

borrowing by multiplying the weighted average asset disbursement of the excess of the accumulative capital disbursements over the special borrowings by the capitalization rate of the general borrowing used.

(XV) Intangible assets

1. Intangible assets include software, etc. The initial measurement of intangible assets is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Useful life (years)
Software	5-10

3. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

(XVI) Impairment of part of long-term assets

For long-term assets such as long-term equity investments, fixed assets, right-of-use assets, intangible assets with finite useful lives, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is to be estimated. For goodwill recognized in business combination and intangible assets with indefinite useful lives, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as provision for assets impairment through profit or loss.

(XVII) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial

to the following accounting periods, residual values of such items are included in profit or loss.

(XVIII) Employee benefits

1. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

2. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

3. Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

4. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for

termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: (1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or (2) when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

5. Other long-term employee benefits

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: (1) service cost; (2) net interest on the net liability or net assets of other long-term employee benefits; and (3) changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

(XIX) Revenue

1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payments for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods

to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

(XX) Contract assets, contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

(XXI) Government grants

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

2. Government grants related to assets

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who provides loans for the Company with a policy subsidised interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the

policy subsidised interest rate.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidised interest shall offset relevant borrowing cost.

(XXII) Deferred tax assets/Deferred tax liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence indicating that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

(XXIII) Leases

1. The Company as the lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes a lease as a lease of a low-value asset if the underlying asset is of low value when it is new. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

For all short-term leases and leases of low-value assets, lease payments are recognized as cost or profit or loss with straight-line method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement date.

(1) Right-of-use assets

The right-of-use asset is measured at cost and the cost shall comprise: 1) the amount of the initial measurement of the lease liabilities; 2) any lease payments made at or before the commencement date, less any lease incentives received; 3) any initial direct costs incurred by the lessee; and 4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Company depreciates the right-of-use asset using the straight-line method. If it is reasonable to be certain that the ownership of the underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

(2) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date, if there is a change in the following items: 1) actual fixed payments; 2) amounts expected to be payable under residual value guarantees; 3) an index or a rate used to determine lease payments; 4) assessment result or exercise of purchase option, extension option or termination option, the Company remeasures the lease liability based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liability, the remaining amount shall be recognized into profit or loss.

2. The Company as the lessor

At the commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is classified as an operating lease.

(1) Operating lease

Lease receipts are recognized as lease income with straight-line method over the lease term. Initial

direct costs incurred shall be capitalized, amortized on the same basis as the recognition of lease income, and included into profit or loss by installments. Variable lease payments related to operating lease which are not included in the lease payment are charged as profit or loss in the periods in which they are incurred.

(2) Finance lease

At the commencement date, the Company recognizes the finance lease payment receivable based on the net investment in the lease (sum of the present value of unguaranteed residual value and lease receipts that are not received at the commencement date, discounted by the interest rate implicit in the lease), and derecognizes assets held under the finance lease. The Company calculates and recognizes interest income using the interest rate implicit in the lease over the lease term.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

3. Sale and leaseback

(1) The Company as the lessee

In accordance with the “CASBE 14 – Revenues”, the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company measures the right-of-use asset arising from the leaseback at the proportion of the original carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

Otherwise, the Company continues the recognition of the transferred assets, and recognizes a financial liability equal to the amount of transfer income in accordance with the “CASBE 22 – Financial Instruments: Recognition and Measurement” at the same time.

(2) The Company as the lessor

In accordance with the “CASBE 14 – Revenues”, the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company accounts for the purchase of assets in accordance with other applicable standards, and accounts for the lease of assets in accordance with the “CASBE 21 – Leases”.

Otherwise, the Company does not recognize the transferred asset, but recognizes a financial asset equal to the amount of transfer income in accordance with the “CASBE 22 – Financial Instruments: Recognition and Measurement”.

(XXVI) Significant changes in accounting policies

Changes in accounting policies arising from changes in CASBEs

The Company has adopted the regulations about accounting for deferred tax related to assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply in the “Interpretation of China Accounting Standards for Business Enterprises No. 16” issued by the Ministry of Finance since January 1, 2023, and makes adjustments on such single transactions occurring between the beginning of the earliest comparative period and the first adoption date accordingly. For taxable and deductible temporary differences associated with lease liabilities and right-of-use assets, provisions associated with decommissioning obligations and corresponding assets arising from such single transactions and presented at the beginning of the earliest comparative period, the cumulative effect of initially applying such regulations and “CASBE 18 – Enterprise Income Tax” shall be adjusted into retained earnings or other related items at the beginning of the earliest comparative period presented. Details on adjustments are as follows:

Financial statement items affected	Amounts affected	Remarks
Items of balance sheet as at December 31, 2022		
Deferred tax liabilities	69,175.29	
Undistributed profit	-35,279.40	
Non-controlling interest	-33,895.89	
Items of income statement of 2022		
Income tax expenses	69,175.29	
Net profit attributable to non-controlling shareholders	33,895.89	

IV. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	13%, 9%, 6%, 3%, 1%
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of lease income	1.2%, 12%
Urban maintenance and construction tax	Turnover tax actually paid	7%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%

Taxes	Tax bases	Tax rates
Enterprise income tax	Taxable income	25%, 20%
Profits tax	Assessable profits	16.5% [Note]

Note: Quan Cheng International Financial Holdings Co., Limited is subject to tax policies of Hong Kong SAR.

