

Company code: 600438

Short name: Tongwei Co., Ltd.

Tongwei Co., Ltd.
2019 Annual Report

Important notes

- I. **The Board of Directors and Board of Supervisors, as well as directors, supervisors and senior executives of the Company guarantee that the present Annual Report is true, accurate and complete in contents without false record, misleading statement or major omission, and undertake the individual and joint legal responsibilities therefore.**
- II. **All directors of the Company attended the board meeting.**
- III. **Sichuan Huaxin (Group) CPA Firm (Special General Partnership) has provided the Company with a standard and unqualified auditor's report.**
- IV. **Xie Yi, head of the Company, Zhou Bin, person in charge of accounting work and Lei Jiaowen, leading member of the accounting body (accountant in charge) announce to guarantee the truth, accuracy and integrity of financial reports in this Annual Report.**
- V. **Profit Distribution Plan or Capital Reserves Share Capitalization Plan for the reporting period, reviewed by the Board of Directors**

According to the capital and investment in 2020, the Company proposes to distribute cash dividend at RMB 1.86 (tax-inclusive) per 10 shares to all shareholders of the Company based on the total shares of 4,287,855,684, and the total cash dividend will be RMB 797,541,157.22. This proposal has been reviewed and approved at the eighth meeting of the seventh board of directors of the Company, and needs to be submitted to the shareholders' meeting of the Company for approval.

VI. Forward-looking Risk Statement

Applicable Inapplicable

The forward-looking statements of the Company regarding its future development strategies and business plans do not constitute any substantial commitment of the Company to investors, and investors should pay attention to investment risks.

VII. Is any capital occupied by any controlled shareholder or its related parties for non-operating purpose?

No

VIII. Is there any external guarantee that violates the prescribed decision-making procedures?

No

IX. Major Risk Warning

The Company had already elaborated possible risks in this Report. Please refer to the contents about the possible risks and countermeasures included in the discussion and analysis of the Company's future development in Section IV Discussion and Analysis of the Operation.

X. Others

Applicable Inapplicable

Contents

SECTION I	DEFINITION.....	4
SECTION II	COMPANY PROFILE AND MAJOR FINANCIAL INDEXES	5
SECTION III	SUMMARY ON COMPANY BUSINESS.....	9
SECTION IV	DISCUSSION AND ANALYSIS ON OPERATION CONDITIONS.....	16
SECTION V	IMPORTANT MATTERS	57
SECTION VI	CHANGES IN COMMON STOCK EQUITY AND SHAREHOLDERS...	94
SECTION VII	PREFERRED SHARES	102
SECTION VIII	CONDITIONS ON DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND STAFF	103
SECTION IX	COMPANY GOVERNANCE	112
SECTION X	INFORMATION ON COMPANY BONDS.....	115
SECTION XI	FINANCIAL REPORT.....	116
SECTION XII	LIST OF DOCUMENTS AVAILABLE FOR INSPECTION	308

Section I Definition

I. Definition

In this Report, unless otherwise indicated in the context, the following terms shall have the meanings as follows:

Definition of common terms		
Tongwei Co., Ltd., Company or the Company	refers to	Tongwei Co., Ltd.
Tongwei Group	refers to	Tongwei Group Co., Ltd.
Yongxiang	refers to	Sichuan Yongxiang Co., Ltd.
Yongxiang Poly-Silicon	refers to	Yongxiang Polycrystalline Silicon Co., Ltd.
Yongxiang New Energy	refers to	Sichuan Yongxiang New Energy Co., Ltd.
Inner Mongolia Tongwei	refers to	Inner Mongolia Tongwei High-Purity Polycrystalline Silicon Co., Ltd.
Tongwei New Energy	refers to	Tongwei New Energy Co., Ltd.
Tongwei Solar (Hefei)	refers to	Tongwei Solar (Hefei) Co., Ltd.
Tongwei Solar (Anhui)	refers to	Tongwei Solar (Anhui) Co., Ltd.
Tongwei Solar (Chengdu)	refers to	Tongwei Solar (Chengdu) Co., Ltd.
Tongwei Solar (Meishan)	refers to	Tongwei Solar (Meishan) Co., Ltd.
Tongyu Property	refers to	Chengdu Tongyu Property Co., Ltd.
Tongwei Media	refers to	Chengdu Tongwei Culture Media Co., Ltd.
China Securities Regulatory Commission/CSRC	refers to	China Securities Regulatory Commission
SSE	refers to	Shanghai Stock Exchange
Designated information disclosure media	refers to	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times
Sichuan Huaxin	refers to	Sichuan Huaxin (Group) CPA Firm (Special General Partnership)
Conversion efficiency rate	refers to	A specification used to measure the ability of a solar cell to convert light energy into electric energy
Convertible bond	refers to	convertible corporate bond
W	refers to	watt, the unit of power
KW,MW,GW	refers to	Unit of power, 1KW = 1000W, 1MW = 1000KW, 1GW = 1000MW
High-purity polycrystalline silicon	refers to	High-purity metal silicon with purity greater than 99.999999%.
166mm cell	refers to	The cell produced with M ₆ silicon wafer (with a length of 166mm) with area 12.21% larger than that of conventional M ₂ silicon wafer (with a length of 156.75mm).
210mm cell	refers to	The cell produced with M ₁₂ silicon wafer (with a length of 210mm) with area 80.5% larger than that of conventional M ₂ silicon wafer (with a length of 156.75mm).
PERC cell	refers to	Passivated Emitter and Rear Contact, a high-efficiency crystalline silicon solar cell structure, where a passivation layer forms on the back surface of AL ₂ O ₃ film or SiN _x to deal with the high carrier recombination on the back surface of all aluminum back surface field solar cell, and then the film will be opened to make the aluminum back surface field effectively contact with the silicon substrate.
TOPCON cell technology	refers to	Tunnel Oxide Passivated Contact cell structure, where an ultra-thin tunnel oxide and a heavily doped polycrystalline silicon thin film are prepared on the surface of the cell to form a passivation contact structure, thus increasing the open-circuit voltage and short-circuit current of the cell and then improving the photoelectric conversion efficiency rate of the cell.
HJT cell technology	refers to	Hetero-junction with Intrinsic Thin-layer, a high-efficiency crystalline silicon solar cell structure, a hybrid solar cell made of crystalline silicon substrate and amorphous silicon thin film, i.e. adding a non-doped (intrinsic) hydrogenated amorphous silicon thin film between P-type hydrogenated amorphous silicon and N-type hydrogenated amorphous silicon and N-type silicon substrate. HJT cell has the advantages of low process temperature, good passivation effect, high open-circuit voltage, double-sided power generation, etc.

Section II Company Profile and Major Financial Indexes

I. Company Information

Chinese name	通威股份有限公司
Abbreviation of Chinese name	通威股份
English name	TONGWEI CO.,LTD
Abbreviation of English name	TONGWEI CO.,LTD
Legal representative	Xie Yi

II. Contact and Contact Information

	Secretary of the Board of Directors	Representative of Securities Affairs
Name	Yan Ke	Li Huayu
Address	Tongwei International Center, No. 588, Tianfu Avenue Middle Section, Hi-Tech Zone, Chengdu	Tongwei International Center, No. 588, Tianfu Avenue Middle Section, Hi-Tech Zone, Chengdu
Tel.	028-86168552	028-86168553
Fax	028-85199999	028-85199999
E-mail	yank@tongwei.com	lihy05@tongwei.com

III. Basic Information

Registered address	No. 588, Tianfu Avenue Middle Section, Hi-Tech Zone, Chengdu
Postal code	610041
Business address	Tongwei International Center, No. 588, Tianfu Avenue Middle Section, Hi-Tech Zone, Chengdu
Postal code	610041
Website	http://www.tongwei.com.cn
E-mail	zqb@tongwei.com

IV. Information Disclosure and Location

Information disclosure media designated by the Company	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times
Website designated by CSRC for publishing annual report	www.sse.com.cn
Place for preparing annual report	Securities Department of the Company

V. Stock Information

Stock information				
Type	Stock exchange	Stock abbreviation	Stock code	Stock abbreviation before change
A stock	Shanghai Stock Exchange	Tongwei Co., Ltd. Stock	600438	

VI. Other Information

Certified Public Accountants (domestic) engaged by the Company	Name	Sichuan Huaxin (Group) CPA Firm (Special General Partnership)
	Business address	28th Floor, South Jinmao Tower, No. 18, Ximianqiao Street, Chengdu
	Names of the accountants as signatories	Feng Yuan, He Shoufu
Sponsor institution performing the duty of continuous supervision during the reporting period	Name	China Securities Co., Ltd.
	Business address	Buildings B and E, Kaiheng Center, No. 2, Chaonei Street, Dongcheng District, Beijing
	Representatives of the sponsor institution as signatories	Pu Fei, Liu Bo

	Continuous supervision period	Continuous supervision period for convertible bond: from March 18, 2019 to December 31, 2020
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VII. Major Accounting Data and Financial Indexes in Recent Three Years

(I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	2019	2018	Increase & decrease in this period over the same period of last year (%)	2017	
				After adjustment	Before adjustment
Operating income	37,555,118,255.70	27,535,170,274.25	36.39	26,092,117,772.18	26,079,241,032.17
Net profit attributable to shareholders of the listed company	2,634,568,828.17	2,018,746,008.65	30.51	2,008,493,042.67	2,012,044,317.37
Net profit attributable to shareholders of the listed company net of non-recurring profits and losses	2,314,484,711.22	1,909,390,964.39	21.22	1,961,880,367.11	1,961,880,367.11
Net cash flow from operating activities	2,357,465,207.68	3,099,620,044.15	-23.94	3,026,194,524.79	2,915,836,072.24
	At the end of 2019	At the end of 2018	Increase & decrease at the end of this period over the end of the same period of last year (%)	At the end of 2017	
				After adjustment	Before adjustment
Net assets attributable to shareholders of the listed company	17,577,046,993.09	14,737,718,118.23	19.27	13,335,979,680.06	13,339,358,093.51
Total assets	46,820,950,745.60	38,483,631,552.68	21.66	25,550,775,080.25	25,548,457,227.73

(II) Major financial indexes

Major financial indexes	2019	2018	Increase & decrease in this period over the same period of last year (%)	2017	
				After adjustment	Before adjustment
Basic earnings per share (RMB/share)	0.6786	0.5200	30.50	0.5173	0.5183
Diluted earnings per share (RMB/share)	0.6558	0.5200	26.12	0.5173	0.5183
Basic earnings per share (RMB/share) net of non-recurring profits and losses	0.5961	0.4918	21.21	0.5053	0.5053
Weighted average return on equity (%)	16.14	14.43	Increase by 1.71 ppt	16.04	16.07
Weighted average return on equity net of non-recurring profits and losses (%)	14.18	13.65	Increase by 0.53 ppt	15.67	15.67

Description on major accounting data and financial indexes in the last three years at the end of reporting period

Applicable Inapplicable

VIII. Difference in Accounting Data under the Accounting Standards both at Home and Abroad

(I) Difference in net profits and the net assets attributable to shareholders of the listed company in the Financial Reports disclosed simultaneously according to the International Accounting Standard and China Accounting Standard

Applicable Inapplicable

(II) Difference in net profits and the net assets attributable to shareholders of the listed company in the Financial Reports disclosed simultaneously according to foreign accounting standard and China Accounting Standard

Applicable Inapplicable

(III) Explanation on differences between foreign and domestic accounting standards:

Applicable Inapplicable

IX. 2019 Major Financial Data in Quarters

Unit: Yuan Currency: RMB

	1st Quarter (January - March)	2nd Quarter (April - June)	3rd Quarter (July - September)	4th Quarter (October - December)
Operating income	6,169,013,243.41	9,955,314,619.74	11,900,581,245.59	9,530,209,146.96
Net profit attributable to shareholders of the listed company	490,633,349.19	960,072,996.42	792,343,719.18	391,518,763.38
Net profit attributable to shareholders of the listed company net of non-recurring profits and losses	474,571,143.79	910,969,721.26	700,137,156.16	228,806,690.01
Net cash flow from operating activities	305,031,212.39	801,400,608.45	1,058,898,746.97	192,134,639.87

Explanation on differences between quarterly data and previously disclosed accounting period data

Applicable Inapplicable

X. Item and Amount of Non-Recurring Profit and Loss

Applicable Inapplicable

Unit: Yuan Currency: RMB

Non-recurring profit and loss	Amount in 2019	Remarks (if applicable)	Amount in 2018	Amount in 2017
Profit or loss on disposal of non-current assets	149,118,467.74		47,863,656.09	-15,233,600.45
Government subsidies included in current profit and loss, but except the government subsidies closely related to the normal operating businesses of the Company, complying with stipulations of national policies and continuously enjoyed rationally or quantitatively based on a certain standard	204,753,562.81		79,650,132.05	69,698,891.79
Profit or loss from debt restructuring	-1,162,174.00			931,759.93
Net current profit and loss of the subsidiary acquired in business combination involving entities under common control from the beginning of the period to the combination date			-1,555,296.53	-3,551,274.70

2019 Annual Report

Non-recurring profit and loss	Amount in 2019	Remarks (if applicable)	Amount in 2018	Amount in 2017
Non-operating revenue and expenses other than aforesaid items	29,661,420.53		5,130,754.97	4,601,499.27
Affected amount of minority equity	-1,687,142.53		-1,470,212.96	307,837.67
Affected amount of the income tax	-60,600,017.60		-20,263,989.36	-10,142,437.95
Total	320,084,116.95		109,355,044.26	46,612,675.56

XI. Items Measured by Fair Values

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item name	Beginning balance	Ending balance	Current change	Amount of influence on the current profit
Derivative financial liabilities	970,300.00	0	-970,300.00	970,300.00
Total	970,300.00	0	-970,300.00	970,300.00

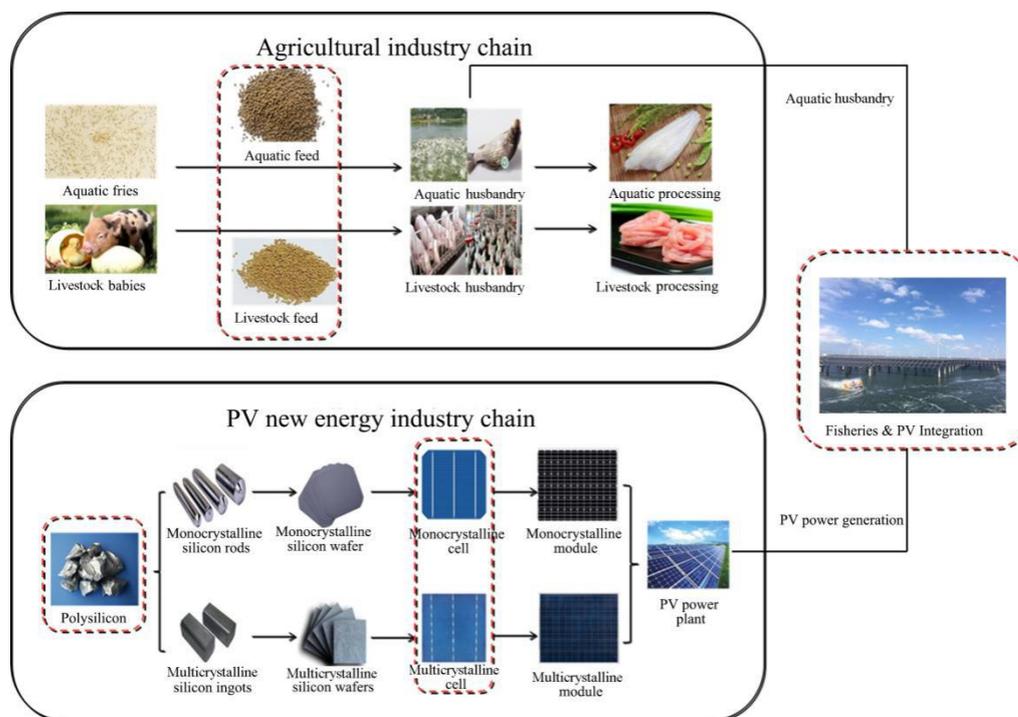
Others

Applicable Inapplicable

Section III Summary on Company Business

I. Presentation on the Main Business Engaged by the Company, Operation Model and Industrial Conditions in the Reporting Period

Adhering to the corporate vision of "For A Better Life" and the corporate purpose of "Pursuit of Excellence, Dedication to Society", the Company mainly focuses on agriculture and solar PV, thus forming a business model of "agriculture (fishery) + PV" resource integration and collaborative development. Its main business and position in the industry chain are shown in the figure below:



Note: Core businesses of the Company are in the dashed boxes.

In agriculture, the Company's main business is the research, production and sales of aquatic feed, livestock feed and other products. Among them, aquatic feed is always the core product of the Company and also the main source of profit of the Company in its agricultural business. As of the end of the reporting period, the Company has more than 70 branches and subsidiaries engaged in feed business, and established the business model of local production plus surrounding sales coverage. Besides, it also provides husbandry farmers with effective technical, financial and other supporting services. Its production and sales network has covered most parts of China as well as Southeast Asian countries, such as Vietnam, Bangladesh and Indonesia.

In terms of PV and new energy, the Company focuses on the research, development, production and sales of high-purity polycrystalline silicon, solar cells, etc. and it is also engaged in the investment, construction and operation and maintenance of "Fisheries & PV Integration" terminal power plants. As of the end of the reporting period, the Company has formed a capacity of 80,000 tons of high-purity polycrystalline silicon, where mono-grade products account for about 90%, and a capacity of 20GW of solar cell, where high-efficiency monocrystalline cell capacity is 17GW.

With respect to comprehensive application, the Company focuses on the development and construction of large-scale "Fisheries & PV Integration" bases, and strives to create an integration model of ecological aquaculture + green energy with core competitive advantages to strengthen the industrial coordinated development. While guaranteeing the requirements for power consumption, the Company

explores new aquaculture models by selecting high-quality water resources and continuously promotes the large-scale, professional and intelligent development of "Fisheries & PV Integration" bases, in order to bring new profit growth for the Company, husbandry farmers and other partners.

II. Description of Major Changes in the Company's Principal Assets in the Reporting Period

√ Applicable □ Inapplicable

Item name	December 31, 2019	December 31, 2018	Year-on-year change in amount	Change proportion (%)
Notes receivable	457,074,006.31	1,051,079,891.90	-594,005,885.59	-56.51
Accounts receivable	1,672,241,936.75	1,165,524,887.93	506,717,048.82	43.48
Receivables financing	4,392,541,416.88	-	4,392,541,416.88	-
Advance payment	389,875,898.15	228,051,356.81	161,824,541.34	70.96
Other receivables	805,398,204.90	534,640,211.38	270,757,993.52	50.64
Inventories	2,415,680,873.20	1,585,861,249.75	829,819,623.45	52.33
Held-for-sale assets	-	43,485,917.03	-43,485,917.03	-100.00
Long-term equity investments	439,741,224.58	281,589,120.46	158,152,104.12	56.16
Fixed assets	24,533,684,430.23	16,754,359,500.62	7,779,324,929.61	46.43
Construction in progress	3,587,311,808.76	8,367,145,068.09	-4,779,833,259.33	-57.13

Notes receivable decreased by RMB 594,005,885.59 or by 56.51% on a year-on-year basis, mainly due to the implementation of the new financial instruments accounting standards and bank's acceptance bills receivable reflected as receivables financing in this period.

Accounts receivable increased by RMB 506,717,048.82 or by 43.48% on a year-on-year basis, mainly due to the increase of receivable electric price of desulfurization and feed-in tariff of PV power plant of the Company.

Receivables financing increased by RMB 4,392,541,416.88 on a year-on-year basis, mainly due to the expansion of the Company's business scale and the increase of bank's acceptance bills receivable.

Advance payment increased by RMB 161,824,541.34 or by 70.96% on a year-on-year basis, mainly due to the expansion of production and operation scale.

Other receivables increased by RMB 270,757,993.52 or by 50.64% on a year-on-year basis, mainly due to the increase of the proceeds from disposing new receivable assets, insurance compensation, security deposits and government subsidies in this year.

The inventory increased by RMB 829,819,623.45 or by 52.33% on a year-on-year basis, mainly due to the expansion of the production scale of the Company and the increase in the storage of raw materials for production at the end of the period.

The assets held for sale decreased by RMB 43,485,917.03 or by 100% on a year-on-year basis, mainly due to the decrease of the disposal of the assets held for sale transferred from relocation of its wholly-owned subsidiary Suzhou Tongwei Special Feed Co., Ltd.

Long term equity investment increased by RMB 158,152,104.12 or by 56.16% on a year-on-year basis, mainly due to recognition of investment profit and loss of the Company based on the share of the

net profit and loss realized by a joint venture Lijiang LONGi Silicon Materials Co., Ltd. and its investment in another joint venture Zhongwei New Energy (Chengdu) Co., Ltd.

Fixed assets increased by RMB 7,779,324,929.61 or by 46.43% on a year-on-year basis, mainly due to the completion and transfer of high-purity polycrystalline silicon project, solar cell project, PV power plant project and other projects under construction into fixed assets.

Construction in progress decreased by RMB 4,779,833,259.33 or by 57.13% on a year-on-year basis, mainly due to the completion and transfer of high-purity polycrystalline silicon project, solar cell project, PV power plant project and other projects under construction into fixed assets.

Including: offshore assets of 1,078,318,346.65 (unit: Yuan; currency: RMB), accounting for 2.3% of the total assets.

III. Core Competitiveness Analysis in the Reporting Period

Applicable Inapplicable

(I) Clear strategic planning and positioning

The Company, on one hand, focuses on technological innovation and intelligent manufacturing in the main chains of PV industry, and promotes the large-scale application of clean zero-pollution and zero-emission energy, and on the other hand, is committed to creating a green healthy aquatic product industry chain to meet people's consumption demands for safe food, and makes every effort to provide the public with high-quality products in all industries closely related to human life and continuously improve the quality of human life.

Based on the above strategic positioning, the Company sets its long-term development objective as being a "world-class healthy and safe food supplier and world-class clean energy operator", and makes its medium- and short-term development plan as "building itself to be a world-class leading enterprise in high-purity polycrystalline silicon and consolidating its position as a world-class leading enterprise in solar cell and aquatic feed".

(II) Leading technology research and development capability

Regarding science and technology as the primary productive force, the Company attaches great importance to technology research and development. For each business sector, it has built a scientific research team led by experts in that field, and has increased the investment in technology research and development. As a result, the Company has achieved a large number of achievements in scientific research over the years, which have created value for the Company in turn.

(1) Agricultural sector

The Technology Center of the Company is a national-level enterprise technology center identified by five ministries and commissions including the National Development and Reform Commission. After years of construction and operation, it has established a perfect organizational structure and operating mechanism for scientific research and innovation. This center is specialized in animal nutrition and feed, animal genetics breeding and farming, animal health, automatic cultivation facility engineering, aquatic and livestock product processing, biotechnology-related research and technology integration, and transforming innovative research achievements into real productivity, thus providing important technical support for the development of the Company.

The Technology Center has nearly 500 scientific research personnel, and governs the fisheries institute, special fisheries institute, livestock and poultry institute, animal health institute, fishery facility engineering institute, salmon institute, aquatic science park, aquatic engineering center, test center, etc. It can effectively guide the innovation research, clarify innovation objectives, break down innovation tasks, and ensure innovation achievements.

As of the end of the reporting period, the Company has accumulatively applied for 515 patents and obtained 398 patents, including 135 patents for invention. During the reporting period, the Company won 3 national, ministerial and provincial awards, among which the scientific and technological achievement of the *Innovation and Application of Grass Carp Healthy cultivation and Nutrition Technology* won the Second Prize of National Science and Technology Progress Award 2019, which was the only one scientific and technological achievement that won the prize in the national aquaculture category in 2019. It presided over the formulation of and participated in the revision of two national standards, i.e. *Determination of Isothiocyanate in Feeds by Gas Chromatographic Method* and *Formula Feed for Turbot*, and one agricultural industry standard, i.e. *Determination of Unsaponifiables in the Grease of Feed by N-hexane Extraction Method*, which has passed the final review and will be released for implementation soon. In addition, during the reporting period, its Technology Center was evaluated as "Excellent" by the National Development and Reform Commission in the annual assessment, ranking 69th in the national comprehensive ranking and 1st in the national agricultural and livestock husbandry industry.

(2) PV and new energy sector

In terms of high-purity polycrystalline silicon, after years of development, the Company has obtained multiple achievements with independent intellectual property rights in the core technology fields of high-purity polycrystalline silicon, such as cold hydrogenation, large-scale energy-saving distillation, high-efficiency reduction, tail gas recovery, trichlorosilane synthesis and anti-disproportionation, and is at the advanced level of the industry. Among its products, the mono-grade products account for about 90%, and it can realize batch supply of N-type polysilicon, and effectively alleviate the situation that high-grade polycrystalline silicon products still need to be imported. As of the end of the reporting period, Yongxiang has applied for 267 patents, and obtained 136 patents, including 22 patents for invention and 114 for utility model.

With respect to solar cells, the Company has built a research and development team formed by outstanding experts in the industry, and has obtained multiple technical achievements with independent intellectual property rights in core technology fields, such as atomic layer deposition rear-side passivation, selective emitter technology, polycrystalline black silicon technology, bifacial cell, multi-BB and high-efficiency modules. On one hand, the Company focuses on the further improvement and optimization of the current mainstream PERC technology of solar cells, including the superimposition of other new technologies (e.g. PERC+ and TOPCON) to improve conversion efficiency rate and decrease production cost. On the other hand, the Company always maintains a forward-looking tracking of and makes R&D investment in new technologies in the industry. It launched its HJT cell R&D and production line at the end of 2018 and officially operated it in June 2019. After continuous R&D and improvement, now the maximum conversion efficiency rate of HJT cell can be 24.6%.

(III) Scale and cost advantages

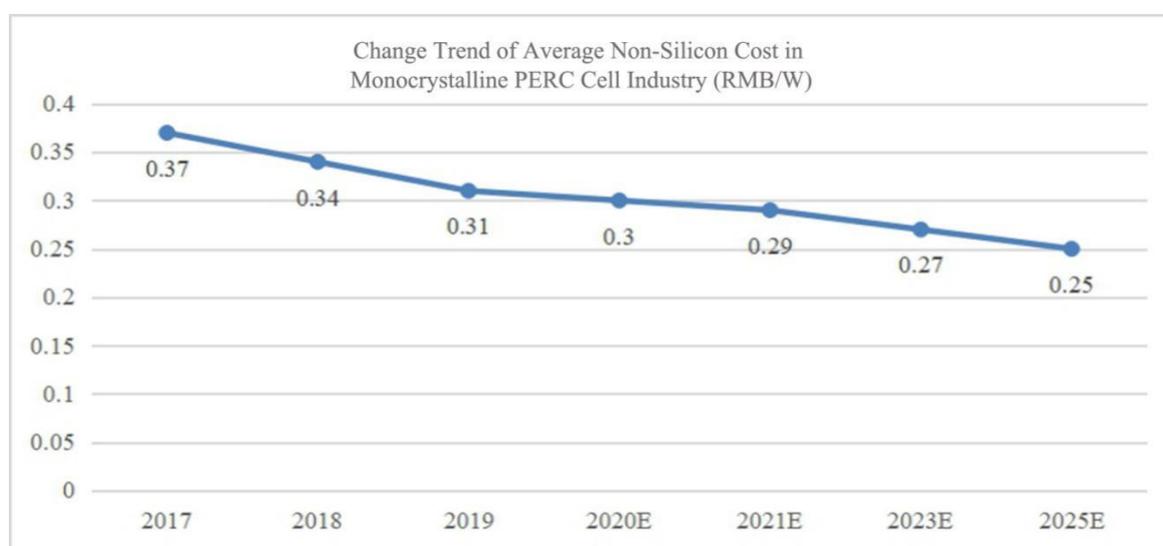
(1) Agricultural sector

The Company is a national key leading enterprise in agricultural industrialization. At present, its business covers the whole country and Southeast Asia, and its annual feed production capacity is more than 10 million tons. It is a world's leading aquatic feed production enterprise and an important livestock and poultry feed production enterprise. It has intensive advantages in raw material procurement, production organization, market expanding, etc.

(2) PV and new energy sector

The Company has a high-purity polycrystalline silicon production capacity of 80,000 tons and a capacity under construction of 75,000 tons. With the mono-grade products accounting for about 90%, the Company continuously decreases its consumption indicators and costs. The total capacities of Leshan Phase I and Baotou Phase I Projects in production are 60,000 tons while the production cost is less than RMB 40,000/ton. With the continuous improvement of technology, process and scale of production capacity, the Company will have its production cost further optimized after its projects under construction reach their design capacities.

In terms of solar cells, the Company has formed a capacity of 20GW, ranking the first position in the world. According to the statistics of China Photovoltaic Industry Association, in 2019, the average non-silicon cost in solar cell industry is about RMB 0.31/W, while the non-silicon cost of the Company is RMB 0.2-0.25/W, which is only 60% - 80% of the industry average and shows an obvious cost advantage. In the future, with the progress of technology and the expansion of production capacity, the non-silicon cost will be further reduced.



Data source: CPIA

(IV) Quality and brand advantages

(1) Agricultural sector

Since its establishment in 1992, the Company, through continuous research, development and improvement, has produced a series of formula feeds that meet the needs of different aquatic animals. As verified by the market for years, the feed quality and market service of the Company have been highly recognized by husbandry farmers, making Tongwei one of the iconic brands in the aquatic feed industry in China. In addition, the Company has created a famous brand of fresh fish, "Tongwei Fish", and constructed aquatic, livestock and poultry food processing bases in Sichuan, Hainan, etc. It conducts food processing and production in strict accordance with the requirements of HACCP quality management system, realizes the whole process of quality monitoring and traceability from sources to tables, and effectively improves the value and competitiveness of its industrial chain.

(2) PV and new energy sector

Relying on the national-level high-purity polycrystalline silicon research and development center, the Company studied the automatic control technology of reduction process, multiphase flow technology, cascade utilization of reduction thermal energy, and boron, phosphorus, carbon and other impurities removal technology to ensure its leading position in the industry in terms of the quality of its high-purity polycrystalline silicon. It has continuously optimized the product structure to greatly increase the

proportion of mono-grade products, and has established long-term cooperative relationship with the main downstream monocrystalline silicon wafer manufacturers, including LONGi and Zhonghuan Semiconductor. Its product quality is highly recognized by clients. In 2019, the Company won multiple national, provincial and industry association prizes and awards in high-purity polycrystalline silicon sector, including "National High-tech Enterprise", "National Green Factory", "National Intellectual Property Advantage Enterprise", "Sichuan Technological Innovation Demonstration Enterprise", "China Patent Excellence Award", "First Prize of Sichuan Patent Award" and "Second Prize of Sichuan Science and Technology Progress Award", and was included in the "Third (2019) Top 50 Enterprises in China's Electronic Materials Industry" and "Third (2019) Top 10 Professional Enterprises in Semiconductor Materials in China's Electronic Materials Industry, fully demonstrating its brand value and social recognition.

The solar cell conversion efficiency rate, yield rate, fragmentation rate, CTM value and other indicators of the Company ranked the leading positions in the industry, and obtained multiple professional certifications both at home and abroad, including EU CE certification, CSA certification, TUV SUD certification, and CQC certification. Besides, it also won the titles of "excellent quality supplier" of JinKo Solar Energy Co., Ltd., "best quality supplier" of GCL System Integration Technology Co., Ltd., "excellent supplier" and "supplier exempted from product quality inspection" of CSI Cells Co., Ltd., "excellent supplier" of Trina Solar Co., Ltd., and "high quality supplier" of Wuxi Suntech Power Co., Ltd.

(V) Unique "Fisheries & PV Integration" development model

The Company has the unique advantage of resource integration in the terminals, and has formed an innovative development model of "Fisheries & PV Integration" with "the upper part for power generation and the lower part for fish farming", thus realizing the integration of intelligent aquaculture and clean energy production. In terms of fishery, the Company guides the intensive, intelligent and efficient development of aquaculture through the effective transformation of ponds, rational application of fishery facilities and optimization and innovation of aquaculture model. In terms of PV power generation, the Company insists on the "543" cost strategic plan, and through design optimization and technical innovation, reduces the installed cost of PV system year by year. At present, the comprehensive cost of PV project under construction has been reduced to less than RMB 4/W, and with the further optimization of new design scheme and technology innovation and progress, the cost may be reduced to less than RMB 3.5/W in 2020, which will accelerate the realization of full PV grid parity.

The "Fisheries & PV Integration" development model can promote the coordinated development of primary, secondary and tertiary industries, build a modern industrial park integrating new fisheries, new energy and new countryside, promote industrial transformation and upgrading, provide an effective way for the construction of new countryside, and form a unique competition model of the Company.

(VI) Rich corporate culture

Effective corporate culture is an important support for the cohesion and creativity of the Company, and also an important part of its core competitiveness. The corporate culture of the Company has rich connotation. "Pursuit of Excellence, Dedication to Society" is the corporate purpose. "For A Better Life" is corporate vision, which expresses the value and objective of the Company. "Honesty, trust, justification and first-class" are the operation philosophy, namely, "honesty" ranking the first, treating clients on the basis of honesty, trust and faith, operating legally, and making everything the first-class. "Three determines" are the important management idea of the Company, that is, "efficiency determines benefit, details determine success or failure, and speed determines life or death". "Work by heart, work with wisdom, and work with the spirit of racing against time" are the codes of conduct for employees.

After years of development, the spiritual elements advocated by the corporate culture of the Company have been closely combined with its business objectives and daily work, and guide each of its business sectors, branches and subsidiaries to comprehensively implement benchmarking operation, continuously and deeply promote delicacy management, and persistently promote the high-quality development of each business.

Section IV Discussion and Analysis on Operation Conditions

I. Discussion and Analysis on Operation Conditions

The Company has always devoted itself to agriculture and PV industries. By creating its advantages in scale, technology, quality, cost and other aspects, the Company has achieved its leading position in these industries and guaranteed its sustainable and healthy development.

During the reporting period, facing the impact of continuous downturn in aquaculture, year-on-year decline in domestic PV installed capacity, downward price shock of products, further intensifying industry reshuffle and other factors, the Company, by adhering to the policy of "Focus on Advantages, Execute Properly, and Operate Efficiently", under the efforts of all Tongwei people, still realized an operating revenue of RMB 37.555 billion, a year-on-year increase of 36.39%, and a net profit of RMB 2.635 billion attributable to its shareholders, a year-on-year increase of 30.51%.

(I) Feed and its industrial chain business

In 2019, under the background of "African swine fever", frequent natural disasters and continuous trade disputes between China and the United States, the competition in feed industry became fiercer than ever. Leading enterprises, on one hand, constantly improve their market shares by virtue of their product power and service advantages, and on the other hand, follow the scale and intensive development trend of the downstream and gradually build their industrial chain advantages through vertical business extension in order to adapt to the future industrial competition pattern, while small and medium-sized enterprises face greater survival pressure.

According to the statistics of China Feed Industry Association, the total output of industrial feed in China in 2019 was 228,854,000 tons, a year-on-year decrease of 3.7%. Among them, hog feed was 76.632 million tons, a year-on-year decrease of 26.6%; laying fowl feed was 31.166 million tons, a year-on-year increase of 9.6%; meat and poultry feed was 84.648 million tons, a year-on-year increase of 21.0%; and aquatic feed was 22.029 million tons, a year-on-year increase of 0.3%.

During the reporting period, the Company actively dealt with the industrial pressure brought by epidemics, disasters, environmental protection and international situation, insisted on taking aquatic feed as its core, and on this basis improved its product quality, strengthened high-value-added products, highlighted its product power and differences, vigorously developed high-quality strategic clients, continued to implement delicacy management and improved its operating efficiency. During the reporting period, the operating revenue of feed and related business was RMB 16.689 billion, a year-on-year increase of 9.53%, and the sales volume of feed was 4.9005 million tons, a year-on-year increase of 15.75%. Among them, the growth rate of aquatic feed and special aquatic feed was 21.31% and 44.72% respectively on a year-on-year basis, taking the leading position in the industry.

In terms of production, the Company optimized its production model, integrated the advantageous resources of each branch and subsidiary for coordination of production capacity, and arranged specific lines to produce aquatic feed, poultry feed, livestock feed respectively according to their different characteristics. This can not only ensure the continuous improvement of product quality, but also improve the rate of capacity utilization and reduce the production cost. In terms of raw material procurement, the Company continued to optimize the procurement information platform, worked more closely and efficiently with strategic suppliers, and set procurement channels in accordance with the Pareto Principle, with the proportion of strategic procurement up to 75% and above. Meanwhile, the Company strictly controlled the quality of raw materials, strengthened supplier evaluation and quality benchmarking, enhanced the general survey and spot check of upstream raw material manufacturers, optimized the supplier structure, and established a list of stable suppliers, thus ensuring the quality and

stability of raw materials. In terms of marketing, the Company accurately identified the essential demands of clients, strengthened client development, deeply excavated strategic high-quality major clients, improved the quality of the core sales network, intensified the efforts of direct sales, shortened sales channels and intermediate links, set its target as maximizing the husbandry benefit, improved clients' experience and enhanced the client stickiness.

In terms of internal management, the Company organized the core management personnel in agricultural and PV sectors to learn from each other's strong points and make up for each other's weak points, and improved the level of delicacy management; implemented the concept of operating budget, and strengthened budget tracking to ensure the successful realization of business objectives; established comprehensive internal and external benchmarking mechanisms, made benchmarking improvement from multiple aspects, such as market research, product positioning, product sorting, cultivation practice, per capita energy efficiency, capacity utilization rate and lean production management to effectively improve its systematic competitiveness in agricultural sector.

In terms of food and processing sector, the Company optimized the food business organization structure and business target positioning, comprehensively sorted out and integrated the business model of each subsidiary, and promoted the information construction in an orderly manner, including the implementation of order management system, MES production management system, etc., to improve the operation efficiency. During the reporting period, "Tongwei Fish" products achieved the sales revenue of RMB 114 million, a year-on-year increase of 21%, and sales volume increased by 25% on a year-on-year basis. The daily average trading volume of Sanlian Aquatic Product Wholesale Market of the Company reached 600,000kg, a year-on-year increase of 60%, which consolidated the Company's leading position in the southwest aquatic product market. The Company guaranteed food safety, nutrition and health, realized the whole process traceability of products, and obtained the recognition and praise of consumers. All these have gradually improved its social brand influence. During the reporting period, the Company won the honor of "Excellent Case in Management Innovation" and "Integrity Demonstration Unit" at the 17th China Food Safety Annual Conference, and "Tongwei Fish" won the titles of "Leading Brand in China's Food Industry", "Chinese Consumer Trust Brand", etc.

(II) PV and new energy business

2019 is the first year for China's PV industry to enter the parity era from the subsidy era. Although the domestic PV installed capacity declined due to policy adjustment, thanks to the substantial growth of overseas markets, the scale of China's PV industry is steadily being expanded, the technology and process are continuously being innovated, and the export growth rate is continuously increasing. According to the statistics of China Photovoltaic Industry Association, the output of each link in PV manufacturing chain and the new and accumulated installed capacity of PV terminals have ranked the first position in the world for many years, and the annual export volume of PV products has exceeded 20 billion US dollars. The acceleration of PV grid parity makes PV power become the most competitive energy form in the world.

(1) High-purity polycrystalline silicon business

During the reporting period, with respect to the high-purity polycrystalline silicon business, the Company, on the premise of "Safety First, Stable Operation", introduced "list management", improved employees' operation skills, strengthened delicacy management and scientific research & development, realized the stable continuous operation of production equipment at full load and continued to promote "Amoeba + team construction". As a result, the production efficiency and product quality were effectively improved, and obvious effect of cost decreasing and benefit increasing was obtained. Besides, the Company also enhanced work safety, introduced JSA (job safety analysis) and HAZOP (hazard and

operability analysis) into its risk management, and launched the safety list system management to form the responsibility list, work list and emergency list, thus ensuring the implementation of safety work in multiple ways.

During the reporting period, the Company had a sales volume of high-purity polycrystalline silicon of 63,800 tons, a year-on-year increase of 232.5%, and an annual average production cost of RMB 43,300/ton. Although the market price was 30% - 40% lower than that in the same period of the last year, the Company still realized a gross profit rate of 24.45%. With Leshan Phase I and Baotou Phase I Projects reaching their designed capacities and standards, and continuous improvement of production capacity, all consumption indicators will continue declining. Now, the Company can produce more than 8,000 tons of high-purity polycrystalline silicon in one month, and has the average production cost reduced to RMB 40,000/ton.

(2) Solar cell business

During the reporting period, the Company continuously promoted the delicacy management and automatic production in its solar cell business, sold all solar cells produced in a full capacity, and realized a capacity utilization rate of 114%. In terms of production, the Company further improved the level of intelligent production, process and technology, and kept production indicators such as A-level rate, fragmentation rate and CTM value at the leading position in the industry; conformed to the development trend of solar cells, optimized the product structure, and gradually increased the proportion of large-sized products. The products of size 158.75 and size 166 have become the mainstream products. After Meishan Phase I Project is put into production, the Company's production line can adapt to size 210, thus, it can meet different needs of clients. In terms of marketing, the Company promoted value marketing, expanded its overseas marketing efforts, promoted the brand value of "Tongwei cells inside", enhanced client stickiness with its advantages in product quality and technical specifications, and realized the full coverage of the top ten downstream module manufacturers in the world. In terms of comprehensive management, the Company carried out a lot of improvement activities, such as "star production lines", "internal indicator improvement star" and "suggestions for rationalization", and decreased costs and increased benefits through various delicacy management measures.

During the reporting period, the sales revenue of solar cells and modules was RMB 12.271 billion, a year-on-year increase of 60.56%; the sales volume was 13.33GW, a year-on-year increase of 106.92%, and the gross profit rate was 20.33%.

(3) PV power generation business

The Company has developed and constructed "Fisheries & PV Integration" bases in multiple provinces and cities in China, including Sihong, Rudong and Yangzhong in Jiangsu, Nanchang in Jiangxi, Qinzhou in Guangxi, Taishan in Guangdong, Xichang in Sichuan, and Hexian County in Anhui. By the end of the reporting period, the Company has completed 56 power generation projects focusing on "Fisheries & PV Integration", with an installed capacity and grid connection scale of 1,469MW, and achieved power generation of 1,722,590,000 kwh in 2019. During the process of power generation business, the Company strengthened the creation and improvement of diversified competitiveness, highlighted the compound profit advantages of "producing clean energy on the water and high-quality aquatic products underwater", and accelerated the promotion of PV grid parity by closely focusing on the "543" cost target.

II. Main Operation Conditions in the Reporting Period

Refer to the "Discussion and Analysis on Operation Conditions" in this section for details.

