

**深圳市特力(集团)股份有限公司**  
**SHENZHEN TELLUS HOLDING CO., LTD**

**Semi-Annual Report 2020**

**August 2020**

## **Section I. Important Notice, Content and Interpretation**

**Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.**

**Fu Chunlong, Principal of the Company, Lou Hong, person in charge of accounting works and Liu Yuhong, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of Semi-Annual Report 2020 is authentic, accurate and complete.**

**All directors are attended the Board Meeting for report deliberation.**

***Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) are the media for information disclosure appointed by the Company, all information under the name of the Company disclosed on the above said media shall prevail. Concerning the forward-looking statements with future planning involved in the Report, they do not constitute a substantial commitment for investors, and investors are advised to exercise caution of investment risks.***

**The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.**

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## Interpretation

Items	Refers to	Contents
CSRC	Refers to	China Securities Regulatory Commission
SZ Exchange	Refers to	Shenzhen Stock Exchange
Shenzhen Branch of SD&C	Refers to	Shenzhen Branch of China Securities Depository & Clearing Corporation Limited
Company, the Company, our Company, Tellus Group	Refers to	Shenzhen Tellus Holding Co., Ltd.
Reporting period, this reporting period, the year	Refers to	January to June of 2020
Auto Industry and Trade Company	Refers to	Shenzhen Auto Industry and Trade Corporation
Zhongtian Company	Refers to	Shenzhen Zhongtian Industrial Co., Ltd.
Huari Company	Refers to	Shenzhen Huari Toyota Auto Sales Co., Ltd, Shenzhen SDG Huari Auto Enterprise Co., Ltd.
Huari Toyota	Refers to	Shenzhen Huari Toyota Auto Sales Co., Ltd
Zung Fu Tellus	Refers to	Shenzhen Zung Fu Tellus Auto Service Co., Ltd.
Dongfeng Company	Refers to	Shenzhen Dongfeng Motor Co., Ltd.
Tellus Starlight	Refers to	Anhui Tellus Starlight Jewelry Investment Co., Ltd.
Tellus Starlight Jinzun	Refers to	Anhui Tellus Starlight Jinzun Jewelry Co., Ltd.
Sichuan Channel Platform Company, Sichuan Jewelry Company	Refers to	Sichuan Tellus Jewelry Tech. Co., Ltd.
Xinglong Company	Refers to	Shenzhen Xinglong Machinery Mould Co., Ltd.
SDG	Refers to	Shenzhen Special Development Group Co., Ltd.

## Section II Company Profile and Main Financial Indexes

### I. Company profile

Short form of the stock	Tellus-A, Tellus-B	Stock code	000025, 200025
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	深圳市特力(集团)股份有限公司		
Short form of the Company (in Chinese if applicable)	特力 A		
Foreign name of the Company (if applicable)	Shenzhen Tellus Holding Co.,Ltd		
Legal representative	Fu Chunlong		

### II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Qi Peng	Sun Bolun
Contact add.	3/F, Tellus Building, No.56, Shui Bei Er Road, Luohu District, Shenzhen	3/F, Tellus Building, No.56, Shui Bei Er Road, Luohu District, Shenzhen
Tel.	(0755) 88394183	(0755)83989339
Fax.	(0755)83989386	(0755)83989386
E-mail	ir@tellus.cn	sunbl@tellus.cn

### III. Others

#### 1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable     Not applicable

Registrations address	3/F, Tellus Building, No.56, Shui Bei Er Road, Luohu District, Shenzhen
Codes of the registration address	518001
Office address	3/F, 4/F, Tellus Building, No.56, Shui Bei Er Road, Luohu District, Shenzhen
Codes of the office address	518001
Website	www.tellus.cn
E-mail	ir@tellus.cn

Date for provisional notice inquiry on appointed website (if applicable)	18 January 2020
Index for provisional notice inquiry on appointed website (if applicable)	Juchao Website(www.cninfo.com.cn)

## 2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable  Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2019

## IV. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes  No

	Current period	Same period of last year	Changes over last year
Operating income (RMB)	197,051,790.29	278,268,739.33	-29.19%
Net profit attributable to shareholders of the listed Company (RMB)	25,594,985.78	44,779,948.60	-42.84%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (RMB)	21,402,820.83	40,593,359.72	-47.28%
Net cash flow arising from operating activities (RMB)	17,306,322.20	27,434,059.30	-36.92%
Basic earnings per share (RMB/Share)	0.0594	0.1039	-42.83%
Diluted earnings per share (RMB/Share)	0.0594	0.1039	-42.83%
Weighted average ROE	1.99%	4.17%	-2.18%
	Period-end	Period-end of last year	Changes over period-end of last year
Total assets (RMB)	1,576,055,264.66	1,645,782,144.03	-4.24%
Net assets attributable to shareholder of listed Company (RMB)	1,278,455,832.36	1,270,965,296.02	0.59%

## V. Difference of the accounting data under accounting rules in and out of China

### 1. Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable  Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either IAS (International Accounting Standards) or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

## 2. Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable  Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

## VI. Items and amounts of extraordinary profit (gains)/loss

Applicable  Not applicable

In RMB

Item	Amount	Note
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	52,846.70	Mainly refers to the individual income tax returns
Except for effective hedge business relevant to normal operation of the Company, gains and losses arising from fair value change of tradable financial assets, derivative financial liabilities, tradable financial liability and derivative financial liability and investment income from disposal of tradable financial assets, derivative financial liabilities, tradable financial liability, derivative financial liability and other debt investment	4,003,521.31	Income from financial products
Restoring of receivable and contractual assets impairment provision that tested individually	599,201.43	Restoring of the bad debt provision
Other non-operating income and expenditure except for the aforementioned items	917,047.44	Income from forfeiting the lease deposit after the tenant returns the lease in advance
Less: Impact on income tax	858,601.74	
Impact on minority shareholders' equity (post-tax)	521,850.19	
Total	4,192,164.95	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable  Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to*

*the Public --- Extraordinary Profit/loss*



## Section III. Summary of Company Business

### I. Main businesses of the Company in the reporting period

The main business of the Company during the reporting period was auto sales, auto testing, maintenance and accessories sales; resource assets management and jewelry service business.

(1) Automobile sales, testing, maintenance and maintenance and accessories sales: In the first half of 2020, the automobile market was greatly affected by the epidemic, the overall consumption momentum was insufficient, and the consumption ability continued to weaken. Although there were government subsidy policies for promotion, it has not completely recovered. FAW Toyota's marketing strategy plus the "increased oil incident" affected the sales in the first half of the year, and the impact of low prices caused by government subsidies and auto shows still existed. During the reporting period, under adverse circumstances affected by the market environment, the company carried out a variety of innovative marketing methods and other measures to increase marketing efforts, and realized automobile sales revenue of 98,797,500 yuan, an increase of 24.67% over the same period last year. The automobile inspection and maintenance and accessories sales revenue was 19,138,100 yuan, a decrease of 20.77% over the same period last year.

(2) Resources assets management: Due to the continuing impact of the epidemic in the first half of the year, demand in the property leasing market has dropped significantly, the vacancy rate is expected to rise further, and the rents will continue to decline. At the same time, with the rise of remote office mode, commercial office leasing is facing severe challenges. During the reporting period, in response to the sluggish market, on the one hand, the company improved the quality of old properties to consolidate the basic capabilities of commercial operations; on the other hand, it increased the activity promotions, relied on professional institutions, promoted internal management improvements, and combined the in-depth impact of the epidemic to promptly launch favourable investment policies to seize the market. During the reporting period, the company realized property rental and services of 62,152,900 yuan, a decrease of 20.08% over the same period last year.

(3) Jewelry service business: Due to the uncertain impact of the epidemic, many merchants are lack of confidence, some stop losses quickly, and some take a wait-and-see attitude on whether to continue to open stores. During the reporting period, in the face of the declining industry situation, on the one hand, the company took multiple measures to deeply explore the extension of the third-party comprehensive services of jewelry and innovate business models; on the other hand, it strengthened risk monitoring to ensure the solid growth of state-owned assets and investors increase. In order to reduce operating risks, the company reduced the business scale of the Sichuan Channel Platform Company, coupled with the decline in the purchase quantity of jewelry customers affected by the epidemic, in the first half of 2020, the cumulative operating revenue was 16,963,300 yuan, a

year-on-year decrease of 75,615,700 yuan, a decrease of 81.68% over the same period last year.

## II. Major changes in main assets

### 1. Major changes in main assets

Major assets	Note of major changes
Equity assets	Book value of long-term equity investment as of 30 June 2020 amounting to 170,700,400 Yuan, increased 8,521,900 Yuan over that of period beginning with 5.25% up, mainly due to the investment income from shareholding enterprise.
Fixed assets	No major change
Intangible assets	No major change
Construction in progress	Book value of the construction in progress as of 30 June 2020 amounting to 74,408,200 Yuan, an increase of 26,753,800 Yuan over that of period-begin with 56.14% up. Mainly due to the preliminary input for the project of Jinzuan Trading Building
Monetary fund	Book value of the monetary fund as of 30 June 2020 amounting to 333,609,300 Yuan, a decrease of 95,242,300 Yuan over that of period-begin with 22.21% down. Mainly because pay the corporate income tax on equity transfer for year of 2019, and distributed the cash dividend and purchasing financial products.
Tradable financial assets	Book value of the tradable financial assets as of 30 June 2020 amounting to 115,128,600 Yuan, an increase of 54,642,000 Yuan over that of period-begin with 90.34% up. Mainly because purchase more financial products
Account receivable	Book value of account receivable as of 30 June 2020 amounting to 60,519,100 Yuan, a decrease of 52,094,100 Yuan over that of period-begin with -46.26% down, mainly because the wholesale credit for jewelry decreased in the period
Advance payment	Book value of advance payment as of 30 June 2020 amounting to 17,088,100 Yuan, an increase of 4,404,500 Yuan over that of period-begin with 34.73% up, mainly due to the increase of safe purchasing prepaid
Other non-current assets	Book value of other non-current assets as of 30 June 2020 amounting to 9,517,000 Yuan, an increase of 2,627,900 Yuan over that of period-begin with 38.15% up, mainly due to the payment of decoration for Tellus Building

### 2. Main overseas assets

Applicable  Not applicable

## III. Core Competitiveness Analysis

(1) Owns rich property resources and provides stable business income

The output value of Shenzhen jewelry accounts for more than 70% of the national jewelry industry, and Shuibei-Buxin area is the core gathering area of jewelry industry in Shenzhen, its output value accounts for more than 70% of the jewelry industry in Shenzhen. We has formed the largest cluster of gold jewelry enterprises in the country, covering the entire industry chain including raw material procurement, production and processing, and wholesale sales, and the economic and strategic position and the core aggregation effects of this area in jewelry industry have remained stable for many years.

According to the “13<sup>th</sup> Five-Year” plan for urban renewal in Luohu District, Shenzhen, Shuibei-Buxin area will be built into the jewellery fashion industrial zone of Luohu District, Shuibei area is the international jewellery art center and Buxin area is the jewellery intelligent high-end manufacturing center so as to form the Shuibei-Buxin international jewellery eco-creative area. The company is the largest owner of the Tellus Gman Gold Jewellery Industrial Park in Shuibei area, Tellus Shuibei Jewellery Building phase I has been put into use, and phase II construction project has also been fully started. At the same time, as the largest owner of land parcels 04 & 05 in the urban renewal unit planning project of Buxin industrial zone, the company will plan and construct an innovative industrial project in line with the city, district and the Company’s overall strategic layout in Buxin area through the renovation method. The company will maintain the status of the largest owner of Shuibei and Buxin areas, and master the physical platform resource advantages of the core area of the jewelry industry.

At the same time, the Company has a lot of property resources in various areas of Shenzhen, on the basis of maintaining the stability of the original leasing business, the company will actively promote the improvement of property quality and transform its old properties from the traditional method of simple lease to the direction of property asset operation so as to fully enhance and tap the added value of the property brand, bring stable business income and cash flow to the company, and provide a solid foundation for the company’s long-term development.

(2) Make use of the advantages of status, build industrial platforms, and promote the development of the industry  
In 2019, the release of the “Opinions of the State Council on Supporting Shenzhen to Build a Pioneering Socialist Demonstration Zone with Chinese Characteristics” and the approval of the “Pilot Implementation Plan for Shenzhen Regional State-owned Enterprises’ Comprehensive Reform” have created an unprecedented opportunity for Shenzhen. As a state-owned holding enterprise group in Shenzhen, Tellus Group has outstanding resource advantages.

This year, due to the COVID-19 and other unfavorable factors, the growth of the jewelry industry has continued to slow down, and the industry has continued to show a trend of bottom shocks and undergo deep integration and shuffle. Under such circumstances, the company’s identity advantages as a state-owned enterprise and a listed company are highlighted, it has good credit qualifications and credit endorsement ability and also has good relations with government departments and effective communication channels so that it can play the role of a platform enterprise in the jewelry industry, aggregate the upstream and downstream of the jewelry industry chain, act as a bridge and bond among the government and the private jewelry enterprises, the overseas and the domestic suppliers, and the distributors, integrate industry needs, solve industry pain points, and strive for various policy supports such as taxation, trade, and approval for industry enterprises, improve traditional model of the industry,

provide more comprehensive innovative services, promote the healthy development of the industry and achieve a win-win situation for all parties while achieving its own social responsibility and rewarding the company's shareholders.

## Section IV Discussion and Analysis of the Operation

### I. Introduction

In the first half of 2020, the global spread of the novel coronavirus pneumonia epidemic severely hit international business activities. The blockade and prevention and control measures of various countries have caused the economy to stagnate or even decline, and the prospects for recovery are not optimistic. In response to the impact of the epidemic on the economy, central banks have adopted the largest easing policies since the 2008 financial crisis. According to the latest report of the World Bank, the global economy is expected to decline by 5.2% in 2020. Under the impact of the novel coronavirus epidemic, China's economy is gradually recovering along the path of "production recovery - confidence rebuilding - demand recovery". Investment in new infrastructure has increased, industrial production has gradually rebounded, PPI deflationary pressure has eased, and real estate, automobiles, and exports are bright. However, demand for non-consumer goods is still sluggish, and economic recovery still needs time.

In order to reduce the impact of the epidemic on the company, our company has actively implemented the "six stability" and "six guarantees" spirits, fulfilled the responsibility of state-owned enterprises, reduced rents and fees of more than 25 million yuan, fully tapped the potential, strictly controlled various expenses, and made a good operational defense war in the first half of the year. During the reporting period, the Company achieved a business revenue of 197.0518 million yuan, which decrease by 81.2169 million yuan or 29.19% compared with 278.2687 million yuan in the same period last year, revenue declined mainly because responding to the government's call for rent relief for tenants, the rental revenue decreased and as well as a decline in jewelry sales affected by the epidemic. Total profit amounted to 33.219 million yuan, which decrease by 17.8018 million yuan compared with 51.0208 million yuan in the same period last year; net profit attributable to parent company amounted to 25.595 million yuan, which decrease by 19.1849 million yuan compared with 44.7799 million yuan in the same period last year.

### II. Main business analysis

See the "I-Introduction" in "Discussion and Analysis of the Operation"

Change of main financial data on a y-o-y basis

In RMB

	Current period	Same period of last year	y-o-y changes (+,-)	Reasons
Operation revenue	197,051,790.29	278,268,739.33	-29.19%	Responding to the government's call for rent relief for tenants, the rental revenue decreased and as well as a decline

				in jewelry sales affected by the epidemic
Operation costs	154,774,587.52	210,494,012.42	-26.47%	Cost reduced due to the decline of jewelry sales for epidemic
Sales expense	6,776,144.54	9,358,514.29	-27.59%	
Management expense	17,202,000.61	16,878,629.26	1.92%	
Financial expense	-2,202,150.55	3,757,775.76		Interest expenses declined due to the decrease of bank loans on a y-o-y basis
Income tax expense	6,448,306.06	6,038,256.76	6.79%	
Net cash flow arising from operation activities	17,306,322.20	27,434,059.30	-36.92%	1. Responding to the government's call for rent relief for tenants; 2. cash flow paid for enterprise income tax declined
Net cash flow arising from investment activities	-88,258,570.72	54,510,161.97		1. purchasing of financial products increased on a y-o-y basis and 2. preliminary input for Jinzuan Trading Building project increased
Net cash flow arising from financing activities	-24,778,202.09	-25,551,300.64		At same period last year, Zhongtain Company return the borrowings of projects, the cash out-flow declined on a y-o-y basis, and there was no such event occurred in the year
Net increase of cash and cash equivalent	-95,730,362.19	56,392,930.47		

Major changes on profit composition or profit resources in reporting period

Applicable  Not applicable

No major changes on profit composition or profit resources occurred in reporting period

Constitution of operation revenue

In RMB

	Current period	Same period last year	y-o-y changes (+,-)
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	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue	
Total operation revenue	197,051,790.29	100%	278,268,739.33	100%	-29.19%
According to industries					
Auto sales	98,797,491.83	50.14%	79,247,600.74	28.48%	24.67%
Auto inspection and maintenance and accessories sales	19,138,132.58	9.71%	24,156,408.72	8.68%	-20.77%
Property rental and service	62,152,861.68	31.54%	77,764,007.23	27.95%	-20.08%
Wholesale and retails of Jewelry	16,963,304.20	8.61%	97,100,722.64	34.89%	-82.53%
According to products					
Auto sales	98,797,491.83	50.14%	79,247,600.74	28.48%	24.67%
Auto inspection and maintenance and accessories sales	19,138,132.58	9.71%	24,156,408.72	8.68%	-20.77%
Property rental and service	62,152,861.68	31.54%	77,764,007.23	27.95%	-20.08%
Wholesale and retails of Jewelry	16,963,304.20	8.61%	97,100,722.64	34.89%	-82.53%
According to region					
Shenzhen	180,088,486.09	91.39%	181,168,016.69	65.11%	-0.60%
Anhui			4,521,763.87	1.62%	-100.00%
Sichuan	16,963,304.20	8.61%	92,578,958.77	33.27%	-81.68%

About the industries, products, or regions accounting for over 10% of the Company's operating income or operating profit

√Applicable □ Not applicable

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Auto sales	98,797,491.83	96,189,360.80	2.64%	24.67%	23.45%	0.96%
Auto inspection and maintenance	19,138,132.58	16,287,281.23	14.90%	-20.77%	-16.58%	-4.28%

and accessories sales						
Property rental and service	62,152,861.68	26,287,572.04	57.70%	-20.08%	20.01%	-14.13%
Wholesale and retails of Jewelry	16,963,304.20	16,010,373.45	5.62%	-82.53%	-82.43%	-0.51%
According to products						
Auto sales	98,797,491.83	96,189,360.80	2.64%	24.67%	23.45%	0.96%
Auto inspection and maintenance and accessories sales	19,138,132.58	16,287,281.23	14.90%	-20.77%	-16.58%	-4.28%
Property rental and service	62,152,861.68	26,287,572.04	57.70%	-20.08%	20.01%	-14.13%
Wholesale and retails of Jewelry	16,963,304.20	16,010,373.45	5.62%	-82.53%	-82.43%	-0.51%
According to region						
Shenzhen	180,088,486.09	138,764,214.07	22.95%	-0.60%	16.27%	-28.85%
Anhui			0.00%	-100.00%	-100.00%	-6.75%
Sichuan	16,963,304.20	16,010,373.45	5.62%	-81.68%	-81.58%	-0.90%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest one year's scope of period-end

Applicable  Not applicable

Reasons for y-o-y relevant data with over 30% changes

Applicable  Not applicable

Affected by epidemic, revenue and costs of the jewelry wholesale and retails declined.

### III. Analysis of non-main business

Applicable  Not applicable

In RMB

	Amount	Ratio in total profit	Note	Whether be sustainable
Investment income	12,881,490.50	38.78%	Investment income from shareholding enterprises and financing income	N
Gain/loss of fair value changes	-356,102.35	-1.07%	Redeem the unmatured wealth management income at the end of 2019	N
Assets impairment	0.00	0.00%	-	N



Non-operation revenue	946,106.92	2.85%	1. Obtained government subsidy due to the epidemic and 2. Income from forfeiting the lease deposit after the tenant returns the lease in advance	N
Non-operation expenditure	29,059.48	0.09%		N
Credit impairment	599,201.43	1.80%	Restoring of bad debt provision	N

#### IV. Analysis of assets and liability

##### 1. Major changes of assets composition

In RMB

	Period-end		Period-end of last year		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	333,609,309.62	21.17%	225,905,191.16	13.20%	7.97%	
Account receivable	60,519,075.70	3.84%	113,548,299.77	6.63%	-2.79%	
Inventory	15,113,989.46	0.96%	16,798,362.97	0.98%	-0.02%	
Investment real estate	545,498,309.35	34.61%	494,163,460.21	28.87%	5.74%	Transfer-in from the decoration amount for Jewelry Building
Long-term equity investment	170,700,410.89	10.83%	153,819,742.68	8.99%	1.84%	
Fix assets	104,203,903.95	6.61%	109,620,846.65	6.40%	0.21%	
Construction in process	74,408,194.38	4.72%	22,707,214.36	1.33%	3.39%	the preliminary input for the project of Jinzuan Trading Building
Short-term loans	0.00	0.00%	143,000,000.00	8.35%	-8.35%	The borrowings are returned in total at end of 2019
Long-term loans	0.00	0.00%	0.00	0.00%	0.00%	
Dividend receivable	39,647,732.42	2.52%	81,600,548.07	4.77%	-2.25%	The profit distribution from shareholding enterprises Dongfeng Company and Pudong Development Machinery
Assets held for		0.00%	85,017,251.77	4.97%	-4.97%	The former investment funds for

sale						shareholding enterprise Xinglong Company, and completed the equity transfer at end of 2019
Other current assets	2,970,702.64	0.19%	42,208,745.54	2.47%	-2.28%	Adjustment for implementation of the New Financial Instrument Standard in 2019
Other account payable	99,453,009.14	6.31%	271,599,091.34	15.87%	-9.56%	The equity transfer funds of Xinglong that to be recovered in the same period of last year, and no such event this year

## 2. Assets and liability measured by fair value

Applicable  Not applicable

In RMB

Items	Opening amount	Changes of fair value gains/losses in this period	Accumulative changes of fair value reckoned into equity	Impairment accrual in the Period	Amount of purchase in the period	Amount of sale in the period	Other changes	Ending amount
Financial assets								
1. Tradable financial assets (excluding derivative financial assets)	60,486,575.34				810,800,000.00	755,800,000.00		115,128,569.86
4. Other equity instruments Investment	10,176,617.20							10,176,617.20
Above total	70,663,192.54	-358,005.48			810,800,000.00	755,800,000.00		125,305,187.06
Financial liabilities	0.00	0.00						0.00

Content of other changes

Whether there have major changes on measurement attributes for main assets of the Company in report period or not

Yes  No

**3. Right of the assets restrained till end of the Period**

Item	Book value at period-end	Restriction reasons
Monetary fund	28,671,414.00	(1)
Total	28,671,414.00	

(1) End of 30 June 2020, the Company's right to use of currency funds under restrictions is 28,671,414.00 Yuan, which is the supervision fund paid by the Company to Luohu District Urban Renewal Bureau of Shenzhen for the land plot 03 project of the upgrading project of Tellus-Gman Gold Jewelry Industrial Park. The currency funds with restricted use rights at the end of last year were 28,183,348.23 Yuan.

**V. Investment****1. Overall situation**

Applicable  Not applicable

**2. The major equity investment obtained in the reporting period**

Applicable  Not applicable

**3. The major non-equity investment doing in the reporting period**

Applicable  Not applicable

**4. Financial assets measured by fair value**

Applicable Not applicable

In RMB

Type	Initial investment cost	Gain/loss of fair value changes	Cumulative change of fair value reckoned into equity	Amount purchasing in the Period	Amount selling in the Period	Cumulative investment income	Ending amount	Capital source
Other	70,663,192.54	-358,005.48	0.00	810,800,000.00	755,800,000.00	598,686.99	125,305,187.06	Own funds
Total	70,663,192.54	-358,005.48	0.00	810,800,000.00	755,800,000.00	598,686.99	125,305,187.06	--

## 5. Financial assets investment

### (1) Securities investment

Applicable  Not applicable

The Company had no securities investment in the reporting period.

### (2) Derivative investment

Applicable  Not applicable

The Company has no derivatives investment in the Period

## VI. Sales of major assets and equity

### 1. Sales of major assets

Applicable  Not applicable

The Company had no sales of major assets in the reporting period.

