |  |
| The third year |  |
| The fourth year |  |
| The fifth year |  |
| III. Undiscounted lease payments to be connected in the remaining years |  |
| Within 1 year (including 1 year) |  |
| 1-2 years (including 2 years) |  |
| 2-3 years (including 3 years) |  |
| Over 3 years |  |

1. Other Information about the Lessor

……

1. Sale and Leaseback Transactions and the Major Contractual Terms

……

1. Other Information about the Lessee

| Items | Amount |
| --- | --- |
| Interest expenses of lease liabilities |  |
| Short-term lease expenses included in profit or loss |  |
| Lease expenses of low-value assets |  |
| variable lease payments not included in the measurement of lease liabilities |  |
| Income from lease of right-of-use assets |  |
| Total cash outflow relating to leases |  |
| Profit or loss from sale-leaseback |  |
| Others |  |

1. **Discontinued Operations**

| Items | Current year | Prior year |
| --- | --- | --- |
| I. Revenue from discontinued operations |  |  |
| Less: Costs and expenses for discontinued operations |  |  |
| II. Gross profit from discontinued operations |  |  |
| Less: Income tax expenses from discontinued operations |  |  |
| III. Net profit from discontinued operations |  |  |
| Including: Net operating profit from discontinued operations attributable to the parent |  |  |
| Add: Net gains from disposal of business (After tax) |  |  |
| Including: Total profit or loss from disposal |  |  |
| Less: Income tax expenses (income) |  |  |
| IV. Total net profit from discontinued operations |  |  |
| Including: Total net profit from discontinued operations attributable to owners’ of the parent |  |  |
| V. Net cash flows from discontinued operations |  |  |
| Including: Net cash flows from operating activities |  |  |
| Net cash flows from investing activities |  |  |
| Net cash flows from financing activities |  |  |

1. **Reportable Segments**
2. Segment Information

| Items | XX business | | XX business | | …… | |
| --- | --- | --- | --- | --- | --- | --- |
| Current year | Prior year | Current year | Prior year | Current year | Prior year |
| I. Operating revenue |  |  |  |  |  |  |
| Including: External revenue |  |  |  |  |  |  |
| Revenue from intersegment transactions |  |  |  |  |  |  |
| II. Investment income from associates and joint ventures |  |  |  |  |  |  |
| III. Asset impairment losses |  |  |  |  |  |  |
| IV. Credit impairment losses (Applicable under new accounting standards) |  |  |  |  |  |  |
| V. Depreciation and amortization |  |  |  |  |  |  |
| VI. Total profit |  |  |  |  |  |  |
| VII. Income tax expenses |  |  |  |  |  |  |
| VIII. Net profit |  |  |  |  |  |  |
| Total assets |  |  |  |  |  |  |
| Total liabilities |  |  |  |  |  |  |
| Other significant non-cash items |  |  |  |  |  |  |
| Including: Non-cash expenses other than depreciation and amortization |  |  |  |  |  |  |
| Increase in long-term equity investments in associates and joint ventures under equity method |  |  |  |  |  |  |

(Continued)

| Items | Others | | Offsets | | Total | |
| --- | --- | --- | --- | --- | --- | --- |
| Current year | Prior year | Current year | Prior year | Current year | Prior year |
| I. Operating revenue |  |  |  |  |  |  |
| Including: External revenue |  |  |  |  |  |  |
| Revenue from intersegment transactions |  |  |  |  |  |  |
| II. Investment income from associates and joint ventures |  |  |  |  |  |  |
| III. Asset impairment losses |  |  |  |  |  |  |
| IV. Credit impairment losses (Applicable under new accounting standards) |  |  |  |  |  |  |
| V. Depreciation and amortization |  |  |  |  |  |  |
| VI. Total profit |  |  |  |  |  |  |
| VII. Income tax expenses |  |  |  |  |  |  |
| VIII. Net profit |  |  |  |  |  |  |
| IX. Total assets |  |  |  |  |  |  |
| X. Total liabilities |  |  |  |  |  |  |
| XI.Other significant non-cash items |  |  |  |  |  |  |
| Including: Non-cash expenses other than depreciation and amortization |  |  |  |  |  |  |
| Increase in long-term equity investments in associates and joint ventures under equity method |  |  |  |  |  |  |