(I) Analysis of main business**1. Analysis of changes in items relevant to statements of profit and cash flow**

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the same period of previous year	Change proportion (%)
Operating income	37,555,118,255.70	27,535,170,274.25	36.39
Operating cost	30,536,001,116.46	22,326,898,401.27	36.77
Sales expenses	975,270,497.07	862,704,373.75	13.05
General and administrative expenses	1,513,809,599.62	1,038,904,634.47	45.71
R&D expenses	1,000,694,593.85	597,628,500.50	67.44
Financial expenses	707,805,824.00	316,041,522.88	123.96
Net cash flows from operating activities	2,357,465,207.68	3,099,620,044.15	-23.94
Net cash flows from investing activities	-4,290,774,336.48	-6,441,573,309.87	33.39
Net cash flows from financing activities	1,441,084,051.50	3,277,399,140.25	-56.03

2. Income and cost analysis

√ Applicable □ Inapplicable

(1) The operating income increased by RMB 10,019,948,000, a year-on-year increase of 36.39%, mainly due to the expansion of the Company's high-purity polycrystalline silicon and solar cell production and operation scale;

(2) The operating cost increased by RMB 8,209,102,700, a year-on-year increase of 36.77%, mainly due to the expansion of the Company's high-purity polycrystalline silicon and solar cell production and operation scale;

(3) The general and administrative expenses increased by RMB 474,905,000, a year-on-year increase of 45.71%, mainly due to the expansion of the scale of high-purity polycrystalline silicon and solar cells, and the increase of employees' salaries and repair costs in this period;

(4) The R&D expenses increased by RMB 403,066,100, a year-on-year increase of 67.44%, mainly due to the increase in R&D investment by the Company in solar cell business in this period;

(5) Financial expenses increased by RMB 391,764,300, a year-on-year increase of 123.96%, mainly due to the completion of Company's high-purity polycrystalline silicon and PV power plant projects, turning these projects into fixed assets, and stop of capitalization of interest, as well as the increase of external financing scale due to the expansion of production and operation scale.

(1). Information on main businesses by industry, product and area

Unit: Yuan Currency: RMB

Main businesses (by industry)						
Industry	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease in the operating income over last year (%)	Increase or decrease in the operating cost over last year (%)	Increase or decrease in the gross profit rate over last year (%)
Agriculture and livestock husbandry business	18,698,931,318.22	16,349,337,602.88	12.57	11.20	13.12	Decrease by 1.49 ppt
PV business	17,801,338,713.82	13,193,451,041.81	25.89	74.52	79.00	Decrease by 1.86 ppt
Offset by	-72,643,396.12	-74,305,718.89				

2019 Annual Report

consolidation						
Total	36,427,626,635.92	29,468,482,925.80	19.10	35.49	35.68	Decrease by 0.11 ppt
Main businesses (by product)						
Product	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease in the operating income over last year (%)	Increase or decrease in the operating cost over last year (%)	Increase or decrease in the gross profit rate over last year (%)
Feed and related business	16,688,719,548.83	14,460,739,581.77	13.35	9.53	11.14	Decrease by 1.25 ppt
Solar cell and module	12,270,877,411.85	9,790,647,114.47	20.21	60.56	57.57	Increase by 1.52 ppt
High-purity polycrystalline silicon and chemicals	5,178,682,980.12	3,708,173,516.37	28.40	56.11	73.77	Decrease by 7.27 ppt
Food processing and husbandry	1,904,814,158.29	1,803,130,447.37	5.34	36.32	35.71	Increase by 0.43 ppt
PV power	1,092,775,035.54	398,930,299.37	63.49	76.19	66.96	Increase by 2.02 ppt
Others	105,397,611.10	76,715,631.43	27.21	-72.04	-69.01	Decrease by 7.12 ppt
Offset by internal transaction in PV sector	-740,996,713.69	-695,547,946.09				
Offset by consolidation	-72,643,396.12	-74,305,718.89				
Total	36,427,626,635.92	29,468,482,925.80	19.10	35.49	35.68	Decrease by 0.11 ppt
Main businesses (by area)						
Area	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease in the operating income over last year (%)	Increase or decrease in the operating cost over last year (%)	Increase or decrease in the gross profit rate over last year (%)
East China	3,244,082,820.97	2,841,270,729.68	12.42	11.03	12.60	Decrease by 1.22 ppt
South China	6,460,400,311.07	5,598,374,890.30	13.34	9.90	11.70	Decrease by 1.40 ppt
West China	17,658,625,621.38	14,089,770,727.89	20.21	43.15	47.23	Decrease by 2.21 ppt
North China	3,355,459,428.59	2,650,260,777.18	21.02	84.20	72.15	Increase by 5.53 ppt
Central China	9,686,096,439.44	8,478,777,204.95	12.46	39.18	41.04	Decrease by 1.15 ppt
Overseas	2,314,771,423.19	2,008,253,710.11	13.24	61.51	65.07	Decrease by 1.87 ppt
Total	42,719,436,044.64	35,666,708,040.11	16.51	36.26	37.85	Decrease by 0.96 ppt
Internal offset	-6,291,809,408.72	-6,198,225,114.31				
Total amount after offset	36,427,626,635.92	29,468,482,925.80	19.10	35.45	35.62	Decrease by 0.10 ppt

(2). Analytical Statement of Production and Sales Volume

√ Applicable □ Inapplicable

Main products	Unit	Output	Sales volume	Inventory	Increase or decrease of output over last year (%)	Increase or decrease of sales volume over last Year (%)	Increase or decrease of inventory over last Year (%)
Feed	10,000 tons	501.28	490.05	9.05	17.09	15.75	122.36
High-purity polycrystalline silicon	ton	64,364.21	63,804.41	875.03	233.89	232.50	349.61
Solar cell and module	MW	13,470.48	13,332.88	116.33	109.01	106.92	-18.37
PV power generation	10,000 kw/h	172,259.00	166,988.00	/	104.31	102.99	/

Information notes of output and sales volume

During the reporting period, the output and sales volume of high-purity polycrystalline silicon and solar cells increased significantly compared with the last year, mainly due to that the high-purity polycrystalline silicon and solar cell projects were completed and have been put into production, in which way the production capacity was improved. In addition, with the further optimization of various indicators and the continuous improvement of production and management efficiency, product quality and comprehensive cost performance have been highly recognized by the market.

Because of the direct sales of purchased products, the inventory of last year plusing the output of this year is not equal to the sales volume of this year plusing the inventory of this year.

(3). Cost Analysis

Condition (by industry)							
Industry	Cost items	Amount of the current period	Proportion of the amount in the current period out of the total cost (%)	Amount of the same period in the previous year	Proportion of the amount in the same period of the previous year out of the total cost (%)	Proportion of change in the amount of the current period compared with the same period in the previous year (%)	Information notes
Agriculture and livestock husbandry	Raw materials	15,258,325,641.58	93.33	13,418,470,688.92	93.57	13.71	
Agriculture and livestock husbandry	Labor costs	407,066,309.69	2.49	302,594,432.08	2.11	34.53	
Agriculture and livestock husbandry	Manufacturing costs	683,945,651.61	4.18	618,878,280.81	4.32	10.51	
PV industry	Raw materials	9,295,574,129.53	70.46	6,289,588,978.33	73.25	47.79	
PV industry	Labor costs	633,261,168.60	4.80	258,786,635.68	3.01	144.70	
PV industry	Manufacturing costs	3,264,615,743.68	24.74	2,038,223,431.39	23.74	60.17	
Condition (by products)							
Product	Cost items	Amount of the current period	Proportion of the amount in the current period out of the total cost (%)	Amount of the same period in the previous year	Proportion of the amount in the same period of the previous year out of the total cost (%)	Proportion of change in the amount of the current period compared with the same period in the previous year (%)	Information notes
Feed and related business	Raw materials	13,659,778,266.12	94.46	12,278,726,115.37	94.37	11.25	
Feed and related business	Labor costs	226,159,191.27	1.56	210,782,412.92	1.62	7.30	
Feed and related business	Manufacturing costs	574,802,124.38	3.97	521,751,528.27	4.01	10.17	
Food processing and husbandry	Raw materials	1,598,547,375.46	88.65	1,139,744,573.55	85.78	40.25	
Food processing and husbandry	Labor costs	95,439,544.68	5.29	91,812,019.16	6.91	3.95	
Food processing and husbandry	Manufacturing costs	109,143,527.23	6.05	97,126,752.54	7.31	12.37	
High-purity	Raw materials	1,460,607,874.62	39.39	934,672,161.79	43.80	56.27	

2019 Annual Report

polycrystalline silicon and chemicals							
High-purity polycrystalline silicon and chemicals	Labor costs	173,129,473.47	4.67	76,726,920.29	3.60	125.64	
High-purity polycrystalline silicon and chemicals	Manufacturing costs	2,074,436,168.28	55.94	1,122,614,898.43	52.60	84.79	
Solar cell and module	Raw materials	8,234,966,254.90	84.11	5,354,916,816.54	86.18	53.78	
Solar cell and module	Labor costs	464,431,583.53	4.74	182,059,715.39	2.93	155.10	
Solar cell and module	Manufacturing costs	1,091,249,276.04	11.15	676,665,631.61	10.89	61.27	
PV power	Manufacturing costs	398,930,299.37	100.00	238,942,901.35	100.00	66.96	

(4). Information on major sales customers and suppliers

Applicable Inapplicable

The sales amount of the top five customers was RMB 8,820.6845 million, accounting for 23.49% of the total annual sales amount. The sales amount of the top five customers of related parties was RMB 0, accounting for 0% of the total annual sales amount.

The purchase amount of the top five suppliers was RMB 8,574.8614 million, accounting for 34.82% of the total annual purchase amount. The purchase amount of the top five customers of related parties was RMB 0, accounting for 0% of the total annual purchase amount.

3. Expenses

Applicable Inapplicable

4. Investment in R&D**(1). R&D Investment Table**

Applicable Inapplicable

Unit: Yuan

Current expensing R&D investment	1,000,694,593.85
Current capitalized R&D investment	0
Total R&D investment	1,000,694,593.85
Proportion of total R&D investment to the operating income (%)	2.66
Number of the R&D personnel of the Company	2,405
Proportion of the number of R&D personnel to the headcount of the Company (%)	10.18
Proportion of the capitalized R&D investment (%)	0

(2). Information Note

Applicable Inapplicable

The Company has always taken scientific research and technology as a powerful driving factor for its core competitiveness. During the reporting period, the Company invested RMB 1,000.6946 million in R&D, a year-on-year increase of RMB 403.0661 million or increased by 67.44%. It includes the R&D investment of agriculture and livestock husbandry sector of RMB 236,808 million, with a year-on-year increase of 12.15%, mainly focusing on aquatic feed, livestock feed and cultivation technology. The R&D investment in PV sector is RMB 763.8866 million, a year-on-year increase of RMB 377.408 million or increased by 97.65%, involving various subdivisions of high-purity polycrystalline silicon, silicon wafers, solar cells and modules.

5. Cash Flow

Applicable Inapplicable

The net cash flow from operating activities decreased by RMB 742.1548 million, a year-on-year decrease of 23.94%. The main reasons were the expansion of scale of operation and the increase of bill settlement business, which resulted in a substantial increase in the balance of bills held at the end of the period;

The net cash flow from investment activities increased by RMB 2,150.799 million, a year-on-year increase of 33.39%. It is mainly because the large scale of investment in the same period of the previous year and the large amount of corresponding cash outflow;

The net cash flow from financing activities decreased by RMB 1,836.3303 million, a year-on-year decrease of 56.03%. It is mainly because the large scale of investment in the same period of last year and the large amount of corresponding financing.

(II) Description of material changes in profits resulted from non-principal activities

Applicable Inapplicable

(III) Analysis of assets and liabilities

Applicable Inapplicable

1. Situation of assets and liabilities

Item name	Amount at the end of the current period	Proportion of the amount at the end of the current period out of the total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period out of the total assets (%)	Proportion of changes in the amount at the end of current period compared to the amount at the end of previous period (%)	Information notes
Notes receivable	457,074,006.31	0.98	1,051,079,891.90	2.73	-56.51	It is mainly due to the implementation of the new financial instrument standards that the bank's acceptance bills receivable are reflected as receivables financing in this period
Accounts receivable	1,672,241,936.75	3.57	1,165,524,887.93	3.03	43.48	It is mainly due to the influence of the Company's grid connected PV power plant and the increase of receivable electric price of desulfurization and feed-in tariff
Receivables financing	4,392,541,416.88	9.38	-	-	-	It is mainly due to the expansion of the Company's scale of operation and the increase of bank's acceptance bills receivable
Advance payment	389,875,898.15	0.83	228,051,356.81	0.59	70.96	It is mainly due to the impact of payment in advance when the expansion of production and scale of operation
Other receivables	805,398,204.90	1.72	534,640,211.38	1.39	50.64	It is mainly caused by the increase of new receivables for asset disposal, insurance compensation, deposit and government subsidy in this year
Inventories	2,415,680,873.20	5.16	1,585,861,249.75	4.12	52.33	It is mainly due to the expansion of the Company's production scale and the increase of raw materials for production reserve at the end of the period
Held-for-sale assets	-	-	43,485,917.03	0.11	-100.00	It is mainly caused by the decrease of influence of the wholly-owned subsidiary Suzhou Tongwei Special Feed Co., Ltd. due to the disposal of the assets held for sale transferred from relocation in this year
Long-term equity investments	439,741,224.58	0.94	281,589,120.46	0.73	56.16	It is mainly because of the Company's recognition of investment profit and loss in accordance with the share of net profit and loss realized by the investee and the joint impact of its contribution to the investee
Fixed assets	24,533,684,430.23	52.40	16,754,359,500.62	43.54	46.43	It is mainly caused by the transfer to fixed assets of the projects under construction such as high-purity polycrystalline silicon project, solar cell project, and PV power plant project in this year.
Construction in	3,587,311,808.76	7.66	8,367,145,068.09	21.74	-57.13	It is mainly caused by the transfer to fixed assets of the

2019 Annual Report

Item name	Amount at the end of the current period	Proportion of the amount at the end of the current period out of the total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period out of the total assets (%)	Proportion of changes in the amount at the end of current period compared to the amount at the end of previous period (%)	Information notes
progress						projects under construction such as high-purity polycrystalline silicon project, solar cell project, and PV power plant project in this year.
Short-term loans	3,622,853,209.83	7.74	5,276,189,930.48	13.71	-31.34	It is mainly due to the repayment of short-term loans in the current period
Notes payable	5,294,623,239.24	11.31	2,175,267,377.06	5.65	143.40	It is mainly due to the expansion of scale of operation of PV sector and the increase of bill settlement
Advances from customers	1,571,445,278.97	3.36	1,187,132,081.33	3.08	32.37	It is mainly due to the expansion of the Company's scale of operation and the increase of advances from customers
Taxes and fees payable	173,544,507.36	0.37	268,159,967.52	0.70	-35.28	It is mainly due to the payment of enterprise income tax and VAT at the beginning of the period of the Company
Non-current liabilities due within one year	1,142,185,072.84	2.44	1,508,813,498.66	3.92	-24.30	It is mainly due to the Company's repayment of long-term loans and long-term payables due within one year
Other current liabilities	1,123,805,086.92	2.40	3,014,677,803.85	7.83	-62.72	It is mainly due to the repayment of the Company's short-term financing bills and ultra-short-term financing bills due
Long-term loans	4,088,988,505.70	8.73	690,466,944.00	1.79	492.21	It is mainly because of the expansion of the Company's scale of investment and the corresponding increase in long-term loan financing through the bank
Bonds payable	4,212,346,552.36	9.00		-	-	It is mainly due to the issuance of convertible bonds by the Company
Long-term payables	1,901,507,753.72	4.06	3,419,964,889.39	8.89	-44.40	It is mainly due to repayment of financial lease outlay by the Company
Deferred incomes	544,324,456.73	1.16	348,822,238.95	0.91	56.05	It is mainly due to the government subsidies related to assets received by the Company in the current period
Deferred income tax liabilities	142,204,473.38	0.30	38,915,110.65	0.10	265.42	It is mainly caused by temporary book-tax differences in the amortization of fixed assets of the Company

2. Restrictions on major assets by the end of the reporting period

Applicable Inapplicable

Item	Book value at the end of the year	Reason of being restricted
Cash at bank and on hand	749,942,171.52	Providing guarantee for financing and operation of the Company
Receivables financing	4,250,855,326.54	Providing pledge for issuing bank's acceptance bill for the Company
Accounts receivable	606,060,716.10	Providing collateral for corporate financing
Fixed assets	2,644,518,455.91	Providing guarantee, financial lease, etc. for corporate financing
Intangible assets	185,118,480.96	Providing collateral for corporate financing
Investment real estate	66,732,319.61	Providing collateral for corporate financing

3. Other notes

Applicable Inapplicable

(IV) Industry operational information analysis

Applicable Inapplicable

The Company involves PV industry, agriculture, forestry, livestock husbandry and fishery industry.

Analysis of operational information of PV industry**1. PV equipment manufacturing business**

Applicable Inapplicable

2. Key technical indicators of PV products

Applicable Inapplicable

Type of product	Technical indicators	
Solar-grade polysilicon:	Output ratio of products at all levels	Proportion of electricity cost in product cost
Solar-grade polysilicon	100%	39.61%
Solar cell:	Average conversion efficiency rate of mass production	Maximum conversion efficiency rate of R&D
Monocrystalline silicon solar cell	22.51%	23.20%
Cell modules:	Average module power of mass production	Maximum module power of R&D
Crystalline silicon solar cell	385W	440W
Indicator meaning, discussion and analysis: (1) Average conversion efficiency rate of mass production of solar cell: The ratio of the maximum output power of solar cell when it is illuminated to the input optical power on the cell is an important parameter to measure the quality and technical level of the cell. The higher the conversion efficiency rate, the higher the output power of the single wafer of the cell, and the single wafer of the cell with high power can be packaged into high power PV modules. (2) The maximum conversion efficiency rate of R&D of solar cell refers to the highest average conversion efficiency rate of the tested cells in the R&D experiment. The Company strictly follows the primary standard solar cell of Fraunhofer standard in Germany and focuses on the R&D of high-efficiency cells. It further improves the conversion efficiency rate of cells and modules by adopting 5BB, rear surface passivation, HJT, bifacial solar cells, shingling and other technologies, in which way that the product quality and various indicators are taking the lead of the industry.		

3. PV power plant information

Applicable Inapplicable

Unit: 10,000 Yuan Currency: RMB

The development of PV power plant:					
Number of existing power plants and total installed capacity at the beginning of the period	Number of power plants sold and total installed capacity in the reporting period	Number of existing power plants and total installed capacity at the end of the period	The existing total installed capacity approved	Total volume of sold power plant project Amount	Impact of current sale of power plant on current operating performance of the Company
52 power plants with grid connected installed capacity of 1,151MW	0	56 power plants with grid connected installed capacity of 1,469MW	1,681MW	0	No power plants were sold in the current period

Applicable Inapplicable

4. Recommended tables

(1). Capacity of PV products completed and under construction

√ Applicable □ Inapplicable

Unit: 10,000 Yuan Currency: RMB

Type of product	Output	Capacity utilization rate	Production line under construction Total investment amount	Investment of production line under construction in the current period	Design capacity	(Estimated) production time	Process route	Environmental protection input
Solar-grade polysilicon	64,364.21 tons	92.46%	/	/	/	/	Improved Siemens method	/
Solar cell:								
Multicrystalline silicon solar cell	3,367.18MW	112.24%	/	/	/	/	/	/
Monocrystalline silicon solar cell	10,033.78MW	114.89%	428,000	188,626.58	Chengdu Phase IV 3.8GW Meishan Phase I 7.5 GW	Chengdu Phase IV Project was put into operation in November 2019, and Meishan Phase I project is expected to be put into operation in May 2020	PERC/Topcon	17,503.1
Membrane and other new solar cells	/	/	48,765	44,766	400MW	/	HJT High-efficiency monocrystalline solar cells	/

Comparison and rationality analysis of capacity utilization rate within the same industry: The above capacity utilization rate is calculated based on the accumulated monthly capacity of the project in the full year under the operation period. 1) High-purity polycrystalline silicon: In March 2019, Baotou's new capacity reached design capacity; In May 2019, Leshan's new capacity reached design capacity. The annual average capacity utilization rate was 92.46%, and the Company's capacity utilization rate reached 116.84% in the fourth quarter of 2019. According to the statistics of Photovoltaic Industry Association, the average capacity utilization rate of enterprises with annual capacity greater than 10,000 tons is about 85%, and the capacity utilization rate of the Company is higher than the average level of the industry. 2) Solar cells: Chengdu phase III project and Anhui project reached design capacity in the first quarter of 2019. During the reporting period, the output of multicrystalline solar cells was 3.37GW, the capacity utilization rate was 112.24%, while the output of monocrystalline solar cells was 10.03GW, and the capacity utilization rate was 114.89%. According to the statistics of Photovoltaic Industry Association, the average capacity utilization rate of enterprises with annual capacity greater than 2GW is about 80%, and the capacity utilization rate of the Company is higher than the average level of the industry.

(2). Main financial indicators of PV products

Applicable Inapplicable

Unit: 10,000 Yuan Currency: RMB

Type of product	Production and sales rate (%)	Gross profit margin on sales (%)
Solar-grade polysilicon	99.13	24.45
Solar cell:		
Multicrystalline silicon solar cell	93.09	18.94
Monocrystalline silicon solar cell	98.96	22.49

(3). Project information of PV power plant project contracting or development

Applicable Inapplicable

5. Other notes

Applicable Inapplicable

Analysis on the operational information of agriculture, forestry, livestock husbandry and fishery industry

1 Basic information about the industry and the Company

(1). Industry policies and their impact on the Company

√ Applicable □ Inapplicable

1) "No.1 Central Document" focuses on the key tasks in the fields of "agriculture, rural areas and farmers" to ensure a moderately prosperous society as scheduled

2020 is the year to achieve the goal of building a moderately prosperous society in an all-round way, and the year to win the battle against poverty in an all-round way. In 2020, the No.1 Central Document put forward five major objectives for the work of "agriculture, rural areas and farmers": To win the battle against poverty resolutely, speed up the shortage of rural infrastructure and public services, ensure the effective supply of important agricultural products, promote the continuous increase of farmers' income, strengthen the governance to rural grassroots, and to enhance the safeguard measures of improving weak links in rural areas. Where the requirements that have an important impact on the Company's agricultural sector are as follows:

① Keeping the grain production stable. Grain production should be carried out under three stable things, namely, stable policies, stable areas and stable output. To achieve this, the first is to carry out accountability at all levels and strengthen the assessment of the provincial governor's responsibility system for food security; the second is to protect farmers' enthusiasm for grain production, further improve the agricultural subsidy policy and ensure the basic income of farmers; the third is to mobilize local enthusiasm for grain production, increase the incentives of large grain producing counties, give priority to the arrangement of land quotas for agricultural products processing, and support the newly-increased cultivated land quotas of high-standard farmland in large grain producing counties, which can be used through adjustment across provinces; the fourth is to strengthen technical services, proper prevention and control of major diseases and insect pests, promote the mode of unified prevention and control, planting by substitutes, land trusteeship and other agricultural service model, and advance the improvement of grain production quality and efficiency; the fifth is to increase the import of agricultural products to meet domestic demand, and expand the export of advantageous agricultural products.

② Speeding up the resumption of hog production. Stable production and supply of hogs is a major issue in the current economic work. Comprehensive measures should be taken to ensure that the production capacity of hogs will basically return to the level close to the normal year by the end of 2020. The first is to carry out accountability of all regions and all levels; the second is to proper prevention and control of the epidemic, adhere to the combination of the farming of increased hogs and epidemic prevention and control, strictly implement the reporting system and prevention and control measures of African swine fever, speed up the vaccine R&D process, and strengthen the construction of animal epidemic prevention system; the third is to promote the standardized large-scale hog farming, and guarantee the feed production; the fourth is to strengthen market regulation, and keep the stable supply and price of pork. We will work to crack down on market disruption, and promptly launch a linkage mechanism between social assistance and security standards and price rises.

③ Strengthening the construction of modern agricultural facilities. We should plan and implement a number of major projects of modern agricultural investment in advance, support the early implementation of projects, and expand agricultural investment in an effective manner. Starting the construction project of cold chain logistics facilities for storage and preservation of agricultural products,

and strengthening the overall planning, hierarchical layout and standard setting of cold chain logistics of agricultural products. Building agricultural and rural big data center based on existing resources, accelerating the application of Internet of things, big data, blockchain, artificial intelligence, the fifth generation mobile communication network, climate smart and other modern information technologies in the field of agriculture.

④ Promoting the healthy aquaculture. We will implement the mudflat planning system for aquaculture waters in an all-around way, issue aquaculture certificates in accordance with the law, and maintain the overall stability of the area of aquaculture waters. We will carry out the demonstration and establishment of healthy aquaculture, focus on the development of pond engineering and industrial recirculating aquaculture, and develop comprehensive rice-fish farming and large-scale ecological fishery in a stable manner.

⑤ Strengthening the conservation of aquatic biological resources. Implementing no fishing banning in key waters of the Yangtze River Basin in average years, and carrying out the work that the fishermen stops fishing in a proper manner. We will implement the management of the total amount of marine fishery resources, promote the implementation of pilot quota fishing in all coastal provinces, complete the task of reducing ships and production, develop marine ranching in a standard and orderly manner, accelerate the reform of fishing vessel management in fishing harbors, and strengthen the construction of fishing harbor economic zone.

2) Acceleration of the process of "banning antibiotic"

The state officially issued the policy and regulations of "banning the use of antibiotics as feed additives" in the Announcement No. 194 issued by the Ministry of Agriculture and Rural Affairs in July 2019. The document clearly stipulates that, since January 1, 2020, all feed additive varieties with growth promoter, except for traditional Chinese medicine, will be withdrawn, veterinary drug production enterprises will stop production, import veterinary drug agents will stop importing corresponding veterinary drug products, and the corresponding veterinary drug product approval number and import veterinary drug registration certificate will be cancelled at the same time. The corresponding veterinary drug products that have been produced and imported before can be circulated until June 30, 2020. Since July 1, 2020, feed production enterprises will stop producing commercial feed containing drug feed additives with growth promoters (excluding traditional Chinese Medicine), and the previously produced commercial feed can be circulated until December 31, 2020. This means that all drug feed additives with growth promoters, except traditional Chinese medicine, will exit the stage of the history. In 2020, "Banning the use of antibiotics as feed additives" is an important turning point for the whole industry. In the context of African swine fever, it will be the focus and challenge of the whole industry, as well as a major development opportunity and a new era of scientific and technological innovation, transformation and upgrading of feed industry.

3) Making sure that the normal production and circulation of "vegetable-basket" products and agricultural means of production under the "Covid-19 pandemic"

The "Covid-19 pandemic" outbreaks in 2020. Due to the prevention of the epidemic, the transportation of "vegetable-basket" products and agricultural means of production in some places was blocked, resulting in the problems that "vegetable-basket" products such as vegetables could not go out of the village or into the city, the feed needed for livestock and poultry farming could not be supplemented in time, and the breeding livestock and poultry could not be transferred. In January 2020, the Ministry of Agriculture and Rural Affairs, the Ministry of Transport and the Ministry of Public Security jointly issued a notice to ensure the "vegetable-basket" products and agricultural means of

production. In February 2020, the Ministry of Agriculture and Rural Affairs, the National Development and Reform Commission and the General Office of the Ministry of Transport jointly issued the notice to speed up the resumption of production and reproduction of the cultivation industry. The Central Committee and the State Council promptly put the requirement of the orderly promotion of the enterprises in the resumption of work and production to the livestock farming industry, providing a strong material guarantee for the prevention and control of the situation of Covid-19. The document made clear to speed up the work resumption of the feed enterprises and slaughtering and processing enterprises to ensure smooth transportation of materials and products, make every effort to promote to solve the difficulties of current cultivation industry, smooth the connection of production and marketing of livestock and poultry aquatic products, and facilitate enterprises to implement the supportive policies.

In the face of the above macro situation, policy orientation and the impact of public health emergencies, the Company will actively respond to the call of the state, return to work in an orderly manner, and contribute to the supply and guarantee of agricultural products and agricultural means of production required by the people's livelihood. Besides, it will continue to strengthen the investment in scientific research, create products and services meeting the policy requirements, the trend of the times and market demand, and accelerate the promotion of scientific aquaculture models, as well as strengthening the promotion of facility fishery and intelligent fishery. Making full use of the Company's unique business model of "Fisheries & PV Integration", to promote the modernization, ecological and integrated development of aquaculture, and improve the comprehensive benefits of aquaculture customers in an effective manner. Besides, we will continue to work in overseas markets, especially in emerging markets such as Southeast Asia and South Asia, to achieve sustained growth of the Company.

(2). Industry position and competitive advantages and disadvantages of the Company

Applicable Inapplicable

The Company's core competitiveness in the agricultural sector has been described in detail in the report "Section III / III. Analysis of Core Competitiveness in the Reporting Period". As a leading enterprise of aquatic feed, the Company enjoys a series of comprehensive competitive advantages in technology R&D, marketing, product reputation, replicable business model, etc. During the reporting period, the sales volume of aquatic feed and poultry feed has achieved the highest growth in recent years, and the global market share of aquatic feed has been further improved. In addition, the establishment and promotion of the "Fisheries & PV Integration" development model has gradually formed a differentiated competition pattern at the market terminal, ushering in new development opportunities for the Company's feed business. However, with the extension of the industrial chain, especially when it involves in aquaculture and other new fields in the process of connecting the industrial chain, on the one hand, it seeks to develop the upstream and downstream synergies and potential opportunities in the main industry, on the other hand, it brings new challenges to the integration of strategy and management resources.

(3). Business model of the Company and upstream and downstream situation of the industry

Applicable Inapplicable

For details of the Company's business model, please refer to "section III / I. Information Notes of the Company's Main Business, Business Model and Industry Situation during the Reporting Period".

Upstream raw material market: Affected by African swine fever, the demand for hog farming in China has declined significantly. Due to the trade friction between China and the United States, domestic livestock husbandry intends to actively reduce its dependence on American soybeans and reduce the import of soybeans. Besides, the supply of other domestic meal raw materials is generally sufficient,

resulting in the decline of soybean meal price in the year. Soybean meal price is expected to rise from low to high in the future. In terms of corn, due to the decline of domestic corn output, the price of corn has increased year on year, and it is expected that corn supply will continue to decline in the short term. If the recovery process of hog production capacity is accelerated, and the capacity of poultry farming has been expanded rapidly, the demand for hog feed, poultry feed and ruminant feed will continue to grow, and the demand for corn feed will recover to grow, supporting the trend of corn price rising in the medium and long run. In terms of fish meal, see from the fishing volume in Peru in the past five years, the actual fishing volume is the second lowest in the past five years, and the quota completion rate is low. It is preliminarily predicted that the short-term gap of fish meal still exists, and the price will continue to rise.

Downstream farming market: In 2019, "African swine fever" ravaged the domestic livestock husbandry industry chain, and many large-scale farming enterprises responded to the epidemic by reducing hog production capacity and slowing down expansion. Later, with the exit of a large number of small retail investors and the gradual stabilization of the epidemic, large enterprises began to implement a new round of capacity expansion plan. Besides, poultry protein is rapidly "replenished" and poultry production capacity is increasing explosively. Because of the high requirements of regional conditions, high degree of dispersion, many varieties of aquaculture, high degree of differentiation of aquaculture technology, strong dependence on climate conditions and other conditions, the response of aquaculture industry to the "African swine fever" epidemic is indirect and lag compared with livestock and poultry farming. However, in the long run, livestock and poultry farming and aquaculture will develop to scale, refinement and ecology in the future, and the breeding technology will be further improved. Industrial farming enterprises are ushering in the era of optimization of competition pattern.

(4). Production and operation qualification

√ Applicable □ Inapplicable

Production and operation qualification	Validity	Increase or change during the reporting period
Binyang Tongwei Feed Co., Ltd. Production License (No.: GSZ [2018] 01004)	From October 12, 2018 to October 11, 2023	/
Chengdu Ronglai Tongwei Feed Co., Ltd. Production License (No.: CSZ [2018] 01011)	From December 12, 2018 to December 11, 2023	/
Chengdu Tongwei Animal Nutrition Technology Co., Ltd. Feed Production License(No.: CSY [2016] 01021)	From March 29, 2016 to March 28, 2021	/
Chengdu Tongwei Sanxin Pharmaceutical Co. Ltd. Veterinary Drug Manufacturing License (No. [2016] SYSCZZ No. 22030)	From November 8, 2016 to November 7, 2021	/
Registration Certificate of Customs Declaration Unit of Chengdu Tongwei Industries Co., Ltd. (No. 5101964657)	Long-term	/
Chizhou Tongwei Feed Co., Ltd. Feed Production License (No.: WSZ [2015] 15003)	From September 28, 2015 to September 27, 2020	/
Record Certificate of Imported Grain Processing / Reserve Enterprise of Foshan Gaoming Tongwei Feed Co., Ltd. (No.: 518100LSJG2019002)	From October 15, 2019 to October 14, 2022	Renewal
Foshan Gaoming Tongwei Feed Co., Ltd. Production License (No.: YSZ [2018] 05052)	From June 20, 2018 to June 19, 2023	/
Fuzhou Tongwei William Feed Co., Ltd. Feed Production License (No.: MSZ [2017] 01390)	From September 21, 2017 to September 20, 2022	/
Guangdong Tongwei Feed Co., Ltd.	From October 18, 2018 to October 17, 2023	/

2019 Annual Report

Production and operation qualification	Validity	Increase or change during the reporting period
Production License (No.: YSZ [2018] 05004)		
Guangdong Tongwei Feed Co., Ltd. Veterinary Drug Distribution Licence (No.: [2018] SYJYZZ No. 19052387)	From July 23, 2018 to July 22, 2023	Renewal
Guangdong Tongwei Feed Co., Ltd. Feed Production License (No.: SY [2017] 05014)	From October 16, 2017 to October 15, 2022	/
Harbin Tongwei Feed Co., Ltd. Feed Production License (No.: HSZ [2019] 01152)	From May 29, 2019 to May 28, 2024	Renewal
Hainan Haiyi Aquatic -Feed Co., Ltd. Feed Production License (No.: QSZ [2019] 06005)	From April 12, 2019 to April 11, 2024	Renewal
Hainan Willtest Technology Co., Ltd.	From November 22, 2016 to November 21, 2022	/
Qualification Certification for Inspection and Testing Institutions of Hainan Willtest Technology Co., Ltd. (No.: 1620014L003)	From November 22, 2016 to November 21, 2022	/
Laboratory Accreditation Certificate of China National Accreditation Service for Conformity Assessment of Hainan Willtest Technology Co., Ltd. (No.: CNASL4962)	From November 22, 2016 to November 21, 2022	/
He'nan Tongwei Feed Co., Ltd. Permit for Crops (No. Y05200580)	From November 1, 2019 to October 31, 2022	Renewal
He'nan Tongwei Feed Co., Ltd. Veterinary Drug Distribution Licence (No.: [2018] SYJYZZ No. 16080407)	From June 6, 2018 to June 5, 2023	/
He'nan Tongwei Feed Co., Ltd. Feed Production License (No.: YSZ [2019] 07012)	From March 26, 2019 to March 25, 2024	Renewal
Honghu Tongwei Feed Co., Ltd. Veterinary Drug Distribution Licence (No.: [EH2015] SYJYZZ No. 004)	From May 5, 2015 to May 4, 2020	/
Honghu Tongwei Feed Co., Ltd. Feed Production License (ESZ[2019] 10030)	From December 24, 2019 to December 23, 2024	Renewal
Huai'an Tongwei Feed Co., Ltd. Veterinary Drug Distribution Licence (No.: [2019] SYJYZZ No. 10063034)	From November 15, 2019 to November 14, 2024	Renewal
Huai'an Tongwei Feed Co., Ltd. Feed Production License (No.: SSZ [2019] 08001)	From March 14, 2019 to March 13, 2024	Renewal
Nantong Bada Feed Co.,Ltd. Production License (No.: SSZ [2019] 09001)	From June 4, 2019 to June 3, 2024	Renewal
Jieyang Tongwei Feed Co., Ltd. Veterinary Drug Distribution Licence (No.: [2016] SYJYZZ No. 192004001)	From June 14, 2016 to June 13, 2021	/
Jieyang Tongwei Feed Co., Ltd. Feed Production License (No.: YSZ [2019] 20003)	From January 18, 2019 to January 17, 2024	Renewal
Kunming Tongwei Feed Co., Ltd. Production License (No.: DSZ [2018] 01010)	From January 11, 2018 to January 10, 2023	/
Kunming Tongwei Feed Co., Ltd. Veterinary Drug Distribution Licence (No.: YYN SYJYZZ No. 027)	From March 4, 2015 to March 4, 2020	/
Langfang Tongwei Feed Co., Ltd. Feed Production License (No.: JSZ [2019] 06012)	From March 8, 2019 to March 7, 2024	Renewal
Lianyungang Tongwei Feed Co., Ltd. Feed Production License (No.: SSZ [2019] 07037)	From June 30, 2019 to June 29, 2024	Renewal
Nanning Tongwei Feed Co., Ltd. Veterinary Drug Distribution Licence (No.: [2019] SYJYXKZZ No. 20006002)	From September 3, 2019 to September 22, 2024	Renewal
Nanning Tongwei Feed Co., Ltd. Feed	From April 23, 2019 to April 22, 2024	Renewal

2019 Annual Report

Production and operation qualification	Validity	Increase or change during the reporting period
Production License (No.: GSZ [2019] 01014)		
Nantong Bada Baoding Biological Feed Co.,Ltd. Feed Production License (No.: SSZ [2019] 06089)	From May 23, 2019 to May 22, 2024	Renewal
Nantong Bada Baoding Biological Feed Co.,Ltd. Feed Production License (No.: SSZ [2019] 06035)	From May 23, 2019 to May 22, 2024	Renewal
Nantong Bada Feed Co.,Ltd. Feed Production License (No.: SSZ [2019] 06007)	From May 23, 2019 to May 22, 2024	Renewal
Ningxia Yinchuan Tongwei Feed Co., Ltd. Production License (No.: NSZ [2018] 01006)	From September 12, 2018 to September 11, 2023	/
Shashi Tongwei Feed Co., Ltd. Permit for Crops (No.: E040200030)	From May 26, 2019 to May 25, 2022	Renewal
Shashi Tongwei Feed Co., Ltd. Production License (No.: ESZ [2018] 10008)	From November 8, 2018 to November 7, 2023	/
Xiamen Tongwei Feed Co., Ltd. Feed Production License (No.: MSZ [2019] 02124)	From April 10, 2019 to April 9, 2024	Renewal
Shandong Tongwei Feed Co., Ltd. Production License (No.: LSZ [2018] 03007)	From June 14, 2018 to June 13, 2023	/
Sichuan Tongguang Construction Engineering Co., Ltd. Construction Enterprise Qualification Certificate (Third-grade qualification for general contracting of power engineering construction, Third-grade of general contracting of mechanical and electrical engineering construction) (No.: D351545876)	From July 13, 2016 to May 31, 2021	/
Sichuan Tongguang Construction Engineering Co., Ltd. Construction Enterprise Qualification Certificate (Second-grade qualification in general contracting of building engineering) (No. D251459388)	From July 13, 2016 to January 7, 2021	/
Tianjin Tongwei Feed Co., Ltd. Permit for Crops (No.: J693855E)	From September 10, 2019 to March 6, 2021	Renewal
Tianjin Tongwei Feed Co., Ltd. Production License (No.: JSZ [2018] 02004)	From December 11, 2018 to December 10, 2023	/
Tianmen Tongwei Biotechnology Co., Ltd. Veterinary Drug Distribution Licence (No.: [2016] SYJYZZ No. 17700002)	From April 27, 2016 to April 26, 2020	/
Tianmen Tongwei Biotechnology Co., Ltd. Feed Production License (No.: ESZ [2019] 16001)	From February 27, 2019 to February 26, 2024	Renewal
Tongwei (Chengdu) Salmon Co., Ltd. Permit for Operation and Utilization of Aquatic Wildlife (No.: (C)SYJZ [2016] No.13)	From March 9, 2016 to March 9, 2021	/
Tongwei (Chengdu) Salmon Co., Ltd. Wild Animal Domestication and Breeding License (No.: (C)SYXFZ [2016] No.6)	From February 25, 2016 to June 25, 2021	/
Tongwei (Chengdu) Aquatic Products Co., Ltd. Halal Food Registration Certificate of Chengdu (No.: 5101320001)	From February 28, 2017 to February 27, 2022	/
Tongwei (Chengdu) Aquatic Products Co., Ltd. Sewage Discharge Permission (No.: CHXA J0099)	From May 23, 2016 to May 23, 2021	/
Tongwei (Chengdu) Aquatic Products Co., Ltd. National Industrial Products Manufacturing License (No.: SC10351013200236)	From March 22, 2017 to March 21, 2022	/

2019 Annual Report

Production and operation qualification	Validity	Increase or change during the reporting period
Tongwei (Dafeng) Feed Co., Ltd. Production License (No.: SSZ [2016] 09026)	From August 3, 2016 to August 2, 2021	/
Tongwei (Hainan) Aquatic Products Co., Ltd. Food Production License (No.: SC11146902300173)	From July 19, 2016 to July 19, 2021	/
Tongwei Co., Ltd. Changde Branch Feed Production License (No.: XSZ [2019] 07001)	From March 22, 2019 to March 21, 2024	Renewal
Tongwei Co., Ltd. Hefei Branch Feed Production License (No.: WSZ [2019] 01015)	From February 2, 2019 to February 1, 2024	Renewal
Tongwei Co., Ltd. Huanggang Branch Feed Production License (No.: ESZ [2019] 04005)	From April 27, 2019 to April 26, 2024	Renewal
Tongwei Co., Ltd. Huizhou Branch Veterinary Drug Distribution Licence (No.: [2015] SYJYZZ No. 190940018)	From June 3, 2015 to June 3, 2020	/
Tongwei Co., Ltd. Huizhou Branch Feed Production License (No.: ESZ [2018] 09009)	From December 7, 2018 to December 6, 2023	Renewal
Tongwei Co., Ltd. Kunming Branch Feed Production License (No.: DSZ [2013] 01031)	From October 11, 2018 to October 10, 2023	/
Tongwei Co., Ltd. Maoming Branch Feed Production License (No.: YSZ [2019] 16115)	From January 29, 2019 to January 28, 2024	Renewal
Tongwei Co., Ltd. Nanchang Branch Veterinary Drug Distribution Licence ([HNZ 2015] SYJYZZ No. 14007014)	From August 12, 2015 to August 11, 2020	/
Tongwei Co., Ltd. Nanchang Branch Feed Production License (No.: GSZ [2019] 00025)	From May 27, 2019 to May 26, 2024	Renewal
Tongwei Co., Ltd. Shaoxing Branch Feed Production License (No.: ZSZ [2019] 04003)	From February 21, 2019 to February 20, 2024	Renewal
Tongwei Co., Ltd. Shenyang Branch Feed Production License (No.: LSZ [2019] 01032)	From January 7, 2019 to January 6, 2024	Renewal
Tongwei Co., Ltd. Sichuan Branch Veterinary Drug Distribution License (MDSYJYZZ No. 201622115015)	From August 1, 2016 to July 30, 2021	/
Tongwei Co., Ltd. Sichuan Branch Feed Production License (No.: CSY [2016] 17004)	From March 9, 2016 to March 8, 2021	/
Tongwei Co., Ltd. Sichuan Branch Feed Production License (No.: CSZ [2016] 17001)	From May 24, 2016 to May 23, 2021	/
Tongwei Co., Ltd. Special Feed Branch Production License (No.: CSZ [2017] 01082)	From March 20, 2017 to March 19, 2022	/
Tongwei Co., Ltd. Deyang Branch Production License (No.: CSZ [2018] 05002)	From October 30, 2018 to October 29, 2023	/
Tongwei Co., Ltd. Hainan Branch Production License (No.: QSZ [2019] 06007)	From April 12, 2019 to April 11, 2024	Renewal
Wuxi Tongwei Biotechnology Co., Ltd. Production License (No.: SSZ [2019] 02004)	From April 18, 2019 to April 17, 2024	Renewal
Wuxi Tongwei Biotechnology Co., Ltd. Special Feed Branch Production License (No.: SSZ [2018] 02034)	From June 21, 2018 to June 20, 2023	/
Tongwei Agricultural Financing Guarantee Co., Ltd. Financing Guarantee Institutions Distribution Licence (No.: 00061947)	From April 1, 2016 to April 1, 2021	/
Wuhan Tongwei Feed Co., Ltd. Production License (No.: ESZ [2018] 01005)	From April 20, 2018 to April 19, 2023	/
Production License of Jinlu Fisheries Cooperation of Dafeng District, Yancheng City (No.: SSZ [2019] 09005)	From March 25, 2019 to March 24, 2024	Renewal

Production and operation qualification	Validity	Increase or change during the reporting period
Yangzhou Tongwei Feed Co., Ltd. Feed Production License (No.: SSZ [2019] 10002)	From June 12, 2019 to June 11, 2024	Renewal
Yuanjiang Tongwei Feed Co., Ltd. Feed Production License (No.: XSZ [2013] 09016)	From December 4, 2018 to December 3, 2023	/
Changchun Tongwei Feed Co., Ltd. Feed Production License (No.: JSZ [2019] 01049)	From March 17, 2019 to March 16, 2024	Renewal
Chongqing Tongwei Feed Co., Ltd. Production License (No.: YSZ [2017] 18002)	From September 28, 2017 to September 27, 2022	/
Chongqing Changshou Tongwei Feed Co., Ltd. Production License (No.: YSZ [2019] 15003)	From January 24, 2019 to January 23, 2024	Renewal
Zhuhai Haiwei Feed Co., Ltd. Feed Production License (No.: YSZ [2019] 03009)	From March 28, 2019 to March 27, 2024	Renewal
Zhuhai Haiyi Aquatic Products Feed Co., Ltd. Feed Production License (No.: YSZ [2019] 03010)	From February 28, 2019 to February 27, 2024	Renewal
Zibo Tongwei Feed Co., Ltd. Feed Production License (No.: LSZ [2019] 03017)	From June 19, 2019 to June 18, 2024	Renewal
Development Zone Branch of Tongwei (Dafeng) Feed Co., Ltd. Feed Production License (No.: SSZ [2019] 09015)	From June 25, 2019 to June 24, 2024	Renewal
Wuxi Tongwei Biotechnology Co., Ltd. Special Feed Branch Feed Production License (No.: SSZ [2018] 02034)	From June 21, 2018 to June 22, 2023	/
Yangjiang Haiyi Biotechnology Co., Ltd. Feed Production License (No.: YSZ [2020] 14023)	From January 25, 2019 to January 24, 2025	Newly-added

(5). Major technologies

√ Applicable □ Inapplicable

During the reporting period, the Company mainly developed and applied the following innovative technologies:

1) 133 dace culture model: In the past, dace culture faced the problems of simple and backward culture model, small comprehensive output and low efficiency. The Company developed a high-grade special feed dace No.2 to meet the nutritional needs and living habits of dace and improve the survival rate of fish fry by 20%. Improvement of the culture model to innovate and develop a highly efficient culture model that can raise three batches a year, with a yield per mu of more than 1500 kg. According to customer verification and benefit analysis, the feed coefficient of dace culture in the whole process is reduced to 0.45-0.63, which helps the Company to achieve 40% market share of dace feed in Guangdong.