### 2. Sales of major equity

Applicable  Not applicable

## VII. Analysis of main Holding Company and stock-jointly companies

Applicable  Not applicable

Particular about main subsidiaries and stock-jointly companies net profit over 10%

In RMB

Company name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Auto Industry and Trade Corporation	Subsidiary	Sales of auto and accessories	RMB 58.96 million	373,829,523.58	334,882,970.10	6,764,801.62	3,509,253.68	2,581,442.92
Shenzhen SDG Huari Auto Enterprise Co., Ltd.	Subsidiary	Auto maintenance and production and sales of accessories	US\$ 5 million	73,717,821.66	24,954,700.11	16,003,589.01	551,747.46	549,866.95
Shenzhen Zhongtian	Subsidiary	Property rental	RMB 366.2219	632,478,145.17	410,494,812.87	31,003,603.47	16,864,184.62	13,179,700.32

Industrial Co., Ltd.			million					
Shenzhen Huari Toyota Auto Sales Co. Ltd	Subsidiary	Automobile Sales	RMB 2 million	67,368,569.39	4,192,036.40	119,178,692.47	-213,105.02	-3,930.02
Shenzhen Xinyongtong Auto Vehicle Inspection Equipment Co., Ltd.	Subsidiary	Manufacture of inspection equipment for motor vehicle	RMB 19.61 million	13,505,262.54	8,326,499.17	1,937,703.80	497,695.37	472,065.44
Shenzhen Tellus Xinyongtong Automobile Development Co. Ltd	Subsidiary	Inspection and repair of motor vehicle	RMB 32.9 million	84,045,236.19	65,193,283.19	4,732,830.21	3,499,323.51	2,683,208.62
Sichuan Tellus Jewelry Tech. Co., Ltd.	Subsidiary	Wholesale of jewelry	RMB 150 million	154,097,291.92	153,415,865.92	16,963,304.20	2,652,318.20	2,017,572.52
Shenzhen Tellus Chuangying Tech. Co., Ltd.	Subsidiary	Property rental	RMB 14 million	15,344,257.38	12,818,879.78	1,073,816.65	-554,343.62	-554,344.35
Anhui Tellus Starlight Jewelry Investment Co., Ltd.	Subsidiary	Jewelry sales	RMB 9.8 million	159,280.75	-1,228,757.35		77,034.65	77,034.65
Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	Joint stock Company	Car sales and maintenance	RMB 30 million	268,923,388.75	102,743,982.32	542,501,386.62	13,528,433.80	12,502,889.67
Shenzhen Dongfeng Motor Co., Ltd.	Joint stock Company	Manufacture and maintenance of automobile	RMB 100 million	647,785,962.69	163,979,281.27	154,117,515.10	820,711.18	-345,684.65

Shenzhen Tellus Gman Investment Co., Ltd.	Joint stock Company	Investment in industry, property management and leasing	RMB 123.70496 million	416,200,766. 15	148,432,955. 80	37,081,024.7 4	10,769,769 .93	8,079,274.57
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Particular about subsidiaries obtained or disposed in report period

Applicable Not applicable

## VIII. Structured vehicle controlled by the Company

Applicable Not applicable

## IX. Prediction of business performance from January – September 2020

Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason

Applicable Not applicable

## X. Risks and countermeasures

### (1) The overall economic environment has a serious negative impact on company operations

Affected by the epidemic, the jewelry industry has shown a trend of sharp decline in market demand, a backlog of upstream and downstream inventories, and a decline in corporate performance. At the same time, most of the transportation channels for valuables from Hong Kong and other regions outside the country to China have stagnated, which has seriously affected the circulation and transactions of diamond jewelry.

In response to this risk, the company will actively take various preventive measures. The first is to continue to strengthen management, improve efficiency through scientific management, tap potential and increase revenue, and comprehensively improve the profitability of the original business; the second, sort out the business, reduce the business scale of regional platform with high risks, and insist on making progress while maintaining stability; the third is to firmly promote the pace of strategic transformation of the company, promote the transformation of the project through innovative business models, expand the incremental market, expand the scale of business, look for new profit growth points, and provide a good foundation for the company's long-term stable development.

### (2) Risks brought by transforming into new areas

In recent years, the company has fully promoted the strategic goal of transforming into a third-party integrated operation service provider in the jewelry industry, and many transformation projects have been implemented and achieved good results. However, in the process of deeply cutting into the jewelry industry, the company has become more and more aware of the difficulties and risks that will be faced in the transition to a new business

area. Whether we can realize the innovative integration of the traditional characteristics of jewelry industry and the new technology and new model, how to meet the ever-changing individualized and diversified needs of emerging consumer groups, and how to make a path of innovative development in the industry environment with more fierce competition in market segment, these are all new challenges that the company needs to solve urgently and put forward higher requirements for the company's resource integration capabilities, project management capabilities and professional talent reserves in the transformation of business layout.

In response to this risk, on the one hand, the company will continue to strengthen the transformation conviction, in accordance with the established overall development strategy and business strategy, fully demonstrate, prudently make decisions, carry out fine management, make market-oriented operation, ensure that transformation projects achieve good investment returns, and actively respond to market competition; on the other hand, the company will steadily promote reform and innovation, and with the opportunity to complete the “Double Hundred Actions”, explore and improve the company's long-term incentive mechanism, mobilize the enthusiasm of all employees, improve the management level and operational efficiency of the enterprise, and effectively enhance the core competitiveness of the enterprise.

## Section V. Important Events

### I. AGM and extraordinary general meeting

#### 1. AGM held in the period

Meeting	Type	Participation ratio for investors	Holding date	Disclosure date	Index
First Extraordinary Shareholders Meeting of 2020	Extraordinary Shareholders Meeting	66.01%	2020-03-23	2020-03-24	Notice No.: 2020-013 on Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn)
Annual General Meeting 2019	AGM	65.97%	2020-04-24	2020-04-25	Notice No.: 2020-025 on Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn)
Second Extraordinary Shareholders Meeting of 2020	Extraordinary Shareholders Meeting	65.57%	2020-06-17	2020-06-18	Notice No.: 2020-032 on Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn)

#### 2. Request for extraordinary general meeting by preferred stockholders with rights to vote

Applicable  Not applicable

### II. Profit distribution plan and capitalizing of common reserves in the period

Applicable  Not applicable



### III. Commitments that actual controller, shareholder, related parties, buyer and committed party as the Company etc. have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

√Applicable □ Not applicable

Commitments	Commitment party	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for share merger reform						
Commitments in report of acquisition or equity change						
Commitments in assets reorganization						
Commitments make in initial public offering or re-financing	Shenzhen Tellus Holding Co., Ltd.	Other	The commitments to the fulfillment of information disclosure about the Company business development are as follows: except for the information has been disclosed publicly, the Company has not had the disclosed information about asset acquisition and business development that has not been disclosed within one year. In the future, the Company shall timely, accurately and adequately disclose the relevant information according to the progress of new business and the related requirements.	2014-10-17	Long-term	Implementing
Equity incentive commitment						
Other commitments for medium and small shareholders	Shenzhen Special Development Group Co., Ltd. (SDG)	Horizontal Competition	In order to avoid the horizontal competition, the Company's controlling shareholder, Shenzhen SDG has issued the "commitment letter about the avoidance of horizontal competition" on May 26, 2014. The full commitment letter is as follows: 1. The Company and other enterprises controlled by the Company except Tellus Group haven't occupied in any business that could substantially compete with the main businesses of Tellus Group, and have no horizontal competition relationship with	2014-05-26	Long-term	Implementing

		Tellus Group.			
		<p>From 2020 to 2022, the Company's profits will first be used to cover the losses of previous years; after making up for losses of previous years, in the premise that the Company's profits and cash flow can meet the Company's normal operations and long-term development, reward shareholders, the Company will implement positive profit distribution approaches to reward the shareholders, details are as follows: 1. The Company's profit distribution can adopt cash, stock or the combination of cash and stock or other methods permitted by law. The foreign currency conversion rates of domestically listed foreign shares dividend are calculated according to the standard price of HK dollar against RMB announced by People's Bank of China on the first working day after the resolution date of the shareholders' meeting. 2. According to the "Company Law" and other relevant laws and the provisions of the Company's "Articles of Association", following conditions should be satisfied when the Company implements cash dividends: (1) the Company's annual distributable profits (i.e. the after-tax profits after making up for losses and withdrawing accumulation funds) are positive value, the implementation of cash dividends will not affect the Company's subsequent continuing operations; (2) the audit institution issues the standard audit report with clean opinion to the Company's annual financial report; (3) the Company has no significant investment plans or significant cash outlay (except for fund-raising projects). Major investment plans or significant cash outlay refer to: the accumulated expenditures the Company plans to used for investments abroad, acquisition of assets, or purchase of equipment within the next 12 months reach or exceed 30% of the net assets audited in the latest period. 3. In the premise of meeting the conditions of cash dividends and ensuring the</p>	2020-04-02	2022-12-31	Implementing

		<p>Company's normal operation and long-term development, the Company makes cash dividends once a year in principle, the Company's board of directors can propose the Company to make interim cash dividends in accordance with the Company's profitability and capital demand conditions. The proportion of cash dividends in profits available for distribution and in distribution of profits should meet the following requirements: (1) in principle, the Company's profits distributed in cash every year should not be less than 10% of profit available for distribution realized in the same year, and the Company's profits accumulatively distributed in cash in the last three years should not be less than 30% of the annual average profit available for distribution realized in the last three years. (2) if the Company's development stage belongs to mature stage and there is no significant capital expenditure arrangement, when distributing profits, the minimum proportion of cash dividends in this profit distribution should be 80%; (3) if the Company's development stage belongs to mature stage and there are significant capital expenditure arrangements, when distributing profits, the minimum proportion of cash dividends in this profit distribution should be 40%; (4) if the Company's development stage belongs to growth stage and there are significant capital expenditure arrangements, when distributing profits, the minimum proportion of cash dividends in this profit distribution should be 20%; when the Company's development stage is not easy to be differed but there are significant capital expenditure arrangements, please handle according to the preceding provisions. 4. On the condition of meeting the cash dividend distribution, if the Company's operation revenue and net profit grow fast, and the board of directors considers that the Company's equity scale and equity structure</p>			
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		are reasonable, the Company can propose and implement the dividend distribution plans except proposing the cash dividend distribution plans. When allocating stock dividend every time, the stock dividend per 10 shares should be no less than 1 share. Stock allocation can be implemented individually or in combination of cash dividends. When confirming the exact amount of profit distribution by stock, the Company should fully consider if the general capital after profit distribution by stock matches with the Company's current operation scale and profit growth rate and consider the impact on future financing so as to make sure the allocation plans meet the overall interests of all shareholders.			
Completed on time (Y/N)	Y				
As for the commitment out of the commitment time, explain the specific reasons and further plans	Not applicable				

#### IV. Appointment and non-reappointment (dismissal) of CPA

Whether the semi-annual financial report had been audited

Yes  No

The semi-annual report was not audited

#### V. Explanation on “Qualified Opinion” from CPA by the Board and Supervisory Committee

Applicable  Not applicable

#### VI. Explanation from the Board for “Qualified Opinion” of last year’s

Applicable  Not applicable

## VII. Bankruptcy reorganization

Applicable  Not applicable

No bankruptcy reorganization in Period.

## VIII. Lawsuits

Material lawsuits and arbitration

Applicable  Not applicable

No material lawsuits and arbitration in the reporting

Other lawsuits

Applicable  Not applicable

The basic situation of litigation (Arbitration)	Amount of money involved (in 10 thousand Yuan)	Predicted liabilities (Y/N)	Advances in litigation (Arbitration )	The results and effects of litigation (Arbitration)	Execution of the litigation (Arbitration)	Disclosure date	Disclosure index
Labor disputes (Xie Jianguang)	52	No	Case closed	The company paid 519,000 yuan compensation to the appellant	Executed		-
Labor disputes (Ma Baohong)	47	No	Case closed	Company wins	-		-
Leasing Contract dispute (Zhang Ning)	2	No	Waiting for the scheduled hearing	-	-		-
Disputes over guarantee rights of recovery (Jintian)	32.5 (Orders include 42,7604 A shares and 163,886 B shares)	No	Wait for the verdict to take effect	Jintian Company paid 325,000 yuan to Tellus Group within 5 days from the effective date of the judgment, and delivered 427604 A shares and 163886 B shares of Jintian Group.	-		

## IX. Media questioning

Applicable  Not applicable

During the reporting period, the company had no media generally questioned matters.

## X. Penalty and rectification

Applicable  Not applicable

No penalty and rectification for the Company in reporting period.

## XI. Integrity of the Company and its controlling shareholders and actual controllers

Applicable  Not applicable

During the reporting period, the Company and the controlling shareholders and the actual controllers have had good reputation, and there is no large amount due un-liquidated debt sentenced by the court.

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

Applicable  Not applicable

During the reporting period, the Company has no stock incentive plan, employee stock ownership plan or other employee incentives that have not been implemented.

## XIII. Major related transaction

### 1. Related transaction with routine operation concerned

Applicable  Not applicable

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price	Related transaction amount (in 10 thousand Yuan)	Proportion in similar transactions (%)	Trading limit approved (in 10 thousand Yuan)	Whether approved limited or not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
Shenzhen Zungfu Tellus Auto Service Co., Ltd.	Director/Supervisor/SE serves director of the Company	Routine related transactions	Providing property leasing	Reference to market price	169.44	169.44	15.58%	545	N	By contract or agreement	169.44		
Shenzhen SD Tellus Property Management	Subsidiary of the controlling shareholder	Routine related transactions	Providing property leasing	Reference to market price	2.54	2.54	0.23%	10	N	By contract or agreement	2.54		

ment Co., Ltd.	der												
Shenzhen SDG Petty Loan Co., Ltd.	Subsidiary of the controlling shareholder	Routine related transactions	Providing property leasing and management service	Reference to market price	62.07	62.07	5.71%	140	N	By contract or agreement	62.07		
Jewelry Park Branch of Shenzhen SDG Service Co., Ltd.	Sub-sub subsidiary of controlling shareholder	Routine related transactions	Offering property rental	Reference to market price	89.80	89.8	8.26%	151.36	N	By contract or agreement	89.80		
Shenzhen SDG Engineering Management Co., Ltd	Subsidiary of the controlling shareholder	Routine related transactions	Accepting engineering supervision service	Reference to market price	63.76	63.76	5.86%	532.02	N	By contract or agreement	63.76		
Shenzhen SD Tellus Property Management Co., Ltd.	Subsidiary of the controlling shareholder	Routine related transactions	Accepting property management service	Reference to market price	700.15	700.15	64.37%	1,400.31	N	By contract or agreement	700.15		
Total				--	--	1,087.76	--	2,778.69	--	--	--	--	--
Detail of sales return with major amount involved				N/A									
Report the actual implementation of the normal related transactions which were projected about their total amount by types during the reporting				Performing normally									

period (if applicable)	
Reasons for major differences between trading price and market reference price (if applicable)	Not applicable

## 2. Related transactions by assets acquisition and sold

Applicable  Not applicable

No related transactions by assets acquisition and sold for the Company in reporting period

## 3. Main related transactions of mutual investment outside

Applicable  Not applicable

No main related transactions of mutual investment outside for the Company in reporting period

## 4. Contact of related credit and debt

Applicable  Not applicable

Whether has non-operational contact of credit and debts or not

Yes  No

Debts payable to related party:

Related party	Relationship	Causes	Balance at period-begin (10 thousand Yuan)	Current newly added (10 thousand Yuan)	Current recovery (10 thousand Yuan)	Interest rate	Current interest (10 thousand Yuan)	Balance at period-end (10 thousand Yuan)
Shenzhen Special Development Group Co., Ltd.	Controlling shareholder	Loans interests of Huari Company	1,738				7	1,745
Shenzhen Special Development Group Co., Ltd.	Controlling shareholder	Loan principal of Huari Company	300		300			
Impact on operation results and financial status		Total profit decreased 70,000 Yuan due to the interest expenses increased in the Year						

## 5. Other related transactions

Applicable  Not applicable

No other related transaction in Period



## XIV. Non-business capital occupying by controlling shareholders and its related parties

Applicable  Not applicable

No non-business capital occupied by controlling shareholders and its related parties in Period

## XV. Significant contract and implementations

### 1. Trusteeship, contract and leasing

#### (1) Trusteeship

Applicable  Not applicable

No trusteeship for the Company in reporting period

#### (2) Contract

Applicable  Not applicable

No contract for the Company in reporting period

#### (3) Leasing

Applicable  Not applicable

No leasing for the Company in reporting period

### 2. Major guarantees

Applicable  Not applicable

#### (1) Guarantees

In 10 thousand Yuan

Particulars about the external guarantee of the Company and its subsidiary (Barring the guarantee for subsidiaries)								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Guarantee term	Implemented (Y/N)	Guarantee for related party (Y/N)
Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	2014-09-30	3,500	2007-04-17	3,500	Pledge	To the expire date of joint venture contract	N	Y
Total approving external guarantee in report period (A1)				0	Total actual occurred external guarantee in report period (A2)		3,500	

Total approved external guarantee at the end of report period (A3)		3,500		Total actual balance of external guarantee at the end of report period (A4)		3,500		
Guarantee of the Company and the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Guarantee term	Implemented (Y/N)	Guarantee for related party (Y/N)
Total amount of approving guarantee for subsidiaries in report period (B1)		0		Total amount of actual occurred guarantee for subsidiaries in report period (B2)		0		
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		0		Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)		0		
Guarantee of the subsidiaries and the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Guarantee term	Implemented (Y/N)	Guarantee for related party (Y/N)
Total amount of approving guarantee for subsidiaries in report period (C1)		0		Total amount of actual occurred guarantee for subsidiaries in report period (C2)		0		
Total amount of approved guarantee for subsidiaries at the end of reporting period (C3)		0		Total balance of actual guarantee for subsidiaries at the end of reporting period (C4)		0		
Total amount of guarantee of the Company (total of three above mentioned guarantee)								
Total amount of approving guarantee in report period (A1+B1+C1)		0		Total amount of actual occurred guarantee in report period (A2+B2+C2)		3,500		
Total amount of approved guarantee at the end of report period (A3+B3+C3)		3,500		Total balance of actual guarantee at the end of report period (A4+B4+C4)		3,500		
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+ B4+C4)				2.74%				
Amount of guarantee for shareholders, actual controller and its related parties (D)				0				
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or				0				

indirectly (E)	
Proportion of total amount of guarantee in net assets of the Company exceed 50% (F)	0
Total amount of the aforesaid three guarantees (D+E+F)	0
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if applicable)	N/A
Explanations on external guarantee against regulated procedures (if applicable)	N/A

## (2) Guarantee outside against the regulation

Applicable Not applicable

No guarantee outside against the regulation in Period.

## 3. Trust financing

Applicable Not applicable

In 10 thousand Yuan

Type	Capital resources	Amount for entrust	Balance un-expired	Overdue amount
Bank financing product	Own funds	40,300	11,500	0
Total		40,300	11,500	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity and non-guaranteed

Applicable Not applicable

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable Not applicable

## 4. Other material contracts

Applicable Not applicable

No other material contracts for the Company in reporting period.

## XVI. Social responsibility

### 1. Major environmental protection

Listed Company and its subsidiary belong to the key pollution enterprise listed by Department of Environmental Protection

No

## 2. Targeted poverty alleviation social responsibility

### (1) Targeted measures in poverty alleviation

During the period, the Company participates in the targeted measures in poverty alleviation for Libai Village, Shangguang Town, Dongyuan County, Heyuan City, Guangdong Province.

### (2) Semi-annual poverty alleviation

The Company is concerned about the mountainous areas, takes the initiative to assume social responsibilities for poverty alleviation. According to the arrangement, the Company is responsible for the hard bottoming and widening of village roads and the hard bottoming of roads for transporting of Libai village. The project has begun on 29 December 2017, the project has been completed. After the project is completed, it will greatly facilitate the production and transportation of Libai villagers, and the “difficulties in roads” that have plagued the villagers for many years will be thoroughly resolved.

### (3) Results of targeted poverty alleviation

Target	Measurement unit	Numbers/ implementation
i. Overall	——	——
ii. Invested by specific project	——	——
1. Industrial development poverty	——	——
2. Transfer employment	——	——
3. Relocation the poor	——	——
4. Education poverty	——	——
5. Health poverty alleviation	——	——
6. Ecological protection and poverty alleviation	——	——
7. Fallback protection	——	——
8. Social poverty alleviation	——	——
9. Other	——	——
iii. Awards (content and grade)	——	——

### (4) Follow-up of targeted poverty alleviation

The road expansion and repair in Li Bai village

## XVII. Explanation on other significant events

Applicable  Not applicable

The Company had no explanation on other significant events in the reporting period.

## XVIII. Significant event of subsidiary of the Company

Applicable  Not applicable

Sichuan Channel Platform Company was established on July 3, 2017 with a registered capital of 150 million yuan. Since 2020, due to various factors, the scale of the business has continued to decline. In the first half of 2020, the cumulative operating revenue was 16,963,300 yuan, a year-on-year decrease of 75,615,700 yuan. The main reasons for the sharp drop in revenue are: Firstly, the outbreak of the epidemic at the end of 2019 has a far-reaching impact on small and medium-sized enterprises. Most customer stores in Sichuan have been suspended since the Spring Festival, and cash flow has been extremely exhausted, and the main customer groups served by the company have a sharp decline in business demand. Secondly, in recent years, the market demand in the jewelry industry has fallen sharply, and the upstream and downstream inventory has been overstocked, the overall situation is not optimistic. Thirdly, after the company's comprehensive assessment, in order to strictly control risks, Sichuan Channel Platform Company has been suspended from launching new business. On the one hand, we took the initiative to assume the social responsibilities of state-owned enterprises, and gave up some profits to help customers tide over difficulties.

In the face of the above operating difficulties and challenges, Sichuan Channel Platform Company will continue to strictly control risks, seek progress while maintaining stability, and actively explore business model transformation, seize the low period of the jewelry industry caused by the epidemic, and explore new cooperation and profit models.

## Section VI. Changes in Shares and Particulars about Shareholders

### I. Changes in Share Capital

#### 1. Changes in Share Capital

In Share

	Before change		Increase/decrease in this time (+, -)					After change	
	Amount	Ratio	New issue	Bonus share	Capitalization of public reserve	Other	Subtotal	Amount	Ratio
Reasons for share changed									

Reasons for share changed

Applicable Not applicable

Approval of share changed

Applicable Not applicable

Ownership transfer of share changes

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose for the Company or need to disclosed under requirement from security regulators

Applicable Not applicable

#### 2. Changes of restricted shares

Applicable Not applicable

### II. Securities issuance and listing

Applicable Not applicable

### III. Amount of shareholders of the Company and particulars about shares holding

In Share

Total common stock shareholders in reporting period-end		49,238	Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (found in note 8)	0				
Particulars about shares held above 5% by common shareholders or top ten common shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Total shareholders at the end of report period	Changes in report period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Amount
Shenzhen Special Development Group Co., Ltd.	State-owned corporation	49.09%	211,591,621	0	0	211,591,621		0
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (limited partnership)	Domestic non state-owned corporate	15.89%	68,475,986	-8,620,885	0	68,475,986		0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	0.41%	1,746,091	0	0	1,746,091		0
Hong Kong Securities Clearing Company Limited	Foreign corporation	0.27%	1,168,065	+364,717	0	1,168,065		0
Agricultural Bank of China Ltd. – CSI 500 ETF	Other	0.19%	836,089	-171,135	0	836,089		0
# Huang Xinchang	Domestic nature person	0.15%	632,608	+169,043	0	632,608		0
#Chen Yun	Domestic nature person	0.12%	500,000	+200,000	0	500,000		0

#Lu Xia	Domestic nature person	0.12%	496,195	+253,500		496,195		0
Li Guangxin	Domestic nature person	0.11%	487,181	0		487,181		0
# Tang Zhenxiong	Domestic nature person	0.11%	461,520	+461,520		461,520		0
Strategy investors or general corporation comes top 10 shareholders due to rights issue (if applicable) (see note 3)		N/A						
Explanation on associated relationship among the top ten shareholders or consistent action		Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders SDG, Ltd and other shareholders, and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies. For the other shareholders of circulation share, the Company is unknown whether they belong to the consistent actionist.						
Particular about top ten shareholders with un-restrict shares held								
Shareholders' name	Amount of un-restrict shares held at Period-end	Type of shares						
		Type	Amount					
Shenzhen Special Development Group Co., Ltd.	211,591,621	RMB ordinary shares	211,591,621					
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (limited partnership)	68,475,986	RMB ordinary shares	68,475,986					
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,746,091	Domestically listed foreign shares	1,746,091					
Hong Kong Securities Clearing Company Limited	1,168,065	Domestically listed foreign shares	1,168,065					
Agricultural Bank of China Ltd. – CSI 500 ETF	836,089	RMB ordinary shares	836,089					
Huang Xinchang	632,608	RMB ordinary shares	632,608					
Chen Yun	500,000	RMB ordinary shares	500,000					
Lu Xia	496,195	RMB ordinary shares	496,195					
Li Guangxin	487,181	RMB ordinary shares	487,181					



Tang Zhenxiong	461,520	RMB ordinary shares	461,520
Expiation on associated relationship or consistent actors within the top 10 un-restrict shareholders and between top 10 un-restrict shareholders and top 10 shareholders	Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders SDG and other shareholders, and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies. For the other shareholders of circulation share, the Company is unknown whether they belong to the consistent actionist.		
Explanation on shareholders involving margin business about top ten common shareholders with un-restrict shares held (if applicable) (see note 4)	Shareholder Huang Xinchang holds 632,608 shares of the Company through security account for credit transactions, and holds 0 share of the Company via common security account; Shareholder Chen Yun holds 500,000 shares of the Company through security account for credit transactions, and holds 0 share of the Company via common security account; Shareholder Lu Xia holds 496,195 shares of the Company through security account for credit transactions, and holds 0 share of the Company via common security account; Shareholder Tang Zhenxiong holds 461,520 shares of the Company through security account for credit transactions, and holds 0 share of the Company via common security account, 2,090,323 shares are held in total by Tang.		