1. External Revenue for Sales of Products or Rendering of Services

| Classification of products or services | Revenue from external transactions | |
| --- | --- | --- |
| Current year | Prior Year |
|  |  |  |
|  |  |  |
| Total |  |  |

Among total external revenue of the year, CNY XXX is sourced from Mainland China; CNY XXX (converted from foreign currency) is sourced from other countries and Hong Kong, Macao, Taiwan regions.

1. Geographical Information of Non-current Assets

The closing balance of total non-current assets (other than financial assets, rights arising under insurance contracts, deferred tax assets, same below in this section) is CNY XXX, including assets of CNY XXX located in Mainland China, and assets of CNY XXX (converted from foreign currency) located in other countries and Hong Kong, Macao, Taiwan regions.

1. Extent of Reliance on Major Customers

| Major customer name | Revenue | Proportion of total revenue |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |

1. **Consolidated Statement of Cash Flows**
2. Using Indirect Method to Reconcile Net Profit to Cash Flows from Operating Activities

| Supplementary information | Current year | Prior year |
| --- | --- | --- |
| 1. To reconcile net profit to cash flows from operating activities: | — | — |
| Net profit |  |  |
| Add: Impairment losss |  |  |
| Credit impairment loss |  |  |
| Depreciations of fixed assets, oil and gas assets, and bearer biological assets |  |  |
| Amortizations of intangible assets |  |  |
| Amortizations of long-term prepaid expenses |  |  |
| Losses on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with “-”) |  |  |
| Losses on retirement of fixed assets (gain expressed with “-”)) |  |  |
| Losses on changes in fair value (gain expressed with “-”) |  |  |
| Financial expenses (gain expressed with “-”) |  |  |
| Investment losses (gain expressed with “-”) |  |  |
| Decrease in deferred tax assets (increase expressed with “-”) |  |  |
| Increase in deferred tax liabilities (decrease expressed with “-”) |  |  |
| Decrease in inventories (increase expressed with “-”) |  |  |
| Decrease in receivables in operating activities (increase expressed with “-”) |  |  |
| Increase in payables in operating activities (decrease expressed with “-”) |  |  |
| Others |  |  |
| Net cash flows from operating activities |  |  |
| 1. Significant investing and financing activities that do not involve cash receipts or payments | — | — |
| Debts converted to capital |  |  |
| Convertible debts due within one year |  |  |
| Fixed assets leased in under finance leases |  |  |
| 1. Net changes of cash and cash equivalents | — | — |
| Closing balance of cash |  |  |
| Less: Opening balance of cash |  |  |
| Add: Closing balance of cash equivalents |  |  |
| Less: Opening balance of cash equivalents |  |  |
| Net increase in cash and cash equivalents |  |  |

1. Net Cash from Acquisition or Disposal of Subsidiaries in Current Year

| Items | Amount |
| --- | --- |
| I. Cash and cash equivalents paid in business combinations occurred in current year |  |
| Less: Cash and cash equivalents held by the acquired subsidiaries on acquisition date |  |
| Add: Cash and cash equivalents paid in current year for business combinations occurred in previous years |  |
| Net cash paid to acquire subsidiaries |  |
| II. Cash and cash equivalents received from disposal of subsidiaries |  |
| Less: Cash and cash equivalents held by the subsidiary when control is lost |  |
| Add: Cash and cash equivalents received in current year for disposal of former subsidiaries in previous years |  |
| Net cash received from disposal of subsidiaries |  |