2) High efficiency culture model of crawfish 365: The Company has developed the "high efficiency culture model of crawfish granular feed 365". Based on the application of water and grass maintenance technology, moss prevention and control technology, scientific stocking technology, precision feeding technology, balanced oxygen enrichment technology and shrimp diseases prevention and control technology, the Company has achieved a good culture effect of early shrimp, more shrimp and big shrimp. The comprehensive economic benefit is increased by 50% by using the Company's high-grade crawfish granular feed. It not only improves the use efficiency of paddy field, but also avoids the culture risk.

3) "Fisheries & PV Integration" intelligent culture model: The Company has established three categories and seven kinds of facility aquaculture systems, including fixed gutter channel, floating gutter channel, co-construction gutter channel, floating round tank, land-based round tank, land-based

container, enclosed recirculating aquaculture system. Strengthening the demonstration and promotion of the facility aquaculture system, including the demonstration and promotion in Sichuan, Hainan, Yunnan, Anhui, Hu'nan and other bases. In addition, the Company has prepared four types of facility technical operation specifications and developed five kinds of fish culture models. The new core "Fisheries & PV Integration" culture technology includes facility system, culture model, intelligent management and control, water quality purification and tail water treatment and other technologies.

(6). Forms of ownership and method of acquisition of farms or bases used

Applicable Inapplicable

The lands or waters are obtained by contracting or leasing

Applicable Inapplicable

Unit: Yuan Currency: RMB

Parties to the contract	Contract signing date	Area of leased subject	Contract term	Lease price
Tianmen Tongwei Aquatic Products Technology Co., Ltd.; Tianmen Industrial Park Management Committee	2016/1/15	11,136.33	2016/1/1-2045/12/31	900.00
Chizhou Tongwei Feed Co., Ltd.; Huangni Lake Fishing Ground in Dongzhi County	2016/11/23	11,000.00	2017/1/18-2027/1/17	500.00
Huai'an Tongwei Feed Co., Ltd.; Jiangsu Yinbao Salt Industry Co., Ltd.	2019/4/11	10,761.60	2019/1/1-2023/12/31	850.00
Zhuhai Haiyi Aquatic Products Feed Co., Ltd.; Lianjiang Shrimp Culture Group Company	2019/4/29	9,518.80	2019/4/29-2021/1/31	2,258.00
Huai'an Tongwei Feed Co., Ltd.; Jiangsu Yinbao Salt Industry Co., Ltd.	2016/9/1	8,256.40	2016/10/1-2022/12/31	915.00
Huai'an Tongwei Feed Co., Ltd.; Yancheng Guandong Saltworks Development Co., Ltd.	2018/1/1	7,939.93	2018/1/1-2020/12/31	500.00
Huai'an Tongwei Feed Co., Ltd.; Yancheng Guandong Saltworks Development Co., Ltd.	2019/12/31	7,660.00	2020/1/1-2021/12/31	261.00
Huai'an Tongwei Feed Co., Ltd.; Yancheng Guandong Saltworks Development Co., Ltd.	2019/12/31	7,091.18	2020/1/1-2021/12/31	1,200.00
Development Zone Branch of Tongwei (Dafeng) Feed Co., Ltd.; Yancheng Dafeng Aquaculture Company	2018/4/26	6,535.11	2018/5/1-2023/12/31	1,040.00
Tongwei (Dafeng) Feed Co., Ltd.; Shanghai Haifeng Aquaculture Co., Ltd.	2019/5/8	6,034.00	2019/4/1-2020/3/31	850.00
Huai'an Tongwei Feed Co., Ltd.; Bian Chaoming	2017/7/1	5,279.20	2018/1/1-2023/12/31	1,000.00
Huai'an Tongwei Feed Co., Ltd.; Yancheng Guandong Saltworks Development Co., Ltd.	2017/9/14	5,263.00	2018/1/1-2019/12/31	1,200.00
Tongwei (Dafeng) Feed Co., Ltd.; Jiangsu Haibei Agricultural Technology Co., Ltd.	2017/1/1	4,429.96	2017/1/1-2019/12/31	1,000.00
Zibo Tongwei Feed Co., Ltd.; Haokun Aquaculture Farmer Professional Cooperative in Hekou District	2018/12/6	4,409.40	2019/1/1-2020/12/31	400.00
Yuanjiang Tongwei Feed Co., Ltd.; Pan Mingquan	2018/1/1	4,118.50	2018/1/1-2020/12/31	50.00
Huai'an Tongwei Feed Co., Ltd.; Zhao Dacheng	2016/10/17	4,084.23	2017/1/1-2023/12/31	1,130.00
Wuhan Tongwei Feed Co., Ltd.; Hu Yonghong	2017/12/18	4,025.00	2018/1/1-2022/12/31	500.00
Tongwei (Dafeng) Feed Co., Ltd.; Huafeng Agricultural Development Co., Ltd., Dafeng District, Yancheng City	2017/10/31	3,905.00	2018/1/1-2022/12/31	953.00
Yangzhou Tongwei Feed Co., Ltd.; Baoying Jinshui Agricultural Development Co., Ltd.	2016/12/30	3,351.70	2017/1/1-2022/12/31	1,202.00
Harbin Tongwei Feed Co., Ltd.; Dongdahu Village Committee, Xichangfa Town, Beilin District,	2016/6/3	3,234.80	2016/6/3-2046/6/2	320.00

Parties to the contract	Contract signing date	Area of leased subject	Contract term	Lease price
Suihua City				
Huai'an Tongwei Feed Co., Ltd.; Yancheng Guandong Saltworks Development Co., Ltd.	2019/12/31	3,200.00	2020/1/1-2020/12/31	550.00
Huai'an Tongwei Feed Co., Ltd.; Binhai Xinsheng Aquaculture Co., Ltd.	2016/9/1	3,060.80	2016/10/1-2022/12/31	920.00
Tongwei (Dafeng) Feed Co., Ltd.; Jiangsu Haibei Agricultural Technology Co., Ltd.	2017/1/1	3,056.00	2017/1/1-2019/12/31	700.00
Huai'an Tongwei Feed Co., Ltd.; Jiangsu Yinbao Salt Industry Co., Ltd.	2019/12/31	3,033.40	2020/1/1-2020/12/31	379.00
Other scattered waters or lands		174,675.31		
Total		315,059.65		

Note: The unit of the lease area of above waters or lands is mu, and the unit of lease price is RMB / mu · year

2 Production and sales of major products

(1). Production and sales mode of major products

Applicable Inapplicable

For the Company, there are over 70 subsidiaries and branches involved in feed business. They carry out local production by themselves to establish the model of the coverage of sales of surrounding areas. The sales models include distribution and direct sales. The distribution line is as below: Company - Dealer - Farmer (or Husbandry Company); the direct sales line is as below: Company - Farmer (or Husbandry Company). In recent years, the Company's sales model structure focuses on the development of direct sales. However, at present, distribution is still the Company's main sales model, accounting for about 76.96%. Both sales models follow the principle of "the quality shall be consistently good and the price shall fluctuate in line with market conditions."

Cooperative production model with farmers

Applicable Inapplicable

(2). Sales performance of major products

Applicable Inapplicable

Unit: 10,000 Yuan Currency: RMB

Major products	Marketing channel	Sales volume	Marketing income	Cost of sales	Year-on-year increase or decrease in sales volume (%)	Year-on-year increase or decrease in sales revenue (%)	Year-on-year increase or decrease in sales costs (%)
Feed	Direct Sale	1,128,900 tons	403,747.52	368,074.51	8.64	4.32	7.23
Feed	Distribution Sale	3,771,600 tons	1,344,512.99	1,218,914.11	18.07	14.58	16.32

The distribution model

Applicable Inapplicable

As of the end of the reporting period, the Company had about 18,500 dealers across the country and overseas. The Company mainly adopts cash settlement method, and the settlement price is determined according to the following ways: the annual planned sales volume agreed in the contract with the Company; reference is made to the Company's production cost, short-term market development plan and downstream aquaculture product prices, regional peer sales prices, etc. During the reporting period, the Company's dealers have not violated the agreement such as cross-shipment.

Small and scattered customers

Applicable Inapplicable

Feed enterprises are characterized by small-scale and scattered customers as the current scale and intensification of cultivation (especially aquaculture) is not high, coupled with the impact of transportation radius, etc. During the reporting period, for customers with digestion capacity below 50 tons/year, the Company has generated sales revenue of about RMB 568 million, 0.34% of the sales revenue of the feed business. For customers in different scales, the Company takes product quality and comprehensive cost performance as the starting point for market development. Supplemented by supporting technical and financial services and equipped with full-time business representatives, the Company can track and coordinate in a point-to-point manner at any time, thus can increase the benefits of terminal farmers and promote their stability. Most of the above customers use cash to purchase materials; customers shall be strictly screened through the Company's comprehensive operation, credit rating, asset status and other factors to ensure that the risk of receivables collection is at a low level.

Online sales business

Applicable Inapplicable

Company operating information by sector**(3). Business information of companies engaged in agricultural business**

Applicable Inapplicable

Engaged in seed industry business

Applicable Inapplicable

Engaged in land leasing business

Applicable Inapplicable

(4). Business information of companies engaged in forestry business

Applicable Inapplicable

(5). Business information of companies engaged in livestock husbandry business

Applicable Inapplicable

(6). Business information of companies engaged in fishery business

Applicable Inapplicable

3 Industry accounting policies and financial information

Applicable Inapplicable

4 Government subsidies and tax incentives

Applicable Inapplicable

(1) VAT:

According to the provisions of CS [2001] No.121 of the Ministry of Finance of the People's Republic of China and State Taxation Administration, sales of feed are exempt from VAT.

(2) Enterprise income tax:

According to the *Notice of the Ministry of Finance of the People's Republic of China and State Taxation Administration on Relevant Issues Concerning the Implementation of the Preferential Catalog of Enterprise Income Tax for Public Infrastructure Projects* (CS 2008 [46]), starting from the tax year in which the first production and operation income of the project is obtained, the income from investment and operation of enterprises engaged in public infrastructure projects supported by the State shall be

exempted from enterprise income tax from the first to the third year; and the enterprise income tax shall be halved from the fourth to the sixth year.

5 Other notes

Applicable Inapplicable

(V) Investment Analysis

1. Overall analysis on equity investment

Applicable Inapplicable

According to the development strategy plan, the Company is continuously committed to the coordination and integration of agriculture + PV new energy industries and the further development and expansion of their respective sub-sectors. The Company has made full use of the existing technology and cost advantages, accelerated the scale layout, expanded the competition gap, so as to strive to consolidate and build its leading position in the core links of the industrial chain.

(1) Major equity investment

Applicable Inapplicable

(2) Major non-equity investment

Applicable Inapplicable

Unit: 10,000 Yuan Currency: RMB

Project name	Project budget	Investment in the reporting period	Cumulative investment amount	Project schedule	Earnings realized during the reporting period	Fund source
Hefei 2.3GW High Efficiency Crystalline Silicon- Solar Cell Project	150,083.00	28,533.19	143,242.07	Completed	22,589.37	Raised fund
Chengdu 3.2GW High Efficiency Crystalline Silicon Solar Cell Project	202,340.00	33,389.30	202,469.15	Completed	40,337.08	Raised funds + Self-raised
Baotou 25,000 Tons High-purity polycrystalline silicon Project	322,850.00	-	308,996.38	Completed	8,131.09	Raised fund
Leshan 25,000 Tons High-purity polycrystalline silicon Project	318,419.00	49,999.94	277,728.18	Completed	19,391.24	Raised fund
Meishan 7.5GW High Efficiency Crystalline Silicon Solar Cell Project	230,060.00	53,248.56	53,248.56	Under construction	/	Self-raised

Note: In 2017, the Company disclosed the construction of 10GW high-efficiency Crystalline Silicon solar cell production bases in Hefei and Chengdu, with a total scale of 20GW. It is estimated that the total investment will be RMB 12 billion, and it will be gradually completed and put into operation within 3 to 5 years. During the reporting period, the Company has completed a total of 10GW projects in Chengdu, including 1GW in Phase I, 2GW in Phase II, 3.2GW in Phase III and 3.8GW in Phase IV. Also, the Company has completed a total of 6.2GW projects in Hefei, including 3GW in Phase I and 3.2GW in Phase II. The total production capacity is 16.2GW, and the actual production capacity has reached 20GW. The Company has changed the implementation location of the remaining projects to Meishan due to objective factors. The project has been started in 2019 and is expected to be completed and put into

operation in the first half of 2020. The Company's 20GW high efficiency polycrystalline silicon cell project will be completed by then.

(3) Financial assets at fair value

Applicable Inapplicable

2. Overall analysis on foreign equity investment

(VI) Sales of Major Assets and Equity

Applicable Inapplicable

(VII) Analysis on Main Holding and Joint-stock Companies

Applicable Inapplicable

Unit: 10,000 Yuan

Full name of subsidiary	Business nature	Registered capital	Total assets	Net assets	Net profits
Tongwei Solar (Hefei) Co., Ltd. (Consolidate)	PV industry	215,000.00	1,677,486.74	445,828.93	136,374.11
Sichuan Yongxiang Co., Ltd. (Consolidate)	PV industry	125,550.54	1,168,756.64	389,546.52	58,610.14

(VIII) Structured Entities in the Charge of the Company

Applicable Inapplicable

III. Discussion and Analysis on the Future Development of the Company

(I) Industrial Pattern and Trend

Applicable Inapplicable

1. Feed industry

The development of China's feed industry originated in the 1980s. Currently, the total amount of feed in China is the largest in the world after decades of development. In recent years, the national feed industry has entered a stage of stable development and industrial structure adjustment and upgrading, with stable output and slow growth. In 2019, the "African swine fever" continued to erupt, resulting in a sharp drop in the hog population and a sharp rise in hog prices. This has driven the consumption of residents to shift from pork to poultry, cattle, sheep and aquatic products. Therefore, the competition pattern and development trend of the industry have undergone periodic changes as follows:

(1) In the short term, the total output and sales of feed will show a recovery growth. With the recovery of hog cultivation, hog feed will gradually narrow the decline; while with the recovery growth of hog cultivation, the growth rate of poultry feed will slow down. As for aquatic feed, changes in population structure and consumption upgrade will drive changes in aquaculture market demand and technological upgrading. Therefore, the demand for special aquatic products will continue to grow. At the same time, the feed quality and variety demand will change accordingly, and the proportion of special aquatic feed will increase year by year. In a word, various factors have affected the product structure change of finished feed. Compared with before the outbreak of "African swine fever", the structural pattern of the whole material species has been changed.

(2) Judging from the structural changes of feed production enterprises, the process of industrial concentration will continue to accelerate. By the end of 2019, in accordance with the statistics of China Feed Industry Association, there have been 621 feed factories with a scale of over 100,000 tons nationwide, 35 fewer than the previous year. The national feed output has reached 106.597 million tons, up 3.7% year-on-year, accounting for 46.6% of the total national feed output, up 3.3% from the previous

year. There have been 31 feed enterprise groups with an annual output of over one million tons nationwide. Among them, 3 feed enterprise groups have gained an annual output of over 10 million tons.

(3) As food safety has attracted much attention, the "Antibiotic Banning" process in the feed industry will be fully advanced in 2020. Therefore, seizing the commanding heights and market opportunities of "No Antibiotic" technology has become a new challenge for feed enterprises.

(4) Application of new technologies. Due to the R&D and application of new technologies, information technologies (including monitoring and tracking, UAV and GPS pasture monitoring, AI, big data and cloud computing, etc.) will be used in livestock husbandry and feed processing industries in a larger scale, thus improving biosafety management, feed production efficiency and management level.

(5) Continuous upgrading of aquaculture varieties and consumption structure. Under the trend of stable farming area and increasing cultivation costs such as pond rent in a long term, with the iteration and innovation of cultivation technology, the future trend will be to increase yield per mu and gradually replace low-profit varieties with high-profit varieties. Since 2010, judging from the average annual growth rate of aquaculture output of various aquatic species in China, the growth rates of that of special aquaculture species such as grouper, plaice, *larimichthys crocea*, *pelteobagrus fulvidraco*, trout and bass are significantly higher than traditional aquaculture species such as silver carp, bighead carp, carp and crucian carp. And the benefit of special varieties is better than that of traditional ones. From the perspective of consumers, trends such as "from being full to eating well" and "from more fishbones to less fishbones" will drive the demand for medium- and high-grade and special aquatic products to continue to increase, with the upgrading of consumption. In accordance with *China Agricultural Outlook*, the per capita consumption of aquatic products in China is expected to reach 23 kg in 2026, accounting for about 36% of the total food consumption.

2. PV new energy industry

(1) Continuous expansion of PV installed capacity

In accordance with statistics of the National Energy Administration, 30.11GW of new PV power generation units were installed in 2019, a year-on-year decrease of 31.6%. Among them, 17.91GW of new centralized PV installations were installed, down 22.9% year on year; as well as 12.20GW of new distributed PV installations, up 41.3% year on year. The cumulative installed capacity of PV power reached 204.30GW, up 17.3% year on year. Among them, centralized PV has been 141.67GW, up 14.5% year on year; while distributed PV 62.63GW, up 24.2% year on year. In 2019, the national PV power generation capacity reached 224.3 billion kwh, up 26.3% year-on-year, and the number of PV utilization time was 1,169 hours, up 54 hours year-on-year. The national light abandonment rate dropped to 2%, down 1 ppt from the same period last year, with 4.6 billion kwh of light abandoned.

In accordance with IHSMarkit, a research firm, 93GW of new overseas installations were added in 2019, up 45% year-on-year. The overseas market has entered the post-subsidy era, and PV power has become the most competitive form of energy in many countries and regions. PV grid parity is driving continued high growth of PV installation in overseas markets.

(2) PV industry policy promoting healthy development of industry

1) On May 20, 2019, the National Development and Reform Commission and the National Energy Administration announced the *Notice on the First Batch of Wind Power and PV Grid Parity Projects in 2019* and announced to the public the list of PV parity projects in 2019, with a scale of 14.78GW. In the documents, power grid enterprises are required to earnestly implement the construction responsibilities of PV grid parity projects, to ensure that PV grid parity projects give priority to power generation and full indemnificatory purchase; and they are also required to sign long-term fixed

electricity price purchase and sales contracts (≥ 20 years) with wind power and PV grid parity project units according to the local coal benchmark grid connection price set by the state at the time of project approval (filing), thus laying the foundation for the implementation of parity projects.

2) On May 30, 2019, the National Development and Reform Commission and the National Energy Administration announced the *Notice on Matters Related to the Construction of Wind and Photovoltaic Power Generation Projects in 2019*. The document proposed four general requirements for the construction of PV projects in 2019. First, actively promote the construction of PV grid parity projects; give priority to the construction of PV grid parity projects, and then carry out the competitive allocation of projects requiring state subsidies. Second, regulate the competitive allocation of subsidized projects in a serious manner; projects in need of state subsidies must be selected with strict and standardized competitive allocation methods, and the grid electricity price serves as an important competitive condition; therefore, priority will be given to projects with low subsidy intensity and large withdrawal intensity. Third, implement the conditions for power transmission and consumption in a full scale. The premise of new construction projects must be that the power grid has been equipped with absorptive capacity. Fourth, optimize the business environment for investment and construction. It is required that the provincial-level energy authorities shall supervise the implementation of non-technical cost reductions such as land use for the applied projects.

The general idea of PV bidding policy: market-oriented; competitive allocation; tax-and-spend; classified management and steady progress. The state no longer arranges the scale of PV power generation construction, but determines the annual new installed capacity through market-oriented competitive allocation. Competitive allocation means adopting a competitive allocation method for PV power generation projects in need of state subsidies (except PV poverty alleviation and household PV), so as to determine project owners and electricity price subsidies; tax-and-spend means determining the subsidy scale in accordance with the renewable energy fund and the PV power generation construction scale to be subsidized in accordance with the subsidy scale determined by the market. Classified management means dividing the PV power generation project into one kind that need no state subsidies and the other kind that need state subsidies, with organization and management in accordance with different characteristics and subsidy policies of the projects that require state subsidies.

3) On July 11, 2019, the National Energy Administration announced *Notice on Results of 2019 National Government Subsidy Tender for PV Power Generation Projects*. In accordance with the bidding results, 3,921 projects in 22 provinces (autonomous regions and municipalities) were included in the national bidding subsidy scope in 2019, with a total installed capacity of 22.79GW, including 366 ordinary PV power plants, with an installed capacity of 18.12GW; 3,555 industrial and commercial distributed PV power generation projects, with an installed capacity of 4.66GW. Each project would be included in the scope of national competitive bidding subsidy after it is completed and connected to the grid as required, with national subsidy. If the project fails to complete the grid-connected capacity within the time limit, the grid-connected electricity price subsidy will be reduced by RMB 0.01/kwh for each quarter overdue. If the project is not connected to the grid within two quarters after the quarter in which it is declared to be put into operation, its project subsidy qualification will be cancelled. The bidding results show that the competitiveness of PV power has become increasingly prominent, and the subsidy intensity has been decreased significantly, with an average of about RMB 0.06-0.07kwh, thus laying the foundation for gradually entering the era of no subsidy.

4) The National Energy Administration announced the *Notice on Matters Related to the Construction of Wind and Photovoltaic Power Generation Projects in 2020* (hereinafter referred to as the "Notice") on March 5, 2020. The *Notice* focuses on the directions of promoting PV grid parity and

intensifying the implementation of competitive allocation of projects requiring state subsidies. Meanwhile, it focuses on strengthening the power delivery and consumption guarantee mechanism for wind power and PV power generation projects, improving the market competitiveness, and promoting the industry to step into a new stage of high-quality development. In 2020, the construction and management of wind power and PV power generation projects generally continued the policy ideas determined by *Notice on Matters Related to the Construction of Wind and Photovoltaic Power Generation Projects in 2019*, including the following items: actively promoting PV grid parity; orderly promoting projects requiring state financial subsidies; fully implementing the conditions for power supply and consumption; and strictly monitoring project development and construction information; In this case, the continuity of the policy can be ensured, which is conducive to promoting the smooth transition from wind power and PV power generation to PV grid parity and realizing the healthy and sustainable development of the industry.

Currently, the direction of the national PV policy is relatively clear. It is expected that the area and scale of PV grid parity project will be expanded in 2020. This indicates that there is a large room for growth in the PV market. The expanding area and scale can not only accelerate the PV industry to end its dependence on state subsidies as soon as possible, but also promote the future PV industry to shift from policy-oriented model to market-oriented model.

(3) Continuous progress in industrial technology

The technology innovation in each link of PV industry is continuing, and the cost is decreasing. In accordance with the statistics of China Photovoltaic Industry Association, the average comprehensive power consumption of polysilicon industry has dropped to 70kwh/kg-si, and the equipment investment cost has dropped to RMB 110 million/kiloton. In terms of silicon wafers, the single-furnace feeding amount of monocrystalline furnace is increased to 1300kg, and large silicon wafer technologies such as 158.75mm, 166mm and 210mm are gradually put into mass production. In terms of cells, the average industrial conversion efficiency rate of PERC -monocrystalline cell reached 22.3%, and the R&D and mass production of N-type cells were gradually promoted. The power of PERC type 60 cell modules reached 320 W; Meanwhile, PERC+, TOPCon, HJT and other high-efficiency crystalline silicon cell production technology R&D have made some progress. In terms of modules, the 400W era has come, with a wide variety of technologies including large size, bifacial, half-cell, shingling, multi-BB and other technologies, increasing the market share of high-efficiency products. Technological innovation and progress in the manufacturing sector of the PV industry have provided strong support for the industry to reduce costs and increase efficiency and expand the demand of the terminal market.

(4) Further improvement of industrial concentration

The concentration of all sectors of the industry will be further improved in 2019. In the polysilicon sector, the output of the top five enterprises was about 237,000 tons, accounting for 69.3% of the total national output, up 9ppt year on year. The number of enterprises with output above 10,000 tons decreased from 7 in 2018 to 6 in 2019, accounting for 83.9% of the total output, up 12.1ppt year on year. In the silicon wafer sector, the output of the top five enterprises was 97.96GW, accounting for 72.8% of the total national output, up 4.2ppt year on year. In the cell sector, the output of the top five enterprises was about 41.2GW, accounting for 37.9% of the total national output, up 8.4ppt year on year. In the module sector, the output of the top five enterprises was about 42.2GW, accounting for 42.8% of the total national output, up 4.4ppt year on year.

(5) Continuous decrease in investment cost of PV power plant

The initial investment of our ground PV power plants includes key equipment such as modules, inverters, supports, cables, primary equipment, secondary equipment; as well as parts such as land rent,

grid access, construction, installation, management costs. Among them, the primary equipment includes box transformer, main transformer, switch cabinet, booster station and so on; and the secondary equipment includes monitoring, communication and other equipment. It is possible for costs of key equipment, such as modules and inverters to further decrease with technological progress and scale benefits. Grid connection, land, project pre-development costs and financing costs are non-technical costs. Reducing non-technical costs is helpful to accelerate the promotion of PV grid parity as regions and projects differ greatly.

China PV Industry Development Roadmap (2019 Edition) shows that the initial total investment costs of our ground PV power plant in 2019 was about RMB 4.55/W, a decrease of RMB 0.37/W from 2018, down 7.5%. Among them, modules accounted for 38.5% of the investment cost, down 1.5ppt from last year. Non-technical costs accounted for about 17.6%, up 0.8ppt from 2018. Module prices will gradually decrease, and its share in the total investment cost will also decrease with technological progress, cost reduction and efficiency improvement. Although other costs have a downward trend, the decrease is not significant. It is estimated that the total investment cost will drop to RMB 4.30 /W in 2020.

(6) Continuous expansion of PV parity area

LCOE (Levelized Cost of Electricity) is usually used to measure the unit power generation cost of a PV power plant throughout its life cycle and can be used to compare with the power generation cost of other power sources. Under the full investment model (financing is not considered), LCOE is related to initial investment, operation and maintenance costs, power generation hours and other factors. The *China PV Industry Development Roadmap (2019 Edition)* shows that LCOE for equivalent utilization of 1800 hours, 1500 hours, 1200 hours and 1000 hours of terrestrial PV power plants in 2019 are RMB 0.28, 0.34, 0.42 and 0.51/kwh respectively. The O&M capability is improved with the improvement of the efficiency of key equipment such as modules and inverters and the application of bifacial modules and tracking supports. The LCOE of PV power will equal to the cost of coal electricity in most areas after 2021.



LCOE Estimation for Different Equivalent Utilization Hours of PV Ground Power Plants in China from 2019 to 2025 (RMB /kwh)

(7) The global market shows a trend of de-centralization

PV power generation is widely used in more and more countries as the costs of PV power generation continue to decrease. The overseas PV market is becoming more and more fragmented, with

its share increasing from 57% in 2018 to 76% in 2019. Nearly 16 countries with more than 1GW of installed capacity in 2019, an increase of 3 countries over 2018. In addition to the Chinese mainland region, the following countries and regions are also included: United States, India, Japan, South Korea, Spain, Germany, France, Netherlands, Ukraine, Australia, Vietnam, Brazil, Mexico, UAE and Taiwan of China. In 2019, there were 15 countries and regions that exported more than 1GW of modules, an increase of 4 compared with 2018. The top 10 in the market accounted for 70.4%, and the proportion tended to be uniform, not relying on a single market. Participants continue to pour in PV market as countries in Southeast Asia, Latin America, the Middle East and other regions actively promote PV projects. Global PV market growth will no longer rely on the United States, Japan, India and other single markets, and will develop toward diversification, and the export market will further show a trend of diversification.

(II) Development Strategy of the Company

√ Applicable □ Inapplicable

The development strategy of the Company is to build a world-class safe food supplier and clean energy operator. The Company uses its long-term accumulated comprehensive strength in scientific research, brand, comprehensive operation and other aspects and its existing scale advantages to adapt to the development trend of the industry, adhere to the process of specialization, scale and industrialization in the agricultural sector and PV new energy sector, optimize and perfect their respective industrial chains; in addition, it strives for the comprehensive use of internal and external investment methods, promote the sustained and steady growth and development of the Company, thus realizing its development vision of "for a better life".

1. Agriculture sector: to build itself into a world-class supplier of safe food

Feed industry: In accordance with the development trend of the industry, the Company insists on the parallel of specialization and scalization of feed business, trying to consolidate its leading position in the global aquatic feed industry. The Company will optimize and perfect the industrial chain, and use external development and internal growth such as overseas factories, M&A at home and abroad to achieve stable development of the feed industry.

Aquaculture: The Company will further expand aquaculture downstream, on the basis of its own resource advantages (aquaculture resources, channel resources) in the aquatic feed industry, and increase production on the premise of ensuring quality. The company will improve the automation, intelligence and environmental protection standards of aquaculture, promote the transformation and upgrading of traditional fisheries to modern fisheries, thus building a leading safe aquatic product production base with traceability throughout the process.

Aquatic product trade and processing: The Company will accelerate the trade and deep processing of aquatic products and strive to open up the industrial chain of farming end & the consumer end. "Tongwei Fish", the Company's green and safe food benchmark, has been highly recognized in the regional market. In the future, the Company will replicate this successful model in many places. Meanwhile, the Company will actively conduct the big data layout of aquatic product sales, combine the e-commerce platform with the off-line aquatic product wholesale market, trying to build a fresh aquatic product circulation system. The Company will give full play to the brand advantage of "Tongwei Fish" and strive to expand along the path of farming-wholesale-retail-consumer, so as to realize full coverage of cultivation, production, processing and trade.

2. PV new energy sector: to build itself into a world-class clean energy operator

As one of the leading product manufacturers in the PV industry, the Company will continue to expand the scale advantages of key sectors in PV manufacturing in the future, accelerate the promotion of the unique coordinated development model of "Fisheries & PV Integration" (Fisheries + PV), and actively lay out directions like "post-PV market", so as to build itself into a world-class clean energy operator.

In order to consolidate the Company's leading position in the field of product manufacturing, the Company will give full play to its leading technology research and development and cost control capabilities in the field of PV manufacturing. The Company will accelerate the expansion of high-purity polycrystalline silicon production capacity and grasp the time window for import substitution and elimination of backward production capacity. In addition, in the solar cell sector, the Company will continue to expand its scale, take the lead in cost, and seize the opportunity to increase the concentration rate of the industry.

In the field of PV power generation, the Company will unswervingly promote the development model of "Fisheries & PV Integration". In order to build the differentiated core competitiveness of the Company, it will organically combine the superior agricultural resources and PV industry resources to form a three-dimensional "Fisheries & PV Symbiosis" economy and build a symbiotic business of feed, safe aquatic product production and green new energy development.

(III) Operating plan

√ Applicable □ Inapplicable

In 2020, the Company will take the "Fisheries & PV Integration" model as a link, adhere to the existing industry leading advantages, consolidate and build its leading position in aquatic feed, high-purity polycrystalline silicon, solar cells and other industries, so as to enhance the value of the Company and improve shareholder returns.

1. Agricultural sector

In 2020, the Company's feed and related industrial chain business will adhere to the principle of "make best use of the advantages and get rid of the disadvantages & strategic focus", and strive to have its revenue to be more than RMB 20 billion, achieving a year-on-year growth rate of more than 20%. In addition, the Company will continue to optimize its product structure and customer structure to consolidate its dominant position in aquatic feed. In this case, the Company plans to take the operating measures as follows:

(1) The Company will continue to adhere to the management policy of "focusing on the situation, implementing in place and operating in an efficient manner". It will tightly focus on "Pareto Principle", strictly control the management boundary, and focus its main resources and energy on core categories and core businesses that have competitive advantages, valuable space and can create value for customers. Also, it will strengthen the implementation of management reform measures and plans, with internal control of costs and outer expansion of the market, thus pushing its own operating results to a new stage in 2020.

(2) Strengthening the competitiveness of products. The Company will continue to optimize product categories and specifications, centering on the "cultivation varieties" and "product library" to focus on the main cultivation varieties and key products in the region, so as to make the products more accurate, focused and competitive. In addition, the Company will, in strict accordance with the unified requirements and internal control standards of products, promote product standardization, and further promote standardization of procurement, production process and quality management for optimization of production efficiency.

(3) Improving market service level. The Company's market service team will continue to focus on raising "One Fish", and a working group will be set up by formulators, service teachers, equipment engineers, etc. to realize the high efficiency of the "Three in One" ("product + model + service") comprehensive service level in terms of products, production, cultivation model and service, so as to enhance the economic benefits of farmers and create value for customers.

(4) Establishing a mechanism for coordinating production capacity. The Company's important measure to improve the utilization rate of production capacity and reduce production costs is to coordinate production capacity. In order to ensure product quality and market supply, the Company will continue to promote unified planning of production capacity and specialized production. 1) The Company will set up a core supply network of products in each operation area to promote professional and large-scale production; 2) The production department will focus on product categories and specifications to improve production efficiency and equipment utilization rate; 3) The Company will optimize the overall assessment mechanism of production capacity and strengthen the overall management awareness of the area; 4) The Company will improve the accuracy of the sales budget to facilitate the production department to prepare for production and maintain process equipment according to the sales budget. And it will give full play to its overall capacity potential and capacity advantages to promote the formation of industry-leading competitive advantages in production costs.

(5) Continuously strengthening the financial budget. The Company will decompose the financial budget indicators into various links and positions through operating budget, capital budget and cash flow budget, thus forming an all-round financial budget implementation responsibility system. In addition, the Company will conduct regular budget assessment to enhance the budget awareness and rectification ability of the branches and subsidiaries, and promote continuous cost reduction and efficiency improvement, thus realizing efficient operation.

2. PV and new energy sector

In 2020, the Company will strive to achieve a production and sales volume of 90,000 tons of high-purity polycrystalline silicon and a production and sales volume of more than 20GW of solar cell. With regard to PV power generation business, it is estimated that more than 1GW of new investment will be made in the "Fisheries & PV Integration" project. In this case, the Company plans to take the operating measures as follows in 2020:

(1) High-purity polycrystalline silicon business: the Company will continue to conduct management thinking of "sci-tech innovation, cultural leadership; two-wheel drive and efficient management", unswervingly conduct various sci-tech innovation works. On the premise of safety and environmental protection, the Company will further promote intelligent and information work and carry out Amoeba and team building in an all-round and in-depth way, so as to realize efficient operation. With regard to work safety, the Company will further promote the list system management and continue to achieve the goal of zero accidents, specifically including "zero illegal operation, zero faulty operation, zero unplanned downtime and zero safety accidents"; it will also promote the construction of an intelligent park, to solve the problem of first-line inspection and realize intelligent inspection with robots, intelligent helmets, intelligent monitoring, intelligent key, 5G data transmission, big data analysis and other information-based means. With regard to scientific research and technology, the Company will continue to increase investment in technological R&D, further promote energy conservation and consumption reduction, continuously improve the level of automation and intelligence, and increase the proportion of mono-grade products to above 90% and maintain it. The company will also expand the supply ratio of N-type polysilicon according to market demand. With regard to production cost, the Company will reduce Yongxiang polysilicon production cost to below RMB 50,000/ton. The production

cost of Yongxiang New Energy and Inner Mongolia Tongwei will be stabilized below RMB 40,000 /ton. With regard to new project construction, the Company will optimize process design and equipment selection by building a new intelligent chemical plant, and start the construction of Phase II of Leshan 35,000 Tons High-purity polycrystalline silicon project, which is expected to be completed and put into operation by the end of September 2021; the Company will also start the construction of a 40,000 Tons high-purity polycrystalline silicon project in Baoshan, Yunnan, which is expected to be completed and put into production by the end of November 2021.

(2) Solar cell business: the Company will continue to increase production capacity, reduce costs and increase efficiency, strengthen technology R&D and market development. With regard to capacity scale, the Company will gradually implement the project in accordance with the medium-term plan for the development of solar cell business and will complete Meishan Phase I and put it into production in the first half of 2020. The Company will also push forward the follow-up project of Meishan and the Chengdu Jintang project in accordance with the market situation, and the production capacity is expected to reach 30-40GW by the end of 2020. With regard to cost reduction and efficiency improvement, the Company will continue to use methods such as improving conversion efficiency rate, increasing size, reducing consumables, improving grid lines and reducing resistance in order to achieve the goal of cost reduction and efficiency improvement. In addition, the Company will continue to increase investment in R&D on the basis of the original cost advantage and accelerate the pace of cost reduction, thus maintaining its leading level in the industry. With regard to technology R&D, the Company will closely follow the cutting-edge technologies and promote the R&D process of new technologies such as PERC+, TOPCON and HJT due to the rapid technological innovation of cells. When the technology is mature, the Company will quickly implement new technologies to realize mass production. With regard to market development, the Company will adhere to the customer-oriented principle. In order to meet the needs of different customers, the Company will continuously introduce new products with higher cost-efficiency, actively explore domestic and overseas markets, so as to serve more customer groups.

(3) PV power generation business: The Company will continue to deepen the synergy of "Fisheries + PV" and gather resources to create a "Fisheries & PV Integration" development model and build a certain number of large demonstration bases. The Company expects to invest more than 1GW in the construction of "Fisheries & PV Integration" power plant, and expects to achieve on grid electricity of 2.5 billion kwh throughout the year. The Company hopes that the system investment cost of its optimal project is lower than RMB 3/W. The Company's competitive advantages in the field of "Fisheries & PV Integration" are reflected in the design level, construction quality, construction cycle, comprehensive cost, operation effect and other aspects.

(IV) Possible Risks

√ Applicable □ Inapplicable

1. Feed industry

(1) Influence of fluctuation on raw material price. As the raw material costs account for more than 90% of the feed cost, the fluctuation of raw material market is affected by various factors, including the international political situation, climate change, import policies, changes in the output of the main raw material producing areas, purchasing, storage and subsidies, exchange rate fluctuations, logistics costs, etc., thus affecting the cost and gross profit margin of the Company's feed business.

Measures taken: The Company will continue to develop excellent and stable supplier system and logistics system and implement comprehensive and strict benchmarking management measures. In order to speed up the procurement response to market changes, the Company will set up a specialized market

research team to deepen the analysis and judgment of price trends and build an analysis system from multiple perspectives. In addition, in order to reduce the cost of raw materials affected by market price fluctuations, the Company will seize the opportunity to increase seasonal raw material reserves. Moreover, in order to improve the efficiency of raw material procurement, the Company will further improve the level of raw material inventory management and build the Company's e-mall and other information business platforms.

(2) Impact of the COVID-19. Since the outbreak of COVID-19, many cities have implemented different levels of traffic control. As a result, the transportation of agricultural means of production in some places has been blocked, resulting in problems such as the difficulty of timely supplement of feed needed for livestock and poultry farming, and the failure in transporting breeding livestock and poultry. In the short term, the problems, such as raw materials not being transported in, products not being sold out, and workers not being able to return, will all have certain impacts on the normal production and operation of feed processing enterprises.

Measures taken: From the perspective of policy, the Ministry of Agriculture and Rural Affairs, the National Development and Reform Commission and the Ministry of Transport jointly issued the *Urgent Notice on Resolving the Current Practical Difficulties and Speeding up the Resumption of Production in the Aquaculture Industry* on February 15, 2020, requiring all local governments to take effective measures to ensure the implementation of the policy so as to speed up the resumption of production by feed enterprises and livestock and poultry slaughtering and processing enterprises and ensure smooth transportation of materials and products. In this regard, in order to fully protect the health and safety of employees, the Company set up the epidemic prevention and control headquarters in the first place to coordinate the epidemic prevention and control work. In addition, the Company deployed its subsidiaries to actively participate in the epidemic prevention and control work of the local government, worked out accurate and effective measures and plans based on the Company's advantages, and made material procurement and sales management plans on the premise of meeting the requirements of the local government, so as to achieve resumption of work quickly and orderly. Besides, as the Company's core product is seasonal aquatic feed, which is generally off season in the Q1, and the Company has made a certain amount of raw material reserves before the Spring Festival, so far, the Company's raw material supply is in a normal condition with smooth production.

(3) The epidemic of natural disasters and the influence of market fluctuation. As the feed industry is closely linked with the farming and planting industries, the operation and development of the industry will be adversely affected by cyclical market conditions, including natural disasters, abnormal temperature, drought, floods, livestock and poultry breeding epidemic, etc.