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
Jinan Financial Holding Venture Capital Co., Ltd.	20%
Jinan Financial Holding Financial Service Outsourcing Co., Ltd.	20%
Jinan Xinkong Financial Technology Service Co., Ltd.	20%
Taxpayers other than the above-mentioned	25%

(II) Tax preferential policies

1. Pursuant to the “Announcement on Preferential Income Tax Policies for Small Enterprises with Meager Profit and Individually-owned Businesses” (Announcement of the Ministry of Finance and State Taxation Administration [2023] No. 6) jointly issued by the Ministry of Finance and the State Taxation Administration, from January 1, 2023 to December 31, 2024, enterprise income tax for the portion of the taxable income within 1 million yuan of small enterprises with meager profit is levied at 20% based on 25% of that portion of income. Jinan Financial Holding Venture Capital Co., Ltd., Jinan Financial Holding Financial Service Outsourcing Co., Ltd. and Jinan Xinkong Financial Technology Service Co., Ltd. are eligible as small enterprises with meager profit and enjoy such tax preferential policy.

2. Pursuant to the “Announcement on Further Support for Development of Small Enterprises with Meager Profit and Individually-owned Businesses” (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 12) jointly issued by the Ministry of Finance and the State Taxation Administration, from January 1, 2023 to December 31, 2027, the resource tax (excluding water resources tax), urban maintenance and construction tax, housing property tax, urban land use tax, stamp duty (excluding stamp duty of securities transactions), farmland occupation tax, education surcharge and local education surcharge shall be levied by half for small-scale VAT taxpayers, small enterprises with meager profit and individually-owned businesses. Jianghai Huixin Futures Co., Ltd., Jinan Financial Holding Quancheng Supply Chain Service Co., Ltd. and Jinan Xinkong Financial Technology Service Co., Ltd. are eligible as small-scale taxpayers and enjoy such tax preferential policy.

3. Pursuant to the “Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying Policies on VAT Reduction and Exemption for Small-scale VAT Taxpayers” (Announcement of the Ministry of Finance and the State Taxation Administration

[2023] No. 1) jointly issued by the Ministry of Finance and the State Taxation Administration, from January 1, 2023 to December 31, 2023, small-scale VAT taxpayers with monthly sales of less than 100,000 yuan (inclusive) shall be exempt from VAT. Taxable sales income of small-scale VAT taxpayers subject to a levy rate of 3% shall be levied with VAT at a reduced levy rate of 1%, while prepaid VAT items subject to a pre-levy rate of 3% shall prepay VAT at a reduced pre-levy rate of 1%. Jianghai Huixin Futures Co., Ltd. and Jinan Xinkong Financial Technology Service Co., Ltd. are eligible as small-scale VAT taxpayers and enjoy such tax preferential policy.

4. Pursuant to the “Notice of the Ministry of Finance and the State Taxation Administration on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax” (Cai Shui [2016] No. 36), for general taxpayers of the pilot taxpayers approved by the People’s Bank of China, the China Banking Regulatory Commission or the Ministry of Commerce to engage in finance lease business and providing finance lease services and financing sale and leaseback services of tangible assets, the portion exceeding 3% of the actual VAT burden shall be refunded upon collection. Jinan Financial Holding International Financial Leasing Co., Ltd. enjoys such tax preferential policy.

5. Pursuant to the “Notice of the Ministry of Finance and the State Taxation Administration on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax” (Cai Shui [2016] No. 36), for pilot taxpayers approved by the People’s Bank of China, the China Banking Regulatory Commission or the Ministry of Commerce to engage in finance lease business and providing finance lease services, the sales revenue shall be the balance of the total price and extra-price fees obtained after deducting the paid borrowing interest (including interest on foreign exchange borrowings and RMB borrowings), issued bond interest and vehicle purchase tax. For pilot taxpayers who have been approved by the People’s Bank of China, the China Banking Regulatory Commission or the Ministry of Commerce to engage in finance lease business and providing financing sale and leaseback services, the sales revenue shall be the balance of the total price and extra-price fees (excluding principal) after deducting the paid borrowing interest (including interest on foreign exchange borrowings and RMB borrowings) and issued bond interest. Jinan Financial Holding International Financial Leasing Co., Ltd. enjoys such tax preferential policy.

6. Pursuant to the tax regulations and policies of the British Virgin Islands at the registration time, Quan Cheng Financial Holdings (BVI) Limited does not need to declare or pay taxes.

7. According to Article 91 of the “Implementation Regulations of the Enterprise Income Tax Law of the People’s Republic of China”, enterprise income tax on the income as stipulated in article 27 (5) of the “Enterprise Income Tax Law” obtained by non-resident enterprises shall be levied at a reduced rate of 10%. Quan Cheng International Financial Holdings Co., Limited is subject to a reduced rate of 10% for enterprise income tax.

