Annex F11.B.

(Non - Confidential version)

Tianjin Futong Xinmao Technology Co. Ltd. Semi-Annual Report 2021 (EN)

Annex to OFC Application Form

Tianjin Futong Information Technology Co.

Half-yearly report for **2021**

August 2021

Section I. Important notes, table of contents and interpretations

The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company guarantee the truthfulness, accuracy and completeness of the contents of the half-yearly report and that there are no false records, misleading statements or material omissions, and assume individual and joint legal responsibility.

Xu Dong, the person in charge of the company, Lu Jun, the person in charge of accounting work, and Wen Xiaoyu, the person in charge of accounting institution (accounting officer), declare that they guarantee the truthfulness, accuracy and completeness of the financial report in this half-yearly report.

All Directors were present at the Board meeting at which this report was considered.

The Company's risks and responses are described in the Management's Discussion and Analysis section in Section III.

The Company plans to pay no cash dividends, send no bonus shares and not to increase its share capital by transferring its provident fund.

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List of documents available for inspection

I. Financial statements containing the signatures and seals of the legal representative, the person in charge of accounting work and the head of the accounting institution of the company. II. The original copies of all company documents and announcements that have been publicly disclosed on the Juchao Information Network during the reporting period.

III. A copy of the company's half-yearly report for 2021 containing the signature of the legal representative.

an explanation of the meaning of words or phrases

Interpretation items	point at or to	Interpretation of the content
Fortis Information, the Company, Inc.	point at or to	Tianjin Futong Information Technology Company Limited (formerly known as Tianjin Futong Xinmao Technology Company Limited)
China securities regulatory commission CSRC	point at or to	China Securities Regulatory Commission (CSRC)
Fortis Technology	point at or to	Zhejiang Futong Technology Group Limited, controlling shareholder
Tianjin Fiber Optics	point at or to	Tianjin Futong Fiber Optic Technology Co.
Tianjin Fiber Optic Cable	point at or to	Tianjin Futong Optical Cable Technology Co.
Juzhi Technology	point at or to	Juzhi Photonics Material Technology Co.
Shandong Futong	point at or to	Shandong Futong Light Guide Technology Co.
Futong Chengdu	point at or to	Futong Fiber Optic Cable (Chengdu) Co.
Tianjin Fiber Optic Cable Binhai New Area Branch	point at or to	Tianjin Futong Optical Cable Technology Co.
light stick	point at or to	Fiber Optic Preforms

Section II. Company profile and key financial indicators

I. Company Profile

Stock Abbreviation	Fortis Information	stock code	000836
Stock Listings Stock Exchange	Shenzhen Stock Exchange (SZSE)		
Chinese name of the company	Tianjin Futong Information Technology Co.		
Chinese abbreviation of the company (if any)	Fortis Information		
Foreign name of the company (if any)	Tianjin Futong Information Science&Technology Co., Ltd.		
Abbreviation of the company's foreign name (if any)	Futong Information		
Legal representative of the company	Xu Dong		

II. Contact person and contact details

	Secretary of the Board	Securities Representative
name and surname	Du Xiang (1688-1753), Qing dynasty painter	duckweed
Contact address	Sixteenth Floor, Haitai Building, No. 6 Meiyuan Road, Huayuan Industrial Zone, Binhai High-tech Zone, Tianjin	Sixteenth Floor, Haitai Building, No. 6 Meiyuan Road, Huayuan Industrial Zone, Binhai High-tech Zone, Tianjin
phone number	022-83710888	022-59007923
telex	022-83710199	022-83710199
electronic mailbox	ir@000836.net	ir@000836.net

III. Other information

1、Company Contact

The company's registered address, the company's office address and its postal code, whether the company's website and e-mail address changed during the reporting period

√ Applicable □ Not applicable

Registered Company Address	No. 10,Ranyuan Road, Huayuan Industrial Zone, Binhai High-tech Zone, Tianjin

Postal code of the company's registered address	300384
Corporate Office Address	Sixteenth Floor, Haitai Building, No. 6 Meiyuan Road, Huayuan Industrial Zone, Binhai High-tech Zone, Tianjin
Postal code of the company's office address	300384
Company Website	http://www.000836.net/
Company Email	ir@000836.net
Date of access to the designated website for disclosure of interim announcements (if any)	13 January 2021
Index of designated websites for interim announcement disclosures (if any)	http://www.cninfo.com.cn

2. Disclosure of information and place of availability

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

□ Applicable √ Not applicable

The name of the newspaper selected by the Company for information disclosure, the URL of the designated website of the CSRC where the half-yearly report is posted, and no change in the reporting period of the Company's half-yearly report availability can be found in the 2020 Annual Report.

IV. Key accounting data and financial indicators

Whether the company is required to retroactively adjust or restate prior years' accounting data

□ Yes √ No

	current reporting period	same period in the previous year	Increase or decrease in the current reporting period over the same period of the previous year
Operating income ($)	512,459,713.13	466,576,639.05	9.83%
Net profit attributable to shareholders of listed companies (yuan)	-49,578,495.09	2,790,880.78	-1,876.45%
Net profit after non-recurring gains and losses attributable to shareholders of the listed company (yuan)	-53,467,868.48	-10,970,170.70	-387.39%
Net cash flows from operating activities ($)	-160,077,259.98	-60,651,392.42	-163.93%
Basic earnings per share (yuan/share)	-0.0410	0.0023	-1,882.61%
Diluted earnings per share (yuan/share)	-0.0410	0.0023	-1,882.61%
Weighted average return on net assets	-3.99%	0.22%	-4.21%
	End of the reporting period	End of previous year	Increase or decrease at the end of the reporting period compared to the end of the previous year
Total assets ($)	2,568,669,696.31	2,611,660,175.71	-1.65%
Net assets attributable to shareholders of listed companies (yuan)	1,264,186,407.45	1,257,130,802.54	0.56%

V. Differences in accounting data under domestic and foreign accounting standards

1. Differences in net profit and net assets in financial reports disclosed simultaneously in accordance with IAS and in accordance with PRC GAAP

□ Applicable √ Not applicable

There were no differences in net profit and net assets between the Company's financial reports disclosed in accordance with IAS and those disclosed in accordance with PRC GAAP for the reporting period.

2. Differences in net profit and net assets in financial reports disclosed simultaneously in accordance with foreign accounting standards and in accordance with PRC accounting standards

□ Applicable √ Not applicable

There were no differences in net profit and net assets between the Company's financial reports disclosed in accordance with overseas accounting standards and those disclosed in accordance with PRC accounting standards during the reporting period.

VI. Items and amounts of non-recurring gains and losses

√ Applicable □
Not applicable

Unit: $

spor ts even t	sum of mone y	inst ruct ions
Gains and losses on disposal of non-current assets (including the write-off portion of the provision for asset impairment)	71,151.51	
Government grants recognized in profit or loss (except those closely related to the business of the enterprise and enjoyed in a fixed or quantitative amount in accordance with the national uniform standards)	3,367,485.52	
Non-operating income and expenses other than those mentioned above	725,099.18	
Less: Income tax effect	41,669.29	
Amount of minority interest impact (after tax)	232,693.53	
add up the tota l	3,889,373.39	--

For the non-recurring items of profit or loss defined by the Company in accordance with the definition of "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Profit or Loss", as well as the definition of "non-recurring profit or loss" in the "Public

Items of non-recurring profit or loss listed in the "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Securities - Non-recurring Profit or Loss" that are defined as recurring profit or loss should be justified

□ Applicable √ Not applicable

The Company did not have any non-recurring items of profit or loss defined and listed as recurring items of profit or loss in accordance with the "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Profit or Loss" for the reporting period.

Section III. Management discussion and analysis

I. Major businesses engaged by the Company during the reporting period

(i) Main business of the company

During the reporting period, the Company continued to specialize in the optical communications business with fiber optic cable manufacturing as its core and the quartz products business with quartz tubing products as an adjunct.

1、Optical communication business

Optical communication specifically includes optical communication products such as optical fiber and cable, optical devices/optical modules, and optoelectronic equipment required for the construction of carrier telecommunication networks and enterprise-level digital communication, as well as network services such as planning, construction and optimization of optical networks. Optical communication networks are the strategic cornerstone of the information and digital society, and the basic guarantee for a strong network and manufacturing country.

The company has formed a unique optical communication industry chain of "rod - optical rod - optical fiber - optical cable". The main products of the company are ordinary optical fiber cable (hereinafter referred to as "ordinary cable"), special 8-character optical cable, large-core micro cable, photoelectric hybrid optical cable, butterfly cable and other optical fiber products; G.652D, G.657A2 and other single-mode communication optical fiber products; optical fiber prefabricated rod (hereinafter referred to as "optical rod"), natural quartz optical rod large casing and other products required for optical fiber manufacturing. ("optical rods"), natural quartz optical rods with large casing and other products. Among them, universal cable and optical fiber are the main products delivered and sold by the Company to the outside world. The end-use customers of optical fiber products are mainly domestic telecommunication operators such as China Mobile, China Telecom and China Unicom, as well as investors or turnkeys of domestic railways, highways, subways and other land transportation and urban infrastructure construction, and the sales customers of optical fiber products are mainly optical cable manufacturers.

2、Quartz products business

In the field of quartz materials and quartz products, the company has formed an industrial pattern of "materials and products go hand in hand, natural and synthetic materials complement each other", which can provide high-quality quartz products and supporting solutions for domestic integrated circuits, solar energy, laser photoelectricity, optical communications and other fields. In order to better meet the market demand, the company's subsidiaries gradually expand production will form a scale effect.

(ii) Business model

The company continues to specialize in the research and development, production and sales of products in the above two fields, with a vertically integrated development; the market share of its main products was able to continue to increase during the reporting period, and the company has entered the ranks of important suppliers to China Mobile and China Telecom, and has become an important domestic supplier of optical fiber and cable. In the future, the company still has more room for improvement in many aspects, such as industrial linkage, core competitiveness and R&D strength.

1、Optical communication business

In view of the fact that domestic telecom operators are important customers of optical fiber cable products, the Company actively participates in the annual optical fiber cable collection tenders of domestic telecom operators such as China Mobile, China Telecom and China Unicom, and obtains direct optical fiber cable orders through collection; at the same time, the Company also actively participates in the tenders and procurement of optical fiber cables required for domestic land transportation and urban infrastructure construction, in order to continuously expand and enhance the influence of the Company's own brand. Based on the above-mentioned optical fiber cable orders, the Company

We organize the internal linked manufacturing of upstream products such as optical fibers and optical rods and the procurement and transfer of shortage parts, and realize the production and sales of final optical cable products. For intermediate products such as optical fibers and optical rods, the company also sells them externally according to market demand.

2、Quartz products business

The company's holding subsidiary, Jiuzhi Technology, has specialized in the manufacturing of natural high-purity quartz materials and quartz products for many years. On the one hand, the natural high purity quartz materials produced by Jiuzhi Technology can be used as quartz liner tubes and large sleeves required for the manufacture of optical rods after processing; on the basis of the purchased optical rods core rods Jiuzhi Technology has been able to directly manufacture optical rods in bulk to supply to fiber optic cable enterprises. On the other hand, relying on its own natural high-purity quartz material and Shandong Futong synthetic quartz material, Jiuzhi Technology can provide high-quality quartz products and supporting solutions for domestic integrated circuits, solar energy, laser optoelectronics and other industries.

(iii) Stages of industry development

1、Optical communication business

In March 2021, the Ministry of Industry and Information Technology issued the "Action Plan for the Collaborative Development of "Dual Gigabit" Networks (2021-2023)" (hereinafter referred to as the "Action Plan"), which further clarifies that "dual-gigabit networks" represented by 5G and gigabit optical networks are the indispensable "two wings" and "two wings" for the construction of a strong manufacturing country and a strong network country. In March 2021, the Ministry of Industry and Information Technology issued the "Action Plan for the Collaborative Development of Dual Gigabit Networks (2021-2023)" (hereinafter referred to as the "Action Plan"), which further clarifies that the "dual-gigabit networks" represented by 5G and gigabit optical networks are the indispensable "two wings" and "two wheels" for the construction of a strong manufacturing country and a strong network country. Two wheels", is an important component of the new infrastructure and bearing base. Fiber optic cable is an indispensable and important basic component of this "bearing base".

Since the introduction of "Broadband China" and the start of the 4G construction cycle, the domestic optical communication market has shown high growth for many years in a row; since the second half of 2018, along with the construction of 4G networks and FTTx nearing the end and the commercialization of 5G has just begun, the demand of domestic telecom operators has turned relatively weak. During the reporting period, the overall domestic demand for fiber optic cable remained stable along with the stabilization of domestic new crown epidemic prevention and control and further promotion of dual-gigabit network construction. On the other hand, as the price of fiber optic cable has fallen to the limit, which poses a greater challenge to the production and operation of domestic fiber optic cable manufacturing enterprises.Starting from the second quarter of 2021, the procurement volume of telecom operators such as China Mobile and China Telecom continued to grow, while industry enterprises tended to develop rationally, the expansion of fiber optic cable production capacity was controlled, and some enterprises divested or cut fiber optic cable business, which led to a supply and demand This has led to a shift in supply and demand. According to CRU's report, domestic bare fiber inventory is almost exhausted and the market is more balanced, providing a more reliable basis for potential fiber optic cable price increases. At the same time, the strong demand for fiber optic cables in North America and Europe during the reporting period also supported the upward trend of global fiber optic cable prices.

2、Quartz products business

Quartz products can be widely used in integrated circuits, solar energy, laser photoelectricity, optical communications and other fields, the boom of the downstream demand side continues to improve for quartz materials and products industry ushered in new development opportunities and space. Especially in the field of integrated circuits, along with the country attaches great importance to the localization of chip manufacturing, the demand for high-performance quartz products in the field of integrated circuits has increased significantly. The integrated circuit industry is the foundation of the information industry, and is a fundamental, pioneering and strategic industry related to the overall situation of national economic and social development. According to the public data on the website of the National Bureau of Statistics, from January to June 2021, the domestic production of integrated circuits reached 171.2 billion pieces, an increase of 48.1% year-on-year, and it is expected that the demand for related quartz products in this field will also increase in the future.

(iv) Business overview

During the reporting period, the company achieved sales revenue of RMB 512 million, an increase of 9.83% year-on-year, due to the significant increase in the share of the previous year's operator's winning tender collection, of which optical communication products accounted for 95.32%, an increase of 9.58% year-on-year, and quartz tube products accounted for 3.36%, an increase of 22.79% year-on-year; however, at the same time, due to the relatively heavy share of optical communication products and the decline in the price of optical cable products collection executed during the reporting period However, at the same time, due to the relatively heavy share of optical communication products and the decline in the collection price of optical cable products implemented during the reporting period, the growth in the scale of production and sales of optical communication products and cost control were not sufficient to offset the impact of price changes, the net profit attributable to shareholders of the listed company in the first half of the year was -49.578 million yuan, a decrease of -1,876.45% year-on-year; the net assets attributable to shareholders of the listed company was 1.264 billion yuan, an increase of 0.56% year-on-year due to the impact of performance compensation factors. The sales price of the optical fiber cable industry is still in the historically low range, which is the main reason for the Company's loss in the first half of 2021.

During the reporting period, in the face of opportunities and challenges and under the strong leadership of the Company's Board of Directors, the main highlights of management's work were as follows.

1. Continue to do a good job in the dual objectives of new crown epidemic protection and safety

Adhering to the people-oriented, safety-first and prevention-oriented policy. On the one hand, we strictly implemented the measures of epidemic prevention and control to ensure that no new coronavirus infection occurred among all staff in the first half of the year. On the other hand, we strengthened the strength and frequency of safety inspections, spot checks and patrols, increased the investigation and rectification of various safety hazards, focused on safety education and training and practical exercises, and strived to nip the safety hazards in the bud, so as to lay a solid foundation for the company to fully engage in production and operation.

2、Implement the strategic plan of "materials and products go hand in hand, and natural and synthetic materials complement each other".

During the reporting period, along with the booming development of the domestic integrated circuit industry, the demand orders for relevant quartz products in this field have increased significantly, and the Company has expanded its equipment capacity for quartz products in due course to meet the demand for various orders and contribute to the realization of chip nationalization.

The upstream of quartz products is quartz material, which can be roughly divided into natural quartz material and synthetic quartz material according to the different raw materials and production processes. Juzhi Technology has the manufacturing capability of quartz products and natural quartz materials, and has continued to provide various product varieties to customers in the integrated circuit, laser photoelectric, solar energy and optical communication industries over the years. During the reporting period, thanks to the joint efforts of Jiuzhi Technology and Shandong Futong, Shandong Futong has realized part of the synthetic quartz material manufacturing capacity, and the two sides are jointly expanding relevant market customers. As strategic planning quartz materials and products as the company's second main business in the support and cultivation.

3. Reduce costs and increase efficiency, and deliver various products on time with quality and quantity

In the second half of 2020, the Company won the tender of China Mobile and China Telecom for a total of 17 million core kilometers of general and special cables in three sections. During the reporting period, on the one hand, the Company actively carried out the production of the above-mentioned operators' orders to ensure product quality and timely delivery; on the other hand, in the face of the rising costs of raw and auxiliary materials, the Company actively implemented the requirements of "competitiveness first and high-quality development" and continued to improve its production capacity by realizing multi-talented personnel, optimizing processes, improving equipment, strengthening internal On the other hand, in the face of the rising cost of raw and auxiliary materials, we are actively implementing the requirements of "Competitiveness First, High Quality Development" and continue to reduce the manufacturing cost of each link through many improvement measures, such as realizing multi-talented personnel, optimizing processes, improving equipment, strengthening internal cost control and enhancing intelligent manufacturing.

4. New processes, new products and technological improvement projects are progressing well

On the basis of the production line of Shandong Futong, the company continues to develop G.655 and G657A2 independently or jointly with external organizations.

New optical fiber projects such as. Based on the existing natural quartz materials to improve efficiency and reduce consumption, Juzhi Technology has further strengthened cooperation with Shandong Futong to jointly promote the research and development of various types of quartz materials and the development of specific customers. Futong Chengdu has embarked on the preliminary preparation for the research and development of dense miniature optical fiber cable based on the continuous enhancement of the production capacity and technical capability of non-metallic self-supporting 8-way optical fiber cable, double-layer co-extruded non-metallic optical fiber cable and miniature air-blown optical fiber cable. Tianjin Fiber Optic Cable continues to be committed to doing fine and specializing in large-core fiber optic cables.

II. Analysis of core competencies

On the one hand, the Company insists on focusing on the high-quality development of its main business around the layout of its unique industrial chain of "bar - optical rod - optical fiber - optical cable", firmly believes in the development prospect of the optical communication industry, and continuously optimizes each industrial link to fully utilize the linkage advantages and comprehensive strength of the industrial chain. On the other hand, we are actively expanding our quartz materials and products business, and constantly improving and expanding the strategic pattern of "materials and products going hand in hand and natural and synthetic materials complementing each other". The company continued to improve its production, sales and R&D innovation level, and formed the following competitive advantages.

1、Increasing brand influence

Founded in the 1990s, the company is one of the early entrants into the optical communication industry in China. In recent years, the company has increased the construction of its own brand and continuously improved the company's visibility and influence. The company's share in the domestic telecom operators' general cable collection has increased significantly, and it has also achieved breakthroughs in the bidding of operators' special cable and the national railway group's railway construction optical cable collection one by one, which has further consolidated the company's market position and enhanced the company's brand awareness and influence.

The company's holding subsidiary, Jiuzhi Technology, focuses on new product research and development, and has been the bearer of many major domestic scientific research and development and industrialization projects for many years and the standard setter and participant of some of the industry, with years of precipitation and development, its high-end quartz materials and products have been widely used in domestic communications, integrated circuits, aerospace and other fields, and exported to Japan, South Korea, Europe, America, Taiwan and other countries and regions. Juzhi Technology insists on the concept of "product brand" to establish "enterprise brand", strictly controls the quality of all kinds of products and works carefully and strives for perfection in the smallest detail, in order to continuously improve the process and enhance the quality, and continue to maintain the influence of quartz materials and products in the industry.

2. R&D strength of key core technologies

The company has a post-doctoral research station and a full set of equipment and processes for the "rod - optical rod - optical fiber - optical cable" industry chain. Juzhi Technology can produce natural high-purity quartz materials with its independent intellectual property rights of high-frequency plasma deposition technology, and its self-developed optical rod large casing, optical rod and other products have been industrialized; Shandong Futong not only has synthetic optical rod process technology and manufacturing capabilities through the introduction and digestion of foreign advanced equipment and technology, but also has achieved small volume production of some synthetic quartz material varieties through joint research with Juzhi Technology. In addition, with the medium frequency tube drawing process and highly sophisticated cold and hot processing techniques of high-purity quartz materials, JiuZhi Technology has been providing various quartz products to domestic and foreign enterprises in the fields of integrated circuit, solar energy, aerospace and laser for many years, and has a stable and highly skilled technical team in the field of high-end quartz products manufacturing, which has laid sufficient reserves for further upgrading the scale of products industrialization.

3、Industrial chain integration advantage

During the reporting period, the company continued to deepen the advantages of the "rod-optical rod-fiber-optical cable" industry chain linkage, and the production efficiency continued to improve.

The cost of ring conversion has been reduced. As shown in Figure 1 below, Jiuzhi Technology supplies optical rods, large casing and other products to the downstream of the industry chain, Tianjin Optical Fiber and Futong Chengdu, and can also supply high-end quartz instruments and products such as furnace tubes to Shandong Futong at a later stage; Shandong Futong has started to supply synthetic core rods and other products to Jiuzhi Technology in addition to supplying optical rods and optical fibers to Tianjin Optical Fiber and Futong Chengdu; optical fibers from Tianjin Optical Fiber can be supplied to Tianjin Optical Cable (including Binhai New Area Branch), Futong Chengdu (see Figure 1 below for details). The Company's Sales Management Department and Operations Management Department work closely together at the level of the listed company as a whole to efficiently process customer orders, arrange internal scheduling and delivery, and respond to and meet market and customer demand in a timely manner.

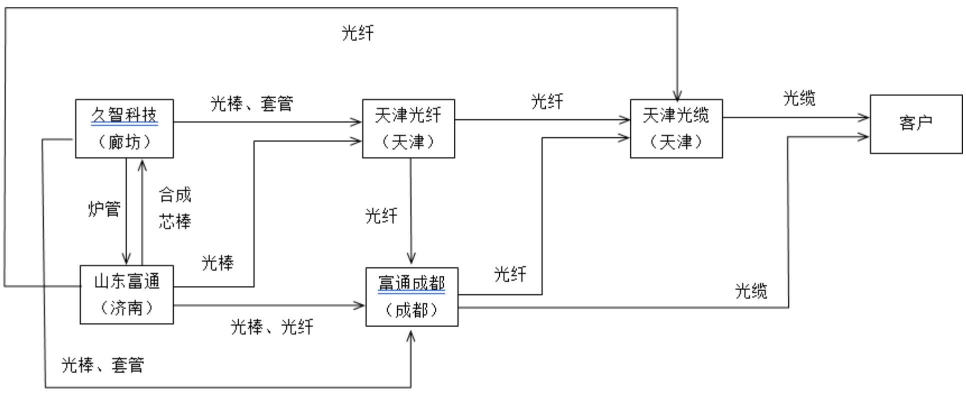

图 1：公司光通信产业链制造单元联动示意图

The company's strategic objective of "quartz materials and products go hand in hand, and natural and synthetic materials complement each other" is gradually being implemented, and the linkage between Jiuzhi Technology and Shandong Futong in quartz material technology development and process products is detailed in Figure 2 below.

图 2：公司石英业务制造单元联动示意图

4、Shareholder synergy advantage

Futong Group, the controlling shareholder of Futong Technology, is a large conglomerate well-known at home and abroad and has been deeply involved in the optical communication industry for more than 30 years, and is one of the largest suppliers of optical fiber and optical cable at home and abroad, with a complete optical communication industry chain and strong advantages in talent, technology, market and brand. With the comprehensive advantages of the Futong Group, the Company's optical communication business has entered a new stage of development.

III. Analysis of main business

Please refer to "I. Major businesses engaged in by the Company during the reporting period".

Year-on-year changes in key financial data

Unit: $

	current reporting period	same period in the previous year	Year-on-year increase or decrease	Reason for change
revenues	512,459,713.13	466,576,639.05	9.83%	
operating costs	473,034,419.78	393,354,094.82	20.26%	

Cost of sales	2,543,220.37	5,385,541.47	-52.78%	Transfer of operating costs as required
Overheads	38,063,427.43	33,292,644.06	14.33%	
financial cost	22,350,703.17	20,834,337.75	7.28%	
Income tax expense	764,886.78	4,352,140.87	-82.43%	Decline in profitability
R&D input	28,094,338.02	19,586,558.40	43.44%	Increase in R&D projects
Net cash flows from operating activities	-160,077,259.98	-60,651,392.42	-163.93%	Increased expenditure on purchase of raw materials
Net cash flows from investing activities	-11,347,069.41	-12,352,568.13	8.14%	
Net cash flows from financing activities	-65,878,614.77	-3,795,232.24	-1,635.83%	Net decrease in financing
Net increase in cash and cash equivalents	-237,304,329.72	-76,797,438.79	-209.00%	Higher expenditure on purchase of raw materials and lower financing balance

Significant changes in the composition of the company's profit or sources of profit for the reporting period

□ Applicable √ Not applicable

There were no significant changes in the composition of the Company's profit or sources of profit for the reporting period.

Composition of operating income

Unit: $

	current reporting period		same period in the previous year		Year-on-year increase or decrease
	sum of money	Share of operating income	sum of money	Share of operating income	
Total operating income	512,459,713.13	100%	466,576,639.05	100%	9.83%
subsector					
Optical communication industry	488,480,291.33	95.32%	445,988,986.68	95.59%	9.53%
other	23,979,421.80	4.68%	20,587,652.37	4.41%	16.47%
sub-product					
Optical communication network products	488,480,291.33	95.32%	445,988,986.68	95.59%	9.53%
Quartz Tubular Products	17,205,168.58	3.36%	14,011,742.44	3.00%	22.79%
Other products	6,774,253.22	1.32%	6,575,909.93	1.41%	3.02%

sub-region					
domestic sales	508,662,963.83	99.26%	465,827,669.26	99.84%	9.20%
sell abroad	3,796,749.30	0.74%	748,969.79	0.16%	406.93%

Industries, products or regions that account for more than 10% of the company's operating revenues or operating profits

√ Applicable □ Not applicable

Unit: $

	revenues	operating costs	gross margin	Increase or decrease in operating income over the same period of the previous year	Increase or decrease in operating costs over the same period of the previous year	Increase or decrease in gross margin over the same period of the previous year
subsector						
Optical communication industry	488,480,291.33	461,463,647.74	5.53%	9.53%	21.07%	-9.01%
sub-product						

Optical communication products	488,480,291.33	461,463,647.74	5.53%	9.53%	21.07%	-9.01%
sub-region						
domestic sales	508,662,963.83	470,494,842.98	7.50%	9.20%	19.78%	-8.17%

In the event that the statistical caliber of the Company's main business data is adjusted in the reporting period, the Company's main business data for the most recent period adjusted to the caliber at the end of the reporting period

□ Applicable √ Not applicable

Reasons for changes of more than 30 per cent year-on-year in relevant data

□ Applicable √ Not applicable

IV. Analysis of non-main operations

√ Applicable □ Not applicable

Unit: $

	sum of money	Percentage of total profit	Description of the causes of formation	Sustainability or otherwise
Investment income	71,151.51	-0.15%	Disposal of subsidiaries	deny
Gains and losses from changes in fair value		0.00%		
impairment of assets	2,797,991.03	-5.80%	Impairment of inventories, receivables	deny
Non-operating income	830,561.63	-1.72%	Liquidated damages	deny
non-operating expenses	105,462.45	-0.22%	Donations and other expenses	deny

V. Analysis of the status of assets and liabilities

1. Significant changes in the composition of assets

Unit: $

	End of the reporting period		end of previous year		Increase or decrease in specific gravity	Explanation of significant changes
	sum of money	Percentage of total assets	sum of money	Percentage of total assets		
monetary funds	75,621,273.92	2.94%	300,701,808.03	11.51%	-8.57%	Purchase of goods, repayment of liabilities

Accounts receivable	755,297,226.00	29.40%	677,920,805.06	25.96%	3.44%	
Contractual assets		0.00%		0.00%	0.00%	
inventory	424,255,382.51	16.52%	282,905,118.28	10.83%	5.69%	Increase in raw materials, goods on hand
Investment property	2,006,662.96	0.08%	2,037,060.34	0.08%	0.00%	
Long-term equity investments		0.00%		0.00%	0.00%	
fixed assets	712,385,380.20	27.73%	743,730,599.46	28.48%	-0.75%	
Construction in progress	156,777,633.33	6.10%	157,740,309.17	6.04%	0.06%	
Right-to-use assets	16,670,125.70	0.65%		0.00%	0.65%	Implementation of the new lease guidelines
short term loan	449,800,000.00	17.51%	535,556,971.80	20.51%	-3.00%	

Contractual liabilities	7,483,751.32	0.29%	4,205,208.99	0.16%	0.13%	
Long-term loans	118,000,000.00	4.59%	134,000,060.00	5.13%	-0.54%	
Lease liabilities	19,540,832.47	0.76%		0.00%	0.76%	Implementation of the new lease guidelines

2. Major foreign assets

□ Applicable √ Not applicable

3. Assets and liabilities measured at fair value

Unit: $

sports event	Opening number	Gains and losses on changes in fair value for the period	Accumulated fair value changes taken to equity	Impairment charged during the period	Amount purchased during the period	Amount sold during the period	Other changes	End of period
Financial assets								
3. Other debt investments	8,226,211.68							3,452,138.76
4. Investments in other equity instruments	203,577,153.69							203,577,153.69
Total above	211,803,365.40							207,029,292.50
Financial liabilities	0.00							0.00

Other changes

Whether there was a material change in the measurement attributes of the company's major assets during the reporting period

□ Yes √ No

4. Restricted rights to assets as at the end of the reporting period

See note, VII.49 Assets subject to restrictions on ownership or use

VI. Analysis of the investment situation

1. General information

□ Applicable √ Not applicable

2. Significant equity investments acquired during the reporting period

□ Applicable √ Not applicable

3. Significant non-equity investments in progress during the reporting period

□ Applicable √ Not applicable

4. Investment in financial assets

(1) Portfolio investments

□ Applicable √ Not applicable

The Company had no investments in securities during the reporting period.

(2) Investments in derivatives

□ Applicable √ Not applicable

The Company had no derivative investments during the reporting period.

VII. Significant asset and equity sales

1. Sale of significant assets

□ Applicable √ Not applicable

The Company did not sell any significant assets during the reporting period.

2. Sale of significant equity interests

□ Applicable √ Not applicable

VIII. Analysis of major holding and equity participation companies

√ Applicable □ Not applicable

Major subsidiaries and participating companies with an impact of 10% or more on the Company's net profit

Unit: $

company identification	Type of company	Main business	Registered Capital	total assets	net assets	revenues	operating profit	net profit
Tianjin Futong Fiber Optic Technology Co.	subsidiary company	fiber optic manufacturing	112,200,000.00	301,341,307.15	170,879,101.81	133,415,157.08	-668,667.00	61,333.41
Tianjin Futong Optical Cable Technology Co.	subsidiary company	Fiber optic cable manufacturing	180,000,000.00	259,814,618.21	16,820,018.57	111,487,194.03	-24,408,239.43	-23,708,493.98
Juzhi Optical & Electronic Materials Co.	subsidiary company	Optical communication products, quartz products manufacturing	270,000,000.00	460,028,962.05	357,994,827.58	51,785,432.74	-10,231.80	-240,000.08
Futong Fiber Optic Cable (Chengdu) Co.	subsidiary company	Optical fiber, optical cable manufacturing	205,080,000.00	943,493,748.18	367,349,818.14	347,104,877.26	5,507,392.40	4,986,346.51

Shandong Futong Light Guide Technology Co.	subsidiary company	Fiber optic prefabricated rod manufacturing	500,000,000.00	726,056,271.48	485,378,997.99	40,217,611.22	-4,631,733.77	-4,644,472.08

Acquisition and disposal of subsidiaries during the reporting period

√ Applicable □ Not applicable

company identification	Mode of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production operations and performance
Hangzhou Futong Cable Material Research and Development Co.	Transfer of stock rights	Gain on disposal recognized during the reporting period $71,151.51

IX. Information on structured subjects controlled by the company

□ Applicable √ Not applicable

X. Risks to the company and measures to address them

(1) Policy and new crown outbreak risks

During the reporting period, the Company's main products are optical communication products such as optical rods, quartz large sleeves, optical fibers and optical cables, and the end customers are concentrated in communication operators; as the optical fiber and optical cable industry has a closer relationship with the investment and construction of operators, such as by macroeconomic cyclical fluctuations, the international environment, changes in domestic policies, the spread of the new crown pneumonia epidemic and other factors, which may lead to a decline in demand for telecommunications, communications and other infrastructure. thereby adversely impacting the Company's business development. In response to these risks, the Company is actively adjusting and upgrading its product mix to adapt to possible changes in market demand. At the same time, on the basis of its main business, the Company is expanding its second main business to related industries, exploring other types of customers and gradually increasing the proportion of new business.

(2) market risk

After years of rapid development of domestic optical communication networks, the production capacity of optical rods, optical fibers and optical cables has increased rapidly, especially in recent years, the production capacity of optical rods and optical fibers has been released centrally, coupled with the fact that the market was in the shift period of 4G-5G construction in the early stage, the market competition was exceptionally fierce, resulting in the price of domestic products falling to historical lows, which had a greater adverse impact on the Company's operating results. Recently, the price of raw materials required for the production of optical fiber and cable has increased, further increasing the cost pressure. In this regard, the Company will respond to market risks by further reducing various costs and expenses, upgrading product structure and expanding advantageous customers. From the market side, the price of fiber optic cable products has shown signs of stabilization and recovery.