Measures taken: The Company will take reasonable measures to optimize the industrial area and structural layout, keep up with market changes, adjust business strategies in a timely manner, and optimize and adjust the product structure. In order to supply high-efficiency products, upgrade the connotation of value marketing, improve the production level and benefits of farmers, and avoid the Company's operating risks, the Company will build high-quality channels, optimize the customer structure and promote scientific cultivation model for a long time.

(4) The influence of changes in RMB exchange rate. The frequent two-way fluctuation of RMB exchange rate will have a greater and greater impact on the enterprise's operation with the expansion of the Company's foreign-related business scale.

Measures taken: The Company will pay close attention to and study the development trend of the international foreign exchange market, and select favorable payment settlement currencies and methods according to the market development trend; Meanwhile, the Company will further enhance its awareness

of foreign exchange risks, improve its research and forecasting capabilities in the foreign exchange market, strengthen the management of import and export business, and flexibly use financial instruments (such as forward settlement and sale of foreign exchange, swaps and foreign exchange options) to lock in exchange rate risks. In addition, in order to gain the initiative in the negotiation mechanism of price, currency and settlement cycle, the Company will make full use of its own scale, technology, brand and strong food safety guarantee system.

(5) As labor costs, environmental protection constraints, land costs and social prices are generally rising, the overall operation of the feed industry has entered a relatively high cost era, which will have an impact on the business efficiency of the enterprise.

Measures taken: the Company will improve the level of technology development, continue to increase R&D investment, improve the cost performance of products, and use the effective transmission of industrial chain to digest costs; the Company will also continue to optimize the feed product structure, insist on aquatic feed as the Company's core product and gradually increase its proportion of scale. Especially with the upgrading of social consumption, the concept of quality-focused will be transformed into that of quality-focused, and the proportion of high value-added special aquatic feed and high-end aquatic feed in the feed product structure of the Company will continue to increase.

2. PV new energy industry

(1) Risk of market fluctuation. In May 2019, the National Development and Reform Commission and the National Energy Administration jointly issued *Notice of the State on Actively Promoting Work Related to Non-subsidized Grid Parity for Wind Power and Photovoltaic Power Generation*. On March 5, 2020, the National Energy Administration issued *Notice on Matters Related to the Construction of Wind and Photovoltaic Power Generation Projects in 2020* (hereinafter referred to as "Notice"). The Notice indicates that the PV policy in 2020 will continue the general idea of 2019 and will actively promote the construction of the non-subsidized PV grid parity project, which also indicates that the era of PV grid parity has come. Factors such as accelerated regression of national PV subsidies, technological progress and large-scale production may lead to lower power plant yield and fluctuations in market demand. Therefore, the future PV market will be driven by technology and application instead of policy guidance. Among them, technology, cost advantages and future diversified PV application modes will become the key to win the market in the future.

Measures taken: On the one hand, enhance the research and prediction of national policies and macro-economy, PV industry, as a national strategic emerging industry, has a great market potential; On the other hand, the Company will make full use of the advantages of existing scale, technology, talents and resources, focus on the fine management and cost reduction and efficiency improvement, and maintain the product characteristics of high quality and low cost. In addition, combining the Company's unique advantage of resource integration, namely the "Fisheries & PV Integration" development mode, the compound development of "clean energy production on water and high-quality aquatic products production under water" is highlighted to offset part of market fluctuation to follow the trend of PV grid parity through terminal power generation.

(2) Industry policy risks. PV, as a new energy industry growing with the support of national policies, is sensitive to policy changes. In 2019, the policies of the PV industry generally focus on guiding enterprises towards PV grid parity for PV projects. In 2020, with the gradual decline of subsidies for PV power plants, the grid parity will be witnessed in PV industry before long. Under the intensified market competition in 2019, many enterprises in the industry are facing operation dilemma and PV enterprises with low cost, outstanding innovation ability, strong financing ability and risk

resistance gained more market share; therefore, the adjustment of national policies will influence the development trend of the entire PV terminal to some extent.

Measures taken: The Company shall scientifically and reasonably formulate the business development plan of PV power plant according to relevant national policies and regulations, to make it go along with the development direction and trend of national policies, and to actively promote the PV grid parity of projects.

(3) Risk of PV curtailment. Some PV power plant construction areas in our country have limited regional transmission capacity and insufficient local power load, leading to PV power plants not operating at full capacity, i.e. PV curtailment, and will directly affect the operating efficiency of PV power generation.

Measures taken: On the one hand, the Company will strictly investigate the location of PV power generation projects, giving priority to eastern, southern and central China for the promotion of "Fisheries & PV Integration", where electricity consumption capacity is high and land resources are scarce, to realize the comprehensive utilization of resources; In the west, northwest and other regions, completing supporting power grid facilities and large power consumption load is the primary task to reduce the risk of PV curtailment. On the other hand, as an important supporting technology for the large-scale development of renewable energy, energy storage can effectively address the volatility and unpredictability of PV power generation. The Company can use the energy storage system to improve the stability and reliability of the power grid, thus improving the quality of power generation.

(4) Risk of technology updating. The technology of PV industry has been updated rapidly, especially multicrystalline silicon and solar cells, are both technology and capital intensive industries. In 2019, the solar cell efficiency set new records for nine times and the module conversion efficiency rate set new records for four times. With the continuous improvement of the cell and module efficiency, the cost will gradually decrease. The pressure of cost reduction has forced enterprises to continuously research and develop new technologies, making enterprises exposed to greater challenges. Therefore, it is necessary to keep up with the pace of technological development in the industry in order to achieve steady growth in future performance.

Measures taken: ① Continue to promote technological research and development, to speed up the transformation and upgrading of products, actively update the production process, and guarantee the quality of products, thus enhancing the Company's core competitiveness and risk resistance capacity. ② Take technological advantages and cost control advantages as core competitiveness, assess the situation, keep an eye open for the development trend of the industry and make corresponding strategic adjustments.

(5) Risks of international trade protectionism. At present, the production capacity of PV manufacturing industry is mainly in China, and the terminal installation market is flourishing. We have a large proportion of PV products exported, but some countries and regions have launched AD and CVD Investigations against PV enterprises in China for the purpose of protecting their local PV manufacturing industries, such as Europe, the United States, India and Turkey. In 2018, Europe cancelled the AD and CVD investigations against PV enterprises from China, and the international trade environment has improved. However, it still does not rule out the possibility of intensified international trade wars in the future, making other countries follow the practices of the United States and other countries, thus leading to more trade conflicts, exposing China's PV industry to more severe international trade barriers and uncertain risks brought about by changes in trade policies.

Measures taken: The Company will enhance the analysis and prediction of the international trade situation to take corresponding measures, develop more domestic customers, meanwhile, expand the proportion of products exported, improve the market competitiveness of the Company, and minimize the adverse effects brought by international trade frictions and policy changes in overseas markets.

(6) Force majeure risk

The "Covid-19 pandemic" has had a great negative impact on many industries in China. The adverse effects of the epidemic on the PV industry manufacturing industry include delayed returning to work, shortage of labor, poor logistics, delayed supply of raw materials and equipment, etc., and the decreased capacity utilization rate. The adverse effects on PV power plants include that some projects cannot be connected to the grid on schedule, and the reduction of electricity load across the country indirectly leads to an increase of PV curtailment. Since the end of February 2020, the "Covid-19 pandemic" has been gradually controlled in China, but continues to spread in overseas countries such as the United States, Germany, Italy and Spain. Currently, overseas market demand accounts for about 2/3 of the global PV market demand. If the epidemic continues to spread globally, the epidemic will weaken the growth expectation of the global PV market. Therefore, we cannot exclude the possible risk brought about by political, economic force majeure, natural disasters and epidemic to the operation of PV enterprises.

Measures taken: The Company will strengthen the analysis and prediction of force majeure risks such as epidemic situation and make corresponding measures, to actively respond to changes in the market environment, enhance developing of strategic customers, improve the market competitiveness of products, and reduce the adverse effects brought by force majeure risks.

(V) Others

Applicable Inapplicable

IV Description for situation and cause that the company did not disclose according to the criterion due to inapplicable criteria or special causes concerning the state secret and business secret

Applicable Inapplicable

Section V Important Matters

I. Plan for Profit Distribution of Common Stock or Capital Reserve Transfer

(I) Development, implementation or adjustment of cash dividends policy

Applicable Inapplicable

According to the requirements of the *Guidelines No. 3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies* issued by the CSRC, and considering the actual situation of the Company, the Company has revised and improved the profit distribution clauses in the articles of association several times, to provide effective system guarantee for cash dividends and the minimum dividend ratio, which will be strictly followed. In 2012, 2015 and 2018 shareholders' meetings, the Company reviewed and approved the *Plan for Dividend and Return of the Company in the Next Three Years (2012-2014)*, the *Plan for Dividend and Return of the Company in the Next Three Years (2015-2017)*, and the *Plan for Dividend and Return of the Company in the Next Three Years (2018-2020)* respectively, and further clarified the detailed rules for the implementation of cash dividends.

During the reporting period, according to the *Profit Distribution Plan for 2018* approved in the 2018 shareholders' meeting of the Company on May 8, 2019, a cash dividend of RMB 1.6 for every 10 shares (tax included) was distributed to all shareholders, totaling RMB 621,179,555.20, based on the share capital of 3,882,372,220 shares. On May 17, 2019, the Company disclosed the *Notice on the Implementation of the 2018 Equity Distribution*. With May 22, 2019 as the date of record and May 23, 2018 as the cash dividend distribution date, the Company implemented the 2018 profit distribution plan.

The Company's distribution plan for 2019 is: based on the share capital of 4,287,855,684 shares, a cash dividend of RMB 1.86 (tax included) for every 10 shares will be distributed to all shareholders, totaling RMB 797,541,157.22. The plan will be submitted to the 2019 shareholders' meeting for deliberation.

During the reporting period, the Company's profit distribution policy and plan were made and implemented based on the premise of fully protecting the legitimate rights and interests of small and medium-sized investors, according to the provisions of the Company's articles of association, with corresponding review procedures carried out with clear comments given by independent directors.

(II) The Company's common stock profit distribution scheme or plan, capital reserve transfer-into-equity scheme or plan in recent three years (including the reporting period)

Unit: Yuan Currency: RMB

Dividend year	Number of bonus shares per 10 shares (shares)	Number of dividends per 10 shares (RMB) (tax included)	Number of transfer per 10 shares (shares)	Amount of cash bonus (tax included)	Net profits attributable to common shareholders of listed companies in consolidated statements in dividend-receiving year	Proportion (%) accounting for net profits attributable to common shareholders of the listed companies in consolidated statements
2019	0	1.86	0	797,541,157.22	2,634,568,828.17	30.27
2018	0	1.60	0	621,179,555.20	2,018,746,008.65	30.77
2017	0	1.60	0	621,179,555.20	2,012,044,317.37	30.87

(III) Buy-back of share in cash to be included in the cash bonus

Applicable Inapplicable

(IV) The payoff in the reporting period and profit of the parent company available for distribution to the common shareholders was positive, but in case of no Common Stock Cash Dividend Distribution Plan presented, the Company should, in details, disclose the cause, as well as the purpose and use plan of the undistributed profit

Applicable Inapplicable

II. Performance of Commitment Matters

(I) The commitment matters of the Company's actual controllers, shareholders, related parties, purchasers, the Company and other related parties in the reporting period or lasting to the reporting period

Applicable Inapplicable

Commitment background	Commitments type	Commitment party	Commitments content	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
Commitment related to major assets reorganization	Limited sale of stocks	Major asset restructuring counterparty	The lock-in period of shares acquired by Tongwei Group and Chengdu Xinde through this transaction shall be 36 months from the date of completion of this equity issue of Tongwei Co., Ltd. Within 6 months after the completion of this transaction, if the closing price of Tongwei Co., Ltd. is lower than the issue price of this transaction for 20 consecutive trading days, or the closing price at the end of 6 months after the completion of this transaction is lower than the issue price, the lock-in period of Tongwei Co., Ltd. acquired by Tongwei Group and Chengdu Xinde will be automatically extended for 6 months.	36 months from February 19, 2016.	Yes	Yes	N/A	N/A
Commitment related to major assets reorganization	Solution of horizontal competition	Liu Hanyuan, Tongwei Group	The promisor has not invested in any company, enterprise or other operating entity with the same or similar business as the target company other than the target company; The promisor has not operated the same or similar business for any party other than the target company. There is no horizontal competition between the promisor and other controlled enterprises and the target company. The promisor and other controlled enterprises will not engage in any form of business activities that are the same as, similar to or competitive with the existing business or products of the target company, including any form of competition with the target company, including new establishment, investment, acquisition, merger of	This commitment is still valid and is being performed.	No	Yes	N/A	N/A

Commitment background	Commitments type	Commitment party	Commitments content	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
			companies or other economic organizations within or outside China that are the same as or similar to the existing business or products of the target company. At present, Leshan Yongxiang Polysilicon Co., Ltd. has no plan to resume production and operation. It will not carry out polysilicon project construction or engage in other businesses that are the same as or similar to the target company and Tongwei Co., Ltd. or the enterprises Tongwei having shares or held by Tongwei until Tongwei Group transfers its shares held in Leshan Yongxiang Polysilicon Co., Ltd. to an independent third party or Tongwei Co., Ltd.					
Commitment related to major assets reorganization	Solution of related party transaction	Liu Hanyuan, Tongwei Group	There is no related party transaction between the promisor and other controlled enterprises and the target company that is obviously unfair. After the completion of this transaction, the promisor and other controlled enterprises shall try their best to avoid or reduce related transactions with the target company; For related party transactions that cannot be avoided or exist for reasonable reasons, a standard related party transaction agreement will be signed with the target company in accordance with the law, and the approval procedures will be performed in accordance with the provisions of relevant laws, regulations, rules, listing rules and other normative documents as	This commitment is still valid and is being performed.	No	Yes	N/A	N/A

2019 Annual Report

Commitment background	Commitments type	Commitment party	Commitments content	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
			<p>well as Tongwei's Articles of Association. Trading will be conducted with Tongwei Co., Ltd. and their subsidiaries at fair market prices, and such trading will not be used to engage in any act that damages the interests of Tongwei Co., Ltd. and their subsidiaries; The information disclosure obligations of related party transactions are guaranteed to be fulfilled in accordance with relevant laws, regulations, listing rules and the Articles of Association of Tongwei Co., Ltd. The promisor promises to strictly fulfill the above commitment. In case of any damage to the rights and interests of Tongwei Co., Ltd. or target companies caused by breach of the above commitment by the promisor and other controlled enterprises, the promisor will bear corresponding compensation liabilities according to law.</p>					
	Others	Liu Hanyuan, Tongwei Group	<p>The promisor will not damage the independence of Tongwei Co., Ltd. due to this reorganization, and will maintain its independence from Tongwei Co., Ltd. in terms of assets, personnel, finance, institutions and business. It will strictly abide by the relevant provisions of the CSRC on the independence of listed companies, will not illegally use Tongwei Co., Ltd. to provide guarantees, will not illegally occupy Tongwei Co., Ltd.' funds, and will maintain and safeguard the</p>	This commitment is still valid and is being performed.	No	Yes	N/A	N/A

2019 Annual Report

Commitment background	Commitments type	Commitment party	Commitments content	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
			independence of Tongwei Co., Ltd. This commitment shall continue to be valid during the legal and effective existence of Tongwei Co., Ltd. and during the period when Liu Hanyuan is the actual controller of Tongwei Co., Ltd. and Tongwei Group is the controlling shareholder of Tongwei Co., Ltd. If the promisor violates the above commitment, thus causing losses to Tongwei Co., Ltd. and other shareholders, the promisor shall bear the corresponding compensation liability.					
	Others	Tongwei Group	No longer possess and/or use the assets, funds and other resources of Tongwei Co., Ltd. for free or with pay; If the Group Company and Tongwei Co., Ltd. have normal fund transactions, they will strictly follow the requirements of relevant laws and regulations, administrative rules and regulations, the Company's Articles of Association and other normative documents (including but not limited to provisions on related party transactions) to regulate their operations.	This commitment is still valid and is being performed.	No	Yes	N/A	N/A
	Limited sale of stocks	Tongwei Group	The lock-in period of shares acquired by Tongwei Group through this transaction shall be 36 months from the date of completion of this equity issue of Tongwei Co., Ltd. Within 6 months after the completion of this transaction, if the closing price of Tongwei Co., Ltd. is lower than the issue price of this transaction for 20 consecutive trading	36 months from October 12, 2016	Yes	Yes	N/A	N/A

Commitment background	Commitments type	Commitment party	Commitments content	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
			days, or the closing price at the end of 6 months after the completion of this transaction is lower than the issue price, the lock-in period of Tongwei Co., Ltd. acquired by Tongwei Group will be automatically extended for 6 months.					
	Solution of horizontal competition	Liu Hanyuan, Tongwei Group	Up to the issuing of this letter of commitment, I and Tongwei Group have not invested in any company, enterprise or other operating entity with the same or similar business as the target company other than the target company; I and Tongwei Group have not operated the same or similar business for any party other than the target company. There is no horizontal competition between me, Tongwei Group and other controlled enterprises and the target company. I and Tongwei Group and other controlled enterprises will not engage in any form of business activities that are the same as, similar to or competitive with the existing business or products of the target company, including any form of competition with the target company, including new establishment, investment, acquisition, merger of companies or other economic organizations within or outside China that are the same as or similar to the existing business or products of the target company. I and Tongwei Group promise to strictly fulfill the above commitment. In case of any damage to the rights and interests of Tongwei Co.,	This commitment is still valid and is being performed.	No	Yes	N/A	N/A

Commitment background	Commitments type	Commitment party	Commitments content	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
			Ltd. or target companies caused by breach of the above commitment by the me, Tongwei Group and other controlled enterprises, the we will bear corresponding compensation liabilities according to law.					
	Solution of related party transaction	Liu Hanyuan, Tongwei Group	Up to the issuing of this letter of commitment, I and Tongwei Group have not invested in any company, enterprise or other operating entity with the same or similar business as the target company other than the target company; I and Tongwei Group have not operated the same or similar business for any party other than the target company. There is no horizontal competition between me, Tongwei Group and other controlled enterprises and the target company. I and Tongwei Group and other controlled enterprises will not engage in any form of business activities that are the same as, similar to or competitive with the existing business or products of the target company, including any form of competition with the target company, including new establishment, investment, acquisition, merger of companies or other economic organizations within or outside China that are the same as or similar to the existing business or products of the target company. I and Tongwei Group promise to strictly fulfill the above commitment. In case of any damage to the rights and interests of Tongwei Co.,	This commitment is still valid and is being performed.	No	Yes	N/A	N/A

2019 Annual Report

Commitment background	Commitments type	Commitment party	Commitments content	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
			Ltd. or target companies caused by breach of the above commitment by the me, Tongwei Group and other controlled enterprises, the we will bear corresponding compensation liabilities according to law.					
Commitment related to IPO	Solution of horizontal competition	Tongwei Group	Tongwei Group will not and will not cause its subsidiaries to develop, operate or assist in operating, participating in or engaging in businesses that lead to or may lead to direct or indirect competition with the main businesses of Tongwei Co., Ltd. by itself or together with or on behalf of any person, firm or company (enterprise, unit). It agrees to compensate Tongwei Co., Ltd. for all losses, damages and expenses incurred due to violation of the Letter of Commitment.	This commitment is still valid and is being performed.	No	Yes	N/A	N/A
	Solution of horizontal competition	Liu Hanyuan, Guan Yamei	No more equity participation in enterprises related to or similar to the company's business.	This commitment is still valid and is being performed.	No	Yes	N/A	N/A
	Others	Tongwei Group	No longer possess and/or use the assets, funds and other resources of Tongwei Co., Ltd. for free or with pay; If the Group Company and Tongwei Co., Ltd. have normal fund transactions, they will strictly follow the requirements of relevant laws and regulations, administrative rules and regulations, the Company's Articles of Association and other normative documents (including but not limited to provisions on related	This commitment is still valid and is being performed.	No	Yes	N/A	N/A

2019 Annual Report

Commitment background	Commitments type	Commitment party	Commitments content	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
			party transactions) to regulate their operations.					
Other commitments	Limited sale of stocks	"YunXin-Hongrui No.28 Assembled Funds Trust Plan" of Tongwei Co., Ltd. Employee Stock Ownership Plan	The shares will not be transferred within 12 months from the date of purchase.	May 8, 2018-May 7, 2019	Yes	Yes	N/A	N/A

(II) If the profit forecast can be carried out for the Company's assets or projects and the reporting period is within the period of profit forecast, the Company shall explain whether the assets and projects can realize the original profit forecast and the reasons

Has realized Not realized Inapplicable

(III) Completion of performance commitments and its impact on goodwill impairment test

Applicable Inapplicable

III Asset occupation and debt clearing progress within reporting period

Applicable Inapplicable

IV Explanations of the company on the "nonstandard audit report" provided by the accounting firm

Applicable Inapplicable

V. Analytical Descriptions of the Company on the Causes and Influence of the Accounting Policy, Accounting Estimate Alterations or Major Accounting Error Correction

(I) Analysis of reasons for and impacts of changes in the accounting policies and estimates

Applicable Inapplicable

1. In 2017, the Ministry of Finance issued the *Notice of the Ministry of Finance on Issuing the Revised Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments* (CK [2017] No.7), the *Notice of the Ministry of Finance on Issuing the Revised Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets* (CK [2017] No.8), the *Notice of the Ministry of Finance on Issuing the Revised Accounting Standards for Business Enterprises No. 24-Hedge Accounting* (CK [2017] No.9), *Notice of the Ministry of Finance on Issuing the Revised Accounting Standards for Business Enterprises No. 37-Presentation of Financial Instruments* (CK [2017] No.14) (the above four standards are hereinafter referred to as "New Financial Instrument Standards").

According to the provisions of the new financial instrument standards, the company will adjust the classification and measurement (including impairment) of financial instruments on the implementation date of the new financial instrument standards, and will not adjust the data of the previous comparative financial statements. The difference between the original book value of financial instruments and the new book value on the implementation date of the new financial instrument standards shall be included in the retained earnings at the beginning of the period or other comprehensive earnings of the annual reporting period during which the new financial instrument standards are implemented.

2. On April 30, 2019, the Ministry of Finance issued the *Notice of the Ministry of Finance on Revising and Issuing the Format of Financial Statements of General Enterprises* (CK [2019] No.6) (hereinafter referred to as the "Notice"), which revised the format of financial statements of general enterprises and is applicable to the interim financial statements and annual financial statements for non-financial enterprises in 2019 and the financial statements for subsequent periods during which the ASBE is implemented.

This accounting policy change adopts retroactive adjustment approach, which has no effect on the income statement.

(II) Analysis and explanation of reasons for and impacts of the correction of major accounting errors

Applicable Inapplicable

(III) Communication with former certified public accountants

Applicable Inapplicable

(IV) Other notes

Applicable Inapplicable

VI. Employment and Dismissal of Accounting Firms

Unit: 10,000 Yuan Currency: RMB

	Existing accounting firm
Name of domestic accounting firm	Sichuan Huaxin (Group) CPA Firm (Special General Partnership)
Remuneration for domestic accounting firm	290
Audit period of domestic accounting firm	19

	Name	Remuneration
Accounting firm for internal control and audit	Sichuan Huaxin (Group) CPA Firm (Special General Partnership)	110
Financial advisor	China Securities Co., Ltd.	33
Sponsor	China Securities Co., Ltd.	750

Description for employment and dismissal of accounting firms

Applicable Inapplicable

On May 8, 2019, after being reviewed and approved on the 2018 annual shareholders' meeting of the Company, the Company decided to continue to employ Sichuan Huaxin to provide services such as 2019 annual report audit and internal control audit.

Information about changed employment of the accounting firm during the audit

Applicable Inapplicable

VII. Facing of Risks of Suspending Listing**(I) Reasons for suspension of listing**

Applicable Inapplicable

(II) Measures to be taken by the Company

Applicable Inapplicable

VIII. Circumstances Surrounding and Reasons for Facing Termination of Listing

Applicable Inapplicable

IX Relevant matters of bankruptcy reorganization

Applicable Inapplicable

X. Major Litigation and Arbitration

The Company had significant litigations or arbitrations in the current year. The Company had no significant litigations or arbitrations in the current year.

XI. Penalty to and rectification of the listed company and its directors, supervisors, senior executives, controlling shareholders, actual controllers and purchasers

Applicable Inapplicable

XII. Description of the honesty condition of the company and its controlling shareholders and actual controllers in the reporting period

Applicable Inapplicable

XIII. The Company's Equity Incentive Plan, Employee Shareholding Plan or other Employee Incentives and Influence

(I) Relevant incentive matters already disclosed in the temporary bulletin and without progress or changes of subsequent execution

Applicable Inapplicable

(II) Information on incentives not disclosed in the temporary bulletin or with subsequent progress

Equity incentive

Applicable Inapplicable

Other notes

Applicable Inapplicable

ESOP information

Applicable Inapplicable

On December 15, 2017, the 2017 Employee Stock Ownership Plan (draft) of Tongwei Co., Ltd. and its summary was deliberated and approved on the 20th meeting of the sixth board of directors of the Company. For details, please refer to the company's related statements on the 2017 Employee Stock Ownership Plan (hereinafter referred to as "the Employee Stock Ownership Plan ") published on December 16, 2017 in *China Securities Journal*, *Shanghai Securities News*, *Securities Times*, *Securities Daily* and the website of Shanghai Stock Exchange (www.sse.com.cn). On January 5, 2018, the relevant proposals for the 2017 Employee Stock Ownership Plan was deliberated and approved on the first interim shareholders' meeting in 2018 of the Company. As the allocation amount was not up to expectations, in order to ensure the smooth implementation of this employee stock ownership plan, the company held the 21st meeting of the 6th board of directors to make corresponding adjustments to the employee stock ownership plan (draft) and its summary and other related supporting documents. For details, please refer to the *Notice of Tongwei Co., Ltd. on Adjustments to Matters Related to 2017 Employee Stock Ownership Plan* published by the company in the designated information disclosure media and Shanghai Stock Exchange (www.sse.com.cn) on February 2, 2018. On May 7, 2018, the Company bought 77,703,944 shares of the company's stock through the trading system of the Shanghai Stock Exchange according to ESOP "YunXin-Hongrui No.28 Assembled Funds Trust Plan", accounting for 2.00% of the Company's share capital, with a total transaction amount of RMB 897,979,400 and an average transaction price of RMB 11.56 per share. The shares purchased according to this ESOP plan will be locked according to regulations from May 8, 2018 to May 7, 2019. On August 20, 2018, in order to boost the confidence of employees and investors, after friendly negotiation, the principal of the priority share of the original trust plan agreed to transfer 240 million priority shares to Tongwei Group, accounting for 44.44% of the priority share of the trust plan. Tongwei Group purchased the priority share with its own funds. For details, please refer to the *Bulletin on Controlling Shareholders Purchasing the Priority Share of Employee Stock Ownership Plan with Their Own Funds* published by the Company on August 21, 2018 through the designated information disclosure media and Shanghai Stock Exchange (www.sse.com.cn). On May 7, 2019, the lock-in period of this employee stock ownership plan expired.

Other incentive measures

Applicable Inapplicable

XIV. Significant Related Transactions**(I) Related Transactions Concerning Daily Operations****1. Matters already disclosed in the temporary bulletin and without progress or changes of subsequent execution**

Applicable Inapplicable

2. Matters already disclosed in the temporary bulletin but with progress or changes of subsequent execution

Applicable Inapplicable

3. Matters not disclosed in the temporary bulletin

Applicable Inapplicable

(II) Related transactions concerning asset or equity acquisition and sale**1. Matters already disclosed in the temporary bulletin and without progress or changes of subsequent execution**

Applicable Inapplicable

2. Matters already disclosed in the temporary bulletin but with progress or changes of subsequent execution

Applicable Inapplicable

3. Matters not disclosed in the temporary bulletin

Applicable Inapplicable

4. Where the performance is agreed, the achievements during the reporting period shall be disclosed

Applicable Inapplicable

(III) Significant related transactions of joint investments abroad**1. Matters already disclosed in the temporary bulletin and without progress or changes of subsequent execution**

Applicable Inapplicable

2. Matters already disclosed in the temporary bulletin but with progress or changes of subsequent execution

Applicable Inapplicable

3. Matters not disclosed in the temporary bulletin

Applicable Inapplicable

(IV) Related credit and debt**1. Matters already disclosed in the temporary bulletin and without progress or changes of subsequent execution**

Applicable Inapplicable

Summary of matters	Query index
According to the needs of operation, management and investment development, the Company plans to apply to Tongwei Group in 2019 for a revolving liquidity with a month-end balance of not more than RMB 2 billion (not more than RMB 1 billion based on actual occupation in the whole year). The benchmark one-year loan interest rate set by the People's Bank of China is used as the loan interest	On April 18, 2019, the Company disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media the <i>Bulletin of Tongwei Co., Ltd. on Related Party Transactions of Borrowing from Tongwei Group Co., Ltd. in 2019</i> (Bulletin No.: 2019-044).

Summary of matters	Query index
rate, and the interest expected to be paid is about RMB 50 million (the loan interest rate will be adjusted accordingly with the adjustment of the benchmark one-year loan interest rate). By the end of the reporting period, no such loan had occurred.	

2. Matters already disclosed in the temporary bulletin but with progress or changes of subsequent execution

Applicable Inapplicable

3. Matters not disclosed in the temporary bulletin

Applicable Inapplicable

(V) Others

Applicable Inapplicable

XV. Major Contracts and Performances

(I) Trusteeship, contracting and leasing matters

1. Trusteeship

Applicable Inapplicable

2. Contracting

Applicable Inapplicable

3. Leasing

Applicable Inapplicable

(II) Guarantee

Applicable Inapplicable

Unit: 10,000 Yuan Currency: RMB

External guarantee (excluding the guarantee to subsidiaries)													
Guarantor	Relation between guarantor and listed company	Guaranteed party	Guaranteed amount	Guarantee date (agreement signing date)	Guarantee Starting date	Guarantee expiration date	Guarantee type	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount overdue	Whether there is counter guarantee	Whether it is related party guarantee	Association relationship
Tongwei Agricultural Financing Guarantee Co., Ltd.	Wholly owned subsidiary	Farmers and dealers	44,570.17	-	2019/1/21	2020/12/30	Joint liabilities	No	Yes	2,793.44	Yes	No	
Tongwei Agricultural Financing Guarantee Co., Ltd.	Wholly owned subsidiary	Farmers (Building rooftop solar power station)	2,733.82	-	2017/9/15	2028/5/31	Joint liabilities	No	No	-	Yes	No	
Total guarantee amount incurred in the reporting period (excluding the guarantee to subsidiaries)						59,383.59							
Total guarantee balance at the end of reporting period (A) (excluding the guarantee to subsidiaries)						47,303.98							
Guarantee of the Company and its subsidiaries on subsidiaries													
Total guarantee amount incurred to the subsidiaries during the reporting period						873,082.94							
Total balance of guarantee to subsidiaries at the end of reporting period (B)						504,303.22							
Total guarantee amount (including the guarantee to subsidiaries)													
Total guarantee amount (A+B)						551,607.20							
Proportion (%) of total guarantee amount in the Company's net assets						30.50							
Where,													
Amount of the guarantee provided for shareholders, actual controllers and their related party (C)						0							
Debt guarantee amount provided directly or indirectly for the guaranteed object whose asset-liability ratio is more than 70% (D)						117,013.51							
Amount of the portion with the total amount of guarantee exceeding net assets by 50% (E)						0							
Total amount of above three guarantees (C+D+E)						117,013.51							
Description of possible liability for satisfaction (the guarantee not yet due)						None							

Guarantee description	The above-mentioned amount overdue refers to the balance of guarantee compensation not recovered at the end of the reporting period.
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(III) Information about entrusting others with the management of cash assets

1. Entrusted financial management

(1) Overall situation of entrusted financial management

Applicable Inapplicable

Unit: 10,000 Yuan Currency: RMB

Type	Fund source	Amount incurred	Outstanding balance	Overdue irrecoverable amount
Guaranteed float earnings	Self-owned	69,000.00	0	0

Other information

Applicable Inapplicable

(2) Individual entrusted financial management

√ Applicable □ Inapplicable

Unit: 10,000 Yuan Currency: RMB

Trustee	Type of entrusted asset management	Entrusted amount	Starting date	Expiration date	Fund source	Fund Investment	Return determination method	Annualized yield	Expected income (if any)	Actual gain or loss	Actual recovery condition	Via legal procedures or not	Is there any entrusted asset management plan in the future?	Amount withdrawn for impairment provision (if any)
Chengdu Shuangnan Subbranch of Bank of China Limited	36-day Bank of China linked structured deposit products	5,000	2019/4/23	2019/5/30	Self-owned	Note	Guaranteed float earnings	3.1%	/	15.78	5,000	Yes	No	-
Chengdu Shuangnan Subbranch of Bank of China Limited	36-day Bank of China linked structured deposit products	5,000	2019/4/23	2019/5/30	Self-owned	Note	Guaranteed float earnings	3.1%	/	14.79	5,000	Yes	No	-
Industrial and Commercial Bank of China Chengdu Chunxi Subbranch	The 30-day ICBC capital preservation type "Sui Xin E" (target) No.3, 2017	12,000	2019/4/28	2019/5/29	Self-owned	Note	Guaranteed float earnings	3.25%	/	31.07	12,000	Yes	No	-
Harvest Fund Management Co., Ltd.	Harvest Monetary Fund - Harvest Express Currency A	15,000	2019/9/11	2019/10/24	Self-owned	Note	Guaranteed float earnings	2.61%	/	42.42	15,000	Yes	Yes	-
Beijing Hengtian Mingze Fund Sales	Jingshun Great Wall Jing Feng B	2,000	2019/11/7	2019/11/14	Self-owned	Note	Guaranteed float earnings	2.32%	/	0.90	2,000	Yes	Yes	-

2019 Annual Report

Trustee	Type of entrusted asset management	Entrusted amount	Starting date	Expiration date	Fund source	Fund Investment	Return determination method	Annualized yield	Expected income (if any)	Actual gain or loss	Actual recovery condition	Via legal procedures or not	Is there any entrusted asset management plan in the future?	Amount withdrawn for impairment provision (if any)
Co., Ltd.														
Beijing Hengtian Mingze Fund Sales Co., Ltd.	E Fund Money B	30,000	2019/12/2	2019/12/12	Self-owned	Note	Guaranteed float earnings	1.98%	/	16.53	30,000	Yes	Yes	

Note: The investment of funds mainly includes national debts, financial bonds and monetary funds.

Other information

Applicable Inapplicable

(3) Impairment provision of entrusted financial management

Applicable Inapplicable

2. Entrusted loans**(1) Overall entrusted loans**

Applicable Inapplicable

Other information

Applicable Inapplicable

(2) Individual entrusted loans

Applicable Inapplicable

Other information

Applicable Inapplicable

(3) Provision for impairment of entrusted loans

Applicable Inapplicable

3. Other information

Applicable Inapplicable

(IV) Other major contracts

Applicable Inapplicable

Based on the consensus of professional division of labor, complementary advantages and win-win cooperation in the PV industry chain, the twenty-fourth and twenty-fifth sessions of the sixth board of directors of the Company respectively deliberated and approved the signing of major sales contracts and major sales and procurement framework contracts with Xi'an LONGi Green Energy Technology Co., Ltd. (hereinafter referred to as "LONGi Co., Ltd.") and Tianjin Zhonghuan Semiconductor Co., Ltd. (hereinafter referred to as "Zhonghuan Co., Ltd."). Please refer to the *Bulletin of Tongwei Co., Ltd. on Signing a Major Sales Contract* published by the company on the website of Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on May 23, 2018, and the *Bulletin of Tongwei Co., Ltd. on Signing A Major Sales and Procurement Framework Contract* published on the website of Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on May 28, 2018. During the reporting period, the company's major contracts with LONGi Co., Ltd. and Zhonghuan Co., Ltd. were actively being implemented.

XVI. Clarification on Other Material Events

Applicable Inapplicable

On August 13, 2019, the second meeting of the seventh board of directors of the company deliberated and passed the *Proposal on the Plan for Non-public Offering of Green Corporate Bonds* and related proposals. The total face value of the bonds to be offered this time shall not exceed RMB 3 billion (inclusive), and the bonds shall be issued in installments with a term of not more than 5 years (inclusive) and a fixed interest rate. Interest shall be paid once a year. For details, please refer to the relevant bulletins disclosed by the Company on August 15, 2019 on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated information media. On September 2, 2019, the Third Interim Shareholders' Meeting of the Company in 2019 deliberated and passed the proposal. In January 2020, the Company received the *Letter of No Objection to The Listing and Transfer of Non-publicly*

Offered Green Corporate Bonds of Tongwei Co., Ltd. (SZH [2020] No.147, hereinafter referred to as the "Letter of No Objection") from Shanghai Stock Exchange. According to the Letter of No Objection, the Company's non-public offering of green corporate bonds to qualified investors meets the listing and transfer conditions of Shanghai Stock Exchange, and Shanghai Stock Exchange has no objection to its listing and transfer. The offering of the Company's green bonds is underwritten by Founder Financing Services Co., Ltd. The letter of no objection shall be valid for 12 months from the date of offering. For details, please refer to the bulletin of the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on January 22, 2020. The Company will start offering green bonds at an opportune time according to the progress of the project.

XVII. About the Active Fulfillment of Social Responsibilities

(I) Poverty alleviation work of listed companies

Applicable Inapplicable

1. Planning of targeted poverty alleviation

Applicable Inapplicable

PV-oriented poverty alleviation, as a new energy poverty alleviation model, is also an accurate poverty alleviation. While protecting the ecological environment, it is effectively promoting the steady increase of per capita income in poor areas, thus it is one of the effective ways to get rid of poverty. The Company actively responded to the spirit of documents issued by the state and different ministries, such as *Opinions on Implementing Poverty Alleviation through PV Power Generation*, *Opinions of the China Securities Regulatory Commission on Giving Play to the Role of the Capital Market in Serving the National Poverty Alleviation Strategy* and the *Opinions of the CPC Central Committee and the State Council on Implementing the Rural Revitalization Strategy*, and actively carried out PV poverty alleviation projects to fulfill social responsibilities.

2. Summary of annual targeted poverty alleviation

Applicable Inapplicable

The company actively implements the policy requirements such as *Guiding Opinions on Implementation of the 13th Five-Year Plan for the Development of Renewable Energy* and *Opinions on Supporting PV Poverty Alleviation and Regulating PV Power Generation Industry Lands* issued by the National Energy Administration and other departments, and has carried out PV poverty alleviation work in Jilin, Shandong, Ningxia, Inner Mongolia, Sichuan and other regions. Giving full play to local industrial characteristics and resource advantages, the Company has selected poor regions with PV construction conditions to actively carry out PV poverty alleviation projects. By the end of the reporting period, the Company had carried out a total of five PV poverty alleviation projects and helped 8,633 poor households to ensure that poor households had a stable income for 20 years. During the reporting period, the poverty alleviation expenditure was RMB 19.3443 million.

3. Achievement in targeted poverty alleviation

Applicable Inapplicable

Unit: 10,000 Yuan Currency: RMB

Indicator	Quantity and implementation
I. Overview	
Including: 1. Funds	1,934.43
II. Investment of items	
1. Poverty alleviation through development of industries	
Including: 1.1 Type of poverty alleviation project through the	<input type="checkbox"/> Poverty alleviation by agriculture and forestry

Indicator	Quantity and implementation
development of industries	industries <input type="checkbox"/> Poverty alleviation by tourism <input type="checkbox"/> Poverty alleviation by e-commerce <input checked="" type="checkbox"/> Poverty alleviation by assets income <input type="checkbox"/> Poverty alleviation by Sci-Tech <input type="checkbox"/> Others
1.2 Number of poverty alleviation projects through the development of industries (Nr.)	5
1.3 Amount of investment in poverty alleviation projects through the development of industries	1,934.43

4. Follow-up plan of targeted poverty alleviation

Applicable Inapplicable

The Company will continue to fulfill its corporate social responsibility, actively respond to the call of the state for precise poverty alleviation, and continue the "PV poverty alleviation" work by virtue of its industrial advantages, contributing to the development of the local green new energy industry, promoting the development of the local industry, improving the ecological environment, driving the people out of poverty and getting rich, to achieve the goals of green water, green mountains and common prosperity. In addition, the Company will actively study and implement various spirits and policies of PV poverty alleviation, continue to work closely with local government departments, financial institutions, rural organizations and other parties in poor areas, and make the best of local poverty alleviation funds and other poverty alleviation policies to promote the steady progress of poverty alleviation projects.

(II) Social responsibility

Applicable Inapplicable

Since its foundation, the Company has been focusing on the corporate vision of "For A Better Life", and is committed to becoming a safe food supplier and a clean energy operator. Through the in-depth integration of dual green businesses, the Company has achieved a high degree of integration between enterprise development and social values. In agriculture, while maintaining its own healthy development, the Company continues to lead the sustainable development of aquaculture industry in China. Especially in the aquatic husbandry, the Company's original "Fisheries & PV Integration" model leads the transformation and upgrading of the traditional aquaculture model to an automated, intelligent and large-scale modern aquaculture model, realizing the efficient utilization of land with harvests of "fish, electricity and environmental protection". In terms of PV new energy, the Company has continuously promoted cost reduction and efficiency improvement of products through cutting-edge scientific and technological innovation and application of technological achievements, thus making an important contribution to promoting PV clean energy to become the main energy source in China. The Company will also continue to further develop the agriculture and clean energy industries closely related to human life with the "craftsman spirit" and make efforts to continuously improve the quality of human life. The company attaches great importance to the construction of social responsibility and continuously performs its social responsibilities:

1. Protection of shareholders' rights and interests

The company attaches great importance to safeguarding the interests of the majority of shareholders, especially small and medium shareholders. According to the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and the *Rules Governing the Listing of Stocks on the Shanghai Stock*

Exchange, the Company has established and improved its corporate governance structure, promoted its standardized operation, and ensured the authenticity, accuracy and completeness of information disclosure to safeguard the legitimate rights and interests of the majority of shareholders, especially small and medium shareholders. During the reporting period, the Company successfully organized the election of the seventh board of directors, supervisors and senior management, and held four shareholders' meetings, seven board meetings and six supervisors meetings. The Company attaches great importance to the communication with investors, and strengthens the communication with investors through multi-level and multi-channels such as telephone, E-mail, interactive platform for investor relations, field research, etc. The Company is committed to paying back to shareholders, revising and improving the relevant provisions on profit distribution in the Articles of Association on many occasions, and has formulated the *Plan for Dividend and Return in the Next Three Years (2012-2014)*, *Plan for Dividend and Return in the Next Three Years (2015-2017)* and *Plan for Dividend and Return in the Next Three Years (2018-2020)* respectively in accordance with the Articles of Association and relevant legal norms. The Company strictly follows the plan to maintain a high yield, and create real value for shareholders. The Company has always taken safeguarding the legitimate rights and interests of shareholders and repaying shareholders as its established mission to firmly implement, making the Company being recognized by regulatory authorities for many years. During the reporting period, the Company was awarded Class A in annual information disclosure work by Shanghai Stock Exchange and the titles of "Excellent Secretary of the Board" and "Excellent Financial Manager" by The Listed Company Association of Sichuan, fully demonstrating the Company's achievements in standardizing governance and protecting shareholders' rights and interests.