V. Notes to items of consolidated financial statements

(I) Notes to items of the consolidated balance sheet

1. Cash and bank balances

(1) Details

Items	Closing balance	Opening balance
Cash on hand	4,488.86	5,525.05
Cash in bank	874,158,579.60	763,518,801.11
Other cash and bank balances	582,128,441.02	426,963,391.80
Total	1,456,291,509.48	1,190,487,717.96

(2) Details of other cash and bank balances

Items	Closing balance	Opening balance
Futures margin deposits	580,622,146.02	411,905,872.94
Deposits for bank acceptance		15,000,000.00
Securities account funds	1,506,076.90	55,901.09
Funds for reverse repurchase of treasury bonds	218.10	1,617.77
Subtotal	582,128,441.02	426,963,391.80

2. Financial assets as receivables

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Non-performing assets	1,460,796,060.42	20,375,648.50	1,440,420,411.92
Comprehensive financial services	40,000,000.00	400,000.00	39,600,000.00
Enterprise bonds			
Total	1,500,796,060.42	20,775,648.50	1,480,020,411.92

(Continued)

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Non-performing assets	1,365,982,401.60	20,377,648.50	1,345,604,753.10
Comprehensive financial services	25,000,000.00	250,000.00	24,750,000.00
Enterprise bonds	1,000,000.00		1,000,000.00
Total	1,391,982,401.60	20,627,648.50	1,371,354,753.10

3. Interest receivable

Items	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Interest on debt in the name of equity	4,661,182.77	3,894,382.77	766,800.00	5,067,019.75	4,110,219.75	956,800.00
Total	4,661,182.77	3,894,382.77	766,800.00	5,067,019.75	4,110,219.75	956,800.00

4. Receivables

(1) Details

Items	Closing balance	Opening balance
Notes receivable		71,519,816.43
Accounts receivable	1,043,256,960.55	860,779,366.27
Advances paid	22,218,160.21	78,902,090.70
Dividend receivable	22,402,500.00	23,822,500.00
Total	1,087,877,620.76	1,035,023,773.40

(2) Notes receivable

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on a collective basis					
Including: Bank acceptance					
Trade acceptance					
Subtotal					

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on a collective basis	71,519,816.43	100.00			71,519,816.43
Including: Bank acceptance					
Trade acceptance	71,519,816.43	100.00			71,519,816.43
Subtotal	71,519,816.43	100.00			71,519,816.43

(3) Accounts receivable

1) Details

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	89,178,440.00	7.92	65,140,596.00	73.05	24,037,844.00
Receivables with provision made on a collective basis	1,036,349,052.59	92.08	17,129,936.04	1.65	1,019,219,116.55
Subtotal	1,125,527,492.59	100.00	82,270,532.04	7.31	1,043,256,960.55

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Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	73,278,440.00	7.80	64,750,596.00	88.36	8,527,844.00
Receivables with provision made on a collective basis	865,725,704.73	92.20	13,474,182.46	1.56	852,251,522.27
Subtotal	939,004,144.73	100.00	78,224,778.46	8.33	860,779,366.27

2) Significant accounts receivable with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision made
Jinan Wuyun Energy Group Co., Ltd.	27,000,000.00	24,300,000.00	90.00	Expected to be partially irrecoverable
Shandong Haoke Intelligent Technology Co., Ltd.	10,000,000.00	9,000,000.00	90.00	Expected to be partially irrecoverable
Liwen Technology (Shandong) Co., Ltd.	5,625,000.00	5,062,500.00	90.00	Expected to be partially irrecoverable
Jinan Meigao Biotechnologies Co., Ltd.	8,460,000.00	7,614,000.00	90.00	Expected to be partially irrecoverable
Jinan Jiuding Zhongtai International Trade Co., Ltd.	7,575,000.00	6,817,500.00	90.00	Expected to be partially irrecoverable
Shandong Duxiang Network Media Co., Ltd.	3,000,000.00	2,700,000.00	90.00	Expected to be partially irrecoverable
Shandong Sijiqing Garden Greening Co., Ltd.	4,900,000.00	4,410,000.00	90.00	Expected to be partially irrecoverable
Shandong Suncor Biopharmaceutical Co., Ltd.	3,718,440.00	3,346,596.00	90.00	Expected to be partially irrecoverable
Shandong Haiguan Electric Power Technology	18,900,000.00	1,890,000.00	10.00	Expected to be partially irrecoverable

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision made
Co., Ltd.				
Subtotal	89,178,440.00	65,140,596.00	73.05	

3) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with ages	48,870,330.61			9,134,958.73	9,875.00	0.11
Other portfolios	987,478,721.98	17,129,936.04	1.73	856,590,746.00	13,464,307.46	1.57
Subtotal	1,036,349,052.59	17,129,936.04	1.65	865,725,704.73	13,474,182.46	1.56

4) Accounts receivable with provision made on a collective basis using age analysis method

Ages	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	48,870,330.61			8,937,458.73		
1-2 years				197,500.00	9,875.00	5.00
Subtotal	48,870,330.61			9,134,958.73	9,875.00	0.11

5) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)	Book balance	Provision for bad debts	Provision proportion (%)
Factoring receivables	987,478,721.98	17,129,936.04	1.73	856,590,746.00	13,464,307.46	1.57
Subtotal	987,478,721.98	17,129,936.04	1.73	856,590,746.00	13,464,307.46	1.57

(4) Advances paid

Ages	Closing balance			
	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	22,214,957.01	99.99		22,214,957.01
1-2 years	3,203.20	0.01		3,203.20
2-3 years				
Over 3 years				
Subtotal	22,218,160.21	100.00		22,218,160.21

(Continued)

Ages	Opening balance			
	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	78,897,830.22	99.98		78,897,830.22
1-2 years				
2-3 years	1,000.00	0.01		1,000.00
Over 3 years	3,260.48	0.01		3,260.48
Subtotal	78,902,090.70	100.00		78,902,090.70