(3) Technology upgrade risk

With the further development of the domestic and international optical fiber and cable markets and the upgrading of optical fiber and cable products, if the Company's new technologies and new products cannot be successfully developed in a timely manner or if there is a deviation in the grasp of technology, products and market trends, the Company's technological advantages and competitiveness will be weakened. In addition, with the development of various technologies, if other competitors successfully develop new technologies that effectively replace existing technologies and are quickly applied to the manufacture of fiber optic cable products, it will also have a significant adverse impact on the Company's operating results. In this regard, the Company will continue to track and judge the development trends of domestic and international technologies, products and industries, with a view to developing or effectively acquiring the corresponding technological reserves.

(4) Talent risk

The company is engaged in the business of optical communication and quartz products manufacturing is a high-tech industry, and the development of the business is closely related to the number and quality of professional talents that the company has. After more than 20 years of development and its own efforts, the company has a team of high quality talents. The company has established a good mechanism for talent stability and development platform, and strives to realize the common growth of the enterprise and employees. However, if there is a large-scale loss of core technical personnel and excellent management personnel, it will have a negative impact on the company's operation and development. The company will continue to improve the competitive remuneration system and flexible employment mechanism, diversified talent training environment, and continue to attract all kinds of talents to enrich the company's talent team.

Section IV. Corporate governance

I. Information on the annual general meeting and extraordinary general meeting held during the reporting period

1. General meeting of shareholders during the reporting period

Session of the Conference	Type of meeting	Percentage of investor participation	Date of meeting	Date of disclosure	Conference resolutions
2021 First Extraordinary General Meeting	Extraordinary Shareholders' Meeting	24.55%	January 2021 05 Day	2021 01 06 June	For details, please refer to the Company's announcement published on Juchao's website on 6 January 2021, Announcement No. (Pro) 2021-001
2020 Annual General Meeting	annual shareholders' meeting	24.53%	May 2021 21st	2021 05 22 February	For details, please refer to the announcement of the Company published on Juchao Information Website on 22 May 2021, Announcement No. (Pro) 2021-017
Second Extraordinary General Meeting of 2021	Extraordinary Shareholders' Meeting	24.82%	July 2021 23rd	2021 07 24 February	For details, please refer to the Company's announcement published on Juchao's website on 24 July 2021, Announcement No. (Pro) 2021-027

2. Preferred shareholders whose voting rights have been restored request an Extraordinary General Meeting of Shareholders

□ Applicable √ Not applicable

II. Changes in directors, supervisors and senior management of the Company

name and surname	Positions held	types	date	reason
Fu Huanping	general manager	dismiss an employee	23 February 2021	Personal reasons
Xu Dong	general manager	appointment	25 February 2021	
Fu Huanpi	board member	leave office	05 July 2021	Personal reasons

ng				
Xiao Wei	board member	those elected	23 July 2021	

III. Distribution of profits and capitalisation of capital reserves for the reporting period

□ Applicable √ Not applicable

The Company plans to pay no cash dividend, no bonus shares and no increase in share capital by way of capitalisation of reserves for the half-year.

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

□ Applicable √ Not applicable

The Company has no equity incentive plans, employee stock ownership plans or other employee incentives and their implementation during the reporting period.

Section V. Environmental and social responsibility

I. Situation of major environmental issues

Whether the listed company and its subsidiaries are among the key emission units announced by the environmental protection authorities

□ Yes √ No

Administrative penalties imposed for environmental issues during the reporting period

Name of company or subsidiary	Reasons for penalties	Violations	Results of penalties	Impact on the production and operation of listed companies	Corrective measures for companies
not	not	not	not	not	not

Other environmental information disclosed with reference to priority emission units is not applicable

Reasons for non-disclosure of other environmental information Not applicable

II. Social responsibility situation

Taking into account the shareholders and other relevant stakeholders, the company actively participates in social welfare undertakings and calls on all employees to join public welfare undertakings and give back to society with love. Juzhi Technology has set up a special counter for consumer poverty alleviation within the company and organized a donation activity of "Party members offering love" to promote the traditional virtue of the Chinese nation to help the poor and the needy. Shandong Futong actively participated in the "Happy Home" village community mutual aid large charity fund-raising activities held in Tianqiao District, and contributed to the promotion of social development.

Section VI. Important matters

I. Commitments by the Company's de facto controller, shareholders, related parties, acquirers and the Company that have been fulfilled during the reporting period and those that have been overdue as at the end of the reporting period

□ Applicable √ Not applicable

During the reporting period, there were no commitments by the actual controller, shareholders, related parties, acquirers and parties related to the Company's commitments that were fulfilled during the reporting period and overdue as at the end of the reporting period.

II. Non-operating appropriation of funds by controlling shareholders and other related parties to listed companies

□ Applicable √ Not applicable

There was no non-operating appropriation of funds by the controlling shareholder and other related parties of the Company to the listed company during the reporting period.

III. Non-compliance with external guarantees

□ Applicable √ Not applicable

There were no irregularities in the Company's external guarantees during the reporting period.

IV. Appointment and dismissal of accounting firms

Whether the semi-annual financial report has been audited

□ Yes √ No

The company's half-yearly report is unaudited.

V. Explanation by the Board of Directors and the Supervisory Committee on the "non-standard audit report" of the accounting firm for the current reporting period

□ Applicable √ Not applicable

VI. Note by the Board of Directors on the "Non-Standard Audit Report" for the previous year

□ Applicable √ Not applicable

VII. Matters relating to reorganization in insolvency

□ Applicable √ Not applicable

The Company did not have any bankruptcy reorganization related matters during the reporting period.

VIII. Procedural matters

Significant litigation and arbitration matters

□ Applicable √ Not applicable

The Company had no significant litigation or arbitration matters during the reporting period. Other litigation matters

□ Applicable √ Not applicable

IX. Penalties and rectification

□ Applicable √ Not applicable

There were no penalties and corrections for the company during the reporting period.

X. Integrity of the Company and its controlling shareholders and de facto controllers

□ Applicable √ Not applicable

xi. significant connected transactions

1. Connected transactions related to daily operations

related party	relatedness	Type of connected transaction	Content of connected transactions	Principles for pricing connected transactions	Price of related transactions	Amount of connected transactions (million yuan)	Percentage of the value of similar transactions	Amount of transactions approved ($ million)	Whether the approved amount is exceeded	Settlement of connected transactions	Market value of comparable transactions available	Date of disclosure	Disclosure Index
Zhejiang Futong Fiber Optic Technology Co.	Controlled by the same ultimate party	Procurement of materials	Procurement of materials	Reference market price	market price	3,985.33	7.09%	4,000	deny	in cash	3,985.33	2020 17 December sun	(Pro) 2020-053
Chengdu Fu Communication techno	subject to the same	Procurement of materi	Procurement of materi	Reference market price	market price	2,086.03	3.71%	2,090	deny	in cash	2,086.03	2020 17 December sun	(Pro) 2020-053

logy throug h light finite company manage	end- party control	als	als										
Fortis set Mission (Jiasha n) Communi cations The technol ogy is limited company	subjec t to the same end- party control	Procur ement of materi als	Procur ement of materi als	Refere nce market price	mark et pric e	26,521.01	47.17%	28,030	deny	in cash	26,521.0 1	2020 17 December sun	(Pro) 2020-0 53
Chengdu Fu Commun icatio n techno logy throug h light finite company manage	subjec t to the same end- party control	Receiv ing servic es	utiliti es	Refere nce market price	mark et pric e	335.83	12.68%	1,400	deny	in cash	335.83	2020 17 December sun	(Pro) 2020-0 53
Chengdu Fu	subject to the same	accept a service	rent for a room or house	referen ce city	marke tplac e	94.34	17.87%		deny	in cash	94.34	2020	(Pro)

Tongguang Communication Technology Co. manage	End-party control	affair		field price	price							17 December sun	2020-053
Fortis Group (Chengdu) Technology Co.)	Controlled by the same ultimate party	Receiving services	Park service fee	Reference market price	market price	85.27	100.00%	200	deny	in cash	85.27	2020 17 December sun	(Pro) 2020-053
Hangzhou Futong Communication Technology Co.	Controlled by the same ultimate party	Sales of goods	Sales of goods	Reference market price	market price	13,234.59	25.83%	22,670	deny	in cash	13,234.59	2020 17 December sun	(Pro) 2020-053
Fortis Sumitomo Electric Fiber (Tianjin Co. Ltd. manage	Controlled by the same ultimate party	Sales of goods	Sales of goods	Reference market price	market price	13.34	0.03%	50	deny	in cash	13.34	2020 17 December sun	(Pro) 2020-053
Controlled by the same beneficial owner associate	Controlled by the same ultimate party	Sales of goods	Sales of goods	Reference market price	market price	147.32	0.29%	300	deny	in cash	147.32	2020 17 December sun	(Pro) 2020-053

Related parties controlled by the same beneficial owner	Controlled by the same ultimate party	provision of labour	Testing fees	Reference market price	market price	155.07	0.30%	320	deny	in cash	155.07	2020 17 December sun	(Pro) 2020-053
add up the total				--	--	46,658.13	--	59,060	--	--	--	--	--
Details of large sales returns									not				
Actual performance during the reporting period, if any, of routine connected transactions expected to occur during the period in total by category									not				
Reasons for large differences between transaction prices and market reference prices (if applicable)									not				

2. Related transactions arising from the acquisition or sale of assets or equity interests

□ Applicable √ Not applicable

The Company had no connected transactions for the acquisition or sale of assets or equity interests during the reporting period.

3. Connected transactions for joint foreign investments

□ Applicable √ Not applicable

The Company did not have any connected transactions for joint foreign investments during the reporting period.

4. Related debt transactions

□ Applicable √ Not applicable

The Company had no related debt transactions during the reporting period.

5. Transactions with related finance companies and finance companies controlled by the company

□ Applicable √ Not applicable

There are no deposits, loans, credits or other financial operations between the Company and the finance companies with which it has a relationship, or between the finance companies controlled by the Company and related parties.

6. Other significant connected transactions

□ Applicable √ Not applicable

The Company had no other significant connected transactions during the reporting period.

xii. major contracts and their performance

1. Status of trusteeship, contracting and leasing matters

(1) Custody status

□ Applicable √ Not applicable

The company did not have a trustee situation during the reporting period.

(2) Contracting status

□ Applicable √ Not applicable

There was no contracting by the company during the reporting period.

(3) Lease status

□ Applicable √ Not applicable

The Company did not have any leases during the reporting period.

2. Significant guarantees

√ Applicable □ Not applicable

Unit: million

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of the person to whom the guarantee is issued	The amount of the guarantee is relative Date of disclosure of relevant announcement	Guarantee amount	Actual date of occurrence	Actual amount guaranteed	Type of guarantee	Collateral (if any)	Counter-guarantee status (if any)	guarantee period	Completion of compliance	Whether guarantee for related parties
Company's guarantees to subsidiaries										
Name of the person to whom the guarantee is issued	The amount of the guarantee is relative Date of disclosure of relevant announcement	Guarantee amount	Actual date of occurrence	Actual amount guaranteed	Type of guarantee	Collateral (if any)	Counter-guarantee status (if any)	guarantee period	Completion of compliance	Whether guarantee for related parties
Fortis Fiber Optic Cable (Chengdu) Co.	2019 07 05 May	20,000	2020 10 19 January	2,000	Joint and several liability guarantee	Period in which the main claim arises Two years from the date of expiry of the interval	deny	deny	deny	deny
Fortis Fiber Optic Cable (Chengdu) Co.	2019 07 05 May		2020 03 04 April	3,000	Joint and several liability guarantee	Period in which the main claim arises Two years from the date of expiry of the interval	be)	deny	be	deny

Fortis Fiber Optic Cable (Chengdu) Co.	2019 07 05 May		2020 12 28th of July	4,600	Joint and several liability guarantee	Period in which the main claim arises Two years from the date of expiry of the interval	be	deny	be	deny
Fortis Fiber Optic Cable (Chengdu) Co.	2019 07 05 May		2021 06 28th of July	4,600	Joint and several liability guarantee	Period in which the main claim arises Two years from the date of expiry of the interval	deny	deny	deny	deny
Fortis Fiber Optic Cable (Chengdu) Co.	2019 07 05 May		2020 08 18 January	2,400	Joint and several liability guarantee	Period in which the main claim arises Two years from the date of expiry of the interval	deny	deny	deny	deny
Fortis Fiber Optic Cable (Chengdu) Co.	2019 07 05 May		2020 12 11 November	2,462	Joint and several liability guarantee	Period in which the main claim arises Two years from the date of expiry of the interval	deny	deny	deny	deny
Fortis Fiber Optic Cable (Chengdu) Co.	2019 07 05 May		2020 12 30 June	3,938	Joint and several liability guarantee	Period in which the main claim arises Two years from the date of expiry of the interval	deny	deny	deny	deny
Fortis Fiber Optic Cable (Chengdu)	2019 07 05 May		2021 03 05 May	3,000	Joint and several liability guarantee	Period in which the main claim arises Two years from the	deny	deny	deny	deny

Co.						date of expiry of the interval				
Total amount of guarantees to subsidiaries approved during the reporting period (B1)						Total actual amount incurred for guarantees to subsidiaries during the reporting period (B2)				18,400
Total amount of guarantees to subsidiaries approved at the end of the reporting period (B3)					20,000	Total actual guarantee balances to subsidiaries at the end of the reporting period (B4)				18,400
Guarantees by subsidiaries to subsidiaries										
Name of the person to whom the guarantee is issued	The amount of the guarantee is relative Date of disclosure of relevant announcement	Guarantee amount	Actual date of occurrence	Actual amount guaranteed	Type of guarantee	Collateral (if any)	Counter-guarantee status (if any)	guarantee period	Completion of compliance	Whether guarantee for related parties
Total corporate guarantees (i.e., total of the first three major items)										

Total amount of guarantees approved during the reporting period (A1+B1+C1)		Total actual amount of guarantees incurred during the reporting period (A2+B2+C2)	18,400
Total approved guarantees at the end of the reporting period (A3+B3+C3)	20,000	Total actual guarantee balance at the end of the reporting period (A4+B4+C4)	18,400
Total actual guarantees (i.e. A4+B4+C4) as a percentage of the company's net assets	14.55%		
Of which.			
Balance of guarantees provided to shareholders, beneficial owners and their related parties (D)	0		
Balance of debt guarantees provided directly or indirectly for guaranteed assets with a gearing ratio of more than 70% (E)	0		
Amount by which total guarantees exceed 50% of net assets (F)	0		
Total amount of the above three guarantees (D+E+F)	0		
Description of outstanding guarantee contracts for which liability has been incurred during the reporting period or for which there is evidence of potential joint and several liability (if any)	not		
Description of external guarantees provided in violation of established procedures (if any)	not		

3. Entrusted financial management

□ Applicable √ Not applicable

The Company did not have any entrusted finance during the reporting period.

4. Major contracts for day-to-day operations

□ Applicable √ Not applicable

5. Other major contracts

□ Applicable √ Not applicable

The company had no other significant contracts during the reporting period.

XIII. Notes on other significant matters

√ Applicable □ Not applicable

1. Change of company name and stock short name

For details, please refer to the "Announcement on Change of Company Name, Stock Short Name and Registered Address" disclosed on Juchao Information Website on 6 January 2021, Announcement No.

(Pro) 2021-003.

2、Futong Chengdu performance commitment compensation

For details, please refer to the "Announcement on the Completion of Performance Commitment Compensation of Wholly-owned Subsidiary" disclosed on June 2, 2021 on Juchao Information Website, Announcement No. (Pro)

2021-018.

3. Adjustment of daily connected transaction projections for fiscal 2021

For details, please refer to the "Announcement on Adjustment of Estimated Daily Connected Transactions for the Year 2021" disclosed on July 8, 2021 on Juchao Information Website, Announcement No. (Pro)

2021-020.

4. Release of shareholders' shares from freezing and waiting list to take effect

For details, please refer to the "Announcement on the Release of Shareholders' Shares from Freezing and Waiting List for Freezing to Take Effect" disclosed on Juchao Information Website on 15 July 2021, Announcement No.
(Pro) 2021-026.

XIV. Significant matters of the Company's subsidiaries

1. Fortis Chengdu sells equity assets

("Futong Chengdu") entered into the Equity Transfer Agreement with Shenzhen New Aoke Cable Co. ("Futong Chengdu") to transfer its 51% equity interest in Hangzhou Futong Cable Materials Research and Development Co. The parties concerned have completed the industrial and commercial transfer procedures for the above matter on 26 May 2021; the amount has been received by Futong Chengdu during the reporting period.

Section VII. Changes in shares and shareholders

I. Changes in shares

1. Changes in shares

Unit: Unit

	Before this change		Increase or decrease in this change (+, -)					After this change	
	quantities	proportion	issue new shares	a share grant	Conversion of provident funds to shares	other	Subtotal	quantities	proportion
I. Shares subject to limited sale	140,175	0.01%						140,175	0.01%
1. State ownership	0	0.00%						0	0.00%
2. State-owned legal person shareholding	0	0.00%						0	0.00%
3. Other domestic holdings	140,175	0.01%						140,175	0.01%
Of which: shares held by domestic legal persons	0	0.00%						0	0.00%
Domestic natural person shareholding	140,175	0.01%						140,175	0.01%
4. Foreign shareholding	0	0.00%						0	0.00%
Of which: shares held by foreign legal persons	0	0.00%						0	0.00%
Foreign natural person shareholding	0	0.00%						0	0.00%
II. Shares with unlimited sale conditions	1,208,315,049	99.99%						1,208,315,049	99.99%
1. RMB ordinary shares	1,208,315,049	99.99%						1,208,315,049	99.99%

2. Domestically listed foreign shares	0	0.00%						0	0.00%
3. Foreign shares listed abroad	0	0.00%						0	0.00%
4. Other	0	0.00%						0	0.00%
III. Total number of shares	1,208,455,224	100.00%						1,208,455,224	100.00%

Reasons for change in shares

□ Applicable √

Not applicable

Approval of

changes in shares

□ Applicable √

Not applicable

Transfer of

changes in shares

□ Applicable √ Not applicable

Progress in the implementation of the share buyback

□ Applicable √ Not applicable

Progress in the implementation of share buyback reduction by means of centralized competitive bidding

□ Applicable √ Not applicable

Effect of share changes on financial indicators such as basic and diluted earnings per share and net assets per share attributable to ordinary shareholders of the Company for the latest year and the latest period

□ Applicable √ Not applicable

Other disclosures deemed necessary by the company or required by the securities regulator

□ Applicable √ Not applicable

2. Changes in restricted shares

□ Applicable √ Not applicable

II. Issuance and listing of securities

□ Applicable √ Not applicable

III. Number of shareholders and shareholdings of the Company

Unit: Unit

<table>
<tr><td colspan="2">Total number of ordinary shareholders at the end of the reporting period</td><td colspan="2">54,140</td><td colspan="4">Total number of preferred shareholders whose voting rights were restored at the end of the reporting period, if any (see Note 8)</td><td>0</td></tr>
<tr><td colspan="9">Common stockholders holding more than 5% or the top 10 common stockholders holding</td></tr>
<tr><td rowspan="2">Name of shareholder</td><td rowspan="2">Nature of shareholder</td><td rowspan="2">Shareholding ratio</td><td rowspan="2">Number of ordinary shares held at the end of the reporting period</td><td rowspan="2">Increases or decreases during the reporting period</td><td rowspan="2">Number of ordinary shares held with limited selling conditions</td><td rowspan="2">Number of ordinary shares held with unlimited selling conditions</td><td colspan="2">Pledges, tags or freezes</td></tr>
<tr><td>Share Status</td><td>quantities</td></tr>
<tr><td>Zhejiang Futong Technology Group Co.</td><td>Domestic non-state legal persons</td><td>11.92%</td><td>144,037,223</td><td></td><td></td><td>144,037,223</td><td></td><td></td></tr>
<tr><td rowspan="2">Tianjin Xinmao Technology Investment Group Co.</td><td rowspan="2">Domestic non-state legal persons</td><td rowspan="2">7.22%</td><td rowspan="2">87,222,616</td><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2">87,222,616</td><td>pledges</td><td>87,169,999</td></tr>
<tr><td>frozen</td><td>87,222,616</td></tr>
<tr><td>Guolian Securities Co.</td><td>State-owned legal persons</td><td>3.99%</td><td>48,215,773</td><td></td><td></td><td>48,215,773</td><td></td><td></td></tr>
<tr><td>Hangzhou Futong Minan Investment Co.</td><td>Domestic non-state legal persons</td><td>0.53%</td><td>6,420,933</td><td></td><td></td><td>6,420,933</td><td></td><td></td></tr>
</table>

Industrial and Commercial Bank of China Limited - Guotai CSI Total Index Communication Equipment Trading Open-ended Index Fund	other	0.44%	5,309,400			5,309,400		
Hangzhou Futong Guotai Investment Co.	Domestic non-state legal persons	0.42%	5,107,700			5,107,700		
Chen Kun (1976-), Chinese actor	Domestic natural persons	0.38%	4,588,400			4,588,400		
Rosie Wong	Domestic natural persons	0.36%	4,347,122			4,347,122		
Fortis Silver Lake Investment	Domestic non-state legal persons	0.35%	4,280,800			4,280,800		
KONG FUNG TAI	Domestic natural persons	0.35%	4,232,100			4,232,100		
Description of the relationship or concerted action of the above shareholders	Hangzhou Futong Guotai Investment Company Limited, Hangzhou Futong Minan Investment Company Limited, Hangzhou Futong Yinhu Investment Company Limited							

	The company is a company controlled by the actual controller of the company and is a related legal entity of the company.
Description of the above-mentioned shareholders involved in proxy/trustee voting rights, abstention of voting rights	not applicable

Shareholdings of the top 10 holders of ordinary shares with unlimited selling rights			
Name of shareholder	Number of ordinary shares held with unlimited selling conditions at the end of the reporting period	Type of shares	
		Type of shares	quantities
Zhejiang Futong Technology Group Co.	144,037,223	RMB ordinary shares	144,037,223
Tianjin Xinmao Technology Investment Group Co.	87,222,616	RMB ordinary shares	87,222,616
Guolian Securities Co.	48,215,773	RMB ordinary shares	48,215,773
Hangzhou Futong Minan Investment Co.	6,420,933	RMB ordinary shares	6,420,933
Industrial and Commercial Bank of China Limited - Guotai CSI All-Share Communication Equipment Trading Open-ended Index Fund	5,309,400	RMB ordinary shares	5,309,400
Hangzhou Futong Guotai Investment Co.	5,107,700	RMB ordinary shares	5,107,700
Chen Kun (1976-), Chinese actor	4,588,400	RMB ordinary shares	4,588,400
Rosie Wong	4,347,122	RMB ordinary shares	4,347,122
Fortis Silver Lake Investment	4,280,800	RMB ordinary shares	4,280,800
KONG FUNG TAI	4,232,100	RMB ordinary shares	4,232,100
among the top 10 shareholders of common stock with unlimited sales and the top 10 Description of affiliation or concerted action among the top 10 shareholders of common stock with unlimited sales and the top 10 shareholders of common stock	Ltd., Hangzhou Futong Minan Investment Co., Ltd. and Hangzhou Futong Yinhu Investment Co., Ltd. are enterprises controlled by the actual controller of the Company and are related legal persons of the Company.		
Description of the top 10 common shareholders participating in the financing and financing business shareholders, if any (see Note 4)	Among the above shareholders, Jiang Feng Di is a shareholder participating in the financing and financing business.		

Whether the Company's top 10 ordinary shareholders and top 10 shareholders of ordinary shares with unlimited selling conditions entered into agreed repurchase transactions during the reporting period

□ Yes √ No

The Company's top 10 common shareholders and the top 10 shareholders of common shares with unlimited selling conditions did not enter into any agreed repurchase transactions during the reporting period.

IV. Changes in shareholdings of directors, supervisors and senior management

□ Applicable √ Not applicable

There were no changes in the shareholdings of the Company's directors, supervisors and senior management during the reporting period, which can be found in the 2020 Annual Report.

V. Change in controlling shareholders or actual controllers

Change in controlling shareholder during the reporting period

□ Applicable √ Not applicable

There was no change in the controlling shareholder of the Company during the reporting period. Change in the beneficial owner during the reporting period

□ Applicable √ Not applicable

There was no change in the effective control of the Company during the reporting period.

Section VIII. Information on preferred shares

□ Applicable √ Not applicable

There were no preferred shares in the company during the reporting period.

Section IX. Bond-related information

□ Applicable √ Not applicable

Section X. Financial report

I. Audit reports

Whether the semi-annual report was audited

□ Yes √ No

The company's half-yearly financial report is unaudited.

ii. financial statements

The statement in the financial notes is presented in dollars

1. Consolidated balance sheet

Prepared by: Tianjin Futong Information Technology Co.

Unit: $

sports event	30 June 2021	31 December 2020
Current assets.		
monetary funds	75,621,273.92	300,701,808.03
Settlement provision		
Unbundled funds		
Financial assets held for trading		
Derivative financial assets		
note receivable		
Accounts receivable	755,297,226.00	677,920,805.06
Receivables financing	3,452,138.76	8,226,211.68
Prepayments	5,993,907.25	5,682,571.22
premium receivable		
Sub-insurance receivables		
Reserve for reinsurance contracts receivable		
Other receivables	3,407,314.52	34,066,712.25
Of which: interest receivable		
dividend receivable		
Buy-back financial assets		

inventory	424,255,382.51	282,905,118.28
Contractual assets		

Assets held for sale		
Non-current assets due within one year		
Other current assets	81,568,171.83	67,892,977.10
Total current assets	1,349,595,414.79	1,377,396,203.62
Non-current assets.		
Disbursement of loans and advances		
debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments	203,577,153.69	203,577,153.69
Other non-current financial assets		
Investment property	2,006,662.96	2,037,060.34
fixed assets	712,385,380.20	743,730,599.46
Construction in progress	156,777,633.33	157,740,309.17
Productive biological assets		
Oil and gas assets		
Right-to-use assets	16,670,125.70	
intangible asset	78,905,072.25	80,144,478.48
Development expenditure		
reputation of a firm's product		
Long-term amortization	7,651,841.68	5,315,790.34
Deferred income tax assets	41,100,411.71	41,718,580.61
Other non-current assets		
Total non-current assets	1,219,074,281.52	1,234,263,972.09
Total assets	2,568,669,696.31	2,611,660,175.71
Current liabilities.		
short term loan	449,800,000.00	535,556,971.80
Borrowing from the Central Bank		
funds on loan		
Trading financial liabilities		
Derivative financial liabilities		

note payable	100,187,343.39	88,414,958.30
accounts payable	286,354,967.08	229,760,250.77

Receipts in advance		
Contractual liabilities	7,483,751.32	4,205,208.99
Sale of repurchased financial assets		
Deposit-taking and interbank deposits		
Securities agency payments		
Underwriting of securities		
Employee compensation payable	9,196,885.21	12,690,145.44
taxes payable	4,010,541.49	15,600,044.92
Other accounts payable	25,352,907.39	16,062,495.27
Of which: interest payable		
dividend payable		
Fees and commissions payable		
Sub-insurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	119,000,040.00	145,426,699.43
Other current liabilities	1,340,168.50	546,677.21
Total current liabilities	1,002,726,604.38	1,048,263,452.13
Non-current liabilities.		
Reserve for insurance contracts		
Long-term loans	118,000,000.00	134,000,060.00
Bonds payable		
Of which: Preference shares		
perpetual bond		
Lease liabilities	19,540,832.47	
Long-term accounts payable		
Long-term employee compensation payable		
Projected liabilities		
Deferred revenue	109,714,055.55	111,779,888.87
Deferred income tax liabilities		
Other non-current liabilities		

Total non-current liabilities	247,254,888.02	245,779,948.87
Total liabilities	1,249,981,492.40	1,294,043,401.00
Ownership interests.		
share capital	1,208,455,224.00	1,208,455,224.00

Other equity instruments		
Of which: Preference shares		
perpetual bond		
capital surplus	182,915,648.60	126,281,548.60
Less: Treasury shares		
Other comprehensive income	-62,064.72	-62,064.72
Dedicated reserves		
surplus surplus	6,720,128.44	6,720,128.44
General risk allowance		
undistributed profit	-133,842,528.87	-84,264,033.78
Total equity attributable to owners of the parent company	1,264,186,407.45	1,257,130,802.54
Minority interests	54,501,796.46	60,485,972.17
Total owners' equity	1,318,688,203.91	1,317,616,774.71
Total liabilities and owner's equity	2,568,669,696.31	2,611,660,175.71

Legal representative: Xu Dongcharge of accounting work: Lv Junin charge of accounting institutions: Wen Xiaoyu

2. Parent company balance sheet

Unit: $

sports event	30 June 2021	31 December 2020
Current assets.		
monetary funds	28,779,111.64	150,232,401.71
Financial assets held for trading		
Derivative financial assets		
note receivable		
Accounts receivable	229,634,263.50	146,576,965.35
Receivables financing	1,000,000.00	
Prepayments	42,725,963.44	43,831,265.60
Other receivables	69,658,516.56	77,693,523.94
Of which: interest receivable	20,021.93	20,021.93
dividend receivable		

inventory	63,962,131.52	21,939.55
Contractual assets		
Assets held for sale		
Non-current assets due within one year		

Other current assets	3,449,474.98	
Total current assets	439,209,461.64	418,356,096.15
Non-current assets.		
debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	1,506,705,971.88	1,506,705,971.88
Investments in other equity instruments	104,520,985.24	104,520,985.24
Other non-current financial assets		
Investment property	2,006,662.96	2,037,060.34
fixed assets	3,995,876.14	4,479,131.96
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-to-use assets		
intangible asset	5,256,851.72	5,382,721.91
Development expenditure		
reputation of a firm's product		
Long-term amortization	328,800.00	657,600.00
Deferred income tax assets	31,897,608.10	32,163,233.08
Other non-current assets		
Total non-current assets	1,654,712,756.04	1,655,946,704.41
Total assets	2,093,922,217.68	2,074,302,800.56
Current liabilities.		
short term loan	200,000,000.00	285,492,456.25
Trading financial liabilities		
Derivative financial liabilities		
note payable		
accounts payable	83,176,369.60	18,795,429.57
Receipts in advance		
Contractual liabilities	5,410,756.08	34,789.86
Employee compensation payable	2,593,784.24	2,593,406.87
taxes payable	515,504.65	2,186,659.80

Other accounts payable	160,639,204.81	111,086,452.70

Of which: interest payable		
dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	55,000,000.00	85,000,000.00
Other current liabilities	703,398.29	4,522.68
Total current liabilities	508,039,017.67	505,193,717.73
Non-current liabilities.		
Long-term loans	118,000,000.00	129,392,926.10
Bonds payable		
Of which: Preference shares		
perpetual bond		
Lease liabilities		
Long-term accounts payable		
Long-term employee compensation payable		
Projected liabilities		
Deferred revenue	91,812,500.05	92,875,000.03
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	209,812,500.05	222,267,926.13
Total liabilities	717,851,517.72	727,461,643.86
Ownership interests.		
share capital	1,208,455,224.00	1,208,455,224.00
Other equity instruments		
Of which: Preference shares		
perpetual bond		
capital surplus	175,722,783.68	119,088,683.68
Less: Treasury shares		
Other comprehensive income		
Dedicated reserves		
surplus surplus	1,929,724.90	1,929,724.90
undistributed profit	-10,037,032.62	17,367,524.12

Total owners' equity	1,376,070,699.96	1,346,841,156.70
Total liabilities and owner's equity	2,093,922,217.68	2,074,302,800.56

3. Consolidated income statement

Unit: $

sports event	Half year 2021	Half year 2020
I. Total operating income	512,459,713.13	466,576,639.05
Of which: operating income	512,459,713.13	466,576,639.05
Interest income		
Premiums earned		
Handling fee and commission income		
II. Total operating costs	567,678,734.67	474,289,296.80
Of which: operating costs	473,034,419.78	393,354,094.82
Interest expenses		
Handling fee and commission expenses		
surrender fund		
Net benefit expenses		
Net withdrawal of insurance liability reserve		
Policy Dividend Payments		
Sub-insurance costs		
Taxes and surcharges	3,592,625.90	1,836,120.30
Cost of sales	2,543,220.37	5,385,541.47
Overheads	38,063,427.43	33,292,644.06
Research and development costs	28,094,338.02	19,586,558.40
financial cost	22,350,703.17	20,834,337.75
Of which: interest costs	21,954,035.72	20,902,708.29
Interest income	889,515.33	561,215.67
Add: other gains	3,367,485.52	13,490,494.88
Investment income (losses are shown with a "-" sign)	71,151.51	473,475.00
Of which: gains on investments in associates and joint ventures		
Gain on derecognition of financial assets measured at amortized cost		
Gain on exchange (loss shown with a "-" sign)		
Gain on net exposure hedge (loss is shown with a "-" sign)		
Gain on changes in fair value (loss is shown with a "-" sign)		

Credit impairment losses (losses are shown with a "-" sign)	1,812,792.78	842,279.80
Impairment losses on assets (losses are shown with a "-" sign)	4,610,783.81	
Gain on disposal of assets (loss shown by "-")		
III. Operating profit (loss is shown with a "-" sign)	-48,982,393.48	7,093,591.93

Add: Non-operating income	830,561.63	1,521,346.40
Less: Non-operating expenses	105,462.45	66,958.59
IV. Total profit (total loss is shown with a "-" sign)	-48,257,294.30	8,547,979.74
Less: Income tax expense	764,886.78	4,352,140.87
V. Net profit (net loss is shown with a "-" sign)	-49,022,181.08	4,195,838.87
(i) Classification by continuity of operations		
1.Net profit from continuing operations (net loss is shown with a "-" sign)	-49,022,181.08	4,195,838.87
2.Net profit from discontinued operations (net loss is shown with a "-" sign)		
(ii) Classification by ownership		
1.Net profit attributable to owners of the parent company	-49,578,495.09	2,790,880.78
2.Minority interests in profit or loss	556,314.01	1,404,958.09
VI. Other comprehensive income, net of tax		
Other comprehensive income attributable to owners of the parent company, net of tax		
(i) Other comprehensive income that cannot be reclassified to profit or loss		
1.Remeasurement of defined benefit plan changes		
2.Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3.Changes in fair value of investments in other equity instruments		
4.Changes in fair value of the enterprise's own credit risk		
5.Other		
(ii) Other comprehensive income to be reclassified to profit or loss		
1.Other comprehensive income available for transfer to profit or loss under the equity method		
2.Changes in fair value of other debt investments		
3.Reclassification of financial assets to other comprehensive income		
4.Provision for credit impairment of other debt investments		
5.Cash flow hedge reserve		
6.Translation differences on foreign currency financial statements		
7.Other		
Other comprehensive income attributable to		

minority shareholders, net of tax		
VII. Total comprehensive income	-49,022,181.08	4,195,838.87
Total comprehensive income attributable to owners of the parent company	-49,578,495.09	2,790,880.78
Total comprehensive income attributable to minority shareholders	556,314.01	1,404,958.09
VIII. Earnings per share.		
(i) Basic earnings per share	-0.0410	0.0023
(ii) Diluted earnings per share	-0.0410	0.0023

In the case of a business combination under the same control in the current period, the net profit realized by the consolidated party before consolidation was: $0.00 and the net profit realized by the consolidated party in the previous period was: -3,316.93.