1. Composition of Cash and Cash Equivalents

| Items | Current year | Prior year |
| --- | --- | --- |
| I. Cash |  |  |
| Including: Cash on hand |  |  |
| Demand deposits |  |  |
| Other cash/bank balance available for payment |  |  |
| Demand deposits in central bank |  |  |
| Deposits in banks and other financial institutions |  |  |
| Loans to banks and other financial institutions |  |  |
| II. Cash equivalents |  |  |
| Including: Bond investments due within three months |  |  |
| III. Closing balance of cash and cash equivalents |  |  |
| Including: Cash and cash equivalents not available for use by the Parent or the subsidiaries in the Group |  |  |

1. **Foreign Currency Monetary Items**

| Items | Closing balance in foreign currency | Exchange rate | Closing balance in CNY (translated) |
| --- | --- | --- | --- |
| Cash at bank and on hand | —— | —— | —— |
| Including: USD |  |  |  |
| EUR |  |  |  |
| HKD |  |  |  |
| …… |  |  |  |
| Trade receivables | —— | —— | —— |
| Including: USD |  |  |  |
| EUR |  |  |  |
| HKD |  |  |  |
| …… |  |  |  |
| Short-term borrowings | —— | —— | —— |
| Including: USD |  |  |  |
| EUR |  |  |  |
| HKD |  |  |  |
| Long-term borrowings | —— | —— | —— |
| Including: USD |  |  |  |
| EUR |  |  |  |
| HKD |  |  |  |
| …… |  |  |  |
| Bonds payable |  |  |  |
| Including: USD |  |  |  |
| EUR |  |  |  |
| HKD |  |  |  |
| …… |  |  |  |

1. **Assets with Restricted Ownership or Use Rights**

| Items | Carrying amount at year end | Reason for restriction |
| --- | --- | --- |
| Cash at bank and on hand |  |  |
| Notes receivable |  |  |
| Trade receivables |  |  |
| Receivables financing |  |  |
| Inventories |  |  |
| Fixed assets |  |  |
| Intangible assets |  |  |
| Construction in progress |  |  |
| Others |  |  |

# Contingencies

1. **Contingent Liabilities**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Class | Reason | Uncertainties relating to any economic benefit outflow | Estimate of financial effect | Possibility of any compensation |
|  |  |  |  |  |
|  |  |  |  |  |

1. **Contingent Assets**

| Class | Reason | Estimate of financial effect |
| --- | --- | --- |
|  |  |  |
|  |  |  |

……

1. **Events after the Reporting Period**

……

1. **Relationships and Transactions with Related Parties**
2. **Basic Information of the Parent**

| Name of the parent | Registered address | Business nature | Registered capital | Proportion of shares held by the parent (%) | Proportion of voting rights held by the parent (%) |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |

1. **Subsidiaries**

See Note VII “Business Combination and Consolidated Financial Statements”.

1. **Joint Ventures and Associates**

See Note VIII-XX “Long-term Equity Investments”.

1. **Other Related Parties**

| Name of related parties | Relationship with the Group |
| --- | --- |
|  |  |
|  |  |
|  |  |
|  |  |

1. **Related Party Transactions**
2. Pricing Policy

|  |  |  |  |
| --- | --- | --- | --- |
| Name of related parties | Name of counterparty | Classification of transaction | Principle of pricing |
|  |  |  |  |

1. Related Party Transactions
2. Sale of Goods

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of related parties | Current year | | Prior year | |
| Amount | Proportion (%) | Amount | Proportion (%) |
|  |  |  |  |  |
|  |  |  |  |  |

1. Purchase of Goods

| Name of related parties | Current year | | Prior year | |
| --- | --- | --- | --- | --- |
| Amount | Proportion (%) | Amount | Proportion (%) |
|  |  |  |  |  |
|  |  |  |  |  |