(5) Dividend receivable

Items	Closing balance	Opening balance
Shandong Hongjitang Pharmaceutical Group Co., Ltd.	21,760,000.00	21,760,000.00
Shandong Zhengwei Supply Chain Management Co., Ltd.	642,500.00	2,062,500.00
Subtotal	22,402,500.00	23,822,500.00

5. Loans and advances

(1) Distribution of loans and advances by individuals and enterprises

Items	Closing balance	Opening balance
Loans to individuals	103,957,117.57	60,788,460.88
Loans to enterprises	1,025,436,473.70	1,100,837,283.84
Less: Loss allowance for loans	166,623,456.66	18,862,402.93
Including: On an individual basis	581,500.00	
On a collective basis	166,041,956.66	18,862,402.93
Total	962,770,134.61	1,142,763,341.79

(2) Distribution of loans and advances by ways of guarantee

Items	Closing balance	Opening balance
Guaranteed loans	168,897,705.98	92,449,777.77
Mortgaged loans	815,111,711.95	918,201,109.17
Pledged loans	145,384,173.34	150,974,857.78
Subtotal	1,129,393,591.27	1,161,625,744.72
Less: Loss allowance for loans	166,623,456.66	18,862,402.93
Including: On an individual basis	581,500.00	
On a collective basis	166,041,956.66	18,862,402.93
Total	962,770,134.61	1,142,763,341.79

(3) Distribution of loans and advances by industry

Items	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
Service industry	376,657,444.46	33.36	381,711,000.00	32.87
Construction industry	293,129,767.18	25.95	359,627,314.95	30.96
Manufacturing industry	271,659,492.99	24.05	285,218,666.67	24.55
Wholesale and retail industry	85,060,173.34	7.53	72,606,413.33	6.25
Sports industry	25,262,919.99	2.24	45,913,460.88	3.95
Individual	77,623,793.31	6.87	16,548,888.89	1.42
Subtotal	1,129,393,591.27	100.00	1,161,625,744.72	100.00
Less: Loss allowance for loans	166,623,456.66	100.00	18,862,402.93	100.00
Including: On an individual basis	581,500.00	0.35		
On a collective basis	166,041,956.66	99.65	18,862,402.93	100.00
Total	962,770,134.61	100.00	1,142,763,341.79	100.00

(4) Overdue loans (by ways of guarantee)

Items	Closing balance [Note]				
	Overdue for 1 day to 90 days (including 90 days)	Overdue for 90 days to 360 days (including 360 days)	Overdue for 360 days to 3 years (including 3 years)	Overdue for over 3 years	Total
Guaranteed loans [Note]			2,400,000.00	106,204,372.64	108,604,372.64
Mortgaged loans	56,500,000.00	172,925,369.25	63,470,068.65	7,357,016.62	300,252,454.52
Pledged loans			53,635,728.90	5,000,000.00	58,635,728.90
Subtotal	56,500,000.00	172,925,369.25	119,505,797.55	118,561,389.26	467,492,556.06

(Continued)

Items	Opening balance				
	Overdue for 1 day to 90 days (including 90 days)	Overdue for 90 days to 360 days (including 360 days)	Overdue for 360 days to 3 years (including 3 years)	Overdue for over 3 years	Total
Guaranteed loans					
Mortgaged loans	37,999,087.37	53,830,000.00	7,544,571.99		99,373,659.36
Pledged loans	49,000,000.00	11,900,000.00			60,900,000.00
Subtotal	86,999,087.37	65,730,000.00	7,544,571.99		160,273,659.36

Note: The non-match between the closing balance and opening balance of overdue loans is due to the acquisition of Jinan Lixia District Huixin Small Loan Co., Ltd. through business combination in the current period.

6. Held-for-trading financial assets

Items	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	4,564,009,767.93	4,772,372,526.91
Including: Equity instrument investments	4,529,991,685.74	4,522,477,269.59
Financial products	8,042,082.19	
Reverse repurchase of treasury bonds	8,550,000.00	222,893,073.32
Acquisition of non-performing credit	17,426,000.00	27,002,184.00
Total	4,564,009,767.93	4,772,372,526.91

7. Other equity instrument investments

Items	Closing balance	Opening balance	Gains or losses included into other comprehensive income in current period	Accumulated gains or losses included into other comprehensive income at the end of the period	Dividend income in the current period
Shandong Railway Construction Investment Co., Ltd.	1,998,483,892.48	2,048,085,266.11	-49,601,373.63	198,483,892.47	
Jinan International Airport Co., Ltd.	82,705,626.20	99,815,786.98	-17,110,160.78	-47,080,088.80	
Shandong Beichen Mechanical & Electrical Equipment Co., Ltd.	14,850,000.00	14,850,000.00			
Shandong Re-guarantee Group Co., Ltd.	11,994,770.33	40,668,442.89	-28,673,672.56	-28,005,229.67	
Huarong Information Industry Co., Ltd.	10,000,000.00	10,000,000.00			
Qilu Equity Trading Center Co., Ltd.	6,112,602.61	6,070,343.80	42,258.81	2,112,602.61	
Shandong Tongyuan Electric Co., Ltd.	5,452,096.45	6,831,370.84	-1,379,274.39	2,332,096.45	
Shandong Yuntian Security Technology Co., Ltd.	2,100,285.63	6,300,856.88	8,199,428.75	-2,899,714.37	
Zhangqiu Fengyuan Machinery Co., Ltd.	1,534,296.44	1,516,379.25	17,917.19	-545,703.56	
Jinan Shaoxin Soaring Abrasion Propof Material Co., Ltd.	1,198,463.99	1,105,755.61	92,708.38	-201,536.01	
Shandong Zhongguan Entrepreneurship Information Technology Co., Ltd.	737,756.83	898,120.33	-160,363.50	-42,243.17	
Jinan Meigao Biotechnologies Co., Ltd.	627,576.63	698,609.31	-71,032.68	-872,423.36	
Jinan Xinjin Hydrogen Energy Co., Ltd.	150,000.00	150,000.00		-1,717,623.06	