Legal representative: Xu Dongcharge of accounting work: Lv Junin charge of accounting institutions: Wen Xiaoyu

4. Income statement of the parent company

Unit: $

sports event	Half year 2021	Half year 2020
I. Operating income	397,839,720.54	200,421,443.02
Less: Operating costs	393,493,715.16	195,723,929.17
Taxes and surcharges	259,532.42	20,563.58
Cost of sales	503,295.80	1,103,814.92
Overheads	16,431,723.73	14,451,490.95
Research and development costs		0.00
financial cost	13,757,872.22	14,770,838.14
Of which: interest costs	14,183,067.69	14,842,442.67
Interest income	468,840.92	99,367.45
Add: other gains	1,099,835.70	1,123,677.99
Investment income (losses are shown with a "-" sign)		
Of which: gains on investments in associates and joint ventures		
Gain on derecognition of financial assets measured at amortized cost (Losses are shown with a "-" sign)		
Gain on net exposure hedge (loss is shown with a "-" sign)		
Gain on changes in fair value (loss is shown with a "-" sign)		
Credit impairment losses (losses are shown with a "-" sign)	-1,632,348.67	-1,581,048.64
Impairment losses on assets (losses are shown with a "-" sign)		
Gain on disposal of assets (loss shown by "-")		
II. Operating profit (loss is shown by a "-" sign)	-27,138,931.76	-26,106,564.39
Add: Non-operating income		2,496.00
Less: Non-operating expenses		1,700.00

III. Total profit (total loss is shown with a "-" sign)	-27,138,931.76	-26,105,768.39
Less: Income tax expense	265,624.98	-129,637.17
IV. Net profit (net loss is shown with a "-" sign)	-27,404,556.74	-25,976,131.22
(i) Net profit from continuing operations (net loss is shown with a "-" sign)	-27,404,556.74	-25,976,131.22
(ii) Net profit from discontinued operations (net loss is shown with a "-" sign)		

V. Other comprehensive income, net of tax		
(i) Other comprehensive income that cannot be reclassified to profit or loss		
1.Remeasurement of defined benefit plan changes		
2.Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3.Changes in fair value of investments in other equity instruments		
4.Changes in fair value of the enterprise's own credit risk		
5.Other		
(ii) Other comprehensive income to be reclassified to profit or loss		
1.Other comprehensive income available for transfer to profit or loss under the equity method		
2.Changes in fair value of other debt investments		
3.Reclassification of financial assets to other comprehensive income		
4.Provision for credit impairment of other debt investments		
5.Cash flow hedge reserve		
6.Translation differences on foreign currency financial statements		
7.Other		
VI. Total comprehensive income	-27,404,556.74	-25,976,131.22
VII. Earnings per share.		
(i) Basic earnings per share	-0.0227	-0.0215
(ii) Diluted earnings per share	-0.0227	-0.0215

5. Consolidated cash flow statement

Unit: $

spor ts even t	Half year 2021	Half year 2020
i. Cash flows from operating activities.		
Cash received from the sale of goods and provision of services	417,777,080.18	313,852,007.95
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the Central Bank		

Net increase in funds borrowed from other financial institutions		
Cash received from premiums on original insurance contracts		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash received for interest, fees and commissions		
Net increase in funds on hand		
Net increase in funding for repo operations		

Net cash received from agency purchases and sales of securities		
Tax refunds received	34,813.68	196,487.51
Other cash received in connection with operating activities	64,138,695.17	36,675,917.01
Subtotal cash inflow from operating activities	481,950,589.03	350,724,412.47
Cash paid for goods and services	500,009,136.76	300,516,410.69
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbank		
Cash payments for benefits under original insurance contracts		
Net increase in funds transferred out		
Cash paid for interest, fees and commissions		
Cash paid as policy dividends		
Cash paid to and on behalf of employees	60,004,996.99	49,773,754.99
Taxes and fees paid	25,613,807.28	16,470,637.22
Other cash paid in connection with operating activities	56,399,907.98	44,615,001.99
Subtotal cash outflow from operating activities	642,027,849.01	411,375,804.89
Net cash flows from operating activities	-160,077,259.98	-60,651,392.42
II. Cash flows from investing activities.		
Cash received from the recovery of investments		
Cash received for investment income		
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets		145,000.00
Net cash received on disposal of subsidiaries and other operating units	6,878,600.00	
Other cash received in connection with investing activities		
Subtotal cash inflows from investing activities	6,878,600.00	145,000.00
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets	11,933,775.31	12,497,568.13
Cash paid for investments		
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other operating units		
Other cash payments related to investing activities	6,291,894.10	
Subtotal cash outflows from investing activities	18,225,669.41	12,497,568.13
Net cash flows from investing activities	-11,347,069.41	-12,352,568.13
III. Cash flows from financing activities.		

Cash received from absorption of investments		
Of which: cash received from absorption of investment by minority shareholders in subsidiaries		
Cash received for borrowings	351,000,000.00	410,000,000.00

Other cash received in connection with financing activities	56,634,100.00	
Subtotal cash inflow from financing activities	407,634,100.00	410,000,000.00
Cash paid for debt service	452,044,960.00	387,950,000.00
Cash paid for distribution of dividends, profits or repayment of interest	21,467,754.77	21,745,232.24
Of which: dividends and profits paid by subsidiaries to minority shareholders	0.00	0.00
Other cash paid in connection with financing activities	0.00	4,100,000.00
Subtotal cash outflows from financing activities	473,512,714.77	413,795,232.24
Net cash flows from financing activities	-65,878,614.77	-3,795,232.24
IV. Impact of changes in exchange rates on cash and cash equivalents	-1,385.56	1,754.00
V. Net increase in cash and cash equivalents	-237,304,329.72	-76,797,438.79
Add: Opening balance of cash and cash equivalents	274,467,737.11	175,035,901.85
VI. Cash and cash equivalents balances at the end of the period	37,163,407.39	98,238,463.06

6. Parent company cash flow statement

Unit: $

spor ts even t	Half year 2021	Half year 2020
i. Cash flows from operating activities.		
Cash received from the sale of goods and provision of services	395,111,970.38	137,067,609.62
Tax refunds received	33,522.78	0.00
Other cash received in connection with operating activities	129,787,132.45	215,132,406.21
Subtotal cash inflow from operating activities	524,932,625.61	352,200,015.83
Cash paid for goods and services	406,051,009.53	231,003,292.60
Cash paid to and on behalf of employees	8,012,836.68	9,757,350.84
Taxes and fees paid	2,699,374.47	122,055.77
Other cash paid in connection with operating activities	171,137,661.55	89,773,724.55
Subtotal cash outflow from operating activities	587,900,882.23	330,656,423.76
Net cash flows from operating activities	-62,968,256.62	21,543,592.07
II. Cash flows from investing activities.		
Cash received from the recovery of investments		
Cash received for investment income		

Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash received on disposal of subsidiaries and other operating units		
Other cash received in connection with investing activities		
Subtotal cash inflows from investing activities	0.00	0.00

Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		11,500.00
Cash paid for investments		25,000,000.00
Net cash paid for acquisition of subsidiaries and other operating units		
Other cash payments related to investing activities		
Subtotal cash outflows from investing activities	0.00	25,011,500.00
Net cash flows from investing activities	0.00	-25,011,500.00
III. Cash flows from financing activities.		
Cash received from absorption of investments		
Cash received for borrowings	156,000,000.00	215,000,000.00
Other cash received in connection with financing activities	56,634,100.00	
Subtotal cash inflow from financing activities	212,634,100.00	215,000,000.00
Cash paid for debt service	256,000,000.00	196,450,000.00
Cash paid for distribution of dividends, profits or repayment of interest	15,068,450.04	15,114,880.36
Other cash paid in connection with financing activities		
Subtotal cash outflows from financing activities	271,068,450.04	211,564,880.36
Net cash flows from financing activities	-58,434,350.04	3,435,119.64
IV. Impact of changes in exchange rates on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-121,402,606.66	-32,788.29
Add: Opening balance of cash and cash equivalents	145,369,566.68	37,140,475.42
VI. Cash and cash equivalents balances at the end of the period	23,966,960.02	37,107,687.13

7. Consolidated statement of changes in owners' equity

Amount for the period

Unit: $

sports event	Half year 2021														
	Equity attributable to owners of the parent company													Minority interests	Total owners' equity
	share capital	Other equity instruments			capital surplus	Less: Treasury shares	Other comprehensive income	Dedicated reserves	surplus surplus	General risk allowance	undistributed profit	other	Subtotal		
		preferred stock	perpetual bond	other											
I. Prior year closing balance	1,208,455,224.00				126,281,548.60		-62,064.72		6,720,128.44		-84,264,033.78		1,257,130,802.54	60,485,972.17	1,317,616,774.71
Add: change in accounting policy													0.00		0.00
Correction of prior-period errors													0.00		0.00
business combination under common control													0.00		0.00
other													0.00		0.00
II. Opening balance for the year	1,208,455,224.00	0.00	0.00	0.00	126,281,548.60	0.00	-62,064.72	0.00	6,720,128.44	0.00	-84,264,033.78	0.00	1,257,130,802.54	60,485,972.17	1,317,616,774.71
III. Increase/decrease in the current period (Decrease is shown by "-")	0.00	0.00	0.00	0.00	56,634,100.00	0.00	0.00	0.00	0.00	0.00	-49,578,495.09	0.00	7,055,604.91	-5,984,175.71	1,071,429.20
(i) Total comprehensive income											-49,578,495.09		-49,578,495.09	556,314.01	-49,022,181.08
(ii) Owner input and reduction of capital	0.00	0.00	0.00	0.00	56,634,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56,634,100.00	-6,540,489.72	50,093,610.28
1. Ordinary shares invested by owners													0.00	-6,540,489.72	-6,540,489.72
2. Capital contributions from holders of other equity instruments													0.00		0.00
3. Amounts charged to owners' equity for share-based payments													0.00		0.00
4. Other					56,634,100.00								56,634,100.00		56,634,100.00
(iii) Distribution of profits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal of surplus reserves													0.00		0.00
2. Drawdown of general risk provisions													0.00		0.00
3. Distribution to owners (or shareholders)													0.00		0.00
4. Other													0.00		0.00
(iv) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capitalisation of capital (or share capital) from capital surplus													0.00		0.00

2. Transfer of surplus to capital (or share capital)													0.00		0.00
3. Surplus reserves to cover deficits													0.00		0.00
4. Transfer of retained earnings from changes in defined benefit plans													0.00		0.00
5. Transfer from other comprehensive income to retained earnings													0.00		0.00
6. Other													0.00		0.00
(v) Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Drawdown for the current period													0.00		0.00
2. Use of the current period													0.00		0.00
(vi) Other													0.00		0.00
IV. Closing balance for the period	1,208,455,224.00	0.00	0.00	0.00	182,915,648.60	0.00	-62,064.72	0.00	6,720,128.44	0.00	-133,842,528.87	0.00	1,264,186,407.45	54,501,796.46	1,318,688,203.91

Prior period amount

Unit: $

sports event	Half year 2020														
	Equity attributable to owners of the parent company													Minority interests	Total owners' equity
	share capital	Other equity instruments			capital surplus	Less: Treasury shares	Other comprehensive income	Dedicated reserves	surplus surplus	General risk allowance	undistributed profit	other	Subtotal		
		preferred stock	perpetual bond	other											
I. Prior year closing balance	1,208,455,224.00				130,381,548.60		-62,064.72		4,790,403.54		-94,133,458.58		1,249,431,652.84	55,865,818.81	1,305,297,471.65
Add: change in accounting policy													0.00		0.00
Correction of prior-period errors													0.00		0.00
business combination under common control													0.00		0.00
other													0.00		0.00
II. Opening balance for the year	1,208,455,224.00	0.00	0.00	0.00	130,381,548.60	0.00	-62,064.72	0.00	4,790,403.54	0.00	-94,133,458.58	0.00	1,249,431,652.84	55,865,818.81	1,305,297,471.65
III. Changes during the period (decrease by "-")	0.00	0.00	0.00	0.00	-4,100,000.00	0.00	0.00	0.00	0.00	0.00	2,790,880.78	0.00	-1,309,119.22	1,404,958.09	95,838.87
(i) Total comprehensive income											2,790,880.78		2,790,880.78	1,404,958.09	4,195,838.87
(ii) Owner input and reduction of capital	0.00	0.00	0.00	0.00	-4,100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4,100,000.00	0.00	-4,100,000.00
1. Ordinary shares invested by owners													0.00		0.00
2. Capital contributions from holders of other equity instruments													0.00		0.00
3. Amounts charged to owners' equity for share-based payments													0.00		0.00
4. Other					-4,100,000.00								-4,100,000.00		-4,100,000.00
(iii) Distribution of profits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal of surplus reserves													0.00		0.00
2.Drawdown of general risk provisions													0.00		0.00
3. Distribution to owners (or shareholders)													0.00		0.00
4. Other													0.00		0.00
(iv) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

1. Capitalisation of capital (or share capital) from capital surplus													0.00		0.00
2. Transfer of surplus to capital (or share capital)													0.00		0.00
3. Surplus reserves to cover deficits													0.00		0.00
4. Transfer of retained earnings from changes in defined benefit plans													0.00		0.00
5. Transfer from other comprehensive income to retained earnings													0.00		0.00
6. Other													0.00		0.00
(v) Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Drawdown for the current period													0.00		0.00
2. Use of the current period													0.00		0.00
(vi) Other													0.00		0.00
IV. Closing balance for the period	1,208,455,224.00	0.00	0.00	0.00	126,281,548.60	0.00	-62,064.72	0.00	4,790,403.54	0.00	-91,342,577.80	0.00	1,248,122,533.62	57,270,776.90	1,305,393,310.52

8. Parent company statement of changes in owners' equity

Amount for the period

Unit: $

sports event	Half year 2021											
	share capital	Other equity instruments			capital surplus	Less: Treasury shares	Other comprehensive income	Dedicated reserves	surplus surplus	undistributed profit	other	Total owners' equity
		preferred stock	perpetual bond	other								
I. Prior year closing balance	1,208,455,224.00				119,088,683.68		0.00		1,929,724.90	17,367,524.12		1,346,841,156.70
Add: change in accounting policy												0.00
Correction of prior-period errors												0.00
other												0.00
II. Opening balance for the year	1,208,455,224.00	0.00	0.00	0.00	119,088,683.68	0.00	0.00	0.00	1,929,724.90	17,367,524.12	0.00	1,346,841,156.70
III. Amount of increase/decrease in the current period (decrease is shown by "-")	0.00	0.00	0.00	0.00	56,634,100.00	0.00	0.00	0.00	0.00	-27,404,556.74	0.00	29,229,543.26
(i) Total comprehensive income										-27,404,556.74		-27,404,556.74
(ii) Owner input and reduction of capital	0.00	0.00	0.00	0.00	56,634,100.00	0.00	0.00	0.00	0.00	0.00	0.00	56,634,100.00
1. Ordinary shares invested by owners												0.00
2. Capital contributions from holders of other equity instruments												0.00
3. Amounts charged to owners' equity for share-based payments												0.00
4. Other					56,634,100.00							56,634,100.00
(iii) Distribution of profits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal of surplus reserves												0.00
2. Distribution to owners (or shareholders)												0.00
3. Other												0.00
(iv) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capitalisation of capital (or share capital) from capital surplus												0.00
2. Transfer of surplus to capital (or share capital)												0.00
3. Surplus reserves to cover deficits												0.00
4. Transfer of retained earnings from changes in defined benefit plans												0.00

5. Transfer from other comprehensive income to retained earnings												0.00
6. Other												0.00
(v) Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Drawdown for the current period												0.00
2. Use of the current period												0.00
(vi) Other												0.00
IV. Closing balance for the period	1,208,455,224.00	0.00	0.00	0.00	175,722,783.68	0.00	0.00	0.00	1,929,724.90	-10,037,032.62	0.00	1,376,070,699.96

Prior period amount

Unit: $

sports event	Half year 2020											
	share capital	Other equity instruments			capital surplus	Less: Treasury shares	Other comprehensive income	Dedicated reserves	surplus surplus	undistributed profit	other	Total owners' equity
		preferred stock	perpetual bond	other								
I. Prior year closing balance	1,208,455,224.00				119,088,683.68					-158,015,423.65		1,169,528,484.03
Add: change in accounting policy												0.00
Correction of prior-period errors												0.00
other												0.00
II. Opening balance for the year	1,208,455,224.00	0.00	0.00	0.00	119,088,683.68	0.00	0.00	0.00	0.00	-158,015,423.65	0.00	1,169,528,484.03
III. Amount of increase/decrease in the current period (decrease is shown by "-")	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-25,976,131.22	0.00	-25,976,131.22
(i) Total comprehensive income										-25,976,131.22		-25,976,131.22
(ii) Owner input and reduction of capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Ordinary shares invested by owners												0.00
2. Capital contributions from holders of other equity instruments												0.00
3. Amounts charged to owners' equity for share-based payments												0.00
4. Other												0.00
(iii) Distribution of profits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal of surplus reserves												0.00
2. Distribution to owners (or shareholders)												0.00
3. Other												0.00
(iv) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capitalisation of capital (or share capital) from capital surplus												0.00
2. Transfer of surplus to capital (or share capital)												0.00
3.Surplus reserves to cover deficits												0.00
4.Transfer of retained earnings from changes in defined benefit plans												0.00
5. Transfer from other comprehensive income to retained earnings												0.00
6. Other												0.00
(v) Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

1.Drawdown for the current period												0.00
2.Use of the current period												0.00
(vi) Other												0.00
IV. Closing balance for the period	1,208,455,224.00	0.00	0.00	0.00	119,088,683.68	0.00	0.00	0.00	0.00	-183,991,554.87	0.00	1,143,552,352.81

III. Basic information about the company

Company Name: Tianjin Futong Information Technology Co., Ltd
(hereinafter referred to as the Company or the Company)
Uniform Social Credit Code: 91120000103071928U
Legal
representative:
Xu Dong
Secretary of the
Board: Du Xiang
Date of establishment:
September 16, 1997 Date
of listing: September 29,
1997 Type of listing:
Shenzhen Stock Exchange
Main Board A shares
Stock code: 000836
Actual controller: Wang Jianyi
Registered capital: RMB 1,208,455,224,000
Period of operation:
16/09/1997 to long term Type
of company: Company limited by
shares (listed)
Domicile: No.10 Ranyuan Road, Huayuan Industrial Zone, Binhai High-tech Zone, Tianjin

Industry: According to the "Industry Classification Guidelines for Listed Companies" of the CSRC (CSRC Announcement [2012] No. 31), the Company's optical communication business belongs to the manufacturing industry "C39 Computer, communication and other electronic equipment manufacturing"; the quartz products business belongs to the manufacturing industry "C30 Non-metallic mineral products industry".

The Company and its subsidiaries are principally engaged in: the research, development, production and sale of optical fiber preforms, optical fibers and optical cables; the research, development and sale of quartz materials and quartz products.

These financial statements were approved for presentation by the Company's Eighth Thirty-third Board of Directors on August 26, 2021.

As at 30 June 2021, the total number of subsidiaries included in the scope of consolidated financial statements was 11, as detailed in Note IX, "Interests in other entities". The scope of consolidation of the Company decreased by one subsidiary, namely Hangzhou Futong Cable Material Research and Development Co.

iv. basis of preparation of financial statements

1. Basis of preparation

The Company's financial statements are prepared on a going concern basis, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises - Basic Standards and specific accounting

standards, the Guidelines for the Application of Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance on or after February 15, 2006 (hereinafter referred to as "ASBEs"). (hereinafter collectively referred to as "ASBEs"), and the "General Provisions on Financial Reporting" of the China Securities Regulatory Commission (CSRC) (No. 15 of the Rules Governing the Preparation of Information Disclosures by Companies Issuing Public Securities).
(Revised 2014) prepared in accordance with the disclosure requirements.

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises, the Company's accounting is on the accrual basis of accounting. Except for certain financial instruments, these financial statements are measured on the historical cost basis. If an asset is impaired, a corresponding provision for impairment is made in accordance with the relevant regulations.

2. Going concern

There are no matters that cast significant doubt on the company's ability to continue as a going concern during the 12 months since the end of the reporting period.

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimate tips.

The Company has formulated specific accounting policies and accounting estimates related to financial instruments, receivables, inventories, investment properties, fixed assets and intangible assets in accordance with the Enterprise Accounting Standards in conjunction with actual production and operation characteristics.

1. Statement of compliance with corporate accounting standards

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete view of the consolidated and corporate financial position as at June 30, 2021 and the 2021

1-6 consolidated and corporate results of operations and cash flows for the month.

2. Accounting period

The Company's accounting period is divided into annual and interim periods, with an accounting interim period being a reporting period shorter than a full fiscal year. The Company's fiscal year is the calendar year, which begins on January 1 and ends on December 31 of each year.

3、Business cycle

The normal operating cycle is the period from the time the Company purchases assets for processing until cash or cash equivalents are realized. The Company uses a 12-month period as an operating cycle and uses it as the liquidity classification for assets and liabilities.

4. Local currency of accounts

The Company uses RMB as its local currency of account.

5. Accounting for business combinations under common control and non-common control

A business combination is a transaction or event that combines two or more separate enterprises to form a single reporting entity. Business combinations are divided into business combinations under common control and non-common control.

（1）business combination under common control

A business combination under the same control is one in which the enterprises involved in the combination are under the ultimate control of the same party or parties before and after the combination, and such control is not temporary. In a business combination under the same control, the party that acquires control over the other participating enterprises at the date of the combination is the combining party, and the other enterprises participating in the combination are the parties being combined. The date of merger is the date on which the merging party actually obtains control over the merged party.

Assets and liabilities acquired by a consolidating party are measured at their carrying value at the date of consolidation at the party being consolidated. The difference between the carrying value of the net assets acquired by the consolidating party and the carrying value of the consideration paid for the consolidation (or the total nominal value of shares issued) is adjusted against capital surplus (equity premium); if capital surplus (equity premium) is insufficient to cover the reduction, it is adjusted against retained earnings.

All direct costs incurred by the consolidating parties in connection with a business combination are charged to current profit or loss as incurred.

（2）Business combinations not under common control

A business combination that is not under common control is one in which the enterprises involved in the combination are not under the ultimate control of the same party or the same multiple parties before or after the combination. In a business combination that is not under common control, the party that acquires control over the other participating enterprises at the date of purchase is the purchaser, and the other enterprises participating in the combination are the purchasee. The date of purchase is the date on which the purchaser actually obtains control over the purchasee.

For business combinations not under common control, the cost of the combination includes the fair value of assets paid, liabilities incurred or assumed and equity securities issued by the purchaser to obtain control of the acquiree at the date of purchase, and the intermediary fees such as audit, legal services, appraisal and consulting and other management fees incurred for the business combination are charged to current profit or loss as incurred. Transaction costs for equity securities or debt securities issued by the purchaser as consideration for the merger are included in the initial recognition amount of the equity securities or debt securities. The contingent consideration involved is included in the cost of the combination at its fair value at the date of purchase, and if new or further evidence of conditions existing at the date of purchase arises within 12 months after the date of purchase that requires an adjustment to the contingent consideration, the goodwill on the combination is adjusted accordingly. The cost of the combination incurred by the purchaser and the identifiable net assets acquired in the combination are measured at their fair values at the date of purchase. The difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets acquired in the combination at the date of purchase is recognized as goodwill. If the cost of consolidation is less than the share of the fair value of the acquiree's identifiable net assets acquired in the consolidation, the fair value of each identifiable asset, liability and contingent liability of the acquiree and the measurement of the cost of consolidation are first reviewed, and if, after the review, the cost of consolidation is still less than the share of the fair value of the acquiree's identifiable net assets acquired in the consolidation, the difference is recognized in profit or loss for the current period.

A deductible temporary difference acquired by the purchaser from the acquiree that is not recognized at the date of purchase because it does not qualify for recognition as a deferred tax asset is recognized 12 days after the date of purchase

Within one month, if new or further information is obtained indicating that the relevant circumstances at the date of purchase have existed and it is expected that the economic benefits from deductible temporary differences of the acquiree at the date of purchase will be realized, the related deferred income tax asset is recognized and the goodwill is reduced, and if the goodwill is not sufficient to offset the difference, the difference is recognized in profit or loss for the period; except for the above cases, if the deferred income tax asset related to a business combination is recognized is recognized in profit or loss for the current period.

For non-same control business combinations achieved in steps through multiple transactions, the criteria for determining whether the multiple transactions are "package transactions" (see Note V.6(2) of this document) are based on the "Circular of the Ministry of Finance on the Issuance of Interpretation No. 5 on Enterprise Accounting Standards"(Caihui [2012] No. 19) and Article 51 of "Enterprise Accounting Standard No. 33 - Consolidated Financial Statements". "Criteria for determining whether multiple transactions are "package transactions" are described in Note V.6(2) to the consolidated financial statements. If the transaction is a "package transaction", it is accounted for by referring to the descriptions in the preceding paragraphs of this part and Note V.14 "Long-term equity investments" in this section; if it is not a "package transaction", it is accounted for by distinguishing between individual financial statements and consolidated financial statements. The relevant accounting treatment is differentiated between individual and consolidated financial statements.

In the individual financial statements, the sum of the carrying amount of the equity investment in the acquiree held prior to the date of purchase and the cost of the additional investment at the date of purchase is used as the initial investment cost of that investment; if the equity interest in the acquiree held prior to the date of purchase involves other comprehensive income, the other comprehensive income associated with that investment is accounted for on the same basis as the direct disposal of the related asset or liability by the acquiree upon disposal of that investment (i.e., except for the corresponding share in the change resulting from the remeasurement of the net liability or net assets of the defined benefit plan of the acquiree accounted for under the equity method, which is transferred to investment income for the period).

In the consolidated financial statements, the equity interest in the acquiree held prior to the date of purchase is remeasured at the fair value of that equity interest at the date of purchase, and the difference between the fair value and its carrying amount is recognized in current investment income; if the equity interest in the acquiree held prior to the date of purchase involves other comprehensive income, the other comprehensive income associated with it should be accounted for on the same basis as the direct disposal of the relevant assets or liabilities by the acquiree (i.e., except for the corresponding share in the change resulting from the remeasurement of the net liabilities or net assets of the defined benefit plan of the acquiree accounted for under the equity method, which is transferred to investment income for the period to which it belongs at the date of purchase).

6. Methodology for the preparation of consolidated financial statements

(1) Principles for determining the scope of the consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control means that the Company has power over the investee, enjoys a variable return through its involvement in the investee's related activities and has the ability to use its power over the investee to influence the amount of that return. The scope of consolidation includes the Company and all of its subsidiaries. Subsidiaries, are entities that are controlled by the Company.

The Company will reassess once changes in relevant facts and circumstances result in a change in the relevant elements covered by the above definition of control.

(2) Methodology for the preparation of consolidated financial statements

The Company begins to include subsidiaries in the scope of consolidation from the date it obtains effective control over their net assets and production and operating decisions; it ceases to include them in the scope of consolidation from the date it loses effective control. For subsidiaries disposed of, the results of operations and cash flows prior to the date of disposal have been appropriately included in the consolidated income statement and the consolidated statement of cash flows; the opening balance sheet of the consolidated balance sheet is not adjusted for subsidiaries disposed of in the current period. The results of operations and cash flows after the acquisition date of subsidiaries added by business combinations not under common control have been appropriately included in the consolidated income statement and the consolidated statement of cash flows, and the opening and comparative figures of the consolidated financial statements are not adjusted. The results of operations and cash flows of subsidiaries added by a business combination under common control from the beginning of the period of consolidation to the date of consolidation have been appropriately included in the consolidated income statement and the consolidated statement of cash flows, and the comparative figures in the consolidated financial statements are also adjusted.

In preparing the consolidated financial statements, if the accounting policies or accounting periods adopted by a subsidiary are different from those of the Company, the necessary adjustments are made to the financial statements of the subsidiary in accordance with the Company's accounting policies and accounting periods. For subsidiaries acquired through business combinations not under common control, adjustments are made to their financial statements based on the fair value of identifiable net assets at the date of purchase.

Intracompany balances, transactions and unrealized profits are eliminated in the preparation of the consolidated financial statements.

The shareholders' equity of subsidiaries and the portion of net profit or loss for the period that is not owned by the Company are presented separately in the consolidated financial statements under shareholders' equity and net profit as minority interests and minority gains and losses, respectively. The subsidiaries' share of net profit or loss for the period attributable to minority interests is presented in the consolidated income statement under the item of net profit as "minority interests". The minority's share of losses of a subsidiary exceeds the minority's share of the subsidiary's opening shareholders' equity, which is still eliminated.

When control of the original subsidiary is lost due to the disposal of a portion of the equity investment or otherwise, the remaining equity interest is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the net assets of the original subsidiary calculated on a continuing basis from the date of purchase in proportion to the original shareholding, is recognized as investment income in the period in which control is lost. Other comprehensive income related to the equity investment in the original subsidiary is accounted for at the time of loss of control using the same basis as the direct disposal of the related assets or liabilities by the acquiree (i.e., except for the changes resulting from the remeasurement of the net liabilities or net assets of the defined benefit plan in that original subsidiary, which are transferred to investment income in the current period). Subsequently, subsequent measurement of this portion of the remaining equity interest is made in accordance with the relevant provisions of ASU No. 2 - Long-term equity investments or ASU No. 22 - Recognition and Measurement of Financial Instruments, as described in Note V.14 "Long-term equity

Investments" or note V.10 "Financial instruments".

When the Company disposes of its equity investment in a subsidiary through multiple transactions in stages until it loses control, it is necessary to distinguish whether each transaction for the disposal of the equity investment in a subsidiary until it loses control is a package transaction. The terms, conditions and economic effects of each transaction for the disposal of an equity investment in a subsidiary generally indicate that multiple transactions should be accounted for as a package transaction if: (i) the transactions are entered into simultaneously or after considering their effects on each other; (ii) the transactions as a whole can achieve a complete business result; (iii) the occurrence of one transaction depends on the occurrence of at least one other (3) the occurrence of one transaction depends on the occurrence of at least one other transaction; and (4) one transaction is uneconomic when viewed alone, but is economic when considered together with other transactions. If the transaction is not a package, each of these transactions is classified as "partial disposal of long-term equity investments in subsidiaries without loss of control" (see Note V.14, (2) (iv) herein) and "loss of control over the original subsidiary due to partial disposal of equity investments or other reasons" (see Note V.14, (2) (iv) herein), respectively. (see previous paragraph for details). If the transactions for the disposal of equity investments in subsidiaries until the loss of control are a package transaction, each transaction is accounted for as a disposal of a subsidiary and loss of control; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment for each disposal prior to the loss of control is recognized in the consolidated financial statements as other comprehensive income and is transferred to the income statement in the period in which control is lost transferred to profit or loss in the period in which control is lost.

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

A joint venture arrangement is an arrangement under the joint control of two or more participants. The Company classifies joint arrangements as joint operations and joint ventures based on the Company's rights and obligations under the joint arrangements. A joint operation is a joint arrangement in which the Company is entitled to the assets and assumes the liabilities associated with the arrangement. A joint venture is a joint arrangement in which the Company has rights only to the net assets of the arrangement.

The Company's investments in joint ventures are accounted for using the equity method and are accounted for in accordance with the accounting policies described in Note V.14(2)(ii) "Long-term equity investments accounted for under the equity method" of this Note.

For joint operations, the Company recognizes, as a joint venturer, assets held separately by the Company, liabilities assumed separately, and assets held jointly and liabilities assumed jointly on the basis of the Company's share; revenue from the sale of the Company's share of the output of joint operations; revenue from joint operations arising from the sale of output on the basis of the Company's share; expenses incurred separately by the Company, and Company's share of the expenses incurred in the joint operation.

When the Company contributes or sells assets (which do not constitute a business, hereinafter) to a joint operation as a joint venture, or purchases assets from a joint operation, the Company recognizes only the portion of the gain or loss arising from such transaction attributable to the other participants in the joint operation until such assets are sold to a third party. In the event of an impairment loss on such assets in accordance with the provisions of ASBE No. 8 - Impairment of Assets, etc., the Company recognizes such loss in full in the case of assets cast or sold by the Company to a joint operation, and in the case of assets purchased by the Company from a joint operation, the Company recognizes such loss in accordance with its share.

8. Criteria for determining cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand, deposits readily available for payment and investments held by the Company that have short maturities (generally three months or less from the date of purchase), are highly liquid, are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

9. Foreign currency operations and translation of foreign currency statements

（1） Method of translation of foreign currency transactions

On initial recognition, foreign currency transactions occurring in the Company are translated into the amount of the recorded local currency at the spot exchange rate on the date of the transaction (usually the mid-price of the foreign exchange rate published by the People's Bank of China on that day, the same below), except for foreign currency exchange operations occurring in the Company or transaction matters involving foreign currency exchange, which are translated into the amount of the recorded local currency at the exchange rate actually adopted.