1. Sale of Assets other than Goods

| Name of related parties | Current year | | Prior year | |
| --- | --- | --- | --- | --- |
| Amount | Proportion (%) | Amount | Proportion (%) |
|  |  |  |  |  |
|  |  |  |  |  |

1. Purchase of Assets other than Goods

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of related parties | Current year | | Prior year | |
| Amount | Proportion (%) | Amount | Proportion (%) |
|  |  |  |  |  |
|  |  |  |  |  |

1. Rendering of Services

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of related parties | Current year | | Prior year | |
| Amount | Proportion (%) | Amount | Proportion (%) |
|  |  |  |  |  |
|  |  |  |  |  |

1. Receiving of Services

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of related parties | Current year | | Prior year | |
| Amount | Proportion (%) | Amount | Proportion (%) |
|  |  |  |  |  |
|  |  |  |  |  |

1. Guarantees

| Guarantor | Guaranteed party | Guaranteed amount | Inception date of guarantee | Expiration date of guarantee | Whether execution of guarantee has been completed |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Providing Funds (Loans)

|  |  |  |
| --- | --- | --- |
| Name of related parties | Amount provided to related parties | Amount provided from related parties |
|  |  |  |
|  |  |  |

1. Other Related Party Transactions

……

1. Receivables from or Payables to Related Parties

| Items | Closing balance | | Opening balance | | Terms and conditions | Whether provide or obtain guarantee |
| --- | --- | --- | --- | --- | --- | --- |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Trade receivables |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Trade receivables - Allowance for doubtful accounts |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Notes receivable |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Notes receivable- Allowance for doubtful accounts |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Advances to suppliers |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Other receivables |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Other receivables - Allowance for doubtful accounts |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Trade payables |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Notes payable |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Advances from customers |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Other payables |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

1. **Information that Helps Users of the Financial Statements to Assess the Company’s Objectives, Policies and Processes for Managing Capital**

……

1. **Notes to Major Items in Financial Statements of the Parent**
2. **Trade Receivables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Classification | Closing balance | | | |
| Gross carrying amount | | Allowance for doubtful accounts | |
| Amount | Proportion (%) | Amount | Proportion  (%) | |
| Trade receivables that are individually significant and individually assessed for impairment |  |  |  |  | |
| Trade receivables that are collectively assessed for impairment as in a group of receivables of shared credit risk characteristics |  |  |  |  | |
| Trade receivables that are individually not significant but are individually assessed for impairment |  |  |  |  | |
| Total |  |  |  | — | |

(Continued)

| Classification | Opening balance | | | |
| --- | --- | --- | --- | --- |
| Gross carrying amount | | Allowance for doubtful accounts | |
| Amount | Proportion (%) | Amount | Proportion  (%) |
| Trade receivables that are individually significant and individually assessed for impairment |  |  |  |  |
| Trade receivables that are collectively assessed for impairment as in a group of receivables of shared credit risk characteristics |  |  |  |  |
| Trade receivables that are individually not significant but are individually assessed for impairment |  |  |  |  |
| Total |  |  |  | — |

①Trade Receivables that are Individually Significant and Individually Assessed for Impairment at Year End

| Debtor name | Gross carrying amount | Allowance for doubtful accounts | Aging | Proportion (%) | Reason for recognition |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  | — | — | — |

②Trade Receivables that are Collectively Assessed for Impairment as in a Group of Receivables of Shared Credit Risk Characteristics

1. Using Aging Analysis Method

| Aging | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Gross carrying amount | | Allowance for doubtful accounts | Gross carrying amount | | Allowance for doubtful accounts |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year (including 1 year) |  |  |  |  |  |  |
| 1-2 years (including 2 years) |  |  |  |  |  |  |
| 2-3 years (including 3 years) |  |  |  |  |  |  |
| Over 3 years |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