2. Protection of rights and interests of creditors

The Company attaches great importance to protecting the rights and interests of creditors and has established a perfect creditor protection mechanism. The Company has a sound internal control management system, and has achieved efficient centralized management of funds and financing, strict grading approval, review management through the use of advanced information management methods, to ensure the fund safety. With good reputation, the Company has maintained long-term cooperation with policy banks, state-owned banks, joint-stock banks and foreign banks. The Company uses credit funds in strict accordance with the relevant regulations of the national regulatory authorities and bank management requirements, and carries out perfect life cycle management on loans. During the reporting period, the Company promptly repaid the principal and interest of all loans without any bad credit records. The Company has a perfect procurement management process system, which helps ensuring the unity of logistics, capital flow and information flow. During the reporting period, the Company strengthened its cooperation with strategic suppliers. The Company strictly implemented the procurement agreement with suppliers, paid the purchase price in a timely manner, effectively safeguarded the interests of the Company and creditors, and won warm praises from suppliers.

3. Protection of workers' rights and interests

The Company pays attention to the protection of employees' rights, cares about the physical and mental health of employees, and is committed to providing a broad development platform for employees. The Company strictly abides by the *Labor Law*, *Labor Contract Law*, *Social Insurance Law*, *Trade Union Law* and other laws and regulations to fully protect the legitimate rights and interests of employees. In terms of employee care, the Company has set up a "mutual fund for employee care" and has established and improved the corresponding management system. The fund is mainly used for medical care for employees and their families, major natural disasters, the scholarships for admission of employees' children to university, employee marriage and childbirth subsidies, etc., the fund has so far

won extensive support from employees. The Company has established channels for employees to make suggestions and complaints, in order to listen to employees' voices and build a better working atmosphere with employees. In terms of employee growth, the Company has continuously optimized the two promotion channels respectively from management and professional perspectives to encourage employees to make continuous progress and improvement.

Since 2017, the Company's posts have been fully open to employees and employees are encouraged to recommend themselves for posts. The Company can appropriately relax the conditions of employment for outstanding talents. The Company also carries out the training of employees' professional knowledge and skills through "Tongwei University". The University has set up talent training classes of seven echelons, namely "Successor Training Class", "Talent Training Class", "Pioneer Class", "Sailing Class", "New General Manager Class", "Incumbent General Manager Class" and "Excellent General Manager Class", which have continuously provided talents for all levels and business sectors. The Company has also organized many quality lectures on the topics of laws and regulations, moral sentiments, corporate culture, family relations, children's education, first aid protection, etc., to broaden employees' horizons. In terms of employee welfare, while ensuring the basic welfare of employees, the Company also provides subsidies on New Year's Day, Spring Festival, Chinese Valentine's Day, Dragon Boat Festival, National Day, Christmas, employee's birthday, company anniversary and other important festivals, and provides protective equipment during hot summer and smog. In addition, the Company has also set up fitness centers, organized interest classes such as badminton ball, dance and yoga, and set up "Mommy Cabins" for female employees during pregnancy and lactation, which fully reflects the Company's care and concern for employees. The Company has also organized various interesting games, enterprise debates, reading and sharing, etc., which have greatly enriched the amateur life of employees.

4. Work safety

Work safety is the basic premise to ensure the steady development of the Company. The Company has established and improved the work safety management system according to the relevant national laws and regulations. The Company introduced DuPont Safety Management concept earlier. In recent years, the Company has continuously promoted amoeba+team building, and is committed to realizing the work safety awareness to every team and employee. The "Five Implementations" of work safety were resolutely implemented in the agricultural sector during the reporting period, namely, the implementation of responsibility for work safety, the implementation of safety management level, the implementation of risk classification prevention and control, the implementation of the investigation of potential safety hazards, and the implementation of safety enhancement. Several special safety notification documents were issued throughout the year, covering safety standards, hidden danger investigation, education and training, dust and explosion prevention, flood season prevention and control, etc. The Company conducts comprehensive safety inspections and special safety inspections for key seasons, regions and companies, and reasonably switches the "four precautions" of flood prevention, sunstroke prevention, lightning protection and explosion prevention throughout the year, so as to ensure that the safety work of each company can keep pace with the overall rhythm and requirements and reduce the occurrence of safety accidents. In view of the hidden dangers and deficiencies found in the process, rectification within a time limit and timely training and education work were carried out to improve the level of work safety. Work safety control and emergency management have been strengthened in the PV new energy sector. JSA (Job Safety Analysis) and HAZOP (Hazard and Operability Studies) have been introduced into the Company's risk management, laying a solid foundation for better containment of accidents at the source. During the reporting period, Yongxiang New Energy has innovatively established version 1.0 of *List System Management Standards* in the whole

province, which has realized the work safety behavior habit of "having lists in your heart, talking about lists in your mouth, and using lists in your hands", has been widely recognized and highly valued by all sectors of society, and has achieved the first in the province and top five in the country in the national hazardous chemicals safety expert inspection of the Office of the Work Safety Commission of the State Council. Tongwei Solar (Chengdu) Co., Ltd. won advanced work safety unit in Southwest Airport Economic Development Zone.

5. Environmental protection

The Company attaches great importance to environmental protection and is committed to strengthening environmental pollution control and developing circular economy industry chain. In addition to strictly implementing the requirements of various environmental protection laws and regulations and the national environmental protection and emission standards, the Company also continuously strengthens the recycling of resources, closed operation of materials, recycling of byproducts and other work during the production, promotes the implementation of various energy-saving and emission-reduction measures, and actively practices the concept of harmonious development between enterprise development and ecological environment. During the reporting period, environmental protection regulations were strengthened in the agricultural sector to improve the stability of the treatment effect and actively explore and put forward "technological ideas of zero exhaust emission"; guided by emission after reaching the standard and clean production, the environmental protection management system of PV new energy sector has been established and perfected, and the environmental protection awareness of local post personnel has been improved. Daily inspection and regular inspection are taken as means to ensure the normal operation of environmental protection facilities. During the reporting period, Yongxiang won the honor of "national green factory demonstration enterprise of the Ministry of Industry and Information Technology" and the honorary titles of "national outstanding enterprise actively performing social responsibility" and "pioneer enterprise of energy conservation and emission reduction" respectively awarded by *Environmental Protection* and *China Environmental Protection*; Tongwei Solar Co., Ltd. has achieved zero major environmental accidents for seven consecutive years. Tongwei Solar (Hefei) Co., Ltd. was awarded the title of "advanced unit" in the annual ecological environment protection work of Hefei High-Tech Industry Development Zone, and employees of the Safety and Environment Department of the Company were awarded the title of "advanced individual" in the ecological environment protection work.

(III) Environmental Information

1. Explanations on the environment protection of the Company belonging to the heavy pollution units as prescribed by the environment protection department and its major subsidiaries

Applicable Inapplicable

(1) Pollutant discharge information

Applicable Inapplicable

During the reporting period, the Company strictly implemented relevant laws and regulations on environmental protection. The construction and operation of environmental protection facilities can meet the requirements of environmental protection management. The discharge of wastewater, waste gas and solid waste in the production process of the Company meets the requirements of relevant discharge standards, thus realizing clean production. Relevant environmental information is as follows:

- 1) Production of high-purity polycrystalline silicon of Yongxiang:
 - ① Main pollutants in the wastewater: COD, ammonia nitrogen and PH.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 1 main discharge outlet.

Discharge standard: Standard value in *Table 4: Level 1 Standard of Integrated Wastewater Discharge Standard (GB8978-1996)*; COD \leq 100mg/l; ammonia nitrogen \leq 15 mg/l; 6 \leq PH \leq 9.

Discharge concentration: COD: 15.44 mg/L; ammonia nitrogen: 0.82 mg/l; PH: 7.6, all meet the environmental protection discharge standards.

Approved annual discharge: COD \leq 34.25 tons/year; ammonia nitrogen \leq 5.24 tons/year.

Total discharge in 2019: COD: 6.36 tons; ammonia nitrogen: 0.34 tons, both are less than the approved annual discharges.

② Major pollutants in boiler flue gas: Sulfur dioxide, nitrogen oxide and particulate matter.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 2 discharge outlets.

Emission standard: Standard value in *Table 3: Special Emission Limit Value of Emission Standard of Air Pollutants for Boiler (GB13271-2014)*; sulfur dioxide \leq 30 mg/m³; nitrogen oxides \leq 80 mg/m³; particulate matter \leq 20mg/m³.

Emission concentration: sulfur dioxide: 1.53 mg/m³; nitrogen oxide: 42.78mg/m³; particulate matter: 0.98mg/m³, all conform to environmental emission standards.

Approved annual emissions: Sulfur dioxide \leq 22.04 tons/year; nitrogen oxides \leq 58.752 tons/year; particulate matter \leq 14.72 tons/year.

Total emissions in 2019: Sulfur dioxide: 0.45 tons; nitrogen oxide: 12.02 tons; particulate matter: 0.269 tons, all are less than the approved annual emissions.

2) Production of high-purity polycrystalline silicon of Yongxiang New Energy:

① Main pollutants in the wastewater: COD, ammonia nitrogen and PH.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 1 main discharge outlet.

Discharge standard: Standard value in *Table 4: Level 1 Standard of Integrated Wastewater Discharge Standard (GB8978-1996)*; COD \leq 100mg/l; ammonia nitrogen \leq 15 mg/l; 6 \leq PH \leq 9.

Discharge concentration: COD: 13.96 mg/L; ammonia nitrogen: 1.19 mg/l; PH: 8.07, all meet the environmental discharge standards.

Approved annual discharge: COD \leq 43.96 tons/year; ammonia nitrogen \leq 4.4 tons/year.

Total discharge in 2019: COD: 5.23 tons; ammonia nitrogen: 0.447 tons, both are less than the approved annual discharges.

② Major pollutants in boiler flue gas: Sulfur dioxide, nitrogen oxide and particulate matter.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 2 discharge outlets.

Emission standard: Standard value in *Table 3: Special Emission Limit Value of Emission Standard of Air Pollutants for Boiler (GB13271-2014)*; sulfur dioxide \leq 50 mg/m³; nitrogen oxides \leq 150 mg/m³; (80 according to EIA requirements) particulate matter \leq 20mg/m³.

Emission concentration: sulfur dioxide: 1.37 mg/m³; nitrogen oxide: 56.79mg/m³; particulate matter: 9.55mg/m³, all conform to environmental emission standards.

Approved annual emissions: Sulfur dioxide \leq 26.98 tons/year; nitrogen oxides \leq 76.04 tons/year; particulate matter \leq 19.19 tons/year.

Total emissions in 2019: Sulfur dioxide: 0.241 tons; nitrogen oxide: 9.944 tons; particulate matter: 1.67 tons, all are less than the approved semi-annual emissions.

3) Production of high-purity polycrystalline silicon of Inner Mongolia Tongwei:

Major pollutants in boiler flue gas: Sulfur dioxide, nitrogen oxide and particulate matter.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 2 discharge outlets.

Emission standard: Standard value in Table 2: Emission Limits for New Boilers of *Emission Standard of Air Pollutants for Boiler* (GB13271-2014); sulfur dioxide $\leq 50 \text{ mg/m}^3$; nitrogen oxides $\leq 200 \text{ mg/m}^3$; particulate matter $\leq 20 \text{ mg/m}^3$.

Emission concentration: Sulfur dioxide: 4 mg/m^3 ; nitrogen oxide: 61.1 mg/m^3 ; particulate matter: 11.29 mg/m^3 , all conform to environmental emission standards.

Approved annual emissions: Sulfur dioxide $\leq 1.36 \text{ tons/year}$; nitrogen oxides $\leq 67.36 \text{ tons/year}$;

Total emissions in 2019: Sulfur dioxide: 0.936 tons; nitrogen oxide: 14.256 tons, both are less than the approved annual emissions.

4) Production of PVC and caustic soda of Yongxiang:

① Main pollutants in the wastewater: COD, ammonia nitrogen and PH.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 1 main discharge outlet.

Discharge standard: Standard value in *Emission Standard of Pollutants for Caustic Alkali and Polyvinyl Chloride Industry* (GB15581-2016); COD $\leq 60 \text{ mg/l}$; ammonia nitrogen $\leq 15 \text{ mg/l}$; $6 \leq \text{PH} \leq 9$.

Discharge concentration: COD: 20.33 mg/L ; ammonia nitrogen: 7.69 mg/l ; PH: 6~9, all meet the environmental discharge standards.

Approved annual discharge: COD $\leq 58.72 \text{ tons/year}$; ammonia nitrogen $\leq 8.08 \text{ tons/year}$.

Total discharge in 2019: COD: 7.32 tons; ammonia nitrogen: 2.77 tons, both are less than the approved annual discharges.

② Heavy metal: Mercuric chloride, which is mainly used for vinyl chloride synthesis catalysts. The annual output of waste mercury-containing catalysts is 164.92 tons and it will be sent to qualified manufacturers for recycling according to code HW29 in the *National Catalogue of Hazardous Wastes*.

5) Production of cement of Yongxiang:

Main pollutants in waste gas: Smoke (dust), SO₂ and NO_x.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 2 discharge outlets.

Emission standard: Air pollutants: Standards in *Emission Standard of Air Pollutants for Cement Industry* (GB4915-2013).

Emission concentration: Smoke (dust): Average concentration of 6.67 mg/m^3 , emission amount of 5.11 tons at kiln head and 16.95 tons at kiln tail; SO₂: 1.83 mg/m^3 ; NO_x: 143.9 mg/m^3 , which all meet the environmental emission standards.

Approved annual emissions: SO₂: 140 tons/year; NO_x: 450.3 tons/year.

Total emission in 2019: SO₂: 3.25 tons; NO_x: 321.9 tons, both are less than the approved emissions.

6) Production of solar cell of Tongwei Solar (Chengdu):

① Main pollutants in wastewater: general pollutants: COD, ammonia nitrogen, pH and SS.

Specific pollutants: Fluoride and total nitrogen.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 2 main discharge outlets.

Emission standard: *Emission Standard of Pollutants for Battery Industry* (GB30484-2013); COD \leq 150mg/l; ammonia nitrogen \leq 30 mg/l; 6 \leq PH \leq 9; SS \leq 140mg/l; total nitrogen \leq 40 mg/l; fluoride \leq 8 mg/l.

Emission concentration: COD: 91.91 mg/L; ammonia nitrogen: 1.29 mg/l; PH: 8.09; SS:13.25mg/l; total nitrogen: 12.3 mg/L; fluoride: 4.14 mg/l. All meet the environmental emission standards.

Total emission in 2019: COD: 297.135 tons/year; ammonia nitrogen: 4.42 tons/year; SS: 39.606 tons/year; total nitrogen: 40.523 tons/year; fluoride \leq 13.356 tons/year.

Environmental protection facilities and operation:

The Phases I and II of the project are now equipped with a sewage treatment facility with a daily treatment capacity of 4200 tons, with three-stage physicochemical and two-stage AO biochemical treatment sections. The treatment facility is in normal operation. The Phases III and IV of the project are now equipped with a sewage treatment facility with a daily treatment capacity of 11600 tons, with three-stage physicochemical and two-stage AO biochemical treatment sections. The treatment facility is in normal operation.

② Main pollutants in waste gas: Fluoride, chlorine, particulate matter, nitrogen oxides and volatile organic compounds.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: 30 main discharge outlets.

Emission standard: *Emission Standard of Pollutants for Battery Industry* (GB30484-2013);); fluoride \leq 3 mg/m³; chlorine \leq 5 mg/m³; particulate matter \leq 30 mg/m³; nitrogen oxides \leq 30 mg/m³; volatile organic compounds \leq 50mg/m³.

Emission concentration: Fluoride \leq 0.71 mg/m³; chlorine \leq 0.579 mg/m³; particulate matter \leq 10.01 mg/m³; nitrogen oxides \leq 14.05 mg/m³; volatile organic compounds \leq 2.708mg/m³. All meet the environmental emission standards.

Total emissions in 2019: Fluoride: 3.11 tons/year; chlorine: 1.47 tons/year; particulate matter: 1.68 tons/year; nitrogen oxides: 6.81 tons/year; volatile organic compounds: 7.81 tons/year.

Environmental protection facilities and operation:

The Company chooses the corresponding matching treatment process according to the different nature of exhaust gas emitted from the workshop. Acid waste gas from texturing of S1 workshop is collected by a set of negative pressure exhaust system, treated by alkali liquor spray tower to reach the standard, and then discharged through a 30m high exhaust tower; diffused acid waste gas is collected by a set of negative pressure exhaust system, treated by alkali liquor spray tower to reach the standard, and then discharged through a 30m high exhaust tower; acid waste gas from PSG cleaning is collected by a set of negative pressure exhaust system and discharged through a 30m high exhaust tower after reaching the standard through oxidation-reduction treatment; coating waste gas is collected centrally by a set of negative pressure exhaust system after burning through 8 combustion chambers, and is discharged through a 30m high exhaust tower after reaching the standard through the acid scrubber treatment; organic waste gas is discharged through a 20m high exhaust tower after reaching the standard through the activated carbon adsorption treatment. The treatment facilities are operating normally.

Acid waste gas from texturing and diffused acid waste gas of S2 workshop are collected by 2 sets of negative pressure air extraction systems, treated by alkali liquor spray tower and discharged through two 30m high exhaust towers after reaching the standard; the acid waste gas from PSG cleaning is collected by a set of negative pressure exhaust system, and is discharged through a 30m high exhaust tower after reaching the standard through oxidation-reduction treatment; coating waste gas is collected centrally by a set of negative pressure exhaust system after burning through 14 combustion chambers, and is discharged through a 30m high exhaust tower after reaching the standard through the acid scrubber treatment; organic waste gas is discharged through two 20m high exhaust towers after reaching the standard through the activated carbon treatment. The treatment facilities are operating normally.

Acid waste gas from texturing and diffused acid waste gas of workshop on the south side of A1 are collected by 1 set of negative pressure air extraction system, treated by alkali liquor spray tower and discharged through one 30m high exhaust tower after reaching the standard; the acid waste gas from PSG cleaning is collected by a set of negative pressure exhaust system, and is discharged through a 30m high exhaust tower after reaching the standard through oxidation-reduction treatment; coating waste gas is collected centrally by a set of negative pressure exhaust system after burning through 12 combustion chambers, and is discharged through a 30m high exhaust tower after reaching the standard through the acid scrubber treatment; organic waste gas is discharged through one 20m high exhaust tower after reaching the standard through the activated carbon treatment. The treatment facilities are operating normally.

Acid waste gas from texturing and diffused acid waste gas of workshop on the north side of A1 are collected by 1 set of negative pressure air extraction system, treated by alkali liquor spray tower and discharged through one 30m high exhaust tower after reaching the standard; the acid waste gas from PSG cleaning is collected by a set of negative pressure exhaust system, and is discharged through a 30m high exhaust tower after reaching the standard through oxidation-reduction treatment; coating waste gas is collected centrally by a set of negative pressure exhaust system after burning through 12 combustion chambers, and is discharged through a 30m high exhaust tower after reaching the standard through the acid scrubber treatment; organic waste gas is discharged through one 20m high exhaust tower after reaching the standard through the activated carbon treatment. The treatment facilities are operating normally.

Acid waste gas from texturing and diffused acid waste gas from the workshop on the south side of A2 are collected by a set of negative pressure exhaust system, treated by an alkali liquor spray tower and discharged through a 30m high exhaust tower after reaching the standard; coating waste gas is collected centrally by a set of negative pressure exhaust system after burning through 16 combustion chambers, and is discharged through a 30m high exhaust tower after reaching the standard through the acid scrubber treatment; organic waste gas is treated by an activated carbon treatment system to reach the standard and then discharged through a 20m high exhaust tower. The treatment facilities are operating normally;

Acid waste gas from texturing and diffused acid waste gas from the workshop on the north side of A2 are collected by a set of negative pressure exhaust system, treated by an alkali liquor spray tower and discharged through a 30m high exhaust tower after reaching the standard; coating waste gas is collected centrally by a set of negative pressure exhaust system after burning through 16 combustion chambers, and is discharged through a 30m high exhaust tower after reaching the standard through the acid scrubber treatment; organic waste gas is treated by an activated carbon treatment system to reach the standard and then discharged through a 20m high exhaust tower. The treatment facilities are operating normally;

Acid and alkali waste gas and malodorous waste gas from wastewater station of Phase I and Phase II project are collected by a set of negative pressure exhaust system and then discharged through a 30m high exhaust tower after oxidation-reduction treatment; acid and alkali waste gas from the wastewater station of Phase III project is collected by a set of negative pressure exhaust system and then discharged through a 25m high exhaust tower after oxidation-reduction treatment; the malodorous waste gas is collected by a set of negative pressure exhaust system, treated by an acid liquor+alkali liquor spray tower, and then discharged through a 25m high exhaust tower.

7) Production of solar cells of Tongwei Solar (Anhui) and (Hefei):

① Main pollutants in wastewater: General pollutants: COD, ammonia nitrogen, pH and total nitrogen; specific pollutants: fluoride.

Discharge mode: Continuous and stable discharge.

Number of discharge ports: Tongwei Solar (Anhui) and (Hefei) have a main wastewater discharge outlet respectively.

Emission standard: Indirect emission limit of solar cells in *Emission Standard of Pollutants for Battery Industry* (GB30484-2013) and takeover standard of Hefei West Group Sewage Treatment Plant; COD \leq 150mg/l; ammonia nitrogen \leq 30 mg/l; 6 \leq PH \leq 9, total nitrogen \leq 40 mg/L; fluoride \leq 8 mg/l.

Wastewater discharge concentration of Tongwei Solar (Hefei): COD: 114.25mg/l; ammonia nitrogen: 12.15 mg/l; pH: 7.3; total nitrogen: 14.07 mg/L; fluoride: 3.38 mg/l; Wastewater discharge concentration of Tongwei Solar (Anhui): COD: 17mg/L; ammonia nitrogen: 0.289 mg/l; PH: 7.15; total nitrogen: 14.1 mg/L; fluoride: 1.5 mg/l. All meet the environmental emission standards.

Total emissions in 2019 of Tongwei Solar (Hefei): COD: 218.22 tons/year; ammonia nitrogen: 23.21 tons/year; total nitrogen: 26.87 tons/year; fluoride: 6.46 tons/year; total emissions in 2019 of Tongwei Solar (Anhui): COD: 9.26 tons/year; ammonia nitrogen: 0.16 tons/year; total nitrogen: 7.68 tons/year; fluoride: 0.82 tons/year.

② Main pollutants in waste gas: General pollutants: nitrogen oxides and VOCs; specific pollutant: fluoride.

Discharge mode: Continuous and stable discharge.

Number of discharge outlets: Tongwei Solar (Hefei) has 28 discharge outlets; Tongwei Solar (Anhui) has 10 discharge outlets.

Emission standard: Standard Values of Solar Cells in Table 5 and Boundary Limits in Table 6 of *Emission Standard of Pollutants for Battery Industry* (GB30484-2013): Nitrogen oxide \leq 30mg/m³, VOCs \leq 50mg/m³, fluoride \leq 3.0mg/m³.

Emission concentration of waste gas of Tongwei Solar (Hefei): Nitrogen oxide: 8.0mg/m³, VOCs: 3.75 mg/m³, fluoride: 0.07 mg/m³; emission concentration of waste gas of Tongwei Solar (Anhui): nitrogen oxide: 16mg/m³, VOCs: 1.68 mg/m³, fluoride: 0.15mg/m³. All meet the environmental emission standards.

Approved annual emissions of Tongwei Solar (Hefei): Nitrogen oxides \leq 37.28 tons/year and VOCs \leq 7.67 tons/year; approved annual emissions of Tongwei Solar (Anhui): Nitrogen oxide \leq 15.996 tons/year and VOCs \leq 11.42 tons/year.

Total emissions in 2019 of Tongwei Solar (Hefei): Nitrogen oxides: 13.92 tons/year, VOCs: 6.67 tons/year; total emissions in 2019 of Tongwei Solar (Anhui): Nitrogen oxides: 2.22 tons/year, VOCs: 0.21 tons/year. Both are less than the approved annual emissions.

Environmental protection facilities and operation:

Wastewater treatment facilities: Tongwei Solar (Hefei) has a set of three-stage physicochemical+biochemical pretreatment+two-stage A/O wastewater treatment system with a designed daily treatment capacity of 4,320 tons, which is in normal operation; Tongwei Solar (Anhui) currently has a set of two-stage physicochemical+biochemical pretreatment+two-stage A/O wastewater treatment system with a designed daily treatment capacity of 8000 tons, which is in normal operation;

Waste gas treatment facilities: Tongwei Solar (Hefei) has a total of 28 sets of production waste gas treatment facilities, of which the waste gas generated from cleaning and texturing processes is treated by oxidation spray tower+reduction spray tower, the waste gas generated from diffusion processes is treated by primary NaOH solution sieve plate packing tower, the waste gas generated from etching is treated by three-stage SDG chemical catalytic adsorption tower, and the waste gas generated from PECVD processes is treated by incineration tower+water spray, and the waste gas from the above processes is discharged through the 25m high exhaust tower. Waste gas generated from printing and sintering processes is discharged through the 15m high exhaust tower after on-line combustion+activated carbon adsorption treatment; waste gas generated in module M1 workshop is treated by activated carbon adsorption and then discharged through the 15m high exhaust tower; waste gas generated in module M2 workshop is treated by low temperature plasma+activated carbon adsorption and then discharged through the 25m high exhaust tower.

Tongwei Solar (Anhui) has a total of 10 sets of production waste gas treatment facilities, of which the waste gas generated from cleaning and texturing processes is treated by alkali spray tower, the waste gas generated from diffusion processes is treated by NaOH solution sieve plate packing tower, the waste gas generated from etching is treated by oxidation spray tower+reduction spray tower, the waste gas generated from PECVD processes is treated by incineration tower+water spray, the waste gas generated from printing and sintering processes is treated by online combustion+low temperature plasma+activated carbon adsorption, and the waste gas generated from the above processes is discharged through the 30m high exhaust tower.

(2) Construction and running of facilities preventing and controlling pollution

Applicable Inapplicable

At present, the Company's environmental protection facilities are operating normally, which can meet the requirements of environmental protection management and ensure the pollutant discharge standard.

(3) Environmental impact assessment and other administrative permits for environmental protection of construction projects

Applicable Inapplicable

1) Yongxiang New Energy

For the 25,000-ton high-purity polycrystalline silicon project, the review of environmental impact report of the project was completed and the approval opinions of Bureau of Ecology Environment of Leshan (LSHS [2017] No.71) were obtained in August 2017. The project was designed according to relevant laws and regulations, EIA and EIA approval requirements. The trial production phase began in December 2018, and the project was officially put into production in May 2019. The environmental protection acceptance monitoring was completed in June 2019, and the environmental protection acceptance was completed in November 2019. The Company strictly abides by the emission permit to discharge pollutants. License number: 91511112MA633M5847001U.

2) Inner Mongolia Tongwei

For the 25,000-ton high-purity polycrystalline silicon project, the review of environmental impact report of the project was completed and the approval opinions of Baotou Municipal Environmental Protection Bureau (BHGZ [2018] No.5) were obtained in January 2018. The trial production was started on January 28, 2019, and the project was officially put into operation in March 2019. The supporting natural gas boilers have been checked and accepted, hydrogen production has been checked and accepted, and online pollution source monitoring of water, gas and sound has been realized.

3) Tongwei Solar (Anhui)

For the high-efficiency polycrystalline silicon solar cell project with an annual output of 2.3GW, the reply of Hefei Municipal Environmental Protection Bureau on the *Environmental Impact Assessment Report for High-Efficiency Polycrystalline Silicon Solar Cell Project with Annual Output of 2.3GW* issued by Tongwei Solar (Anhui) Co., Ltd. (HJS [2018] No.39) was obtained on April 23, 2018, and the environmental protection acceptance was completed on August 29, 2019 (HHY [2019] No.91). The Company strictly abides by the emission permit to discharge pollutants. License number: 91340100083692531N001V.

4) Tongwei Solar (Chengdu)

For the construction project of intelligent interconnection factory of high-efficiency polycrystalline silicon solar cells with an annual output of 3.8GW, the project was approved by and reported to Chengdu Shuangliu District Development and Reform Bureau in February 2019. Project code: CTZB 2019-510122-38-03-334064. The environmental impact assessment report of the project passed the review on November 4, 2019. Approval number of the review: CHPS [2019] No.104. At present, the information of the discharge permit has been reported to Chengdu Municipal Bureau of Ecological Environment for review, and the Company strictly abides by the emission permit to discharge pollutants. License number: 915101225722584966001Q.

5) Tongwei Solar (Meishan)

For the domestic intelligent equipment (system) application project of high-efficiency polycrystalline silicon solar cells with an annual output of 7.5GW, the project was approved by and reported to Meishan Development and Reform Commission on February 25, 2019. Filling No.: CTZB [2019-511400-41-03-334002] No. FGQB-0060. The EIA was approved on January 10, 2020. Approval code: MSSHJH [2020] No. 8.

(4) Contingency plan for environmental emergencies

Applicable Inapplicable

In order to prevent and reduce environmental pollution accidents, standardize the Company's emergency management and response procedures for environmental emergencies, establish the emergency working mechanism with unified command, graded responsibility and rapid response, carry out emergency rescue work in a timely and effective manner, and form the Company's emergency response system for environmental pollution accidents with strong prevention, orderly command, high speed, high efficiency and coordination. Yongxiang, Tongwei Solar (Hefei), Tongwei Solar (Anhui) and Tongwei Solar (Chengdu) have all formulated contingency plan for environmental emergencies and reported them to the local Environmental Protection Bureau for filling. The filling numbers are as follows:

1) *Contingency Plan for Environmental Emergencies of Sichuan Yongxiang Co., Ltd.* Filling No.: 511112-2018-025-H.

2) *Contingency Plan for Environmental Emergencies of Tongwei Solar (Hefei) Co., Ltd.* Filling No.: 340105-2019-013-M.

3) *Contingency Plan for Environmental Emergencies of Tongwei Solar (Anhui) Co., Ltd.* Filling No.: 340105-2019-026-M.

4) *Contingency Plan for Environmental Emergencies of Tongwei Solar (Chengdu) Co., Ltd.* Filling No.: 510122-2019-775-M.

(5) Environmental self-monitoring program

Applicable Inapplicable

1) Yongxiang: Each subordinate company has a safety and environment department, which is equipped with complete safety and environmental protection personnel and advanced environmental monitoring instruments. At the same time, the discharge outlet is equipped with perfect on-line detection instruments for waste water and waste gas, which can detect COD, ammonia nitrogen, total nitrogen, PH and other items of waste water, SO₂, NO_x, particulate matter and other items of waste gas and transmit them to the pollution source monitoring system in real time. Environmental protection workers inspect COD, ammonia nitrogen, total nitrogen, PH and other indicators of the wastewater discharge outlet every day to ensure that the discharge meets the standards.

2) Tongwei Solar: Each subordinate company has a safety and environment department, which is equipped with complete safety and environmental protection technicians and advanced environmental testing instruments. The Company's main wastewater discharge port is equipped with on-line detection equipment, which can monitor COD, NH₃-N, PH, fluorination and other items in wastewater on line in real time, and regularly transmit the detection data to the environmental protection information platform. At the same time, the Company's waste water station is equipped with a waste water testing laboratory, and laboratory technicians regularly test all aspects of waste water treatment to ensure that the waste water reaches the standard for discharge. In addition, the Company has drawn up a year-round environmental testing plan and commissioned a third-party testing unit to conduct monthly testing of the Company's waste gas, waste water, etc.

(6) Other environmental information that should be disclosed

Applicable Inapplicable

2. Explanation on environmental protection of companies other than key pollution units

Applicable Inapplicable

The main pollutants in the feed production process are hydrogen sulfide (H₂S) and trimethylamine (C₃H₉N). GB14554-93 specifies the standard values of plant boundary, testing methods and emission standard values. After the Company's professional environmental protection team studied and analyzed the pollutant composition and its physical and chemical properties, the "water spray+biological treatment" process was formulated and the testing method specified in GB/T14675-1993 was passed. The indicators of discharge outlet are far lower than the national standard. During the reporting period, in order to further cope with the development and changes of the industry, the Company determined its environmental protection treatment process standard based on the odor difference of different materials under the premise of referring to the existing composite treatment process, thus enhancing the standardization of environmental protection treatment and improving the stability of treatment effect. At the same time, the Company is actively exploring a new direction of governance, proposing a "technological thinking of zero exhaust emission", which controls the source and process, and recycles the waste gas generated in the production process to the production section after being treated by a special section, and does not emit production waste gas. Currently, the technological thinking is being actively explored and promoted.

3. Explanation on reasons for non-disclosure of environmental information by companies other than key pollution units

Applicable Inapplicable

4. Explanation on the follow-up progress or changes in the disclosure of environmental information content during the reporting period

Applicable Inapplicable

(IV) Other notes

Applicable Inapplicable

XVIII. Convertible Corporate Bonds

Applicable Inapplicable

(I) About issuance of convertible bonds

Applicable Inapplicable

On December 15, 2017, the relevant proposals such as the *Proposal on the Company's Plan for Public Issuance of A-share Convertible Corporate Bonds* were deliberated and approved on the 20th meeting of the Company's 6th board of directors. Please refer to the relevant announcement disclosed by the Company on December 16, 2017 on the website of the Shanghai Stock Exchange (www.sse.com.cn) for details. The Company plans to issue convertible bonds with a total amount of not more than RMB 5 billion (inclusive). The term of bonds is 6 years, interest shall be paid once a year, and the principal and interest of the last year shall be repaid when due. The conversion period starts from the first trading day (September 23, 2019) six months after the issuance date of convertible bonds to the due date of convertible bonds (March 17, 2025). After deducting the issuing cost, the raised funds of this convertible bond will be used for the 25,000-ton high-purity polycrystalline silicon projects in Baotou and Leshan respectively. On January 5, 2018, the proposal was deliberated and approved at the first Interim Shareholders' Meeting in 2018 of the Company. The Company obtained the *Reply on Approving Tongwei Co., Ltd. to Issue Convertible Bonds to the Public* (ZJXK (2018) No.1730) of CSRC on October 27, 2018, completed the issuance of the "Tongwei ZhuanZhai" on March 18, 2019, and listed it on the Shanghai Stock Exchange on April 10, 2019.

(II) About the convertible bond holder and the guarantor in the reporting period

Applicable Inapplicable

Number of holders of convertible bonds at end of period	4,162	
Guarantor of convertible bonds of the Company	None	
The top ten convertible bond holders are as follows:		
Name of holder of convertible corporate bonds	Amount of bonds held at end of period (RMB)	Proportion (%)
China Life Asset Management-Bank of China-China Life Asset-Phoenix Series Special Products (Phase 4)	762,315,000	15.25
Huaneng Guicheng Trust Corp., Ltd.-Huaneng Trust·Danhua Growth Collective Funds Trust Plan	761,600,000	15.24
Haitong Securities Asset Management-Industrial and Commercial Bank-Haitong Tourongbao No.1 Collective Asset Management Plan	331,969,000	6.64
China Everbright Bank Co., Ltd.-Bosera Convertible Bond Enhanced Bond Securities Investment Fund	181,530,000	3.63
Industrial and Commercial Bank of China Limited-Bosera Credit Bond Investment Fund	151,636,000	3.03
China Life Asset Management-Industrial and Commercial Bank-China Life Asset-Phoenix Series Special Products (Phase 2)	140,053,000	2.80

National Social Security Fund Package No. 1005	85,238,000	1.71
China Merchants Bank - Hongde Zhiyuan Mixed Securities Investment Fund	80,772,000	1.62
China Construction Bank Corporation Limited-Bosera Theme Industry Hybrid Securities Investment Fund (LOF)	80,000,000	1.60
Industrial and Commercial Bank of China Limited-E Fund Management Anxin Huibao Bond Securities Investment Fund	79,342,000	1.59

(III) About variation to convertible bond in the reporting period

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Name of convertible corporate bonds	Before the change	Increase and decrease of the change			After the change
		shares converted	Redemption	Put-back	
Tongwei ZhuanZhai	5,000,000,000	2,731,000	-	-	4,997,269,000

Information on total conversion of convertible bonds in the reporting period

√ Applicable □ Inapplicable

Amount of shares converted in reporting period (RMB)	2,731,000
Number of shares converted in reporting period (shares)	222,376
Total number of shares converted (shares)	222,376
Proportion of total number of shares converted in total number of shares issued by the Company before conversion (%)	0.0057
Amount of shares not converted (RMB)	4,997,269,000
Proportion of convertible bonds without conversion in total convertible bonds issued (%)	99.95

(IV) Information on each adjustment of conversion price

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Adjustment date of conversion price	Adjusted conversion price	Disclosure time	Disclosure media	Adjustment of conversion price notes
May 23, 2019	12.28	May 24, 2019	The website of Shanghai Stock Exchange, China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times.	2018 Profit Distribution Scheme of the Company: A cash dividend of RMB 1.60 for every 10 shares (tax included) was distributed to all shareholders. According to the relevant provisions of the <i>Prospectus for Public Issuance of A-share Convertible Corporate Bonds by Tongwei Co., Ltd.</i> , the conversion price of convertible bonds needs to be adjusted, and the conversion price before adjustment is RMB 12.44/share.
Latest conversion price as of the end of this reporting period		12.28		

(V) Information on the Company's liabilities, changes in credit and cash arrangements for future repayment

√ Applicable □ Inapplicable

As of the end of the reporting period, the Company's asset-liability ratio was 61.37%, and the Company's liabilities totaled RMB 28.733 billion, including RMB 17.843 billion of current liabilities and RMB 10.889 billion of non-current liabilities.

On June 17, 2019, China Chengxin Securities Rating Co., Ltd. issued the *Tracking Rating Report on A-share Convertible Corporate Bonds Issued by Tongwei Co., Ltd. (2019)*, maintaining the Company's corporate credit rating as "AA+" with a stable rating outlook, and maintaining the bond's credit rating as "AA+".

In the future, the Company's capital to repay the principal and interest of the above convertible bonds mainly comes from the cash flow generated from the Company's business activities. As of the end of the reporting period, the Company's main business was stable, its financial position and cash flow generated from its business activities were good, and it had strong solvency.

(VI) Description of other conditions of convertible bonds

Applicable Inapplicable

Section VI Changes in Common Stock Equity and Shareholders

I. About the Changes in Common Stock Equity

(I) Common stock and its equity movement table

1. Common stock and its equity movement table

Unit: share

	Before the change		Increase (+)/decrease (-) of the change					After the change	
	Quantity	Proportion (%)	New shares issued	Allotment	Turned from reserve	Others	Subtotal	Quantity	Proportion (%)
I. Restricted shares	1,099,890,811	28.33				-1,099,890,811	-1,099,890,811	0	0
1. State shareholding									
2. State-owned legal person shareholding									
3. Other domestic shareholding	1,099,890,811	28.33				-1,099,890,811	-1,099,890,811	0	0
Including: Domestic non-state-owned legal person shareholding	1,099,890,811	28.33				-1,099,890,811	-1,099,890,811	0	0
Shares held by domestic natural person									
4. Foreign shareholding									
Including: Foreign legal person shareholding									
Foreign natural person shareholding									
II. Tradable stocks without trading limited condition	2,782,481,409	71.67				1,100,113,187	1,100,113,187	3,882,594,596	100
1. A-shares	2,782,481,409	71.67				1,100,113,187	1,100,113,187	3,882,594,596	100
2. Domestic listed foreign shares									
3. Foreign listed foreign shares									
4. Others									
III. Total number of common shares	3,882,372,220	100				222,376	222,376	3,882,594,596	100

2. Description for share change of common stock

√ Applicable □ Inapplicable

The Company completed the issuance of the "Tongwei ZhuanZhai" on March 18, 2019, and listed it on the Shanghai Stock Exchange on April 10, 2019. According to the relevant provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and the stipulations of the *Prospectus for Public Issuance of A-share Convertible Corporate Bonds by Tongwei Co., Ltd.*, the convertible bonds issued by the Company can be converted into shares of the Company from September 23, 2019.

As of December 31, 2019, a total of RMB 2,731,000 of "Tongwei ZhuanZhai" has been converted into shares of the Company, with a total number of 222,376 shares converted. The Company's share capital has changed from 3,882,372,220 shares at the beginning of the year to 3,882,594,596 shares.

3. The influence of share change of common stock on earnings per share and net asset per share and other financial indicators last year and in the latest period (if any)

Applicable Inapplicable

During the reporting period, the total share capital of the Company increased from 3,882,372,220 shares to 3,882,594,596 shares due to changes in share capital caused by conversion of convertible bonds of the Company. In 2019, the Company's earnings per share were RMB 0.6786/share and its net assets per share were RMB 4.20/share.

4. Other contents disclosed according to the requirements of the Company or the securities regulatory authorities

Applicable Inapplicable

(II) Changes in restricted shares

Applicable Inapplicable

Unit: share

Name of shareholder	Number of restricted shares at the beginning of year	Number of restricted shares released in the current year	Number of restricted shares added in the current year	Number of restricted shares at the end of year	Reasons for trading restriction	Released date of restriction
Tongwei Group Co., Ltd.	176,266,042	176,266,042	0	0	Locking of major asset reorganization	February 20, 2019
Chengdu Xinde Investment Co., Ltd.	723,140	723,140	0	0	Locking of major asset reorganization	February 20, 2019
Tongwei Group Co., Ltd.	922,901,629	922,901,629	0	0	Locking of major asset reorganization	October 15, 2019
Total	1,099,890,811	1,099,890,811	0	0	/	/

II. Conditions on Securities Issuance and Listing

(I) Conditions on issuance of securities as of the reporting period

Applicable Inapplicable

Unit: share Currency: RMB

Types of stock and its derivative securities	Issue date	Issuing price (or interest rate)	Issuance number	Listing date	Approved number listed for trading	Termination date of transaction
Convertible corporate bonds, separate bargaining convertible bonds, and corporate bonds						
convertible corporate bond	March 18, 2019	100	50 million sheets	April 10, 2019	50 million sheets	March 17, 2025

Explanation on the issuance of securities as of the reporting period (please specify separately for bonds with different interest rates during the duration):

Applicable Inapplicable

Approved by (ZJXX [2018] No. 1730) of China Securities Regulatory Commission, the Company issued 5,0 million convertible corporate bonds on March 18, 2019, with a total issue amount of RMB 5

billion. Each bond has a face value of RMB 100. The bonds are issued at face value for a period of 6 years with interest paid once a year. The principal and interest for the last year are repaid when due. The coupon rate of the bonds is 0.5% for the first year, 0.8% for the second year, 1.0% for the third year, 1.5% for the fourth year, 1.8% for the fifth year and 2.0% for the sixth year. The conversion period of the convertible bonds starts from September 23, 2019 and ends on March 17, 2025. The initial conversion price was RMB 12.44/share, and the conversion price was adjusted to RMB 12.28/share after the implementation of the 2018 profit distribution.

(II) Changes in the total shares of common stock and shareholder structure of the Company as well as changes in the structure of the Company's assets and liabilities

√ Applicable □ Inapplicable

The Company completed the issuance of the "Tongwei ZhuanZhai" on March 18, 2019, and listed it on the Shanghai Stock Exchange on April 10, 2019. According to the relevant provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and the stipulations of the *Prospectus for Public Issuance of A-share Convertible Corporate Bonds by Tongwei Co., Ltd.*, the convertible bonds issued by the Company can be converted into shares of the Company from September 23, 2019. At the end of the reporting period, the total number of shares converted from "Tongwei ZhuanZhai" was 222,376, and the total share capital of the Company after conversion was 3,882,594,596 shares. Tongwei Group holds 51.47% of the Company's shares and is the controlling shareholder of the Company.

At the end of the reporting period, the Company's total assets were RMB 46.821 billion, total liabilities were RMB 28.733 billion, and asset-liability ratio was 61.37%.