（2） For the translation of foreign currency monetary items and foreign currency non-monetary items

At the balance sheet date, monetary items denominated in foreign currencies are translated using the spot exchange rate at the balance sheet date. Exchange differences arising on special borrowings in foreign currencies for the acquisition of assets eligible for capitalization of borrowing costs are capitalized over the period of capitalization.

Non-monetary items measured in terms of historical cost in a foreign currency are still measured using the amount in the carrying currency translated at the spot exchange rate at the date of the transaction. Non-monetary items measured at fair value in foreign currencies are translated using the spot exchange rate at the date the fair value is determined, and the difference between the translated amount in the carrying amount and the amount in the original carrying amount is treated as a change in fair value (including exchange rate changes) and recognized in current profit or loss or as other comprehensive income.

（3） Method of translation of foreign currency financial statements

Foreign currency financial statements of foreign operations are translated into RMB using the following methods: assets and liabilities in the balance sheet are translated using the spot exchange rate at the balance sheet date; shareholders' equity items, except for "undistributed earnings", are translated using the spot exchange rate at the time of occurrence. Income and expense items in the income statement are translated using the spot exchange rate at the date of the transaction. Undistributed profit at the beginning of the year is the undistributed profit at the end of the year after translation of the previous year; undistributed profit at the end of the year is calculated on the basis of each item of profit distribution after translation; the difference between the total of asset items, liability items and shareholders' equity after translation is recognized as other comprehensive income as the difference between the translation of foreign currency statements. When a foreign operation is disposed of and control is lost, all or a proportionate share of the foreign currency translation differences shown under shareholders' equity in the balance sheet relating to the foreign operation is transferred to profit or loss in the period of disposal.

Cash flows in foreign currencies are translated using the spot exchange rate at the date the cash flows occur. The amount of the effect of changes in exchange rates on cash is presented separately in the statement of cash flows as a reconciling item.

Upon the disposal of the Company's entire ownership interest in a foreign operation or the loss of control over a foreign operation due to the disposal of a portion of the equity investment or otherwise, all foreign currency statement translation differences attributable to the parent company's ownership interest shown under the shareholders' equity line in the balance sheet relating to such foreign operation are transferred to profit or loss in the period of disposal.

When a portion of the equity investment in a foreign operation is disposed of or otherwise the proportionate interest in the foreign operation is reduced but control over the foreign operation is not lost, the translation difference in the foreign currency statement relating to the portion of the foreign operation disposed of is attributed to minority interests and is not transferred to profit or loss in the current period. When a foreign operation is disposed of as part of an associate or joint venture, the foreign currency translation differences relating to the foreign operation are transferred to profit or loss in the period of disposal in proportion to the disposal of the foreign operation.

10. Financial instruments

A financial instrument is a contract that forms a financial asset of one party and creates a financial liability or equity instrument of another party. When the Company becomes a party to a financial instrument contract, the related financial asset or financial liability is recognized.

Financial assets and financial liabilities are measured at fair value at initial recognition: (i) for financial assets and financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; (ii) for other categories of financial assets and financial liabilities, the related transaction costs are recognized in the initial recognition amount. The subsequent measurement of financial assets and financial liabilities depends on their classification.

A financial asset or financial liability is held for trading purposes if it meets one of the following conditions: (i) it was acquired or assumed principally for the purpose of selling or repurchasing in the near term; (ii) it is part of a portfolio of centrally managed identifiable financial instruments at initial recognition and there is objective evidence of an actual pattern of short-term profit-taking in the near term; (iii) it is a derivative, other than those that meet the definition of a financial guarantee contractual definition of a derivative and derivatives designated as effective hedging instruments are excluded.

（1）Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability when analysed from the perspective of the issuer. The classification and subsequent measurement of debt instruments depend on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Those that cannot pass the cash flow characteristics test are classified directly as financial assets at fair value through profit or loss; those that can pass the cash flow characteristics test are classified depending on the business model for managing the financial assets and whether they are designated as financial assets at fair value through profit or loss.

(i) Measured at amortized cost. The Company's business model for managing such financial assets is to target the collection of contractual cash flows and the contractual cash flow characteristics of such financial assets are consistent with the underlying borrowing and lending arrangements, i.e., the cash flows generated on a specific date are only payments of principal and interest based on the principal amount outstanding, and such financial assets are not designated as at fair value through profit or loss. The Company recognizes interest income for such financial assets based on the effective interest rate method. Gains or losses on derecognition of such financial assets and losses due to impairment are recognized directly in profit or loss for the current period.

(ii) Measured at fair value and changes in fair value are recognized in other comprehensive income. The Company's business model for managing such financial assets is to both collect the contractual cash flows and sell them, and the contractual cash flow characteristics of such financial assets are consistent with the underlying borrowing and lending arrangements, i.e., the cash flows generated at a specific date are only payments of principal and interest based on the outstanding principal amount, and no such financial assets are designated as at fair value through Such financial assets are not designated as at fair value through profit or loss. Such financial assets are measured at fair value through other comprehensive income, except for impairment losses or gains, foreign exchange gains or losses and interest income calculated using the effective interest method, which are recognized in profit or loss. Upon derecognition of such financial assets, the cumulative changes in fair value recognized in other comprehensive income are carried forward to profit or loss for the current period. Such financial assets are presented as other debt investments.

(iii) At fair value through profit or loss. The Company classifies debt instruments held at fair value through profit or loss that are not classified as debt instruments measured at amortized cost and at fair value through other comprehensive income as financial assets at fair value through profit or loss, and presents them as financial assets held for trading or other non-current financial assets.

（2）Equity tools

An equity instrument is an instrument that meets the definition of an equity instrument when analysed from the perspective of the issuer. Investments in equity instruments are measured at fair value through profit or loss and are presented

The Company's management designates these assets as financial assets held for trading, except for those designated by the Company's management as at fair value through other comprehensive income. If designated as at fair value through comprehensive income, it is shown as investment in other equity instruments and the related fair value changes are not carried forward to current profit or loss, and the designation cannot be revoked once made. The related dividend income is recognized in profit or loss for the current period. No provision for impairment is made for investments in other equity instruments, and upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and included in retained earnings.

（3）Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss comprise financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability may be designated as a financial liability at fair value through profit or loss at initial measurement if one of the following conditions is met.

(i) the designation eliminates or significantly reduces accounting mismatches; and (ii) the management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities on a fair value basis in accordance with the risk management or investment strategy set out in a formal written document and reported to key management personnel on that basis within the company. This designation, once made, cannot be revoked.

For financial liabilities designated as at fair value through profit or loss, the amount of change in fair value arising from changes in the company's own credit risk is recognized in other comprehensive income; other changes in fair value are recognized in current profit or loss. Upon derecognition of the financial liability, the cumulative gain or loss previously recognized in other comprehensive income is transferred out of other comprehensive income and included in retained earnings.

The Company's other financial liabilities mainly consist of short-term borrowings, long-term borrowings and bonds payable. For such financial liabilities, they are subsequently measured at amortized cost using the effective interest rate method.

Financial guarantee contract, a contract that requires the issuer to pay a specified amount to a contract holder who has suffered a loss when a specified debtor fails to pay its debt when due in accordance with the terms of the original or modified debt instrument. Loan commitments, which are firm commitments to extend credit under pre-specified terms and conditions. Financial guarantee contracts that are not financial liabilities at fair value through profit or loss and loan commitments to lend at below-market interest rates are measured after initial recognition by the Company as the issuer at the higher of: (i) the amount of the allowance for losses; (ii) the amount initially recognized less accumulated amortization determined in accordance with ASBE No. 14 - -Income‖, the balance of the accumulated amortization amount determined in accordance with

（4）Derecognition of financial assets and financial liabilities

A financial asset is derecognized when one of the following conditions is met.

(i) The contractual right to receive cash flows from the financial asset is terminated.

(ii) the financial asset is transferred and the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferring party.

(iii) The financial asset is transferred and control over the financial asset is relinquished, although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

The Company derecognizes a financial liability (or a portion of a financial liability) when the present obligation of the financial liability (or a portion of the financial liability) has been discharged.

（5） Impairment of financial instruments

The Company accounts for impairment of financial instruments and recognizes a loss allowance on the basis of expected credit losses. Expected credit losses, which are the weighted average of credit losses on financial instruments weighted by the risk of default occurring. Credit losses, which are the difference between all contractual cash flows receivable under the contract and all cash flows expected to be collected, discounted at the original effective interest rate, are the present value of the entire cash shortfall.

The Company's approach to measuring expected credit losses on financial instruments reflects factors such as: the weighted average amount of unbiased probabilities determined by evaluating a range of possible outcomes; the time value of money; and reasonable and substantiated information about past events, current conditions and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort. The Company determines the expected credit losses on the relevant financial instruments in accordance with the following methods.

(i) For financial assets, credit losses are the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be collected.

(ii) For lease receivables, the credit loss is the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be collected.

(iii) For undrawn loan commitments, the credit loss is the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be received if the holder of the loan commitment draws down on the corresponding loan. The Company's estimate of the expected credit loss on a loan commitment is consistent with its expectation of drawdown of that loan commitment.

(iv) For financial guarantee contracts, the credit loss is the present value of the difference between the expected payment to be made by the Company to the holder of such contract in respect of credit losses incurred by the holder of such contract, less the amount expected to be collected by the Company from the holder of such contract, the debtor or any other party.

(v) For financial assets that are credit impaired at the balance sheet date but not purchased or originated with credit impairment, the credit loss is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the original effective interest rate.

For financial instruments purchased or originated without credit impairment, at each balance sheet date, considering reasonable and substantiated information (including forward-looking information) that

The credit risk is assessed to determine whether there has been a significant increase since initial recognition, and expected credit losses are recognized in each of the three stages. If the credit risk has not increased significantly since initial recognition, it is in the first stage and the loss allowance is measured based on the expected credit loss of the financial instrument within the next 12 months; if the credit risk has increased significantly since initial recognition but no credit impairment has occurred, it is in the second stage and the loss allowance is measured based on the expected credit loss of the financial instrument over its entire life; if credit impairment has occurred since initial recognition, is in the third stage and the loss allowance is measured based on the expected credit loss of the financial instrument over its entire life. stage 3, the provision for loss is measured over the expected credit loss over the life of the financial instrument. Interest income is calculated on the basis of the carrying amount and the effective interest rate for financial instruments in stages 1 and 2; for financial instruments in stage 3, interest income is determined on the basis of their amortized cost and the effective interest rate.

For financial assets acquired or originated that are credit impaired, only the cumulative changes in expected credit losses throughout their lives since initial recognition are recognized as a provision for losses at the balance sheet date, with interest income determined on the basis of the amortized cost of the financial assets and the effective interest rate adjusted for credit.

The increase or reversal of the provision for losses is recorded as an impairment loss or gain in profit or loss for the current period. For debt instruments held at fair value through other comprehensive income, impairment losses or gains are adjusted to other comprehensive income at the same time as they are recognized in current profit or loss.

A. For notes and accounts receivable, the Company measures the allowance for losses based on expected credit losses over the entire life of the notes and accounts receivable, regardless of whether there is a significant financing component. When information to assess expected credit losses is not available at a reasonable cost for individual notes and accounts receivable, the Company relies on the credit risk characteristics of the notes and accounts receivable

and accounts receivable are divided into portfolios, and expected credit losses are calculated on a portfolio basis.

For notes receivable classified as portfolio, the Company calculates expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions through default exposures and expected credit loss rates throughout the life of the notes. The basis for determining the portfolio is as follows.

Notes receivable portfolio

1 Commercial acceptances

Notes receivable portfolio

2 Banker's acceptances

For accounts receivable classified as a portfolio, the Company calculates expected credit losses by referring to historical credit loss experience and preparing a table of aging of accounts receivable against expected credit loss rates for the entire duration, taking into account current conditions and forecasts of future economic conditions. The basis for determining the receivable portfolio is as follows.

Accounts receivable portfolio1 Ageing of receivables is used as a credit risk characteristic

Accounts receivable portfolio2 Receivables within the scope of consolidation with low credit risk

B. When information to assess expected credit losses is not available at reasonable cost for individual other receivables and long-term receivables, the Company divides other receivables and long-term receivables into certain combinations based on credit risk characteristics and calculates expected credit losses on a portfolio basis. The basis for determining the portfolio is as follows.

Other receivables portfolio 1uses the age of the receivables as the credit risk characteristic

Receivables within the scope of consolidationother receivables portfolio 2with low credit risk

For other receivables, the Company calculates expected credit losses by referring to historical credit loss experience, taking into account current conditions and projections of future economic conditions.

（6） Offsetting of financial assets and financial liabilities

When the Company has a legal right to offset a recognized financial asset and a financial liability and such legal right is currently enforceable, and the Company plans to settle the financial asset on a net basis or to realize the financial asset and settle the financial liability simultaneously, the financial asset and the financial liability are presented in the balance sheet at their respective offsetting amounts. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other.

（7） Fair value determination of financial instruments

The fair value of financial instruments for which an active market exists is determined using the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants that occurred at the measurement date. The fair value of financial instruments for which no active market exists is determined using valuation techniques. In valuation, the Company uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the asset or liability considered by market participants in transactions for the relevant asset or liability, and gives preference to relevant observable inputs whenever possible. Unobservable inputs are used when relevant observable inputs are unavailable or impractical to obtain.

11. Inventory

（1） Classification of inventories

The Company's inventories are classified as raw materials, work-in-process, inventory, low-value consumables, issued goods, and contract performance costs.

（2） Method of valuation of inventories acquired and issued

The Company's inventory inventory system is based on the perpetual inventory system, whereby inventories are initially measured at actual cost when acquired and are valued using the weighted-average method when raw materials, work-in-progress and inventory goods are issued. Low-value consumables and packaging are amortized using the one-time reversal method upon receipt.

（3） Method of providing for decline in value of inventories

A provision for inventory write-downs is made when the cost of the Company's inventory at the end of the period exceeds its net realizable value. The Company generally provides for inventory write-downs on an individual inventory item basis, and at the end of the period, the provision for inventory write-downs is reversed within the amount originally provided if the factors affecting the previous write-down of inventory value have disappeared.

(4) Method of recognition of net realizable value of inventories

The net realizable value of inventories is the estimated selling price of inventories less the estimated costs to be incurred to completion, estimated selling expenses and related taxes.

12. Contractual assets

The Company presents contractual assets or contractual liabilities in the balance sheet based on the relationship between the performance obligation and payment by the customer. A contract asset is a right to receive consideration for goods that the Company has transferred to a customer and that is dependent on factors other than the passage of time.

Contract assets are provided for impairment under the expected credit loss method. Regardless of whether or not they contain a significant financing component, the Company measures its provision for losses at the balance sheet date based on the amount of expected credit losses throughout their lives, and if such expected credit losses are greater than the carrying amount of the current provision for impairment of contract assets, the difference is recognized as an impairment loss and, conversely, as an impairment gain. When an impairment loss actually occurs, the related contract asset is determined to be irrecoverable and is written off with approval.

At the balance sheet date, contract assets and contract liabilities are shown separately for contracts under different contracts. For contract assets and contract liabilities under the same contract, they are shown on a net basis, and those with a net debit balance are shown as contract assets or other non-current assets, respectively, according to their liquidity, and those for which provision for impairment has been made are shown net of the closing balance of the provision for impairment of contract assets; those with a net credit balance are shown as contract liabilities or other non-current liabilities, respectively, according to their liquidity.

13. Assets held for sale

The Company will recover the carrying value of a non-current asset or disposal group through a sale (including an exchange of non-monetary assets with commercial substance, as defined below) rather than through continued use, and is classified as held for sale if both of the following conditions are met: (1) a non-current asset or disposal group is available for immediate sale in its current condition based on the practice of selling such assets or disposal groups in similar transactions; (2) the Company Company has resolved on a plan of sale and obtained firm purchase commitments, and the sale is expected to be completed within one year. (Where the relevant regulations require the approval of the relevant authority or regulatory authority before the sale can be made, such approval has been obtained.)

The Company classifies non-current assets or disposal groups acquired for resale as held for sale at the date of acquisition if the prescribed condition of "sale expected to be completed within one year" is met and it is probable that other conditions for classification as held for sale will be met in the short term (usually three months).

When the Company initially measures or remeasures non-current assets and disposal groups classified as held for sale at the balance sheet date, the carrying value of which is higher than the net fair value less costs to sell, the carrying value is written down to the net fair value less costs to sell, and the amount of the write-down is recognized as an asset impairment loss and charged to current profit or loss, together with a provision for impairment of assets held for sale. The amount of asset impairment loss recognized for disposal groups held for sale is first set off against the carrying value of goodwill in the disposal group, and then set off against the carrying value of each non-current asset in the disposal group in proportion to its share of the measurement provisions of ASBE No. 42 - "Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations". The carrying value.

Subsequent increases in the net fair value of non-current assets held for sale, less costs to sell, at the balance sheet date are restored to the amount previously written down and reversed within the amount of the impairment loss on assets recognized after classification as held for sale, with the reversal charged to current profit or loss. Impairment losses recognized before classification as held for sale are not reversed. Amounts previously written down for disposal groups held for sale should be restored and reversed within the amount of asset impairment loss recognized for non-current assets after classification into the held-for-sale category applying the measurement provisions of AS 42 - "Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations", with the reversal amount charged to current profit or loss. The carrying amount of goodwill that has been offset and the impairment loss recognized on non-current assets subject to the measurement provisions of ASU 42 - "Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations" before classification as held for sale are not reversed.

No depreciation or amortization is provided on non-current assets held for sale or on non-current assets in disposal groups, and interest and other charges continue to be recognized on liabilities in disposal groups held for sale.

When a non-current asset or disposal group no longer meets the conditions for classification as held for sale, the Company no longer continues to classify it as held for sale or removes the non-current asset from the disposal group held for sale and measures it at the lower of: (1) the carrying amount before classification as held for sale, adjusted for depreciation, amortization or impairment that would have been recognized had it not been classified as held for sale (2) the recoverable amount.

Upon derecognition of a non-current asset or disposal group held for sale, the Company recognizes the unrecognized gain or loss in profit or loss for the current period.

14. Long-term equity investments

Long-term equity investments referred to in this section are long-term equity investments in which the Company has control, joint control or significant influence over the investee. The Company's investment in the investee

Long-term equity investments in which the investing entity does not have control, joint control or significant influence are accounted for as investments in financial assets held for trading or other equity instruments, the accounting policies of which are detailed in Note V.10 "Financial instruments".

Joint control, which is control shared by the Company over an arrangement in accordance with the relevant agreement and where the relevant activities of the arrangement are subject to the unanimous consent of the participants sharing control before decisions can be made. Significant influence means that the Company has the power to participate in decision-making over the financial and operating policies of the investee, but does not control or share control with other parties over the formulation of those policies.

(1) Determination of investment costs

For long-term equity investments acquired in a business combination under the same control, the initial investment cost of long-term equity investments is determined at the date of combination as the share of the carrying amount of the shareholders' equity of the party being consolidated in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted against capital surplus; if capital surplus is not sufficient to cover the reduction, retained earnings are adjusted. If equity securities are issued as consideration for a merger, the share of the shareholders' equity of the party being consolidated in the consolidated financial statements of the ultimate controlling party is taken as the initial investment cost of the long-term equity investment at the date of the merger, and the total nominal value of the shares issued is taken as share capital. The difference between the initial investment cost of the long-term equity investment and the total nominal value of the shares issued is adjusted to capital surplus; if capital surplus is not sufficient to offset the difference, it is adjusted to Retained earnings. If the equity interest in a party under the same control is acquired in stages through multiple transactions, resulting in a business combination under the same control, it should be treated separately as a "package transaction": if it is a "package transaction", each transaction is treated as a single transaction to obtain control. If the transaction is a "package transaction", each transaction is accounted for as a transaction to obtain control. If the transaction is not a "package transaction", the initial investment cost of the long-term equity investment at the date of consolidation is based on the share of the carrying value of the shareholders' equity of the party being consolidated in the consolidated financial statements of the ultimate controlling party, and the initial investment cost of the long-term equity investment is equal to the carrying value of the long-term equity investment prior to the date of consolidation plus the carrying value of the further acquisition of shares at the date of consolidation. The difference between the initial investment cost of the long-term equity investment and the sum of the book value of the long-term equity investment before reaching consolidation plus the book value of the new consideration paid for the shares at the date of consolidation is adjusted to capital surplus; if capital surplus is not sufficient to offset the difference, retained earnings is adjusted. Other comprehensive income recognized on equity investments held prior to the date of consolidation due to the adoption of the equity method of accounting or as available-for-sale financial assets is not accounted for for the time being.

For long-term equity investments acquired through a business combination not under common control, the initial investment cost of the long-term equity investment at the date of purchase is the cost of the combination, which includes the sum of the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the purchaser. If the acquisition of the equity interest in the acquiree is made in stages through multiple transactions, resulting in a business combination that is not under common control, it should be treated separately as a "package transaction" or not: if it is a "package transaction", each transaction is treated as a transaction to obtain control. If it is a "package transaction", each transaction is accounted for as a transaction to obtain control. If the transaction is not a "package transaction", the initial investment cost of the long-term equity investment accounted for under the cost method is the sum of the carrying amount of the equity investment in the acquiree and the cost of the new investment. If the equity interest previously held is accounted for under the equity method, the related other comprehensive income is not accounted for for the time being. Where the equity investment was originally held as an available-for-sale financial asset, the difference between its fair value and its carrying amount, as well as the accumulated fair value changes previously recognized in other comprehensive income, are transferred to profit or loss for the current period.

Intermediary fees such as audit, legal services, appraisal and consulting and other related administrative expenses incurred by the merging parties or purchasers for business combinations are charged to current profit or loss as incurred.

Long-term equity investments other than those resulting from business combinations are initially measured at cost, which is determined by the actual cash purchase price paid by the Company, the fair value of equity securities issued by the Company, the value agreed in investment contracts or agreements, the fair value or original carrying amount of the assets exchanged in a non-monetary asset exchange transaction, and the fair value of the long-term equity investment itself, depending on how the long-term equity investment was acquired. long-term equity investment's own fair value, etc. Fees, taxes and other necessary expenses directly related to the acquisition of long-term equity investments are also included in the cost of the investment. For additional investments that enable significant influence or joint control over the investee but do not constitute control, the cost of the long-term equity investment is the sum of the fair value of the originally held equity investment plus the cost of the additional investment as determined in accordance with AS 22 - Recognition and Measurement of Financial Instruments.

（2）Subsequent measurement and profit or loss recognition method

Long-term equity investments in which the Company has joint control (other than by forming a joint operator) or significant influence over the investee are accounted for using the equity method. In addition, the Company's financial statements account for long-term equity investments that are capable of exercising control over the investee using the cost method.

①Long-term equity investments accounted for under the cost method

When the cost method of accounting is adopted, long-term equity investments are carried at initial investment cost, and the cost of long-term equity investments is adjusted for additional or recovered investments. Except for cash dividends or profits declared but not yet paid, which are included in the actual price or consideration paid for the acquisition of the investment, current investment income is recognized on the basis of entitlement to cash dividends or profits declared by the investee.

②Long-term equity investments accounted for under the equity method

When the equity method of accounting is adopted, if the initial investment cost of a long-term equity investment is greater than the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; if the initial investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is recognized in profit or loss for the current period, and the cost of the long-term equity investment is adjusted.

When the equity method of accounting is used, investment income and its share of the net realized gains or losses and other comprehensive income of the investee are recognized in accordance with the share of the investee, respectively.

The carrying value of long-term equity investments is adjusted for other comprehensive income and, at the same time, the carrying value of long-term equity investments is adjusted for the share of profits or cash dividends declared by the investee, and the carrying value of long-term equity investments is reduced accordingly; the carrying value of long-term equity investments is adjusted and capitalized for other changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution. In recognizing the share of net profit or loss of the investee, the fair value of each identifiable asset, etc. of the investee at the time the investment is acquired is used as the basis for recognition, after adjusting the net profit of the investee. If the accounting policies and accounting periods adopted by the investee are different from those of the Company, the financial statements of the investee are adjusted in accordance with the Company's accounting policies and accounting periods, and investment income and other comprehensive income are recognized accordingly. For transactions between the Company and its associates and joint ventures, if the assets invested or sold do not constitute a business, the unrealized internal transaction gains or losses are offset against the portion attributable to the Company calculated on the basis of the percentage of entitlement and investment gains or losses are recognized on this basis. However, unrealized internal transaction losses incurred by the Company and its investees that are attributable to impairment losses on assets transferred are not offset. If the assets contributed by the Company to a joint venture or an associate constitute a business, and the investor thus acquires a long-term equity investment but does not obtain control, the fair value of the contributed business is used as the initial investment cost of the new long-term equity investment, and the difference between the initial investment cost and the carrying amount of the contributed business is recognized in full in profit or loss for the current period. If the assets sold by the Company to a joint venture or an associate constitute a business, the difference between the consideration received and the carrying value of the business is recognized in full in profit or loss for the current period. If the assets acquired by the Company from its associates and joint ventures constitute a business, they are accounted for in accordance with the provisions of ASBE No. 20, "Business Combinations", and the full amount of transaction-related gains or losses is recognized.

In recognizing a share of the net loss incurred by an investee, the carrying value of the long-term equity investment and other long-term interests that substantially constitute a net investment in the investee are written down to zero. In addition, if the Company has an obligation to assume additional losses in the investee, a projected liability is recognized for the expected obligation assumed, which is included in the current investment loss. If the investee achieves net profit in subsequent periods, the Company resumes recognition of revenue sharing after the revenue sharing amount has made up for the unrecognized loss sharing amount.

For long-term equity investments in associates and joint ventures already held prior to the Company's first-time implementation of the new accounting standards, the amount of the debit difference in equity investments related to such investments, if any, is amortized on a straight-line basis over the original remaining period to current profit or loss.

(iii) Acquisition of minority interests

In preparing the consolidated financial statements, the difference between the additional long-term equity investment resulting from the purchase of minority interest and the share of net assets of the subsidiary calculated on a continuing basis from the date of purchase (or the date of consolidation) based on the additional shareholding is adjusted to capital surplus, and retained earnings is adjusted if capital surplus is not sufficient to cover the reduction.

④ Disposal of long-term equity investments

In the consolidated financial statements, if the parent company partially disposes of its long-term equity investments in subsidiaries without loss of control, the difference between the disposal price and the net assets of the subsidiaries corresponding to the disposal of the long-term equity investments is recognized in shareholders' equity; if the parent company partially disposes of its long-term equity investments in subsidiaries resulting in the loss of control over the subsidiaries, it is treated in accordance with the relevant accounting policies described in Note V.6, (2) "Consolidated (2) "Methodology for preparing consolidated financial statements".

For the disposal of long-term equity investments in other cases, the difference between the carrying amount and the actual acquisition price of the equity interest disposed of is recognized in profit or loss for the current period.

If a long-term equity investment accounted for using the equity method and the remaining equity interest after disposal is still accounted for using the equity method, the portion of other comprehensive income previously recognized in shareholders' equity is accounted for at the time of disposal on the same basis as the direct disposal of the related assets or liabilities by the investee in the corresponding proportion. Owner's equity recognized as a result of changes in the investee's ownership interest other than net profit or loss, other comprehensive income and profit distribution is carried forward to current profit or loss on a proportionate basis.

For long-term equity investments accounted for using the cost method, if the remaining equity interest after disposal is still accounted for using the cost method, the other comprehensive income recognized as a result of the equity method of accounting or the standard on recognition and measurement of financial instruments prior to the acquisition of control over the investee is accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee, and is carried forward proportionately to the current profit or loss; changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution from the net assets of the investee recognized as a result of the equity method of accounting are carried forward proportionately to the current profit or loss. Changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution recognized in the net assets of the investee are carried forward proportionately to profit or loss for the current period.

If the Company loses control over an investee as a result of the disposal of part of its equity investment, in preparing the individual financial statements, if the remaining equity interest after disposal is capable of exercising joint control or significant influence over the investee, it is accounted for under the equity method, and the remaining equity interest is adjusted as if it had been accounted for under the equity method since its acquisition; if the remaining equity interest after disposal is not capable of exercising joint control or significant influence over the investee, it is accounted for in accordance with the relevant provisions of the Guidelines on Recognition and Measurement of Financial Instruments. The difference between the fair value and the carrying amount at the date of loss of control is recognized in profit or loss for the current period. For other comprehensive income recognized as a result of the adoption of the equity method of accounting or the standard on recognition and measurement of financial instruments prior to the Company's acquisition of control over the investee, the same basis of accounting as that used for the direct disposal of the related assets or liabilities of the investee is used when control over the investee is lost, and the amount recognized in the net assets of the investee other than net profit or loss, other comprehensive income and Changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution are carried forward to profit or loss when control over the investee is lost. Of these, other comprehensive income and other owners' equity are carried forward proportionately if the remaining equity interest after disposal is accounted for under the equity method; if the remaining equity interest after disposal is accounted for under the recognition and measurement of financial instruments standard instead, other comprehensive income and other owners' equity are carried forward in full.

If the Company loses joint control or significant influence over an investee as a result of the disposal of a portion of its equity investment, the remaining equity interest after disposal is accounted for in accordance with the recognition and measurement of financial instruments standard instead, and the difference between its fair value and its carrying amount at the date of loss of joint control or significant influence is recognized in profit or loss for the current period. Other comprehensive income recognized as a result of the equity method of accounting for the former equity investment is accounted for on the same basis as the direct disposal of the related asset or liability by the investee when the equity method of accounting is discontinued

The owner's equity recognized as a result of changes in the owner's equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred in full to current investment income upon the termination of the equity method.

If the Company disposes of its equity investment in a subsidiary through multiple transactions in stages until it loses control, each transaction is accounted for as a disposal of an equity investment in a subsidiary and loss of control, and the difference between the disposal price and the carrying value of the long-term equity investment corresponding to the equity interest disposed of prior to the loss of control is first recognized as other comprehensive income and then transferred to profit or loss in the period in which control is lost. It is then transferred together to profit or loss for the period in which control is lost when control is lost.

15. Investment properties

Investment property measurement model

Cost method of measurement

Depreciation or amortization method

Investment properties are real estate held to earn rentals or for capital appreciation, or both. The Company's investment properties include land use rights that are leased, land use rights that are held and intended to be transferred upon appreciation, and buildings that are leased.

The Company's investment properties are initially measured at cost at the time of acquisition. Subsequent expenditures related to investment properties are included in the cost of investment properties if it is probable that the economic benefits associated with the asset will flow and its cost can be measured reliably, and other subsequent expenditures, when incurred, are recognized in current profit or loss.

The Company's investment properties are subsequently measured using the cost model and are depreciated or amortized over time in accordance with the relevant provisions for fixed assets or intangible assets.

16. Fixed assets

(1) Confirmation of conditions

The Company's fixed assets are tangible assets held for the production of goods, provision of services, rental or management of operations with a useful life of more than one accounting year. A fixed asset is recognized when it is probable that the economic benefits associated with the fixed asset will flow to the enterprise and the cost of the fixed asset can be measured reliably. The Company's fixed assets are initially measured at their actual cost at the time of acquisition.

(2) Depreciation methods

categories	Depreciation methods	depreciable life	salvage value	annual depreciation rate
Houses and buildings	annual averaging	35-45	3-5	2.11-2.77

Machinery and equipment	annual averaging	5-12	3-5	7.92-19
Electronic equipment	annual averaging	3-10	3-5	9.5-31.67
Transport equipment	annual averaging	6-12	3-5	7.92 - 15.83
other	annual averaging	6-10	3-5	9.5 - 15.83

(3) Basis of recognition, valuation and depreciation of fixed assets under finance leases

Fixed assets leased to the Company are recognized as fixed assets under finance leases when one or more of the following criteria are met: (i) At the end of the lease term, ownership of the leased asset is transferred to the Company. (ii) The Company has an option to purchase the leased asset and the purchase price entered into is expected to be substantially less than the fair value of the leased asset at the time the option is exercised, such that it is reasonably certain that the Company will exercise such option at the inception date of the lease. (iii) The lease term represents the majority of the useful life of the leased asset, even if ownership of the asset does not pass. (iv) The present value of the Company's minimum lease payments at the lease inception date is nearly equal to the fair value of the leased asset at the lease inception date. ⑤ The leased assets are special in nature and can only be used by the Company if no major modifications are made. If it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is provided over the remaining useful life of the leased asset; if it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset.

17. Work in progress

The cost of the Company's construction in progress is determined on the basis of actual construction expenditures, including all necessary construction expenditures incurred during the construction period, borrowing costs to be capitalized until the construction reaches its intended useable state, and other related costs.

Construction in progress is transferred to fixed assets when it reaches its intended useable state.

18. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary costs and exchange differences arising from foreign currency borrowings. Borrowing costs directly attributable to the acquisition or production of assets eligible for capitalization begin to be capitalized when expenditure on the assets has been incurred, borrowing costs have been incurred, and the acquisition or production activities necessary to bring the assets to their intended use or saleable condition have commenced; capitalization ceases when the assets constructed or produced eligible for capitalization reach their intended use or saleable condition. The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

Interest expenses actually incurred in the period on special borrowings are capitalized, less interest income earned on unused borrowed funds deposited in banks or investment income earned on temporary investments; general borrowings are capitalized on the basis of the weighted average amount of asset expenditure in excess of the accumulated asset expenditure on special borrowings multiplied by the capitalization rate of the general borrowings occupied. The capitalization rate is determined on the basis of the weighted-average interest rate on general borrowings.

During the capitalization period, all exchange differences on special borrowings in foreign currencies are capitalized; exchange differences on general borrowings in foreign currencies are recognized in current profit or loss.

Assets eligible for capitalization are assets such as fixed assets, investment properties and inventories that require a substantial period of time for their acquisition or production activities to reach their intended use or saleable condition.

If there is an unusual interruption in the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition or production of the asset recommences.