Items	Closing balance	Opening balance	Gains or losses included into other comprehensive income in current period	Accumulated gains or losses included into other comprehensive income at the end of the period	Dividend income in the current period
Shandong Suncor Biopharmaceutical Co., Ltd.	145,521.47	145,521.47		-474,218.53	
Jinan Tongzhi Innovative Energy Technology Co., Ltd.	38,266.20	38,266.20		-14,871,733.80	
Shandong Haoke Intelligent Technology Co., Ltd.		970,000.00	-970,000.00	-10,000,000.00	
Jinan Mihui Network Technology Co., Ltd.		18,836.54	-18,836.54	-1,400,000.00	
Total	2,136,131,155.26	2,238,163,556.21	-89,632,400.95	94,818,077.20	

8. Long-term equity investments

(1) Categories

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Investments in associates	4,623,570,409.67		4,623,570,409.67
Total	4,623,570,409.67		4,623,570,409.67

(Continued)

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Investments in associates	4,535,576,806.16	40,480,501.34	4,495,096,304.82
Total	4,535,576,806.16	40,480,501.34	4,495,096,304.82

(2) Details of investments in associates

Investees	Holding proportion (%)	Opening balance	Increase/Decrease		
			Investments increased	Investments decreased	Investment income recognized under equity method
Jinan Caijin Shed Reform Investment Co., Ltd.	20.00	2,358,124.99			6,054.79
Jinan Radio and Television Mobile TV Co., Ltd.	38.00	1,200,096.67			-453,860.43
Jinan Rural Commercial Bank Co., Ltd.	10.00	735,352,931.41			12,830,810.00
Jinan Lixia District Huixin Small Loan Co., Ltd.	50.50	8,323,127.45			246,163.83
Linuo Investment Holding Group Co., Ltd.	19.16	1,433,300,795.19			40,464,632.31

Investees	Holding proportion (%)	Opening balance	Increase/Decrease		
			Investments increased	Investments decreased	Investment income recognized under equity method
Lugangshen Caijin Enterprise Management Service (Jinan) Co., Ltd.	55.00	592,672.98			62,506.14
Qishang Bank Co., Ltd.	3.19	464,133,658.59			19,071,685.06
Shandong Hongjitang Pharmaceutical Group Co., Ltd.	20.91	1,495,441,338.64			88,989,517.33
Shandong Financial Assets Trading Center Co., Ltd.	10.00	90,338,429.96		68,237,914.47	470,401.64
Shandong Zhengwei Supply Chain Management Co., Ltd.	25.00	252,954,276.86			-2,275,874.78
Shandong Zhongte Food Technology Co., Ltd.	40.00	11,100,852.08			-6,327,830.86
Total		4,495,096,304.82		68,237,914.47	153,084,205.03

(Continued)

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Adjustment in other comprehensive income	Changes in other equity	Provision for impairment	Others		
Jinan Caijin Shed Reform Investment Co., Ltd.					2,364,179.78	
Jinan Radio and Television Mobile TV Co., Ltd.					746,236.24	
Jinan Rural Commercial Bank Co., Ltd.	2,877,440.00	825,300.00			751,886,481.41	
Jinan Lixia District Huixin Small Loan Co., Ltd.				-8,569,291.28		
Linuo Investment Holding Group Co., Ltd.		46,695,151.58			1,520,460,579.08	
Lugangshen Caijin Enterprise Management Service (Jinan) Co., Ltd.				39,005.58	694,184.70	
Qishang Bank Co., Ltd.	1,512,183.12				484,717,526.77	
Shandong Hongjitang Pharmaceutical Group Co., Ltd.					1,584,430,855.97	
Shandong Financial Assets Trading Center Co., Ltd.				248,025.29	22,818,942.42	
Shandong Zhengwei Supply Chain Management Co., Ltd.					250,678,402.08	
Shandong Zhongte Food Technology Co., Ltd.					4,773,021.22	

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Adjustment in other comprehensive income	Changes in other equity	Provision for impairment	Others		
Total	4,389,623.12	47,520,451.58		-8,282,260.41	4,623,570,409.67	

9. Investment property

Items	Buildings and structures	Total
Opening balance		
Movement	518,825,382.60	518,825,382.60
Add: Acquisition	488,870,669.72	488,870,669.72
Business combination	4,622,449.83	4,622,449.83
Less: Disposal		
Changes in fair value	25,332,263.05	25,332,263.05
Closing balance	518,825,382.60	518,825,382.60