Whether top ten common stock shareholders or top ten common stock shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes  No

The top ten common stock shareholders or top ten common stock shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

#### IV. Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

Applicable  Not applicable

Changes of controlling shareholders had no change in reporting period.

Changes of actual controller in reporting period

Applicable  Not applicable

Changes of actual controller in reporting period had no change in reporting period.

## Section VII. Preferred Stock

Applicable     Not applicable

The Company had no preferred stock in the reporting.

## Section VIII. Convertible Bonds

Applicable     Not applicable

The Company had no convertible bonds in the Period.

## **Section IX. Directors, Supervisors and Senior Executives**

### **I. Changes of shares held by directors, supervisors and senior executives**

Applicable  Not applicable

Found more in annual report 2019 for the changes of shares held by directors, supervisors and senior executives

### **II. Resignation and dismissal of directors, supervisors and senior executives**

Applicable  Not applicable

No changes of directors, supervisors and senior executives, found more details in Annual Report 2019.

## Section X. Corporate Bond

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due

No

## Section XI. Financial Report

### I. Audit reports

Whether the semi-annual report was audited or not

Yes  No

The financial report of this semi-annual report was unaudited

### II. Financial statements

#### 1. Consolidated balance sheet

2020-06-30

In RMB

Item	2020-6-30	2019-12-31
Current assets:		
Monetary funds	333,609,309.62	428,851,606.04
Settlement provisions		
Capital lent		
Tradable financial assets	115,128,569.86	60,486,575.34
Derivative financial assets		
Note receivable		
Account receivable	60,519,075.70	112,613,224.27
Receivable financing		
Accounts paid in advance	17,088,141.12	12,683,603.89
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	45,617,678.95	44,908,546.40
Including: Interest receivable		
Dividend receivable	39,647,732.42	39,647,732.42
Buying back the sale of financial assets		
Inventories	15,113,989.46	21,389,602.83
Contractual assets		

Assets held for sale		
Non-current asset due within one year		
Other current assets	2,970,702.64	3,403,969.23
Total current assets	590,047,467.35	684,337,128.00
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	170,700,410.89	162,178,544.05
Investment in other equity instrument	10,176,617.20	10,176,617.20
Other non-current financial assets		
Investment real estate	545,498,309.35	554,599,503.55
Fixed assets	104,203,903.95	107,119,796.59
Construction in progress	74,408,194.38	47,654,393.55
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	49,968,510.91	50,561,225.67
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	12,895,310.28	13,606,805.49
Deferred income tax asset	8,639,491.29	8,658,962.39
Other non-current asset	9,517,049.06	6,889,167.54
Total non-current asset	986,007,797.31	961,445,016.03
Total assets	1,576,055,264.66	1,645,782,144.03
Current liabilities:		
Short-term loans	0.00	
Loan from central bank		
Capital borrowed		
Trading financial liability		

Derivative financial liability		
Note payable		
Account payable	67,591,547.16	69,087,430.42
Accounts received in advance	14,416,295.28	27,299,822.71
Contractual liability		
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	30,992,026.80	31,204,794.89
Taxes payable	13,159,531.35	71,425,267.61
Other account payable	99,453,009.14	101,266,802.49
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	225,612,409.73	300,284,118.12
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	0.00	
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	3,920,160.36	3,920,160.36
Long-term wages payable		
Accrual liability	2,225,468.76	2,225,468.76



Deferred income	139,400.00	139,400.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	6,285,029.12	6,285,029.12
Total liabilities	231,897,438.85	306,569,147.24
Owner's equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	431,449,554.51	431,449,554.51
Less: Inventory shares		
Other comprehensive income	26,422.00	26,422.00
Reasonable reserve		
Surplus public reserve	21,007,488.73	21,007,488.73
Provision of general risk		
Retained profit	394,914,047.12	387,423,510.78
Total owner's equity attributable to parent company	1,278,455,832.36	1,270,965,296.02
Minority interests	65,701,993.45	68,247,700.77
Total owner's equity	1,344,157,825.81	1,339,212,996.79
Total liabilities and owner's equity	1,576,055,264.66	1,645,782,144.03

Legal representative: Fu Chunlong

Accounting Principal: Lou Hong

Accounting Firm's Principal: Liu Yuhong

## 2. Balance Sheet of Parent Company

In RMB

Item	2020-6-30	2019-12-31
Current assets:		
Monetary funds	149,476,502.21	201,885,691.27
Trading financial assets		40,324,383.56
Derivative financial assets		
Note receivable		
Account receivable	2,487,958.11	206,710.76

Receivable financing		
Accounts paid in advance	16,500.00	100,000.00
Other account receivable	136,039,446.63	116,037,773.09
Including: Interest receivable		
Dividend receivable	547,184.35	547,184.35
Inventories		
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	2,304,943.56	1,419,760.18
Total current assets	290,325,350.51	359,974,318.86
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	868,070,987.03	859,355,040.60
Investment in other equity instrument	10,176,617.20	10,176,617.20
Other non-current financial assets		
Investment real estate	38,164,135.64	39,616,602.02
Fixed assets	13,680,941.18	14,012,830.64
Construction in progress	50,643,962.68	35,321,704.26
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	48,418,670.74	48,953,266.56
Research and development costs		
Goodwill		
Long-term deferred expenses	2,460,433.45	2,639,122.63
Deferred income tax assets	3,538,377.94	3,557,849.04
Other non-current assets	9,417,049.06	6,789,167.54
Total non-current assets	1,044,571,174.92	1,020,422,200.49
Total assets	1,334,896,525.43	1,380,396,519.35
Current liabilities		

Short-term borrowings		
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	14,000.00	14,000.00
Accounts received in advance	7,849.53	
Contractual liability		
Wage payable	17,856,341.97	8,199,278.01
Taxes payable	677,021.46	54,684,929.01
Other accounts payable	259,193,066.48	257,260,350.77
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	277,748,279.44	320,158,557.79
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	277,748,279.44	320,158,557.79
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00

Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	428,256,131.23	428,256,131.23
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	21,007,488.73	21,007,488.73
Retained profit	176,826,306.03	179,916,021.60
Total owner's equity	1,057,148,245.99	1,060,237,961.56
Total liabilities and owner's equity	1,334,896,525.43	1,380,396,519.35

### 3. Consolidated Profit Statement

In RMB

Item	2020 semi-annual	2019 semi-annual
I. Total operating income	197,051,790.29	278,268,739.33
Including: Operating income	197,051,790.29	278,268,739.33
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	177,927,309.69	243,457,096.79
Including: Operating cost	154,774,587.52	210,494,012.42
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	1,376,727.57	2,968,165.06

Sales expense	6,776,144.54	9,358,514.29
Administrative expense	17,202,000.61	16,878,629.26
R&D expense		
Financial expense	-2,202,150.55	3,757,775.76
Including: Interest expenses	46,986.20	4,765,937.06
Interest income	2,453,494.99	1,152,054.69
Add: other income	52,846.70	6,611.29
Investment income (Loss is listed with “-”)	12,881,490.50	16,711,450.93
Including: Investment income on affiliated company and joint venture	8,521,866.84	10,775,524.54
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	-356,102.35	
Loss of credit impairment (Loss is listed with “-”)	599,201.43	101,666.14
Losses of devaluation of asset (Loss is listed with “-”)		0.00
Income from assets disposal (Loss is listed with “-”)		103,159.68
III. Operating profit (Loss is listed with “-”)	32,301,916.88	51,734,530.58
Add: Non-operating income	946,106.92	119,625.44
Less: Non-operating expense	29,059.48	833,400.00
IV. Total profit (Loss is listed with “-”)	33,218,964.32	51,020,756.02
Less: Income tax expense	6,448,306.06	6,038,256.76
V. Net profit (Net loss is listed with “-”)	26,770,658.26	44,982,499.26
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	26,770,658.26	44,982,499.26
2.termination of net profit (net loss		

listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	25,594,985.78	44,779,948.60
2.Minority shareholders’ gains and losses	1,175,672.48	202,550.66
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences		

arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	26,770,658.26	44,982,499.26
Total comprehensive income attributable to owners of parent Company	25,594,985.78	44,779,948.60
Total comprehensive income attributable to minority shareholders	1,175,672.48	202,550.66
VIII. Earnings per share:		
(i) Basic earnings per share	0.0594	0.1039
(ii) Diluted earnings per share	0.0594	0.1039

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal representative: Fu Chunlong

Accounting Principal: Lou Hong

Accounting Firm's Principal: Liu Yuhong

#### 4. Profit Statement of Parent Company

In RMB

Item	2020 semi-annual	2019 semi-annual
I. Operating income	13,120,854.52	19,112,054.55
Less: Operating cost	3,857,719.57	1,774,557.00
Taxes and surcharge	409,089.36	786,231.07
Sales expenses	1,569,961.98	
Administration expenses	12,509,528.85	8,507,495.18
R&D expenses		
Financial expenses	-961,656.89	2,775,796.55
Including: interest expenses		3,610,643.70
Interest income	1,050,258.70	851,734.70
Add: other income	21,849.42	
Investment income (Loss is listed with "-")	19,230,523.18	11,794,465.45
Including: Investment income on affiliated Company and joint venture	8,715,946.43	8,376,471.67

The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)	-324,383.56	
Loss of credit impairment (Loss is listed with “-”)		-18,945.66
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	14,664,200.69	17,043,494.54
Add: Non-operating income	-18,810.00	19,425.71
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	14,645,390.69	17,062,920.25
Less: Income tax	-369,343.18	764,471.10
IV. Net profit (Net loss is listed with “-”)	15,014,733.87	16,298,449.15
(i)continuous operating net profit (net loss listed with “-”)	15,014,733.87	16,298,449.15
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of		



enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of other debt investment		
3. Amount of financial assets re-classify to other comprehensive income		
4. Credit impairment provision for other debt investment		
5. Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	15,014,733.87	16,298,449.15
VII. Earnings per share:		
(i) Basic earnings per share	0.0348	0.0378
(ii) Diluted earnings per share	0.0348	0.0378

## 5. Consolidated Cash Flow Statement

In RMB

Item	2020 semi-annual	2019 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	263,485,972.58	275,395,004.65
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		

Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received		
Other cash received concerning operating activities	38,218,429.50	30,288,007.02
Subtotal of cash inflow arising from operating activities	301,704,402.08	305,683,011.67
Cash paid for purchasing commodities and receiving labor service	142,251,999.24	212,542,573.51
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	24,589,002.12	26,091,445.73
Taxes paid	68,873,589.78	9,452,428.27
Other cash paid concerning operating activities	48,683,488.74	30,162,504.86

Subtotal of cash outflow arising from operating activities	284,398,079.88	278,248,952.37
Net cash flows arising from operating activities	17,306,322.20	27,434,059.30
II. Cash flows arising from investing activities:		
Cash received from recovering investment	755,800,000.00	965,735,585.20
Cash received from investment income	4,556,873.60	5,967,222.92
Net cash received from disposal of fixed, intangible and other long-term assets	6,400.00	78,500.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		20,870,000.00
Subtotal of cash inflow from investing activities	760,363,273.60	992,651,308.12
Cash paid for purchasing fixed, intangible and other long-term assets	37,821,844.32	34,041,146.15
Cash paid for investment	810,800,000.00	904,100,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	848,621,844.32	938,141,146.15
Net cash flows arising from investing activities	-88,258,570.72	54,510,161.97
III. Cash flows arising from financing activities		
Cash received from absorbing investment		20,000,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		

Cash received from loans		158,020,000.00
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		178,020,000.00
Cash paid for settling debts	2,952,372.85	198,814,887.55
Cash paid for dividend and profit distributing or interest paying	21,825,829.24	4,756,413.09
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	24,778,202.09	203,571,300.64
Net cash flows arising from financing activities	-24,778,202.09	-25,551,300.64
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	88.42	9.84
V. Net increase of cash and cash equivalents	-95,730,362.19	56,392,930.47
Add: Balance of cash and cash equivalents at the period -begin	400,668,257.81	142,848,120.69
VI. Balance of cash and cash equivalents at the period -end	304,937,895.62	199,241,051.16

## 6. Cash Flow Statement of Parent Company

In RMB

Item	2020 semi-annual	2019 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	4,151,391.53	14,820,726.01
Write-back of tax received	0	
Other cash received concerning operating activities	40,826,847.87	6,580,839.48

Subtotal of cash inflow arising from operating activities	44,978,239.40	21,401,565.49
Cash paid for purchasing commodities and receiving labor service	239,375.15	
Cash paid to/for staff and workers	11,892,984.82	7,850,812.96
Taxes paid	54,859,179.71	1,157,332.91
Other cash paid concerning operating activities	46,163,081.37	14,812,259.31
Subtotal of cash outflow arising from operating activities	113,154,621.05	23,820,405.18
Net cash flows arising from operating activities	-68,176,381.65	-2,418,839.69
II. Cash flows arising from investing activities:		
Cash received from recovering investment	307,000,000.00	500,000,000.00
Cash received from investment income	10,641,433.09	3,996,094.69
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		20,870,000.00
Subtotal of cash inflow from investing activities	317,641,433.09	524,866,094.69
Cash paid for purchasing fixed, intangible and other long-term assets	17,257,856.83	7,675,914.33
Cash paid for investment	267,000,000.00	487,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	284,257,856.83	494,675,914.33
Net cash flows arising from investing	33,383,576.26	30,190,180.36

activities		
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		143,000,000.00
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		143,000,000.00
Cash paid for settling debts		143,000,000.00
Cash paid for dividend and profit distributing or interest paying	18,104,449.44	3,670,662.11
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	18,104,449.44	146,670,662.11
Net cash flows arising from financing activities	-18,104,449.44	-3,670,662.11
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-52,897,254.83	24,100,678.56
Add: Balance of cash and cash equivalents at the period -begin	173,702,343.04	62,172,486.14
VI. Balance of cash and cash equivalents at the period -end	120,805,088.21	86,273,164.70

## 7. Statement of Changes in Owners' Equity (Consolidated)

Current period

In RMB

Item	2020 semi-annual													Minority interests	Total owners' equity	
	Owners' equity attributable to the parent Company															
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reserve	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal			
	Preferred stock	Perpetual capital	Other													

			al securities			e								
I. Balance at the end of the last year	431,058,320.00			431,449,554.51		26,422.00		21,007,488.73		387,423,510.78		1,270,965,296.02	68,247,700.77	1,339,212,996.79
Add: Changes of accounting policy														
Error correction of the last period														
Enterprise combine under the same control														
Other														
II. Balance at the beginning of this year	431,058,320.00			431,449,554.51		26,422.00		21,007,488.73		387,423,510.78		1,270,965,296.02	68,247,700.77	1,339,212,996.79
III. Increase/Decrease in this year (Decrease is listed with "-")										7,490,536.34		7,490,536.34	-2,545,707.32	4,944,829.02
(i) Total comprehensive income										25,594,985.78		25,594,985.78	1,175,672.48	26,770,658.26
(ii) Owners' devoted and decreased capital														
1. Common shares invested by shareholders														
2. Capital invested by holders of other equity instruments														
3. Amount reckoned into owners equity with share-based payment														
4. Other														

(III) Profit distribution											-18,104,449.44			-18,104,449.44	-3,721,379.80	-21,825,829.24
1. Withdrawal of surplus reserves																
2. Withdrawal of general risk provisions																
3. Distribution for owners (or shareholders)											-18,104,449.44			-18,104,449.44	-3,721,379.80	-21,825,829.24
4. Other																
(IV) Carrying forward internal owners' equity																
1. Capital reserves conversed to capital (share capital)																
2. Surplus reserves conversed to capital (share capital)																
3. Remedying loss with surplus reserve																
4. Carry-over retained earnings from the defined benefit plans																
5. Carry-over retained earnings from other comprehensive income																
6. Other																
(V) Reasonable reserve																
1. Withdrawal in the report period																
2. Usage in the report period																



(VI)Others															
IV. Balance at the end of the report period	431,058,320.00				431,449,554.51		26,422.00		21,007,488.73		394,914,047.12		1,278,455.83	65,701,993.45	1,344,157,825.81

Last period

In RMB

Item	2019 semi-annual														
	Owners' equity attributable to the parent Company													Minority interests	Total owners' equity
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses	Provision of general risk	Retained profit	Other	Subtotal		
	Preferred stock	Perpetual capital securities	Other												
I. Balance at the end of the last year	297,281,600.00				565,226,274.51		26,422.00		3,139,918.14		184,535,322.70		1,050,209,537.35	49,072,678.52	1,099,282,215.87
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. Balance at the beginning of this year	297,281,600.00				565,226,274.51		26,422.00		3,139,918.14		184,535,322.70		1,050,209,537.35	49,072,678.52	1,099,282,215.87
III. Increase/Decrease in this year (Decrease is listed with "-")	133,776,720.00				-133,776,720.00						44,779,948.60		44,779,948.60	20,202,550.66	64,982,499.26
(i) Total comprehensive income											44,779,948.60		44,779,948.60	202,550.66	44,982,499.26
(ii) Owners' devoted and decreased														20,000,000.00	20,000,000.00



5. Carry-over retained earnings from other comprehensive income																			
6. Other																			
(V) Reasonable reserve																			
1. Withdrawal in the report period																			
2. Usage in the report period																			
(VI)Others																			
IV. Balance at the end of the report period	431,058,320.00				431,449,554.51		26,422.00		3,139,918.14		229,315,271.30		1,094,989.48	69,275,229.18				1,164,264,715.13	

### 8. Statement of Changes in Owners' Equity (Parent Company)

Current period

In RMB

Item	2020 semi-annual												Total owners' equity						
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other								
		Preferr ed stock	Perpet ual capital securiti es	Other															
I. Balance at the end of the last year	431,058,320.00				428,256,131.23					21,007,488.73	179,916,021.60							1,060,237,961.56	
Add: Changes of accounting policy																			
Error correction of the last period																			
Other																			
II. Balance at the beginning of this year	431,058,320.00				428,256,131.23					21,007,488.73	179,916,021.60								1,060,237,961.56
III. Increase/																			-3,089,715

Decrease in this year (Decrease is listed with “-”)										715.57		.57
(i) Total comprehensive income										15,014,733.87		15,014,733.87
(ii) Owners’ devoted and decreased capital												
1. Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(III) Profit distribution										-18,104,449.44		-18,104,449.44
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-18,104,449.44		-18,104,449.44
3. Other												
(IV) Carrying forward internal owners’ equity												
1. Capital reserves conversed to capital (share capital)												
2. Surplus reserves conversed to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												

5. Carry-over retained earnings from other comprehensive income													
6. Other													
(V) Reasonable reserve													
1. Withdrawal in the report period													
2. Usage in the report period													
(VI)Others													
IV. Balance at the end of the report period	431,058,320.00				428,256,131.23					21,007,488.73	176,826,306.03		1,057,148,245.99

Last period

In RMB

Item	2019 semi-annual												
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity	
		Preferr ed stock	Perpet ual capital securities	Other									
I. Balance at the end of the last year	297,281,600.00				562,032,851.23					3,139,918.14	18,545,850.31		881,000,219.68
Add: Changes of accounting policy													
Error correction of the last period													
Other													
II. Balance at the beginning of this year	297,281,600.00				562,032,851.23					3,139,918.14	18,545,850.31		881,000,219.68
III. Increase/Decrease in this year (Decrease is listed with “-”)	133,776,720.00				-133,776,720.00						16,298,449.15		16,298,449.15

(i) Total comprehensive income										16,298,449.15		16,298,449.15
(ii) Owners' devoted and decreased capital												
1. Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(III) Profit distribution												
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(IV) Carrying forward internal owners' equity	133,776,720.00				-133,776,720.00							
1. Capital reserves conversed to capital (share capital)	133,776,720.00				-133,776,720.00							
2. Surplus reserves conversed to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined												

benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(VI)Others												
IV. Balance at the end of the report period	431,058,320.00				428,256,131.23				3,139,918.14	34,844,299.46		897,298,668.83

### III. Basic situation of the company

Shenzhen Tellus Group Co., Ltd. (hereinafter referred to as Company or the Company), as authorized by the reply relating to Shenzhen Machinery Industry Company transforming to Shenzhen Tellus Machinery Co., Ltd.(SFBF[1991]1012) issued by the Office of Shenzhen People Government, Shenzhen Machinery Industry Company was transformed to Shenzhen Tellus Machinery Co., Ltd. Registered in Shenzhen Administration for Industry and Commerce on November 10, 1986, Headquartered in Shenzhen, Guangdong Province. The company now holds a business license with a unified social credit code of 91440300192192210U, the registered capital is 431,058,320.00 yuan, and the total number of shares is 431,058,320 shares (each with a par value of 1 yuan). Among them, the tradable shares subject to sales restrictions: 0 A shares and 0 B shares; 392,778,320 A shares and 38,280,000 B shares subject to sales restrictions. The company's shares were listed on the Shenzhen Stock Exchange on June 21, 1993. The company belongs to the wholesale industry, and its main business activities include automobile sales, automobile maintenance and testing, jewelry sales, property leasing and services. This financial statement is approved for disclosure by resolution from the Board dated 26 August 2020.

There are 16 subsidiaries including Shenzhen Zhongtian Industrial Co., Ltd., Sichuan Tellus Jewelry Tech. Co., Ltd and Shenzhen Huari Toyota Auto Sales Service Co., Ltd included in the consolidate scope of the Company in the Period, found more in the explanation carry in Note VII and Note VIII.

## **IV. Basis Preparation of the Financial Statements**

### **1. Preparation base**

Financial statement of the Company is prepared on a going concern basis.

### **2. Going concern**

The Company does not have any events or circumstances that would cause significant doubt about its ability to continue as a going concern within 12 months from the end of the reporting period.

## **V. Important accounting policy & accounting estimation**

Specific accounting policies and estimation attention:

Important tips: according to the characteristics of the actual production and operation, the Company formulated specific accounting policies and estimation for transactions or events such as impairment of financial instruments, depreciation of fixed assets, amortization of intangible assets and revenue recognition.

### **1. Statement of Compliance with the Accounting Standards for Business Enterprises**

The financial statements prepared by the Company are in accordance to requirements of Accounting Standard for Business Enterprise, which truly and completely reflect the financial status of the Company, as well as the operation results and cash flows.

### **2. Accounting period**

Accounting period of the Company is falls to the range starting from 1 January to 31 December.

### **3. Operating cycle**

Operating cycle of the Company's business is relatively short, and 12 months is taken as the liquidity division standard of assets and liabilities.

### **4. Standard currency**

The Company and its subsidiaries take RMB as the standard currency for bookkeeping.

### **5. Accounting treatment method for business combination under the same control and business combination not under the same control**

#### **1. Accounting treatment method for business combination under the same control**

The assets and liabilities acquired by the company in a business combination shall be measured according to the



book value of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date. The company adjusts the capital reserve according to the difference between the book value share of the combined party's owner's equity in the ultimate controlling party's consolidated financial statements and the book value of the combined consideration paid or the total face value of the issued shares; if the capital reserve is insufficient to offset, adjust the retained earnings.

## 2. Accounting treatment method for business combination not under the same control

The difference between the company's combined cost and the fair value share of the acquiree's identifiable net assets acquired in the combination on the purchase date is recognized as goodwill; if the combination cost is less than the fair value share of the acquiree's identifiable net assets acquired in the combination, review the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the combination cost in the first place. After the review, if the combination cost is still less than the fair value of the acquiree's identifiable net assets obtained in the combination, the difference is included in the current profit and loss.

## 6. Methods for preparation of consolidated financial statements

All subsidiaries controlled by the parent company are included in the consolidation scope of the consolidated financial statements. The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries, and prepared by the parent company in accordance with the Accounting Standards for Business Enterprise No.33- Consolidated Financial Statement according to other relevant information.

## 7. Classification of joint venture arrangement and accounting for joint operations

1. Joint venture arrangements are divided into joint operations and joint ventures.
2. When the Company is a joint venture party of a joint venture arrangement, recognizes its proportion of interests in joint operation as related to the Company:
  - (1) To recognize separately-held assets and jointly-held assets under its proportion;
  - (2) To recognize separately-assumed liabilities and jointly-assumed liabilities under its proportion;
  - (3) To recognize revenue from disposal of the output which the Company is entitled to under the proportion;
  - (4) To recognize revenue from disposal of the output under the proportion;
  - (5) To recognize separately occurred expenses, and to recognize expenses occurred for joint operations under its proportion.

## 8. Recognition standards for cash and cash equivalents

The cash carry in cash flow statement refers to the stock cash and deposits available for payment at any time. Cash equivalent refers to the investment featuring with the following characters: short term, active liquidity, easy to convert to already-known cash and small value change risks.