19. Right-to-use assets

(1) Conditions for recognition of right-to-use assets

A right-of-use asset is the right of the Company, as lessee, to use the leased asset for the term of the lease. At the inception date of the lease term, right-of-use assets are initially measured at cost. This cost includes: the initial measurement amount of the lease liability; the amount of lease payments made on or before the commencement date of the lease term, less amounts related to lease incentives taken, if any; initial direct costs incurred by the Company as lessee; and costs expected to be incurred by the Company as lessee to disassemble and remove the leased asset, restore the site on which the leased asset is located, or restore the leased asset to the condition agreed to under the terms of the lease The Company as the lessee is required to pay the following costs The Company as lessee recognizes and measures costs such as dismantling and restoration in accordance with AS 13 - Contingencies. Subsequent adjustments are made for any remeasurement of the lease liability.

(2) Depreciation methods for right-to-use assets

Depreciation is provided using the straight-line method. If the company, as the lessee, is able to obtain ownership of the leased asset at the end of the lease term with reasonable certainty, depreciation is provided over the remaining useful life of the leased asset. If it is not reasonably certain that ownership of the leased asset can be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset.

(3) Impairment test method for right-to-use assets, impairment provision method Note V, 21.

(4) For short-term leases and leases of low-value assets, the Company may elect not to recognize a right-of-use asset and to record the cost of the related asset or current profit or loss on a straight-line basis or other systematic and reasonable basis over the various periods of the lease term.

20. Intangible assets

(1) Valuation methods, useful life, impairment testing

The Company's intangible assets are initially measured at cost and their useful lives are analyzed and determined at the time the intangible assets are acquired. If the useful life is finite, the intangible asset is amortized over its estimated useful life from the time it is available for use, using an amortization method that reflects the expected realization of economic benefits associated with the asset; if the expected realization cannot be reliably determined, the straight-line method is used; intangible assets with indefinite useful lives are not amortized.

At the end of each year, the Company reviews the useful life and amortization method of intangible assets with finite useful lives and adjusts the original estimate if it differs from the previous estimate.

estimates and treated as a change in accounting estimate.

The Company transfers the full carrying amount of an intangible asset to profit or loss at the end of the period if the intangible asset is no longer expected to provide future economic benefits to the enterprise.

(2) Accounting policy for internal research and development expenditure

The Company distinguishes expenditures on internal research and development projects as research phase expenditures and development phase expenditures. Research stage expenditures are charged to current profit or loss as incurred. Development stage expenditures are capitalized when both the following conditions are met: completion of the intangible asset so that it can be used or sold as a technically Feasibility; an intention to complete the intangible asset and use or sell it; the manner in which the intangible asset will generate economic benefits, including the ability to demonstrate that a market exists for the product produced using the intangible asset or that a market exists for the intangible asset itself, and the usefulness of the intangible asset can be demonstrated if it will be used internally; sufficient technical, financial and other resources are available to support the completion of the development of the intangible asset and the ability to use or sell the intangible asset; and the expenditure attributable to the development phase of the intangible asset can be measured reliably. Development expenditure that does not meet the above conditions is charged to current profit or loss.

The Company's corresponding projects enter the development phase after meeting the above conditions and passing the technical feasibility and economic feasibility studies to form the project.

21. Impairment of long-lived assets

For non-current non-financial assets such as property, plant and equipment, construction in progress, right-of-use assets, intangible assets with finite useful lives, investment properties carried at cost and long-term equity investments in subsidiaries, joint ventures and associates, the Company determines whether there is an indication of impairment at the balance sheet date. If there is an indication of impairment, the recoverable amount is estimated and tested for impairment. Goodwill, intangible assets with indefinite useful lives and intangible assets that have not yet reached their useful lives are tested annually for impairment, regardless of whether indicators of impairment exist.

If the result of an impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment is made for the difference and an impairment loss is recorded. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of estimated future cash flows from the asset. The fair value of an asset is determined based on the price of the sale agreement in an arm's length transaction; where no sale agreement exists but an active market for the asset exists, the fair value is determined based on the buyer's bid for the asset; where no sale agreement and no active market for the asset exist, the fair value of the asset is estimated based on the best available information. Disposal costs include legal fees, related taxes, removal costs and direct costs incurred to bring the asset to a saleable condition in connection with the disposal of the asset. The present value of the expected future cash flows of an asset is determined by discounting the asset at an appropriate discount rate based on the expected future cash flows arising from its continuing use and eventual disposal. The provision for asset impairment is calculated and recognized on an individual asset basis, and if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined using the asset group to which the asset belongs. An asset group is the smallest combination of assets that can generate cash inflows independently.

Goodwill that is separately presented in the financial statements is tested for impairment by apportioning the carrying amount of goodwill to the group of assets or combination of groups of assets that are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of the asset group or combination of asset groups that contains the apportioned goodwill is less than its carrying amount, a corresponding impairment loss is recognized. The amount of the impairment loss is reduced first by the carrying amount of the goodwill apportioned to the asset group or group of assets, and then by the carrying amount of each asset group or group of assets other than goodwill in proportion to its share in the carrying amount of each other asset.

Once an impairment loss is recognized, the portion of the asset whose value has been restored is not reversed in subsequent periods.

22. Long-term amortization

Long-term amortization expenses incurred by the Company are valued at actual cost and are amortized equally over the expected period of benefit. The amortized value of all items of long-term amortization expense that will not benefit subsequent accounting periods is charged to current profit or loss.

23. Contractual liabilities

The Company presents contractual assets or contractual liabilities in the balance sheet based on the relationship between the performance obligation and the payment by the customer. A contract liability is an obligation to transfer goods to a customer for which the Company has received or is due consideration from the customer.

At the balance sheet date, contract assets and contract liabilities are shown separately for contracts under different contracts. For contract assets and contract liabilities under the same contract, they are shown on a net basis, and those with a net debit balance are shown as contract assets or other non-current assets, respectively, according to their liquidity, and those for which provision for impairment has been made are shown net of the closing balance of the provision for impairment of contract assets; those with a net credit balance are shown as contract liabilities or other non-current liabilities, respectively, according to their liquidity.

24. Employee remuneration

(1) Accounting for short-term remuneration

Short-term remuneration mainly includes salaries, bonuses, allowances and subsidies, employee benefits, medical insurance premiums, maternity insurance premiums, work injury insurance premiums, housing fund, labor union expenses and employee education expenses, and non-monetary benefits. The Company recognizes the actual short-term employee compensation incurred as a liability in the accounting period in which the employees render services to the Company and recognizes it in the current profit or loss or the cost of related assets. Of which non-monetary benefits are measured at fair value.

(2) Accounting for post-employment benefits

Post-employment benefits consist primarily of defined contribution plans and defined benefit plans. The defined contribution plans mainly include basic pension, unemployment insurance and annuities, and the corresponding contributions are charged to the cost of the related assets or to current profit or loss as incurred.

(3) Accounting for Termination Benefits

In the case of termination of employment relationship with an employee prior to the expiration of the employee's employment contract, or a proposal to grant compensation to encourage employees to voluntarily accept redundancy, a liability for employee compensation arising from termination benefits is recognized at the earlier of the termination plan or proposed redundancy, when the Company cannot unilaterally withdraw the termination benefits provided as a result of the termination plan or proposed redundancy, and the Company's recognition of costs associated with the restructuring involving the payment of termination benefits, and is recognized in current profit or loss. The liability is recognized in profit or loss. However, if the termination benefits are not expected to be fully paid within twelve months after the end of the annual reporting period, they are treated as other long-term employee compensation.

(4) Accounting for other long-term employee benefits

The internal retirement plan for employees is treated using the same principles as those described above for severance benefits. The Company recognizes the salaries and social insurance contributions to be paid to the internally retired employees for the period from the date the employees cease to render service to the normal retirement date in current profit or loss (termination benefits) when the conditions for recognition of the projected liability are met.

Other long-term employee benefits provided by the Company to its employees are accounted for in accordance with the defined contribution plan if they are eligible for the defined contribution plan, and otherwise in accordance with the defined benefit plan.

25. Lease liabilities

(1) Conditions for recognition of lease liabilities

At the inception date of the lease term, the Company recognizes the present value of the outstanding lease payments as a lease liability, except for short-term leases and leases of low-value assets. Lease payments consist of.

① Fixed payments (including material fixed payments), net of amounts related to lease incentives, if lease incentives exist.

(ii) Variable lease payments that depend on an index or rate.

(iii) The amount expected to be paid based on the residual value of the security provided by the lessee.

(iv) the exercise price of the purchase option, provided that the lessee reasonably determines that it will exercise the option.

(v) The amount required to be paid for the exercise of the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease.

（2） Accounting for lease liabilities

The Company uses the interest rate embedded in the lease as the discount rate; if the interest rate embedded in the lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the discount rate. The Company calculates interest expense on the lease liability at a fixed periodic rate for each period of the lease term and includes it in finance costs, unless otherwise provided for in the cost of the related asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when actually incurred, unless otherwise provided for in the cost of the related asset. Subsequent to the commencement date of a lease, when there is a change in the substantive fixed payments, a change in the amount expected to be payable on the secured residual, a change in the index or rate used to determine the lease payments, or a change in the valuation results or actual exercise of the purchase option, renewal option or termination option, the Company remeasures the lease liability at the present value of the changed lease payments.

26. Projected liabilities

The Company recognizes a contingent obligation as a projected liability if the obligation associated with the contingent event also meets the following conditions.

(1), the obligation is a present obligation of the Company.

(2), it is probable that the performance of the obligation will result in an outflow of economic benefits to the Company; (3), the amount of the obligation can be measured reliably

Projected liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account the risks associated with the contingency, uncertainty and the time value of money. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

If all or part of the expenditure required to settle a recognized projected liability is expected to be reimbursed by a third party or other parties, the amount of reimbursement is recognized separately as an asset only to the extent that it is virtually certain that it will be received. The amount of reimbursement recognized does not exceed the carrying amount of the liability recognized.

27. Share-based payments

(1) Types of share-based payments

The Company's share-based payments are classified as equity-settled share-based payments and cash-settled share-based payments.

(2) Methodology for determining the fair value of equity instruments

For equity instruments such as options granted by the Company for which an active market exists, the fair value is determined based on quoted prices in an active market. For equity instruments such as options granted for which there is no active market, the fair value is determined using an option pricing model, etc.

(3) Basis for recognizing the best estimate of a viable equity instrument

At each balance sheet date during the waiting period, the Company revises the number of equity instruments expected to be feasible based on the best estimate based on the latest available subsequent information such as changes in the number of feasible employees. At the feasible date, the final estimated number of exercisable equity instruments should be consistent with the actual number of exercisable rights.

28. Other financial instruments such as preference shares and perpetual debt

(1) Distinction between perpetual debt and preference shares, etc.

Financial instruments such as perpetual debt and preferred shares issued by the Company are treated as equity instruments if they also meet the following conditions.

(i) The financial instrument does not include a contractual obligation to deliver cash or other financial assets to other parties or to exchange financial assets or financial liabilities with other parties on potentially unfavourable terms.

(ii) If the financial instrument is required to be settled in the future by or with the enterprise's own equity instruments, the contractual obligation to deliver a variable amount of its own equity instruments for settlement is not included if the financial instrument is a non-derivative instrument; if it is a derivative instrument, the Company may settle the financial instrument only by exchanging a fixed amount of its own equity instruments for a fixed amount of cash or other financial assets.

Financial instruments issued by the Company, other than those that can be classified as equity instruments according to the above conditions, should be classified as financial liabilities.

If the financial instruments issued by the Company are compound financial instruments, the fair value of the liability component is recognized as a liability and the amount actually received, net of the fair value of the liability component, is recognized as "other equity instruments". Transaction costs incurred in the issuance of compound financial instruments are apportioned between the liability component and the equity component in proportion to their respective share of the total issue price.

（2）Accounting for perpetual debt and preference shares, etc.

Interest, dividends, gains or losses, and gains or losses on redemption or refinancing of financial instruments classified as financial liabilities, such as perpetual debt and preferred shares, are recognized in profit or loss, except for borrowing costs eligible for capitalization (see Note V.18 "Borrowing costs").

When financial instruments such as perpetual debt and preferred stock classified as equity instruments are issued (including refinancing), repurchased, sold or cancelled, the Company treats them as changes in equity, and the related transaction costs are deducted from equity. Distributions from the Company to the holders of equity instruments are treated as a distribution of profits.

The Company does not recognize changes in the fair value of equity instruments.

29. Income

Accounting policies used for revenue recognition and measurement

Revenue is the total inflow of economic benefits arising from the Company's ordinary activities that would result in an increase in shareholders' equity and that are unrelated to capital contributions by shareholders. The Company recognizes revenue when it has fulfilled its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods or services (referred to as goods).

Where a contract contains two or more performance obligations, the Company apportions the transaction price to each individual performance obligation at the contract commencement date in proportion to the relative share of the individual selling price of the goods committed to each individual performance obligation and measures revenue based on the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods to the customer, excluding amounts received on behalf of third parties. The Company does not recognize transaction prices in excess of the amount for which it is highly probable that there will be no material reversal of revenue recognized in the aggregate at the time the related uncertainty is removed. Where there is a significant financing component to the contract, the Company determines the transaction price based on the amount payable in cash assuming that the customer would have been paid in cash immediately upon obtaining control of the merchandise, and the difference between this transaction price and the contractually committed consideration is amortized over the term of the contract using the effective interest method.

Performance is performed at a point in time if one of the following conditions is met, otherwise, performance is performed at a point in time: (i) the Customer acquires and consumes the economic benefits resulting from the Company's performance at the same time as the Company's performance; (ii) the Customer is able to control the goods under construction in the course of the Company's performance; (iii) the goods produced in the course of the Company's performance have irreplaceable use and the Company is entitled to receive payment for the cumulative part of performance completed to date throughout the contract period The Company is entitled to receive payment for the portion of performance that has been completed to date in the aggregate.

For performance obligations to be performed within a certain period of time, the Company recognizes revenue in accordance with the progress of performance during that period. When the progress of performance is not reasonably determinable, the Company recognizes revenue in the amount of costs already incurred until the progress of performance can be reasonably determined, if the costs already incurred are expected to be reimbursed. For performance obligations performed at a point in time, the Company recognizes revenue at the point in time when the customer obtains control of the relevant goods.

Differences in accounting policies for revenue recognition due to different operating models for the same type of business

① Revenue from sales of goods

The Company recognizes revenue from the sale of goods at the point when the goods are contractually delivered, accepted by the customer and an acceptance slip is obtained as the point of transfer of control. The credit period granted by the Company to its customers is determined based on the credit risk characteristics of the customers and does not have a significant financing component.

②Income from the provision of labour services

The Company determines the amount of revenue from the provision of services based on the fair value of the contract or agreement price received or receivable. The Company recognizes revenue from the provision of services when the services are completed and the customer's acceptance slip is obtained.

(iii) Interest income

The Company determines the time and effective interest rate for the use of the Company's monetary resources by others.

30. Government grants

Government grants are monetary assets or non-monetary assets acquired by the Company from the government without consideration, excluding capital invested by the government in its capacity as an investor with a corresponding ownership interest. Government grants that are monetary assets are measured at the amount received or receivable. Government grants that are non-monetary assets shall be measured at fair value; if the fair value cannot be reliably obtained, they shall be measured at nominal amounts. Government grants that are measured at nominal amounts are recognized directly in profit or loss.

Government grants are recognized when the Company is able to meet the conditions attached to the government grants and is able to receive the government grants.

Government grants are classified as asset-related government grants and revenue-related government grants. Asset-related government grants are government grants acquired by the Company for the acquisition or other formation of long-term assets. Revenue-related government grants are government grants other than asset-related government grants.

Government grants related to assets are recognized as deferred income using the gross method and are recognized in profit or loss over the useful life of the relevant assets in accordance with a reasonable and systematic method. If the recognized government grants need to be returned, the balance of the relevant deferred income is reduced and the excess is recognized in profit or loss for the current period.

Government grants related to revenue are recognized as deferred income when they are used to compensate the company for related costs or losses incurred using the gross method and are recognized in profit or loss in the period in which the related costs or losses are recognized.

For government grants that contain both asset-related and revenue-related components, separate accounting treatment is applied to distinguish the different components; if it is difficult to distinguish them, the whole is classified as revenue-related government grants.

Government grants related to the Company's ordinary activities are charged to other income or reduced to related costs and expenses in accordance with the substance of the economic operations. Government grants that are not related to the company's ordinary activities are included in non-operating income and expenses.

31. Deferred income tax assets/deferred income tax liabilities

The difference between the carrying amount of certain items of assets and liabilities and their tax basis, and the difference between the carrying amount of certain items of assets and liabilities that are not recognized as assets and liabilities but for which the tax basis can be determined in accordance with the provisions of the tax law

Deferred income tax assets and deferred income tax liabilities are recognized using the balance sheet liability method for temporary differences arising from differences between the carrying amounts of items on the tax basis and the tax basis.

Deferred tax liabilities are not recognized for taxable temporary differences associated with the initial recognition of goodwill and for taxable temporary differences associated with the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor, when incurred, affect accounting profit and taxable income (or deductible losses). In addition, deferred tax liabilities related to taxable temporary differences associated with investments in subsidiaries, associates and joint ventures are also not recognized if the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Company recognizes deferred income tax liabilities arising from all other taxable temporary differences, except for the exceptions mentioned above.

Deferred tax assets are not recognized for deductible temporary differences associated with the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor, when incurred, affect accounting profit and taxable income (or deductible losses). In addition, for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, if it is not probable that the temporary differences will reverse in the foreseeable future or it is not probable that future taxable income will be available against which the deductible temporary differences can be utilized, the related deferred income tax asset is not recognized. Except for the above exceptions, the Company recognizes deferred income tax assets arising from other deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be carried forward.

At the balance sheet date, for deferred income tax assets and deferred income tax liabilities, they are measured at the tax rates applicable to the periods when the related assets are expected to be recovered or the related liabilities settled, in accordance with the tax law.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and the carrying amount of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available against which the benefit of the deferred tax assets can be utilized in the future. To the extent that it is probable that sufficient taxable income will be available, the amount written down is reversed.

32. Leasing

(1) Accounting for operating leases

① Identification of leases

At the contract inception date, the Company, as lessee or lessor, assesses whether the customer under the contract is entitled to substantially all of the economic benefits arising from the use of the identified assets during the period of use and has the right to dominate the use of the identified assets during that period of use. The Company determines that a contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more of the identified assets for a period of time in exchange for consideration.

②The Company as lessee

At the inception date of the lease term, the Company recognizes right-of-use assets and lease liabilities for all leases, except for short-term leases and leases of low-value assets that are treated on a simplified basis. The accounting policy for right-of-use assets is described in Note V.19; the accounting policy for lease liabilities is described in Note V.25.

a. Short-term leases

Short-term leases are leases with a lease term of not more than 12 months at the commencement date of the lease term, except for leases that include an option to purchase.

The Company recognizes lease payments under short-term leases as part of the cost of the related assets or in current profit or loss on a straight-line basis over the respective periods of the lease term.

b. Leasing of low-value assets

A low-value asset lease is a lease that is worth less than $100,000 when the individual leased asset is brand new.

The Company records lease payments for low-value asset leases on a straight-line basis over the respective periods of the lease term at the cost of the related assets or in profit or loss for the current period.

(iii) The Company as lessor

When the Company is the lessor, leases that transfer substantially all the risks and rewards associated with the ownership of an asset are recognized as finance leases, and leases other than finance leases are recognized as operating leases.

Rentals under operating leases are recognized by the Company in profit or loss on a straight-line basis over the respective periods of the lease term. Initial direct costs incurred in connection with operating leases should be capitalized and amortized to current profit or loss over the lease term on the same basis as rental income is recognized. Variable lease payments acquired in connection with operating leases that are not included in the lease receipts are recognized in profit or loss when they are actually incurred.

(2) Accounting for finance leases

Under finance leases, at the commencement date of the lease term, the Company accounts for the finance lease receivable at the net lease investment, which is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease. The Company, as lessor, calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments obtained by the Company as lessor that are not included in the measurement of net lease investments are recognized in profit or loss as they are actually incurred. Derecognition and impairment of finance lease receivables are accounted for in accordance with the provisions of AS 22 - Recognition and Measurement of Financial Instruments and AS 23 - Transfer of Financial Assets.

33. Other significant accounting policies and accounting estimates

(1) Termination of operations

A discontinued operation is a component of an enterprise that meets one of the following conditions and that can be separately distinguished and that has been disposed of or classified as held for sale.

(i) The component represents a separate major business or a separate major area of operation.

(ii) The component is part of a linked plan for the proposed disposal of a separate major operation or a separate major area of operation.

(iii) The component is a subsidiary acquired exclusively for resale.

The accounting treatment for discontinued operations is described in Note III.13 "Assets Held for Sale" in this note.

(2) hedge accounting

The Company had no hedging matters during the reporting period.

(3) Repurchase of shares

There was no share repurchase by the Company during the reporting period.

(4) asset securitization

The Company did not have any asset securitization during the reporting period.

34. Changes in significant accounting policies and accounting estimates

(1) Significant accounting policy changes

What and why accounting policies change	Approval process	note
In December 2018, the Ministry of Finance issued the Circular on Revision and Issuance of Accounting Standard for Enterprises No. 21 - Leases (Caihui [2018] No. 35)(hereinafter referred to as the "new leasing standard") and required enterprises listed both domestically and overseas, as well as enterprises listed outside of China and adopting IFRS or ASBEs for the preparation of financial statements, to apply from 1 January 2019. (hereinafter referred to as the "New Leasing Standard"), and requires enterprises listed both domestically and internationally, as well as enterprises listed outside of China that adopt IFRSs or ASBEs in preparing financial statements, to apply the	Approved at the Twenty-eighth Meeting of the Eighth Session of the Board of Directors on 28 April 2021	

new standard from 1 January 2019; other enterprises implementing ASBEs will apply it from 2021. The Company has changed its accounting policy accordingly. In accordance with the requirements of these documents, the Company has changed its accounting policies accordingly.		

The main elements of the revised new leasing standard are.

Improved the definition of leases, added lease identification, spin-offs, and mergers; eliminated the classification of lessee operating leases and finance leases, and required that all leases (Recognition of right-of-use assets and lease liabilities (except for short-term leases and leases of low-value assets); improvement of subsequent measurement of lessees and increased accounting for option revaluation and lease modification scenarios; and enrichment of lessor disclosures to provide more useful information to users of statements.

In accordance with the convergence provisions of the new lease standard, the Company adjusted the amounts of opening retained earnings and other related items in the financial statements for 2021 based on the cumulative effect of the implementation of the new lease standard effective January 1, 2021, without adjusting the information for comparable periods. The impact of the implementation of the new lease standard on the opening items in the consolidated statements of operations for 2021 is as follows.

sports event	31 December 2020	1 January 2021	Amount of impact
Right-to-use assets	0.00	13,887,265.44	13,887,265.44
Other accounts payable	16,062,495.27	13,721,134.42	-2,341,360.85
Lease liabilities	0.00	16,228,626.29	16,228,626.29

(2) Changes in significant accounting estimates

□ Applicable √ Not applicable

(3) Adjustments to items in the financial statements at the beginning of the year of first-time implementation of the new lease standard from 2021

apply

Need to adjust opening balance sheet accounts

√ Yes ☐ No

Consolidated balance sheet

Unit: $

sports event	31 December 2020	01 January 2021	Adjustments
Current assets.			
monetary funds	300,701,808.03	300,701,808.03	0.00
Settlement provision		0.00	0.00
Unbundled funds		0.00	0.00
Financial assets held for trading		0.00	0.00
Derivative financial assets		0.00	0.00
note receivable		0.00	0.00
Accounts receivable	677,920,805.06	677,920,805.06	0.00
Receivables financing	8,226,211.68	8,226,211.68	0.00
Prepayments	5,682,571.22	5,682,571.22	0.00
premium receivable		0.00	0.00
Sub-insurance receivables		0.00	0.00
Reserve for reinsurance contracts receivable		0.00	0.00
Other receivables	34,066,712.25	34,066,712.25	0.00
Of which: interest receivable		0.00	0.00
dividend receivable		0.00	0.00
Buy-back financial assets		0.00	0.00
inventory	282,905,118.28	282,905,118.28	0.00
Contractual assets		0.00	0.00
Assets held for sale		0.00	0.00
Non-current assets due within one year		0.00	0.00
Other current assets	67,892,977.10	67,892,977.10	0.00

Total current assets	1,377,396,203.62	1,377,396,203.62	0.00
Non-current assets.			
Disbursement of loans and advances		0.00	0.00

debt investment		0.00	0.00
Other debt investments		0.00	0.00
Long-term receivables		0.00	0.00
Long-term equity investments		0.00	0.00
Investments in other equity instruments	203,577,153.69	203,577,153.69	0.00
Other non-current financial assets		0.00	0.00
Investment property	2,037,060.34	2,037,060.34	0.00
fixed assets	743,730,599.46	743,730,599.46	0.00
Construction in progress	157,740,309.17	157,740,309.17	0.00
Productive biological assets		0.00	0.00
Oil and gas assets		0.00	0.00
Right-to-use assets		13,887,265.44	13,887,265.44
intangible asset	80,144,478.48	80,144,478.48	0.00
Development expenditure		0.00	0.00
reputation of a firm's product		0.00	0.00
Long-term amortization	5,315,790.34	5,315,790.34	0.00
Deferred income tax assets	41,718,580.61	41,718,580.61	0.00
Other non-current assets			0.00
Total non-current assets	1,234,263,972.09	1,248,151,237.53	13,887,265.44
Total assets	2,611,660,175.71	2,625,547,441.15	13,887,265.44
Current liabilities.			
short term loan	535,556,971.80	535,556,971.80	0.00
Borrowing from the Central Bank		0.00	0.00
funds on loan		0.00	0.00
Trading financial liabilities			0.00
Derivative financial liabilities			0.00
note payable	88,414,958.30	88,414,958.30	0.00
accounts payable	229,760,250.77	229,760,250.77	0.00
Receipts in advance			0.00
Contractual liabilities	4,205,208.99	4,205,208.99	0.00
Sale of repurchased financial assets		0.00	0.00
Deposit-taking and interbank deposits		0.00	0.00

Securities agency payments		0.00	0.00
Underwriting of securities		0.00	0.00

Employee compensation payable	12,690,145.44	12,690,145.44	0.00
taxes payable	15,600,044.92	15,600,044.92	0.00
Other accounts payable	16,062,495.27	13,721,134.42	-2,341,360.85
Of which: interest payable		0.00	0.00
dividend payable		0.00	0.00
Fees and commissions payable		0.00	0.00
Sub-insurance accounts payable		0.00	0.00
Liabilities held for sale			0.00
Non-current liabilities due within one year	145,426,699.43	145,426,699.43	0.00
Other current liabilities	546,677.21	546,677.21	0.00
Total current liabilities	1,048,263,452.13	1,045,922,091.28	-2,341,360.85
Non-current liabilities.			
Reserve for insurance contracts		0.00	0.00
Long-term loans	134,000,060.00	134,000,060.00	0.00
Bonds payable			0.00
Of which: Preference shares		0.00	0.00
perpetual bond		0.00	0.00
Lease liabilities		16,228,626.29	16,228,626.29
Long-term accounts payable			0.00
Long-term employee compensation payable			0.00
Projected liabilities			0.00
Deferred revenue	111,779,888.87	111,779,888.87	0.00
Deferred income tax liabilities		0.00	0.00
Other non-current liabilities			0.00
Total non-current liabilities	245,779,948.87	262,008,575.16	16,228,626.29
Total liabilities	1,294,043,401.00	1,307,930,666.44	13,887,265.44
Ownership interests.			
share capital	1,208,455,224.00	1,208,455,224.00	0.00
Other equity instruments			0.00
Of which: Preference shares		0.00	0.00
perpetual		0.00	0.00

bond			
capital surplus	126,281,548.60	126,281,548.60	0.00
Less: Treasury shares			0.00
Other comprehensive income	-62,064.72	-62,064.72	0.00

Dedicated reserves			0.00
surplus surplus	6,720,128.44	6,720,128.44	0.00
General risk allowance		0.00	0.00
undistributed profit	-84,264,033.78	-84,264,033.78	0.00
Total equity attributable to owners of the parent company	1,257,130,802.54	1,257,130,802.54	0.00
Minority interests	60,485,972.17	60,485,972.17	0.00
Total owners' equity	1,317,616,774.71	1,317,616,774.71	0.00
Total liabilities and owner's equity	2,611,660,175.71	2,625,547,441.15	13,887,265.44

Description of adjustments

Parent company balance sheet

Unit: $

sports event	31 December 2020	01 January 2021	Adjustments
Current assets.			
monetary funds	150,232,401.71	150,232,401.71	0.00
Financial assets held for trading		0.00	0.00
Derivative financial assets		0.00	0.00
note receivable		0.00	0.00
Accounts receivable	146,576,965.35	146,576,965.35	0.00
Receivables financing		0.00	0.00
Prepayments	43,831,265.60	43,831,265.60	0.00
Other receivables	77,693,523.94	77,693,523.94	0.00
Of which: interest receivable	20,021.93	20,021.93	0.00
dividend receivable			0.00
inventory	21,939.55	21,939.55	0.00
Contractual assets		0.00	0.00
Assets held for sale		0.00	0.00
Non-current assets due within one year		0.00	0.00
Other current assets		0.00	0.00
Total current assets	418,356,096.15	418,356,096.15	0.00
Non-current assets.			
debt investment		0.00	0.00
Other debt investments		0.00	0.00

Long-term receivables		0.00	0.00
Long-term equity investments	1,506,705,971.88	1,506,705,971.88	0.00

Investments in other equity instruments	104,520,985.24	104,520,985.24	0.00
Other non-current financial assets		0.00	0.00
Investment property	2,037,060.34	2,037,060.34	0.00
fixed assets	4,479,131.96	4,479,131.96	0.00
Construction in progress		0.00	0.00
Productive biological assets		0.00	0.00
Oil and gas assets		0.00	0.00
Right-to-use assets		0.00	0.00
intangible asset	5,382,721.91	5,382,721.91	0.00
Development expenditure		0.00	0.00
reputation of a firm's product		0.00	0.00
Long-term amortization	657,600.00	657,600.00	0.00
Deferred income tax assets	32,163,233.08	32,163,233.08	0.00
Other non-current assets		0.00	0.00
Total non-current assets	1,655,946,704.41	1,655,946,704.41	0.00
Total assets	2,074,302,800.56	2,074,302,800.56	0.00
Current liabilities.			
short term loan	285,492,456.25	285,492,456.25	0.00
Trading financial liabilities		0.00	0.00
Derivative financial liabilities		0.00	0.00
note payable		0.00	0.00
accounts payable	18,795,429.57	18,795,429.57	0.00
Receipts in advance		0.00	0.00
Contractual liabilities	34,789.86	34,789.86	0.00
Employee compensation payable	2,593,406.87	2,593,406.87	0.00
taxes payable	2,186,659.80	2,186,659.80	0.00
Other accounts payable	111,086,452.70	111,086,452.70	0.00
Of which: interest payable		0.00	0.00
dividend payable		0.00	0.00
Liabilities held for sale		0.00	0.00
Non-current liabilities due within one year	85,000,000.00	85,000,000.00	0.00

Other current liabilities	4,522.68	4,522.68	0.00
Total current liabilities	505,193,717.73	505,193,717.73	0.00
Non-current liabilities.			

Long-term loans	129,392,926.10	129,392,926.10	0.00
Bonds payable		0.00	0.00
Of which: Preference shares		0.00	0.00
perpetual bond		0.00	0.00
Lease liabilities		0.00	0.00
Long-term accounts payable		0.00	0.00
Long-term employee compensation payable		0.00	0.00
Projected liabilities		0.00	0.00
Deferred revenue	92,875,000.03	92,875,000.03	0.00
Deferred income tax liabilities		0.00	0.00
Other non-current liabilities		0.00	0.00
Total non-current liabilities	222,267,926.13	222,267,926.13	0.00
Total liabilities	727,461,643.86	727,461,643.86	0.00
Ownership interests.			
share capital	1,208,455,224.00	1,208,455,224.00	0.00
Other equity instruments		0.00	0.00
Of which: Preference shares		0.00	0.00
perpetual bond		0.00	0.00
capital surplus	119,088,683.68	119,088,683.68	0.00
Less: Treasury shares		0.00	0.00
Other comprehensive income		0.00	0.00
Dedicated reserves		0.00	0.00
surplus surplus	1,929,724.90	1,929,724.90	0.00
undistributed profit	17,367,524.12	17,367,524.12	0.00
Total owners' equity	1,346,841,156.70	1,346,841,156.70	0.00
Total liabilities and owner's equity	2,074,302,800.56	2,074,302,800.56	0.00

Description of adjustments

(4) Note on retrospective adjustment of prior period comparative data for the first implementation of the new lease standard from 2021

□ Applicable √ Not applicable

VI. Taxes

1. Main taxes and tax rates

tax types	Taxation basis	rate of taxation
value-added tax (VAT)	taxable income	13%, 6%
city maintenance and construction tax	Amount of transfer tax payable	7%
corporate income tax	taxable income	25%, 15%
additional education fee	Amount of transfer tax payable	3%
Local education surcharge	Amount of transfer tax payable	2%

If there are taxable entities with different corporate income tax rates, disclose a description of the situation

Name of taxable entity	Income tax rate
Tianjin Futong Fiber Optic Technology Co.	15% of taxable income
Juzhi Photonics Material Technology Co.	15% of taxable income
Futong Fiber Optic Cable (Chengdu) Co.	15% of taxable income

2. Tax benefits

Tianjin Futong Fiber Optic Technology Company Limited, a subsidiary of the Company, was recognized as a high-tech enterprise by Tianjin Science and Technology Bureau, Tianjin Finance Bureau and Tianjin Taxation Bureau of the State Administration of Taxation on 28 October 2020, which is valid for three years, and obtained the "High-tech Enterprise Certificate" with the number GR202012000229. According to the preferential enterprise income tax rate Article 28 of the Enterprise Income Tax Law stipulates that the enterprise income tax shall be levied at a reduced rate of 15% on high-tech enterprises that the State needs to focus on supporting. The company's enterprise income tax for the reporting period was calculated and paid at a rate of 15%.