1. Using Percentage of Receivables Method or Other Portfolio Methods

| Portfolio name | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Amount | Proportion (%) | Allowance for doubtful accounts | Amount | Proportion (%) | Allowance for doubtful accounts |
| Portfolio 1 |  |  |  |  |  |  |
| Portfolio 2 |  |  |  |  |  |  |
| …… |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

③Trade Receivables that are Individually not significant But are Individually Assessed for Impairment at Year End

| Debtor name | Gross carrying amount | Allowance for doubtful accounts | Aging | Proportion (%) | Reason for recognition |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  | — | — | — |

④Reversals or Collections

| Debtor name | Amount of reversals or collections | Accumulated allowance for doubtful accounts prior to reversals or collections | Reason and method for reversals or collections |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
| Total |  |  | — |

⑤Write-offs in Current Year

| Debtor name | Nature of trade receivables | Write-off amount | Reason for write-off | Write-off procedure | Arising from related party transaction? |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total | — |  | — | — | — |

⑥Top Five Debtors According to Closing Balances

| Debtor name | Gross carrying amount | Proportion of total trade receivables  (%) | Allowance for doubtful accounts |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Total |  |  |  |

⑦ Trade Receivables Derecognized Due to Transfer of Financial Assets

|  |  |  |
| --- | --- | --- |
| Debtor name | Amount derecognized | Gain or loss related to derecognition (loss expressed with “-“) |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

⑧Assets and Liabilities Arising in Continuing Involvement in the Transfer of Trade Receivables (For Example, Securitization, Factoring, Etc.)

| Items | Closing balance |
| --- | --- |
| Assets: |  |
|  |  |
|  |  |
| Subtotal |  |
| Liabilities: |  |
|  |  |
|  |  |
| Subtotal |  |

1. **Other Receivables**

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Interests receivable |  |  |
| Dividends receivable |  |  |
| Other receivables |  |  |
| Total |  |  |

1. Interests Receivable

①Classification of Interests Receivable

| Items | Closing balance | Opening balance |
| --- | --- | --- |
| Time deposits |  |  |
| Entrusted loans |  |  |
| Bond investments |  |  |
| Others |  |  |
| Total |  |  |

②Significant Overdue Interests

| Debtor | Closing balance | Overdue period (month) | Reason for overdue | Any impairment loss incurred and its basis |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  | — | — | — |

1. Dividends Receivable

| Items | Closing balance | Opening balance | Reason for being uncollectible | Any impairment loss incurred and its basis |
| --- | --- | --- | --- | --- |
| Dividends receivable aged within one year |  |  |  |  |
| Including: (1) |  |  |  |  |
| (2) |  |  |  |  |
| … |  |  |  |  |
| Dividends receivable aged over one year |  |  |  |  |
| Including: (1) |  |  |  |  |
| (2) |  |  |  |  |
| … |  |  |  |  |
| Total |  |  | — | — |

1. Other Receivables

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Classification | Closing balance | | | |
| Gross carrying amount | | Allowance for doubtful accounts | |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Other receivables that are individually significant and individually assessed for impairment |  |  |  |  |
| Other receivables that are collectively assessed for impairment as in a group of receivables of shared credit risk characteristics |  |  |  |  |
| Other receivables that are individually not significant but are individually assessed for impairment |  |  |  |  |
| Total |  | — |  | — |

(Continued)

| Classification | Opening balance | | | |
| --- | --- | --- | --- | --- |
| Gross carrying amount | | Allowance for doubtful accounts | |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Other receivables that are individually significant and individually assessed for impairment |  |  |  |  |
| Other receivables that are collectively assessed for impairment as in a group of receivables of shared credit risk characteristics |  |  |  |  |
| Other receivables that are individually not significant but are individually assessed for impairment |  |  |  |  |
| Total |  | —— |  | —— |

① Other Receivables that are Individually Significant and Individually Assessed for Impairment at Year End

| Debtor name | Gross carrying amount | Allowance for doubtful accounts | Aging | Proportion (%) | Reason for recognition |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  | — | — | — |