## 9. Foreign currency business and conversion of foreign currency statement

### 1. Conversion of foreign currency business

When foreign currency transactions are initially recognized, the spot exchange rate on the transaction date shall be used to convert the foreign currency transaction into RMB amount. On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on the balance sheet date. The exchange difference arising from different exchange rates, except for the exchange difference of the principal and interest of foreign currency special borrowings related to the acquisition and construction of assets that meet the conditions for capitalization, is included in the current profit and loss; as for the foreign currency non-monetary items measured by historical cost, conversion is made with the spot exchange rate as of the business day, with no change in RMB amount; as for the foreign currency non-monetary items measured by fair value, the amount is then converted into RMB according to the spot exchange rate as of the confirmation day for fair value. And the conversion difference occurred is recorded into current gains/losses or other comprehensive income.

### 2. Conversion of foreign currency financial statement

Spot exchange rate as of the balance sheet date is adopted for conversion of assets and liabilities in the balance sheet; as for the items in statement of owners' equity except for "Retained profit", conversion is made pursuant to the spot exchange rate of business day; items of income and expenses in the profit statement shall be converted at the spot exchange rate on the date of transaction. The balance of foreign currency financial statements generated according to the above transaction shall be included in other comprehensive income.

## 10. Financial instruments

### 1. Categories of financial assets and financial liabilities

At initial recognition, financial assets are classified into three types: (1) the financial assets measured at amortized cost; (2) the financial assets measured at fair value and whose changes are included in other comprehensive income; and (3) the financial assets measured at fair value and whose changes are included in current gain/loss.

At the time of initial recognition, financial liabilities are divided into the following four categories: (1) Financial liabilities measured at fair value and whose changes are included in the current profit and loss; (2) Financial liabilities formed as the transfer of financial assets does not meet the conditions for derecognition or continues to be involved in the transferred financial assets; (3) Financial guarantee contracts that do not belong to above-mentioned (1) or (2), and loan commitments that do not belong to above-mentioned (1) and are loaned at a lower-than-market interest rate; (4) Financial liabilities measured at amortized cost.

### 2. Recognition basis, measurement method and derecognition conditions of financial assets and financial liabilities

#### (1) Recognition basis and initial measurement method of financial assets and financial liabilities

When a company becomes a party to a financial instrument contract, a financial asset or financial liability is recognized. When financial assets or financial liabilities are initially recognized, they are measured at fair value; for financial assets and financial liabilities that are measured at fair value and whose changes are included in the

current profits and losses, the relevant transaction costs are directly included in the current profits and losses; for other types of financial assets or financial liabilities, related transaction costs are included in the initial recognition amount. However, if the account receivable initially recognized by the company does not contain a significant financing component or the company does not consider the financing component in a contract that is less than one year, the initial measurement is made at the transaction price.

## (2) Subsequent measurement methods of financial assets

### 1) Financial assets measured at amortized cost

The subsequent measurement is carried out according to the amortized cost by adopting the effective interest method. The gains or losses arising from financial assets that are measured at amortized costs and are not part of any hedging relationship are included in the current profits and losses when they are derecognized, reclassified, amortized or recognized as impairment in accordance with the effective interest method.

### 2) Debt instrument investment measured at fair value and whose changes are included in other comprehensive income

Use fair value for subsequent measurement. Interest, impairment losses or gains and exchange gains and losses calculated by using the effective interest rate method are included in the current profits and losses, and other gains or losses are included in other comprehensive income. When derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in the current profits and losses.

### 3) Equity instrument investment measured at fair value and whose changes are included in other comprehensive income

Use fair value for subsequent measurement. Dividends obtained (except those that are part of the recovery of investment costs) are included in the current profits and losses, and other gains or losses are included in other comprehensive income. When derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income and included in retained earnings.

### 4) Financial assets measured at fair value and whose changes are included in the current profits and losses

Use fair value for subsequent measurement, and the resulting gains or losses (including interest and dividend income) are included in the current profits and losses, unless the financial asset is part of the hedging relationship.

## (3) Subsequent measurement methods of financial liabilities

### 1) Financial liabilities measured at fair value and whose changes are included in the current profits and losses

Such financial liabilities include transactional financial liabilities (including derivative instruments that are financial liabilities) and financial liabilities designated to be measured at fair value and whose changes are included in the current profits and losses. For such financial liabilities, subsequent measurement is made at fair value. Changes in the fair value of financial liabilities designated to be measured at fair value and whose changes are included in the current profits and losses caused by changes in the company's own credit risk are included in other comprehensive income, unless the treatment will cause or enlarge the accounting mismatch in the profits and losses. Other gains or losses arising from such financial liabilities (including interest expenses, except for changes in fair value due to changes in the company's own credit risk) are included in the current profits and losses, unless the financial liabilities are part of the hedging relationship. When derecognized, the accumulated

gains or losses previously included in other comprehensive income are transferred from other comprehensive income and included in retained earnings.

2) The transfer of financial assets does not meet the conditions for derecognition or continues to be involved in financial liabilities formed by the transferred financial assets

Measure in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets".

3) Financial guarantee contracts that do not belong to 1) or 2) above, and loan commitments that do not belong to 1) above and loan at interest rates lower than market interest rates

After the initial recognition, the subsequent measurement shall be carried out according to the higher of the following two amounts: ① The amount of loss provisions determined in accordance with the impairment provisions of financial instruments; ② The balance after deducting the accumulated amortization determined in accordance with relevant regulations from the initial recognition amount.

4) Financial liabilities measured at amortized cost

Measure at amortized cost by using the effective interest method. The gains or losses arising from financial liabilities that are measured at amortized cost and are not part of any hedging relationship are included in the current profits and losses when they are derecognized and amortized according to the effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) When meeting one of the following conditions, the financial assets are derecognized:

① The contractual right to receive cash flow of financial assets has been terminated;

② The financial assets have been transferred and the transfer meets the requirements of the "Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets" on the derecognition of financial assets.

2) When the current obligation of the financial liability (or part of it) has been discharged, the financial liability (or part of the financial liability) shall be derecognized accordingly.

3. Recognition basis and measurement method of financial asset transfer

If the company transfers almost all the risks and rewards related to the ownership of a financial asset, derecognize the financial asset, and separately recognize the rights and obligations arising or retained during the transfer as assets or liabilities; if almost all the risks and rewards related to the ownership of the financial assets are retained, continue to recognize the transferred financial assets. If the company neither transfers nor retains almost all the risks and rewards related to the ownership of the financial assets, the following situations shall be dealt with respectively: (1) If the control of the financial assets is not retained, derecognize the financial assets, and the rights and obligations generated or retained during the transfer shall be separately recognized as assets or liabilities; (2) If the control of the financial assets is retained, the relevant financial assets are recognized according to the degree of continued involvement in the transferred financial assets, and the relevant liabilities are recognized accordingly.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts is included in the current profit and loss: (1) the book value of the transferred financial assets on the date of derecognition; (2) the sum of the consideration received due to the transfer of financial assets and the amount corresponding to the derecognized portion of the accumulated amount of fair value changes

originally directly included in other comprehensive income (the financial assets involved in transfer are investments in debt instruments that are measured at fair value and whose changes are included in other comprehensive income). If a part of the financial asset is transferred, and the entire transferred part meets the conditions for derecognition, the book value of the entire financial asset before the transfer will be allocated between the derecognition part and the part continuing to recognize according to their respective relative fair values on the transfer date, and include the difference between the following two amounts in the current profits and losses: (1) the book value of the derecognized part; (2) the sum of the consideration of the derecognized part and the amount corresponding to the derecognized portion of the accumulated amount of fair value changes originally directly included in other comprehensive income (the financial assets involved in transfer are investments in debt instruments that are measured at fair value and whose changes are included in other comprehensive income)..

#### 4. Methods for determining the fair value of financial assets and financial liabilities

The company uses valuation techniques that are applicable under current circumstances and have sufficient data and other supporting information to determine the fair value of relevant financial assets and financial liabilities. The company divides the input values used by valuation techniques into the following levels and uses them in sequence:

- (1) The first-level input value is the unadjusted quotation of the same asset or liability in the active market that can be obtained on the measurement date;
- (2) The second-level input value is the directly or indirectly observable input value of related assets or liabilities other than the first-level input value, including the quotes of similar assets or liabilities in the active market; the quotes of the same or similar assets or liabilities in the inactive market; other observable input values other than quotes, such as interest rates and yield curves that are observable during the normal quote interval; market-validated input values, etc.;
- (3) The third-level input value is the unobservable input value of the relevant asset or liability, including interest rates that cannot be directly observed or verified by observable market data, stock volatility, future cash flows of abandoned obligations assumed in business combinations, financial forecasts made by using own data, etc.

#### 5. Impairment of financial instruments

##### (1) Impairment measurement and accounting treatment of financial instruments

The company uses expected credit losses as the basis, and makes impairment and recognizes loss provisions for financial assets measured at amortized cost, investment in debt instruments measured at fair value with changes included in other comprehensive income, lease receivables, loan commitments other than financial liabilities that are classified as financial liabilities measured at fair value with changes included in the current profits and losses, financial liabilities that are not measured at fair value and whose changes are included in the current profits and losses, or financial guarantee contracts of financial liabilities that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets.

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted on the risk of default. Credit loss refers to the difference between all contractual cash flows discounted by the company at the original actual interest rate and receivable under the contract and all cash flows expected to be received, that

is, the present value of all cash shortages. Among them, for the financial assets purchased or originated by the company that have been credit-impaired, they are discounted according to the credit-adjusted actual interest rate of the financial assets.

For purchased or derived financial assets that have been credit-impaired, the company only recognizes the cumulative changes in expected credit losses during the entire duration after initial recognition as loss provisions on the balance sheet date.

For accounts receivable that do not contain a significant financing component or the company does not consider the financing component of a contract that does not exceed one year, the company uses the simplified measurement method to measure the loss provisions at the amount equivalent to the expected credit losses during the entire duration.

For lease receivables and accounts receivable that contain major financing components, the company uses the simplified measurement method to measure loss provisions at the amount equivalent to expected credit losses during the entire duration.

For a financial asset other than the above measurement methods, the company assesses on each balance sheet date whether its credit risk has increased significantly since the initial recognition. If the credit risk has increased significantly since the initial recognition, the company measures the loss provisions at the amount of expected credit losses during the entire duration; if the credit risk has not increased significantly since the initial recognition, the company measures the loss provisions based on the amount of expected credit loss of the financial instrument in the next 12 months.

The company uses available reasonable and evidence-based information, including forward-looking information, and determines whether the credit risks of financial instruments have increased significantly since the initial recognition by comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the date of initial recognition.

On the balance sheet date, if the company judges that a financial instrument only has a low credit risk, it is assumed that the credit risk of the financial instrument has not increased significantly since the initial recognition.

The company assesses expected credit risks and measures expected credit losses based on individual financial instrument or a combination of financial instruments. When based on a combination of financial instruments, the company divides financial instruments into different combinations based on common risk characteristics.

The company re-measures expected credit losses on each balance sheet date, and the resulting increase in loss reserves or the amount reversed is included in the current profits and losses as impairment losses or gains. For a financial asset measured at amortized cost, the loss provisions offset against the book value of the financial asset listed in the balance sheet; for debt investments measured at fair value and whose changes are included in other comprehensive income, the company recognizes the loss provisions in other comprehensive income, and does not deduct the book value of the financial asset.

(2) Financial instrument that assesses expected credit risks and measures expected credit losses by portfolio

Item	Basis for determining the portfolio	Measuring methods for expected credit losses
------	-------------------------------------	--

Other account receivable - related transaction receivable in consolidate scope	Nature of the account	With reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the expected credit loss is calculated through the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration
Other account receivable - dividend receivable		
Other account receivable - account age	Account age	

(3)Account receivable with expected credit loss measured at portfolio

1) Specific portfolio and methods on measuring the expected credit losses

Item	Basis for determining the portfolio	Measuring methods for expected credit losses
Account receivable—account age	account age	With reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the expected credit loss is calculated by the comparison table prepared between the account age of receivable and the expected credit loss rate within the entire duration
Account receivable - Jewelry sales business	Account receivable with sales of jewelry concerned	With reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the expected credit loss is calculated through the default risk exposure and the expected credit loss rate within the entire duration

2) Account receivable—comparison table between the account age (in portfolio) and expected credit loss rate for the whole duration

Account age	Expected credit loss rate of account receivable (%)
Within one year (inclusive, the same below)	1
1-2 years	5
2-3 years	20
Over 3 years	50

6. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are listed separately in the balance sheet and do not offset each other. However, if the following conditions are met at the same time, the company will list the net amount after

offsetting each other in the balance sheet: (1) The company has the statutory right to offset the recognized amount, and this statutory right is currently enforceable; 2) The company plans to settle on a net amount, or realize the financial assets and liquidate the financial liabilities at the same time.

For the transfer of financial assets that does not meet the conditions for derecognition, the company does not offset the transferred financial assets and related liabilities.

### 11.Note receivable

Not applicable

### 12.Account receivable

#### 1. Account receivable with bad debt provision accrual on a single basis

Provision for bad debts on single basis:	Bad debt provision shall be made on a single basis when there is evidence that the credit risk of a single item of account receivable is large.
Accrual method for bad debt provision:	Conduct impairment tests separately, and make provision for bad debts according to the difference between the present value of its future cash flow and its book value

#### 2. Accounts receivable with provision for bad debts according to the combination of expected credit risk characteristics

Except for the accounts receivable with bad debt provision accrual on a single basis, the accounts receivable are grouped according to the similarity and correlation of credit risk characteristics. These credit risks usually reflect the debtor's ability to repay all due amounts in accordance with the contractual terms of the assets, and are related to the calculation of the future cash flow of the asset under inspection. The Group uses the aging of accounts receivable as the combination of expected credit risk characteristics to make provisions for bad debts based on the actual credit losses of previous years and the forward-looking information of the current year. The accounting policies for bad debt provisions are as follows:

Account age	Expected credit loss rate of account receivable (%)
Within one year	1
1-2 years	5
2-3 years	20
Over 3 years	50

### 13. Account receivable financing

Not applicable



## 14. Other account receivable

Determining method and accounting treatment on the expected credit loss of other account receivable

### 1. Other account receivable with bad debt provision accrual on a single basis

Provision for bad debts on single basis:	Bad debt provision shall be made on a single basis when there is evidence that the credit risk of a single item of other account receivable is large.
Accrual method for bad debt provision:	Conduct impairment tests separately, and make provision for bad debts according to the difference between the present value of its future cash flow and its book value

### 2. Other accounts receivable with provision for bad debts according to the combination of expected credit risk characteristics

Except for the other accounts receivable with single provision for bad debts, the other receivable are grouped according to the similarity and correlation of credit risk characteristics. These credit risks usually reflect the debtor's ability to repay all due amounts in accordance with the contractual terms of the assets, and are related to the calculation of the future cash flow of the asset under inspection. The Group uses the aging of other accounts receivable as the combination of expected credit risk characteristics to make provisions for bad debts based on the actual credit losses of previous years and the forward-looking information of the current year. The accounting policies for bad debt provisions are as follows:

Account age	Expected credit loss rate of other account receivable (%)
Within one year	1
1-2 years	5
2-3 years	20
Over 3 years	50

## 15. Inventory

### 1. Classification

Inventory includes finished products or commodities held for sale in daily activities, products in the production process, materials and supplies consumed in the production process or the process of providing labor services, etc.

### 2. Valuation methods for delivery of inventory

The delivery of inventory shall be priced individually on a first-in, first-out basis.

### 3. Recognition standards of the net realizable value for inventory

On the balance sheet date, inventories are measured at the lower of cost and net realizable value, and provision for impairment of inventories is made based on the difference between the cost of a single inventory/inventory category and the net realizable value. The net realizable value of the inventory directly used for sale is determined in the normal production and operation process at the estimated selling price of the inventory minus the estimated

sales expenses and related taxes. The net realizable value of the inventory that needs to be processed is determined by the estimated selling price of the finished product produced after subtracting the estimated cost, estimated sales expenses and related taxes and fees at the time of completion in the normal production and operation process. On the balance sheet date, for part of the same inventory has a contract price agreement while the other part does not have a contract price, the net realizable value shall be determined separately, and the corresponding cost shall be compared to respectively determine the amount of provision or reversal for inventory falling price reserves.

#### 4. Inventory system

Inventory system is the perpetual inventory system.

#### 5. Amortization of low-value consumables and packaging materials

##### (1) Low-value consumables

Amortization is carried out according to the number of times of use.

##### (2) Wrappage

Amortization is carried out according to the number of times of use.

### 16. Contractual asset

Not applicable

### 17. Contract cost

Not applicable

### 18. Assets held for sale

#### 1. Classification of non-current assets or disposal groups held for sale

The Company classifies non-current assets or disposal groups that meet all of the following conditions as held-for-sale: 1) according to the practice of selling this type of assets or disposal groups in a similar transaction, the non-current assets or disposal group can be sold immediately at its current condition; 2) The sale is likely to occur, that is, the Company has made resolution on the selling plan and obtained definite purchase commitment, the selling is estimated to be completed within one year.

The non-current assets or disposal group acquired by the company specifically for resale shall be classified as held for sale on the date of acquisition if meets the condition of “expected to complete the sale within one year” on the acquisition date, and is likely to meet other classification conditions of held for sale in the short term (usually 3 months) .

Due to one of the following reasons beyond the company’s control, the transaction among non-related parties cannot be completed within one year, and the company still promises to sell non-current assets or disposal groups, continue to classify non-current assets or disposal groups as held for sale: 1) The buyer or other parties

accidentally set the conditions that caused the sale to be delayed. The company has taken timely action against these conditions and is expected to be able to smoothly resolve the delay factors within one year from the setting of the conditions that caused the sale to be delayed; 2) Rare circumstances have caused the non-current assets held for sale or the disposal group to fail to complete the sale within one year. The company has taken necessary measures to address these new situations in the first year and has re-satisfied the classification conditions of the held for sale categories.

## 2. Measurement of non-current assets or disposal groups held for sale

### 1) Initial measurement and subsequent measurement

When initially measuring and remeasuring the non-current assets or disposal groups held for sale on the balance sheet date, if the book value is higher than the net value of fair value minus selling expenses, the book value shall be written down to the net amount after deducting selling expenses from fair value, the written-down amount is recognized as asset impairment loss, and included in the current profits and losses, and provision for impairment of assets held for sale is made.

For non-current assets or disposal groups classified as held-for-sale categories on the acquisition date, compare the initial measurement amount assuming that they are not classified as held-for-sale with the net amount after deducting selling expenses from fair value at the initial measurement, and measure the lower of the two. Except for the non-current assets or disposal groups obtained in a business combination, the difference arising from the net amount of the non-current assets or disposal groups after deducting selling expenses from fair value and used as the initial measurement amount is included in the current profit and loss.

For the amount of asset impairment losses confirmed by the disposal group held for sale, the book value of the goodwill in the disposal group is first offset, and then the book value is offset in proportion based on the proportion of the book value of each non-current asset in the disposal group.

Non-current assets held for sale or non-current assets in the disposal group are not depreciated or amortized, and interest and other expenses on liabilities in the disposal group held for sale continue to be recognized.

### 2) Accounting treatment of asset impairment loss reversal

If the net amount of the fair value of the non-current assets held for sale increases after subtracting the selling expenses on the subsequent balance sheet date, the previously written-down amount shall be recovered and reversed within the amount of the asset impairment losses recognized after being classified as held for sale, and the reversed amount is included in the current profits and losses. Asset impairment losses recognized before being classified as held for sale shall not be reversed.

On the subsequent balance sheet date, if the net amount of the fair value of the disposal group held for sale increases after subtracting the selling expenses, the previously written-down amount shall be recovered and reversed within the amount of the asset impairment losses recognized as non-current assets after being classified as held for sale, and the reversed amount is included in the current profits and losses. The book value of the deducted goodwill and the asset impairment losses recognized before the non-current assets are classified as held for sale shall not be reversed.

For subsequent reversal of the asset impairment losses confirmed by the disposal group held for sale, its book value is increased in proportion based on the proportion of the book value of each non-current asset in the disposal

group except for the goodwill.

### 3) Accounting treatment no longer being classified as held for sale and being derecognized

When non-current assets or disposal groups no longer continue to be classified as held for sale as they no longer meet the classification conditions of the held for sale category or non-current assets are removed from the held for sale disposal group, measure based on the lower of the following two: a. Book value before being classified as held for sale, the amount adjusted according to the depreciation, amortization, or impairment that should have been recognized under the assumption that it is not classified as held for sale; b. Recoverable amount.

When derecognizing non-current assets or disposal groups held for sale, the unrecognized gains or losses shall be included in the current profits and losses.

## 19. Creditors' investment

Not applicable

## 20. Other creditors' investment

Not applicable

## 21. Long-term account receivable

Based on whether its credit risk has increased significantly since its initial recognition, the Company uses an amount equivalent to expected credit losses in the next 12 months or the entire duration to measure long-term receivable impairment losses. Except for long-term receivables whose credit risk is assessed individually, impairment losses are accrued based on their credit risk characteristics.

## 22. Long-term equity investment

### 1. Judgment of joint control and significant influence

According to the relevant agreement, there is mutual control over an arrangement, and the relevant activities of the arrangement must be agreed by the participants who share the control rights before making decisions, and it is deemed as joint control. Having the power to participate in decision-making on the financial and operating policies of the invested entity, but not being able to control or jointly control the formulation of these policies with other parties, it is deemed as a significant influence.

### 2. Determination of investment cost

(1) In the case of a business combination under the same control, if the combining party pays cash, transfers non-cash assets, assumes debts, or issues equity securities as the merger consideration, the share of the book value of the acquired owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party shall be used as its initial investment cost. The difference between the initial investment cost of

long-term equity investment and the book value of the combined consideration paid or the total face value of the issued shares shall adjust the capital reserve; if the capital reserve is insufficient to offset, adjust the retained earnings.

The company realizes the long-term equity investment formed by the business combination under the same control step by step through multiple transactions, and judges whether it is a "package deal". If it is a "package deal", each transaction shall be accounted for as a transaction to obtain control for accounting treatment. If it is not a "package deal", on the combining date, the initial investment cost shall be determined based on the share of the book value of the combined party's net assets in the ultimate controlling party's consolidated financial statements after the combination. The difference between the initial investment cost of the long-term equity investment on the combining date and the book value of the long-term equity investment before the combination plus the sum of the book value of the consideration newly paid for further obtaining shares on the combining date shall adjust the capital reserve; if the capital reserve is insufficient to offset, adjust the retained earnings.

(2) In the case of a business combination not under the same control, the fair value of the combined consideration paid on the purchase date shall be the initial investment cost.

The company realizes the long-term equity investment formed by business combination not under the same control step by step through multiple transactions, and separates individual financial statements and consolidated financial statements for relevant accounting treatment:

1) In individual financial statements, the sum of the book value of the equity investment originally held plus the cost of the newly increased investment is used as the initial investment cost calculated by the cost method.

2) In the consolidated financial statements, judge whether it is a "package deal". If it is a "package deal", each transaction shall be accounted for as a transaction to obtain control for accounting treatment. If it is not a "package deal", the equity of the acquiree held before the purchase date shall be remeasured at the fair value of the equity on the purchase date, and the difference between the fair value and its book value shall be included in the current investment income.

If the equity held by the acquiree before the purchase date involves other comprehensive income calculated by the equity method, the other comprehensive income related to it shall be converted to the current income on the purchase date, except for other comprehensive income arising from changes in net liabilities or net assets of defined benefit plans remeasured by the investee.

(3) Except for the formation of a business combination, for those obtained by paying cash, the actual purchase price paid shall be its initial investment cost; for those obtained by issuing equity securities, the fair value of the issued equity securities shall be its initial investment cost; for those acquired through debt restructuring, the initial investment cost shall be determined according to "Accounting Standards for Business Enterprises No. 12 - Debt Restructuring"; for those acquired through non-monetary asset exchanges, the initial investment cost shall be determined in accordance with "Accounting Standards for Business Enterprises No. 7 - Non-monetary Asset Exchanges".

### 3. Subsequent measurement and profit and loss confirmation methods

The long-term equity investment that controls the investee is accounted for by the cost method; the long-term equity investment for associates and joint ventures is accounted for by the equity method.

4. Handling method of disposing investments in subsidiaries step by step through multiple transactions until they lose control

(1) Individual financial statements

For the disposed equity, the difference between its book value and the actual purchase price shall be included in the current profit and loss. For the remaining equity, if it still has a significant impact on the invested entity or performs joint control with other parties, it shall be converted to equity method accounting; if the invested entity can no longer be controlled, jointly controlled or significantly affected, it shall be calculated in accordance with relevant regulations of the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments".

(2) Consolidated financial statements

1) Step-by-step disposal of investments in subsidiaries through multiple transactions to the loss of control, and not belonging to a "package deal"

Before the loss of control, the difference between the disposal cost and the net asset share continuing to be calculated from the date of purchase or combination by the subsidiary corresponding to the disposal of long-term equity investment shall adjust the capital reserve (capital premium), if the capital reserve is insufficient to offset, adjust the retained earnings.

When losing the control to the original subsidiary, the remaining equity shall be remeasured at its fair value on the date of loss of control. The difference between the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity and the share of the original subsidiary's net assets calculated continuously from the date of purchase or merger according to the original shareholding ratio is included in the current investment income when the control is lost, while offsets goodwill. Other comprehensive income related to the equity investment of the original subsidiary shall be transferred to the current investment income when losing the control.