Our subsidiary, Jiuzhi Optoelectronics Material Technology Co., Ltd. was recognized as a high-tech enterprise by the Department of Science and Technology of Hebei Province, the Department of Finance of Hebei Province and the Taxation Bureau of the State Administration of Taxation of Hebei Province on 23 November 2018, which is valid for three years, and obtained the "High-tech Enterprise Certificate" with the number GR201813001878. According to the preferential enterprise income tax rate Article 28 of the Enterprise Income Tax Law stipulates that the enterprise income tax shall be levied at a reduced rate of 15% on high-tech enterprises that the State needs to focus on supporting. The company's enterprise income tax for the reporting period was calculated and paid at a rate of 15%.

Futong Fiber Optic Cable (Chengdu) Company Limited, a subsidiary of the Company, was recognized as a high-tech enterprise by the Department of Science and Technology of Sichuan Province, the Department of Finance of Sichuan Province and the Taxation Bureau of Sichuan Province of the State Administration of Taxation on December 03, 2018, which is valid for three years, and obtained the "High-tech Enterprise Certificate" with the number GR201851001249. According to the preferential enterprise income tax rate Article 28 of the Enterprise Income Tax Law stipulates that the enterprise income tax shall be levied at a reduced rate of 15% on high-tech enterprises that the State needs to focus on supporting. The company's enterprise income tax for the current reporting period was calculated at a rate of 15%.

vii. notes to the consolidated financial statements

1. Monetary funds

Unit: $

sports event	Closing balance	Opening balance
cash in hand	69,549.53	66,481.67
a bank account	37,093,857.86	272,613,388.16
Other monetary funds	38,457,866.53	28,021,938.20
add up the total	75,621,273.92	300,701,808.03

Other notes

2. Accounts receivable

(1) Accounts receivable classification disclosure

Unit: $

categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		book value	Book balance		Provision for bad debts		book value
	sum of money	proportion	sum of money	Percentage of accrual		sum of money	proportion	sum of money	Percentage of accrual	
Of which.										
Accounts receivable with provision for bad debts by portfolio	768,061,377.87	100.00%	12,764,151.87	1.66%	755,297,226.00	689,204,868.91	100.00%	11,284,063.85	1.64%	677,920,805.06
Of which.										
add up the total	768,061,377.87	100.00%	12,764,151.87	1.66%	755,297,226.00	689,204,868.91	100.00%	11,284,063.85	1.64%	677,920,805.06

Provision for bad debts is made on an individual basis.

Unit: $

name (of a thing)	Closing balance			
	Book balance	Provision for bad debts	Percentage of accrual	Reasons for accrual

Provision for bad debts by portfolio: ageing of receivables is used as a credit risk characteristic

Unit: $

name (of a thing)	Closing balance		
	Book balance	Provision for bad debts	Percentage of accrual
Within 1 year	743,942,626.60	7,439,426.26	1.00%
1-2 years	20,133,477.66	2,013,347.77	10.00%
2-3 years	557,783.47	167,335.04	30.00%
3-4 years	314,701.40	157,350.70	50.00%

4-5 years	630,483.20	504,386.56	80.00%
More than 5 years	2,482,305.54	2,482,305.54	100.00%
add up the total	768,061,377.87	12,764,151.87	--

Description of the basis for determining the portfolio:

Provision for bad debts by portfolio.

Unit: $

name (of a thing)	Closing balance		
	Book balance	Provision for bad debts	Percentage of accrual

Description of the basis for determining the portfolio.

In the case of bad debt provision for accounts receivable based on the general model of expected credit losses, please disclose information about the provision for bad debts by referring to the disclosure for other receivables as follows.

Disclosure by ageing

Unit: $

age of accounts	Closing balance
Up to and including 1 year	743,942,626.60
1 to 2 years	20,133,477.66
2 to 3 years	557,783.47
More than 3 years	3,427,490.14
3 to 4 years	314,701.40
4 to 5 years	630,483.20
More than 5 years	2,482,305.54
add up the total	768,061,377.87

(2) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period.

Unit: $

categories	Opening balance	Amount of change during the period				Closing balance
		set aside	Recoveries or reversals	audit and write off	other	
Provision for bad debts on accounts receivable	11,284,063.85	1,505,576.02			-25,488.00	12,764,151.87
add up the total	11,284,063.85	1,505,576.02			-25,488.00	12,764,151.87

(3) Top five accounts receivable with closing balances, grouped by party in arrears

Unit: $

Name of the unit	Closing balance of accounts receivable	Percentage of total closing balance of accounts receivable	Closing balance of provision for bad debts
Hangzhou Futong Communication Technology Co.	326,203,090.25	42.47%	3,262,030.90
Changfei Fiber Optic Cable Co.	195,637,355.66	25.47%	3,121,480.26
Putian Pharson Optical Communication Co.	28,499,772.00	3.71%	284,997.72
Xi'an Xigu Optical Communication Co.	20,907,150.00	2.72%	209,071.50
Zhejiang Tiying Photoelectric Technology Co.	20,300,406.00	2.64%	203,004.06

add up the total	591,547,773.91	77.01%	

3. Receivables financing

Unit: $

sports event	Closing balance	Opening balance
Notes receivable measured at fair value through other comprehensive income	3,452,138.76	8,226,211.68
add up the total	3,452,138.76	8,226,211.68

Changes in receivables financing during the period and changes in fair value

□ Applicable √ Not applicable

If the provision for impairment of receivables financing is based on the general model of expected credit losses, please disclose information about the provision for impairment by referring to the disclosure for other receivables as follows.

□ Applicable √

Not applicable

Other notes.

4. Advance payments

(1) Prepayments by age

Unit: $

age of accounts	Closing balance		Opening balance	
	sum of money	proportion	sum of money	proportion
Within 1 year	4,724,816.58	78.83%	4,105,873.19	72.25%
1 to 2 years	940,126.51	15.68%	1,576,698.03	27.75%
2 to 3 years	328,964.16	5.49%		0.00%
More than 3 years		0.00%		0.00%
add up the total	5,993,907.25	--	5,682,571.22	--

Reasons for delays in settlement of prepayments older than one year and of significant amounts.

(2) Top five advances with closing balances, grouped by object of prepayment

Name of the unit	Closing balance	Percentage of closing balance of prepaid accounts (%)
Chengdu Futong Optical Communication Technology Co.	999,999.98	16.68%
Zhongda Hua Jian Environmental Engineering (Beijing) Co.	716,693.45	11.96%
Shenyang Huateng Precision Machine Tools Co.	401,550.00	6.70%
Wuxi SEMCO Technology Co.	299,034.00	4.99%
Hebei Baoxin Construction Engineering Co.	245,547.68	4.10%
add up the total	2,662,825.11	44.43%

5. Other receivables

Unit: $

sports event	Closing balance	Opening balance
interest receivable		0.00
dividend receivable		0.00
Other receivables	3,407,314.52	34,066,712.25
add up the total	3,407,314.52	34,066,712.25

(1) Other receivables

1) Breakdown of other receivables by nature of amount

Unit: $

Nature of payment	Closing book balance	Opening book balance
Asset disposal payments		29,790,000.00
Security deposits, deposits	3,406,271.66	4,125,201.59
Imprest debit	319,230.43	174,798.90
Current accounts receivable	211,125.93	415,433.93
Costs in lieu of advance	495,771.99	745,904.68
other	559,884.09	51,230.26
add up the total	4,992,284.10	35,302,569.36

2) Provision for bad debts

Unit: $

Provision for bad debts	first phase	Phase II	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected credit losses throughout the life of the (No credit impairment has occurred)	Expected credit losses (credit impairment incurred) throughout the life of the	
Balance as at 1 January 2021	316,983.64		918,873.47	1,235,857.11
Balance as at 1 January 2021 in the current period	--	--	--	--
Current accrual	-290,444.92		720,061.68	429,616.76
Other changes	-19,304.29		-61,200.00	-80,504.29
Balance as at 30 June 2021	7,234.43		1,577,735.15	1,584,969.58

Movement in the carrying amount of the provision for losses with significant current period changes

□ Applicable √

Not applicable

Disclosures by

ageing

Unit: $

age of accounts	Closing balance
Up to and including 1 year	723,443.06

1 to 2 years	770,974.77
2 to 3 years	2,370,644.87
More than 3 years	1,127,221.40
3 to 4 years	642,240.88
4 to 5 years	83,283.72
More than 5 years	401,696.80
add up the total	4,992,284.10

3) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period.

Unit: $

categories	Opening balance	Amount of change during the period				Closing balance
		set aside	Recoveries or reversals	audit and write off	other	
Other receivables	1,235,857.11	429,616.76			-80,504.29	1,584,969.58
add up the total	1,235,857.11	429,616.76			-80,504.29	1,584,969.58

4) Top five other receivables with closing balances, grouped by party in arrears

Unit: $

Name of the unit	Nature of payments	Closing balance	age of accounts	As a percentage of the total closing balance of other receivables	Closing balance of provision for bad debts
China Mobile Communications Group Beijing Ltd.	Security deposits, deposits	2,045,150.00	2-3 years	40.97%	613,545.00
Shandong Three Arrows Construction Engineering Co.	Costs in lieu of advance	495,771.99	1-5 years	9.93%	234,221.11
Hoi Tai Building	Security deposits, deposits	314,276.00	3-4 years	6.30%	157,138.00
China Mobile Communications Group Shaanxi Co.	Security deposits, deposits	250,000.00	1-2 years	5.01%	25,000.00
Shanghai Yuexi Equity Investment Management Co.	Current accounts receivable	209,405.93	Up to 1 year; 2-3 years	4.19%	22,193.07
add up the total	--	3,314,603.92	--	66.39%	1,052,097.18

6. Inventory

Is the company required to comply with the disclosure requirements of the real estate industry No

(1) Inventory classification

Unit: $

sports event	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or impairment of contract performance costs	book value	Book balance	Provision for decline in value of inventories or impairment of contract performance costs	book value
raw materials	106,445,023.26	464,879.93	105,980,143.33	73,371,818.28	577,377.34	72,794,440.94
in products	48,582,005.20	0.00	48,582,005.20	46,524,493.20		46,524,493.20
Goods in stock	159,497,825.64	8,366,295.80	151,131,529.84	66,623,531.50	12,960,829.67	53,662,701.83
Contract performance costs				465,780.27		465,780.27
Sending goods	115,979,467.52	528,935.19	115,450,532.33	111,147,351.42	4,230,961.94	106,916,389.48
low-value consumables	3,111,171.81	0.00	3,111,171.81	2,541,312.56		2,541,312.56
add up the total	433,615,493.43	9,360,110.92	424,255,382.51	300,674,287.23	17,769,168.95	282,905,118.28

(2) Provision for decline in value of inventories and provision for impairment of contract performance costs

Unit: $

sports event	Opening balance	Increase for the period		Decrease for the period		Closing balance
		set aside	other	Reversal or write-back	other	
raw materials	577,377.34	-112,497.41				464,879.93
in products						0.00
Goods in stock	12,960,829.67	-796,259.65		3,798,274.22		8,366,295.80
Sending goods	4,230,961.94	-3,702,026.75				528,935.19
add up the total	17,769,168.95	-4,610,783.81		3,798,274.22		9,360,110.92

7. Other current assets

Unit: $

sports event	Closing balance	Opening balance
Input tax to be deducted	79,955,054.80	62,026,348.52
Input tax to be certified		4,398,809.16
other	1,613,117.03	1,467,819.42
add up the total	81,568,171.83	67,892,977.10

Other notes.

8. Investments in other equity instruments

Unit: $

sports event	Closing balance	Opening balance
Dandong Juhua Electric (Group) Co.	10,836,168.45	10,836,168.45
Centaline Department Store Co.	200,900.00	200,900.00
Tianjin Tianda Tianjiu Technology Co.	4,260,085.24	4,260,085.24
Wicresoft (Shanghai) Network Technology Co.	88,280,000.00	88,280,000.00
Shanghai Bahu Investment Management Center (Limited Partnership)	100,000,000.00	100,000,000.00
add up the total	203,577,153.69	203,577,153.69

Disclosure of investments in non-trading equity instruments for the period by item

Unit: $

Project name	Dividend income recognized	cumulative profit	Cumulative losses	Transfer from other comprehensive income to retained earnings	Reasons for designation as fair value through other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings
Dandong Juhua Electric (Group) Co.					Planned long-term holdings for strategic purposes	

Centaline Department Store Co.					Planned long-term holdings for strategic purposes	
Tianjin Tianda Tianjiu Technology Co.					Planned long-term holdings for strategic purposes	
Shanghai Bahu Investment Management Center (Limited Partnership)					Planned long-term holdings for strategic purposes	
Wicresoft (Shanghai) Network Technology Co.					Planned long-term holdings for strategic purposes	

Other notes.

9. Investment properties

(1) Investment properties using the cost measurement model

Unit: $

sports event	Houses, buildings	Land use rights	Construction in progress	add up the total
I. Original book value				
1. Opening balance	2,239,709.54			2,239,709.54
2. Increase in the current period				
(1) Outsourcing				
(2) Transfer of inventories, fixed assets and construction in progress				
(3) Increase in business combinations				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance	2,239,709.54			2,239,709.54
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	202,649.20			202,649.20
2. Increase in the current	30,397.38			30,397.38

period				
(1) Accrual or amortization	30,397.38			30,397.38
3. Decrease in the current period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance	233,046.58			233,046.58
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				

(1) Accrual				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance				
IV. Book value				
1. Closing book value	2,006,662.96			2,006,662.96
2. Opening book value	2,037,060.34			2,037,060.34

10. Fixed assets

Unit: $

sports event	Closing balance	Opening balance
fixed assets	712,385,380.20	743,730,599.46
add up the total	712,385,380.20	743,730,599.46

(1) Fixed assets

Unit: $

sports event	Houses, buildings	Machinery and equipment	carrier	other	add up the total
i. Original book value.					
1. Opening balance	446,292,439.23	781,583,337.70	12,082,431.75	15,329,439.64	1,255,287,648.32
2. Increase in the current period	3,471,560.20	4,445,515.83	114,513.27	134,355.13	8,165,944.43
(1) Acquisition	0.00	1,558,988.04	114,513.27	134,355.13	1,807,856.44
(2) Transfer from construction in progress	3,471,560.20	2,886,527.79	0.00	0.00	6,358,087.99
(3) Increase in business combinations					
3. Decrease in the current period	0.00	13,541,306.03	0.00	344,154.03	13,885,460.06
(1) Disposal or scrapping	0.00	3,578,322.54	0.00	13,461.89	3,591,784.43
(2) Decrease in business combinations	0.00	9,962,983.49	0.00	330,692.14	10,293,675.63
4. Closing balance	449,763,999.43	772,487,547.50	12,196,945.02	15,119,640.74	1,249,568,132.69

II. Accumulated depreciation					
1. Opening balance	77,892,533.70	406,234,069.00	8,660,313.49	10,108,841.46	502,895,757.65
2. Increase in the current period	6,321,844.09	26,106,498.16	516,360.47	870,300.53	33,815,003.25
(1) Accrual	6,321,844.09	26,106,498.16	516,360.47	870,300.53	33,815,003.25
3. Decrease in the current period	0.00	7,865,158.77	0.00	324,140.85	8,189,299.62
(1) Disposal or scrapping	0.00	1,484,806.04	0.00	12,399.85	1,497,205.89

(2) Decrease in business combinations	0.00	6,380,352.73	0.00	311,741.00	6,692,093.73
4.Closing balance	84,214,377.79	424,475,408.39	9,176,673.96	10,655,001.14	528,521,461.28
III. Provision for impairment					
1.Opening balance		8,661,291.21			8,661,291.21
2.Increase in the current period					
(1) Accrual					
3.Decrease in the current period					
(1) Disposal or scrapping					
4.Closing balance	0.00	8,661,291.21	0.00	0.00	8,661,291.21
IV. Book value					
1.Closing book value	365,549,621.64	339,350,847.90	3,020,271.06	4,464,639.60	712,385,380.20
2.Opening book value	368,399,905.53	366,687,977.49	3,422,118.26	5,220,598.18	743,730,599.46

(2) Status of fixed assets without proper title deeds

Unit: $

sports event	book value	Reasons for non-completion of title deeds
Shandong Futong Light Guide Production Building	221,841,434.34	Procedures are still in progress

Other notes

11. Work in progress

Unit: $

sports event	Closing balance	Opening balance
Construction in progress	156,581,198.16	157,543,964.00
Engineering materials	196,435.17	196,345.17
add up the total	156,777,633.33	157,740,309.17

(1) Status of construction in progress

Unit: $

sports event	Closing balance			Opening balance		
	Book balance	provision for	book value	Book balance	provision for	book value

		impairment			impairment	
Fiber Optic Prefabricated Rod Manufacturing Project	151,929,550.87		151,929,550.87	150,070,235.72		150,070,235.72
Juzi R&D Center	4,272,122.52		4,272,122.52	4,247,862.52		4,247,862.52
Juzhi Technology Industrialization Project	95,372.54		95,372.54	95,372.54		95,372.54
Fiber optic humidification system retrofit	226,963.59	226,963.59		226,963.59	226,963.59	

Fibre optic operating system office renovation				926,605.50		926,605.50
Fiber optic first floor lobby, fiber optic office area renovation				1,311,926.60		1,311,926.60
Fiber optic board office renovation project				788,990.82		788,990.82
Fiber optic lobby culture wall design and installation project				102,970.30		102,970.30
Machinery and equipment to be installed for fibre optic cables	115,752.23		115,752.23			
Fiber optic cable plant greening maintenance project	168,400.00		168,400.00			
add up the total	156,808,161.75	226,963.59	156,581,198.16	157,770,927.59	226,963.59	157,543,964.00

(2) Changes in significant construction-in-progress projects during the period

Unit: $

Project name	Budgeted figures	Opening balance	Increase for the period	Amount transferred to fixed assets during the period	Other decreases during the period	Closing balance	Cumulative investment in works as a percentage of budget	Project Progress	Accumulated amount of interest capitalized	Of which: amount capitalized as interest for the period	Current interest capitalization rate	Source of funding
Fiber Optic Prefabricated Rod Manufacturing Project		150,070,235.72	8,217,403.14	6,358,087.99		151,929,550.87						
Juzi R&D Center		4,247,862.52	24,260.00			4,272,122.52						

Fiber optic first floor lobby, fiber optic office area renovation		1,311,926.60	270,186.24		1,582,112.84							
add up the total		155,630,024.84	8,511,849.38	6,358,087.99	1,582,112.84	156,201,673.39	--	--				--

(3) Engineering materials

Unit: $

sports event	Closing balance			Opening balance		
	Book balance	provision for impairment	book value	Book balance	provision for impairment	book value
Specialized materials	196,435.17		196,435.17	196,345.17		196,345.17
add up the total	196,435.17		196,435.17	196,345.17		196,345.17

Other notes.

12. Right-to-use assets

Unit: $

sports event	Houses, buildings	add up the total
i. Original book value.		
1.Opening balance	13,887,265.44	13,887,265.44
2.Increase in the current period	3,901,183.00	3,901,183.00
3.Decrease in the current period	0.00	0.00
4.Closing balance	17,788,448.44	17,788,448.44
II. Accumulated depreciation		
1.Opening balance	0.00	0.00
2.Increase in the current period	1,118,322.74	1,118,322.74
(1) Accrual	1,118,322.74	1,118,322.74
3.Decrease in the current period	0.00	0.00
(1) Disposal	0.00	0.00
4.Closing balance	1,118,322.74	1,118,322.74
III. Provision for impairment		
1.Opening balance	0.00	0.00
2.Increase in the current period	0.00	0.00
(1) Accrual	0.00	0.00
4.Closing balance	0.00	0.00
IV. Book value		
1.Closing book value	16,670,125.70	16,670,125.70
2.Opening book value	13,887,265.44	13,887,265.44

13. Intangible assets

(1) Intangible assets

Unit: $

sports event	Land use rights	patent rights	Non-patented technology	(computer) software	proprietary technology	add up the total
I. Original book value						
1.Opening balance	102,145,331.59			3,425,740.85	28,174,601.65	133,745,674.09
2.Increase in the current period						
(1) Acquisition						
(2) In-house						

research and development						
(3) Increase in business combinations						

3. Decrease in the current period						
(1) Disposal						
4. Closing balance	102,145,331.59			3,425,740.85	28,174,601.65	133,745,674.09
II. Accumulated amortization						
1. Opening balance	22,030,853.62			3,395,740.34	28,174,601.65	53,601,195.61
2. Increase in the current period	1,209,405.72			30,000.51		1,239,406.23
(1) Accrual	1,209,405.72			30,000.51		1,239,406.23
3. Decrease in the current period						
(1) Disposal						
4. Closing balance	23,240,259.34			3,425,740.85	28,174,601.65	54,840,601.84
III. Provision for impairment						
1. Opening balance						
2. Increase in the current period						
(1) Accrual						
3. Decrease in the current period						
(1) Disposal						
4. Closing balance						
IV. Book value						
1. Closing book value	78,905,072.25					78,905,072.25
2. Opening book value	80,114,477.97			30,000.51		80,144,478.48

Intangible assets formed through in-house research and development accounted for 0.00% of the intangible asset balance at the end of the period.

14. Long-term amortization

Unit: $

sports event	Opening balance	Increase for the period	Amortization amount for the period	Other reductions	Closing balance
Ten Acre Project	657,600.00		328,800.00		328,800.00
Fiber optic production workshop and equipment renovation project	99,323.29		84,829.29		14,494.00
Fiber optic plant and office area housing and ancillary equipment repair and renovation	521,872.64	147,524.75	180,325.51		489,071.88

Fiber optic wire drawing tower renovation project	640,565.56		147,589.02		492,976.54
Juzi Diversified Workshop Renovation Project	214,088.62		160,566.66		53,521.96
Juzi Showroom Renovation	689,999.98		115,000.02		574,999.96
Fiber optic cable Binhai Branch monitoring and testing room mobile door and flooring laying project	1,069,632.66		86,727.00		982,905.66
Binhai Branch Heating Room Equipment Project	537,461.02		42,431.16		495,029.86
Binhai Branch Boiler Room Equipment Installation Project	419,003.95		33,079.26		385,924.69

Fiber optic plant wastewater upgrade project	225,870.18		26,061.96		199,808.22
Fiber Optic Factory Floor Paint and PVC Flooring Project	64,091.46		7,255.62		56,835.84
Fiber Optic Plant Acid Storage Tank Renovation Project	176,280.98		18,235.98		158,045.00
Fibre optic operating system office renovation		926,605.50	30,886.84		895,718.66
Fiber optic first floor lobby, fiber optic office area renovation		1,582,112.84	52,737.08		1,529,375.76
Fiber optic board office renovation project		788,990.82	26,299.68		762,691.14
Fiber optic first floor lobby display and LED display installation		177,749.06	11,849.92		165,899.14
Juzi Vertical Rack		65,743.37			65,743.37
add up the total	5,315,790.34	3,688,726.34	1,352,675.00		7,651,841.68

15. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets not offset

Unit: $

sports event	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for asset impairment	20,017,783.43	4,480,232.11	24,628,567.26	5,171,849.68
Unrealized profit on internal transactions	2,603,615.06	390,542.26	5,219,508.96	782,926.33
Deductible losses	27,164,640.72	4,074,696.11	21,909,022.65	3,286,353.40
Deferred revenue	109,623,179.52	25,655,282.49	111,779,888.87	26,093,372.22
Credit impairment losses	6,750,623.49	1,085,742.32	6,073,479.65	970,162.56
Loss on fair value measurements	21,655,665.67	5,413,916.42	21,655,665.67	5,413,916.42
add up the total	187,815,507.89	41,100,411.71	191,266,133.06	41,718,580.61

(2) Deferred income tax assets or liabilities presented as net of offsetting

Unit: $

sports event	Amounts of deferred income tax assets and liabilities offset at the end of the period	Closing balance of deferred income tax assets or liabilities after offsetting	Opening offsetting amount of deferred income tax assets and liabilities	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets		41,100,411.71		41,718,580.61
Deferred income tax liabilities				0.00

(3) Breakdown of unrecognized deferred tax assets

Unit: $

sports event	Closing balance	Opening balance
Deductible temporary differences	5,829,080.25	8,475,297.80
Deductible losses	310,706,939.83	254,948,175.65
add up the total	316,536,020.08	263,423,473.45

(4) Deductible losses on unrecognized deferred income tax assets will expire in the following years

Unit: $

year	End of period amount	Opening amount	note
2021	19,119,745.71	19,119,745.71	
2022		0.00	
2023	96,612,309.04	96,612,309.04	
2024	66,790,400.26	66,790,400.26	
2025	72,425,720.64	72,425,720.64	
2026	55,758,764.18		
add up the total	310,706,939.83	254,948,175.65	--

Other notes.

16. Short-term borrowings

(1) Classification of short-term borrowings

Unit: $

sports event	Closing balance	Opening balance
secured loan	39,800,000.00	39,800,000.00
guaranteed loan	260,000,000.00	210,000,000.00
credit facility	150,000,000.00	285,000,000.00
Interest payable not due		756,971.80
add up the total	449,800,000.00	535,556,971.80

Notes on the classification of short-term borrowings.

1) credit facility

① The Company obtained bank loans from Bank of Dalian Co., Ltd., Tianjin Branch for a total amount of RMB16,000.00 million, of which RMB60,000.00 million was due for repayment and RMB10,000.00 million was outstanding as at the end of the reporting period, with the outstanding loans not yet due for repayment, of which.

A. The Company obtained a loan of RMB60,000.00 million from Bank of Dalian Corporation, Tianjin Branch on 13 May 2020 for a term from 13 May 2020 to 2021

(a) On 12 May 2012, the agreement agreed to an interest rate of 5.655 per cent per annum, which has been returned as at the end of the reporting period.

B. The Company obtained a loan of RMB40,000.00 million from Bank of Dalian Co., Ltd., Tianjin Branch on 29 September 2020 for a term from 29 September 2020 to 2021

On 20 September 2009, the agreement agreed to an interest rate of 5.655 per cent per annum, which had not been returned by the end of the reporting period.

C. The Company obtained a loan of RMB60,000.00 million from Bank of Dalian Corporation, Tianjin Branch on 21 May 2021 for the period from 21 May 2021 to 2022

May 13, 2009, with an agreed interest rate of 5.005% per annum, which had not been returned as at the end of the reporting period.

② The Company obtained bank loans from Industrial Bank Co., Ltd., Tianjin Branch for a total amount of RMB205,000,000, of which RMB155,000,000 had been returned as at the end of the reporting period and RMB50,000,000 had not been returned, and none of the outstanding loans had reached the repayment period, of which.

A. The Company obtained a loan of RMB20,000.00 million from Industrial Bank Co., Ltd, Tianjin Branch on 12 May 2020 for a term from 12 May 2020 to 11 May 2021, with an agreed loan interest rate of the pricing base rate + 1.805% (the pricing base rate uses the LPR one-year term tranche), which has been returned as at the end of the reporting period.

B. The Company obtained a loan of RMB40,000.00 million from Industrial Bank Limited, Tianjin Branch on 3 June 2020 with a term from 3 June 2020 to 2021

June 2, 2012, the agreement agreed to a loan rate of the pricing base rate + 1.805% (the pricing base rate uses the LPR one-year term tranche), which has been returned as at the end of the reporting period.

C. The Company obtained a loan of RMB30,000.00 million from Industrial Bank Co., Ltd, Tianjin Branch on 9 June 2020 for a term from 9 June 2020 to 8 June 2021, with an agreed loan interest rate of the pricing base rate + 1.805% (the pricing base rate uses the LPR one-year term tranche), which has been returned as at the end of the reporting period.

D. The Company obtained a loan of RMB40,000.00 million from Industrial Bank Co., Ltd, Tianjin Branch on 16 June 2020 for a term from 16 June 2020 to 15 June 2021, with an agreed loan interest rate of the pricing base rate + 1.805% (the pricing base rate uses the LPR one-year term tranche), which has been returned as at the end of the reporting period.

E. The Company obtained a loan of RMB25.0 million from Industrial Bank Co., Ltd, Tianjin Branch on 22 June 2020 for a term from 22 June 2020 to 21 June 2021, with an agreed loan interest rate of the pricing base rate + 1.805% (the pricing base rate uses the LPR one-year term tranche), which has been returned as at the end of the reporting period.

F. The Company obtained a loan of RMB30,000.00 million from Industrial Bank Co., Ltd, Tianjin Branch on 27 August 2020 for a term from 27 August 2020 to 26 August 2021, with an agreed loan interest rate of pricing base rate + 1.805% (the pricing base rate uses the LPR one-year term tranche), which has not been returned as at the end of the reporting period.

G. The Company obtained a loan of RMB20,000.00 million from Industrial Bank Co., Ltd, Tianjin Branch on 12 March 2021 for a term from 12 March 2021 to 11 March 2022, with an agreed loan interest rate of pricing base rate + 1.805% (the pricing base rate uses the LPR one-year term tranche), which has not been returned as at the end of the reporting period.

2）guaranteed loan

Ltd., a subsidiary of the Company, obtained bank loans from China Construction Bank Corporation, Chengdu Branch No. 3 in the total amount of

80,000.00 million, of which $40,000.00 million had been returned as at the end of the reporting period, and $40,000.00 million was outstanding, with none of the outstanding loans due for repayment, of which.

A. Ltd., a subsidiary of the Company, obtained a loan of RMB40,000,000 on May 29, 2020 for the period from May 29, 2020 to May 28, 2021, with an agreed interest rate of pricing base rate +0.2% (pricing base rate is LPR one-year term tranche), which was fully guaranteed by Hangzhou Futong Communication Technology Co. Ltd. provided full joint and several liability guarantee, which has been returned as at the end of the reporting period.

B.Ltd., a subsidiary of the Company, obtained a loan of RMB40,000,000 on 16 June 2021 for the period from 16 June 2021 to 15 June 2022, with an agreed interest rate of the pricing base rate + 0.3% (the pricing base rate is the LPR one-year term tranche), which was fully guaranteed by Hangzhou Futong Communication Technology Co. Ltd. provides full joint and several liability guarantee, which has not been returned as at the end of the reporting period.

Ltd., a subsidiary of the Company, obtained bank loans from the Business Department of Bank of Communications Co.

10,000.00 million, of which $50.00 million has been returned as at the end of the reporting period, and $50.00 million is outstanding, with none of the outstanding loans due for repayment, of which.

A. On 30 April 2020, Futong Fiber Optic Cable (Chengdu) Company Limited, a subsidiary of the Company, obtained a loan of RMB50,000.00 million from the Business Department of Sichuan Branch of Bank of Communications Company Limited for the period from 30 April 2020 to 27 April 2021, with an agreed interest rate of pricing base rate +0.93% (pricing base rate is LPR one-year term). The loan was fully guaranteed jointly and severally by Hangzhou Futong Communication Technology Company Limited, which has been returned as at the end of the reporting period

The loan of RMB50,000.00 million, with a term from 15 April 2021 to 23 October 2021, and an agreed interest rate of 4.6% (the benchmark interest rate for pricing is the LPR one-year term tranche), which is fully guaranteed jointly and severally by Hangzhou Futong Communication Technology Co.

Ltd. obtained bank loans from Bank of China Limited, Chengdu High-Tech Sub-branch in the total amount of

22,000.00 million, of which $10,000.00 million has been returned as at the end of the reporting period, and $12,000.00 million is outstanding, with none of the outstanding loans due for repayment, of which.

A. A subsidiary of the Company, Futong Fiber Optic Cable (Chengdu) Company Limited, obtained a loan of RMB30,000,000 from Bank of China Limited, Chengdu High-tech Sub-branch on 4 March 2020 for a term from 4 March 2020 to 4 March 2021, with an agreed interest rate of the pricing base rate + 0.5175% (the pricing base rate is the LPR one-year term tranche). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, this amount has been returned.

B. On 19 October 2020, Futong Fiber Optic Cable (Chengdu) Co., Ltd, a subsidiary of the Company, obtained a loan of RMB20,000,000 from Bank of China Limited, Chengdu High-tech Sub-branch for the period from 19 October 2020 to 19 October 2021, with an agreed interest rate of pricing base rate + 0.35% (pricing base rate is LPR one-year term). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, this amount had not been repaid.

C. A subsidiary of the Company, Futong Fiber Optic Cable (Chengdu) Company Limited, obtained a loan from Bank of China Limited, Chengdu High-Tech Sub-branch on 18 August 2020

24.00 million, with a borrowing period from August 18, 2020 to February 1, 2021, and an agreed interest rate on the loan of -0.55% of the pricing base rate (the pricing base rate is LPR (one-year maturity tranche), which was fully guaranteed by Tianjin Futong Information Technology Co., Ltd. with joint and several liability, and commercial invoices were discounted against receivables owned by Hangzhou Futong Communication Technology Co. As at the end of the reporting period, this amount has been returned.

D. Ltd. obtained a loan of RMB46,000,000 from Bank of China Limited, Chengdu High-Tech Sub-branch on 28 December 2020 for a term from 28 December 2020 to 25 June 2021 at an interest rate of -0.55% (the benchmark interest rate is the LPR one-year term band). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Company Limited, and commercial invoices were discounted against the receivables of Tianjin Futong Information Technology Company Limited with a total invoice amount of RMB58,546,400. As at the end of the reporting period, this amount has been returned.

E. On 2 February 2021, Futong Fiber Optic Cable (Chengdu) Company Limited, a subsidiary of the Company, obtained a loan of RMB24,000,000 from Bank of China Limited, Chengdu High-tech Sub-branch for the period from 2 February 2021 to 26 July 2021, with an agreed interest rate of -0.55% (the benchmark interest rate is the LPR one-year term band). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Company Limited and the commercial invoices are discounted against the receivables of Tianjin Futong Information Technology Company Limited with a total invoice amount of RMB30,677,100. This amount has not been returned.

F. A subsidiary of the Company, Futong Fiber Optic Cable (Chengdu) Company Limited, obtained a loan of RMB46.0 million from Bank of China Limited, Chengdu High-tech Sub-branch on 28 June 2021 for a term from 28 June 2021 to 20 December 2021, with an agreed interest rate of -0.55% (the pricing base rate is the LPR one-year term tranche). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Company Limited, and commercial invoices were discounted against the receivables of Tianjin Futong Information Technology Company Limited with a total invoice amount of RMB58,362,800. As at the end of the reporting period, this amount has not been returned.