According to the provisions of the Prospectus for Public Issuance of A-share Convertible Corporate Bonds by Tongwei Co., Ltd.: "During the conversion period of the convertible bonds issued this time, if the closing price of the Company's A-share shares is not less than 130% (including 130%) of the current conversion price for at least 15 of the 30 consecutive trading days, or if the outstanding balance of the convertible bonds issued this time is less than RMB 30 million, the Company has the right to redeem all or part of the convertible bonds that have not been converted at the price of the par value of the bonds plus the accrued interest for the current period." The closing price of the Company's shares is not less than 130% (i.e. RMB 15.96/share) of the current conversion price of "Tongwei ZhuanZhai" in 15 of the 30 consecutive trading days from January 14, 2020 to March 3, 2020, triggering the redemption clause of "Tongwei ZhuanZhai".

On March 3, 2020, the Company held the 6th meeting of the 7th board of directors, deliberated and passed the *Proposal on Redemption of "Tongwei ZhuanZhai" in Advance*, approved the Company to exercise the early redemption right of "Tongwei ZhuanZhai" and fully redeemed the "Tongwei ZhuanZhai" registered on the "redemption registration date", the "redemption registration date" is March 16, 2020, and the "redemption payment date" is March 17, 2020.

As of the closing of the market on the redemption registration date (March 16, 2020), the balance of the face value of the "Tongwei ZhuanZhai" is RMB 20,647,000, accounting for 0.41% of the total issue amount of RMB 5,000,000,000 of the "Tongwei ZhuanZhai"; as of the closing of the market on the redemption registration date (March 16, 2020), the accumulated face value of RMB 4,979,353,000 of "Tongwei ZhuanZhai" has been converted into shares of the Company, accounting for 99.59% of the total issue amount of "Tongwei ZhuanZhai"; the total number of shares converted was 405,483,464, accounting for 10.44% of the total number of shares issued by the Company before the conversion of "Tongwei ZhuanZhai". After the conversion, the total number of shares of the Company changed from 3,882,372,220 to 4,287,855,684.

(III) Shares of existing internal staff

Applicable Inapplicable

III. Conditions on Shareholders and Actual Controllers**(I) Total number of shareholders**

Total number of common shareholders as of the end of the reporting period (Nr.)	47,955
Total number of common shareholders at the end of the previous month before disclosure of the annual report (Nr.)	123,896
Total number of preferred shareholders with restored voting rights up to the end of the reporting period (Nr.)	0
Total number of preferred shareholders with restored voting rights at the end of the month before the disclosure date of the annual report (Nr.)	0

(II) Shareholding situation of top ten shareholders and top ten shareholders of tradable shares (or shareholders without trading limited condition) as of the end of the reporting period

Unit: share

2019 Annual Report

Shareholding of the top ten shareholders							
Name of shareholder (full name)	Increase/decrease during reporting period	Number of shares held at the end of the period	Proportion (%)	Number of holding shares with trading limited condition	Pledged or frozen status		Shareholder nature
					Shares status	Quantity	
Tongwei Group Co., Ltd.	0	1,998,422,515	51.47	0	Pledge	1,348,550,003	Domestic non-state-owned legal person
China Life Insurance Company Limited-dividends-individual dividends—005L—FH002 Shanghai	0	120,138,400	3.09	0	None	0	Unknown
National Social Security Fund Portfolio 108	113,395,794	113,395,794	2.92	0	None	0	Unknown
Yunnan International Trust Co., Ltd. -YunXin-Hongrui No.28 Assembled Funds Trust Plan	0	77,703,944	2.00	0	None	0	Unknown
China Life Asset Management-Industrial and Commercial Bank-China Life Asset-Phoenix Series Special Products (Phase 2)	0	73,976,300	1.91	0	None	0	Unknown
China Construction Bank Corporation Limited-Bosera Theme Industry Hybrid Securities Investment Fund (LOF)	72,000,000	72,000,000	1.85	0	None	0	Unknown
Hong Kong Securities Clearing Company Limited	-19,295,368	58,777,056	1.51	0	None	0	Unknown
China Merchants Bank - Xingquan Appropriate Flexible Allocation Mixed Securities Investment Fund	-13,004,083	42,859,930	1.10	0	None	0	Unknown
Anji Renli Enterprise Management Partnership (Limited Partnership)	33,000,000	33,000,000	0.85	0	None	0	Unknown
China Pacific Life Insurance Co., Ltd. - dividend—individual dividend	31,065,538	31,065,538	0.80	0	None	0	Unknown
Shareholdings of top ten shareholders without trading limited condition							

2019 Annual Report

Name of shareholder	Number of tradable shares without trading limited condition	Share type and number	
		Category	Quantity
Tongwei Group Co., Ltd.	1,998,422,515	A-shares	1,998,422,515
China Life Insurance Company Limited-dividends-individual dividends— 005L— FH002 Shanghai	120,138,400	A-shares	120,138,400
National Social Security Fund Portfolio 108	113,395,794	A-shares	113,395,794
Yunnan International Trust Co., Ltd. -YunXin-Hongrui No.28 Assembled Funds Trust Plan	77,703,944	A-shares	77,703,944
China Life Asset Management-Industrial and Commercial Bank-China Life Asset-Phoenix Series Special Products (Phase 2)	73,976,300	A-shares	73,976,300
China Construction Bank Corporation Limited-Bosera Theme Industry Hybrid Securities Investment Fund (LOF)	72,000,000	A-shares	72,000,000
Hong Kong Securities Clearing Company Limited	58,777,056	A-shares	58,777,056
China Merchants Bank - Xingquan Appropriate Flexible Allocation Mixed Securities Investment Fund	42,859,930	A-shares	42,859,930
Anji Renli Enterprise Management Partnership (Limited Partnership)	33,000,000	A-shares	33,000,000
China Pacific Life Insurance Co., Ltd. - dividend— individual dividend	31,065,538	A-shares	31,065,538
Explanations of relationships between or concerted actions of the aforementioned shareholders	China Life Insurance Company Limited-dividends-individual dividends— 005L— FH002 Shanghai, China Life Asset Management-Industrial and Commercial Bank-China Life Asset-Phoenix Series Special Products (Phase 2) are persons acting in concert; Tongwei Group Co., Ltd. has no relationship with the other shareholders mentioned above. In addition, it is not known whether other shareholders have any relationship.		
Description of preferred shareholders with restored voting rights and shareholdings	None		

Shares held by the top ten shareholders with trading conditions and the detailed information about the trading conditions

Applicable Inapplicable

(III) Strategic investor or general legal entity becoming top ten shareholders due to rights issue

Applicable Inapplicable

IV. Controlling Shareholders and Actual Controllers

(I) Controlling shareholders

1 Legal person

Applicable Inapplicable

Name	Tongwei Group Co., Ltd.
Head of unit or legal representative	Guan Yamei
Date of establishment	October 14, 1996
Main businesses	Wholesale and retail of commodities; livestock husbandry; science and technology promotion and application service industry; software and information technology services; import and export service; real estate development and management; property management; rental service; solar power generation (the above excludes items requiring prior approval, and items subject to ex-post approval are operated with license or approval documents)
Equity situation of other domestic and foreign listed companies of share controlling or participation during the reporting period	None
Description of other conditions	None

2 Natural person

Applicable Inapplicable

3 Special notes on the absence of controlling shareholders in the Company

Applicable Inapplicable

4 Index and date of the changes in controlling shareholders during the reporting period

Applicable Inapplicable

5 Block diagram of property rights and control relationships between the Company and the controlling shareholders

Applicable Inapplicable



(II) Information on the actual controllers**1 Legal person**

Applicable Inapplicable

2 Natural person

Applicable Inapplicable

Name	Liu Hanyuan
Nationality	China
Whether the actual controller has right of residence in other countries and regions	No
Major position and title	Chairman of the board of directors of Tongwei Group, director of Tongwei Co., Ltd., member of the 11th Standing Committee of the CPPCC National Committee, deputy to the NPC (National People's Congress), member of Standing Committee of All-China Federation of Industry and Commerce, executive chairman of CNECC, and executive vice chairman of China Feed Industry Association
Domestic and foreign listed companies controlled in past 10 years	None

3 Special statement for the condition that the Company has no actual controller

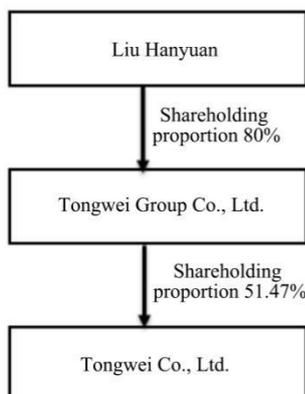
Applicable Inapplicable

4 Index and date of change of actual controllers during the reporting period

Applicable Inapplicable

5 Block diagram of property right and control relationship between the Company and the actual controllers

Applicable Inapplicable

**6 Actual controllers control the Company by trust or other asset management methods**

Applicable Inapplicable

(III) Other information about controlling shareholders and actual controllers

Applicable Inapplicable

V. Other Institutional Shareholders Holding Shares more than 10%

Applicable Inapplicable

VI. Explanation on the Restriction in Reduction of Holding-Shares

Applicable Inapplicable

Section VII Preferred Shares

Applicable Inapplicable

Section VIII Conditions on Directors, Supervisors, Senior Management and Staff

I. Changes in Shareholding and Compensation

(I) Changes in shareholding and compensations of directors, supervisors and senior management currently in office and leaving posts during reporting period

√ Applicable □ Inapplicable

Unit: share

Name	Position (note)	Sex	Age	Starting date of tenure	Ending date of tenure	Number of shares held at the beginning of year	Number of shares held at the end of year	Share changes within the year	Causes for changes	Total pre-tax compensation acquired from the Company during reporting period (RMB 0,000)	Whether receiving compensation from related parties of the Company
Liu Hanyuan	Director	Male	55	2019-05-08	2022-05-07	0	0	0		143.32	No
Xie Yi	Chairman	Male	36	2019-05-08	2022-05-07	377,448	377,448	0		335.63	No
Yan Hu	Vice Chairman	Male	56	2011-05-10	2022-05-07	1,082,200	836,650	-245,550	Note	253.36	No
Zhuo Yujiao	Director	Female	56	2014-09-16	2019-05-07	1,835,090	904,490	-930,600		1.67	Yes
Duan Yong	Director	Male	46	2016-05-03	2022-05-07	1,290,090	1,290,090	0		474.92	No
Yan Tianbing	Director	Male	49	2018-11-13	2022-05-07	0	0	0		5.00	No
Wang Xiaohui	Director	Male	43	2019-05-08	2022-05-07	0	0	0		3.33	No
Du Kunlun	Independent Director	Male	51	2016-01-15	2022-05-07	0	0	0		10.00	No
Cheng Hongwei	Independent Director	Male	50	2013-05-07	2019-05-07	0	0	0		3.33	No
Wang Jin	Independent Director	Male	53	2016-05-03	2022-05-07	0	0	0		10.00	No
Fu Daiguo	Independent Director	Male	55	2019-05-08	2022-05-07	0	0	0		6.67	No
Deng San	Chairman of	Female	35	2017-05-05	2022-05-07	279,600	279,600	0		130.95	No

2019 Annual Report

Name	Position (note)	Sex	Age	Starting date of tenure	Ending date of tenure	Number of shares held at the beginning of year	Number of shares held at the end of year	Share changes within the year	Causes for changes	Total pre-tax compensation acquired from the Company during reporting period (RMB 0,000)	Whether receiving compensation from related parties of the Company
	the Board of Supervisors										
Yang Shixian	Supervisor	Male	47	2007-04-30	2022-05-07	281,000	281,000	0		43.63	No
Chen Xiaohua	Supervisor	Male	50	2016-05-03	2022-05-07	0	0	0		3.00	No
Guo Yizhong	General Manager	Male	49	2016-05-03	2022-05-07	666,600	500,450	-166,150	Note	219.22	No
Chen Pingfu	Deputy General Manager	Male	54	2010-04-27	2022-05-07	664,600	498,450	-166,150	Note	268.87	No
Wang Shangwen	Deputy General Manager	Male	56	2013-05-07	2022-05-07	825,400	659,050	-166,350	Note	171.54	No
Song Gangjie	Deputy General Manager	Male	56	2013-05-07	2022-05-07	716,800	550,100	-166,700	Note	110.28	No
Shen Jinzhu	Deputy General Manager	Male	54	2016-05-09	2022-05-07	373,800	373,800	0		203.02	No
Zhang Lu	Deputy General Manager	Male	41	2017-03-12	2022-05-07	375,400	375,400	0		160.20	No
Yuan Shihua	Chief Financial Officer	Male	49	2008-07-22	2019-05-07	695,000	30,000	-665,000	Note	222.42	No
Zhou Bin	Chief Financial Officer	Male	51	2019-05-08	2022-05-07	0	5,211	5,211	Convertible bonds into shares	224.02	No
Yan Ke	Secretary of the Board of Directors	Male	35	2019-05-08	2022-05-07	0	0	0		84.90	No

2019 Annual Report

Name	Position (note)	Sex	Age	Starting date of tenure	Ending date of tenure	Number of shares held at the beginning of year	Number of shares held at the end of year	Share changes within the year	Causes for changes	Total pre-tax compensation acquired from the Company during reporting period (RMB 0,000)	Whether receiving compensation from related parties of the Company
Total						9,463,028	6,961,739	-2,501,289		3,089.28	

Note: In 2015, the A-share market experienced a continuous irrational decline, leading to the great fluctuation of Company's share price and serious deviation of the Company's market value from the Company's value. Based on confidence in China's economy, China's capital market and the Company's development prospects, management increased holding-shares to stabilize the Company's share price and promote the value return of the Company's market value. During reporting period, due to individual demand, part of management members reduced holding-shares with behavior and amount conforming to the requirements of laws and regulations as well as *SSE's Rules for Implementation of the Several Provisions on the Shareholding Reduction by the Principal Shareholders, Directors, Supervisors, and Senior Management of Listed Companies*.

Name	Main work experiences
Liu Hanyuan	Male, born in 1964, EMBA of Guanghua School of Management, Peking University, senior engineer, member of the 11th Standing Committee of the CPPCC National Committee, deputy to the NPC (National People's Congress), member of Standing Committee of All-China Federation of Industry and Commerce, executive chairman of CNECC, executive vice chairman of China Feed Industry Association, chairman of the board of directors of Tongwei Group, chairman of board of directors (from 1st to 6th board) of the Company, and currently a director of the 7th board of directors.
Xie Yi	Male, born in 1984, MIM from Imperial College London, UK, member of the CPC, deputy to the 13th CPC Chengdu Congress, vice chairman of the 14th Committee of Sichuan Youth Federation, member of the 15th CPPCC Chengdu Committee, member of the 11th CPPCC Standing Committee of Shuangliu District, Chengdu; vice chairman of the second council of China Photovoltaic Industry Association; secretary of the Party Committee of Tongwei Group, chairman of the 7th board of directors of Tongwei Co., Ltd., chairman of Tongwei Solar (Chengdu) Co., Ltd., and chairman of Tongwei Solar (Hefei) Co., Ltd.
Yan Hu	Male, born in 1964, bachelor degree, senior accountant. He was the chief accountant of Southwest Medical Equipment Co., Ltd. of National Medical Products Administration, the manager of U.S. party of Southwest Company of General Electric (Medical) Company, the chief financial officer of Zhongyuan Industrial Co., Ltd. in Sichuan province, the executive deputy general manager of Chengdu Yuanda Hub Manufacturing Co., Ltd., the vice president and chief financial officer of Southern Hoper Industry Co., Ltd., the director and the chief financial officer of New Hope Group, and the director of New Hope Co., Ltd. After joining the Company, he has served as the chief accountant of Tongwei Group and the director (1st, 2nd, 4th, 5th, 6th board of directors) of the Company. He is currently a director and vice-chairman of the 7th board of directors of the Company. At present, he is vice-chairman of Sichuan Enterprise Confederation, vice-chairman of Sichuan Association of Feed Industry, vice-chairman of Sichuan Society for Fishery, vice-chairman of The Listed Company Association of Sichuan, etc.
Zhuo Yujiao	Female, born in 1964, senior economist, MBA from Sichuan University, master's degree from Hong Kong Finance and Economics College. She once worked in Sichuan Provincial Investment Group Co., Ltd. and Sichuan Jinsui Co., Ltd. in finance and auditing, and later served as manager, chief financial officer and executive vice president of Tongwei Group. She served as a director of the 5th and 6th board of directors of the Company and resigned the post of director of the Company after the expiration of the 6th board of directors on May 2, 2019. She is currently a director and president of Tongwei Group.
Duan Yong	Male, born in 1974, MBA and Master from Lingnan University, Hong Kong. He once served as deputy chief financial officer and secretary of the board of directors of Shanghai Topslane Medical Devices Co., Ltd.; chief financial officer, assistant to president, executive president and president of East Hope Group (Baotou). He is currently chairman and general manager of Yongxiang Co., Ltd. and a director of the 7th board of directors of the Company.

2019 Annual Report

Name	Main work experiences
Yan Tianbing	Male, born in 1970, is master of engineering from Ocean University of China and senior economist. He has served in Shandong Branch of China Construction Bank, Great Wall Glory Securities. Now, he is the chairman and legal representative of Great Wall Capital Management Co., Ltd. and the director of the 6th and 7th board of directors of the Company, but he resigned from the position of director of the 7th board of directors on January 2, 2020 due to personal reasons.
Wang Xiaohui	Male, born in 1976, master's degree. He was the former auditor of Beijing KPMG Huazhen Accounting Firm, industry analyst of CITIC Securities Research Department, senior manager and director of energy industry group of Investment Banking Committee of CITIC Securities, executive general manager of M&A Department of Investment Banking Committee of CITIC Securities. Now, he is the executive director of China Life Asset Management Co., Ltd. and director of Beijing Jingneng Power Co., Ltd. and director of the 7th board of directors of the Company.
Du Kunlun	Male, born in 1969, Han nationality, doctor of economics, CPA (Certified Public Accountant), CPV (Certified Public Valuer), researcher. He has been engaged in the commercial internal audit work of the province in Sichuan Provincial Department of Commerce, in the management of the province's employment funds and unemployment insurance funds in the Sichuan Provincial Employment Service Administration, in the capital operation work in Chengdu Trusteeship Management Co., Ltd., in the securities law enforcement and supervision of listed companies and intermediaries in Chengdu Inspection Bureau and Sichuan Supervision Bureau of CSRC(China Securities Regulatory Commission), and served as a member of the 12th and 13th Main Board Issuance Examination Commission of China Securities Regulatory Commission. He is currently a master supervisor at the Institute of Finance and Trade Economics, Sichuan Academy of Social Sciences and independent director of the 5th, 6th and 7th board of directors of the Company. In addition, he is independent director of Luzhou Laojiao Co., Ltd., Cseec Scimee Sci.&Tech. Co., Ltd, Tianqi Lithium Corporation and Sichuan Jule Food Co., Ltd. (to be listed).
Cheng Hongwei	Male, born in 1970, professor of Business School, Sichuan University, doctoral supervisor. Independent director of the 5th and 6th board of directors of the Company, who will retire after the expiration of the 6th board of directors.
Wang Jin	Male, born in 1966, doctor of economics and professor from Emory University, USA. He once worked in Emory University, Georgian College, Georgia Public Affairs, Federal Reserve Bank and other institutions and served as a teacher at Renmin University of China and Shanghai University. Since March 2012, he has been as the director of the International Energy Research Institute. At present, he is an independent director of the 7th board of directors of the Company and an independent director of CECEP Solar Energy Co., Ltd. and Zongshen Power.
Fu Daiguo	Male, born in 1964, dean of the Western Business School of Southwestern University of Finance and Economics, professor of accounting, doctoral supervisor, and vice president of Chengdu Accounting Society. He has served as an independent director of several companies such as Sichuan Crun Co.,Ltd., Lier Chemical Co., Ltd., Ingenic Semiconductor Inc. Currently, he is an independent director of the 7th board of directors of the Company, and also an independent director of Maccura Biotechnology Co., Ltd. and Sichuan Langjiu Group Co.,Ltd.
Deng San	Female, born in 1984, CPC member, MBA of Sichuan University. After joining the Company, she has served as head of the secretary department of Tongwei Group and assistant to the chairman of the board of directors. Chairman of the 6th and 7th supervisory boards of the Company.
Yang Shixian	Male, born in 1972, master of market economics. He joined Tongwei Group in 1996 and served as finance manager of Fuling Tongwei Feed Co., Ltd., project manager of the Company's development department, manager of finance department and assistant to the general manager of He'nan Tongwei Feed Co., Ltd. He is currently the supervisor of supervisory board (from 3rd to 7th boards) of the Company.
Chen Xiaohua	Male, born in 1969, CPA (Certified Public Accountant). From July 1994 to November 1999, he served as accountant, chief accountant of cost management and deputy chief of finance department of Chengdu Sandian Stock Co., Ltd. From December 1999 to March 2003, he served as project manager in auditing work at Chengdu Zhongda Accounting Firm. From April 2003 to November 2004, he served as project manager in Sichuan Branch of Beijing Jingdu Public Accounting Firm. From December 2004 to August 2012, he served as project manager and deputy director in Sichuan Shenghe Public Accounting Firm. Since September 2012, he has been the director of Sichuan Branch of Beijing Xinghua Public Accounting Firm (Special General Partnership) and the supervisor of the 6th and 7th supervisory boards of the Company.
Guo Yizhong	Male, born in 1970, college degree. He served as general manager of Jieyang Tongwei Feed Co., Ltd., general manager of Guangdong Tongwei Feed Co., Ltd. and general manager of Guangdong Area. Since March 2016, he has been as the general manager of the Company.

2019 Annual Report

Name	Main work experiences
Chen Pingfu	Male, born in 1965, EMBA, CPA (Certified Public Accountant). After joining the Company, he successively served as deputy manager, manager, deputy general manager and general manager of Finance Department of Sichuan Tongwei Feed Co., Ltd.; member of the 4th and 5th boards of directors of the Company. He is currently the deputy general manager of the Company and the general manager of Vietnam Area I.
Wang Shangwen	Male, born in 1963, MBA, doctor's degree. He was former assistant and vice president of Shenzhen Chia Tai Conti Co., Ltd. After joining the Company, he successively served as assistant to the president, director of human resources, marketing director and technical director of the Company. He is currently the deputy general manager of the Company and the general manager of East China Area.
Song Gangjie	Male, born in 1964, aquaculture engineer, EMBA in Agriculture from School of Continuing Education, Tsinghua University (2002-2003). He was the vice president of Chengdu Sunwind Group and the executive deputy general manager of Tianjin Jianong Feed Co., Ltd. After joining the Company, he successively served as assistant to the president of the Company, general manager of Chongqing Area, general manager of Jiangsu and Zhejiang Area, general manager of Yangze River and Huai River Area, general manager of Suzhou Tongwei Special Feed Co., Ltd., general manager of Nanjing Tongwei Aquatic Products Technology Co., Ltd., etc. Now, he is the deputy general manager of the Company.
Shen Jinzhu	Male, born in 1966, bachelor degree, aquaculture engineer. He was the head of the livestock husbandry and Fishery Bureau of Feixi County, Hefei city, Anhui Province. After joining the Company, he successively served as marketing manager, assistant general manager, general manager of Shashi Tongwei Feed Co., Ltd., assistant general manager of Guangdong Tongwei Feed Co., Ltd., general manager of Vietnam Area and general manager of Vietnam Tongwei. He is now the deputy general manager of the Company and general manager of Central China Area I.
Zhang Lu	Male, born in 1979, doctor's degree, senior engineer. He was the technical director of fish feed in Guangdong Yuehai Feeds Group. After joining the Company, he successively served as the Company's technical deputy director and aquaculture technical director. Currently, he is vice president, technical director and deputy general manager of the Company's research institute.
Yuan Shihua	Male, born in 1970, member of CPC, master's degree, senior accountant. He worked in Chengdu Nymph Group Co., Ltd. After joining the Company, he successively served as manager of the Finance Department, director of the Company's 4th and 5th board of directors, and chief financial officer. He is now chief financial officer of Sichuan Yongxiang Co., Ltd.
Zhou Bin	Male, born in 1968, bachelor degree in accounting from Shanghai University of Finance and Economics, master degree from Southwest Jiaotong University, MBA from University of South Australia, CPA (Certified Public Accountant) and CPV (Certified Public Valuer). He has successively engaged in accounting, financial management, auditing and asset appraisal in Mcc5 Group Shanghai Corp., Ltd. and CAICPA. From December 2004 to September 2011, he was the legal representative and executive director of Sichuan Beite Certified Public Accounting Firm. From October 2011 to March 2013, he was the general manager of Sichuan Zhongfa Certified Tax Accountant Firm and the deputy general manager of Sichuan Zhongfa Accounting Firm. From April 2013 to May 2019, he was the chief financial officer of Sichuan Yongxiang Co., Ltd. and now, he is the chief financial officer of the Company.
Yan Ke	Male, born in 1985, bachelor degree, accounting major of Southwest University of Finance and Economics. He once worked in Sichuan Wanhua Accounting Firm Co., Ltd. From June 2012 to April 2019, he served as the Company's securities affairs representative and head of Securities Department. He is currently the secretary of the 7th board of directors of the Company.

Description of other information

Applicable Inapplicable

(II) Equity incentive awarded to directors and senior management during reporting period

Applicable Inapplicable

II. Service status of directors, supervisors and senior management currently in office and leaving posts during reporting period**(I) Conditions on service in shareholder unit**

√ Applicable □ Inapplicable

Name of employees	Name of the firm of shareholders	Post held in the firm of shareholders	Starting date of tenure	Ending date of tenure
Liu Hanyuan	Tongwei Group Co., Ltd.	Board chairman	2008-03-24	
Zhuo Yujiao	Tongwei Group Co., Ltd.	President	2014-02-11	
Conditions on service in shareholder unit	None			

(II) Conditions on service in other units

√ Applicable □ Inapplicable

Name of employees	Name of other organizations	Position held in other organizations	Starting date of tenure	Ending date of tenure
Du Kunlun	Sichuan Academy of Social Sciences	/	2012-12-01	
Du Kunlun	Luzhou Laojiao Co., Ltd	Independent Director	2015-06-30	
Du Kunlun	Tianqi Lithium Corporation.	Independent Director	2017-02-10	
Du Kunlun	Sichuan Jule Food Co., Ltd. (To be listed)	Independent Director	2017-05-14	
Du Kunlun	Cscec Scimee Sci.&Tech. Co.,Ltd.	Independent Director	2019-01-28	
Cheng Hongwei	Business School of Sichuan University	Professor	2012-04-01	
Wang Jin	International Energy Research Institute	Director	2012-06-01	
Wang Jin	CECEP Solar Energy Co., Ltd.	Independent Director	2014-03-01	
Wang Jin	Chongqing Zongshen Power	Independent Director	2016-04-01	
Fu Daiguo	Southwestern University of Finance and Economics	Professor	2002-12-01	
Fu Daiguo	Maccura Biotechnology Co., Ltd.	Independent Director	2019-01-22	
Fu Daiguo	Sichuan Langjiu Group Co., Ltd.	Independent Director	2019-07-31	
Chen Xiaohua	Sichuan Branch of Beijing Xinghua Public Accounting Firm (Special General Partnership)	Director	2012-09-01	
Yan Tianbing	Great Wall Capital Management Co., Ltd.	Chairman	2016-04-01	
Wang Xiaohui	China Life Asset Management Co., Ltd.	Executive director	2017-03-08	
Wang Xiaohui	Beijing Jingneng Power Co., Ltd.	Director	2017-12-28	
Conditions on service in other units	None			

III. Compensation of directors, supervisors and senior management

√ Applicable □ Inapplicable

Compensation decision-making process of directors, supervisors and senior management	According to the <i>Company's Management Rules for Performance Appraisal</i> , decisions shall be made by the shareholders' meeting and the board of directors.
Compensation decision basis of directors, supervisors and senior management	The basis shall be determined according to the requirements of the salary level of the industry, the Company's operating performance and job responsibilities, and the qualitative and quantitative indicators such as the work plan formulated by the board of directors at the beginning of the year and the completion of individual work performance.
Compensation actually paid to directors, supervisors and senior management	The compensation of the Company's directors, supervisors and senior management shall be reasonably paid according to their performance of duties, annual performance appraisal results, post performance appraisal results and the Company's <i>Management Rules for Performance Appraisal</i> .
Total compensation paid to all the directors, supervisors and senior management at the end of the reporting period	RMB 30.8928 million

IV. Changes in the Company's directors, supervisors and senior management

√ Applicable □ Inapplicable

Name	Post	Status of change	Reasons for change
Zhuo Yujiao	Director	Resigned	Resign the post of director at end of tenure
Yan Tianbing	Director	Resigned	Resign the post of a director for personal reasons
Wang Xiaohui	Director	Elected	Election of shareholders' meeting
Cheng Hongwei	Independent Director	Resigned	At the end of tenure, he resigned the post of an independent director.
Fu Daiguo	Independent Director	Elected	Election of shareholders' meeting
Yuan Shihua	Chief Financial Officer	Resigned	At the end of tenure, he resigned the post of chief financial officer.
Zhou Bin	Chief Financial Officer	Appointed	Appointed by the board of directors
Yan Ke	Secretary of the Board of Directors	Appointed	Appointed by the board of directors

V. Explanation on the Punishment from the Securities Regulatory Body in Last Three Years

□ Applicable √ Inapplicable

VI. Employee Status of Parent Company and Main Subsidiaries

(I) Employee status

Number of employees on active duty in the parent company	3,359
Number of employees on active duty in the main subsidiaries	20,276
Number of employees on active duty in total	23,635
Number of the retired staff with expenses borne by the parent company and main subsidiaries	
Type of professions	
Professions	Number of professional persons
Production personnel	13,918
Sales personnel	3,697
Technician	3,518
Financial personnel	598
Administrative personnel	1,904
Total	23,635
Education background	
Education level	Quantity (Nr.)
Master or above	467
Bachelor	4,253
College degree	4,700
Below college degree	14,215
Total	23,635

(II) Compensation policy

Applicable Inapplicable

Talent is an important strategic resource for the Company's development. Under the general policy of "encouraging outstanding employees while giving consideration to internal fairness", the Company combines the actual strategic demand of different stages of development, observes the situation, and move towards the target through compensation policy. During the reporting period, the Company issued several incentive policies and strengthened external and internal appraisal through comparison to guide employees to challenge higher goals. Through timely rewards and punishments, the Company has established a fairer and more efficient compensation management mechanism, stimulating organizational vitality, enhancing the enthusiasm of employees, and consolidating the corporate cultural atmosphere of "Compare, Learn, Catch Up, Help and Surpass". In addition, the Company adopts appropriate and leading compensation strategies for core technologies and high-potential talents to ensure reasonable competitiveness of compensation, further consolidate the Company's competitive advantage in talents and effectively attract outstanding talents in the industry.

(III) Training plan

Applicable Inapplicable

The Company attaches great importance to the growth and development of employees. With "Tongwei University" as core training mechanism, the Company continuously drives the growth and development of employees through continuous improvement of talents evaluation, talents training and talents incentives, classic case sharing, teaching by industry experts, leading technology study, national industry-university-research training programs, etc., so as to meet the current and future talent demand of the Company and support its business development. In order to satisfy the development of employees at different levels, in different professions and in different types of work, the Company takes "Tongwei

University" as the main line and provides a complete training system linked with all business lines and subsidiaries to supply talents for boards, areas and subsidiaries. In addition, the Company encourages employees to actively improve work skills and academic qualifications, and supports their finance to some extent. The Company has also fully integrated social resources and established a long-term talent training plan with leading global enterprises, such as Huawei, to provide employees with a better platform for learning and improving.

(IV) Labor outsourcing

Applicable Inapplicable

VII. Miscellaneous

Applicable Inapplicable

Section IX Company Governance

I. Explanation on the Company Governance

√ Applicable □ Inapplicable

During the reporting period, the Company further improved its company governance structure based on the actual situation of the Company in strict accordance with the *Company Law*, *Securities Law*, *Code of Corporate Governance for Listed Companies*, *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and other laws, regulations and requirements. The shareholders' meeting, the board of directors, the board of supervisors and the management of the Company have clear powers and responsibilities. The decision-making power, the supervision power and the management power perform respective functions, check and balance and operate in coordination. The Company fulfilled its obligation of disclosing the true, accurate and complete information, and also strengthened the management of investor relationships to fully protect the legitimate rights and interests of investors and promote the healthy development of the Company.

During the reporting period, the Company held one annual and three interim shareholders' meeting. The procedures of the Company's shareholders' meeting comply with the relevant provisions of *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, *Company's Articles* and *Rules of Procedure for Shareholders' Meeting*, safeguarding the legitimate rights and interests of the Company and the majority of shareholders. During the reporting period, the Company has successfully held the election of the 7th board of directors, board of supervisors and senior management. During the reporting period, seven meetings of the board of directors were held. Directors of the Company attended the meetings of the board of directors in accordance with the regimes such as *Company's Articles* and the *Rules of Procedure for the Board of Directors*. They discussed deeply on various proposals submitted for deliberation, provided suggestions for the Company's operation and development and fully considered the interests and demands of small and medium shareholders when making decisions, which has improved the scientificity of their decisions and promoted the sustained, stable and healthy development of the Company's production and operation.

During the reporting period, the Company insisted on fulfilling its due social responsibility and obligations, and actively shared the operating results with investors. The Company has implemented and completed the profit distribution work in 2018 in strict accordance with the *Plan for Dividend and Return of the Company in the Next Three Years (2018-2020)*. Through distributing dividends with the plan, the Company has not only created value for shareholders, but also enhanced its reputation and image in the society.

During the reporting period, the Company organized and arranged training seminars on standardized governance and effective operation organized by regulatory agencies and intermediary organizations for directors, supervisors, senior management and general staff in order to further strengthen the awareness of norms and professional training of directors, supervisors and senior management of the Company. Through strengthening company governance from top to bottom, the governance level of the Company has been improved continuously. All links and work were carried out legally and orderly, so the Company was awarded Class A in annual information disclosure work by Shanghai Stock Exchange and the titles of "Excellent Secretary of the Board" and "Excellent Financial Manager" by The Listed Company Association of Sichuan.

In April 2010, the Company formulated and implemented the "Management System for Insider of Inside Information" which was revised and improved in February 2012, and re-promulgated and implemented the "Registration Management System for Insider of Inside Information". In daily work,

the Company strictly complies with the system requirements and the progress of relevant major issues, comprehensively creates inside information files, formulates inside information registration forms, and completes the confidential work of inside information on issues such as regular reports and major asset restructuring, thus safeguarding the fair principle of information disclosure of the Company and effectively protecting the legitimate rights and interests of shareholders.

Is there any significant difference between the Company governance and the requirements of the China Securities Regulatory Commission (CSRC)? If any, the reasons shall be given.

Applicable Inapplicable

II. Introduction to Shareholders' Meeting

Session	Holding date	Query indexes on specified website for published resolutions	Date for disclosure of published resolutions
Annual Shareholders' Meeting in 2018	May 8, 2019	http://www.sse.com.cn	May 9, 2019
The 1st Interim Shareholders' Meeting in 2019	January 3, 2019	http://www.sse.com.cn	January 3, 2019
The 2nd Interim Shareholders' Meeting in 2019	January 23, 2019	http://www.sse.com.cn	January 24, 2019
The 3rd Interim Shareholders' Meeting in 2019	September 2, 2019	http://www.sse.com.cn	September 3, 2019

Description of Shareholders' Meeting

Applicable Inapplicable

III. Directors' Performance of Duties

(I) Directors' Attendance at the Board of Directors and Shareholders' Meeting

Director name	Independent director or not	Attendance at the board of directors						Attendance at shareholders' meeting
		Time(s) of supposed annual attendance at the board of directors	Time(s) of attendance in person	Time(s) of attendance via telecommunication	Time(s) of entrusted attendance	Time(s) of absence	Does he/she fail to attend in person for two successive times?	Time(s) of attendance at shareholders' meeting
Liu Hanyuan	No	7	7	5	0	0	No	4
Xie Yi	No	7	7	5	0	0	No	2
Yan Hu	No	7	7	4	0	0	No	4
Zhuo Yujiao	No	3	3	3	0	0	No	1
Duan Yong	No	7	7	5	0	0	No	2
Yan Tianbing	No	7	6	6	1	0	No	0
Wang Xiaohui	No	4	4	4	0	0	No	0
Du Kunlun	Yes	7	7	4	0	0	No	4
Cheng Hongwei	Yes	3	3	2	0	0	No	1
Wang Jin	Yes	7	7	5	0	0	No	1
Fu Daiguo	Yes	4	4	2	0	0	No	1

Explanation on failure to attend in person at the meeting of board of directors for two successive times

Applicable Inapplicable

Annual meeting(s) of board of directors	7
Wherein: On-site meeting(s)	1
Teleconference(s)	4
Meeting(s) convened in on-site and telecommunication mode	2

(II) Objection to the Company's related issues raised by independent director

Applicable Inapplicable

(III) Others

Applicable Inapplicable

IV. The specific information should be disclosed in case of any objections to the important opinions and suggestions raised by the Special Committee under the Board of Directors during its performance of duties in the reporting period.

Applicable Inapplicable

V. Explanation by the Board of Supervisors on the Company's risks

Applicable Inapplicable

VI. The Company's Explanation on Failure of the Company and Its Controlling Shareholders to Remain Independent and Autonomous Management Capacity in Respect of Business, Personnel, Assets, Institution and Financial Affairs

Applicable Inapplicable

The Company should prepare the solution measures, job schedule and follow-up work plan to cope with horizontal competition.

Applicable Inapplicable

VII. About the Establishment and Implementation of the Evaluation System and Incentive Mechanism for Senior Management in the Reporting Period

Applicable Inapplicable

The compensation of the Company's senior management is based on the Company's *Compensation Management System* and linked to the Company's operating performance and personal performance.

VIII. Whether the Report on Internal Control Self-evaluation should be disclosed?

Applicable Inapplicable

The Company's Report on Internal Control Self-evaluation in 2019 was disclosed on the Shanghai Stock Exchange's website (www.sse.com.cn) on April 21, 2020.

Description of great defects in internal control during reporting period

Applicable Inapplicable

IX. Information on Internal Control Audit Report

Applicable Inapplicable

Sichuan Huaxin employed by the Company has audited the Company's internal control in 2019 and issued a standard and unqualified auditor's report on internal control. For details, please refer to the "Internal Control Audit Report of Tongwei Co., Ltd. in 2019" disclosed on April 21, 2020 by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn).

Has Internal Control Audit Report been disclosed: Yes

X. Others

Applicable Inapplicable

Section X Information on Company Bonds

Applicable Inapplicable

Section XI Financial Report

I. Auditor's Report

√ Applicable □ Inapplicable

The Company's annual financial report has been audited by Feng Yuan and He Shoufu, certified public accountants of Sichuan Huaxin, and an unqualified auditor's report has been issued.

Auditor's Report

CHXS (2020) No.0023

All shareholders of Tongwei Co., Ltd.:

I. Auditor's Opinion

We have audited the financial statements of Tongwei Co., Ltd. (hereinafter referred to as "Tongwei Co., Ltd."), including Consolidated and Parent Company's Balance Sheets dated on December 31, 2019, as well as 2019 Consolidated and Parent Company's Income Statements, Consolidated and Parent Company's Cash Flow Statements, Consolidated and Parent Company's Statements of Changes in Owner's Equity, and Notes to Financial Statements.

In our opinion, the attached financial statements were compiled as per the provisions of Accounting Standards for Business Enterprises in all major aspects and can fairly present the merger of Tongwei Co., Ltd. on December 31, 2019 and parent company's financial position as well as the merger in 2019 and business performance and cash flows of parent company.

II. Basis for Auditor's Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. The section in the auditor's report titled "CPAs' Responsibilities for the Audit of the Financial Statements" further describes our responsibilities under these standards. We conduct our audit independent of Tongwei Co., Ltd. in accordance with the China Code of Ethics for Certified Public Accountants and fulfill other responsibilities in ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of current year. These matters were addressed in the context of our audit for the entire financial statements and the formation of our opinions thereon. We do not declare a separate opinion on these matters. The key audit matters identified by us in the process of audit are as follows:

Key Audit Matters-Goodwill Impairments	
As a reason for key audit matters	Response and conclusion in audit
As shown in Note V(17) of the financial statement, the original book value of goodwill was RMB 658.1035 million, and the depreciation reserves of goodwill was RMB 22.2848 million as of December 31, 2019. After counting and drawing the depreciation reserves, the book value was RMB 635.8187 million, of which the goodwill of RMB 591.5429 million was gained due to the acquisition of Tongwei Solar (Hefei) Co., Ltd. in addition, the sales price of the main products of the asset group related to the above goodwill fell in 2019 and the production scale expanded further, which may affect the value of goodwill. As shown in Note III (24)	<p>We have implemented the following audit procedures for goodwill devaluation:</p> <ol style="list-style-type: none"> 1. Understand, evaluate and test the effectiveness of internal control related to goodwill devaluation. 2. Understand and evaluate whether the appropriateness of management's devaluation testing methods are always suitable. 3. Through retrospective review of previous forecasts on actual implementation and discussion with management on approved financial budgets and plans, evaluate the key assumptions used by management to predict future cash

<p>of the financial statement, the management of Tongwei Co., Ltd. must conduct devaluation testing before or at the end of each year for goodwill formed by business merger. During devaluation testing, the management of Tongwei Co., Ltd. should predict the future cash flows of relevant asset groups and reasonably determine the appropriate discount rate, which requires the management's application of significant accounting estimates and judgments. Based on the above factors, we identify the devaluation of goodwill as a key audit matter.</p>	<p>flows, including the reasonableness of growth rates in the forecast year and beyond.</p> <p>4. Through the work of valuation experts (appraisers), evaluate the rationality of devaluation testing model and discount rate adopted by management.</p> <p>5. Discuss the possibility of changes related to key assumptions with management to assess how management handles the uncertainty of key assumptions such as growth rate and discount rate.</p> <p>6. Perform recalculation procedures to check the calculation accuracy of goodwill's devaluation testing model.</p> <p>Conclusion: Based on the above-mentioned audit evidence, we believe that the judgment made by the management in assessing the depreciation reserves for goodwill and the accuracy of the depreciation reserves counted and drawn can be supported by the evidence we have obtained.</p>
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IV. Other Information

The Management of Tongwei Co., Ltd. shall be responsible for other information. Other information comprises the information included in the Annual Report of 2019, but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement in such other information based on the work we have performed, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Governance for the Financial Statements

The Management of Tongwei Co., Ltd. shall be responsible for preparing Financial Statements that give a true and fair presentation in accordance with Accounting Standards for Business Enterprises, and designing, implementing and maintaining necessary internal control to prevent material misstatement caused by fraud or error in Financial Statements.

During the preparation of the Financial Statements, the Management shall be responsible for assessing the sustainable operation ability of Tongwei Co., Ltd., disclosing the sustainable operation related items (if applicable) and applying sustainable operation assumptions, unless the Management plans to liquidate the Company, stop operation or no other practical choice.

The Governance shall be responsible for supervising the financial reporting process of Tongwei Co., Ltd.

VI. CPAs' Responsibilities for Auditing the Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee to detect a material misstatement in an audit conducted in accordance with Auditing Standards. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users would take on the basis of these financial statements.

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Meanwhile, we also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of failing to detect a material misstatement due to fraud is higher than that of failing to detect a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding of internal control.

(2) Understand the audit-related internal control to design appropriate audit procedures.