2) Step-by-step disposal of investments in subsidiaries through multiple transactions to the loss of control, and belonging to a "package deal"

Take each transaction as a transaction that disposes of a subsidiary and loses control for accounting treatment. However, before the loss of control, the difference between each disposal cost and the share of the subsidiary's net assets corresponding to the disposal investment shall be recognized as other comprehensive income in the consolidated financial statements, and shall be transferred to the profit and loss of current period when losing the control.

### 23. Investment real estate

1. The investment real estate includes the rented land use rights, the land use rights which are held and prepared for transfer after appreciation and the rented buildings.

2. Initial measurement of an investment real estate is based on the cost, the subsequent measurement is based on cost model, and adopt the same method of depreciation or amortization as fixed assets and intangible assets.

## 24. Fixed asset

### (1) Recognition

Fixed assets is defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or for operation & management, and have more than one year of service life. Fixed assets should be recognized for qualified the followed conditions at the same time: 1) It is probable that the economic benefits associated with the assets will flow into the Company; and 2) The cost of the assets can be measured reliably.

### (2) Depreciation methods

Category	Method	Years of depreciation	Scrap value rate	Yearly depreciation rate
House and buildings	Straight-line depreciation	35-40	3	2.77-2.43
Machinery equipment	Straight-line depreciation	12	3	8.08
Transport equipment	Straight-line depreciation	7	3	13.86
Electronic equipment	Straight-line depreciation	5-7	3	33.33-13.86
Office and other equipment	Straight-line depreciation	7	3	13.86
Decoration fee for the self-owned house	Straight-line depreciation	10	0	10.00

### (3) Recognition, measurement and depreciation of fixed assets held under finance lease

Not applicable

## 25. Construction in progress

1. The construction in progress is recognized when meet the follow conditions at the same time, that is the economic benefits are likely to flow in and the cost can be measured reliably. Construction in progress shall be measured in terms of the actual cost incurred prior to the construction of such asset to its intended serviceable state.
2. When the construction in progress reaches the expected serviceable state, it will be transferred into fixed asses according to the actual cost of the construction. Those who have reached the expected serviceable status but have not yet processed the final account on completion, shall be transferred to fixed assets according to the estimated value first. The original temporary estimated value shall be adjusted according to the actual cost after the final accounts for the completion have been processed, but the previously accrued depreciation shall not be adjusted.

## 26. Borrowing expense

1. Recognition of capitalization of borrowing expenses

Borrowing expenses that attributed for purchasing or construction of assets that are complying start to be capitalized and counted as relevant assets cost; other borrowing expenses, reckoned into current gains and losses after expenses recognized while occurred.

## 2. Period of capitalization

(1) Borrowing expenses start to be capitalized when all of the following conditions are met: 1) capital expenditure has been occurred; 2) borrowing expenses have been occurred and 3) acquisition or construction necessary for the assets to come into an expected serviceable state has been carried out.

(2) If an asset that meets the capitalization conditions is abnormally interrupted during the acquisition or construction or in the production process, and the interruption time exceeds 3 consecutive months, the capitalization of borrowing costs shall be suspended; the borrowing costs incurred during the suspension shall be recognized as current expenses until the acquisition, construction or production of assets restarts.

(3) When the purchased, constructed or produced assets that meet the capitalization conditions reach the expected usable or saleable state, the capitalization of borrowing costs shall cease.

## 3. Capitalization rate and capitalization amount of borrowing costs

If special loans are borrowed for the purpose of purchasing, constructing or producing assets that meet the capitalization conditions, the amount after subtracting the interest income obtained by depositing the unused borrowing funds in the bank or the investment income obtained by making a temporary investment for the unused borrowing funds from the interest expenses actually incurred during the period of the special loans (including the amortization of discounts or premiums determined in accordance with the actual interest rate method) shall determine the amount of interest that should be capitalized; if the general borrowing is occupied for the purchase, construction or production of assets that meet the capitalization conditions, the amount of interest of general borrowings that should be capitalized shall be calculated and determined by multiplying the weighted average number of accumulated asset expenditures in excess of asset expenditures of special borrowings by the capitalization rate of general borrowings.

## 27. Biological assets

Not applicable

## 28. Oil and gas assets

Not applicable

## 29. Right-of-use assets

Not applicable



### 30. Intangible assets

#### (1) Measurement, use of life and impairment testing

1. Intangible assets of the Company including land use rights, trademark and software, which are initially measured at cost.

2. Intangible assets with limited service life shall be amortized systematically and reasonably within their service life in accordance with the expected realization method of the economic benefits related to the intangible assets. If the expected realization method can not be reliably determined, the straight-line method shall be adopted for amortization. Specific year for amortization are as:

Item	Period for amortization (Year)
Land use right	50
Trademark	10
Software	5

#### (2) Accounting policy of the internal R&D expenditure

Research expenditures for its internal R&D projects shall be recorded into the current gain/loss. Expenses incurred during the development phase that satisfy the following condition at the same time are recognized as intangible assets: 1)it is technically feasible that the intangible asset can be used or sold upon completion; 2)there is intention to complete the intangible asset for use or sale; 3)the intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset; 4) there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; and 5)the expenses attributable to the development phase of the intangible asset can be measured reliably.

### 31. Impairment of long term assets

For long-term equity investments, investment real estate measured by the cost model, fixed assets, construction in progress, intangible assets with limited service life and other long-term assets, if there are signs of impairment on the balance sheet date, estimate the recoverable amount. For goodwill formed by business combinations and intangible assets with uncertain service life, regardless of whether there are signs of impairment, an impairment test is conducted every year. Goodwill is tested for impairment in combination with its related asset groups or combination of asset groups.

If the recoverable amount of the aforementioned long-term assets is lower than its book value, the asset impairment provision shall be recognized according to the difference and included in the current profit and loss.

### 32. Long-term prepaid expenses

General expenses that the long-term prepaid expenses have been accounted for and the amortization period is more than 1 year (excluding 1 year). Long-term prepaid expenses are accounted for according to the actual amount, and amortized evenly in installments during the benefit period or the prescribed period. If the long-term prepaid expense item cannot benefit the future accounting period, all the amortized value of the item that has not been amortized shall be transferred to the current profit and loss.

### 33. Contractual liabilities

Not applicable

### 34. Staff remuneration

#### (1) Accounting treatment of short term remuneration

In the period of employee services, short-term benefits are actually recognized as liabilities and charged to profit or loss or relevant assets costs.

#### (2) Accounting treatment for after-service benefits

After-service benefits are divided into defined contribution plan and defined benefit plan.

(1) During the accounting period when employees provide services to the company, the amount of deposits calculated according to the defined contribution plan is recognized as a liability and included in the current profit and loss or the cost of related assets.

(2) The accounting treatment of defined benefit plans usually includes the following steps:

1) According to the expected cumulative welfare unit method, use unbiased and mutually consistent actuarial assumptions to estimate relevant demographic variables and financial variables, measure the obligations arising from the defined benefit plan, and determine the period of the relevant obligations. At the same time, the obligations generated by the defined benefit plan are discounted to determine the present value of the defined benefit plan obligations and current service costs;

2) If there are assets in a defined benefit plan, the deficit or surplus formed by subtracting the fair value of the defined benefit plan's assets from the current value of the defined benefit plan's obligations shall be recognized as a defined benefit plan's net liabilities or net assets. If there is a surplus in the defined benefit plan, the net assets of the defined benefit plan shall be measured at the lower of the surplus of the defined benefit plan and the asset ceiling;

3) At the end of the period, the employee compensation costs generated by the defined benefit plans are recognized as three parts, i.e. service costs, net interest of the net liabilities or net assets of the defined benefit plans, and changes in the remeasured net liabilities or net assets of the defined benefit plans, of which the service

costs and the net interest of the net liabilities or net assets of the defined benefit plans are included in the current profits and losses or the cost of related assets, and the changes in the remeasured net liabilities or net assets of the defined benefit plans are included in other comprehensive income and not allowed to switch back to profits or losses in the subsequent accounting period, but the amount recognized in other comprehensive income can be transferred within the scope of equity.

### **(3)Accounting treatment for dismissal benefit**

For dismissal benefit provided to employee, the compensation liability resulting from dismissal benefits shall be recognized as early as possible in the following two conditions, and shall be recorded into current gain/loss: 1)when the company can not unilaterally withdraw severance benefits due to the labor relationship termination plan or layoff proposal; 2) when the company recognizes the costs and expenses associated with a reorganization involving the payment of severance benefits.

### **(4)Accounting treatment for other long term staff benefits**

If other long term benefits provided to the employees meet the conditions of defined contribution plan, accounting treatment shall be conducted in line with relevant provisions of defined contribution plan; the accounting treatment of other long term benefit beyond that shall be conducted in accordance with the relevant provision of defined benefit plan, in order to simplify relevant accounting treatment, the employee compensation costs incurred are recognized as service costs; the total net amount (includes net interest of the net liability (or net asset) of other long term employee benefits and changes resulting from remeasuring the net liability (or net asset) of the long term employee benefit) shall be recorded into current gain/loss or relevant assets costs.

## **35. Lease liability**

Not applicable

## **36. Accrual liability**

1. when the responsibility relating to contingencies such as guarantee, litigation, product warranties and loss contract etc. are became the current responsibility undertaken by the Company, the fulfilling of such responsibility may lead to financial benefit outflow and such responsibility can be measured reliably for its value, the responsibility shall be recognized as an accrual liability.

2. Accrual liabilities shall conduct initial measurement by best estimation of expenditures needed by fulfillment of current responsibilities, and on balance sheet date, review the book value of the accrual liability.

## **37. Share-based payment**

Not applicable

**38. Other financial instrument of preferred stocks and perpetual bond**

Not applicable

**39. Revenue**

Accounting policy applicable for the revenue recognition and measurement

**1. Revenue recognition principle****(1) Sale of goods**

The income from the sale of goods is recognized when the following conditions are met at the same time: 1) The main risks and rewards of the ownership of the goods are transferred to the purchaser; 2) The company no longer retains the continued management rights normally associated with the ownership, and no longer implements effectively control of the goods sold; 3) The amount of revenue can be reliably measured; 4) The relevant economic benefits are likely to flow in; 5) The related costs that have occurred and will occur can be reliably measured.

**(2) Provision of labor services**

The result of the provision of labor service transaction can be reliably estimated (at the same time, the amount of income can be reliably measured, the relevant economic benefits are likely to flow in, the completion progress of the transaction can be reliably determined, and the costs that have occurred and will occur in the transaction can be measured reliably) on the balance sheet date, the percentage of completion method is used to confirm the income from the provision of labor services, and the completion progress of the labor services transaction is determined according to the proportion of the labor services provided to the total labor services to be provided. If the result of the provision of labor service transaction cannot be reliably estimated on the balance sheet date, and the labor costs incurred are expected to be compensated, the labor service income shall be recognized at the amount of labor costs incurred, and the labor costs shall be carried forward at the same amount. If the labor costs incurred are not expected to be compensated, and the labor costs incurred are included in the current profit and losses, and labor income shall not be recognized.

**(3) Transfer of assets use rights**

The income from the transfer of assets use rights is recognized when the relevant economic benefits are likely to flow in and the amount of income can be reliably measured. Interest income is calculated and determined in accordance with the time for others to use the Company's monetary funds and the actual interest rate; usage fee income is calculated and determined in accordance with the charging time and method agreed in the relevant contract or agreement.

**2. Specific methods of revenue recognition****(1) Automobile sales revenue**

The Company sells automobiles, and recognizes sales revenue after the automobiles are delivered to customers in accordance with the agreement, and the payment is received or the right to receive payment is obtained.

**(2) Jewellery retail and wholesale**

The Company's revenue from the sale of jewellery is divided into retail revenue and wholesale revenue according to the sales method. Retail revenue is recognized when the physical goods have been delivered to consumers and the payment has been collected. Wholesale revenue is realized when the physical goods have been delivered to the customer, and the customer has signed for confirmation and received the payment or obtained the proof of claiming payment.

### (3) Property rental income

The Company's property rental income is recognized as revenue on an accrual basis, and sales revenue is recognized when the leased assets are delivered to the lessee and the rent has been collected.

## 40. Government subsidy

1. Government subsidies are recognized when the following conditions are met at the same time: (1) The company can meet the conditions attached to the government subsidies; (2) The company can receive government subsidies. If a government subsidy is a monetary asset, it shall be measured at the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value; if its fair value cannot be obtained reliably, it shall be measured at its nominal amount.

### 2. Judgment basis and accounting treatment methods of government subsidies related to assets

Government documents stipulate that government subsidies used for purchase, construction or other forms of long-term assets shall be classified as asset-related government subsidies. If the government document doesn't stipulate, judgment shall be made on the basis of the basic conditions that must be met to obtain the subsidies, those used for purchase, construction or other forms of long-term assets shall be regarded as government subsidies related to assets. Government subsidies related to assets are used to offset the book value of related assets or are recognized as deferred income. If government subsidies related to assets are recognized as deferred income, they shall be included in profit and loss in installments within the useful life of the relevant assets in a reasonable and systematic way. Government subsidies measured at their nominal amounts are directly included in the current profits and losses. If the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, the undistributed deferred income balance shall be transferred to the current profits and losses of asset disposal.

### 3. Judgment basis and accounting treatment methods of government subsidies related to income

Government subsidies other than government subsidies related to assets are classified as government subsidies related to income. For government subsidies that include both asset-related parts and income-related parts, it is difficult to distinguish between assets-related and income-related government subsidies, and they are classified as income-related government subsidies as a whole. If government subsidies related to income are used to compensate related costs or losses in subsequent periods, they are recognized as deferred income, and included in the current profits and losses or offset related costs during the period when related costs or losses are recognized, and they are directly included in the current profits and losses or offset related costs when being used to compensate related costs or losses that have occurred.

4. Government subsidies related to the company's daily operating activities are included in other income or offset related costs in accordance with the nature of the economic business. Government subsidies not related to the

company's daily activities are included in non-operating income and expenditure.

#### **41. Deferred income tax assets and deferred income tax liabilities**

1. According to the difference between the book value of assets and liabilities and their tax base (the tax base of items that are not recognized as assets and liabilities can be determined in accordance with the tax law, the difference between the tax base and its book amount), the deferred income tax assets or deferred income tax liabilities are calculated and recognized according to the applicable tax rate during the period when the asset is expected to be recovered or the liability is settled.
2. Recognition of deferred income tax assets is limited to the amount of taxable income that is likely to be obtained to offset deductible temporary differences. On the balance sheet date, if there is conclusive evidence showing that sufficient taxable income is likely to be obtained in the future to offset the deductible temporary differences, recognize the deferred income tax assets that have not been recognized in the previous accounting period.
3. On the balance sheet date, review the book value of deferred income tax assets. If it is likely that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred income tax assets, the book value of the deferred income tax assets shall be written down. When it is likely to obtain sufficient taxable income, the write-down amount shall be returned.
4. The company's current income taxes and deferred income taxes are included in the current profits and losses as income tax expenses or income, but not including income tax arising from the following situations: (1) business combination; (2) transactions or events directly recognized in owner's equity.

#### **42. Leasing**

##### **(1) Accounting treatment for operating lease**

As a lessee for the Company, rental expense of operating lease is included in the relevant asset costs or current profits and losses through the straight-line method during every period. Initial direct costs shall be included in profit or loss for the current period. Contingent rental shall be recorded in the current profits and losses in which they actually arise.

As a lessor for the Company, rental expense of operating lease is included in current profits and losses through the straight-line method during every period. The initial direct expenses incurred are directly recorded into current profit/loss, except for those with a large amount to be capitalized and recorded into the profit/loss in stages. Contingent rental shall be recorded in the current profits and losses in which they actually arise.

##### **(2) Accounting treatment for financing lease**

Not applicable

**43. Other important accounting policy and estimation**

## Segmental (divisional) report

The Company determines operating divisions based on internal organizational structure, management requirements and internal reporting system. Operating divisions of the Company refers to the component that meets the following conditions at the same time:

1. this component can generate income and incur expenses in the course of daily activities;
2. the management can evaluate the operating results of this component regularly to determine resources allocation and evaluate its performance;
3. be able to obtain relevant accounting information such as the financial status, operating results and cash flow of the component through analysis.

**44. Changes of important accounting policy and estimation****(1) Changes of important accounting policies**

Applicable  Not applicable

**(2) Changes of important accounting estimate**

Applicable  Not applicable

**(3) Adjustment on the relevant items of financial statement at beginning of the year when implemented the new revenue standards and new leasing standards since 2020**

Applicable  Not applicable

Whether need to adjust the balance sheet items at the beginning of the year

Yes  No

Explain the reasons of no need to adjust the balance sheet items at the beginning of the year

On 5 July 2017, the "Notice Concerning Amendments and Issuance" (Cai Kuai [2017] No.22) (hereinafter referred to as New Revenue Standard) was issued by Ministry of Finance, and requires the enterprises listed in China shall be implemented since 1 Jan. 2020. The Company prepare the disclosure of accounting statement in accordance with the New Revenue Standard since 1 Jan. 2020, and there is no need to retroactively adjust the comparability number in 2019, change of the accounting policy will not affect relevant financial indicators of the Company for 2019.

**(4) Retrospective adjustment of early comparison data description when implemented the new revenue standards and new leasing standards since 2020**

Applicable  Not applicable

## 45. Other

## VI. Taxes

### 1. Type of tax and rate for main applicable tax

Taxes	Basis	Rate
VAT	Selling goods or providing taxable services	13%, 11%, 9%, 5%, 6% and 3%
Property tax	Price-based resource tax, 1.2 percent of the remaining value after deducting 30% of the original value of the property;	1.2%
Urban maintenance and construction tax	Turnover tax payable	7%
Educational surtax	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Enterprise income tax	Taxable income	20%, 25%

Rate of income tax for different taxpaying body:

Taxpaying body	Rate of income tax
Shenzhen Xinyongtong Motor Vehicle Testing Equipment Co., Ltd.	20%
Other taxpaying body than the above	25%

### 2. Tax preferential

According to the “Notice on Implementation of Preferential Tax-reduction & Exemption Policies for Small & Micro Enterprises”(Cai Shui [2019] No.13) issued by SAT (State Administration of Taxation), Shenzhen Xinyongtong Automobile Inspection Equipment Co. Ltd enjoys the preferential tax policies for small & micro enterprises with enterprise income tax at the rate of 20%.

### 3. Other

## VII. Annotation to main items of consolidated financial statements

### 1. Monetary funds

In RMB

Item	Ending balance	Opening balance
Cash on hand	52,095.50	120,351.17
Cash in bank	333,557,214.12	428,731,254.87
Total	333,609,309.62	428,851,606.04
The total amount of money that	28,671,414.00	28,183,348.23



has restrictions on use due to mortgage, pledge or freezing		
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Other explanation:

Up to 30 June 2020, the Company's right to use of currency funds under restrictions is 28,671,414.00 yuan, which is the supervision fund by the Company developed the land plot 03 project of the upgrading project of Tellus-Gman Gold Jewelry Industrial Park.

## 2. Tradable financial assets

In RMB

Item	Ending balance	Opening balance
Financial assets measured by fair value and with variation reckoned into current gains/losses	115,128,569.86	60,486,575.34
Including:		
Debt instrument investment	115,128,569.86	60,486,575.34
Including:		
Total	115,128,569.86	60,486,575.34

Other explanation:

## 3. Derivative financial assets

Not applicable

## 4. Note receivable

Not applicable

## 5. Account receivable

### (1) Category

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual on a single basis	49,125,862.29	44.59%	49,125,862.29	100.00%		49,125,862.29	30.16%	49,125,862.29	100.00%	

Including:										
Account receivable with bad debt provision accrual on portfolio	61,057,395.46	55.41%	538,319.76	0.88%	60,519,075.70	113,750,731.59	69.84%	1,137,507.32	1.00%	112,613,224.27
Including:										
Total	110,183,257.75	100.00%	49,664,182.05	45.07%	60,519,075.70	162,876,593.88	100.00%	50,263,369.61	30.86%	112,613,224.27

Bad debt provision accrual on single basis:

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Shenzhen Jinlu Industry and Trade Co., Ltd.	9,846,607.00	9,846,607.00	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Guangdong Zhanjiang Sanxing Auto Service Co., Ltd.	4,060,329.44	4,060,329.44	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Wang Changlong	2,370,760.40	2,370,760.40	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Huizhou Jiandacheng Daoqiao Engineering Company	2,021,657.70	2,021,657.70	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Jiangling Automobile Factory	1,191,059.98	1,191,059.98	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Yangjiang Auto Trade Co., Ltd.	1,150,000.00	1,150,000.00	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Guangdong Materials Group Corp	1,862,000.00	1,862,000.00	100.00%	The accounts are more than 10 years old and are not expected to be recovered

Other	26,623,447.77	26,623,447.77	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Total	49,125,862.29	49,125,862.29	--	

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Aging portfolio	19,577,459.23	123,520.40	0.63%
Jewelry sales business portfolio	41,479,936.23	414,799.36	1.00%
Total	61,057,395.46	538,319.76	

Explanation on portfolio determines:

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivables to disclose related information about bad-debt provisions:

Applicable  Not applicable

By account age

In RMB

Account age	Ending balance
Within one year (including one year)	61,057,395.46
Over 3 years	49,125,862.29
Over 5 years	49,125,862.29
Total	110,183,257.75

## (2) Bad debt provision accrual, collected or reversal in the period

Bad debt provision accrual in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	
Accounts receivable with single item provision for bad debts	49,125,862.29					49,125,862.29
Accounts receivable with	1,137,507.32	414,799.36	1,013,986.92			538,319.76

provision for bad debts by combination						
Total	50,263,369.61	414,799.36	1,013,986.92			49,664,182.05

**(3) Account receivable actually written-off in the period**

Not applicable

**(4) Top 5 account receivables at ending balance by arrears party**

In RMB

Enterprise	Ending balance of accounts receivable	Proportion in total receivables at ending balance	Bad debt preparation ending balance
Shenzhen Jinlu Industry and Trade Co., Ltd.	9,846,607.00	8.94%	9,846,607.00
Guangdong Zhanjiang Sanxing Auto Service Co., Ltd.	4,060,329.44	3.69%	4,060,329.44
Shenzhen Shangjinyuan Jewelry Industry Co., Ltd.	3,246,835.81	2.95%	32,468.36
Tan Changyun	2,969,392.64	2.69%	29,693.93
Wang Changlong	2,370,760.40	2.15%	2,370,760.40
Total	22,493,925.29	20.42%	16,339,859.13

**(5) Account receivable derecognition due to financial assets transfer**

Not applicable

**(6) Assets and liabilities resulted by account receivable transfer and continues involvement**

Not applicable

**6. Account receivable financing**

In RMB

Changes of account receivable financing and change of fair value in the period

 Applicable  Not applicable

If the impairment provision of account receivable financing is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivables to disclose related information about impairment provision:

 Applicable  Not applicable

**7. Accounts paid in advance****(1) By account age**

In RMB

Account age	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	17,075,615.18	99.93%	12,671,077.95	99.90%
1-2 years	632.00	0.00%	632.00	0.00%
Over 3 years	11,893.94	0.07%	11,893.94	0.09%
Total	17,088,141.12	100.00%	12,683,603.89	100.00%

**(2) Top 5 account paid in advance at ending balance by prepayment object**

Name	Ending balance	Proportion in prepayment balance at the end of period (%)
FAW Toyota Motor Sales Co., Ltd.	8,794,912.61	51.47%
Beijing Fugong Lide Technology Development Co., Ltd.	3,114,328.95	18.23%
Toyota Motor (China) Investment Co., Ltd.	2,033,274.00	11.90%
Shenzhen Dingye Building Decoration Engineering Co., Ltd.	1,198,130.04	7.01%
Alight Automotive Technology Co., Ltd.	702,764.09	4.11%
Total	15,843,409.69	92.72%

**8. Other account receivable**

In RMB

Item	Ending balance	Opening balance
Dividend receivable	39,647,732.42	39,647,732.42
Other account receivable	5,969,946.53	5,260,813.98
Total	45,617,678.95	44,908,546.40

**(1) Interest receivable**

Not applicable

**(2) Dividend receivable****1) Category**

In RMB

Item (or invested unit)	Ending balance	Opening balance
China Pudong Development Machinery Industry Co., Ltd	547,184.35	547,184.35
Shenzhen Dongfeng Motor Co., Ltd.	39,100,548.07	39,100,548.07
Total	39,647,732.42	39,647,732.42

**2) Important dividend receivable with account age over one year**

Not applicable

**3) Accrual of bad debt provision** Applicable  Not applicable**(3) Other account receivable****1) By nature**

In RMB

Nature	Ending book balance	Opening book balance
Deposit margin	191,787.80	35,477.21
Reserve fund	195,000.00	43,385.72
Interim payment receivable	57,937,858.58	57,536,664.77
Total	58,324,646.38	57,615,527.70

**2) Accrual of bad debt provision**

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2020	2,515,818.56		49,838,895.16	52,354,713.72
Balance of Jan. 1, 2020 in the period	—	—	—	—