G. Ltd., a subsidiary of the Company, obtained a loan of RMB30,000,000 from Bank of China Limited, Chengdu High-Tech Sub-branch on 5 March 2021 for a term from 5 March 2021 to 4 March 2022 with an agreed interest rate of 4.2% (the benchmark interest rate is the LPR one-year term tranche), which was fully guaranteed by Tianjin Futong Information Technology Co. The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, this amount has not been returned.

④ The Company obtained a loan of RMB50,000.00 million from Shanghai Pudong Development Bank Limited, Tianjin Branch with a term from 31 March 2021 to November 2021

On 12 December, the agreement agreed to a loan interest rate of 3.75% and the loan was fully guaranteed jointly and severally by Fortis Group Limited. As at the end of the reporting period, this amount had not been repaid.

3）secured loan

Ltd., a subsidiary of the Company, obtained bank loans from Agricultural Bank of China Limited Langfang Development Zone Sub-branch in the total amount of

44.8 million, with $5.0 million returned as of the end of the reporting period, and $39.8 million outstanding, with none of the outstanding loans due for repayment, including.

5,000,000 for the period from March 27, 2020 to March 26, 2021, which has been returned as at the end of the reporting period. 14,500,000 for the period from July 28, 2020 to July 27, 2021; $5,000,000 for the period from November 12, 2020 to November 11, 2021; $15,300,000 for the period from September 28, 2020 to September 24, 2021; and $5,000,000 for the period from March 25, 2021 to March 23, 2022. million with a borrowing period from September 28, 2020 to September 24, 2021; and $5.00 million with a borrowing period from March 25, 2021 to March 23, 2022. The loan is secured by the property and land of Jiuzhi Optoelectronic

Material Technology Co. 7,489.95 sq.m.), property with real estate right No. 0001981 of JI (2018) Langfang Development Zone (floor area of 3,883.58 sq.m.) and real estate right No. 0011876 of JI (2018) Langfang Development Zone (floor area of 7,073.56 sq.m.), which had not been returned as at the end of the reporting period.

17. Notes payable

Unit: $

type	Closing balance	Opening balance
commercial promissory note	8,331,135.23	13,824,958.30
banker's acceptances	91,856,208.16	74,590,000.00
add up the total	100,187,343.39	88,414,958.30

Total notes payable due and unpaid at the end of the period were $0.00.

18. Accounts payable

(1) Presentation of accounts payable

Unit: $

sports event	Closing balance	Opening balance
Payable for material purchases	227,878,866.74	166,166,440.60
Payable for equipment purchases	21,455,084.23	20,787,838.10
Transport costs payable	11,392,872.59	4,155,159.93
Payable for work	17,232,382.67	36,120,933.59
Rental of equipment payable	99,846.15	
other	8,295,914.70	2,529,878.55
add up the total	286,354,967.08	229,760,250.77

19. Contractual liabilities

Unit: $

sports event	Closing balance	Opening balance
Receipt in advance	7,483,751.32	4,205,208.99
add up the total	7,483,751.32	4,205,208.99

20. Payables to employees

(1) Presentation of payables to employees

Unit: $

sports event	Opening balance	Increase in the current period	Decrease for the period	Closing balance
I. Short-term remuneration	12,431,892.21	56,401,758.68	59,887,538.09	8,946,112.80
II. Post-employment benefits - defined contribution plan	258,253.23	5,785,520.78	5,793,001.60	250,772.41
add up the total	12,690,145.44	62,187,279.46	65,680,539.69	9,196,885.21

(2) Presentation of short-term remuneration

Unit: $

sports event	Opening balance	Increase in the current period	Decrease for the period	Closing balance
1. Salaries, bonuses, allowances and subsidies	7,627,365.11	48,997,805.50	52,264,909.18	4,360,261.43
2. Employee benefit costs	20,000.00	264,365.60	284,365.60	
3. Social security	25,112.94	3,524,260.26	3,544,315.53	5,057.67

contributions				
Of which: health insurance premiums	25,112.94	3,168,066.00	3,188,121.27	5,057.67
Workmen's compensation insurance premiums		207,616.34	207,616.34	
Maternity insurance premiums		148,577.92	148,577.92	

4. Housing Provident Fund	524,594.44	2,913,142.54	2,929,780.54	507,956.44
5. Trade union funding and staff education funding	4,234,819.72	702,184.78	864,167.24	4,072,837.26
add up the total	12,431,892.21	56,401,758.68	59,887,538.09	8,946,112.80

(3) Presentation of defined contribution plans

Unit: $

sports event	Opening balance	Increase in the current period	Decrease for the period	Closing balance
1. Basic pension insurance	226,239.00	5,582,799.48	5,590,149.81	218,888.67
2. Unemployment insurance premiums	32,014.23	202,721.30	202,851.79	31,883.74
add up the total	258,253.23	5,785,520.78	5,793,001.60	250,772.41

Other notes.

21. Taxes payable

Unit: $

sports event	Closing balance	Opening balance
value-added tax (VAT)	2,211,737.43	7,796,376.51
corporate income tax		5,912,067.06
personal income tax	99,335.12	117,737.16
city maintenance and construction tax	174,849.73	476,688.19
property tax	399,647.20	267,850.34
additional education fee	134,141.99	334,869.09
Land use tax	436,990.12	385,219.11
Other taxes and fees	553,839.90	309,237.46
add up the total	4,010,541.49	15,600,044.92

Other notes.

22. Other accounts payable

Unit: $

sports event	Closing	Opening

	balance	balance
interest due		0.00
dividend payable		0.00
Other accounts payable	25,352,907.39	13,721,134.42
add up the total	25,352,907.39	13,721,134.42

(1) Other accounts payable

(1) Other payables by nature of payment

Unit: $

sports event	Closing balance	Opening balance
Security deposits, deposits	874,000.00	1,116,943.89
Off-group funding transactions	23,459,024.32	12,152,526.26
other	1,019,883.07	451,664.27
add up the total	25,352,907.39	13,721,134.42

23. Non-current liabilities due within one year

Unit: $

sports event	Closing balance	Opening balance
Long-term loans due within one year	119,000,040.00	145,426,699.43
add up the total	119,000,040.00	145,426,699.43

Other notes.

24. Other current liabilities

Unit: $

sports event	Closing balance	Opening balance
Taxes to be transferred	972,887.67	546,677.21
other	367,280.83	
add up the total	1,340,168.50	546,677.21

25. Long-term borrowings

(1) Classification of long-term borrowings

Unit: $

sports event	Closing balance	Opening balance
pledged loan	173,000,000.00	214,000,000.00
guaranteed loan	64,000,040.00	65,000,000.00
Interest payable not due		426,759.43

Less: Long-term loans due within one year (note VII.23)	-119,000,040.00	-145,426,699.43
add up the total	118,000,000.00	134,000,060.00

Notes on the classification of long-term borrowings.

1) Pledged and guaranteed loans

Ltd., Tianjin Branch, the Company borrowed RMB2,650,000.00 million for the period from 28 December 2018 to 28 December 2023 at an interest rate of 5.94%, which was pledged against the Company's 80% equity interest in its subsidiary Futong Fiber Optic Cable (Chengdu) Co. The closing book balance of the long-term equity investment was RMB22, The loan was pledged against the Company's 80% equity interest in its subsidiary Futong Fiber Optic Cable (Chengdu) Company Limited, with a closing balance of long-term equity investment of RMB228,388,900 and pledged equity interest of 160,406,400 shares, which was also fully guaranteed by Futong Group Co.

As at the end of the reporting period, the balance of the loan from Shanghai Pudong Development Bank Limited, Tianjin Branch was RMB80.0 million. According to the loan agreement, the Company is required to repay the loan of RMB40.0 million on 20 November 2021 and RMB10.0 million on 20 May 2022, which was reclassified to non-current liabilities due within one year at the end of the period and reported as such.

Ltd., Tianjin Branch for a loan of RMB99.0 million with a term from 15 July 2019 to 10 July 2024 at a floating interest rate of 28.43% above the base rate of 4.75%, the loan was pledged against the Company's 20% equity interest in its subsidiary, Futong Fiber Optic Cable (Chengdu) Co. The closing balance of the equity investment was RMB165,900,000 and the amount of pledged equity was 41,011,100 shares, which was also fully guaranteed jointly and severally by Futong Group Co.

As at the end of the reporting period, the loan balance of Bohai Bank Limited, Tianjin Branch was RMB93.0 million, which was due to the Company in July 2021 according to the loan agreement
10 repayment of borrowings of $4,000,000 on January 10, 2022 and $1,000,000 on January 10, 2022, reclassified to non-current liabilities due within one year as reported at the end of the period.

2) guaranteed loan

Ltd., a subsidiary of the Company, obtained bank loans from Bank of China Limited, Chengdu High-tech Sub-branch in the total amount of
65.00 million, of which $1 million was due for repayment as at the end of the reporting period, and $64.00 million was outstanding, with none of the outstanding loans due for repayment, of which.

A. Ltd., a subsidiary of the Company, obtained a loan of RMB384,600 from Bank of China Limited, Chengdu High-Tech Sub-branch on 11 December 2020 for a term from 11 December 2020 to 21 June 2021, with an agreed interest rate of the pricing base rate + 0.35% (the pricing base rate is the LPR one-year term tranche). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, this amount has been returned and reclassified to non-current liabilities due within one year at the end of the period.

B. On 11 December 2020, Futong Fiber Optic Cable (Chengdu) Company Limited, a subsidiary of the Company, obtained a loan of RMB22,692,300 from Bank of China Limited, Chengdu High-Tech Sub-branch for a term from 11 December 2020 to 21 December 2021, with an agreed interest rate of the pricing base rate + 0.35% (the pricing base rate is the LPR one-year term). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, the amount had not been repaid and was reclassified to non-current liabilities due within one year at the end of the period.

C. Ltd., a subsidiary of the Company, obtained a loan of RMB1,923,100 from Bank of China Limited, Chengdu High-Tech Sub-branch on 11 December 2020 for a term from 11 December 2020 to 11 February 2022, with an agreed interest rate of the pricing base rate + 0.35% (the pricing base rate is the LPR one-year term tranche). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, this amount had not been returned and was reclassified to non-current liabilities due within one year at the end of the period.

D. Ltd., a subsidiary of the Company, obtained a loan of RMB615,360,000 from Bank of China Limited, Chengdu High-Tech Sub-branch on 30 December 2020 for a term from 30 December 2020 to 21 June 2021, with an agreed interest rate of the pricing base rate + 0.35% (the pricing base rate is the LPR one-year term tranche). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, this amount has been returned and reclassified to non-current liabilities due within one year at the end of the period.

E.Ltd. obtained a loan of RMB36,307,800 from Bank of China Limited, Chengdu High-Tech Sub-branch on 30 December 2020 for a term from 30 December 2020 to 21 December 2021, with an agreed interest rate of the pricing base rate + 0.35% (the pricing base rate is the LPR one-year term). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, this amount had not been returned and was reclassified to non-current liabilities due within one year at the end of the period.

F.Ltd. obtained a loan of RMB3,076,960,000 from Bank of China Limited, Chengdu High-tech Sub-branch on 30 December 2020 for the period from 30 December 2020 to 11 February 2022, with an agreed interest rate of the pricing base rate + 0.35% (the pricing base rate is the LPR one-year term tranche). The loan is fully guaranteed jointly and severally by Tianjin Futong Information Technology Co. As at the end of the reporting period, this amount had not been returned and was reclassified to non-current liabilities due within one year at the end of the period.

26. Lease liabilities

Unit: $

sports event	Closing balance	Opening balance
Plant lease liabilities	19,540,832.47	16,228,626.29
add up the total	19,540,832.47	16,228,626.29

Other notes

27. Deferred revenue

Unit: $

sports event	Opening balance	Increase in the current period	Decrease for the period	Closing balance	Causes of formation
Government grants	111,779,888.87	1,000,000.00	3,065,833.32	109,714,055.55	Project subsidies
add up the total	111,779,888.87	1,000,000.00	3,065,833.32	109,714,055.55	--

Projects involving government grants.

Unit: $

Liability items	Opening balance	Amount of new grants for the period	Amount charged to non-operating income during the period	Amount charged to other income during the period	Amount charged to costs during the period	Other changes	Closing balance	Asset-related/revenue-related
Fiber optic prefabricated rod project section	92,875,000.03			1,062,499.98			91,812,500.05	Asset-related
Non-dispersive new single-mode fiber drawing expansion special funding	540,000.00			270,000.00			270,000.00	Asset-related
2018 Provincial Special Funds for	8,000,000.00			1,000,000.00			7,000,000.00	Asset-related

the Development of Strategic Emerging Industries								
The third batch of 2018 provincial industrial enterprise technical transformation funds project money	5,976,000.00						5,976,000.00	Asset-related
2019 Special Funds for the Development of the Military-Civilian Integration Industry	3,000,000.00						3,000,000.00	Asset-related
High-performance quartz products technology research and industrialization	1,000,000.00			650,000.00			350,000.00	Revenue-related
Special funds for civil-military integration development in 2020		1,000,000.00					1,000,000.00	Asset-related

Government subsidizes the purchase price of the vehicle	388,888.84			83,333.34			305,555.50	Asset-related

28. Share capital

Unit: $

	Opening balance	Increase or decrease in this change (+, -)					Closing balance
		issue new shares	a share grant	Conversion of provident funds to shares	other	Subtotal	
Total number of shares	1,208,455,224.00						1,208,455,224.00

29. Capital surplus

Unit: $

sports event	Opening balance	Increase in the current period	Decrease for the period	Closing balance
Other capital surplus	126,281,548.60	56,634,100.00		182,915,648.60
add up the total	126,281,548.60	56,634,100.00		182,915,648.60

30. Other comprehensive income

Unit: $

sports event	Opening balance	Current period occurrences						Closing balance
		Incurred before income tax for the period	Less: Transfer from prior period to profit or loss in other comprehensive income	Less: Transfer to retained earnings in the current period from prior periods charged to other comprehensive income	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
II. Other comprehensive income to be reclassified to profit or loss	-62,064.72							-62,064.72
Total other comprehensive income	-62,064.72							-62,064.72

31. Surplus reserve

Unit: $

sports event	Opening balance	Increase in the current period	Decrease for the period	Closing balance
statutory surplus	6,720,128.44			6,720,128.44
add up the total	6,720,128.44			6,720,128.44

32. Undistributed profits

Unit: $

sports event	current period	previous period
Unallocated profit at the end of the previous period before adjustments	-84,264,033.78	-94,133,458.58
Adjustment to unappropriated profit at the beginning of the period	-84,264,033.78	-94,133,458.58
Add: Net profit attributable to owners of the parent for the period	-49,578,495.09	2,790,880.78
Unallocated profit at the end of the period	-133,842,528.87	-91,342,577.80

Adjustments to the breakdown of unallocated profit at the beginning of the period.

1) The effect of the retrospective adjustment due to ASBE and its related new provisions on opening unappropriated profit for the period was $0.00.

2) The change in accounting policy affected opening unappropriated earnings by $0.00.

3) The effect on opening unappropriated earnings was $0.00 due to the correction of a material accounting error.

4) The change in the scope of consolidation due to the same control affected opening unappropriated earnings by $0.00.

5) Other adjustments totaling $0.00 affected opening unappropriated earnings.

33. Operating income and operating costs

Unit: $

sports event	Current period occurrences		Prior-period occurrences	
	income	cost	income	cost
Main Business	505,685,459.91	472,109,161.14	460,000,729.12	391,866,978.97
Other operations	6,774,253.22	925,258.64	6,575,909.93	1,487,115.85
add up the total	512,459,713.13	473,034,419.78	466,576,639.05	393,354,094.82

Information relating to compliance obligations.

The Company's revenue recognition policy is described in Note V.27. The Company, as the primary responsible party, performs its supply obligations in accordance with the categories and standards required by the customer in a timely manner in accordance with the contract. The Company delivers the goods to the customer and completes its performance obligations upon acceptance by the customer, and the customer obtains control of the relevant goods.

Payment terms vary by customer and product, with some of the Company's sales being made on a pre-receipt basis and the remaining sales being granted credit periods of a certain duration, with the credit periods granted being determined based on the credit risk characteristics of the customer and without a significant financing component.

Information relating to the transaction price apportioned to the remaining performance obligation.

The amount of revenue corresponding to performance obligations that have been contracted for but not yet performed or not yet completed at the end of the reporting period is $0.00, of which $ is expected to be recognized in the year, $ is expected to be recognized in the year, and $ is expected to be recognized in the year.

Other notes

34. Taxes and surcharges

Unit: $

sports event	Current period	Prior-period

	occurrences	occurrences
city maintenance and construction tax	666,701.95	112,423.10
additional education fee	476,215.66	80,098.13
property tax	1,161,287.64	716,816.00
Land use tax	711,888.97	573,592.59
vehicle use tax	16,080.00	18,980.00
stamp duties	544,753.73	331,967.80
other	15,697.95	2,242.68
add up the total	3,592,625.90	1,836,120.30

Other notes.

35. Cost of goods sold

Unit: $

sports event	Current period occurrences	Prior-period occurrences
workforce remuneration	1,503,453.42	1,363,180.60
Office expenses, travel	224,889.51	67,108.08
Depreciation and material losses	51,736.59	7,018.17
advertising cost	152,690.57	52,344.60
hospitality	275,283.00	123,310.61
power costs	885.84	
transport costs		2,911,576.37
maintenance costs		10,773.45
conference fee		
service fee	113,299.21	176,419.54
other	220,982.23	673,810.05
add up the total	2,543,220.37	5,385,541.47

Other notes.

36. Management costs

Unit: $

sports event	Current period occurrences	Prior-period occurrences
workforce remuneration	22,663,432.68	18,821,811.17
office expenses	367,719.44	580,368.30
business travel expenses	436,606.66	308,118.46
Vehicle costs	215,906.33	189,856.02
hospitality	861,257.26	542,662.65
Intermediary service fees	2,308,984.19	520,761.97
Accumulated depreciation and amortization	4,375,082.43	6,410,111.25
Maintenance costs, material consumption	532,817.17	182,096.37
Property insurance premiums	202,767.54	226,094.71
Service and rental fees	2,455,117.70	2,467,139.03

consultancy fee		95,273.68
Other costs	3,643,736.03	2,948,350.45
add up the total	38,063,427.43	33,292,644.06

Other notes.

37. Research and development costs

Unit: $

sports event	Current period occurrences	Prior-period occurrences
Cost of materials, fuel and power directly consumed by R&D activities	12,922,133.19	8,021,691.14
Salaries, bonuses, allowances, subsidies, social insurance premiums, housing fund and other labor costs of the enterprise's in-service R&D staff	9,064,336.86	8,567,489.21
Depreciation of fixed assets such as instruments, equipment and buildings for R&D activities	4,909,441.93	3,227,071.36
Amortization expense of intangible assets such as software, patents and non-proprietary technology used in research and development activities	0.00	-388,255.27
Development and manufacture of moulds, process equipment for intermediate tests and product trials, equipment adjustment and inspection costs, purchase of samples, prototypes and general test methods, inspection costs for trial products	14,051.32	30,838.15
Fees for demonstration, evaluation, acceptance and assessment of R&D results, as well as application, registration and agency fees for intellectual property rights	80,364.05	27,975.65
Fees paid for research and development commissioned by or in collaboration with other units or individuals through outsourcing, collaborative research and development, etc.	60,962.72	22,769.49
Other costs directly related to R&D activities, including technical books and materials, translation of materials, conference fees, travel expenses, office expenses, foreign affairs, R&D staff training, training fees, expert consultation fees, high-tech R&D insurance costs, etc.	1,043,047.95	76,978.67
add up the total	28,094,338.02	19,586,558.40

38. Finance costs

Unit: $

sports event	Current period occurrences	Prior-period occurrences
Interest expenses	22,255,379.36	20,902,708.29
Less: Interest income	889,515.33	561,215.67

Foreign exchange gains and losses	23,442.59	-9,163.83
Bank charges	961,396.55	502,008.96
add up the total	22,350,703.17	20,834,337.75

Other notes.

39. Other gains

Unit: $

Sources of other revenue generation	Current period occurrences	Prior-period occurrences
Government grants related to ordinary activities	3,326,833.32	13,428,743.71
other	40,652.20	61,751.17
add up the total	3,367,485.52	13,490,494.88

40. Investment income

Unit: $

spor ts even t	Current period occurrence s	Prior-period occurrence s
Investment income arising on disposal of long-term equity investments	71,151.51	
Gain on debt restructuring		473,475.00
add up the tota l	71,151.51	473,475.00

Other notes.

41. Credit impairment losses

Unit: $

sports event	Current period occurrence s	Prior-period occurrence s
Bad debt losses on other receivables	-307,216.76	1,851,609.13
Bad debt losses on accounts receivable	-1,505,576.02	-1,009,329.33
add up the total	-1,812,792.78	842,279.80

Other notes.

42. Impairment losses on assets

Unit: $

spor ts even t	Current period occurrences	Prior-period occurrence s
ii. loss on decline in value of inventories and impairment loss on contract performance costs	4,610,783.81	
add up the tota l	4,610,783.81	

Other notes.

43. Non-operating income

Unit: $

sports event	Current period occurrences	Prior-period occurrences	Amount included in non-recurring profit or loss for the period
Unable to pay		1,490,827.63	
Income from scrap	173,188.10	14,487.00	173,188.10
Liquidated damages	645,419.47	300.00	645,419.47
other	11,954.06	15,731.77	11,954.06
add up the total	830,561.63	1,521,346.40	830,561.63

Other notes.

44. Non-operating expenses

Unit: $

sports event	Current period occurrences	Prior-period occurrences	Amount included in non-recurring profit or loss for the period
External donations	50,000.00		50,000.00
Losses on scrapping of fixed assets	1,062.04		1,062.04
Compensation and fines	59.00	33,300.00	59.00
other	54,341.41	33,658.59	54,341.41
add up the total	105,462.45	66,958.59	105,462.45

Other notes.

45. Income tax expense

(1) Schedule of income tax expense

Unit: $

sports event	Current period occurrences	Prior-period occurrences
Current income tax expense	155,676.33	3,581,454.75
Deferred income tax expense	609,210.45	770,686.12
add up the total	764,886.78	4,352,140.87

(2) Accounting profit and income tax expense adjustment process

Unit: $

sports event	Current period occurrences
total profit	-48,257,294.30
Income tax expense at statutory/applicable rates	-12,064,323.58
Effect of different tax rates applied to subsidiaries	-634,474.72
Effect of adjustments to income taxes of prior periods	-8,464.05

Effect of non-deductible costs, expenses and losses	194,012.47
Effect of deductible temporary differences or deductible losses on deferred tax assets not recognized in the period	13,278,136.66
Income tax expense	764,886.78

Other notes

46. Other comprehensive income

See note VII.30 for details.

47. Cash flow statement items

(1) Other cash received in connection with operating activities

Unit: $

sports event	Current period occurrences	Prior-period occurrences
Interest income from deposits of income	736,498.01	449,047.73
Government grant income	1,261,000.00	6,280,386.10
Other income	22,873,282.47	9,440,752.25
Other transactions received	39,267,914.69	20,505,730.93
add up the total	64,138,695.17	36,675,917.01

Other cash received in connection with operating activities Description.

(2) Other cash paid in connection with operating activities

Unit: $

sports event	Current period occurrences	Prior-period occurrences
cash payment	21,262,930.91	16,163,861.82
Security deposits, deposits	31,827,236.22	18,571,373.44
Finance charges fees paid	966,893.60	456,914.47
Other costs paid	50,000.00	21,634.00
Disbursement of transactions	2,292,847.25	9,401,218.26
add up the total	56,399,907.98	44,615,001.99

Description of other cash paid in relation to operating activities.

(3) Other cash paid in connection with investing activities

Unit: $

sports event	Current period occurrences	Prior-period occurrences
Cash held by dotcoms at the time of disposal	6,291,894.10	
add up the total	6,291,894.10	

Description of other cash paid in relation to investing activities.

(4) Other cash received in connection with financing activities

Unit: $

sports event	Current period occurrences	Prior-period occurrences
Receipt of performance-based compensation	56,634,100.00	
add up the total	56,634,100.00	

Other cash received in connection with financing activities Description.

(5) Other cash paid in connection with financing activities

Unit: $

sports event	Current period occurrences	Prior-period occurrences
Cash consideration paid by the merging parties in a business combination under common control		4,100,000.00
add up the total	0.00	4,100,000.00

Description of other cash paid in relation to financing activities.

48. Supplementary information on the cash flow statement

(1) Supplementary information on the statement of cash flows

Unit: $

Additional information	Amount for the period	Prior period amount
1.Reconciliation of net profit to cash flows from operating activities.	--	--
net profit	-49,022,181.08	4,195,838.87
Add: Provision for impairment of assets	-2,797,991.03	855,279.80
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	33,845,400.63	29,901,268.82
Depreciation of right-to-use assets	1,118,322.74	
Amortization of intangible assets	1,239,406.23	1,335,406.38
Amortization of long-term amortization	1,352,675.00	1,671,392.80
Losses on disposal of fixed assets, intangible assets and other long-lived assets (gains are shown with a "-" sign)		-1,341,560.54
Loss on scrapping of fixed assets (gain shown with a "-" sign)	1,062.04	2,243.46
Loss on changes in fair value (gains are shown with a "-" sign)		
Finance costs (gains are shown with a "-" sign)	21,954,035.72	20,902,708.29
Losses on investments (gains are shown with a "-" sign)	-71,151.51	
Decrease in deferred income tax assets (increase is shown by "-")	618,168.90	262,941.36

Increase (decrease by "-") in deferred income tax liabilities		
Decrease in inventories (increase is shown with a "-" sign)	-136,739,480.42	-13,432,289.56
Decrease in operating receivables (increase shown with a "-" sign)	-86,082,644.76	-81,651,573.40
Increase (decrease by "-") in operating payables	54,507,117.56	-23,353,048.70
other		
Net cash flows from operating activities	-160,077,259.98	-60,651,392.42
2. Significant investing and financing activities that do not involve cash receipts or disbursements.	--	--
Conversion of debt to capital		

Convertible corporate bonds due within one year		
Finance leasehold fixed assets		
3. Net change in cash and cash equivalents.	--	--
Closing balance of cash	37,163,407.39	98,238,463.06
Less: opening balance of cash	274,467,737.11	175,035,901.85
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-237,304,329.72	-76,797,438.79

(2) Net cash received during the period for disposal of subsidiaries

Unit: $

	sum of money
Cash or cash equivalents received during the period for the disposal of subsidiaries	6,878,600.00
Of which.	--
Less: Cash and cash equivalents held by the company on the date of loss of control	6,291,894.10
Of which.	--
Of which.	--
Net cash received on disposal of subsidiaries	586,705.90

(3) Composition of cash and cash equivalents

Unit: $

sports event	Closing balance	Opening balance
I. Cash	37,163,407.39	274,467,737.11
Of which: cash on hand	69,549.53	78,058.22
Bank deposits readily available for disbursement	37,093,857.86	98,160,404.84
III. Cash and cash equivalents balances at the end of the period	37,163,407.39	274,467,737.11

49. Assets subject to restrictions on ownership or use

Unit: $

sports event	Carrying value at the	Reason

	end of the period	for restriction
monetary funds	38,457,866.53	Bank acceptance deposits, performance bonds, etc.
fixed assets	60,171,379.95	mortgage loan
intangible asset	4,250,000.00	mortgage loan
add up the total	102,879,246.48	--

50. Government grants

(1) Basic information on government grants

Unit: $

type	sum of money	Items presented	Amount charged to current profit or loss
Special funds for civil-military integration development in 2020	1,000,000.00	Deferred revenue	
2020 Intellectual Property Grants and Incentives Special Fund	3,000.00	Other gains	3,000.00
Tianjin Patent Subsidy	8,000.00	Other gains	8,000.00
2020 Funding for Outstanding Enterprise in Economic Quality Development	250,000.00	Other gains	250,000.00

(2) Return of government grants

□ Applicable √

Not applicable

Other notes.

viii. change in scope of consolidation

1. Disposal of subsidiaries

Whether there is a single disposal of an investment in a subsidiary that results in a loss of control

√ Yes □ No

Unit: $

Name of subsidiary company	Equity disposal price	Shareholding disposal ratio	Disposal of equity interests	Point at which control is lost	Basis for determining the point at which control is lost	The difference between the disposal price and the share of the net assets of the subsid	of remaining equity at the date of loss of control	Book value of the remaining equity interest at the date of loss of	Fair value of the remaining equity interest at the date of loss of	Gain or loss on remeasurement of remaining equity at fair value	Methodology and key assumptions for determining the fair value of the remain	Transfer of other comprehensive income related to equity investments in atomic

						iary at the consolidated financial statement level corresponding to the disposal of the investment		control	control		ing equity interest at the date of loss of control	companies to investment gains and losses
Hangzhou Futong Cable Material Research and Development Co. manage	6,878,600.00	51.00%	conveyancing (property)	2021 30 April sun	Equity transfer agreements	71,151.51	0.00%	0.00	0.00	0.00	not involving	0.00

Other notes.

Whether there is a stepwise disposal of investment in a subsidiary through multiple transactions and loss of control during the period

□ Yes √ No

IX. Interests in other subjects

1. Interests in subsidiaries

(1) Composition of enterprise groups

Name of subsidiary company	Principal place of business	registered office	Nature of business	Shareholding ratio		Acquisition method
				directly	overhead	
Tianjin Fuwu Technology Investment Co.	Tianjin	Tianjin	investment	77.68%	10.01%	Acquisition by establishment
Tianjin Shenzhou Haotian Software Technology Co.	Tianjin	Tianjin	IT Industry	20.00%	80.00%	Acquisition by establishment
Tianda Tianzai (Hong Kong) Limited	Hong Kong	Hong Kong	IT Industry	100.00%		Acquisition by establishment
Tianjin Futong Fiber Optic Technology Co.	Tianjin	Tianjin	manufacture	100.00%		Acquisition by establishment
Tianjin Futong Optical Cable Technology Co.	Tianjin	Tianjin	manufacture	100.00%		Acquisition by establishment
Juzhi Photonics Material Technology Co.	Langfang prefecture level city in Hebei	Langfang prefecture level city in Hebei	manufacture	87.78%		Consolidation under non-same control
Tianjin Jiuzhi Photoelectric Material Manufacturing Co.	Tianjin	Tianjin	manufacture		87.78%	Acquisition by establishment
Tianjin Teckot Technology Co.	Tianjin	Tianjin	service industry	56.76%	43.24%	Acquisition by establishment
Shanghai King You Equity Investment Center (Limited Partnership)	Shanghai	Shanghai	investment	99.01%		Acquisition by establishment
Futong Fiber Optic Cable (Chengdu) Co.	Chengdu	Chengdu	manufacture	100.00%		Consolidation under the same control
Shandong Futong Light Guide Technology Co.	Ji'nan, subprovincial city and	Ji'nan, subprovincial city and	manufacture	77.15%	20.06%	Acquisition by establishment

	capital of Shandong province in northeast China	capital of Shandong province in northeast China				

Description of the percentage of shareholding in a subsidiary different from the percentage of voting rights.

Basis for holding half or less of the voting rights but still controlling the investee, and for holding more than half of the voting rights but not controlling the investee: In the case of significant structured entities included in the scope of consolidation, the basis for control.

Basis for determining whether a corporation is an agent or a principal: Other Description.

(2) Significant non-wholly owned subsidiaries

Unit: $

Name of subsidiary company	Minority shareholding ratio	Profit or loss attributable to minority shareholders for the period	Dividends declared to minority shareholders during the period	Balance of minority interests at the end of the period
Juzhi Photonics Material Technology Co.	12.22%	-29,333.34		43,754,923.37

Description of the percentage of shareholding of minority shareholders of the subsidiary different from the percentage of voting rights:

Other description.

(3) Key financial information of significant non-wholly owned subsidiaries

Unit: $

Name of subsidiary company	Closing balance						Opening balance					
	current asset	Non-current assets	Total assets	current liability	Non-current liabilities	Total liabilities	current asset	Non-current assets	Total assets	current liability	Non-current liabilities	Total liabilities
Juzhi Photonics Material Technology Co.	185,614,681.58	274,414,280.47	460,028,962.05	81,419,984.42	20,614,150.05	102,034,134.47	257,356,970.34	281,511,459.75	538,868,430.09	160,377,965.34	17,976,000.00	178,353,965.34

Unit: $

Name of subsidiary company	Current period occurrences				Prior-period occurrences			
	revenues	net profit	Total comprehensive income	Cash flows from operating activities	revenues	net profit	Total comprehensive income	Cash flows from operating activities
Juzhi Photonics Material Technology Co.	51,785,432.74	-240,000.08	-240,000.08	-8,071,383.96	60,129,633.71	2,019,263.88	2,019,263.88	-15,855,432.36

Other notes.

X. Risks related to financial instruments

The Company's principal financial instruments include equity investments, borrowings, accounts receivable and accounts payable, a detailed description of each financial instrument is provided in the relevant item in Note VII of this document. The risks associated with these financial instruments, and the risk management policies adopted by the Company to mitigate these risks, are described below. The Company's management manages and monitors these risk exposures to ensure that the above risks are kept within limits.

The Company uses sensitivity analysis techniques to analyze the impact that reasonable and probable changes in risk variables may have on current profit or loss or shareholders' equity. Since changes in any risk variable rarely occur in isolation and the correlation that exists between variables will have a significant effect on the ultimate amount of the impact of a change in a risk variable, the following is performed under the assumption that changes in each variable are independent.

(i) Risk management objectives and policies

The Company engages in risk management with the objective of striking an appropriate balance between risk and return, minimizing the negative impact of risk on the Company's operating performance, and maximizing the interests of shareholders and other equity investors. Based on this risk management objective, the Company's basic strategy for risk management is to identify and analyze the various risks to which the Company is exposed, establish appropriate risk tolerance floors and conduct risk management, and monitor the various risks in a timely and reliable manner to control the risks within the limits.