② Other Receivables that are Collectively Assessed for Impairment as in a Group of Receivables of Shared Credit Risk Characteristics

1. Using Aging Analysis Method

| Aging | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Gross carrying amount | | Allowance for doubtful accounts | Gross carrying amount | | Allowance for doubtful accounts |
| Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year (including 1 year) |  |  |  |  |  |  |
| 1-2 years (including 2 years) |  |  |  |  |  |  |
| 2-3 years (including 3 years) |  |  |  |  |  |  |
| Over 3 years |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

1. Using Percentage of Receivables Method or Other Portfolio Methods

| Portfolio name | Closing balance | | | Opening balance | | |
| --- | --- | --- | --- | --- | --- | --- |
| Amount | Proportion (%) | Allowance for doubtful accounts | Amount | Proportion (%) | Allowance for doubtful accounts |
| Portfolio 1 |  |  |  |  |  |  |
| Portfolio 2 |  |  |  |  |  |  |
| …… |  |  |  |  |  |  |
| Total |  | — |  |  | — |  |

③ Other Receivables that are Individually not significant But are Individually Assessed for Impairment at Year End

| Debtor name | Gross carrying amount | Allowance for doubtful accounts | Aging | Proportion (%) | Reason for recognition |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  |  | — | — | — |

④ Reversals or Collections

|  |  |  |  |
| --- | --- | --- | --- |
| Debtor name | Amount of reversals or collections | Accumulated allowance for doubtful accounts prior to reversals or collections | Reason and method for reversals or collections |
|  |  |  |  |
|  |  |  |  |
| Total |  |  | — |

⑤ Write-offs in Current Year

| Debtor name | Nature of other receivables | Write-off amount | Reason for write-off | Write-off procedure | Arising from related party transaction? |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total | — |  | — |  | — |

⑥ Top Five Debtors According to Closing Balances

| Debtor name | Nature of receivables | Gross carrying amount | Aging | Proportion of total other receivables  (%) | Allowance for doubtful accounts |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total | — |  |  |  |  |

⑦Other Receivables Derecognized Due to Transfer of Financial Assets

| Debtor name | Amount derecognized | Gain or loss related to derecognition (loss expressed with “-“) |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
| Total |  |  |

⑧ Assets and Liabilities Arising in Continuing Involvement in the Transfer of Other Receivables (For Example, Securitization, Factoring, Etc.)

| Items | Closing balance |
| --- | --- |
| Assets: |  |
|  |  |
|  |  |
| Subtotal |  |
| Liabilities: |  |
|  |  |
|  |  |
| Subtotal |  |

⑨Other Receivables Related to Government Grants

| Enterprise name | Project name of government grants | Closing balance | Aging at year end | Estimated collection date, amount, and the basis |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. **Long-term Equity Investments**
2. Classification of Long-term Equity Investments

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Items | Opening balance | Increase in current year | Decrease in current year | Closing balance |
| Investments in subsidiaries |  |  |  |  |
| Investments in joint ventures |  |  |  |  |
| Investments in associates |  |  |  |  |
| Subtotal |  |  |  |  |
| Less: Impairment loss for long-term equity investments |  |  |  |  |
| Total |  |  |  |  |

1. Long-term Equity Investments

| Investee | Cost of investments | Opening balance | Increase/ decrease in current year | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Increase in investments | Decrease in investments | Investment gain or loss recognized under equity method | Adjustment in other comprehensive income |
| Total |  |  |  |  |  |  |
| I. Subsidiaries |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| II. Joint ventures |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| III. Associates |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