Current accrual	17.90			17.90
Current switch back	31.77			31.77
Balance on Jun. 30, 2020	2,515,804.69		49,838,895.16	52,354,699.85

Change of book balance of loss provision with amount has major changes in the period

Applicable  Not applicable

By account age

In RMB

Account age	Ending balance
Within one year (including one year)	3,383,256.24
1-2 years	110,132.23
2-3 years	116,202.70
Over 3 years	54,715,055.21
3-4 years	25,191.12
4-5 years	251,466.43
Over 5 years	54,438,397.66
Total	58,324,646.38

### 3) Bad debt provision accrual, collected or reversal in the period

Bad debt provision accrual in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written off	Other	
Provision for bad debts by combination	52,354,713.72	17.90	31.77			52,354,699.85
Total	52,354,713.72	17.90	31.77			52,354,699.85

### 4) Other account receivable actually written-off in the period

Not applicable

### 5) Top 5 other receivables at ending balance by arrears party

In RMB

Enterprise	Nature	Ending balance	Account age	Ratio in total ending balance of other	Ending balance of bad debt reserve
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				account receivables	
Zhongqi South China Auto Sales Company	Intercourse funds	9,832,956.37	Over 3 years	16.86%	9,832,956.37
South Industry & TRADE Shenzhen Industrial Company	Intercourse funds	7,359,060.75	Over 3 years	12.62%	7,359,060.75
Shenzhen Zhonghao (Group) Co., Ltd	Intercourse funds	5,000,000.00	Over 3 years	8.57%	5,000,000.00
Shenzhen Kaifeng Special Automobile Industry Co., Ltd.	Intercourse funds	4,413,728.50	Over 3 years	7.57%	4,413,728.50
Gold Beili Electrical Appliances Company	Intercourse funds	2,706,983.51	Over 3 years	4.64%	2,706,983.51
Total	--	29,312,729.13	--	50.26%	29,312,729.13

#### 6) Other account receivables related to government grants

Not applicable

#### 7) Other receivable for termination of confirmation due to the transfer of financial assets

Not applicable

#### 8) The amount of assets and liabilities that are transferred other receivable and continued to be involved

Not applicable

#### 9. Inventories

Does the company need to comply with the disclosure requirements of the real estate industry

No

#### (1) Category

In RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for inventory	Book value	Book balance	Provision for inventory	Book value



		depreciation or contract performance cost impairment provision			depreciation or contract performance cost impairment provision	
Raw materials	15,148,137.86	14,772,382.17	375,755.69	15,079,409.32	14,772,382.17	307,027.15
Inventory	28,859,715.44	14,121,481.67	14,738,233.77	35,204,057.35	14,121,481.67	21,082,575.68
Total	44,007,853.30	28,893,863.84	15,113,989.46	50,283,466.67	28,893,863.84	21,389,602.83

## (2) Provision for inventory depreciation or contract performance cost impairment provision

In RMB

Item	Opening balance	Current amount increased		Current amount decreased		Ending balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	14,772,382.17					14,772,382.17
Inventory	14,121,481.67					14,121,481.67
Total	28,893,863.84					28,893,863.84

## (3) Explanation on inventories with capitalization of borrowing costs included at ending balance

Not applicable

## (4) Description of the current amortization amount of contract performance costs

Not applicable

## 10. Contract assets

Not applicable

## 11. Assets held for sale

Not applicable

## 12. Non-current asset due within one year

Not applicable

## 13. Other current assets

In RMB

Item	Ending balance	Opening balance
Input VAT to be deducted	2,970,702.64	3,403,969.23
Total	2,970,702.64	3,403,969.23

#### 14. Creditors' investment

Not applicable

#### 15. Other creditors' investment

Not applicable

#### 16. Long-term account receivable

##### (1) Long-term account receivable

In RMB

Item	Ending balance			Opening balance			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Related transactions	2,179,203.68	2,179,203.68		2,179,203.68	2,179,203.68		
Total	2,179,203.68	2,179,203.68		2,179,203.68	2,179,203.68		--

Impairment of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2020			2,179,203.68	2,179,203.68
Balance of Jan. 1, 2020 in the period	—	—	—	—
Balance of Jun. 30, 2020			2,179,203.68	2,179,203.68

Change of book balance of loss provision with amount has major changes in the period

Applicable  Not applicable

##### (2) Long-term account receivable derecognition due to financial assets transfer

Not applicable

**(3) Assets and liabilities resulted by long-term account receivable transfer and continues involvement**

Not applicable

**17. Long-term equity investment**

In RMB

The invested entity	Opening balance (book value)	Current changes (+,-)								Ending balance (book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
<b>I. Joint venture</b>											
Shenzhen Tellus Gman Investment Co., Ltd	70,155,383.50			4,039,637.29						74,195,020.79	
Shenzhen Tellus Hang Investment Co., Ltd.	11,845,452.17			300,297.76						12,145,749.93	
Subtotal	82,000,835.67			4,339,935.05						86,340,770.72	
<b>II. Associated enterprise</b>											
Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	33,313,732.20			4,376,011.38						37,689,743.58	
Shenzhen Automobile Industry Import and	2,026,407.98			-345,335.82						1,681,072.16	

Export Co., Ltd.											
Shenzhen Dongfeng Motor Co., Ltd.	44,837,568.20			151,256.23						44,988,824.43	
Shenzhen Xinyongtong Oil Pump Environment Protection Co., Ltd.											127,836.59
Shenzhen Xinyongtong Consultant Co., Ltd.											41,556.83
Shenzhen Tellus Automobile Service Chain Co., Ltd. [Note 3]											
Shenzhen Xinyongtong Auto Service Co., Ltd. [ Note 3]											
Shenzhen Xinyongtong Dongxiao Auto Service Co., Ltd. [ Note 3]											

Shenzhen Yongtong Xinda Inspectio n Equipmen t Co., Ltd.[ Not e 3]											
Hunan Changyan g Industrial Co., Ltd.[ Not e 1]											1,810,540 .70
Shenzhen Jiecheng Electronic Co., Ltd.[ Not e 1]											3,225,000 .00
Shenzhen Xiandao New Materials Co., Ltd.[ Not e 1]											4,751,621 .62
China Auto Industrial Shenzhen Trading Company [Note 1]											400,000.0 0
Shenzhen General Standard Co., Ltd.[ Not e 1]											500,000.0 0

Shenzhen Zhongqi South China Auto Sales Company [Note 1]											2,250,000 .00
Shenzhen Bailiyuan Power Supply Co., Ltd.[ Note 1]											1,320,000 .00
Shenzhen Yimin Auto Trading Company [Note 1]											200,001.1 0
Shenzhen Torch Spark Plug Industry Company											17,849.20
Shenzhen Hanligao Technolo gy Ceramics Co., Ltd.[ Not e 2]											1,956,000 .00
Shenzhen South Auto Maintena nce Center[N ote 2]											6,700,000 .00

Subtotal	80,177,70 8.38			4,181,931 .79						84,359,64 0.17	23,300,40 6.04
Total	162,178,5 44.05			8,521,866 .84						170,700,4 10.89	23,300,40 6.04

Other explanation:

[Note 1]: These companies have revoked their industrial and commercial registrations, and the company has made full provision for impairment of such long-term equity investments.

[Note 2]: The operating period of Shenzhen Hanligao Technology Ceramics Co., Ltd was from September 21, 1993 to September 21, 1998, and the operation period of Shenzhen South Auto Maintenance Center was from July 12, 1994 to July 11, 2002, these companies have ceased operations for many years and their business registrations have been revoked because they did not participate in the annual industrial and commercial inspection. The Company has been unable to exercise effective control over these companies, and these companies are not included in the consolidation scope of the Company's consolidated financial statements, the Company's investment in these companies book value is zero.

[Note 3]: Book balance of these long-term equity investment is adjusted for profit and loss in accordance with the equity method, the book balance is 0 yuan.

## 18. Other equity instrument investment

In RMB

Item	Ending balance	Opening balance
China Pudong Development Machinery Industry Co., Ltd	10,176,617.20	10,176,617.20
Total	10,176,617.20	10,176,617.20

## 19. Other non-current financial assets

Not applicable

## 20. Investment real estate

### (1) Measured at cost

Applicable  Not applicable

In RMB

Item	House and building	Land use right	Construction in progress	Total
I. Original book value				
1. Opening balance	614,240,458.56	49,079,520.00		663,319,978.56
2. Current amount increased				

(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in				
(3) Increased by combination				
3.Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	614,240,458.56	49,079,520.00		663,319,978.56
II. Accumulated depreciation and accumulated amortization				
1.Opening balance	107,605,031.33	1,115,443.68		108,720,475.01
2.Current amount increased	8,543,675.81	557,518.39		9,101,194.20
(1) Accrual or amortization	8,543,675.81	557,518.39		9,101,194.20
3.Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	116,148,707.14	1,672,962.07		117,821,669.21
III. Impairment provision				
1.Opening balance				
2.Current amount increased				
(1) Accrual				
3. Current amount decreased				



(1) Disposal				
(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	498,091,751.42	47,406,557.93		545,498,309.35
2. Opening book value	506,635,427.23	47,964,076.32		554,599,503.55

**(2) Measure at fair value**

Applicable  Not applicable

**(3) Investment real estate without property certificate completed**

In RMB

Item	Book value	Reasons
Shuibei Jewelry Building Phase I (Houses and Buildings)	417,743,515.67	Uncompleted settlement, failure to handle the ownership certificate
12 buildings in Sungang	16,267.01	Failure to handle the ownership certificate for historical reasons
12 building shops in Sungang	50,731.71	Failure to handle the ownership certificate for historical reasons
Total	417,810,514.39	

**21. Fixed assets**

In RMB

Item	Ending balance	Opening balance
Fixed assets	104,203,903.95	107,119,796.59
Total	104,203,903.95	107,119,796.59

**(1) Fixed assets**

In RMB

Item	House and buildings	Machinery equipment	Transport equipment	Electronic equipment	Office and other equipment	Self-owned house decoration fee	Total

I. Original book value:							
1. Opening balance	266,262,162.27	11,370,001.49	5,187,935.34	9,732,341.99	3,030,248.40	2,697,711.99	298,280,401.48
2. Current amount increased		115,167.00	219,281.00	301,125.77	848,167.16		1,483,740.93
(1) Purchase		115,167.00	219,281.00	301,125.77	848,167.16		1,483,740.93
(2) Construction in progress transfer-in							
(3) Increased by combination							
3. Current amount decreased		246,687.67		52,940.15			299,627.82
(1) Disposal or scrap		246,687.67		52,940.15			299,627.82
4. Ending balance	266,262,162.27	11,238,480.82	5,407,216.34	9,980,527.61	3,878,415.56	2,697,711.99	299,464,514.59
II. Accumulated depreciation							
1. Opening balance	164,059,471.10	8,364,746.10	3,201,785.74	6,873,351.21	1,999,468.42	2,416,329.26	186,915,151.83
2. Current amount increased	3,554,259.68	179,885.22	207,648.08	301,413.58	126,255.78		4,369,462.34
(1) Accrual	3,554,259.68	179,885.22	207,648.08	301,413.58	126,255.78		4,369,462.34
3. Current amount		222,018.92		47,437.67			269,456.59

decreased							
(1) Disposal or scrap		222,018.92		47,437.67			269,456.59
4. Ending balance	167,613,730.78	8,322,612.40	3,409,433.82	7,127,327.12	2,125,724.20	2,416,329.26	191,015,157.58
III. Impairment provision							
1. Opening balance	3,555,385.70	319,675.11	6,165.00	17,984.71	64,859.81	281,382.73	4,245,453.06
2. Current amount increased							
(1) Accrual							
3. Current amount decreased							
(1) Disposal or scrap							
4. Ending balance	3,555,385.70	319,675.11	6,165.00	17,984.71	64,859.81	281,382.73	4,245,453.06
IV. Book value							
1. Ending book value	95,093,045.79	2,596,193.31	1,991,617.52	2,835,215.78	1,687,831.55		104,203,903.95
2. Opening book value	98,647,305.47	2,685,580.28	1,979,984.60	2,841,006.07	965,920.17		107,119,796.59

## (2) Temporarily idle fixed assets

Not applicable

## (3) Fixed assets by financing leased

Not applicable

**(4) Fixed assets leased out by operation**

Not applicable

**(5) Fix assets without property certification held**

In RMB

Item	Book value	Reasons for without the property certification
Yongtong Building	32,456,952.25	Failure to handle the ownership certificate for historical reasons
Automotive building	16,023,300.79	Failure to handle the ownership certificate for historical reasons
Tellus Building underground parking	9,248,131.94	Parking lot is un-able to carried out the certificate
Nuclear Office build	4,760,273.67	Failure to handle the ownership certificate for historical reasons
1#,2# and 3-5/F 3# plant of Taoyuan Road	3,650,542.96	Failure to handle the ownership certificate for historical reasons
Tellus Building transformation layer	1,594,452.32	Un-able to carried out the certificate
16# Taohua Garden	1,435,947.00	Failure to handle the ownership certificate for historical reasons
Shuibei Zhongtian comprehensive building	934,803.54	Failure to handle the ownership certificate for historical reasons
First floor of Bao'an commercial-residence build	919,474.29	Failure to handle the ownership certificate for historical reasons
Warehouse	861,346.33	Failure to handle the ownership certificate for historical reasons
Trade department warehouse	74,798.77	Failure to handle the ownership certificate for historical reasons
Songquan Apartment (mixed)	11,203.94	Failure to handle the ownership certificate for historical reasons
Hostel of Renmin North Road	5,902.41	Failure to handle the ownership certificate for historical reasons
Subtotal	71,977,130.21	

Other explanation

**(6) Fixed assets disposal**

Not applicable

**22. Construction in progress**

In RMB

Item	Ending balance	Opening balance
Construction in progress	74,408,194.38	47,654,393.55
Total	74,408,194.38	47,654,393.55

**(1) Construction in progress**

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Tellus Shuibe Jewelry Building Phase II	50,643,962.68		50,643,962.68	35,321,704.26		35,321,704.26
421 Factory Reconstruction and Upgrade Item	18,249,388.95		18,249,388.95	8,593,316.07		8,593,316.07
Phase I and Phase II Underground Connection Project	4,679,302.48		4,679,302.48	3,710,247.00		3,710,247.00
Treasure Item	835,540.27		835,540.27	29,126.22		29,126.22
Total	74,408,194.38		74,408,194.38	47,654,393.55		47,654,393.55

**(2) Changes of major construction in progress**

In RMB

Item Name	Budget	Opening balance	Current amount increased	Transfer-in fixed assets	Other decrease in the Period	Ending balance	Proportion of project investment in budget	Progress	Accumulated capitalization of interest	Including: amount of capitalization of interest in Period	Interest capitalization rate in Period
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Tellus Shuibei Jewelry Building Phase II	35,321,704.26	15,322,258.42			50,643,962.68	9.83%	9.83%				Other
421 Factory Reconstruction and Upgrade Item	8,593,316.07	9,656,072.88			18,249,388.95	61.01%	61.01%				Other
Phase I and Phase II Underground Connection Project	3,710,247.00	969,055.48			4,679,302.48	94.34%	94.34%				Other
Treasure Item	29,126.22	806,414.05			835,540.27	1.67%	1.67%				Other
Total	47,654,393.55	26,753,800.83			74,408,194.38	--	--				--

### (3) The provision for impairment of construction in progress

Not applicable

### (4) Engineering material

Not applicable

## 23. Productive biological asset

### (1) Measured by cost

Applicable  Not applicable

### (2) Measured by fair value

Applicable  Not applicable

**24. Oil and gas asset**

□ Applicable √Not applicable

**25. Right-of-use asset**

Not applicable

**26. Intangible assets****(1) Intangible assets**

In RMB

Item	Land use right	Patent	Non-patent technology		Total
I. Original book value					
1. Opening balance	50,661,450.00	128,500.00	1,582,145.00		52,372,095.00
2. Current amount increased			46,017.70		46,017.70
(1) Purchase			46,017.70		46,017.70
(2) internal R&D					
(3) Increased by combination					
3. Current amount decreased					
(1) Disposal					
4. Ending balance	50,661,450.00	128,500.00	1,628,162.70		52,418,112.70
II. Accumulated depreciation					
1. Opening balance	713,015.84	89,622.68	1,008,230.81		1,810,869.33
2. Current amount increased	538,721.58	2,674.98	97,335.90		638,732.46

(1) Accrual	538,721.58	2,674.98	97,335.90		638,732.46
3.Current amount decreased					
(1) Disposal					
4.Ending balance	1,251,737.42	92,297.66	1,105,566.71		2,449,601.79
III. Impairment provision					
1.Opening balance					
2.Current amount increased					
(1) Accrual					
3.Current amount decreased					
(1) Disposal					
4.Ending balance					
IV. Book value					
1.Ending book value	49,409,712.58	36,202.34	522,595.99		49,968,510.91
2. Opening book value	49,948,434.16	38,877.32	573,914.19		50,561,225.67

## (2) Land use rights without certificate of ownership

Not applicable

## 27. Expense on Research and Development

Not applicable

## 28. Goodwill

Not applicable



**29. Long-term expenses to be apportioned**

In RMB

Item	Opening balance	Current amount increased	Current amortization	Other decreased	Ending balance
Renovation costs	13,606,805.49	337,672.41	1,049,167.62		12,895,310.28
Total	13,606,805.49	337,672.41	1,049,167.62		12,895,310.28

**30. Deferred income tax asset /Deferred income tax liabilities****(1) Deferred income tax assets without offset**

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax asset	Deductible temporary differences	Deferred income tax asset
Asset impairment provision	34,557,965.16	8,639,491.29	34,635,849.55	8,658,962.39
Total	34,557,965.16	8,639,491.29	34,635,849.55	8,658,962.39

**(2) Deferred income tax liability without offset**

Not applicable

**(3) Deferred income tax assets and deferred income tax liabilities listed after off-set**

In RMB

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax asset		8,639,491.29		8,658,962.39

**(4) Details of uncertain deferred income tax assets**

In RMB

Item	Ending balance	Opening balance
Deductible temporary differences	126,645,220.59	127,244,422.02
Deductible loss	19,619,056.75	19,619,056.75

Total	146,264,277.34	146,863,478.77
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**(5) Deductible losses of un-recognized deferred income tax assets expired on the followed year**

In RMB

Year	Ending amount	Opening amount	Note
2020	505,851.30	505,851.30	
2021	1,484,364.61	1,484,364.61	
2022	4,702,701.91	4,702,701.91	
2023	5,499,309.62	5,499,309.62	
2024	7,426,829.31	7,426,829.31	
Total	19,619,056.75	19,619,056.75	--

**31. Other non-current asset**

In RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advance payment for engineering equipment	8,483,308.88		8,483,308.88	6,789,167.54		6,789,167.54
Information construction fund	933,740.18		933,740.18			
Other	100,000.00		100,000.00	100,000.00		100,000.00
Total	9,517,049.06		9,517,049.06	6,889,167.54		6,889,167.54

Other explanation:

**32. Short-term loans****(1) Category**

Not applicable

**33. Tradable financial liability**

Not applicable

**34. Derivative financial liability**

Not applicable

**35. Note payable**

Not applicable

**36. Account payable****(1) Account payable**

In RMB

Item	Ending balance	Opening balance
Purchase of goods and services	8,863,245.61	5,671,144.03
Engineering equipment	58,728,301.55	63,416,286.39
Total	67,591,547.16	69,087,430.42

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

In RMB

Item	Ending balance	Reasons of outstanding or carry-over
Shenzhen Yinglong Jian'an (Group) Co., Ltd.	28,503,133.19	Project unsettled
Shenzhen SDG Real Estate Co., Ltd	6,054,855.46	Unrepayment from related enterprise
Shenzhen Yinuo Construction Engineering Co., Ltd.	4,274,022.22	Project unsettled
Total	38,832,010.87	--

**37. Accounts received in advance****(1) Accounts received in advance**

In RMB

Item	Ending balance	Opening balance
Rent	158,872.79	491,560.38
Payment	14,257,422.49	26,808,262.33
Total	14,416,295.28	27,299,822.71

**38. Contractual liabilities**

Not applicable

**39. Wage payable****(1) Wage payable**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	30,503,178.16	36,875,035.83	36,555,731.04	30,822,482.95
II. After-service welfare-defined contribution plans	701,616.73	384,408.27	916,481.15	169,543.85
III. Dismissed welfare		360,836.00	360,836.00	
Total	31,204,794.89	37,620,280.10	37,833,048.19	30,992,026.80

**(2) Short-term compensation**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wage, bonus, allowance and subsidy	28,178,495.98	33,551,443.96	32,787,768.34	28,942,171.60
2. Employees' welfare		469,358.91	469,358.91	
3. Social insurance charges	8,358.59	622,767.82	631,126.41	
Including: medical insurance premium	7,172.62	543,280.30	550,452.92	
Industrial injury insurance premiums	513.72	2,473.22	2,986.94	
Maternity insurance premiums	672.25	77,014.30	77,686.55	
4. Housing public reserve	2,041,648.34	1,755,734.00	2,173,133.46	1,624,248.88
5. Trade union fee and education fee	274,675.25	475,731.14	494,343.92	256,062.47
Total	30,503,178.16	36,875,035.83	36,555,731.04	30,822,482.95

**(3) Defined contribution plans**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance premiums	142,418.85	381,168.57	523,587.42	
2. Unemployment	1,352.03	3,239.70	4,591.73	

insurance premiums				
3. Enterprise annuity	557,845.85		388,302.00	169,543.85
Total	701,616.73	384,408.27	916,481.15	169,543.85

#### 40. Taxes payable

In RMB

Item	Ending balance	Opening balance
VAT	-358,235.15	551,626.76
Enterprise income tax	6,435,910.05	64,461,051.35
Personal income tax	339,337.61	342,986.08
Urban maintenance and construction tax	137,895.89	134,816.64
Land VAT	5,362,682.64	5,362,682.64
House property tax	811,135.85	266.04
Use tax of land	135,831.92	26,459.98
Educational surtax	83,895.38	82,529.27
Local education surcharges	55,930.25	55,019.51
Stamp tax	143,335.03	407,829.34
Other	11,811.88	
Total	13,159,531.35	71,425,267.61

Other explanation:

#### 41. Other account payable

In RMB

Item	Ending balance	Opening balance
Other account payable	99,453,009.14	101,266,802.49
Total	99,453,009.14	101,266,802.49

##### (1) Interest payable

Not applicable

##### (2) Dividend payable

Not applicable

**(3) Other account payable****1) By nature**

In RMB

Item	Ending balance	Opening balance
Deposit margin	34,097,428.62	29,630,854.41
Related transactions		28,310,337.10
Withholding payments	30,877,029.60	14,218,478.78
Payable interim payment	34,478,550.92	29,107,132.20
Total	99,453,009.14	101,266,802.49

**2) Significant other account payable with over one year age**

Not applicable

**42. Liability held for sale**

Not applicable

**43. Non-current liabilities due within one year**

Not applicable

**44. Other current liabilities**

Not applicable

**45. Long-term loans**

Not applicable

**46. Bonds payable**

Not applicable

**47. Lease liability**

Not applicable

**48. Long-term account payable**

In RMB

Item	Ending balance	Opening balance
Long-term account payable	3,920,160.36	3,920,160.36
Total	3,920,160.36	3,920,160.36

**(1) By nature**

In RMB

Item	Ending balance	Opening balance
Deposit of staff residence	3,908,848.40	3,908,848.40
Allocation for technology innovation projects	11,311.96	11,311.96
Total	3,920,160.36	3,920,160.36

**(2) Special account payable**

Not applicable

**49. Long-term wage payable**

Not applicable

**50. Accrual liabilities**

In RMB

Item	Ending balance	Opening balance	Causes
Pending litigation	2,225,468.76	2,225,468.76	For details, please refer to note XIV 2 (2) of this financial statement
Total	2,225,468.76	2,225,468.76	--

**51. Deferred income**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
Government subsidies	139,400.00			139,400.00	Receive government subsidies
Total	139,400.00			139,400.00	--

Item with government grants involved:

In RMB

Liability	Opening balance	New grants in the Period	Amount reckoned in non-operation revenue	Amount reckoned in other income	Cost reduction in the period	Other changes	Ending balance	Assets-related/income related
Elevator Renewal Subsidy Fund for Futian District Old Elevator Renovation Working Group	139,400.00						139,400.00	Assets-related

## 52. Other non-current liabilities

Not applicable

## 53. Share capital

In RMB

	Opening balance	Increased (decreased) in this period+,-					Ending balance
		New shares issued	Bonus shares	Shares converted from public reserve	Other	Subtotal	
Total shares	431,058,320.00						431,058,320.00

## 54. Other equity instrument

Not applicable

## 55. Capital public reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Capital premium (Share capital premium)	425,768,053.35			425,768,053.35
Other capital reserve	5,681,501.16			5,681,501.16
Total	431,449,554.51			431,449,554.51



**56. Treasury stock**

Not applicable

**57. Other comprehensive income**

In RMB

Item	Opening balance	Current Period						Ending balance
		Account before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less: income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	
II. Other comprehensive income items which will be reclassified subsequently to profit or loss	26,422.00							26,422.00
Including: Other comprehensive income under equity method that can transfer to gain/loss	26,422.00							26,422.00
Total other comprehensive income	26,422.00							26,422.00