1. Market risk

(1) Foreign exchange risk

Foreign exchange risk represents the risk of loss arising from changes in exchange rates. The Group is exposed to foreign exchange risk mainly in relation to the United States dollar. Except for the Company's subsidiary, Jiuzhi Optoelectronics Material Technology Company Limited, which accepts the impact of the United States dollar exchange rate among the import of quartz sand and has a small amount of United States dollar for sales, the Company's other major business activities are denominated and settled in RMB.

(2) Interest rate risk - exposure to changes in cash flows

The Company's exposure to changes in cash flows from financial instruments due to changes in interest rates relates primarily to floating rate bank borrowings (see Note VII, 16 and Note VII, 25 for further details). The Company's policy is to maintain variable interest rates on these borrowings.

Interest rate risk sensitivity analysis.

The interest rate risk sensitivity analysis is based on the following assumptions.

(i) Changes in market interest rates affect the interest income or expense on variable rate financial instruments.

(ii) For fixed-rate financial instruments measured at fair value, changes in market interest rates affect only their interest income or expense.

(iii) For derivative financial instruments designated as hedging instruments, changes in market interest rates affect their fair value and all interest rate hedges are expected to be highly effective.

④ Changes in the fair value of derivative financial instruments and other financial assets and liabilities are calculated using the discounted cash flow method using market interest rates at the balance sheet date.

On the basis of the above assumptions, the pre-tax impact on current profit or loss and shareholders' equity of a reasonable possible change in interest rates, with other variables held constant, would be as follows.

sports event	Interest rate changes	current period		previous period	
		Impact on profits	Impact on shareholders' equity	Impact on profits	Impact on shareholders' equity
bank loan	5% increase	-1,093,487.49	-1,093,487.49	-434,687.76	-434,687.76
bank loan	5 per cent reduction	1,093,487.49	1,093,487.49	434,687.76	434,687.76

(3) Other price risk

The Company has no high risk investments and no significant other market risk.

2. Credit risk

At June 30, 2021, the largest exposure to credit risk that could give rise to financial losses for the Company arises primarily from losses incurred on the Company's financial assets as a result of the failure of the other party to the contract to perform its obligations.

The Company will only deal with approved and reputable third parties. In accordance with the Company's policy, it is required to perform credit reviews on all customers who request to transact on credit. In addition, the Company monitors its accounts receivable balances on an ongoing basis to ensure that the Company is not exposed to significant bad debt risk. The Company does not offer credit terms for transactions that are not settled in the relevant operating unit's home currency of account, unless specifically approved by the Company's credit control department. As a result, the Company's management believes that the credit risk assumed by the Company has been significantly reduced.

The Company's other financial assets include monetary funds, notes receivable, accounts receivable and other receivables, which are subject to credit risk arising from counterparty defaults with maximum exposure equal to the carrying amount of these instruments. The Company is also exposed to credit risk from the provision of financial guarantees as disclosed in Note XII, 4(3).

The Company's bank deposits are mainly placed with state-owned banks and other large and medium-sized listed banks as well as foreign banks with high credit ratings, which the Company does not consider to be subject to significant credit risk and will hardly incur any significant losses due to bank defaults.

For quantitative data on the Company's credit risk exposures arising from accounts receivable and other receivables and the allowance for losses, see Note VII, 2, and the disclosures in Note VII, 5.

3. Liquidity risk

Liquidity risk is the risk that a business will experience a shortage of funds in meeting its obligations settled by delivery of cash or other financial assets. The Company manages its liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank loans and debt. The Company's objective is to use a variety of financing instruments such as bank borrowings, bonds and other interest-bearing borrowings to maintain a balance between continuity and flexibility of financing.

The maturity analysis of financial liabilities based on undiscounted contractual cash flows is as follows.

(1) The Company's current liabilities include short-term borrowings, notes payable, accounts payable, interest payable, and other payables, all of which are expected to be due and payable within one

year.

(2) An analysis of the maturity of the Company's non-current liabilities (including non-current liabilities due within one year) based on undiscounted contractual cash flows is as follows.

sports event	Closing balance				
	Less than one year	One to two years	Two to three years	More than three years	add up the total
Long-term loans	119,000,040.00	25,000,000.00	24,000,000.00	69,000,000.00	237,000,040.00

(continued)

sports event	Opening balance				
	Less than one year	Two to three years	More than three years	More than three years	add up the total
Long-term loans	145,426,699.43	30,000,060.00	25,000,000.00	79,000,000.00	279,426,759.43

The closing balance of long-term loans due within one year of $119,000,040.00 is shown in the statement under "Non-current liabilities due within one year".

(ii) Transfer of financial assets

As at the end of the reporting period, the Company had no transfers of financial assets.

(iii) Offsetting of financial assets and financial liabilities

As at the end of the reporting period, the Company had no offsetting financial assets against financial liabilities.

xi. fair value disclosures

1. Closing fair value of assets and liabilities measured at fair value

Unit: $

sports event	Fair value at end of period			
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	add up the total
I. Ongoing fair value measurement	--	--	--	--
(ii) Other debt investments		3,452,138.76		3,452,138.76
(iii) Investments in other equity instruments			203,577,153.69	203,577,153.69
ii. discontinued fair value measurements	--	--	--	--

2. ongoing and discontinued Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques used and key parameters

As described in Note "VII.3", the Company finances its receivables with short maturities and determines the fair value by reference to the face amount of the notes.

3. ongoing and discontinued Level 3 fair value measurement items, qualitative and quantitative information on the valuation techniques used and significant parameters

As described in Note "VII.8", the Company's investments in equity instruments are mainly unlisted equity interests and their carrying values are generally consistent with their fair values as there have been no significant changes in their operating environment and their operating and financial conditions.

XII. Related parties and related transactions

1. Information on the parent company of the enterprise

Name of parent company	registered office	Nature of business	Registered Capital	Parent company's shareholding in the enterprise	Parent company's share of voting rights in the enterprise
Zhejiang Futong Technology Group Co.	Zhejiang	Investment and wholesale and retail trade	83,200.00 million	11.92%	11.92%

Description of the parent company of the enterprise

As at 30 June 2021, Zhejiang Futong Technology Group Company Limited, Hangzhou Futong Guotai Investment Company Limited and Hangzhou Futong Minan Investment Company Limited, which are controlled by Mr. Wang Jianyi, held 11.92%, 0.42% and 0.53% equity interests in the Company respectively, of which Zhejiang Futong Technology Group Company Limited is the controlling shareholder of the Company. Mr. Wang Jianyi indirectly controls 12.87% of the shares of the Company through Zhejiang Futong Technology Group Company Limited, Hangzhou Futong Guotai Investment Company Limited and Hangzhou Futong Minan Investment Company Limited and is the de facto controller of the Company. Hangzhou Futong Guotai Investment Co., Ltd. and Hangzhou Futong Minan Investment Co., Ltd. are enterprises controlled by the actual controller of the Company and are related legal persons of the Company.

The ultimate controlling party of the business is Wang Jianyi. Other notes.

2. Information on the Company's subsidiaries

For details of the Company's subsidiaries, see Note 9, "1. Interests in subsidiaries".

3. Information on other related parties

Name of other related parties	Relationship between other related parties and the enterprise
Zhejiang Futong Fiber Optic Technology Co.	Controlled by the same ultimate party
Chengdu Futong Optical Communication Technology Co.	Controlled by the same ultimate party
Fortis Group (Jiashan) Communication Technology Co.	Controlled by the same ultimate party
Fortis Group (Chengdu) Technology Co.	Controlled by the same ultimate party
Hangzhou Futong Communication Technology Co.	Controlled by the same ultimate party
Fortis Sumitomo Optical Fiber (Tianjin) Co.	Controlled by the same ultimate party
Fortis Sumitomo Optical Fiber (Hangzhou) Co.	Controlled by the same ultimate party
Fortis Sumitomo Electric Photoconductive Technology (Jiaxing) Co.	Controlled by the same ultimate party
Jiaxing Futong Materials Co.	Controlled by the same ultimate party
Futong Special Optical Cable (Tianjin) Co.	Controlled by the same ultimate party
Futong Fiber Optic Cable (Shenzhen) Co.	Companies associated with the Company's directors
Hangzhou Futong Wire & Cable Co.	Controlled by the same ultimate party
Futong Showa Cable (Hangzhou) Co.	Controlled by the same ultimate party
Jilin Futong Optical Communication Co.	Controlled by the same ultimate party
Fortis Sumitomo Optical Fiber (Jiaxing) Co.	Controlled by the same ultimate party
Futong Showa Cable (Tianjin) Co.	Controlled by the same ultimate party
Hangzhou Futong Electric Co.	Controlled by the same ultimate party
Futong Jiashan Fiber Optic Cable Technology Co.	Controlled by the same ultimate party F8002t
Futong Zhoushan Ocean Optical Cable Technology Co.	Controlled by the same ultimate party
Tianjin Futong Enameled Wire Co.	Controlled by the same ultimate party
Dandong Juhua Electric (Group) Co.	Controlled by shareholders holding more than 5% of the shares

Other notes

4. Related transactions

(1) Related transactions for the purchase and sale of goods, provision and receipt of services

Statement of procurement of goods/acceptance of services

Unit: $

related party	Content of connected transactions	Current period occurrences	Amount of transactions approved	Whether the transaction amount is	Prior-period occurrences

				exceeded	
Chengdu Futong Optical Communication Technology Co.	Procurement of materials	20,860,345.02	20,900,000.00	deny	73,931,444.62
Fortis Group (Jiashan) Communication Technology Co.	Procurement of materials	265,210,069.28	280,300,000.00	deny	
Chengdu Futong Optical Communication Technology Co.	utilities	3,358,338.62	14,000,000.00	deny	3,082,959.87

Fortis Group (Chengdu) Technology Co.	Park service fee	852,656.58	2,000,000.00	deny	
Hangzhou Futong Communication Technology Co.	Procurement of materials				72,561,872.38
Hangzhou Kanginest Network Co.	System maintenance				96,383.86
Zhejiang Futong Fiber Optic Technology Co.	Procurement of materials	39,853,302.29	40,000,000.00	deny	35,470,602.95

Statement of sale of goods/provision of services

Unit: $

related party	Content of connected transactions	Current period occurrences	Prior-period occurrences
Hangzhou Futong Communication Technology Co.	Sales of goods	132,345,933.61	143,058,924.76
Chengdu Futong Optical Communication Technology Co.	Sales of goods		-297,586.18
Fortis Sumitomo Electric Photoconductive Technology (Jiaxing) Co.	Sales of goods	9,845.14	48,322.13
Fortis Sumitomo Optical Fiber (Hangzhou) Co.	Sales of goods	312,254.89	319,954.84
Fortis Sumitomo Optical Fiber (Jiaxing) Co.	Sales of goods		55,442.48
Fortis Sumitomo Optical Fiber (Tianjin) Co.	Sales of goods	133,387.60	55,275.98
Jiaxing Futong Materials Co.	Sales of goods	1,151,081.36	
Hangzhou Futong Wire & Cable Co.	provision of labour	55,500.00	
Fortis Group (Jiashan) Communication Technology Co.	provision of labour	711,924.55	
Futong Fiber Optic Cable (Shenzhen) Co.	provision of labour	66,337.74	
Futong Showa Cable (Hangzhou) Co.	provision of labour	35,283.03	
Hangzhou Futong Communication Technology Co.	provision of labour	447,988.70	
Fortis Sumitomo Optical Fiber (Jiaxing) Co.	provision of labour	13,018.87	
Futong Showa Cable (Tianjin) Co.	provision of labour	12,924.53	3,018.87
Hangzhou Futong Electric Co.	provision of labour	8,584.91	
Zhejiang Futong Fiber Optic Technology Co.	provision of labour	1,226.42	
Futong Zhoushan Ocean Optical Cable Technology Co.	provision of labour	1,226.42	
Tianjin Futong Enameled Wire Co.	provision of labour	1,132.08	
Jilin Futong Optical Communication Co.	provision of	29,620.75	

	labour		
Futong Jiashan Fiber Optic Cable Technology Co.	provision of labour	1,698.11	108,679.24
Futong Special Optical Cable (Tianjin) Co.	provision of labour	164,216.98	128,813.20

Description of related transactions for the purchase and sale of goods, provision and receipt of services

(2) Associated leases

The Company, as lessor.

Unit: $

Name of the lessee	Types of leased assets	Lease income recognized during the period	Lease income recognized in prior period

The Company, as lessee.

Unit: $

Name of lessor	Types of leased assets	Lease payments recognized during the period	Lease payments recognized in the prior period
Chengdu Futong Optical Communication Technology Co.	house	943,396.26	
Hangzhou Futong Wire & Cable Co.	house		317,889.92

Description of affiliated leases

(3) Associated guarantees

The Company as guarantor

Unit: $

secured party	Amount of guarantee	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
Futong Fiber Optic Cable (Chengdu) Co.	20,000,000.00	19 October 2020	19 October 2022	deny
Futong Fiber Optic Cable (Chengdu) Co.	24,000,000.00	18 August 2020	01 February 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	384,600.00	11 December 2020	21 June 2023	be
Futong Fiber Optic Cable (Chengdu) Co.	22,692,300.00	11 December 2020	21 June 2023	deny
Futong Fiber Optic Cable (Chengdu) Co.	1,923,100.00	11 December 2020	11 February 2024	deny
Futong Fiber Optic Cable (Chengdu) Co.	30,000,000.00	04 March 2020	04 March 2023	be
Futong Fiber Optic Cable (Chengdu) Co.	615,360.00	30 December 2020	21 June 2023	be
Futong Fiber Optic Cable (Chengdu) Co.	36,307,680.00	30 December 2020	21 December 2023	deny
Futong Fiber Optic Cable (Chengdu) Co.	3,076,960.00	30 December 2020	11 February 2024	deny
Futong Fiber Optic Cable (Chengdu) Co.	46,000,000.00	28 December 2020	25 June 2023	be
Futong Fiber Optic Cable (Chengdu) Co.	20,000,000.00	October 23, 2019	23 October 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	40,000,000.00	November 27, 2019	27 November 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	25,000,000.00	December 20, 2019	20 December 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	46,000,000.00	August 23, 2019	17 February 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	24,000,000.00	September 17, 2019	March 02, 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	40,000,000.00	06 November 2020	29 December 2022	be

Futong Fiber Optic Cable (Chengdu) Co.	46,000,000.00	10 January 2020	01 July 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	24,000,000.00	21 February 2020	12 August 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	46,000,000.00	July 08, 2020	25 December 2022	be
Futong Fiber Optic Cable (Chengdu) Co.	30,000,000.00	March 05, 2021	04 March 2024	deny
Futong Fiber Optic Cable (Chengdu) Co.	46,000,000.00	28 June 2021	20 December 2023	deny
Futong Fiber Optic Cable (Chengdu) Co.	24,000,000.00	02 February 2021	26 July 2022	deny

The Company as the guaranteed party

Unit: $

guarantors	Amount of guarantee	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled

Fortis Group Limited	1,000,000.00	July 15, 2019	10 January 2022	be
Fortis Group Limited	4,000,000.00	July 15, 2019	10 July 2022	be
Fortis Group Limited	1,000,000.00	July 15, 2019	10 January 2023	be
Fortis Group Limited	4,000,000.00	July 15, 2019	10 July 2023	deny
Fortis Group Limited	1,000,000.00	July 15, 2019	10 January 2024	deny
Fortis Group Limited	4,000,000.00	July 15, 2019	10 July 2024	deny
Fortis Group Limited	1,000,000.00	July 15, 2019	10 January 2025	deny
Fortis Group Limited	4,000,000.00	July 15, 2019	10 July 2025	deny
Fortis Group Limited	1,000,000.00	July 15, 2019	10 January 2026	deny
Fortis Group Limited	69,000,000.00	July 15, 2019	10 July 2026	deny
Fortis Group Limited	35,000,000.00	28 December 2018	20 May 2021	be
Fortis Group Limited	35,000,000.00	28 December 2018	20 November 2021	be
Fortis Group Limited	37,500,000.00	28 December 2018	20 May 2022	be
Fortis Group Limited	37,500,000.00	28 December 2018	20 November 2022	be
Fortis Group Limited	40,000,000.00	28 December 2018	20 May 2023	be
Fortis Group Limited	40,000,000.00	28 December 2018	20 November 2023	deny
Fortis Group Limited	10,000,000.00	28 December 2018	20 May 2024	deny
Fortis Group Limited	10,000,000.00	28 December 2018	20 November 2024	deny
Fortis Group Limited	10,000,000.00	28 December 2018	20 May 2025	deny
Fortis Group Limited	10,000,000.00	28 December 2018	28 December 2025	deny
Fortis Group Limited	50,000,000.00	31 March 2021	12 November 2023	deny
Hangzhou Futong Communication Technology Co.	40,000,000.00	May 31, 2019	30 May 2023	be
Hangzhou Futong Communication Technology Co.	40,000,000.00	29 May 2020	28 May 2024	be
Hangzhou Futong Communication Technology Co.	50,000,000.00	April 29, 2019	29 April 2022	be
Hangzhou Futong Communication Technology Co.	50,000,000.00	30 April 2020	27 April 2023	deny
Hangzhou Futong Communication Technology Co.	30,000,000.00	March 15, 2019	15 March 2022	be
Hangzhou Futong Communication Technology Co.	40,000,000.00	16 June 2021	15 June 2025	deny
Hangzhou Futong Communication Technology Co.	50,000,000.00	15 April 2021	23 October 2023	deny

Description of affiliated guarantees

(4) Key management compensation

Unit: $

sports event	Current period occurrences	Prior-period occurrences
Key management remuneration	2,830,486.73	3,306,306.26

5. Amounts due from and to related parties

(1) Items receivable

Unit: $

Project name	related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Chengdu Futong Optical Communication Technology Co.	0.00	0.00	104,450.00	10,445.00
Accounts receivable	Fortis Sumitomo Electric Photoconductive Technology (Jiaxing) Co.	11,125.00	111.25	3,850.00	38.50
Accounts receivable	Fortis Sumitomo Optical Fiber (Hangzhou) Co.	0.00	0.00	595,122.00	5,951.22
Accounts receivable	Fortis Sumitomo Optical Fiber (Tianjin) Co.	83,264.00	832.64	208,972.00	2,089.72
Accounts receivable	Hangzhou Futong Communication Technology Co.	326,203,090.25	3,262,030.90	357,253,933.45	3,572,539.34
Accounts receivable	Dandong Juhua Electric (Group) Co.	790,000.00	790,000.00	790,000.00	790,000.00
Accounts receivable	Fortis Group (Jiashan) Communication Technology Co.	0.00	0.00	768,552.00	7,685.52
Accounts receivable	Futong Special Optical Cable (Tianjin) Co.	0.00	0.00	308,102.00	3,081.02
Accounts receivable	Jiaxing Futong Materials Co.	830,472.00	8,304.72	401,803.00	4,018.03
Accounts receivable	Fortis Sumitomo Optical Fiber (Hangzhou) Co.	234,080.00	2,340.80		
Other receivables	Zhejiang Futong Technology Group Co.	0.00	0.00	29,790,000.00	297,900.00

(2) Items payable

Unit: $

Project name	related party	Closing book balance	Opening book balance
accounts payable	Chengdu Futong Optical Communication Technology Co.	3,215,433.76	10,165,114.28
accounts payable	Futong Special Optical Cable (Tianjin) Co.	155,061.18	144,694.80
accounts payable	Zhejiang Futong Fiber Optic Technology Co.	1,168,561.39	946,522.61
accounts payable	Hangzhou Futong Communication Technology Co.	986,301.37	1,908,578.43
accounts payable	Hangzhou Futong Wire & Cable Co.	0.00	86,625.00

accounts payable	Fortis Group Limited	0.00	6,261.20
accounts payable	Hangzhou Kanginest Network Co.	100,000.00	101,552.90
accounts payable	Fortis Group (Chengdu) Technology Co.	900,000.00	900,000.00
accounts payable	Fortis Group (Jiashan) Communication Technology Co.	37,214,899.83	
accounts payable	Hangzhou Futong Cable Material Research and Development Co.	330,554.00	

6. Related party commitments

(1) Commitments made in the Report on Changes in Interests

On 18 May 2018, the Company's current controlling shareholder, Futong Technology, signed an Equity Transfer Agreement with the former controlling shareholder, Tibet Golden Staff Investment Co.

Proposal". In order to safeguard the legitimate rights and interests of the listed company and the small and medium-sized shareholders, the controlling shareholder and the de facto controller have made commitments to ensure the independence of the listed company, avoid and resolve inter-sector competition, connected transactions and other commitment matters, details of which are set out in the "Detailed Report on Changes in Equity" disclosed by the Company on 6 June 2018
(Updated). As at the end of 2019, the undertaking of Fortis Technology not to transfer within 12 months after the completion of this change of interest has been fulfilled.

On 20 November 2020, the Board of Directors of Futong Information issued the Announcement on Change of Undertaking to Resolve Interbank Competition, after which Futong Technology Company and Mr. Wang Jianyi, the de facto controller of the Company, undertook to avoid and resolve interbank competition with Futong Information by 11 June 2023. For details, please refer to the "Announcement on the Change of Undertaking Performance Period of the Beneficial Controller" disclosed by the Company on 20 November 2020 (Announcement No.: (Pro) 2020-042).

On 8 December 2020, Futong Information released the "Announcement of Resolutions of the Third Extraordinary General Meeting of 2020", which showed that the Third Extraordinary General Meeting considered and passed the "Proposal to Change the Commitment to Resolve Intercompany Competition". Details are set out in the Announcement of Resolutions of the Third Extraordinary General Meeting of 2020 (Announcement No. (Pro) 2020-047) disclosed by the Company on 8 December 2020.

(2) Performance commitments for acquired assets

In September 2018 and March 2019, the Board of Directors and the General Meeting of Shareholders of the Company considered and approved the purchase of 80% equity interest and 20% equity interest in Futong Fiber Optic Cable (Chengdu) Company Limited ("Futong Communication") held by Hangzhou Futong Communication Technology Company Limited ("Futong Communication"), an enterprise controlled by the de facto controller, in cash. (hereinafter referred to as "Futong Communications"), Futong Communications undertakes that the net profit attributable to shareholders of the parent company after deduction of non-recurring profit or loss shall not be less than RMB79.39 million, RMB98.77 million and RMB118.24 million for FY2018, FY2019 and FY2020, respectively, and enters into the Performance Commitment Compensation Agreement, and if the cumulative net profit achieved by Futong Chengdu at the end of each period during the compensation period is less than the cumulative net profit as at the end of the current period the cumulative net profit as at the end of the current period, Futong Communication will be compensated in cash according to the agreed ratio. The amount of compensation in cash = (the cumulative committed net profit as at the end of the current period - the cumulative realized net profit as at the end of the current period) / the sum of the committed net profit for each year within the performance commitment period * the transaction price of the subject assets - the amount of compensation in cash already paid. For details, please refer to the "Announcement on Cash Acquisition of 80% Equity Interest in Futong Fiber Optic Cable (Chengdu) Co., Ltd. and Connected Transaction" (Announcement No. 2018-076) and "Announcement on Acquisition of Minority Equity Interest in a Controlling Subsidiary and Connected Transaction" (Announcement No. 2019-008) disclosed by the Company on September 12, 2018 and March 25, 2019.

The consolidated financial statements of Futong Chengdu achieved a net profit of RMB288,210,400 for 2018-2020 and a net profit attributable to shareholders of the parent company of RMB276,164,000 after deducting non-recurring gains and losses, which fell short of the cumulative performance commitment. The amount of cash compensation payable by Futong Telecom was RMB56,634,100. As at the reporting date, the above commitments have been fulfilled.

xiii. commitments and contingencies

1. Key commitments

Significant commitments in existence at the balance sheet date

As of June 30, 2021, the Company has no material commitments that require disclosure.

2. Contingencies

(1) There are no material contingencies that the company is required to disclose, which should also be stated

There are no material contingencies that the Company is required to disclose.

XIV. Events after the balance sheet date

not

XV. Other important matters

XVI. Notes to the main items in the parent company financial statements

1. Accounts receivable

(1) Accounts receivable classification disclosure

Unit: $

categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		book value	Book balance		Provision for bad debts		book value
	sum of money	proportion	sum of money	Percentage of accrual		sum of money	proportion	sum of money	Percentage of accrual	
Of which.										
Accounts receivable with provision for bad debts by portfolio	233,111,391.09	100.00%	3,477,127.59	1.49%	229,634,263.50	148,680,488.38	100.00%	2,103,523.03	1.41%	146,576,965.35
Of which.										
add up the total	233,111,391.09	100.00%	3,477,127.59	1.49%	229,634,263.50	148,680,488.38	100.00%	2,103,523.03	1.41%	146,576,965.35

Provision for bad debts by portfolio: ageing of receivables is used as a credit risk characteristic

Unit: $

name (of a thing)	Closing balance		
	Book balance	Provision for bad debts	Percentage of accrual
Within 1 year	212,668,520.99	1,356,509.88	0.64%
1-2 years	20,061,216.61	2,006,121.66	10.00%
2-3 years	381,653.49	114,496.05	
add up the total	233,111,391.09	3,477,127.59	--

Description of the basis for determining the portfolio.

In the case of bad debt provision for accounts receivable based on the general model of expected credit losses, please disclose information about the provision for bad debts by referring to the disclosure for other receivables as follows.

□ Applicable √

Not applicable

Disclosures by

ageing

Unit: $

age of accounts	Closing balance
Up to and including 1 year	212,668,520.99
1 to 2 years	20,061,216.61
2 to 3 years	381,653.49
add up the total	233,111,391.09

(2) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period.

Unit: $

categories	Opening balance	Amount of change during the period				Closing balance
		set aside	Recoveries or reversals	audit and write off	other	
Provision for bad debts on accounts receivable	2,103,523.03	1,373,604.56				3,477,127.59
add up the total	2,103,523.03	1,373,604.56	0.00	0.00	0.00	3,477,127.59

(3) Top five accounts receivable with closing balances, grouped by party in arrears

Unit: $

Name of the unit	Closing balance of accounts receivable	Percentage of total closing balance of accounts receivable	Closing balance of provision for bad debts
Changfei Fiber Optic Cable Co.	43,951,509.72	18.85%	1,600,515.10
Shandong Futong Light Guide Technology Co.	39,688,893.09	17.03%	0.00
Futong Fiber Optic Cable (Chengdu) Co.	37,328,639.60	16.01%	0.00
China Mobile Communications Group Yunnan Co.	18,130,060.72	7.78%	181,300.61
China Mobile Communications Group Chongqing Co.	10,087,592.68	4.33%	100,875.93
add up the total	149,186,695.81	64.00%	

2. Other receivables

Unit: $

sports event	Closing balance	Opening balance
interest receivable	20,021.93	20,021.93
Other receivables	69,638,494.63	77,673,502.01
add up the total	69,658,516.56	77,693,523.94

(1) interest receivable

(1) Classification of interest receivable

Unit: $

sports event	Closing balance	Opening balance
Interest receivable from subsidiaries	20,021.93	20,021.93
add up the total	20,021.93	20,021.93

(2) Other receivables

1) Breakdown of other receivables by nature of amount

Unit: $

Nature of payment	Closing book balance	Opening book balance
Asset disposal payments		29,790,000.00
Deposits, security deposits	3,317,471.66	4,017,501.59
Imprest debit	133,694.92	
Receivables from intra-group affiliates	67,084,734.50	44,314,734.50
Receivables from unrelated companies		147,127.00
other		42,801.26
Less: provision for bad debts	-897,406.45	-638,662.34
add up the total	69,638,494.63	77,673,502.01

2) Provision for bad debts

Unit: $

Provision for bad debts	first phase	Phase II	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected credit losses over the entire life of the asset (no credit impairment)	Expected credit losses (credit impairment incurred) throughout the life of the	
Balance as at 1 January 2021	314,362.42		324,299.92	638,662.34
Balance as at 1 January 2021 in the current period	--	--	--	--
Current accrual	-312,090.33		570,834.44	258,744.11
Balance as at 30 June 2021	2,272.09		895,134.36	897,406.45

Movement in the carrying amount of the provision for losses with significant current period changes

□ Applicable √

Not applicable

Disclosures by

ageing

Unit: $

age of accounts	Closing balance
Up to and including 1 year	22,997,209.26
1 to 2 years	45,012,104.67
2 to 3 years	2,189,481.15
More than 3 years	337,106.00
3 to 4 years	337,106.00
4 to 5 years	0.00
add up the total	70,535,901.08

3) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period.

Unit: $

categories	Opening balance	Amount of change during the period				Closing balance
		set aside	Recoveries or reversals	audit and write off	other	
Other receivables	638,662.34	258,744.11				897,406.45
add up the total	638,662.34	258,744.11	0.00	0.00	0.00	897,406.45

4) Top five other receivables with closing balances, grouped by party in arrears

Unit: $

Name of the unit	Nature of payments	Closing balance	age of accounts	As a percentage of the total closing balance of other receivables	Closing balance of provision for bad debts
Shandong Futong Light Guide Technology Co.	Receivables from intra-group affiliates	66,228,294.41	Up to 1 year; 1-2 years	93.89%	
China Mobile Communications Group Beijing Ltd.	Security deposits, deposits	2,045,150.00	2-3 years	2.90%	613,545.00
Tianjin Jiuzhi Photoelectric Material Manufacturing Co.	Receivables from intra-group affiliates	856,440.09	1-2 years	1.21%	
Hoi Tai Building	Security deposits, deposits	314,276.00	3-4 years	0.45%	157,138.00
China Mobile Communications Group Shaanxi Co.	Security deposits, deposits	250,000.00	1-2 years	0.35%	25,000.00
add up the total	--	69,694,160.50	--	98.81%	795,683.00

3. Long-term equity investments

Unit: $

sports event	Closing balance			Opening balance		
	Book balance	provision for impairment	book value	Book balance	provision for impairment	book value
Investments in subsidiaries	1,509,458,802.73	2,752,830.85	1,506,705,971.88	1,509,458,802.73	2,752,830.85	1,506,705,971.88
add up the total	1,509,458,802.73	2,752,830.85	1,506,705,971.88	1,509,458,802.73	2,752,830.85	1,506,705,971.88

(1) Investments in subsidiaries

Unit: $

investee	Opening balance (book value)	Increase/decrease during the period				Closing balance (book value)	Closing balance of provision for impairment
		additional investment	Reduced investment	Provision for impairment	other		
Tianda Tianzai (Hong Kong) Limited	0.00					0.00	827,730.00
Shanghai King You Equity Investment Center (Limited Partnership)	100,000,000.00					100,000,000.00	
Tianjin Futong Fiber Optic Technology Co.	112,200,000.00					112,200,000.00	
Tianjin Futong Optical Cable Technology Co.	180,000,000.00					180,000,000.00	
Juzhi Photonics Material Technology Co.	236,885,000.00					236,885,000.00	
Fowler Technology Investment Co.	77,600,000.00					77,600,000.00	
Tianjin Teckot Technology Co.	12,264,899.15					12,264,899.15	1,925,100.85
Shandong Futong Light Guide Technology Co.	385,750,000.00					385,750,000.00	
Futong Fiber Optic Cable (Chengdu) Co.	394,288,935.13					394,288,935.13	
Tianjin Shenzhou Haotian Software Technology Co.	7,717,137.60					7,717,137.60	
add up the total	1,506,705,971.88					1,506,705,971.88	2,752,830.85

4. Operating income and operating costs

Unit: $

sports event	Current period occurrences		Prior-period occurrences	
	income	cost	income	cost
Main Business	397,839,720.54	393,463,317.78	197,089,591.09	194,639,880.76
Other operations	0.00	30,397.38	3,331,851.93	1,084,048.41
add up the total	397,839,720.54	393,493,715.16	200,421,443.02	195,723,929.17

Information relating to compliance obligations.

The Company's revenue recognition policy is described in Note V.27. The Company, as the primary responsible party, performs its supply obligations in accordance with the categories and standards required by the customer in a timely manner in accordance with the contract. The Company delivers the goods to the customer and completes its performance obligations upon acceptance by the customer, and the customer obtains control of the relevant goods.

Payment terms vary by customer and product, with some of the Company's sales being made on a pre-receipt basis and the remaining sales being granted credit periods of a certain duration, with the credit periods granted being determined based on the credit risk characteristics of the customer and without a significant financing component.

Information relating to the transaction price apportioned to the remaining performance obligation.
The amount of revenue corresponding to performance obligations that have been contracted for but not yet performed or not yet completed at the end of the reporting period is $0.00, of which $ is expected to be recognized in the year, $ is expected to be recognized in the year, and $ is expected to be recognized in the year.
Other notes.

xvii. additional information

1. Breakdown of non-recurring gains and losses for the period

Unit: $

sports event	sum of money	instructions
Gain or loss on disposal of non-current assets	71,151.51	
Government grants recognized in profit or loss (except those closely related to the business of the enterprise and enjoyed in a fixed or quantitative amount in accordance with the national uniform standards)	3,367,485.52	
Non-operating income and expenses other than those mentioned above	725,099.18	
Less: Income tax effect	41,669.29	
Minority interest impact amount	232,693.53	
add up the total	3,889,373.39	--

For the non-recurring items of profit or loss defined by the Company in accordance with the definition of "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Profit or Loss", as well as the definition of "non-recurring profit or loss" in the "Public

Items of non-recurring profit or loss listed in "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Securities - Non-recurring Profit or Loss" are defined as items of recurring profit or loss and the reasons should be stated.

□ Applicable √ Not applicable

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (yuan/share)	Diluted earnings per share (yuan/share)
Net income attributable to common shareholders of the Company	-3.99%	-0.0410	-0.0410
Net income attributable to ordinary shareholders of the Company after non-recurring gains and losses	-4.31%	-0.0442	-0.0442

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profit and net assets in financial reports disclosed simultaneously under IAS and under PRC GAAP

□ Applicable √ Not applicable

(2) Differences in net profit and net assets in financial reports disclosed simultaneously in accordance with foreign accounting standards and in accordance with PRC accounting

standards

□ Applicable √ Not applicable

(3) Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards, and the name of the foreign auditor if the difference is reconciled to data that has been audited by the foreign auditor

4. Other

Board of Directors of Tianjin Futong Information Technology Co.

Chairman Xu Dong

26 August 2021