(Continued)

| Investee | Increase/ decrease in current year | | | | Closing balance | Closing balance of impairment loss |
| --- | --- | --- | --- | --- | --- | --- |
| Other changes in equity | Cash dividends declared and profits to be distributed | Impairment loss | Others |
| Total |  |  |  |  |  |  |
| I. Subsidiaries |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| II. Joint ventures |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| III. Associates |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. Major Financial Information of Significant Joint Ventures

| Items | Current year | | | Prior year | | |
| --- | --- | --- | --- | --- | --- | --- |
| Enterprise 1 | Enterprise 2 | … | Enterprise 1 | Enterprise 2 | … |
| Current assets |  |  |  |  |  |  |
| Non-current assets |  |  |  |  |  |  |
| Total assets |  |  |  |  |  |  |
| Current liabilities |  |  |  |  |  |  |
| Non-current liabilities |  |  |  |  |  |  |
| Total liabilities |  |  |  |  |  |  |
| Net assets |  |  |  |  |  |  |
| Proportionate share of net assets calculated based on shareholding |  |  |  |  |  |  |
| Adjustments |  |  |  |  |  |  |
| Carrying amount of equity investments in joint ventures |  |  |  |  |  |  |
| Fair value of equity investments with quoted market prices |  |  |  |  |  |  |
| Operating revenue |  |  |  |  |  |  |
| Financial expenses |  |  |  |  |  |  |
| Income tax expenses |  |  |  |  |  |  |
| Net profit |  |  |  |  |  |  |
| Other comprehensive income |  |  |  |  |  |  |
| Total comprehensive income |  |  |  |  |  |  |
| Dividends received from joint ventures in current year |  |  |  |  |  |  |

1. Major Financial Information of Significant Associates

| Items | Current year | | | Prior year | | |
| --- | --- | --- | --- | --- | --- | --- |
| Enterprise 1 | Enterprise 2 | … | Enterprise 1 | Enterprise 2 | … |
| Current assets |  |  |  |  |  |  |
| Non-current assets |  |  |  |  |  |  |
| Total assets |  |  |  |  |  |  |
| Current liabilities |  |  |  |  |  |  |
| Non-current liabilities |  |  |  |  |  |  |
| Total liabilities |  |  |  |  |  |  |
| Net assets |  |  |  |  |  |  |
| Proportionate share of net assets calculated based on shareholding |  |  |  |  |  |  |
| Adjustments |  |  |  |  |  |  |
| Carrying amount of equity investments in associates |  |  |  |  |  |  |
| Fair value of equity investments with quoted market prices |  |  |  |  |  |  |
| Operating revenue |  |  |  |  |  |  |
| Net profit |  |  |  |  |  |  |
| Other comprehensive income |  |  |  |  |  |  |
| Total comprehensive income |  |  |  |  |  |  |
| Dividends received from associates in current year |  |  |  |  |  |  |

1. Summary of Joint Ventures and Associates that are not Significant

| Items | Current year | Prior year |
| --- | --- | --- |
| Joint ventures: | — | — |
| Total carrying amount of the investments |  |  |
| Total amount calculated by proportion of shares for following items |  |  |
| Net profit |  |  |
| Other comprehensive income |  |  |
| Total comprehensive income |  |  |
| Associates: | — | — |
| Total carrying amount of the investments |  |  |
| Total amount calculated by proportion of shares for following items |  |  |
| Net profit |  |  |
| Other comprehensive income |  |  |
| Total comprehensive income |  |  |

1. Risks Associated with Equity in Joint Ventures and Associates

| Name of joint venture or associate | Cumulative amount of unrecognized loss at end of prior year | Unrecognized loss in current year (or net profit shared this year) | Cumulative amount of unrecognized loss at year end |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

1. Structured Entities that are Not Consolidated

……

1. **Operating Revenue and Operating Costs**

| Items | Current year | | Prior year | |
| --- | --- | --- | --- | --- |
| Revenue | Costs | Revenue | Costs |
| Principal operating activities |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Other operating activities |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  |  |  |  |