10. Fixed assets

(1) Details

Items	Buildings and structures	Machinery	Transport facilities	Electronic and communication equipment	Office equipment	Total
Cost						
Opening balance	11,472,941.16	277,433,628.83	1,239,445.87	27,585,036.84	2,244,833.70	319,975,886.40
Increase	893,991,312.84	115,044,247.60		1,849,429.11	7,917,162.41	1,018,802,151.96
1) Acquisition	893,991,312.84	115,044,247.60		1,704,486.49	7,785,036.14	1,018,525,083.07
2) Business combination				144,942.62	132,126.27	277,068.89
Decrease				46,088.00	128,744.49	174,832.49
1) Disposal/ Scrapping				46,088.00	128,744.49	174,832.49
Closing balance	905,464,254.00	392,477,876.43	1,239,445.87	29,388,377.95	10,033,251.62	1,338,603,205.87
Accumulated depreciation						
Opening balance	3,806,493.15	39,214,355.86	1,108,309.64	20,013,376.10	1,662,991.17	65,805,525.92
Increase	12,514,888.51	45,971,546.17	60,131.52	2,372,550.37	651,425.93	61,570,542.50
1) Accrual	12,514,888.51	45,971,546.17	60,131.52	2,264,092.92	538,390.43	61,349,049.55
2) Business combination				108,457.45	113,035.50	221,492.95
Decrease				43,783.60	126,085.16	169,868.76
1) Disposal/ Scrapping				43,783.60	126,085.16	169,868.76
Closing balance	16,321,381.66	85,185,902.03	1,168,441.16	22,342,142.87	2,188,331.94	127,206,199.66
Provision for impairment						

Items	Buildings and structures	Machinery	Transport facilities	Electronic and communication equipment	Office equipment	Total
Opening balance						
Increase						
Decrease						
Closing balance						
Carrying amount						
Closing balance	889,142,872.34	307,291,974.40	71,004.71	7,046,235.08	7,844,919.68	1,211,397,006.21
Opening balance	7,666,448.01	238,219,272.97	131,136.23	7,571,660.74	581,842.53	254,170,360.48

(2) Fixed assets leased out under operating leases

Items	Closing carrying amount
Machinery	307,291,974.40

11. Right-of-use assets

Items	Buildings and structures	Total
Cost		
Opening balance	5,007,547.46	5,007,547.46
Increase	1,572,313.56	1,572,313.56
1) Leased in	1,572,313.56	1,572,313.56
Decrease		
Closing balance	6,579,861.02	6,579,861.02
Accumulated depreciation		
Opening balance	3,022,274.54	3,022,274.54
Increase	1,786,877.14	1,786,877.14
1) Accrual	1,786,877.14	1,786,877.14
Decrease		
Closing balance	4,809,151.68	4,809,151.68
Carrying amount		
Closing balance	1,770,709.34	1,770,709.34
Opening balance	1,985,272.92	1,985,272.92

12. Intangible assets

(1) Details

Items	Software	Total
Cost		
Opening balance	18,606,837.29	18,606,837.29

Items	Software	Total
Increase	2,162,203.54	2,162,203.54
1) Acquisition	2,162,203.54	2,162,203.54
Decrease		
Closing balance	20,769,040.83	20,769,040.83
Accumulated amortization		
Opening balance	12,137,629.74	12,137,629.74
Increase	1,976,097.95	1,976,097.95
1) Accrual	1,976,097.95	1,976,097.95
Decrease		
Closing balance	14,113,727.69	14,113,727.69
Provision for impairment		
Opening balance	49,166.87	49,166.87
Increase		
Decrease		
Closing balance	49,166.87	49,166.87
Carrying amount		
Closing balance	6,606,146.27	6,606,146.27
Opening balance	6,420,040.68	6,420,040.68

13. Goodwill

(1) Details

Investees or events resulting in goodwill	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Jianghai Huixin Futures Co., Ltd.	198,387,060.08	20,077,922.74	178,309,137.34	198,387,060.08		198,387,060.08
Total	198,387,060.08	20,077,922.74	178,309,137.34	198,387,060.08		198,387,060.08

(2) Cost

Investees or events resulting in goodwill	Opening balance	Increase due to business combination in the current period	Decrease		Closing balance
			Disposal	Others	
Jianghai Huixin Futures Co., Ltd.	198,387,060.08				198,387,060.08
Total	198,387,060.08				198,387,060.08

(3) Provision for impairment

Investees or events resulting in goodwill	Opening balance	Accrual	Decrease		Closing balance
			Disposal	Others	
Jianghai Huixin Futures Co., Ltd.		20,077,922.74			20,077,922.74
Total		20,077,922.74			20,077,922.74

14. Long-term prepayments

Items	Opening balance	Increase	Amortization	Closing balance
Decoration fees	251,056.89	145,912.14	123,122.66	273,846.37
Prepayments	254,819.56	11,207.34	264,026.90	2,000.00
Bond issuance service fees	465,985.33		465,985.33	
Operation and service fees	302,663.94	59,016.00	173,904.25	187,775.69
DNS fees	3,020.49		1,132.69	1,887.80
Property fees		1,506,506.12	570,349.42	936,156.70
Insurance premium	71,353.33	77,840.00	77,839.90	71,353.43
Others	274,934.09	287,654.22	364,385.67	198,202.64
Total	1,623,833.63	2,088,135.82	2,040,746.82	1,671,222.63

15. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offset

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	74,134,878.76	18,533,719.69	67,696,258.39	16,924,064.60
Deductible losses	25,332,263.05	6,333,065.76	1,209,188.85	302,297.21
Deferred income	88,923.28	22,230.82	168,923.28	42,230.82
Employee benefits	90,190.00	22,547.50	5,390.00	1,347.50
Lease liabilities	1,575,759.53	393,939.88	1,708,571.75	427,142.94
Changes in fair value of other equity instruments	104,943,176.91	26,235,794.23		
Changes in fair value of held-for-trading financial assets	63,364,843.61	15,841,210.90		
Total	269,530,035.14	67,382,508.78	70,788,332.27	17,697,083.07