**58. Reasonable reserve**

Not applicable

**59. Surplus public reserve**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Statutory surplus reserves	21,007,488.73			21,007,488.73
Total	21,007,488.73			21,007,488.73

**60. Retained profit**

In RMB

Item	Current period	Last period
Retained profit at the end of the previous period before adjustment	387,423,510.78	184,535,322.70
Adjust the total Retained profits at the beginning of the period (Increase +, Decrease -)		1,079,805.36
Total retained profit at the beginning of the previous period before adjustment	387,423,510.78	185,615,128.06
Add: net profit attributable to shareholder of parent company	25,594,985.78	219,669,708.47
Less: withdrawal of legal surplus reserve		17,861,325.75
Common stock dividends payable	18,104,449.44	
Retained profit at period-end	394,914,047.12	387,423,510.78

**61. Operating income and operating cost**

In RMB

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	193,056,348.40	153,545,320.45	274,182,882.36	209,294,422.75
Other business	3,995,441.89	1,229,267.07	4,085,856.97	1,199,589.67
Total	197,051,790.29	154,774,587.52	278,268,739.33	210,494,012.42

Income related information

In RMB

Contract classification	Division 1	Division 2	Total
Including:			
Auto sales			98,797,491.83
Automobile inspection and maintenance and parts sales			19,138,132.58
Property leasing and services			62,152,861.68
Jewelry wholesale and retail			16,963,304.20
Including:			
Shenzhen			180,088,486.09

Sichuan			16,963,304.20
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## 62. Tax and surcharges

In RMB

Item	Current period	Last period
Consumption tax		228,067.46
Urban maintenance and construction tax	273,827.41	395,934.29
Education surcharge	195,109.16	282,810.15
House property tax	554,437.90	1,686,527.43
Use tax of land	365,803.85	218,743.88
Stamp duty	82,782.69	152,809.21
Other taxes	-95,233.44	3,272.64
Total	1,376,727.57	2,968,165.06

## 63. Sales expenses

In RMB

Item	Current period	Last period
Staff remuneration	4,368,623.68	6,075,124.02
Advertising and exhibition expenses	190,434.21	238,736.65
Depreciation and amortization	762,935.85	710,671.25
Office expenses	266,706.77	283,392.38
Property and utilities	371,102.25	141,178.84
Transportation and business trip cost	6,650.61	147,134.39
Other	809,691.17	1,762,276.76
Total	6,776,144.54	9,358,514.29

## 64. Administration expenses

In RMB

Item	Current period	Last period
Staff remuneration	13,255,712.63	13,660,961.91
Office expenses	522,602.46	631,367.84
Transportation and business trip cost	105,949.65	159,511.67

Business entertainment expenses	103,117.88	257,293.90
Depreciation and amortization	989,192.76	1,027,310.00
Consulting and service expenses	1,270,520.91	528,616.99
Other	954,904.32	613,566.95
<b>Total</b>	<b>17,202,000.61</b>	<b>16,878,629.26</b>

## 65. R&D expenses

Not applicable

## 66. Financial expenses

In RMB

Item	Current period	Last period
Interest expenses	46,986.20	4,765,937.06
Less: Interest income	2,453,494.99	1,152,054.69
Less: interest capitalized amount		
Exchange loss	66,918.38	10,717.33
Other	137,439.86	133,176.06
<b>Total</b>	<b>-2,202,150.55</b>	<b>3,757,775.76</b>

## 67. Other income

In RMB

Sources	Current period	Last period
VAT input tax deduction		6,611.29
Handling fee refund for withholding personal income tax	36,471.10	
Other	16,375.60	
<b>Total</b>	<b>52,846.70</b>	<b>6,611.29</b>

## 68. Investment income

In RMB

Item	Current period	Last period
Long-term equity investment income measured by equity	8,521,866.84	10,775,524.54

Investment income of trading financial assets during the holding period	4,359,623.66	5,935,926.39
Total	12,881,490.50	16,711,450.93

### 69. Net exposure hedge gains

Not applicable

### 70. Income of fair value changes

In RMB

Sources	Current period	Last period
Tradable financial assets	-356,102.35	
Total	-356,102.35	

### 71. Credit impairment loss

In RMB

Item	Current period	Last period
Loss of bad debt of other account receivable	599,187.56	-184,419.32
Loss of bad debt of other account receivable	13.87	286,085.46
Total	599,201.43	101,666.14

### 72. Assets impairment loss

Not applicable

### 73. Income from assets disposal

In RMB

Sources	Current period	Last period
Income from disposal of non-current assets		103,159.68
Total		103,159.68

### 74. Non-operating income

In RMB

Item	Current period	Last period	Amount included in the current
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			non-recurring profit and loss
Government grants	230,000.00		230,000.00
Gains from non-current assets damaged/scrap		52,583.13	
Including: Fixed assets		52,583.13	
Other	716,106.92	67,042.31	716,106.92
Total	946,106.92	119,625.44	

Government grants reckoned into current gains/losses:

In RMB

Grants	Issuing subject	Issuing cause	Property type	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of this period	Amount of last period	Assets related/Income related
Government grants	Luohu District Industry and Information Technology Bureau					230,000.00		Income related

Other explanation:

Epidemic subsidy

## 75. Non-operating expenditure

In RMB

Item	Current period	Last period	Amount included in the current non-recurring profit and loss
Other	29,059.48	833,400.00	29,059.48
Total	29,059.48	833,400.00	29,059.48

## 76. Income tax expense

### (1) Income tax expense

In RMB

Item	Current period	Last period
Current income tax expenses	6,407,943.06	5,997,893.76

Deferred income tax expenses	19,471.10	19,471.10
Adjustment for precious period	20,891.90	20,891.90
Total	6,448,306.06	6,038,256.76

## (2) Adjustment process of accounting profit and income tax expenses

In RMB

Item	Current period
Total profit	33,218,964.32
Income tax expenses calculated by statutory tax rate	8,304,741.08
Effect of adjusting income tax in the previous period	20,891.90
Impact of non taxable income	-2,130,466.71
Unrecognized impacts of deductible temporary differences or deductible losses on deferred income tax assets in the period	253,139.79
Income tax expenses	6,448,306.06

## 77. Other comprehensive income

Found more in annotations

## 78. Annotation of cash flow statement

### (1) Cash received with other operating activities concerned

In RMB

Item	Current period	Last period
Deposit margin	3,272,399.10	23,334,956.48
Interest income	1,643,158.09	565,912.47
Intercourse funds and other	33,302,872.31	6,387,138.07
Total	38,218,429.50	30,288,007.02

Note of cash paid with other operating activities concerned:

### (2) Cash paid with other operating activities concerned

In RMB

Item	Current period	Last period
Cash paid	18,510,703.27	13,629,937.63
Deposit margin	734,563.26	15,893,485.00

Intercourse funds and other	29,438,222.21	639,082.23
Total	48,683,488.74	30,162,504.86

**(3) Cash received with other investment activities concerned**

In RMB

Item	Current period	Last period
Received equity transfer payment		20,870,000.00
Total		20,870,000.00

**(4) Cash paid related with investment activities**

Not applicable

**(5) Cash received with other financing activities concerned**

Not applicable

**(6) Other cash paid related with financing activities**

Not applicable

**79. Supplementary information to statement of cash flow****(1) Supplementary information to statement of cash flow**

In RMB

Supplementary information	Current period	Last period
1. Net profit adjusted to cash flow of operation activities:	--	--
Net profit	26,770,658.26	44,982,499.26
Add: Impairment provision for assets	-599,201.43	-101,666.14
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	11,167,637.52	11,806,505.67
Amortization of intangible assets	638,732.46	670,462.14
Amortization of long-term pending expenses	764,042.88	527,299.42
Loss from disposal of fixed assets, intangible assets and other long-term assets (income is listed with "-")		-101,666.14



Losses on scrapping of fixed assets (income is listed with “-“)	23,933.75	-52,583.13
Loss from change of fair value (income is listed with “-“)	356,102.35	
Financial expenses (income is listed with “-“)	46,986.20	4,765,937.06
Investment loss (income is listed with “-“)	-12,881,490.50	-16,711,450.93
Decrease of deferred income tax assets (increase is listed with “-“)	19,471.10	19,471.10
Decrease of inventory (increase is listed with “-“)	6,275,613.37	-4,455,508.57
Decrease of operating receivable accounts (increase is listed with “-“)	48,012,932.94	-29,044,227.74
Increase of operating payable accounts (decrease is listed with “-“)	-63,289,096.70	15,128,987.30
Net cash flow arising from operating activities	17,306,322.20	27,434,059.30
2. Material investment and financing not involved in cash flow	--	--
3. Net change of cash and cash equivalents:	--	--
Balance of cash at period end	304,937,895.62	199,241,051.16
Less: Balance of cash at year-begin	400,668,257.81	142,848,120.69
Net increasing of cash and cash equivalents	-95,730,362.19	56,392,930.47

## (2) Net cash paid for obtaining subsidiary in the Period

Not applicable

## (3) Net cash received by disposing subsidiary in the Period

Not applicable

## (4) Constitution of cash and cash equivalent

In RMB

Item	Ending balance	Opening balance
I. Cash	304,937,895.62	400,668,257.81
Including: Cash on hand	52,095.50	120,351.17
Bank deposit available for payment	304,885,800.12	400,547,906.64

at any time		
III. Balance of cash and cash equivalent at period-end	304,937,895.62	400,668,257.81
Including: Cash and cash equivalent with restriction used by parent company or subsidiary in the Group	28,671,414.00	28,183,348.23

## 80. Notes of changes of owners' equity

Explain the name and adjusted amount in "Other" at end of last period:

Nil

## 81. Assets with ownership or use right restricted

In RMB

Item	Ending book value	Reasons for restriction
Monetary fund	28,671,414.00	Upgrading project of the Tellus-Gman Gold & Jewelry Industrial Park - supervision funds for the 03# land
Total	28,671,414.00	--

## 82. Foreign currency monetary

### (1) Foreign currency monetary

In RMB

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary funds	--	--	
Including: USD	856.00	7.0795	6,060.05
EURO			
HKD			
Account receivable	--	--	
Including: USD			
EURO			
HKD			

Long-term loans	--	--	
Including: USD			
EURO			
HKD			

Other explanation:

**(2) Explanation on foreign operational entity, including as for the major foreign operational entity, disclosed main operation place, book-keeping currency and basis for selection; if the book-keeping currency changed, explain reasons**

Applicable  Not applicable

### 83. Hedging

Disclosed hedging items and relevant hedging instrument based on hedging's category, disclosed qualitative and quantitative information for the arbitrage risks:

Not applicable

### 84. Government grants

#### (1) Government grants

In RMB

Category	Amount	Item	Amount reckoned into current gains/losses
Elevator Renewal Subsidy Fund for Futian District Old Elevator Renovation Working Group	139,400.00	Deferred income	
Epidemic subsidy	230,000.00	Non operating income	230,000.00

#### (2) Government grants rebate

Applicable  Not applicable

### 85. Other

## VIII. Changes of consolidation range

Not applicable

## IX. Equity in other entity

### 1. Equity in subsidiary

#### (1) Constituted of enterprise group

Subsidiary	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shenzhen Tellus Xinyongtong Automobile Development Co. Ltd.	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Dongchang Yongtong Automobile Inspection Co., Ltd.	Shenzhen	Shenzhen	Commerce		95.00%	Establishment
Shenzhen Bao'an Shiquan Industrial Co., Ltd.	Shenzhen	Shenzhen	Commerce		100.00%	Establishment
Shenzhen SDG Tellus Real Estate Co., Ltd.	Shenzhen	Shenzhen	Manufacture	100.00%		Establishment
Shenzhen Tellus Chuangying Technology Co., Ltd.	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Xinyongtong Automobile Inspection Equipment Co. Ltd.	Shenzhen	Shenzhen	Commerce	51.00%		Establishment
Shenzhen Auto Industry and Trade Corporation	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Automotive	Shenzhen	Shenzhen	Commerce		100.00%	Establishment

Industry Supply Corporation						
Shenzhen SDG Huari Auto Enterprise Co., Ltd.	Shenzhen	Shenzhen	Commerce	60.00%		Establishment
Shenzhen Huari Anxin Automobile Inspection Ltd.	Shenzhen	Shenzhen	Commerce		100.00%	Establishment
Shenzhen Zhongtian Industrial Co., Ltd.	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Huari TOYOTA Automobile Sales Service Co., Ltd.	Shenzhen	Shenzhen	Commerce	60.00%		Establishment
Anhui Tellus Starlight Jewelry Investment Co., Ltd.	Hefei	Hefei	Commerce	51.00%		Establishment
Anhui Tellus Starlight Jewelry Investment Co., Ltd.	Hefei	Hefei	Commerce		60.00%	Establishment
Sichuan Tellus Jewelry Tech. Co., Ltd.	Chengdu	Chengdu	Commerce	66.67%		Establishment
Shenzhen Tellus Baoku Supply Chain Technology Co., Ltd.	Shenzhen	Shenzhen	Commerce	100.00%		Establishment

## (2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority

Shenzhen Huari Toyota Auto Sales Co., Ltd	40.00%	-1,572.01		1,676,814.56
Shenzhen SDG Huari Auto Enterprise Co., Ltd.	40.00%	219,946.78		9,921,880.04
Sichuan Tellus Jewelry Tech. Co., Ltd.	33.33%	672,524.17	3,721,379.80	51,457,806.19

**(3) Main finance of the important non-wholly-owned subsidiary**

In RMB

Subsidiary	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Huari Toyota Auto Sales Co., Ltd	62,803,894.10	4,564,675.29	67,368,569.39	63,176,532.99		63,176,532.99	66,208,279.12	4,780,912.24	70,989,191.36	66,793,224.94		66,793,224.94
Shenzhen SDG Huari Auto Enterprise Co., Ltd.	50,621,553.07	23,096,268.59	73,717,821.66	48,763,121.55		48,763,121.55	48,495,244.11	24,078,718.09	72,573,962.20	48,169,129.04		48,169,129.04
Sichuan Tellus Jewelry Tech. Co., Ltd.	153,866,160.08	231,131.84	154,097,291.92	681,426.00		681,426.00	164,965,162.17	255,849.32	165,221,011.49	1,701,033.97		1,701,033.97

In RMB

Subsidiary	Current period				Last period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operation activity	Operating income	Net profit	Total comprehensive income	Cash flow from operation activity
Shenzhen Huari Toyota Auto Sales	119,178,692.47	-3,930.02	-3,930.02	1,564,040.84	106,372,651.09	133,522.54	133,522.54	3,616,339.12

Co., Ltd								
Shenzhen SDG Huari Auto Enterprise Co., Ltd.	16,003,589.0 1	549,866.95	549,866.95	-4,077,786.01	18,957,565.7 1	-58,474.42	-58,474.42	-3,733,976.75
Sichuan Tellus Jewelry Tech. Co., Ltd.	16,963,304.2 0	2,017,572.52	2,017,572.52	59,442,155.9 5	92,578,958.7 7	3,852,200.31	3,852,200.31	-14,716,246.5 3

**(4) Significant restrictions on the use of enterprise group assets and pay off debts of the enterprise group**

Nil

**(5) Financial or other supporting offers to the structured entity included in consolidated financial statement range**

Nil

**2. Transaction that has owners equity shares changed in subsidiary but still with controlling rights**

Nil

**3. Equity in joint venture and associated enterprise**

**(1) Important joint venture or associated enterprise**

Joint venture or Associated enterprise	Main operation place	Registered place	Business nature	Share-holding ratio		Accounting treatment on investment for joint venture and associated enterprise
				Directly	Indirectly	
Shenzhen Tellus Gman Investment Co., Ltd	Shenzhen	Shenzhen	Investment and establishment of industries	50.00%		Equity method accounting
Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	Shenzhen	Shenzhen	Sales of Benz	35.00%		Equity method accounting
Shenzhen Dongfeng Motor Co., Ltd.	Shenzhen	Shenzhen	Auto manufacture and maintain		25.00%	Equity method accounting

**(2) Main financial information of the important joint venture**

In RMB

	Ending balance/Current period	Opening balance/Last period
	Shenzhen Tellus Gman Investment Co., Ltd	Shenzhen Tellus Gman Investment Co., Ltd
Current assets	51,890,128.83	56,022,041.04
Including: Cash and cash equivalent	8,300,876.58	9,770,310.11
Non current assets	364,310,637.32	363,958,852.65
Total Assets	416,200,766.15	419,980,893.69
Current liabilities	33,267,810.35	34,420,126.74
Non current liabilities	234,500,000.00	245,250,000.00
Total liabilities	267,767,810.35	279,670,126.74
Shareholders' equity attributable to the parent company	148,432,955.80	140,310,766.95
Share of net assets calculated by shareholding ratio	74,216,477.90	70,155,383.48
--Others	74,195,020.79	70,155,383.48
Fair value of the equity investment of joint venture with public offers concerned	37,081,024.74	41,866,318.34
Business income	6,840,207.33	7,181,939.67
Financial expenses	2,693,091.50	1,685,627.29
Income tax expenses	8,079,274.57	7,304,384.91
Other comprehensive income	8,079,274.57	7,304,384.91
	51,890,128.83	56,022,041.04
Dividends received from joint venture in the year	8,300,876.58	9,770,310.11

**(3) Main financial information of the important associated enterprise**

In RMB

	Ending balance/Current period		Opening balance/Last period	
	Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	Shenzhen Dongfeng Motor Co., Ltd.	Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	Shenzhen Dongfeng Motor Co., Ltd.
Current assets	230,248,569.76	435,453,513.27	229,415,509.00	479,352,285.14



Non current assets	38,674,818.99	212,332,449.42	22,735,996.00	214,963,230.31
Total Assets	268,923,388.75	647,785,962.69	252,151,505.00	694,315,515.45
Current liabilities	149,717,250.16	417,995,210.15	156,969,413.00	459,613,457.00
Non current liabilities	16,462,156.27	65,811,471.27		66,941,248.16
Total liabilities	166,179,406.43	483,806,681.42	156,969,413.00	526,554,705.16
		-13,887,156.97		-11,589,462.52
Minority interests	102,743,982.32	177,866,438.24	95,182,092.00	179,350,272.81
Shareholders' equity attributable to the parent company	35,960,393.81	44,466,609.56	33,313,732.20	44,837,568.20
—Unrealized profit of internal trading	37,689,743.58	44,988,824.43	33,313,732.20	44,837,568.20
Book value of equity investment in associated enterprise	542,501,386.62	154,117,515.10	568,266,810.59	219,400,462.98
Fair value of the equity investment of associated enterprise with public offers concerned	12,502,889.67	-345,684.65	12,457,996.18	10,121,106.72
Net profit of the termination of operation	12,502,889.67	-345,684.65	12,457,996.18	10,121,106.72
Other comprehensive income			17,500,000.00	64,100,548.07
Total comprehensive income	230,248,569.76	435,453,513.27	229,415,509.00	479,352,285.14
	38,674,818.99	212,332,449.42	22,735,996.00	214,963,230.31
Dividends received from associated enterprise in the year	268,923,388.75	647,785,962.69	252,151,505.00	694,315,515.45

Other explanation

**(4) Financial summary for non-important Joint venture and associated enterprise**

In RMB

	Ending balance/Current period	Opening balance/Last period
--	-------------------------------	-----------------------------

Joint venture:	--	--
Total book value of investment	12,145,749.93	11,845,452.17
Amount based on share-holding ratio	--	--
-- Net profit	588,819.14	363,981.77
-- Total comprehensive income	588,819.14	363,981.77
Associated enterprise:	--	--
Total book value of investment	1,681,072.16	2,026,407.98
Amount based on share-holding ratio	--	--
-- Net profit	-959,266.17	-409,250.15
-- Total comprehensive income	-959,266.17	-409,250.15

Other explanation:

1. Not important joint venture: Shenzhen Tellus Hang Investment Co., Ltd.
2. Not important associated enterprise: Shenzhen Automobile Industry Import and Export Co., Ltd.

#### (5) Major limitation on capital transfer ability to the Company from joint venture or associated enterprise

Nil

#### (6) Excess loss occurred in joint venture or associated enterprise

In RMB

Joint venture/Associated enterprise	Cumulative un-recognized losses	Un-recognized losses not recognized in the Period (or net profit enjoyed in the Period)	Cumulative un-recognized losses at period-end
Shenzhen Yongtong Xinda Inspection Equipment Co., Ltd.	916,937.25	-121,989.68	794,947.57

#### (7) Unconfirmed commitment with joint venture investment concerned

Nil

#### (8) Intangible liability with joint venture or affiliates investment concerned

Nil

#### 4. Major conduct joint operation

Nil

**5. Structured body excluding in consolidate financial statement**

Note of structured body excluding in consolidate financial statement:

Nil

**6. Other****X. Risks relating to financial instruments****XI. Fair value disclosure****1. Ending fair value of the assets and liabilities measured by fair value**

In RMB

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	--	--	--	--
(I) Tradable financial assets			115,128,569.86	115,128,569.86
1. Financial assets measured by fair value and with variation reckoned into current gains/losses			115,128,569.86	115,128,569.86
(III) Other equity instrument investment			10,176,617.20	10,176,617.20
Total assets continuously measured at fair value			125,305,187.06	125,305,187.06
II. Non-persistent measured by fair value	--	--	--	--

## 2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order

## 3. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on second-order

## 4. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on third-order

The financial assets measured at fair value and whose changes are included in current gain/loss refers to the financial products, and forecast the future cash flow at expected rate of return, the unobservable estimate is the expected rate of return.

For other equity instrument investment, the company measured the investment cost as a reasonable estimate of the fair value due to the operating environment, conditions and financial status of the invested enterprise(China Pudong Development Machinery Industry Co., Ltd) has not changed significantly.

## 5. Adjustment information and sensitivity analysis of unobservable parameters for the fair value measure sustaining and non-persistent on third-order

## 6. Sustaining items measured by fair value, as for the conversion between at all levels, reasons for conversion and policy for conversion time point

## 7. Changes of valuation technique in the Period

## 8. Financial assets and liability not measured by fair value

## 9. Other

## XII. Related party and related transactions

### 1. Parent company

Parent company	Registration place	Business nature	Registered capital	Ratio of shareholding on the Company	Ratio of voting right on the Company
Shenzhen SDG Co., Ltd.	Shenzhen	Development and operation of real estate and domestic commerce	3582.82 million Yuan	49.09%	49.09%

Explanation on parent company of the enterprise

Shenzhen SDG Co., Ltd. is invested by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government and was established on August 1, 1981. The company now holds a business license with a unified social credit code of 91440300192194195C and a registered capital of 3582.82 million yuan.

Ultimate controller of the Company is Shenzhen Municipal People's Government State-Owned Assets Supervision and Administration Commission.

## 2. Subsidiary

Subsidiary of the Company found more in Note IX

## 3. Joint venture and associated enterprise

Joint Venture of the Company found more in Note IX

Other cooperative enterprise and joint venture that have related transaction with the Company in the Period or occurred in previous period:

Joint venture/Associated enterprise	Relationship
Shenzhen Xinyongtong Auto Service Co., Ltd.	Associated company
Shenzhen Tellus Xinyongtong Auto Service Co., Ltd.	Associated company
Shenzhen Tellus Automobile Service Chain Co., Ltd.	Associated company
Shenzhen Yongtong Xinda Inspection Equipment Co., Ltd.	Associated company
Shenzhen Xiandao New Material Co., Ltd.	Associated company
Shenzhen Tellus Hang Investment Co., Ltd.	Joint venture

## 4. Other related party

Other related party	Relationship with the Enterprise
Shenzhen SD Petty Loan Co., Ltd.	Holding subsidiary of the parent company
Shenzhen SDG Swan Industrial Co., Ltd.	Holding subsidiary of the parent company
Shenzhen Machinery Equipment Imp & Exp. Company	Holding subsidiary of the parent company
Shenzhen SDG Real Estate Co., Ltd	Holding subsidiary of the parent company
Hong Kong Yujia Investment Co, Ltd.	Holding subsidiary of the parent company
Shenzhen SDG Engineering Management Co., Ltd.	Holding subsidiary of the parent company
Shenzhen Tellus Yangchun Real Estate Co., Ltd.	Holding subsidiary of the parent company
Shenzhen Longgang Tellus Real Estate Co., Ltd.	Holding subsidiary of the parent company
Shenzhen SDG Tellus Property Management Co., Ltd.	Holding subsidiary of the parent company
Shenzhen SDG Service Co., Ltd. Jewelry Park Branch	Holding subsidiary of the parent company
Starlight Jewelry Co., Ltd.	Shareholders

Anhui Jinzun Jewelry Co., Ltd.	Shareholders
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## 5. Related transaction

### (1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

In RMB

Related party	Related transaction content	Current Period	Approved transaction limit	Whether more than the transaction limit (Y/N)	Last Period
Shenzhen SDG Engineering Management Co., Ltd.	Accept labor	637,620.00			504,190.40
Shenzhen SDG Tellus Property Management Co., Ltd.	Accept labor	7,001,541.81			5,816,443.82
Shenzhen SDG Service Co., Ltd. Jewelry Park Branch	Accept labor	199,490.25			

Goods sold/labor service providing

In RMB

Related party	Related transaction content	Current Period	Last Period
Shenzhen SD Petty Loan Co., Ltd.	Providing services	93,615.92	95,167.03

### (2) Related trusteeship management/contract & entrust management/ outsourcing

Not applicable

### (3) Related lease

As a lessor for the Company:

In RMB

Lessee	Assets type	Lease income in recognized in the Period	Lease income in recognized last the Period
Shenzhen Zung Fu Tellus Auto	House lease	1,694,444.45	2,523,809.60

Service Co., Ltd.			
Shenzhen Xinyongtong Auto Service Co., Ltd.	House lease	231,379.05	327,782.86
Shenzhen Xinyongtong Dongxiao Auto Service Co., Ltd.	House lease	169,714.29	240,428.57
Shenzhen SD Petty Loan Co., Ltd.	House lease	620,733.12	704,631.90
Shenzhen SDG Tellus Property Management Co., Ltd.	House lease	25,402.04	13,288.57
Shenzhen SDG Service Co., Ltd. Jewelry Park Branch	House lease	897,970.47	
Subtotal		3,639,643.41	3,809,941.50

As lessee:

Nil

#### (4) Related guarantee

As guarantor

In RMB

Secured party	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	3,500,000.00	2007-04-17		No

As secured party

Nil

Explanation on related guarantee

The Company entered into pledge contract with Zung Fu Auto Management (Shenzhen) Co., Ltd. (hereinafter referred to as Zung Fu Shenzhen), pursuant to which, during the period from establishment of our associate company Shenzhen Zung Fu Tellus Auto Service Co., Ltd. (hereinafter referred to as Zung Fu Tellus) to the expiration date of the joint venture contract between the Company and Zung Fu Shenzhen, provided that Zung Fu Shenzhen provides borrowings to Zung Fu Tellus under entrusted loan, Zung Fu Tellus makes borrows from bank or other financial institutions and guaranteed by Zung Fu Shenzhen, and the total borrowings shall not exceed RMB 100 million, the Company bears 35% of the obligations arising from above borrowings according to its shareholding proportion. It was agreed for the Company to pledge 35% equity interests held in Zung Fu Tellus to Zung Fu Shenzhen as counter guarantee for the above borrowings.