(3) Assess the appropriateness of adopted accounting policies and the reasonableness of accounting estimate and relevant disclosures made by the Management.

(4) Conclude the appropriateness of the going-concern assumption made by the Management. Besides, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Tongwei Co., Ltd.'s ability to continue as a going concern. If we conclude that the material uncertainty does exist, according to the Auditing Standards, we shall bring the users' attention in our auditor's report to the relevant disclosures in the financial statements; if the disclosures are inadequate, we shall modify our opinion. Our conclusions are based on the information that has been available till the date of our auditor's report. However, future events or conditions may cause Tongwei Co., Ltd. to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the Financial Statements provide a fair representation of the underlying transactions and events.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Tongwei Co., Ltd. to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit on the Group, and we remain solely responsible for our audit opinion.

We communicate with those charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings etc., including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with Governance with a statement that we have complied with those relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and related safeguards, where applicable.

From the matters communicated with the Governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the laws or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter shall not be communicated in our report because the adverse consequences of doing so will reasonably be expected to outweigh the public interest benefits of such communication.

Sichuan Huaxin (Group) CPA Firm Certified Public Accountants of China: Feng Yuan
(Special General Partnership) (Project Partner)

Chengdu, China Certified Public Accountants of China: He Shoufu

April 17, 2020

II. Financial Statements**Consolidated Balance Sheet**

December 31, 2019

Prepared by: Tongwei Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	December 31, 2019	December 31, 2018
Current assets:			
Cash at bank and on hand		2,692,681,748.77	3,412,054,110.28
Settlement reserve			
Loans to banks and other financial institutions			
Trading financial assets			
Financial assets at fair value through current profit and loss			
Derivative financial assets			
Notes receivable		457,074,006.31	1,051,079,891.90
Accounts receivable		1,672,241,936.75	1,165,524,887.93
Receivables financing		4,392,541,416.88	
Advance payment		389,875,898.15	228,051,356.81
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract reserve receivable			
Other receivables		805,398,204.90	534,640,211.38
Including: Interest receivable			
Dividend receivable			
Financial assets purchased under agreements to resell			
Inventories		2,415,680,873.20	1,585,861,249.75
Held-for-sale assets			43,485,917.03
Current portion of non-current assets			
Other current assets		917,830,014.66	724,196,499.32
Total current assets		13,743,324,099.62	8,744,894,124.40
Non-current assets:			
Loans and advances			
Debt investment			
Available-for-sale financial assets			146,687,800.00
Investment in other debentures			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments		439,741,224.58	281,589,120.46
Other equity instrument investments		153,385,357.94	
Other non-current financial assets			
Investment real estate		107,112,223.47	95,214,884.03
Fixed assets		24,533,684,430.23	16,754,359,500.62
Construction in progress		3,587,311,808.76	8,367,145,068.09
Bearer biological assets		2,417,050.59	12,360,421.98
Oil and gas assets			
Right-of-use assets			
Intangible assets		1,709,753,019.31	1,393,500,024.22

2019 Annual Report

Item	Note	December 31, 2019	December 31, 2018
Development expenditure			
Goodwill		635,818,717.99	635,818,717.99
Long-term deferred expenses		607,333,082.04	603,463,766.70
Deferred income tax assets		244,903,723.68	236,471,968.43
Other non-current assets		1,056,166,007.39	1,212,126,155.76
Total non-current assets		33,077,626,645.98	29,738,737,428.28
Total assets		46,820,950,745.60	38,483,631,552.68
Current liabilities:			
Short-term loans		3,622,853,209.83	5,276,189,930.48
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
financial liabilities at fair value and whose movements are included in the profit and loss of the current period			970,300.00
Derivative financial liabilities			
Notes payable		5,294,623,239.24	2,175,267,377.06
Accounts payable		3,609,038,689.71	4,128,421,532.46
Advances from customers		1,571,445,278.97	1,187,132,081.33
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Customer brokerage deposits			
Acting underwriting securities			
Employee compensation payable		692,632,415.17	535,857,366.42
Taxes and fees payable		173,544,507.36	268,159,967.52
Other payables		613,261,268.85	663,334,020.98
Including: Interest payable		53,828,469.22	76,023,327.94
Dividend payable		1,188,940.27	75,000.00
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		1,142,185,072.84	1,508,813,498.66
Other current liabilities		1,123,805,086.92	3,014,677,803.85
Total current liabilities		17,843,388,768.89	18,758,823,878.76
Non-current liabilities:			
Insurance contract reserves			
Long-term loans		4,088,988,505.70	690,466,944.00
Bonds payable		4,212,346,552.36	
Including: Preferred shares			
Perpetual bond			
Lease liabilities			
Long-term payables		1,901,507,753.72	3,419,964,889.39
Long-term employee compensation payable			
Estimated liabilities			
Deferred incomes		544,324,456.73	348,822,238.95
Deferred income tax liabilities		142,204,473.38	38,915,110.65

2019 Annual Report

Item	Note	December 31, 2019	December 31, 2018
Other non-current liabilities			
Total non-current liabilities		10,889,371,741.89	4,498,169,182.99
Total liabilities		28,732,760,510.78	23,256,993,061.75
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		3,882,594,596.00	3,882,372,220.00
Other equity instruments		854,235,969.85	
Including: Preferred shares			
Perpetual bond			
Capital surplus		5,672,664,800.50	5,712,534,456.10
Less: Treasury shares			
Other comprehensive income		-31,800,201.05	-41,082,132.15
Special reserves		18,057,814.87	15,988,834.33
Surplus reserves		564,141,320.54	412,849,106.56
General risk provision			
Undistributed profits		6,617,152,692.38	4,755,055,633.39
Total owners' equity (or shareholders' equity) attributable to the parent company		17,577,046,993.09	14,737,718,118.23
Non-controlling interest		511,143,241.73	488,920,372.70
Total owners' equity (or shareholders' equity)		18,088,190,234.82	15,226,638,490.93
Total liabilities and owners' equity (or shareholders' equity)		46,820,950,745.60	38,483,631,552.68

Legal Representative: Xie Yi

Person in Charge of Accounting
Work: Zhou BinPerson in Charge of Accounting
Organization: Lei Jiaowen

Balance Sheet of the Parent Company

December 31, 2019

Prepared by: Tongwei Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	December 31, 2019	December 31, 2018
Current assets:			
Cash at bank and on hand		1,471,405,136.59	1,215,096,278.99
Trading financial assets			
Financial assets at fair value through current profit and loss			
Derivative financial assets			
Notes receivable		192,411,653.25	113,114,825.00
Accounts receivable		11,818,819.45	11,520,027.88
Receivables financing			
Advance payment		20,317,564.39	8,531,372.80
Other receivables		12,954,465,620.37	10,663,184,336.79
Including: Interest receivable			
Dividend receivable		1,371,854.15	
Inventories		286,015,214.02	180,011,902.53
Held-for-sale assets			
Current portion of non-current assets			
Other current assets		18,065,477.24	18,246,407.52
Total current assets		14,954,499,485.31	12,209,705,151.51
Non-current assets:			
Debt investment			
Available-for-sale financial assets			146,687,800.00
Investment in other debentures			
Held-to-maturity investments			
Long-term receivables		2,633,845,533.29	1,898,845,533.29
Long-term equity investments		10,949,592,149.18	9,288,662,823.16
Other equity instrument investments		153,385,357.94	
Other non-current financial assets			
Investment real estate		40,379,903.86	
Fixed assets		338,148,583.81	393,901,135.27
Construction in progress		13,972,100.27	4,893,850.41
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		72,308,833.45	101,076,516.63
Development expenditure			
Goodwill			
Long-term deferred expenses		28,898,156.41	38,175,918.40
Deferred income tax assets		1,833,741.44	1,995,811.26
Other non-current assets		4,559,373.00	4,680,466.00
Total non-current assets		14,236,923,732.65	11,878,919,854.42
Total assets		29,191,423,217.96	24,088,625,005.93
Current liabilities:			
Short-term loans		2,796,114,779.39	4,018,375,162.05

2019 Annual Report

Item	Note	December 31, 2019	December 31, 2018
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			970,300.00
Derivative financial liabilities			
Notes payable		85,940,000.00	195,189,063.64
Accounts payable		138,318,934.51	148,441,774.06
Advances from customers		142,278,536.45	121,396,813.31
Employee compensation payable		115,251,165.67	73,825,820.64
Taxes and fees payable		4,670,323.26	5,788,141.50
Other payables		3,317,703,159.73	3,661,348,905.91
Including: Interest payable		50,682,524.91	73,663,651.45
Dividend payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		62,384,300.00	330,016,688.00
Other current liabilities		1,099,583,333.30	2,995,833,333.27
Total current liabilities		7,762,244,532.31	11,551,186,002.38
Non-current liabilities:			
Long-term loans		2,032,538,604.00	684,366,944.00
Bonds payable		4,212,346,552.36	
Including: Preferred shares			
Perpetual bond			
Lease liabilities			
Long-term payables		1,575,898,885.36	
Long-term employee compensation payable			
Estimated liabilities			
Deferred incomes			
Deferred income tax liabilities			145,545.00
Other non-current liabilities			
Total non-current liabilities		7,820,784,041.72	684,512,489.00
Total liabilities		15,583,028,574.03	12,235,698,491.38
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		3,882,594,596.00	3,882,372,220.00
Other equity instruments		854,235,969.85	
Including: Preferred shares			
Perpetual bond			
Capital surplus		6,646,802,814.79	6,644,233,173.78
Less: Treasury shares			
Other comprehensive income		6,697,557.94	
Special reserves			
Surplus reserves		564,141,320.54	412,849,106.56
Undistributed profits		1,653,922,384.81	913,472,014.21
Total owners' equity (or shareholders' equity)		13,608,394,643.93	11,852,926,514.55
Total liabilities and owners' equity (or shareholders' equity)		29,191,423,217.96	24,088,625,005.93

Legal Representative: Xie Yi

Person in Charge of Accounting
Work: Zhou BinPerson in Charge of Accounting
Organization: Lei Jiaowen

Consolidated Income Statement

January-December 2019

Unit: Yuan Currency: RMB

Item	Note	Year of 2019	Year of 2018
I. Total operating incomes		37,555,118,255.70	27,535,170,274.25
Including: operating incomes		37,555,118,255.70	27,535,170,274.25
Interest incomes			
Premiums earned			
Handling charges and commission incomes			
II. Total operating costs		34,856,442,766.60	25,253,577,083.57
Including: operating costs		30,536,001,116.46	22,326,898,401.27
Interest expenses			
Fees and commissions expenses			
Refunded premiums			
Net amount for insurance claims			
Net amount for insurance contract reserves			
Policyholder dividend expenses			
Reinsurance expenses			
Taxes and surcharges		122,861,135.60	111,399,650.70
Sales expenses		975,270,497.07	862,704,373.75
General and administrative expenses		1,513,809,599.62	1,038,904,634.47
R&D expenses		1,000,694,593.85	597,628,500.50
Financial expenses		707,805,824.00	316,041,522.88
Including: interest expenses		764,775,422.92	333,188,147.61
Interest incomes		56,710,422.17	29,057,444.47
Add: other incomes		214,303,960.33	89,564,836.74
Investment incomes (loss to be listed with “-”)		118,366,118.06	75,502,391.70
Including: incomes from investments in associates and joint ventures		107,669,300.53	17,013,179.39
Incomes from derecognition of financial assets at amortized cost			
Foreign exchange incomes (loss to be listed with“-”)			
Net exposure hedging incomes (loss to be listed with “-”)			
Incomes from fair value changes (loss to be listed with “-”)			-970,300.00
Credit impairment loss (loss to be listed with “-”)		-43,006,733.75	
Asset impairment loss (loss to be listed with “-”)		-4,917,914.50	-47,422,939.09
Incomes from assets disposal (loss to be listed with “-”)		139,601,655.37	-2,957,049.09
III. Operating profit (loss to be listed with “-”)		3,123,022,574.61	2,395,310,130.94
Add: non-operating incomes		42,382,735.16	16,300,647.47
Less: non-operating expenses		13,883,488.63	13,279,643.47
IV. Total profit (loss to be listed with “-”)		3,151,521,821.14	2,398,331,134.94
Less: income tax expenses		469,185,830.00	367,311,050.17
V. Net profit (net loss to be listed with “-”)		2,682,335,991.14	2,031,020,084.77
(I) Classified by operating continuity			
1. Net profit from continuing operations (net loss to be listed with “-”)		2,682,335,991.14	2,031,020,084.77
2. Net profit from termination of operations (net loss to be listed with “-”)			
(II) Classified by attribution of the ownership			

2019 Annual Report

Item	Note	Year of 2019	Year of 2018
1. Net profit attributable to the shareholders of the parent company (net loss to be listed with “-”)		2,634,568,828.17	2,018,746,008.65
2. Minority interest profit and loss (net loss to be listed with “-”)		47,767,162.97	12,274,076.12
VI. Net of tax of other comprehensive income		7,882,420.01	-1,936,823.35
(I) Net of tax of other comprehensive income attributable to the owners of parent company		7,882,420.01	-1,936,823.35
1. Other comprehensive incomes that cannot be reclassified through profit or loss in the future		5,298,046.85	1,399,511.09
(1) Changes arising from re-measurement of the defined benefit plan			
(2) Other comprehensive incomes that cannot be reclassified into profit or loss under the equity method			
(3) Changes in fair value of investment by other equity instruments		5,298,046.85	1,399,511.09
(4) Changes in fair value of the enterprise’s credit risk			
2. Other comprehensive incomes that will be reclassified through profit or loss in the future		2,584,373.16	-3,336,334.44
(1) Other comprehensive income which can be transferred to profits or losses under equity method			
(2) Changes in fair value of other debt investments			
(3) Profit or loss arising from changes in fair value of available-for-sale financial assets			
(4) The amount of financial assets reclassified into other comprehensive incomes			
(5) Profit or loss of available-for-sale financial assets that can be re-classified by the held-to-maturity investment			
(6) Impairment provision of credit in other debt investments			
(7) Cash flow hedging reserves (effective parts of cash flow hedging profit or loss)			
(8) Translation difference of foreign currency financial statements		2,584,373.16	-3,336,334.44
(9) Miscellaneous			
(II) Net after-tax amount of other comprehensive income attributable to minority shareholders			
VII. Total comprehensive income		2,690,218,411.15	2,029,083,261.42
(I) Total comprehensive income attributable to the owners of parent company		2,642,451,248.18	2,016,809,185.30
(II) Total comprehensive income attributable to minority shareholders		47,767,162.97	12,274,076.12
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.6786	0.5200
(II) Diluted earnings per share (RMB/share)		0.6558	0.5200

In case of business merger under common control in current period, the net profit realized by the merged party before merger is RMB 0 and the net profit realized by the merged party in previous period is RMB 0.

Legal Representative: Xie Yi

Person in Charge of Accounting
Work: Zhou Bin

Person in Charge of Accounting
Organization: Lei Jiaowen

Income Statement of the Parent Company

January-December 2019

Unit: Yuan Currency: RMB

Item	Note	Year of 2019	Year of 2018
I. Operating incomes		4,608,001,044.23	4,315,746,093.26
Less: cost of operation		4,069,405,797.97	3,767,707,877.19
Taxes and surcharges		9,500,119.27	11,170,799.85
Sales expenses		135,977,514.41	135,467,267.05
General and administrative expenses		275,243,555.26	195,634,744.79
R&D expenses		94,651,070.38	80,576,130.12
Financial expenses		249,040,595.61	116,834,624.12
Including: interest expenses		603,413,663.20	392,178,259.76
Interest incomes		354,041,684.83	281,935,387.58
Add: other incomes		12,271,154.52	7,992,031.02
Investment incomes (loss to be listed with "-")		1,490,069,535.76	841,869,828.33
Including: incomes from investments in associates and joint ventures		6,605,886.65	15,949,221.37
Incomes from derecognition of financial assets at amortized cost			
Net exposure hedging incomes (loss to be listed with "-")			
Incomes from fair value changes (loss to be listed with "-")			-970,300.00
Credit impairment loss (loss to be listed with "-")		124,079,446.16	
Asset impairment loss (loss to be listed with "-")			-9,016,755.09
Incomes from assets disposal (loss to be listed with "-")		113,518,456.73	-761,823.33
II. Operating profit (loss to be listed with "-")		1,514,120,984.50	847,467,631.07
Add: non-operating incomes		1,778,011.79	2,929,308.53
Less: non-operating expenses		2,763,173.55	2,688,678.67
III. Total profit (loss to be listed with "-")		1,513,135,822.74	847,708,260.93
Less: income tax expenses		213,682.96	18,595,894.59
IV. Net profit (net loss to be listed with "-")		1,512,922,139.78	829,112,366.34
(I) Net profit from continuing operations (net loss to be listed with "-")		1,512,922,139.78	829,112,366.34
(II) Net profit from termination of operations (net loss to be listed with "-")			
V. Net other comprehensive income after tax		5,298,046.85	
(I) Other comprehensive incomes that cannot be reclassified through profit or loss		5,298,046.85	
1. Changes arising from re-measurement of the defined benefit plan			
2. Other comprehensive incomes that cannot be reclassified into profit and loss under the equity method			
3. Changes in fair value of investment by other equity instruments		5,298,046.85	
4. Changes in fair value of the enterprise's credit risk			
(II) Other comprehensive incomes that will be re-classified through profit or loss			
1. Other comprehensive income which can be transferred to profits or losses under equity method			
2. Changes in fair value of other debt investments			
3. Profit or loss arising from changes in fair value of			

2019 Annual Report

Item	Note	Year of 2019	Year of 2018
available-for-sale financial assets			
4. Amount of financial assets reclassified into other comprehensive income			
5. Profit or loss of available-for-sale financial assets that can be re-classified by the held-to-maturity investment			
6. Impairment provision of credit in other debt investments			
7. Cash flow hedging reserves (effective parts of cash flow hedging profit or loss)			
8. Translation difference of foreign currency financial statements			
9. Others			
VI. Total comprehensive income		1,518,220,186.63	829,112,366.34
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal Representative: Xie Yi

Person in Charge of Accounting
Work: Zhou BinPerson in Charge of Accounting
Organization: Lei Jiaowen

Consolidated Cash Flow Statement

January-December 2019

Unit: Yuan Currency: RMB

Item	Note	Year of 2019	Year of 2018
I. Cash flows of operating activities:			
Cash received from sales of goods and rendering of services		27,794,872,880.68	21,270,146,106.83
Net increase in customer deposits and interbank deposits			
Net increase in borrowings from the central bank			
Net increase in placements from other financial institutions			
Cash received for receiving premium of original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits of the insured and investment			
Cash received from interests, fees and commissions			
Net increase in placements from banks and other financial institutions			
Net increase in repurchasing			
Net cash received from securities brokering			
Cash received from taxes refund		193,736,805.80	128,839,135.63
Cash received relating to other operating activities		590,419,243.74	489,253,744.49
Sub-total of cash inflows from operating activities		28,579,028,930.22	21,888,238,986.95
Cash paid for goods and services		22,185,676,505.26	15,415,788,865.21
Net increase in loans and advances			
Net increase in deposits in the Central Bank and other financial institutions			
Cash paid for claim settlements on original insurance contract			
Net increase in placements to banks and other financial institutions			
Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		2,451,933,363.64	1,869,381,930.23
Payments of taxes and surcharges		874,191,910.53	885,129,875.64
Cash paid relating to other operating activities		709,761,943.11	618,318,271.72
Sub-total of cash outflows from operating activities		26,221,563,722.54	18,788,618,942.80
Net cash flow from operating activities		2,357,465,207.68	3,099,620,044.15
II. Cash flows from investing activities:			
Cash received from return of investments		561,877,193.62	650,680,671.93
Cash received from investments income		9,120,463.00	11,889,418.78
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		71,491,065.83	29,671,489.23
Net cash received from disposal of		872,519.11	63,061,644.89

2019 Annual Report

Item	Note	Year of 2019	Year of 2018
subsidiaries and other business units			
Cash received relating to other investing activities		292,255,854.99	186,554,147.64
Sub-total of cash inflows from investing activities		935,617,096.55	941,857,372.47
Cash paid to acquire fixed assets, intangible assets and other long-term assets		4,208,168,887.19	7,124,359,113.81
Cash paid for investments		621,196,638.17	123,800,000.00
Net increase in pledge loans			
Net cash paid to acquire subsidiaries and other business units		2,966,998.32	4,719,142.48
Cash paid relating to other investing activities		394,058,909.35	130,552,426.05
Sub-total of cash outflow from investing activities		5,226,391,433.03	7,383,430,682.34
Net cash flows from investing activities		-4,290,774,336.48	-6,441,573,309.87
III. Cash flows from financing activities:			
Cash received from investment absorption		48,335,000.00	91,906,000.00
Including: Cash received by subsidiaries from investment absorption of minority interest		48,335,000.00	91,906,000.00
Cash received from loans granted		16,467,251,676.76	11,349,049,306.39
Cash received relating to other financing activities		943,358,344.18	1,031,905,523.20
Sub-total of cash inflows from financing activities		17,458,945,020.94	12,472,860,829.59
Cash paid for settlement of borrowings		12,351,309,057.71	6,578,513,161.90
Cash paid for dividends, profits appropriation or payments of interest		1,128,765,089.39	936,156,369.52
Including: dividends and profits paid to minority interests		27,927,672.38	12,529,208.00
Cash paid relating to other financing activities		2,537,786,822.34	1,680,792,157.92
Sub-total of cash outflows from financing activities		16,017,860,969.44	9,195,461,689.34
Net cash flows from financing activities		1,441,084,051.50	3,277,399,140.25
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		6,940,067.92	2,734,481.52
V. Net increase in cash and cash equivalents		-485,285,009.38	-61,819,643.95
Add: beginning balance of cash and cash equivalents		2,428,024,586.63	2,489,844,230.58
VI. Ending balance of cash and cash equivalents		1,942,739,577.25	2,428,024,586.63

Legal Representative: Xie Yi

Person in Charge of Accounting
Work: Zhou BinPerson in Charge of Accounting
Organization: Lei Jiaowen

Cash Flow Statement of the Parent Company

January-December 2019

Unit: Yuan Currency: RMB

Item	Note	Year of 2019	Year of 2018
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		4,596,818,155.72	4,258,432,893.76
Cash received from taxes refund			320,611.00
Cash received relating to other operating activities		65,121,145.13	31,985,234.06
Sub-total of cash inflows from operating activities		4,661,939,300.85	4,290,738,738.82
Cash paid for goods and services		4,437,400,673.50	3,625,122,501.07
Cash paid to and for employees		336,283,267.65	349,482,968.49
Payments of taxes and surcharges		11,095,558.30	35,113,501.10
Cash paid relating to other operating activities		132,440,576.88	214,131,431.42
Sub-total of cash outflows from operating activities		4,917,220,076.33	4,223,850,402.08
Net cash flow from operating activities		-255,280,775.48	66,888,336.74
II. Cash flows from investing activities:			
Cash received from return of investments		562,365,187.04	661,310,332.27
Cash received from investments income		1,489,316,904.17	780,397,607.98
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,873,056.72	5,401,284.03
Net cash received from disposal of subsidiaries and other business units			63,061,644.89
Cash received relating to other investing activities			
Sub-total of cash inflows from investing activities		2,055,555,147.93	1,510,170,869.17
Cash paid to acquire fixed assets, intangible assets and other long-term assets		40,088,161.36	37,559,431.93
Cash paid for investments		2,230,689,032.59	113,600,000.00
Net cash paid to acquire subsidiaries and other business units			4,719,142.48
Cash paid relating to other investing activities			
Sub-total of cash outflow from investing activities		2,270,777,193.95	155,878,574.41
Net cash flows from investing activities		-215,222,046.02	1,354,292,294.76
III. Cash flows from financing activities:			
Cash received from investment absorption			
Cash received from loans granted		12,650,668,159.25	8,883,853,960.87
Cash received relating to other financing activities		2,668,712,469.61	1,292,342,389.80
Sub-total of cash inflows from financing activities		15,319,380,628.86	10,176,196,350.67
Cash paid for settlement of borrowings		9,763,854,825.58	4,457,919,300.60
Cash paid for dividends, profits appropriation or payments of interest		984,738,056.66	826,755,192.96
Cash paid relating to other financing activities		4,009,408,217.62	6,089,053,500.58
Sub-total of cash outflows from financing activities		14,758,001,099.86	11,373,727,994.14
Net cash flows from financing activities		561,379,529.00	-1,197,531,643.47
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		694,976.78	3,332,439.07
V. Net increase in cash and cash equivalents		91,571,684.28	226,981,427.10
Add: beginning balance of cash and cash equivalents		1,185,075,270.50	958,093,843.40
VI. Ending balance of cash and cash equivalents		1,276,646,954.78	1,185,075,270.50

Legal Representative: Xie Yi Person in Charge of Accounting Work: Zhou Bin Person in Charge of Accounting Organization: Lei Jiaowen

Consolidated Statement of Changes in Owners' Equity

January-December 2019

Unit: Yuan Currency: RMB

Item	Year of 2019														
	Equity attributable to the owners of the parent company											Non-controlling interest	Total owners' equity		
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profits			Others	Subtotal
	Preferred shares	Perpetual bond	Others												
I. Ending balance of previous year	3,882,372,220.00				5,712,534,456.10		-41,082,132.15	15,988,834.33	412,849,106.56		4,755,055,633.39		14,737,718,118.23	488,920,372.70	15,226,638,490.93
Add: changes in accounting policies							1,399,511.09						1,399,511.09		1,399,511.09
Correction of prior period errors															
Business merger under common control															
Others															
II. Beginning balance of the current year	3,882,372,220.00				5,712,534,456.10		-39,682,621.06	15,988,834.33	412,849,106.56		4,755,055,633.39		14,739,117,629.32	488,920,372.70	15,228,038,002.02
III. Increase/decrease in the current period (decrease to be listed with "-")	222,376.00			854,235,969.85	-39,869,655.60		7,882,420.01	2,068,980.54	151,292,213.98		1,862,097,058.99		2,837,929,363.77	22,222,869.03	2,860,152,232.80
(I) Total comprehensive income							7,882,420.01				2,634,568,828.17		2,642,451,248.18	47,767,162.97	2,690,218,411.15
(II) Invested and decreased capital of owners	222,376.00			854,235,969.85	2,529,589.35								856,987,935.20	9,783,857.00	866,771,792.20
1. Common share invested by owners														9,783,857.00	9,783,857.00
2. Capital contributed by the holders of other equity instruments	222,376.00			854,235,969.85	2,529,589.35								856,987,935.20		856,987,935.20
3. Amount of share-based payments recognized as owners' equity															
4. Others															
(III) Profit distribution									151,292,213.98		-772,471,769.18		-621,179,555.20	-27,927,672.38	-649,107,227.58
1. Appropriation to surplus reserve									151,292,213.98		-151,292,213.98				
2. Appropriation to general risk provision															
3. Distribution to owners (or											-621,179,555.20		-621,179,555.20	-27,927,672.38	-649,107,227.58

2019 Annual Report

Item	Year of 2019														
	Equity attributable to the owners of the parent company													Non-controlling interest	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal		
Preferred shares		Perpetual bond	Others												
shareholders)															
4. Others															
(IV) Internal carryover of owners' equity															
1. Transfer from capital reserve to paid-in capital (or capital stock)															
2. Transfer from surplus reserves to paid-in capital (or capital stock)															
3. Recovery of losses by surplus reserve															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried over from other comprehensive income															
6. Others															
(V) Reserve for specific projects								2,068,980.54					2,068,980.54		2,068,980.54
1. Appropriation in the current period								36,794,382.36					36,794,382.36		36,794,382.36
2. Amount used in the current period								34,725,401.82					34,725,401.82		34,725,401.82
(VI) Others					-42,399,244.95								-42,399,244.95	-7,400,478.56	-49,799,723.51
IV. Ending balance in the current period	3,882,594,596.00			854,235,969.85	5,672,664,800.50		-31,800,201.05	18,057,814.87	564,141,320.54		6,617,152,692.38		17,577,046,993.09	511,143,241.73	18,088,190,234.82

2019 Annual Report

Item	Year of 2018														
	Equity attributable to the owners of the parent company												Non-controlling interest	Total owners' equity	
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others			Subtotal
	Preferred shares	Perpetual bond	Others												
I. Ending balance of previous year	3,882,372,220.00				5,700,024,672.72		-37,745,797.71	10,990,298.55	329,937,869.93		3,453,778,830.02		13,339,358,093.51	365,633,528.63	13,704,991,622.14
Add: changes in accounting policies															
Correction of prior period errors															
Business merger under common control					10,000,000.00						-13,378,413.45		-3,378,413.45		-3,378,413.45
Others															
II. Beginning balance of the current year	3,882,372,220.00				5,710,024,672.72		-37,745,797.71	10,990,298.55	329,937,869.93		3,440,400,416.57		13,335,979,680.06	365,633,528.63	13,701,613,208.69
III. Increase/decrease in the current period (decrease to be listed with "-")					2,509,783.38		-3,336,334.44	4,998,535.78	82,911,236.63		1,314,655,216.82		1,401,738,438.17	123,286,844.07	1,525,025,282.24
(I) Total comprehensive income							-3,336,334.44				2,018,746,008.65		2,015,409,674.21	12,274,076.12	2,027,683,750.33
(II) Invested and decreased capital of owners														91,906,000.00	91,906,000.00
1. Common share invested by owners														91,906,000.00	91,906,000.00
2. Capital contributed by the holders of other equity instruments															
3. Amount of share-based payments recognized as owners' equity															
4. Others															
(III) Profit distribution									82,911,236.63		-704,090,791.83		-621,179,555.20	-12,529,208.00	-633,708,763.20
1. Appropriation to surplus reserve									82,911,236.63		-82,911,236.63				
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)											-621,179,555.20		-621,179,555.20	-12,529,208.00	-633,708,763.20
4. Others															
(IV) Internal carryover of owners' equity															
1. Transfer from capital reserve to paid-in capital (or capital stock)															

2019 Annual Report

Item	Year of 2018													Non-controlling interest	Total owners' equity		
	Equity attributable to the owners of the parent company											Subtotal					
	Paid-in capital (or	Other equity instruments			Capital surplus	Less:	Other	Special	Surplus	General	Undistributed		Others				
2. Transfer from surplus reserves to paid-in capital (or capital stock)																	
3. Recovery of losses by surplus reserve																	
4. Retained earnings carried forward from changes in defined benefit plans																	
5. Retained earnings carried over from other comprehensive income																	
6. Others																	
(V) Reserve for specific projects								4,998,535.78							4,998,535.78		4,998,535.78
1. Appropriation in the current period								19,902,076.38							19,902,076.38		19,902,076.38
2. Amount used in the current period								14,903,540.60							14,903,540.60		14,903,540.60
(VI) Others					2,509,783.38										2,509,783.38	31,635,975.95	34,145,759.33
IV. Ending balance in the current period	3,882,372,220.00				5,712,534,456.10		-41,082,132.15	15,988,834.33	412,849,106.56		4,755,055,633.39			14,737,718,118.23	488,920,372.70	15,226,638,490.93	

Legal Representative: Xie Yi Person in Charge of Accounting Work: Zhou Bin Person in Charge of Accounting Organization: Lei Jiaowen

Statement of Changes in Owners' Equity of the Company

January-December 2019

Unit: Yuan Currency: RMB

Item	Year of 2019										
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preferred shares	Perpetual bond	Others							
I. Ending balance of previous year	3,882,372,220.00				6,644,233,173.78				412,849,106.56	913,472,014.21	11,852,926,514.55
Add: changes in accounting policies							1,399,511.09				1,399,511.09
Correction of prior period errors											
Others											
II. Beginning balance of the current year	3,882,372,220.00				6,644,233,173.78		1,399,511.09		412,849,106.56	913,472,014.21	11,854,326,025.64
III. Increase/decrease in the current period (decrease to be listed with "-")	222,376.00			854,235,969.85	2,569,641.01		5,298,046.85		151,292,213.98	740,450,370.60	1,754,068,618.29
(I) Total comprehensive income							5,298,046.85			1,512,922,139.78	1,518,220,186.63
(II) Invested and decreased capital of owners	222,376.00			854,235,969.85	2,529,589.35						856,987,935.20
1. Common share invested by owners											
2. Capital contributed by the holders of other equity instruments	222,376.00			854,235,969.85	2,529,589.35						856,987,935.20
3. Amount of share-based payments recognized as owners' equity											
4. Others											
(III) Profit distribution									151,292,213.98	-772,471,769.18	-621,179,555.20
1. Appropriation to surplus reserve									151,292,213.98	-151,292,213.98	
2. Distribution to owners (or shareholders)										-621,179,555.20	-621,179,555.20
3. Others											
(IV) Internal carryover of owners' equity											
1. Transfer from capital reserve to paid-in capital (or capital stock)											
2. Transfer from surplus reserves to paid-in capital (or capital stock)											
3. Recovery of losses by surplus reserve											
4. Retained earnings carried forward from changes in defined benefit plans											
5. Retained earnings carried over from other comprehensive income											
6. Others											

2019 Annual Report

Item	Year of 2019										
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preferred shares	Perpetual bond	Others							
(V) Reserve for specific projects											
1. Appropriation in the current period											
2. Amount used in the current period											
(VI) Others					40,051.66						40,051.66
IV. Ending balance in the current period	3,882,594,596.00			854,235,969.85	6,646,802,814.79		6,697,557.94		564,141,320.54	1,653,922,384.81	13,608,394,643.93

2019 Annual Report

Item	Year of 2018										
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preferred shares	Perpetual bond	Others							
I. Ending balance of previous year	3,882,372,220.00				6,644,210,962.04				329,937,869.93	788,450,439.70	11,644,971,491.67
Add: changes in accounting policies											
Correction of prior period errors											
Others											
II. Beginning balance of the current year	3,882,372,220.00				6,644,210,962.04				329,937,869.93	788,450,439.70	11,644,971,491.67
III. Increase/decrease in the current period (decrease to be listed with "-")					22,211.74				82,911,236.63	125,021,574.51	207,955,022.88
(I) Total comprehensive income										829,112,366.34	829,112,366.34
(II) Invested and decreased capital of owners											
1. Common share invested by owners											
2. Capital contributed by the holders of other equity instruments											
3. Amount of share-based payments recognized as owners' equity											
4. Others											
(III) Profit distribution									82,911,236.63	-704,090,791.83	-621,179,555.20
1. Appropriation to surplus reserve									82,911,236.63	-82,911,236.63	
2. Distribution to owners (or shareholders)										-621,179,555.20	-621,179,555.20
3. Others											
(IV) Internal carryover of owners' equity											
1. Transfer from capital reserve to paid-in capital (or capital stock)											
2. Transfer from surplus reserves to paid-in capital (or capital stock)											
3. Recovery of losses by surplus reserve											
4. Retained earnings carried forward from changes in defined benefit plans											
5. Retained earnings carried over from other comprehensive income											
6. Others											
(V) Reserve for specific projects											
1. Appropriation in the current period											
2. Amount used in the current period											

2019 Annual Report

Item	Year of 2018										
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preferred shares	Perpetual bond	Others							
(VI) Others					22,211.74						22,211.74
IV. Ending balance in the current period	3,882,372,220.00				6,644,233,173.78				412,849,106.56	913,472,014.21	11,852,926,514.55

Legal Representative: Xie Yi Person in Charge of Accounting Work: Zhou Bin Person in Charge of Accounting Organization: Lei Jiaowen

III. Company Information

1. Company profile

Applicable Inapplicable

(1) 1. History of the Company

Tongwei Co., Ltd. (hereinafter referred to as "the Company") is a limited liability company founded from the overall change of the Sichuan Tongwei Feed Co., Ltd. and incorporated under sponsorship. On October 21, 2000, with the approval of *Official Reply of Sichuan Provincial People's Government on Establishing Sichuan Tongwei Co., Ltd.* of CFH [2000] No. 311 of the People's Government of Sichuan Province official, Sichuan Tongwei Feed Co., Ltd. changed as a whole and set up Tongwei Co., Ltd. in the form of incorporation by means of sponsorship. The total share capital of the Company is converted into shares at a ratio of 1: 1 with a net asset of RMB 111.88 million of Sichuan Tongwei Feed Co., Ltd. audited by SICHUAN HUAXIN (GROUP) CPA FIRM as of August 31, 2000, totaling 111.88 million shares. On November 8, 2000, the Sichuan Administration for Industry and Commerce issued the business license of Tongwei Co., Ltd. (registration number: [5100001812986]). On November 19, 2001, the State Administration for Industry and Commerce approved the change of the Company name to "Tongwei Co., Ltd." according to (Guo) MCBHNZ [2001] No.419 of the *Enterprise Name Change Approval Notice*.

On February 16, 2004, the Company publicly issued 60 million RMB ordinary shares (A-shares) as approved by the document ZJFXZ [2004] No. 10 of CSRC. The method of pricing and placing to secondary market investors was used for all issues, with the issuance price of RMB 7.50 per share. The post-change registered capital was RMB 171,880,000.

On February 20, 2006, the Company's equity division reform plan was reviewed and approved by the shareholders' meeting on the equity division reform plan of Tongwei Co., Ltd. According to the plan, the tradable shareholders of the Company received 1.5 shares of consideration paid by non-tradable shareholders for every 10 shares of Tongwei, and the tradable shareholders received a total of 9 million shares of consideration. The Company completed the share change registration for the equity division reform on March 3, 2006.

On May 25, 2006, the Company converted and increased its share capital with capital reserve, converting and increasing 5 shares for every 10 shares, awarding 5 shares for every 10 shares with profits, and the total share capital after conversion and bonus was 343.76 million shares; on May 23, 2007, the Company converted and increased its share capital with capital reserve, converting and increasing 7 shares for every 10 shares, awarding 3 shares for every 10 shares with profits, and the share capital after conversion and bonus was 687.52 million shares.

On July 4, 2013, the Company issued 129,589,632 shares to Tongwei Group Co., Ltd. The share capital after the issuance was 817,109,600 shares.

With the approval of the *Reply on Approving Tongwei Co., Ltd. to Purchase Assets and Raise Supporting Funds by Issuing Shares to Tongwei Group Co., Ltd.* (ZJXX [2016] No. 190) from the CSRC on January 27, 2016, the Company issued 238,324,880 RMB ordinary shares to 17 legal persons such as Tongwei Group Co., Ltd., Sichuan Giastar Group Co., Ltd. and 29 natural persons such as Tang Guangyue, the par value of each share was RMB 1.00, and the share capital after issuance was 1,055,434,512 shares.

On May 19, 2016, the Company converted and increased its share capital with capital reserve, converting and increasing 4 shares for every 10 shares, awarding 6 shares for every 10 shares with profits, and the total share capital after conversion and bonus was 2,110,869,024 shares.

On June 22, 2016, the Company issued 350,262,697 shares to eight institutions such as Tianhong Asset Management Co., Ltd. The share capital after the issuance was 2,461,131,721 shares.

With the approval of the *Reply on Approving Tongwei Co., Ltd. to Purchase Assets and Raise Supporting Funds by Issuing Shares to Tongwei Group Co., Ltd.* (ZJXK [2016] No. 2054) from the CSRC on September 8, 2016, the Company issued 922,901,629 RMB ordinary shares to Tongwei Group Co., Ltd., the par value of each share was RMB 1.00, and the share capital after issuance was 3,384,033,350 shares.

On December 23, 2016, the Company issued 498,338,870 shares to 5 institutions such as Essence Fund Management Co., Ltd. The share capital after the issuance was 3,882,372,220 shares.

Approved by the document (ZJXK [2018] No. 1730) from the CSRC, the Company issued RMB 50 million of convertible corporate bonds on March 18, 2019. As of December 31, 2019, the cumulative face value of RMB 2,731,000 of "Tongwei ZhuanZhai" has been converted into shares of the Company, with a total shares converted of 222,376 and a share capital after conversion of 3,882,594,596 shares.

(2) Registered address, organizational form and headquarters address of the Company

The registered address of the Company is No. 588, Tianfu Avenue Middle Section, Hi-Tech Zone, Chengdu, and its organizational form is limited liability company. Its headquarters is located at No. 588, Tianfu Avenue Middle Section, Hi-Tech Zone, Chengdu.

(3) Nature of businesses and main operating activities of the Company

1) Business nature

The Company involved Agriculture, Forestry, livestock husbandry and Fishery. In 2016, after the Company completed the merger of Sichuan Yongxiang Co., Ltd., Tongwei New Energy Co., Ltd. and Tongwei Solar (Hefei) Co., Ltd. under the same control, it added "PV new energy business".

2) Main business activities

Main business activities: Production and sale of fish feed, pig feed, poultry feed and fresh water and seawater aquaculture feed of Tongwei brand; aquaculture and seedling cultivation; production, wholesale and retail of veterinary drugs and feed additives; slaughtering and processing fish, pig and duck food and selling live fish; production and sales of polysilicon and monocrystalline silicon, polyvinyl chloride and its series products, caustic soda and ancillary products, carbide slag cement; research and development of new chemical products; production and sales of monocrystalline and polycrystalline silicon wafers, solar cell wafers, solar cell modules, solar heat pipes, solar water heaters, water heating systems and solar photothermal applications; energy technology research and development; research and development of solar power generation technology and technical consultation; design and construction of power engineering and power system installation engineering; sales of PV equipment and providing technical advice; solar power generation; electricity supply; electrical installation; engineering design; science and technology promotion and application service industry; comprehensive utilization of waste resources; environmental governance industry; wholesale and retail of commodities; rental and commercial services; import and export industry; internet information service, etc.

(4) Names of the largest shareholder and the ultimate substantive controller

At present, the largest shareholder of the Company is Tongwei Group Co., Ltd. (hereinafter referred to as "Tongwei Group"), and the ultimate actual controller is Liu Hanyuan.

(5) Approver of financial statements

The Company's financial statements are approved by the Company's board of directors. This financial statement was approved by the 8th meeting of the Company's 7th board of directors on April 17, 2020.