(2) Deferred tax liabilities before offset

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Changes in fair value of other equity instruments	202,928,591.54	50,732,147.88	254,653,543.96	63,663,385.99
Changes in fair value of investment property	25,332,263.05	6,333,065.76		
Right-of-use assets	1,770,709.34	442,677.36	1,985,272.92	496,318.23
Changes in fair value of held-for-trading financial assets	1,041,864,438.11	260,466,109.50	962,847,427.61	221,778,598.19
Total	1,271,896,002.04	317,974,000.50	1,219,486,244.49	285,938,302.41

(3) Deferred tax assets or liabilities after offset

Items	Closing balance		Opening balance	
	Deferred tax assets offset by deferred tax liabilities	Deferred tax assets/liabilities after offset	Deferred tax assets offset by deferred tax liabilities	Deferred tax assets/liabilities after offset
Deferred tax assets	64,367,682.38	3,014,826.40	499,586.56	17,197,496.51
Deferred tax liabilities	64,367,682.38	253,606,318.12	499,586.56	285,438,715.85

16. Other assets

(1) Details

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Other receivables	1,495,286,759.60	77,677,493.07	1,417,609,266.53
Non-current assets due within one year	87,491,990.59	16,883,266.84	70,608,723.75
Other current assets	397,298,238.59		397,298,238.59
Long-term receivables	5,319,681,409.99	38,886,555.98	5,280,794,854.01
Other non-current assets	1,621,882,228.80	99,900.00	1,621,782,328.80
Total	8,921,640,627.57	133,547,215.89	8,788,093,411.68

(Continued)

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Other receivables	1,374,245,747.30	40,490,622.95	1,333,755,124.35
Non-current assets due within one year	25,000,000.00		25,000,000.00

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Other current assets	289,338,622.84		289,338,622.84
Long-term receivables	4,314,424,762.35	46,044,066.77	4,268,380,695.58
Other non-current assets	2,902,823,123.08		2,902,823,123.08
Total	8,905,832,255.57	86,534,689.72	8,819,297,565.85

(2) Other receivables

1) Details

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	152,289,970.85	10.18	77,287,359.29	50.75	75,002,611.56
Receivables with provision made on a collective basis	1,342,996,788.75	89.82	390,133.78	0.03	1,342,606,654.97
Subtotal	1,495,286,759.60	100.00	77,677,493.07	5.18	1,417,609,266.53

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	148,622,179.82	10.81	39,812,005.76	26.79	108,810,174.06
Receivables with provision made on a collective basis	1,225,623,567.48	89.19	678,617.19	0.06	1,224,944,950.29
Subtotal	1,374,245,747.30	100.00	40,490,622.95	2.95	1,333,755,124.35

2) Significant other receivables with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision made
Linuo Group Co., Ltd.	48,119,236.56			
Shandong Jiayuan Edible Mushroom Technology Co., Ltd.	5,820,000.00	1,746,000.00	30.00	Expected to be partially irrecoverable
Shandong Kuchuang Information Technology Co., Ltd.	2,256,068.26	2,256,068.26	100.00	Expected to be irrecoverable
Jinan Kehui Testing Equipment Co., Ltd.	3,000,000.00	2,700,000.00	90.00	Expected to be partially irrecoverable

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision made
Shandong Tongyuan Electric Co., Ltd.	4,000,000.00	2,000,000.00	50.00	Expected to be partially irrecoverable
Jinan Jiahe Ruifeng Technology Development Co., Ltd.	12,480,000.00	6,240,000.00	50.00	Expected to be partially irrecoverable
Shandong Zhongte Food Technology Co., Ltd.	71,346,875.00	57,077,500.00	80.00	Expected to be partially irrecoverable
Jinan Lixia District Investment Promotion Bureau	5,000,000.00	5,000,000.00	100.00	Expected to be irrecoverable
Hanchen Tonghua (Beijing) Investment Co., Ltd.	250,000.00	250,000.00	100.00	Expected to be irrecoverable
Shandong Yaoyuan Pharmaceutical Logistics Park Co., Ltd.	17,791.03	17,791.03	100.00	Expected to be irrecoverable
Subtotal	152,289,970.85	77,287,359.29	50.75	

3) Other receivables with provision made on a collective basis

Portfolios	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)	Book balance	Provision for bad debts	Provision proportion (%)
Risk-free portfolio	1,266,940,431.94			1,189,589,101.52		
Portfolio grouped with ages	76,056,356.81	390,133.78	0.51	36,034,465.96	678,617.19	1.89
Including: Within 1 year	72,995,087.77			25,215,007.11		
1-2 years	2,439,118.69	121,955.93	5.00	10,509,784.73	502,764.24	4.78
2-3 years	391,304.47	39,130.45	10.00	7,847.70	784.77	10.00
3-4 years	2,050.00	615.00	30.00	3,388.00	1,016.40	30.00
4-5 years	726.97	363.49	50.00	248,773.28	124,386.64	50.00
Over 5 years	228,068.91	228,068.91	100.00	49,665.14	49,665.14	100.00
Subtotal	1,342,996,788.75	390,133.78	0.03	1,225,623,567.48	678,617.19	1.88