1. **Investment Income**

| Sources for investment income | Current year | Prior year |
| --- | --- | --- |
| Income from long-term equity investments using cost method |  |  |
| Income from long-term equity investments using equity method |  |  |
| Income from disposal of long-term equity investments |  |  |
| Investment income from financial assets measured at fair value through profit or loss during holding period |  |  |
| Investment income from disposal of financial assets measured at fair value through profit or loss |  |  |
| Income from held-to-maturity investments during holding period |  |  |
| Income from disposal of held-to-maturity investments |  |  |
| Income from available-for-sale financial assets |  |  |
| Income from disposal of available-for-sale financial assets |  |  |
| Interest income from debt investments during holding period (applicable under new Standards for Financial Instruments) |  |  |
| Interest income from other debt investments during holding period (applicable under new Standards for Financial Instruments) |  |  |
| Income from disposal of debt investments (applicable under new standards for Financial Instruments) |  |  |
| Income from disposal of other debt investments (Applicable under new Standards for Financial Instruments) |  |  |
| Gains from remeasurement of equity investments at fair value when obtaining control |  |  |
| Gains from remeasurement of equity investments retained at fair value after losing control |  |  |
| Dividend income form other equity instruments during holding period (applicable under new Standards for Financial Instruments) |  |  |
| Others |  |  |
| Total |  |  |

1. **Statement of Cash Flows**
2. Using Indirect Method to Reconcile Net Profit to Cash Flows from Operating Activities

| Supplementary information | Current year | Prior year |
| --- | --- | --- |
| 1. To reconcile net profit to cash flows from operating activities: | — | — |
| Net profit |  |  |
| Add: Impairment losss |  |  |
| Credit impairment loss |  |  |
| Depreciations of fixed assets, oil and gas assets, and bearer biological assets |  |  |
| Amortizations of intangible assets |  |  |
| Amortizations of long-term prepaid expenses |  |  |
| Losses on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with “-”) |  |  |
| Losses on retirement of fixed assets (gain expressed with “-”)) |  |  |
| Losses on changes in fair value (gain expressed with “-”) |  |  |
| Financial expenses (gain expressed with “-”) |  |  |
| Investment losses (gain expressed with “-”) |  |  |
| Decrease in deferred tax assets (increase expressed with “-”) |  |  |
| Increase in deferred tax liabilities (decrease expressed with “-”) |  |  |
| Decrease in inventories (increase expressed with “-”) |  |  |
| Decrease in receivables in operating activities (increase expressed with “-”) |  |  |
| Increase in payables in operating activities (decrease expressed with “-”) |  |  |
| Others |  |  |
| Net cash flows from operating activities |  |  |
| 1. Significant investing and financing activities that do not involve cash receipts or payments | — | — |
| Debts converted to capital |  |  |
| Convertible debts due within one year |  |  |
| Fixed assets leased in under finance leases |  |  |
| 1. Net changes of cash and cash equivalents | — | — |
| Closing balance of cash |  |  |
| Less: Opening balance of cash |  |  |
| Add: Closing balance of cash equivalents |  |  |
| Less: Opening balance of cash equivalents |  |  |
| Net increase in cash and cash equivalents |  |  |

1. Composition of Cash and Cash Equivalents

|  |  |  |
| --- | --- | --- |
| Items | Current year | Prior year |
| I. Cash |  |  |
| Including: Cash on hand |  |  |
| Demand deposits |  |  |
| Other cash/bank balances |  |  |
| Demand deposits in central bank |  |  |
| Deposits in banks and other financial institutions |  |  |
| Loans to banks and other financial institutions |  |  |
| II. Cash equivalents |  |  |
| Including: Bond investments due within three months |  |  |
| III. Closing balance of cash and cash equivalents |  |  |

1. **Reverse Acquisition of the Parent in Current Year**
2. **Other Information Required for Disclosure According to Related Accounting Standards**

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1. **Approval of Financial Statements**

The financial statements have been approved by [board of directors / office of general manager/ equivalent body (specify the name)] on [Date].