Chengdu HezhiYuan Jewelry Co., Ltd., the related enterprise of Chengdu CaizhiYuan Jewelry Co., Ltd. which is a

shareholder of the Company's subsidiary Sichuan Tellus Jewelry Technology Co., Ltd., and the related individual Xiong Yungui, Chengdu Ruihang Jewelry Co., Ltd., a shareholder of Sichuan Tellus Jewelry Technology Co., Ltd., and the related individual Linhang, Chengdu Zhongjin Guifu Jewelry Co., Ltd., a shareholder of Sichuan Tellus Jewelry Technology Co., Ltd., and the related individual Lin Tonggui, Chengdu Hengyue Trading Co., Ltd., a shareholder of Sichuan Tellus Jewelry Technology Co., Ltd., and related company Chengdu Zhongcheng Shubao Jewelry Co., Ltd. set the maximum guarantee by taking Sichuan Tellus Jewelry Technology Co., Ltd. as the creditor, the main creditor's right of guarantee is the accounts receivable of Sichuan Tellus Jewelry Technology Co., Ltd. to the warrantees, Lin Qin, etc., the total amount of guarantees is 41.4799 million Yuan.

#### (5) Related party's borrowed funds

In RMB

Related party	Borrowing amount	Starting date	Maturity date	Note
Borrowing				
Lending				
Shenzhen Tellus Hang Investment Co., Ltd.	256,363.88	2020-01-01	2020-12-31	Payment of property rights representative salary

#### (6) Related party's assets transfer and debt reorganization

Nil

#### (7) Remuneration of key manager

In RMB

Item	Current period	Last period
Remuneration of directors, supervisors and senior executives	2,926,900	2,323,700

#### (8) Other related transaction

### 6. Receivable and payable of related party

#### (1) Receivable item

In RMB

Item Name	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision



Accounts receivable	Shenzhen Xinyongtong Auto Service Co., Ltd.	927,602.00	927,602.00	927,602.00	927,602.00
	Shenzhen Xinyongtong Dongxiao Auto Service Co., Ltd.	680,400.00	680,400.00	680,400.00	680,400.00
	Shenzhen SD Petty Loan Co., Ltd.	221,227.49	2,835.84	283,583.81	2,835.84
Subtotal		1,829,229.49	1,610,837.84	1,891,585.81	1,610,837.84
Other receivable	Shenzhen Tellus Automobile Service Chain Co., Ltd.	1,359,297.00	1,359,297.00	1,359,297.00	1,359,297.00
	Shenzhen Yongtong Xinda Inspection Equipment Co., Ltd.	531,882.24	531,882.24	531,882.24	531,882.24
	Shenzhen Xiandao New Material Co., Ltd.	660,790.09	660,790.09	660,790.09	660,790.09
	Shenzhen Tellus Xinyongtong Auto Service Co., Ltd.	114,776.33	114,776.33	114,776.33	114,776.33
	Shenzhen Tellus Hang Investment Co., Ltd.			55,125.04	551.25
	Shenzhen SDG Service Co., Ltd. Jewelry Park Branch	879,119.04			
Subtotal		3,545,864.70	2,666,745.66	2,721,870.70	2,667,296.91
Long-term receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	2,179,203.68	2,179,203.68	2,179,203.68	2,179,203.68
Subtotal		2,179,203.68	2,179,203.68	2,179,203.68	2,179,203.68

**(2) Payable item**

In RMB

Item Name	Related party	Ending book balance	Opening book balance
Accounts payable	Shenzhen SDG Real Estate Co.,	6,054,855.46	6,054,855.46

	Ltd		
	Shenzhen Machinery Equipment Import & Export Corporation	45,300.00	45,300.00
	Shenzhen Tellus Gman Investment Co., Ltd	22,360.00	200,000.00
	Shenzhen SDG Engineering Management Co., Ltd.		42,205.66
	Shenzhen SDG Service Co., Ltd. Jewelry Park Branch		36,103.11
	Shenzhen SDG Tellus Property Management Co., Ltd.	3,372,496.27	
Subtotal		9,495,011.73	6,378,464.23
Other payable	Hong Kong Yujia Investment Co, Ltd.	2,158,064.96	2,172,091.54
	Shenzhen SDG Swan Industrial Co., Ltd.	20,703.25	20,703.25
	Shenzhen Machinery Equipment Imp & Exp. Company	1,554,196.80	1,554,196.80
	Shenzhen SDG Co., Ltd.	17,448,724.94	20,378,046.74
	Shenzhen Longgang Tellus Real Estate Co., Ltd.	1,095,742.50	1,095,742.50
	Shenzhen Tellus Yangchun Real Estate Co., Ltd.	476,217.49	476,217.49
	Shenzhen Tellus Hang Investment Co., Ltd.	16,765.12	
	Shenzhen Yongtong Xinda Inspection Equipment Co., Ltd.	29,940.00	29,940.00
	Anhui Jinzun Jewelry Co., Ltd.	1,330,000.00	1,330,000.00
	Shenzhen SDG Tellus Property Management Co., Ltd.	192,227.98	192,227.98
	Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	833,334.00	833,334.00
	Shenzhen SD Petty Loan Co.,	227,836.80	227,836.80

	Ltd.		
	Shenzhen SDG Service Co., Ltd. Jewelry Park Branch	6,598.00	
Subtotal		25,390,351.84	28,310,337.10

## 7. Related party commitment

## 8. Other

## XIII. Share-based payment

### 1. Overall situation of share-based payment

Applicable  Not applicable

### 2. Share-based payment settled by equity

Applicable  Not applicable

### 3. Share-based payment settled by cash

Applicable  Not applicable

### 4. Modification and termination of share-based payment

Nil

## 5. Other

## XIV. Commitment or contingency

### 1. Important commitments

Important commitments on balance sheet date

Nil

### 2. Contingency

#### (1) Contingency on balance sheet date

Contingent liability and its financial influence formed by pending litigation or arbitration

(1) In October 2005, a lawsuit was brought before Shenzhen Luo Hu District People's Court by the Company, which was the recognizer of Jintian Industrial (Group) Co., Ltd. ("Jintian") to require Jintian to redress RMB

4,081,830 (principal: RMB 3,000,000, interest: RMB 1,051,380, legal fare: RMB 25,160 and executive fare: RMB 5,290). Shenzhen Intermediate People's Court had adjudged that the Company won the lawsuit and the forcible execution had been applied by the Company. As for the deducted amount in previous years, the Company has counted as debt losses.

In April 2006, Shenzhen Development Bank brought an accusation against Jintian's overdue loan two million U.S. dollars and the Company who guaranteed for this loan. The company took on the principal and all interest. After that, the Company appealed to Shenzhen Luohu District People's Court, asking Jintian to repay 2,960,490 U.S. dollars and interest. In 2008, it reached Shen Luo No.937 Civil Reconciliation Agreement (2008) after the mediating action taken by Shenzhen Luohu District People's Court. The agreement is as follows: If Jintian repay 2,960,490 U.S. dollars before October 31, 2008, the company will exempt all the interest. If Jintian can not settle the amount on time, it will pay the penalty in accordance with the People's Bank of China RMB benchmark lending rate over the same period.

Jintian Company in process of debt service for bankruptcy reorganization. On January 29, 2016, Shenzhen Intermediate People's Court ruled that the reorganization plan of Jintian Company was completed and the bankruptcy proceedings were terminated, Jintian Company was re-allocating to the creditors, including the Company, according to the reorganization plan. Cash of 325,000 yuan, 427,604 A shares and 163,886 B shares of Jintian Company should be distributed to the Company. As of the date of approval of this financial report, the company has not received the distributed property.

After failed to communicate with Jintian Company about the cash and equity that should be allocated to our company after Jintian Company's bankruptcy and reorganization for more than once, the Company filed a lawsuit to the People's Court of the Qianhai Cooperation Zone, requesting the court to order Jintian Company and its shareholders to pay.

On January 9, 2020, the Qianhai Court held a public hearing on the case, and made the first-instance judgment on February 13, 2020, judging that Jintian Company should pay 325,000 yuan to Tellus Group within 5 days from the effective date of the judgment and deliver 427,604 shares of A shares and 163,886 shares of B shares of Jintian Group (if the shares cannot be delivered, the payment can be made after converting into cash according to the stock market price on the last day of the aforementioned performance period). Because some of the defendants in this case cannot be served with the written judgment, and the defendants whose whereabouts are unknown include foreign-related parties, the Qianhai Court has published a delivery announcement for the written judgment on February 14, 2020. As of June 30, 2020, the first-instance judgment of the case has not yet taken effect.

(2) In May 2014, our subsidiary Shenzhen Automobile Industry Trading General Company (hereinafter referred to as Automobile Industry Trading Company) was served with a summon from people's court in Futian district, Shenzhen, pursuant to which, Shenzhen branch of China Huarong Asset Management Co., Ltd. ("Huarong Shenzhen") sued Auto Industrial Trading Company for joint settlement responsibility in respect of the debt disputes between Shenzhen Guangming Watch Co., Ltd. ("Guangming Watch") and its creditors. Including the payment of the debt principal of 350,000.00 yuan and the debt interest during the delayed performance period of 946,697.54 yuan, the Auto Industry and Trade Company calculated the expected litigation loss of 2,225,468.76 yuan based on the bank's borrowing interest rate for the same period of the outstanding principal and corresponding interest. Huarong Shenzhen Company applied to the Futian Court to withdraw the lawsuit on January 20, 2018, Futian Court issued

(2014) SFFMECZ No. 4712-2 Civil Ruling Paper on January 30, 2018, allowed to withdraw.

**(2) If the Company has no important contingency need to disclosed, explain reasons**

The Company has no important contingency that need to disclose.

3. Other

**XV. Events after balance sheet date**

Not applicable

**XVI. Other important events**

**1. Previous accounting errors collection**

Nil

**2. Debt restructuring**

Nil

**3. Assets exchange**

Nil

**4. Pension plan**

Nil

**5. Discontinuing operation**

Nil

**6. Segment**

**(1) Recognition basis and accounting policy for reportable segment**

The Company determines operating (segment)divisions based on internal organizational structure, management requirements and internal reporting system, and determines the reporting segment based on the industry segment. Respectively assess the operating performance of automobile sales, automobile maintenance and testing, leasing and services, and jewelry wholesale and retail. The assets and liabilities used with each segment are distributed among the different segments in proportion to their size.

**(2) Financial information for reportable segment**

In RMB

Item	Auto sales	Auto maintenance and inspection	Leasing and services	Wholesale and retail of jewelry	Offset between segment	Total
Main business income	112,524,897.49	19,138,132.58	58,157,419.79	16,963,304.20	-13,727,405.66	193,056,348.40
Main business cost	109,843,052.17	16,287,281.23	25,058,304.97	16,010,373.45	-13,653,691.37	153,545,320.45
Total assets	67,368,569.39	22,910,066.56	2,540,076,869.66	154,256,572.67	-1,208,556,813.62	1,576,055,264.66
Total liability	63,176,532.99	14,176,110.25	617,141,672.40	2,069,464.10	-464,666,340.89	231,897,438.85

**(3) The Company has no segment, or unable to disclose total assets and liability of the segment, explain reasons**

**(4) Other explanation**

**7. Other major transaction and events makes influence on investor's decision**

Nil

**8. Other**

**XVII. Principle notes of financial statements of parent company****1. Account receivable****(1) Category**

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual on	484,803.08	16.30%	484,803.08	100.00%		484,803.08	69.90%	484,803.08	100.00%	

a single basis										
Including:										
Account receivable with bad debt provision accrual on portfolio	2,490,046.10	83.70%	2,087.99	0.08%	2,487,958.11	208,798.75	30.10%	2,087.99	1.00%	206,710.76
Including:										
Total	2,974,849.18	100.00%	486,891.07	16.37%	2,487,958.11	693,601.83	100.00%	486,891.07	70.20%	206,710.76

Bad debt provision accrual on single basis:

In RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Shenzhen Bijiaoshan Entertainment Company	172,000.00	172,000.00	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Gong Yanqing	97,806.64	97,806.64	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Guangzhou Lemin Computer Center	86,940.00	86,940.00	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Other	128,056.44	128,056.44	100.00%	The accounts are more than 10 years old and are not expected to be recovered
Total	484,803.08	484,803.08	--	--

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Within one year	2,490,046.10	2,087.99	0.08%
Total	2,490,046.10	2,087.99	--

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivables to disclose related information about bad-debt provisions:

√ Applicable □ Not applicable

By account age

In RMB

Account age	Ending balance
Within one year (including one year)	2,490,046.10
Over 3 years	484,803.08
Over 5 years	484,803.08
Total	2,974,849.18

**(2) Bad debt provision accrual, collected or reversal in the period**

Not applicable

**(3) Account receivable actually written-off in the period**

Not applicable

**(4) Top 5 account receivables at ending balance by arrears party**

In RMB

Enterprise	Ending balance of accounts receivable	Proportion in total receivables at ending balance	Bad debt preparation ending balance
Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	1,911,906.35	64.27%	
Shenzhen Bijiashan Entertainment Company	172,000.00	5.78%	172,000.00
Shenzhen Jincheng Yinyu Jewelry Co., Ltd.	103,272.00	3.47%	1,032.72
Gong Yanqing	97,806.64	3.29%	97,806.64
Guangzhou Lemin Computer Center	86,940.00	2.92%	86,940.00
Total	2,371,924.99	79.73%	357,779.36

**(5) Account receivable derecognition due to financial assets transfer**

Not applicable

**(6) Assets and liabilities resulted by account receivable transfer and continues involvement**

Not applicable



**2. Other account receivable**

In RMB

Item	Ending balance	Opening balance
Dividends receivable	547,184.35	547,184.35
Other account receivable	135,492,262.28	115,490,588.74
Total	136,039,446.63	116,037,773.09

**(1) Interest receivable**

Not applicable

**(2) Dividend receivable****1) Category**

In RMB

Item (or invested enterprise)	Ending balance	Opening balance
China Pudong Development Machinery Industry Co., Ltd	547,184.35	547,184.35
Total	547,184.35	547,184.35

**2) Important dividend receivable with account age over one year**

Nil

**3) Accrual of bad debt provision** Applicable  Not applicable**(3) Other account receivable****1) By nature**

In RMB

Nature	Ending book balance	Opening book balance
Dividend receivable	547,184.35	547,184.35
Related transactions within the scope of consolidation	135,184,758.23	115,271,769.06
Reserve fund	130,000.00	43,346.12
Interim payment receivable	14,408,900.22	14,406,869.73

Total	150,270,842.80	130,269,169.26
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## 2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2020	105,742.91		14,125,653.26	14,231,396.17
Balance of Jan. 1, 2020 in the period	—	—	—	—
Balance on Jun. 30, 2020	105,742.91		14,125,653.26	14,231,396.17

Change of book balance of loss provision with amount has major changes in the period

Applicable  Not applicable

By account age

In RMB

Account age	Ending balance
Within one year (including one year)	135,388,827.06
Over 3 years	14,334,831.39
Over 5 years	14,334,831.39
Total	149,723,658.45

## 3) Bad debt provision accrual, collected or reversal in the period

Not applicable

## 4) Other account receivable actually written-off in the period

Not applicable

## 5) Top 5 other receivables at ending balance by arrears party

In RMB

Enterprise	Nature	Ending balance	Account age	Ratio in total ending balance of other account receivables	Ending balance of bad debt reserve
Shenzhen Zhongtian Industrial Co., Ltd.	Internal intercourse	134,366,644.53	Within one year	89.74%	

Shenzhen Zhonghao (Group) Co., Ltd	intercourse funds	5,000,000.00	Over 3 years	3.34%	5,000,000.00
Gold Beili Electrical Appliances Company	intercourse funds	2,706,983.51	Over 3 years	1.81%	2,706,983.51
Shenzhen Petrochemical Group	intercourse funds	1,923,891.98	Over 3 years	1.28%	1,923,891.98
Shenzhen SDG Huatong Packaging Industry Co., Ltd.	intercourse funds	1,212,373.79	Over 3 years	0.81%	1,212,373.79
Total	--	145,209,893.81	--	96.98%	10,843,249.28

#### 6) Other account receivables related to government grants

Nil

#### 7) Other receivable for termination of confirmation due to the transfer of financial assets

Nil

#### 8) The amount of assets and liabilities that are transferred other receivable and continued to be involved

Nil

Other explanation:

Name	Ending balance			
	Book balance	Bad debt provision	Provision ratio	Reason for provision
Shenzhen Zhonghao (Group) Co., Ltd	5,000,000.00	5,000,000.00	100%	The accounts are more than 10 years old and are not expected to be recovered
Gold Beili Electrical Appliances Company	2,706,983.51	2,706,983.51	100%	The accounts are more than 10 years old and are not expected to be recovered
Shenzhen Petrochemical Group	1,923,891.98	1,923,891.98	100%	The accounts are more than 10 years old and are not expected to be recovered
Shenzhen SDG Huatong Packaging Industry Co., Ltd.	1,212,373.79	1,212,373.79	100%	The accounts are more than 10 years old and

				are not expected to be recovered
Other	3,491,582.11	3,282,403.98	94%	The accounts are more than 10 years old and are not expected to be recovered
Total	14,334,831.39	14,125,653.26	--	

### 3. Long-term equity investment

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	745,996,472.73	1,956,000.00	744,040,472.73	745,996,472.73	1,956,000.00	744,040,472.73
Investment for associates and joint venture	133,817,676.62	9,787,162.32	124,030,514.30	125,101,730.19	9,787,162.32	115,314,567.87
Total	879,814,149.35	11,743,162.32	868,070,987.03	871,098,202.92	11,743,162.32	859,355,040.60

#### (1) Investment for subsidiary

In RMB

The invested entity	Opening balance (book value)	Increase and decrease in current period				Ending balance (book value)	Ending balance of impairment provision
		Additional investment	Reduce investment	Provision for impairment	Other		
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,152,888.87					31,152,888.87	
Shenzhen Tellus Chuangying Technology Co., Ltd.	14,000,000.00					14,000,000.00	
Shenzhen Tellus Xinyongtong Automobile Development Co. Ltd.	57,672,885.22					57,672,885.22	
Shenzhen	369,680,522.9					369,680,522.90	

Zhongtian Industrial Co., Ltd.	0						
Shenzhen Auto Industry and Trade Corporation	126,251,071.57					126,251,071.57	
Shenzhen SDG Huari Auto Enterprise Co., Ltd.	19,224,692.65					19,224,692.65	
Shenzhen Huari TOYOTA Automobile Sales Service Co., Ltd.	1,807,411.52					1,807,411.52	
Shenzhen Xinyongtong Automobile Inspection Equipment Co. Ltd.	10,000,000.00					10,000,000.00	
Anhui Tellus Starlight Jewelry Investment Co., Ltd.	4,998,000.00					4,998,000.00	
Sichuan Tellus Jewelry Tech. Co., Ltd.	100,000,000.00					100,000,000.00	
Shenzhen Tellus Baoku Supply Chain Technology Co., Ltd.	9,253,000.00					9,253,000.00	
Shenzhen Hanligao Technology Ceramics Co., Ltd.						0.00	1,956,000.00
<b>Total</b>	<b>744,040,472.7</b>					<b>744,040,472.73</b>	<b>1,956,000.00</b>

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## (2) Investment for associates and joint venture

In RMB

Investment company	Opening balance (book value)	Current changes (+, -)								Ending balance (book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
<b>I. Joint venture</b>											
Shenzhen Tellus Gman Investment Co., Ltd	70,155,383.50			4,039,637.29						74,195,020.79	
Shenzhen Tellus Hang Investment Co., Ltd.	11,845,452.17			300,297.76						12,145,749.93	
Subtotal	82,000,835.67			4,339,935.05						86,340,770.72	
<b>II. Associated enterprise</b>											
Shenzhen Zung Fu Tellus Auto Service Co., Ltd.	33,313,732.20			4,376,011.38						37,689,743.58	
Hunan Changyang Industrial Co., Ltd.											1,810,540.70
Shenzhen Jiecheng											3,225,000.00

Electronic Co., Ltd.										
Shenzhen Xiandao New Materials Co., Ltd.										4,751,621.62
Subtotal	33,313,732.20			4,376,011.38					37,689,743.58	9,787,162.32
Total	115,314,567.87			8,715,946.43					124,030,514.30	9,787,162.32

#### 4. Operating income and operating cost

In RMB

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	13,120,854.52	3,857,719.57	19,112,054.55	1,774,557.00
Total	13,120,854.52	3,857,719.57	19,112,054.55	1,774,557.00

Income related information

In RMB

Contract classification	Division 1	Division 2	Total
Including:	-	-	
Property leasing and services			13,120,854.52
Including:	-	-	
Shenzhen			13,120,854.52
Including:	-	-	
Total			13,120,854.52

#### 5. Investment income

In RMB

Item	Current period	Last period
Long-term equity investment income measured by cost	8,400,304.32	
Long-term equity investment income measured by equity	8,715,946.43	8,376,471.67

Investment income of trading financial assets during the holding period	2,114,272.43	3,417,993.78
Total	19,230,523.18	11,794,465.45

## XVIII. Supplementary information

### 1. Current non-recurring gains/losses

Applicable  Not applicable

In RMB

Item	Amount	Note
Governmental grants calculated into current gains and losses (while closely related with the normal business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard)	52,846.70	
Except for the effective hedging business related to the normal business of the Company, the fair value changes from holding the tradable financial assets, derivative financial assets, tradable financial liability and derivative financial liability; and investment income from disposal of tradable financial assets, derivative financial assets, tradable financial liability and other creditors investment	4,003,521.31	Income from financial products
Switch back of the impairment provision for account receivable with impairment test on single basis and contract assets	599,201.43	Switch back of bad debt provision
Other non-operating income and expense other than the above mentioned ones	917,047.44	Income from forfeiting the lease deposit after the tenant returns the lease in advance
Less: Impact on income tax	858,601.74	
Impact on minority interests	521,850.19	
Total	4,192,164.95	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable  Not applicable



## 2. ROE and earnings per share

Profits during report period	Weighted average ROE	Earnings per share	
		Basic EPS (Yuan/share)	Diluted EPS (Yuan/share)
Net profits belong to common stock stockholders of the Company	1.99%	0.0594	0.0594
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	1.67%	0.0497	0.0497

## 3. Difference of the accounting data under accounting rules in and out of China

### (1) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable  Not applicable

### (2) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable  Not applicable

## Section XII. Documents Available for Reference

The Company reserved completed integrated documents for CSRC, SZSE, relevant departments and public investor for reference, including:

1. Original Accounting Statement of Semi-Annual 2020 carrying the signatures and seals of the legal representative, general manager, CFO and manager of Financial Department;
2. All original documents and notifications of the Company disclosed in newspapers that designated by CSRC in report period;
3. Semi-Annual report disclosed in securities market.

**Chairman of the Board:**



**Board of Directors of  
ShenZhen Tellus Holding Co., Ltd  
August26, 2020**