(3) Other current assets

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Input VAT to be credited	128,809,528.27		128,809,528.27	5,671,873.02		5,671,873.02
Prepaid taxes	14,369,577.02		14,369,577.02			
Currency deposits receivable	236,131,637.58		236,131,637.58	225,307,741.21		225,307,741.21
Settlement guarantee funds receivable	12,049,604.49		12,049,604.49	10,000,000.00		10,000,000.00
Pledged deposits receivable				39,816,000.00		39,816,000.00
Futures membership investments	1,400,000.00		1,400,000.00	1,400,000.00		1,400,000.00

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Prepayments	1,866,261.60		1,866,261.60	2,111,750.84		2,111,750.84
Others	2,671,629.63		2,671,629.63	5,031,257.77		5,031,257.77
Subtotal	397,298,238.59		397,298,238.59	289,338,622.84		289,338,622.84

(4) Non-current assets due within one year

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Long-term receivables due within one year	87,491,990.59	16,883,266.84	70,608,723.75
Subtotal	87,491,990.59	16,883,266.84	70,608,723.75

(Continued)

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Long-term receivables due within one year	25,000,000.00		25,000,000.00
Subtotal	25,000,000.00		25,000,000.00

(5) Long-term receivables

Items	Closing balance		
	Book balance	Provision for bad debts	Carrying amount
Finance lease payments	3,918,528,138.09	36,486,555.98	3,882,041,582.11
Including: Unrealized finance income	325,496,728.10		325,496,728.10
Borrowings in the nature of debt, in the name of equity	40,850,000.00	2,400,000.00	38,450,000.00
Borrowings	1,685,800,000.00		1,685,800,000.00
Subtotal	5,319,681,409.99	38,886,555.98	5,280,794,854.01

(Continued)

Items	Opening balance		
	Book balance	Provision for bad debt	Carrying amount
Finance lease payments	3,132,153,361.12	29,160,799.93	3,102,992,561.19
Including: Unrealized finance income	272,739,921.86		272,739,921.86
Borrowings in the nature of debt, in the name of equity	93,530,000.00		93,530,000.00
Borrowings	1,361,481,323.09	16,883,266.84	1,344,598,056.25
Subtotal	4,314,424,762.35	46,044,066.77	4,268,380,695.58

(6) Other non-current assets

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Prepayment for purchase of house/Decoration fees	104,496,464.79		104,496,464.79
Land acquisition compensation	1,295,410,000.00		1,295,410,000.00
Prepayment for equity acquisition	208,415,587.00		208,415,587.00
Payments for equipment purchase	10,860,177.01	99,900.00	10,760,277.01
Prepayment for purchase of technology/Project development cost	2,700,000.00		2,700,000.00
Subtotal	1,621,882,228.80	99,900.00	1,621,782,328.80

(Continued)

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Prepayment for purchase of house/Decoration fees	1,501,745,432.80		1,501,745,432.80
Land acquisition compensation	1,295,410,000.00		1,295,410,000.00
Prepayment for equity acquisition	100,000,000.00		100,000,000.00
Payments for equipment purchase	2,967,690.28		2,967,690.28
Prepayment for purchase of technology/Project development cost	2,700,000.00		2,700,000.00
Subtotal	2,902,823,123.08		2,902,823,123.08

17. Assets with title or use right restrictions

Items	Closing book balance	Closing carrying amount	Reasons for restrictions
Cash in bank	301.31	301.31	Settlement account funds
Cash in bank	462,538.05	462,538.05	Payments temporarily suspended due to discrepancy in account information
Accounts receivable	205,000,000.00	202,950,000.00	Underlying assets of assets-backed plan
Long-term receivables	1,029,116,646.38	1,018,825,479.92	Underlying assets of assets-backed plan
Long-term receivables	373,379,077.99	369,645,287.21	Pledged for long-term payables
Long-term receivables	324,162,726.76	320,921,099.49	Pledged for long-term borrowings
Long-term receivables	126,938,750.37	125,669,362.87	Pledged for short-term borrowings

Items	Closing book balance	Closing carrying amount	Reasons for restrictions
Total	2,059,060,040.86	2,038,474,068.85	

18. Short-term borrowings

Borrowing conditions	Closing balance	Opening balance
Pledged borrowings	124,222,998.92	36,090,000.00
Guaranteed borrowings	143,200,000.00	260,259,211.00
Credit borrowings	718,200,000.00	300,000,000.00
Undue interest payable	1,760,668.64	940,625.63
Total	987,383,667.56	597,289,836.63

19. Payables

(1) Details

Items	Closing balance	Opening balance
Accounts payable	614,354,491.70	436,227,247.01
Advances received	29,244,523.04	19,397,016.06
Total	643,599,014.74	455,624,263.07

(2) Accounts payable

Items	Closing balance	Opening balance
Currency deposits payable	507,964,064.27	432,806,590.66
Payments for equipment and engineering	85,523,277.58	3,184,300.00
Trade payments	20,866,493.50	
Payments for software		44,700.00
Others	656.35	191,656.35
Subtotal	614,354,491.70	436,227,247.01

(3) Advances received

Items	Closing balance	Opening balance
Lease payments received in advance	26,507,037.18	17,871,596.00
Others	2,737,485.86	1,525,420.06
Subtotal	29,244,523.04	19,397,016.06