2. Scope of consolidated financial statements

√ Applicable □ Inapplicable

(1) The 84 first-level subsidiaries included in the consolidation scope in the current period are listed as follows:

S/N	Name of subsidiary	Abbreviation	Subsidiaries (Nr.)	Shareholding proportion (%)	Proportion of voting right (%)
1	Sichuan Yongxiang Co., Ltd.	Yongxiang	4	100	100
2	Tongwei Solar (Hefei) Co., Ltd.	Tongwei Solar (Hefei)	7	100	100
3	Tongwei New Energy Co., Ltd.	Tongwei New Energy	87	100	100
4	Chongqing Tongwei Feed Co., Ltd.	Chongqing Feed		100	100
5	Xiamen Tongwei Feed Co., Ltd.	Xiamen Feed		100	100
6	Yuanjiang Tongwei Feed Co., Ltd.	Yuanjiang Feed		100	100
7	Wuhan Tongwei Feed Co., Ltd.	Wuhan Feed		100	100
8	Shashi Tongwei Feed Co., Ltd.	Shashi Feed		100	100
9	Guangdong Tongwei Feed Co., Ltd.	Guangdong Feed		100	100
10	Shandong Tongwei Feed Co., Ltd.	Shandong Feed		92	92
11	Zaozhuang Tongwei Feed Co., Ltd.	Zaozhuang Feed		100	100
12	Suzhou Tongwei Special Feed Co., Ltd.	Suzhou Feed		100	100
13	He'nan Tongwei Feed Co., Ltd.	He'nan Feed		100	100
14	Changchun Tongwei Feed Co., Ltd.	Changchun Feed		100	100
15	Chengdu Tongwei Aquatic Products Technology Co., Ltd.	Chengdu Technology		100	100
16	Chengdu Tongwei Fish Co., Ltd.	Chengdu Tongwei Fish	2	100	100
17	Chengdu Tongwei Sanxin Pharmaceutical Co. Ltd.	Sanxin Pharmaceutical		70	70
18	Tongwei (Hainan) Aquatic Products Co., Ltd.	Hainan Products	1	100	100
19	Hainan Haiyi Aquatic Products Feed Co., Ltd.	Hainan Haiyi		100	100
20	Zhuhai Haiyi Aquatic Products Feed Co., Ltd.	Hainan Haiyi		100	100
21	Hainan Haiyi Aquatic Seed Co., Ltd.	Hainan Seed	1	53.32	53.32
22	Nantong Bada Feed Co., Ltd.	Nantong Bada	2	100	100
23	Tongwei (Chengdu) Salmon Co., Ltd.	Tongwei Salmon		100	100
24	Hainan Haiyi Biotechnology Co., Ltd.	Hainan Biotechnology		51	51
25	Chengdu Xintaifeng Agricultural Development Co., Ltd.	Chengdu Xintaifeng		100	100
26	Nanning Tongwei Feed Co., Ltd.	Nanning Feed		100	100
27	Tianjin Tongwei Feed Co., Ltd.	Tianjin Feed		100	100
28	Huai'an Tongwei Feed Co., Ltd.	Huai'an Feed		100	100
29	Jieyang Tongwei Feed Co., Ltd.	Jieyang Feed		100	100
30	Chengdu Ronglai Tongwei Feed Co., Ltd.	Ronglai Feed		80	80
31	Yangzhou Tongwei Feed Co., Ltd.	Yangzhou Feed		100	100
32	Langfang Tongwei Feed Co., Ltd.	Langfang Feed		100	100
33	Chengdu Tongwei Animal Nutrition Technology Co.,	Animal Nutrition		100	100

2019 Annual Report

S/N	Name of subsidiary	Abbreviation	Subsidiaries (Nr.)	Shareholding proportion (%)	Proportion of voting right (%)
	Ltd.				
34	Panzhuhua Tongwei Feed Co., Ltd.	Panzhuhua Tongwei		100	100
35	Tongwei (Chengdu) Aquatic Products Co., Ltd.	Chengdu Products		100	100
36	Foshan Nanhai Tongwei Aquatic Products Technology Co., Ltd.	Foshan Technology		100	100
37	Tongwei Agricultural Financing Guarantee Co., Ltd.	Tongwei Guarantee		100	100
38	Tongwei (Chengdu) Agriculture Investment Holding Co., Ltd.	Agriculture Holding		100	100
39	Sichuan Tongguang Construction Engineering Co., Ltd.	Tongguang Construction		100	100
40	Tongwei Aquatic Products Co., Ltd.	Tongwei Aquatic Products		100	100
41	Chongqing Changshou Tongwei Feed Co., Ltd.	Changshou Feed		100	100
42	Qianxi Tongwei Feed Co., Ltd.	Qianxi Feed		100	100
43	Lianyungang Tongwei Feed Co., Ltd.	Lianyungang Feed		100	100
44	Chengdu Tongwei Automation Equipment Co., Ltd.	Chengdu Automation		57.95	57.95
45	Foshan Tongwei Feed Co., Ltd.	Foshan Feed		100	100
46	Zibo Tongwei Feed Co., Ltd.	Zibo Feed		76	76
47	Tongwei (Dafeng) Feed Co., Ltd.	Dafeng Feed		51	51
48	Kunming Tongwei Feed Co., Ltd.	Kunming Feed		100	100
49	Zibo Tongwei Food Co., Ltd.	Zibo Food		100	100
50	Foshan Gaoming Tongwei Feed Co., Ltd.	Gaoming Feed		100	100
51	Tianmen Tongwei Biotechnology Co., Ltd.	Tianmen Biotechnology		100	100
52	Binyang Tongwei Feed Co., Ltd.	Binyang Feed		100	100
53	Fuzhou Tongwei William Feed Co., Ltd.	Fuzhou Feed		65	65
54	Ningxia Yinchuan Tongwei Feed Co., Ltd.	Yinchuan Feed		100	100
55	Harbin Tongwei Feed Co., Ltd.	Harbin Feed		100	100
56	Nanjing Tongwei Aquatic Products Technology Co., Ltd.	Nanjing Technology		100	100
57	Tongwei Holding Pte. Ltd.	Tongwei Holding	8	100	100
58	Tongwei Industrial (Tibet) Co., Ltd.	Tibet Industrial	1	100	100
59	Chizhou Tongwei Feed Co., Ltd.	Chizhou Feed		100	100
60	Chengdu Tongwei Aquatic Seed Co., Ltd.	Chengdu Seed		100	100
61	Hengshui Tongwei Feed Co., Ltd.	Hengshui Feed		100	100
62	Qingyuan Tongwei Feed Co., Ltd.	Qingyuan Feed		100	100
63	Honghu Tongwei Feed Co., Ltd.	Honghu Feed		100	100
64	Sichuan Tongwei Food Co., Ltd.	Sichuan Food		70	70
65	Hanshou Tongwei Feed Co., Ltd.	Hanshou Tongwei		100	100
66	Tianmen Tongwei Aquatic Products Technology Co., Ltd.	Tianmen Technology		100	100
67	Sichuan Fishery-Solar Wulian Technology Co., Ltd.	Fishery-Solar Wulian		60	60
68	Sichuan Willtest Technology Co., Ltd.	Sichuan Willtest	1	78	78
69	Wuxi Tongwei Biotechnology Co., Ltd.	Wuxi Biotechnology		100	100
70	Tongwei New Energy Engineering Design (Sichuan)	New Energy		100	100

S/N	Name of subsidiary	Abbreviation	Subsidiaries (Nr.)	Shareholding proportion (%)	Proportion of voting right (%)
	Co., Ltd.	Design			
71	Zhejiang Tongwei Solar Technology Co., Ltd.	Zhejiang Solar		100	100
72	Sichuan Tongwei Sanlian Aquatic Products Co., Ltd.	Sanlian Aquatic Products		53.57	53.57
73	Sichuan Tongwei Feed Co., Ltd.	Sichuan Tongwei		100	100
74	Sichuan Yongxiang New Material Co., Ltd.	Yongxiang New Material		100	100
75	Chengdu Tongwei Quannonghui Electronic Commerce Co., Ltd.	Quannonghui		100	100
76	Qingdao Hairen Aquatic Seed Industry Technology Co., Ltd.	Qingdao Hairen		51	51
77	Nanning Tongwei Biotechnology Co., Ltd.	Nanning Biotechnology		100	100
78	Nanchang Tongwei Biotechnology Co., Ltd.	Nanchang Biotechnology		82.76	82.76
79	Yangjiang Haiyi Biotechnology Co., Ltd.	Yangjiang Haiyi		100	100
80	Gongan County Tongwei Aquatic Products Technology Co., Ltd.	Gongan Technology		100	100
81	Zhanjiang Haixianfeng Bio-tech Co., Ltd.	Zhanjiang Haixianfeng		51	51
82	Chengdu Xintaifeng Livestock and Poultry Farming Co., Ltd.	Xintaifeng Farming		100	100
83	Chengdu Chunyuan Food Co., Ltd	Chunyuan Food		93.63	93.63
84	Sichuan Chunyuan Ecological Farming Co., Ltd.	Chunyuan Farming		100	100
	Total		114		

(2) Newly added first-level subsidiaries included in the consolidation in the current period

Name of subsidiary	Reason for change
Nanchang Tongwei Biotechnology Co., Ltd.	Newly established due to investment
Yangjiang Haiyi Biotechnology Co., Ltd.	Newly established due to investment
Gongan County Tongwei Aquatic Products Technology Co., Ltd.	Newly established due to investment
Zhanjiang Haixianfeng Bio-tech Co., Ltd.	Transfer from second-level subsidiary to first-level subsidiary
Chengdu Xintaifeng Livestock and Poultry Farming Co., Ltd.	Transfer from second-level subsidiary to first-level subsidiary
Chengdu Chunyuan Food Co., Ltd	Transfer from second-level subsidiary to first-level subsidiary
Sichuan Chunyuan Ecological Farming Co., Ltd.	Transfer from second-level subsidiary to first-level subsidiary

(3) First-level subsidiaries that have not been written off, absorbed, merged or disposed of in the current period

Please refer to "Change of Consolidation Scope" and "Rights and Interests in Other Entities" for details.

IV. Preparation Basis of Financial Statements**1. Preparation basis**

The Company's financial statements were prepared based on the assumption of going concern and actual transactions and events, in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and its supporting guidelines as well as explanations (hereinafter

collectively referred to as "ASBE") and the disclosure provisions in the *Rules for the Compilation and Submission of Information Disclosure by Companies That Offer Securities to the Public (No. 15)* — *General Rules on the Financial Statements* revised by CSRC in 2014.

2. Going concern

Applicable Inapplicable

The Company's business activities have sufficient financial support. Based on the information currently obtained by the Company and considering the macro-policy risks, market operation risks, current or long-term profitability, solvency and financial resources support of the enterprise and other factors, the Company believes that there are no matters or situations that have serious doubts about the Company's going concern ability in the next 12 months, and it is reasonable to prepare financial statements on the basis of going concern.

V. Significant Accounting Policies and Accounting Estimates

Notes to the specific accounting policies and accounting estimates:

Applicable Inapplicable

Declaration on compliance with ASBE

The financial statements and notes prepared by the Company meet the requirements of ASBE, truly and fully reflect its financial position before Sunday, December 31, 2019 and relevant information of the year 2019 such as business performance and cash flow. Additionally, all major aspects of the Company's financial statements comply with the requirements for the disclosure of the financial statements and the notes in the *Rules for the Compilation and Submission of Information Disclosure by Companies That Offer Securities to the Public (No. 15)* — *General Rules on the Financial Statements* revised by CSRC in 2014.

1. Accounting period

The accounting year of the Company runs from January 1 to December 31 of each accounting year.

2. Business cycle

Applicable Inapplicable

The normal business cycle refers to the period from the time when the Company buys assets for processing to the time when such assets become cash or cash equivalents. For the Company, 12 months/year constitute a business cycle and this business cycle is used as a criterion for determining the liquidity of assets and liabilities.

3. Recording currency

The Company takes RMB as its recording currency.

4. Accounting for business merger under common control and different control

Applicable Inapplicable

Business merger refers to a transaction or event that two or more individual enterprises form into a reporting entity through merging. The merger includes business merger under common control and business merger under different controls.

(1) Business merger under common control

A business merger under common control is a business merger in which all of the merging companies are ultimately controlled by the same party or parties both before and after the business merger, and that control is not transitory. In a business merger under common control, the party which obtains control of other merging companies on the merger date is the merging party, the other merging

companies are the merged parties. Merger date refers to the date on which the merging party actually obtains control rights on the merged party.

The initial investment cost of long-term equity investments is taken to be the share acquired of the owners' equity of the merged party, at its book value in the consolidated financial statements of the ultimate controlling party. The balance between the net book value of assets acquired by the merging party and book value of the paid merging consideration (or total face value of issued shares) shall be used to adjust the capital reserves (share premium); where capital reserves (share premium) cannot be charged off, retained earnings shall be adjusted.

Direct expenses incurred to the merging party during the business merger shall be included in the current profit or loss when incurred.

(2) Business merger under different control

A business merger not under common control is a business merger in which the merging companies are not ultimately controlled by the same party or the same parties both before and after the business merger. In a business merger under different control, the party that acquires the right of controlling other companies involved in the merger on acquisition date is the acquirer, and other enterprises involved in the merger are the acquirees. Acquisition date refers to the date on which the acquirer actually obtains control rights on the acquiree.

In a business merger under different control, the merger cost consists of assets paid, liabilities incurred or borne and the fair value of issued equity securities paid by the acquirer on the acquisition date to obtain control rights on the acquiree. Intermediation costs such as audit, legal service, assessment and consultation fees and other general and administrative expenses shall be included in the current profit or loss when incurred. The transaction expenses of equity securities or debt securities issued by the acquirer as merging consideration will be included in the initially recognized amount of equity securities or debt securities. Involved contingent consideration must be included into merger cost at the fair value at the acquisition date; where the contingent consideration is to be adjusted due to new or further evidence for existing conditions at acquisition date within 12 months after acquisition date, consolidated goodwill must be correspondingly adjusted. The merger cost incurred to the acquirer and net identifiable assets obtained during business merger must be measured as per the fair value at the acquisition date. Where the merger cost is greater than the fair value of net identifiable assets obtained on the acquisition date from the acquiree, the balance between them must be recognized as goodwill. Where the merger cost is less than the fair value of net identifiable assets obtained from the acquiree during business merger, the fair value and merger cost of various identifiable assets, liabilities and contingent liabilities from the acquiree must be rechecked. Where the merger cost is, after recheck, still less than the fair value of net identifiable assets obtained from the acquiree during business merger, the balance must be included in the current profit or loss.

Where the deductible temporary difference obtained by the acquirer from the acquiree is not recognized due to its non-compliance with deferred income tax assets recognition criteria at the acquisition date, new or further information obtained within 12 months since the acquisition date reveals that relevant conditions were present at the acquisition date, and the economic benefit brought by deductible temporary difference at the acquisition date can be realized for expected acquiree, relevant deferred income tax assets must be recognized, business reputation be decreased (where the business reputation is not sufficient to offset, the balance must be recognized as current profits and losses); except aforesaid conditions, deferred income tax assets which are confirmed to be linked with business merger must be included into current profits and losses.

As to business merger under different control that was accomplished step by step through multiple transactions, judge whether the multiple transactions belong to “package deal” in accordance with judgment standard of “package deal” stipulated in *Notice of the Ministry of Finance on Issuing Interpretation No. 5 of the Accounting Standards for Business Enterprises* issued by Ministry of Finance (CK [2012] No. 19) and Article 51 of *Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements* (refer to “preparation method of consolidated financial statements”). For transactions that belong to “package deal”, refer to “Long-term equity investment” to make accounting treatment; for transactions that do not belong to “package deal”, distinguish individual financial statement and consolidated financial statement to make relevant accounting treatment.

In individual financial statements, the sum of book value of the equity investment from the acquiree held before the acquisition date and the newly added investment cost on the acquisition date shall be taken as initial investment costs of the investment; for acquiree’s equity held before the acquisition date that involve other comprehensive incomes, the investment and its related other comprehensive incomes shall be subject to accounting treatment using the same basis on which the acquiree directly disposes related assets or liabilities (namely, except for the corresponding shares for the changes arising from the acquiree’s re-measurement of net liabilities or net assets of defined benefit plan calculated by equity method, the rest will be transferred to investment income of current period at the acquisition date.).

In the consolidated financial statements, acquiree’s equity held prior to the acquisition date must be re-measured as per its fair value at the acquisition date, and the balance between fair value and book value must be included into the investment income of current period; for acquiree’s equity held prior to the acquisition date involving other comprehensive incomes, the incomes shall be subject to accounting treatment using the same basis on which the acquiree directly disposes relevant assets or liabilities (namely, except for the corresponding shares for the changes arising from the acquiree’s re-measurement of net liabilities or net assets of defined benefit plan calculated by equity method, the rest will be transferred to investment income of current period at the acquisition date.).

5. Preparation method of consolidated financial statements

Applicable Inapplicable

(1) Principles for determining consolidation scope

The consolidation scope of consolidated financial statements is determined on the basis of control. Control means the power of the Company over the investee, and the investor can enjoy variable returns through participating in related activities of the investee and is able to influence its amount of return with the power over the investee. The consolidation scope consists of the Company and all its subsidiaries. "Subsidiary" refers to the entity under the control of the Company.

(2) Preparation method of consolidated financial statements

The Company shall incorporate the subsidiary into the scope of consolidation since its acquisition of the actual control over the subsidiary's net assets and rights of management and decision-making and exclude it from the scope of consolidation when losing such control over the subsidiary. For subsidiaries went through settlement, their financial performance and cash flows before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; while for subsidiaries going through settlement, the opening balance in the consolidated balance sheet is not adjusted. For subsidiaries acquired through business merger under different control, their financial performance and cash flows after the acquisition date have been properly included in the consolidated income statement and consolidated cash flow statement; in addition, the beginning balance and comparative amount in the consolidated financial statements are not adjusted. For subsidiaries acquired

through business merger under common control and merged parties, their financial performance and cash flow from the opening of the current period of business merger to the merging date have been properly included in the consolidated income statement and consolidated cash flow statement; meanwhile, comparative amount in the consolidated financial statements are adjusted.

During compilation of consolidated financial statements, in the event that accounting policy or accounting period adopted by the subsidiary are not in line with those of the Company, the financial statements of the subsidiary shall be adjusted according to the accounting policy and accounting period of the Company. For subsidiaries acquired through business merger under different control, their financial statements shall be adjusted based on the fair value of net identifiable assets on the acquisition date.

Balance of major dealings and transactions and unrealized profits of the Company shall be offset during preparation of the consolidated financial statements.

The portion of stockholders equity and that of current net profit or loss of a subsidiary which are not owned by the Company must be respectively recognized as minority equity and minority interest income and separately listed under the shareholders' equity and net income in the consolidated financial statements. The portion current net profit or loss of a subsidiary which belongs to minority equity shall be presented as "Minority profit and loss" in the Net Profit column in the Consolidated Income Statement. If the loss of a subsidiary borne by minority shareholders exceeds the amount of shareholders' equity share in the subsidiary at the beginning of the current period, the excess shall write down the minority equity.

In the event the Group loses the right of control over its subsidiary due to disposal of partial equity investment or other reasons, the residual equity must be recalculated according to its fair value on the day when the Group loses the right of control. The difference by using the sum of value received from disposal of equity and fair value of the residual equity to deduct share in net assets continually counted from the acquisition date of the original subsidiary (calculated as per original shareholding proportion) shall be recorded in the investment income of the current period without the right of control. Other comprehensive incomes in connection with equity investment of the original subsidiary shall be subject to accounting treatment using the same basis on which the acquiree directly disposes relevant assets or liabilities when the right of control is lost (namely, except for the changes arising from the original subsidiary's re-measurement of net liabilities or net assets of defined benefit plan, the rest will be transferred to investment income of current period). Subsequently, the residual equity shall be measured as per the *Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments* or *Accounting Standards for Business Enterprises No.22 - Financial Instrument Recognition and Measurement* or other relevant regulations. See "Long-term equity investments" or "Financial instrument" for details.

For the various transactions for step-by-step equity disposal by the Company that lead to the loss of controlling power over the subsidiary, it is necessary to distinguish whether the transactions belong to the package deal. When the terms, conditions and economic impacts of the transactions for subsidiary equity investment disposal conform to one or more following situations, then it indicates that the transactions shall be subject to accounting treatment as part of the package deal: ① the transactions are established simultaneously or at the consideration of mutual impact; ② the transactions can constitute a complete commercial result only when operating as a whole; ③ the occurrence of one transaction rests with that of another one or more; ④ individually, a single transaction is not economical while, when combined with other transactions, it is economical. For those that do not belong to the package deal, the

transactions shall be subject to accounting treatment as per “disposes the long-term equity investment to its subsidiaries partially without losing the right of control” (refer to the “Disposal of long-term equity investment” for details) and “Company losses the right of control over its subsidiary due to disposal of partial equity investment or other reasons” (refer to the preceding paragraph for details). For the various transactions belong to the package deal for equity disposal by the Group that lead to the loss of controlling power over the subsidiary, the transactions are subject to the accounting treatment oriented for subsidiary disposal and loss of controlling power; but, the difference between each disposal amount and the corresponding subsidiary net asset shares entitled to the disposal investment is recognized as other comprehensive income in the consolidated financial statements, which is not transferred into the current profit or loss until the controlling power is lost.

6. Classification of joint operation arrangement and accounting treatment methods for joint operations

Applicable Inapplicable

Joint venture arrangement refers to an arrangement jointly controlled by two or more participants. The Company, based on the rights and obligations under the joint arrangement, divides the joint arrangement into joint operation and joint venture. Joint operation refers to an arrangement that the Company enjoys assets related to the arrangement and bears liabilities related to the arrangement. Joint venture refers to an arrangement that the Company only has the power governing net assets of the arrangement.

The Company's investment on joint venture is calculated with equity method and handled by accounting polices described in long-term equity investment of "Long-term equity investment calculated by equity method".

The Company, as a part of a joint operation, fully recognizes assets and liabilities held/owed alone and assets and liabilities jointly held/owed based on its share. It fully recognizes income from selling its share of joint operations output, and the income from sales of jointly-produced output based on its share; it fully recognizes expenses solely incurred itself, and expenses jointly incurred based on its share.

Where the Company, as a joint party, invests or sells assets (excluding the asset constituting business, similarly hereinafter) to a joint operation, or purchase asset from a joint operation, before the said assets are sold to a third party by joint operation, the Company shall only recognize the part of profit or loss attributable to itself and other participants in the joint operation. When any impairment specified in Accounting Standards for Business Enterprises No. 8 - Asset Impairment, occurs to said assets in the course of investing or selling assets to a joint operation, the Company shall recognize the full amount of the losses; in case of purchasing asset from a joint operation, the Company shall recognize based on its share of the assets purchased.

7. Standards for recognition of cash and cash equivalents

The Company's cash equivalents determined during the preparation of the cash flow statement are recognized as investment that is short-term (generally due within three months since the acquisition date), highly liquid and readily convertible to a known amount of cash, and has an insignificant risk of changes in value.

Restricted bank deposits are not regarded as cash and cash equivalents in the cash flow statement.

8. Foreign currency transaction and foreign currency statement translation

Applicable Inapplicable

(1) Foreign currency business accounting method:

When foreign currency business occurs, it shall be converted into standard money for bookkeeping according to the benchmark exchange rate published by the People's Bank of China on the actual date of occurrence (generally referred to as the middle rate of the foreign exchange quote price of that day announced by the People's Bank of China, the same below); At the end of the period, the foreign currency monetary items should be converted at the ending spot rate; foreign currency non-monetary items measured at historical cost should still be converted at the spot rate; the foreign currency non-monetary items measured at fair value should be converted at the spot rate on the date of determination of the fair value. For the occurred balance from conversion that is related to acquisition and construction of fixed assets and has reached the expected serviceable condition should be included in acquisition and construction cost of fixed assets, and that is unrelated to acquisition and construction of fixed assets and in the start-up period should be included in the administration expense, and that is unrelated to acquisition and construction of fixed assets and in the production and operation period should be included in current financial expenses.

(2) Conversion method for foreign currency financial statements:

The asset items and liability items in the balance sheet adopt the exchange rate of the balance sheet date for conversion; the owner's equity items adopt the exchange rate of date when the transactions occurred, except for the items of "undistributed profit". Income and expense items in the income statement are converted using the approximate exchange rate of the current spot exchange rate. The differences arising from the translation of financial statements dominated in foreign currencies by the above-mentioned method are separately listed in the "other comprehensive incomes" under the ownership rights and interests items in the balance sheet.

Foreign currency cash flow and cash flow of overseas subsidiaries shall be converted at the approximate exchange rate of spot rate on the cash flow date.

9. Financial instruments

Applicable Inapplicable

Accounting Policies Applicable in 2019

Financial instruments refer to contracts that form the financial assets of a party, and form financial liabilities or equity instruments of other parties. When the Company becomes a party to a financial instrument, it recognizes a financial asset or liability.

(1) Classification of financial assets

Financial assets transacted in a conventional way are subject to accounting recognition and derecognition on the transaction day. Financial assets are divided into the following categories upon initial recognition: financial assets measured at amortized cost; financial assets measured at fair value with changes included into other comprehensive income; financial assets measured at fair value with changes included into current profits and losses.

Where the financial assets of the Company meet all the following conditions, they will be classified as financial assets measured at amortized cost: ① The business mode of the Company for managing such financial assets is to collect contract cash flows. ② The contract of such financial assets specifies that the cash flows generated at a particular date are only for the payment of principal and interest based on the amount of outstanding principal.

Where the financial assets of the Company meet all the following conditions, they will be classified as financial assets measured at the fair value through other comprehensive income. ① The business mode of the Company for managing such financial assets is to collect contract cash flows and to sell the

financial assets. ② The contract of such financial assets specifies that the cash flows generated at a particular date are only for the payment of principal and interest based on the amount of outstanding principal.

The Company will classify the financial assets other than the financial assets measured at the amortized cost and the financial assets at fair value through other comprehensive income into the financial assets at fair value through current profits and losses. At the time of initial recognition, if eliminating or significantly reducing accounting mismatch, financial assets can be designated as financial assets measured at fair value and whose changes are included in the profits and losses of the current period. Such designation, once made, shall not be revoked.

(2) Measurement of financial assets

The financial assets and financial liabilities initially recognized by the Company are measured at the fair value. For financial assets at fair value through profit or loss, related transaction expenses shall be directly included in the current profit or loss; the related transaction expenses of other financial assets shall be included in the initially recognized amount. For accounts receivable or bills receivable arising from the sale of products or the provision of services that do not include or take into account significant financing components, the Company takes the consideration amount entitled to receive in expectation as the initially recognized amount. Subsequent measurement of financial instruments depends on their classification:

1) Financial assets measured at amortized cost

The Company adopts the effective interest rate method for financial assets measured at amortized cost and carries out subsequent measurement at amortized cost. Gains or losses arising on financial assets measured at amortized cost that are not any hedging relationship are included in current profits and losses when derecognized, reclassified, amortized using the effective interest method or recognized for impairment.

2) Debt instruments investment measured at fair value with its changes included in other comprehensive incomes

For such financial assets, follow-up measurement shall be based on fair value in the Company. Interest, impairment losses or gains and exchange gains and losses of such financial assets calculated by the effective interest rate method are included in the profits and losses of the current period, and other gains or losses arising therefrom are included in other comprehensive income. At the derecognition, the accumulated gains or losses previously included in other comprehensive incomes are transferred from there to the current profits or losses.

3) Non-tradable equity instrument investments measured at fair value and whose changes are included in other comprehensive income

The Company carries out follow-up measurement of such financial assets at fair value. Except for dividends (except those that belong to the part of investment cost recovery) which are included in the current profits and losses, other relevant gains or losses (including exchange gains and losses) shall be included in other comprehensive income, and shall not be transferred into the current profits and losses. When its recognition is terminated, the accumulated gains or losses previously booked into other comprehensive incomes shall be transferred from other comprehensive incomes and recorded into retained earnings.

4) Financial assets at fair value through current profit and loss

For financial assets measured at fair value and whose changes are included in the profits and losses of the current period (except for those related to hedge accounting), the gains or losses resulting from changes in fair value are included in the profits and losses of the current period.

(3) Impairment of financial assets

Based on the expected credit loss, the Company conducts impairment accounting of financial assets classified as measured at amortized cost, financial assets classified as measured at fair value and whose changes are included in other comprehensive income and recognizes loss reserves.

The Company considers reasonable and reliable information about past events, current situation and forecast of future economic situation, taking the risk of default as the weight, calculates the probability weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received, and recognizes the expected credit loss.

On each balance sheet date, the Company separately measures the expected credit losses of financial instruments at different stages. If the credit risk of financial instruments has not increased significantly since the initial recognition, it is in the first stage. The Company will measure the provision for loss according to the expected credit loss in the next 12 months. If the credit risk of a financial instrument has increased significantly since its initial recognition but no credit impairment has occurred, it is in the second stage, and the Company measures the provision for loss according to the expected credit loss of the instrument throughout its life. If a financial instrument has suffered credit impairment since its initial recognition, it is in the third stage. The Company measures the provision for loss according to the expected credit loss of the instrument throughout its life.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that the credit risk has not increased significantly since the initial recognition, and measures the provision for loss according to the expected credit loss in the next 12 months.

For financial instruments in the first and second stages and with low credit risk, the Company calculates interest income according to the book balance before deducting provision for impairment and the actual interest rate. The interest income shall be calculated according to their book balance minus the amortized cost after impairment provision and the effective interest rate for financial instruments in the third stage.

For notes receivable, accounts receivable and receivables financing arising from daily business activities such as selling commodities and providing labor services, regardless of whether there is any significant financing component, the Company measures the provision for losses based on expected credit losses over the whole duration.

For accounts receivable without objective evidence of impairment or when information of the expected credit loss for a single financial asset cannot be evaluated at a reasonable cost, the Company divides the accounts receivable into several portfolios according to the credit risk characteristics, calculates the expected credit loss on the basis of the portfolios, and determines the portfolio on the following basis:

Classification of portfolio	Type of portfolio	Basis for portfolio determination	Accrual method of bad debt provision according to the portfolio
Portfolio 1	Bills or letters of credit receivable (excluding commercial acceptance bills), prepayments, deposit receivable and deposit during the settlement period; Project construction projects that will be reimbursed and offset by project expenditures will borrow reserve funds and other receivables that have sufficient evidence to show no	Payment nature	No provision

Classification of portfolio	Type of portfolio	Basis for portfolio determination	Accrual method of bad debt provision according to the portfolio
	risks.		
Portfolio 2	Accounts receivable from relevant government departments	Credit risk characteristics note 1	Expected credit loss
Portfolio 3	Accounts receivable from related parties within the scope of the company's merger, and accounts receivable from joint ventures temporarily formed due to unified transfers of operating funds participating in the company.	Payment nature	No provision
Portfolio 4	Receivables other than the above	Credit risk characteristics note 2	Expected credit loss

Note 1: Portfolio 2, the Company will settle and recover the receivables from relevant government departments within one year after the balance sheet date during the settlement period, for example, the receivables from government subsidies, without risks and excluding provision for bad debts; It is expected that the receivables collected from relevant government departments will be settled one year after the balance sheet date, for example, the allowance for electricity receivables. Considering the time value of assets, the bad debt reserve will be set aside at 5.00% of the receivable balance. The bad debt reserve exceeding 5.00% of the receivable balance has already been set aside according to the aging. Based on the principle of prudence, it will not be reversed until it is collected.

Note 2: Portfolio 4: The Company combines receivables other than the above combinations according to credit risk characteristics (aging) and estimates the accrual proportion of bad debt provision for the receivables based on all reasonable and reliable information, including forward-looking information:

Aging	Provision proportion (%)
Within 1 year	5
1-2 years	10
2-3 years	50
Over 3 years	100

The Company shall record the provision for loss accrued or transferred back into the current profit and loss. For debt instruments held at fair value through other comprehensive income, the Company adjusts other comprehensive income while recording impairment loss or profit included in the current profit or loss.

(4) Recognition basis and measurement method of financial asset transfer

Financial assets should be derecognized where any of the following conditions is met: ① the contractual right to acquire cash flow of the said financial assets is terminated; ② the financial assets and almost all risks and rewards from the ownership of the said financial assets are transferred to the transferee; ③ the financial assets has been transferred and the transferor waives its control over the said assets, despite the transferor has not transferred or retained any risks and rewards from the ownership of the said financial assets.

Where the enterprise neither transfers nor retains any risks and rewards on the financial asset ownership, if the control over the financial asset is not waived, relevant financial asset shall be recognized to the extent of continuing involvement in the transferred financial assets, and relevant liabilities shall be recognized correspondingly. "Continuing involvement in the transferred financial

assets” refers to the risk level that the Company will be faced with due to the change in value of such financial assets.

If the entire transfer of the financial assets meets derecognition conditions, the difference between the book value of the transferred financial asset and the sum of the consideration received due to the transfer and the cumulative changes in fair value that has been formerly recognized in other comprehensive incomes, is included in the current profit or loss.

Where the partial transfer of the financial assets meets derecognition conditions, the book value of the transferred financial assets shall be amortized between the derecognized and non-derecognized portions as per their relative fair values respectively; and the balance between the sum of the consideration from the transfer and the accumulative amount of changes in fair value which was previously recognized in other comprehensive incomes of the derecognized portion and aforesaid book value shall be included in the current profit or loss.

For non-transactional equity instruments which are designated to be measured at fair value with their changes included in other comprehensive income. If the investment termination is recognized, the accumulated gains or losses previously included in other comprehensive income will be transferred out from other comprehensive income and included in retained earnings.

(5) Classification and measurement of financial liabilities

1) Financial liabilities measured at fair value with their changes included in current profits and losses

Financial liabilities measured at fair value with their changes included in current profits and losses include transactional financial liabilities (including the derivative instruments which belong to financial liabilities) and financial liabilities designated to be measured at fair value with their changes included in current profits and losses. The financial liabilities which are measured at fair value and whose changes are recognized in the current period profits or losses are subsequently measured at fair value. The gains or losses resulting from the changes in fair value and the dividends and interest expenses related to such financial liabilities are recorded in the current period profits or losses.

2) Other financial liabilities

If derivative financial liabilities have no quotation in an active market and they are linked with equity instrument which cannot be reliably measured for fair value and settled by delivering such equity instrument, they are measured subsequently at cost. Other financial liabilities are subsequently measured at amortized cost by using the effective interest method. Gains or losses resulting from derecognition or amortization is included in current profit and loss.

(6) Derecognition of financial liabilities

When the current obligations of financial liabilities have been wholly or partially released, such financial liabilities or part of them can be derecognized. The Company (the Debtor) and the Creditor sign an agreement in which the existing financial liabilities are replaced by means of undertaking new financial liabilities; and the contractual terms of the new financial liabilities and those of existing financial liabilities are different in essence. Therefore, the existing financial liabilities shall be derecognized and the new financial liabilities shall be recognized.

If the financial liabilities, are entirely or the partially derecognized, the difference between the book value of the portion terminated in recognition and the consideration afforded (including the non-cash assets transferred or the new financial liabilities assumed) is recognized into current profit or loss.

(7) Offset of financial assets and financial liabilities

When the Group is entitled to offset the recognized financial assets and financial liabilities, this legal right is currently enforceable, and meanwhile the Group intends to either settle on the net basis or realize the financial assets and repay the financial liabilities simultaneously, financial assets and financial liabilities are presented in the balance sheet with the amount obtained after mutually offsetting. Besides, financial assets and financial liabilities are presented separately in the balance sheet and are not mutually offset.

(8) Determining fair value of financial instruments

Fair value refers to the price to be received for sale of an asset or to be paid for transfer of a liability by market participants in the orderly transaction on the measurement date. When a financial instrument has active market, the Company uses the quotation in the active market to recognize the fair value. The quotation in the active market refers to the price to be readily and regularly obtained from the exchange, broker, industry association, pricing service agency and the like and represents the actual market transaction price in a fair deal. When a financial instrument does not have active market, the Company uses the valuation techniques to recognize the fair value. Valuation techniques include reference to the prices used by the well-briefed and willing-to-transact parties in the latest market transactions, reference to the current fair values of other financial instruments similar in nature, discounted cash flow technique and option pricing models.

Accounting Policies Applicable in 2018

When the Company becomes a party to a financial instrument, it recognizes a financial asset or liability. A financial asset and financial liability is measured at fair value in initial recognition. For financial assets and financial liabilities at fair value through profit or loss, the related transaction costs are directly included in the profits or losses; for other financial assets and financial liabilities, the related transaction costs are included in their initially recognized amounts.

(1) Recognition methods for fair value of financial assets and financial liabilities

Fair value refers to the price to be received for sale of an asset or to be paid for transfer of a liability by market participants in the orderly transaction on the measurement date. When a financial instrument has active market, the Company uses the quotation in the active market to recognize the fair value. The quotation in the active market refers to the price to be readily and regularly obtained from the exchange, broker, industry association, pricing service agency and the like and represents the actual market transaction price in a fair deal. When a financial instrument does not have active market, the Company uses the valuation techniques to recognize the fair value. Valuation techniques include reference to the prices used by the well-briefed and willing-to-transact parties in the latest market transactions, reference to the current fair values of other financial instruments similar in nature, discounted cash flow technique and option pricing models.

(2) Classification, recognition and measurement of financial assets

Financial assets transacted in a conventional way are subject to accounting recognition and derecognition on the transaction day. Financial assets are classified into the following categories at the time of initial recognition: financial assets at fair value through profit and loss, held-to-maturity investments, loans and receivables, as well as available-for-sale financial assets.

- 1) Financial assets measured at fair value with their changes included in current profits and losses Including financial assets held for trading and financial assets at fair value through profit or loss.

Financial assets held for trading refer to the financial asset which meets any one of the following conditions: A. the financial asset is acquired for sales in a short time; B. it belongs to a part of an identifiable financial instrument portfolio under centralized management, and there is objective evidence

showing that the Company uses the short-term profit method to manage this portfolio recently; C. it is a derivative instrument except the one that is designated and belongs to the derivative instrument of effective hedging instrument, or is the derivative instrument of financial guarantee contract, or is linked to the equity instrument investment without quotation in the active market and with fair value unable to be reliably measured, and must be settled by delivery of this equity instrument.

The financial assets meeting any of the following conditions may, at the time of initial recognition, be designated as the financial assets measured at fair values and with their variances included in current profits and losses: A. the designation can eliminate or remarkably lessen the inconsistencies in recognized or measured profit or loss due to difference in measurement basis of these financial assets; B. it has been clearly stated in formal written document regarding the risk management or investment strategy of the Corporation that the financial asset portfolio or the financial assets and financial liabilities portfolio to which the said financial asset belongs is managed and assessed according to the fair values and reported to key management personnel.

Financial assets at fair value through profit or loss are measured subsequently by fair values. The profits or losses arising from changes in fair value and the dividends and interest incomes in connection with such financial assets are included in the current profit or loss.

2) Held-to-maturity investments

Held-to-maturity investment refers to the non-derivative financial asset with fixed due date, fixed or recognizable return amount which the Company has clear intention and ability to hold to maturity.

Held-to-maturity investment are measured subsequently by the effective interest method and based on the amortized cost, and all profits or losses due to derecognition, impairment, or amortization are included in the current profit or loss.

Effective interest method refers to the method by which the amortized cost and interest income or expenditure of financial assets or financial liabilities (including a group of financial assets or financial liabilities) is calculated based on the effective interest rate of the said assets and liabilities. The effective interest rate refers to the interest rate adopted to discount the future cash flow of a financial asset or financial liability within an expected duration or an applicable shorter term into current book value of such financial asset or financial liability.

When the effective interest rate is determined, the Company shall predict the future cash flow on the basis of taking into account all the contractual provisions concerning the financial asset or financial liability (excluding future credit loss) and the various fee charges, trading expenses, reduced values and premiums which are paid or collected by the parties to a financial asset or financial liability contract and which form a part of the effective interest rate.

3) Loans and receivables

Loans and receivables refer to the non-derivative financial assets which have no quotation in the active market, but have fixed or recognizable recoverable amount. Financial assets of the Company classified as loans and receivables include notes receivable, accounts receivable, interest receivable, dividends receivable and other receivables.

Loans and receivables are measured subsequently by the effective interest method and based on the amortized cost, and all profits or losses due to derecognition, impairment, or amortization are included in the current profit or loss.

4) Available-for-sale financial assets

Available-for-sale financial assets refer to non-derivative financial assets which are designated as "available-for-sale" during initial recognition, as well as financial assets other than financial assets at fair value through profit and loss, loans and receivables and held-to-maturity investments.

The closing cost of available-for-sale liability instrument investment is recognized by the amortized cost method, i.e. the amount obtained by initially recognized amount minus the repaid principal, plus or minus the accumulated amortization amount due to the amortization of the balance between initially recognized amount and the amount on the due date by using the effective interest method, and minus the occurred impairment losses. The ending cost of available-for-sale equity instrument investment is the initial acquisition cost.

Available-for-sale financial assets are measured subsequently by fair values. Profits and losses arising from changes in fair value, except the impairment losses and the balance of exchange related to foreign currency monetary assets and amortized costs which are recognized as current profit and loss, are recognized as other comprehensive income, and transferred out and included in the current profit and loss when such financial assets are derecognized. However, equity instrument investments for which there is no quotation in the active market and the fair value of which cannot be measured reliably, or derivative financial asset that is linked to such equity instruments and required to be settled by delivery of such equity instruments, are subsequently measured at their cost.

Interests obtained during the holding of available-for-sale financial assets and cash dividends declared and released by the investee are included in the investment income.

(3) Impairment of financial assets

The Company shall check the carrying amount of all financial assets except financial assets at fair value through profit and loss on each balance sheet date. The impairment provision shall be drawn if there is objective evidence showing impairment of the financial assets.

Impairment tests on financial assets with single item of large amount shall be performed separately by the Company; while financial assets without single items of large amount shall be separately tested or included in financial asset portfolio of similar credit risk characteristics for impairment test; Financial assets not subject to impairment in separate test (including financial assets with and without individual item of significant amount) are subject to the impairment test after being combined in financial asset portfolio with similar credit risk characteristics. Financial assets with impairment loss recognized on the individual basis are not to be included in the financial asset portfolio with similar credit risk characteristics for impairment test.

1) Impairment of investment held to maturity, loans and receivables

For financial assets measured at costs or amortized costs, their book value shall be written down to the present value of expected future cash flow and the write-down amount shall be recognized as asset impairment loss and be included in the current profit or loss. After the impairment loss of a financial asset is recognized, if there is objective evidence showing that the value of this financial asset is recovered and it is objectively related to the matters that happen after the impairment is recognized, the impairment loss formerly recognized shall be reversed. However, the reversed book value shall not exceed the amortized cost of this financial asset on the day of reversal under the assumption that the provision for impairment has not been made.

2) Impairment of marketable financial assets

When a decline in the fair value of the marketable equity instrument investments has occurred or can be recognized as severe or non-temporary decline after considering all the factors comprehensively, it means that the available-for-sale equity instrument investments have been subject to impairment.

"Severe decline" means that accumulated decline in the fair value exceeds 20%; "non-temporary decline" means that the continuous decline period exceeds 12 months.

When a financial asset available-for-sale is impaired, the accumulated loss resulting from the decline of its fair value, which was originally recorded in other comprehensive income, is transferred out and recorded into the current period profits or losses. The accumulated loss transferred out is the balance calculated by deducting the recovered principal and the amortized amount, the current fair value and the impairment previously recognized into the profit or loss from the initial cost of acquisition of the asset.

After the impairment loss of a financial asset is recognized, if there is objective evidence showing that the value of this financial asset is recovered and it is objectively related to the matters that happen after the impairment is recognized, the impairment loss formerly recognized shall be reversed. The impairment loss of available-for-sale equity instrument investment shall be reversed and included in other comprehensive income, while the impairment loss of available-for-sale liability instrument investment shall be reversed and included in the current profit and loss.

For the impairment of the investments in equity instruments that are not quoted in an active market and whose fair value cannot be measured reliably, or the impairment losses of derivative financial assets that are linked to the equity instruments and must be settled through the delivery of the equity instruments, such impairment loss shall not be reversed.

(4) Recognition basis and measurement method of financial asset transfer

Financial assets should be derecognized where any of the following conditions is met: ① the contractual right to acquire cash flow of the said financial assets is terminated; ② the financial assets and almost all risks and rewards from the ownership of the said financial assets are transferred to the transferee; ③ the financial assets has been transferred and the transferor waives its control over the said assets, despite the transferor has not transferred or retained any risks and rewards from the ownership of the said financial assets.

Where the enterprise neither transfers nor retains any risks and rewards on the financial asset ownership, if the control over the financial asset is not waived, relevant financial asset shall be recognized to the extent of continuing involvement in the transferred financial assets, and relevant liabilities shall be recognized correspondingly. "Continuing involvement in the transferred financial assets" refers to the risk level that the Company will be faced with due to the change in value of such financial assets.

If the entire transfer of the financial assets meets derecognition conditions, the difference between the book value of the transferred financial asset and the sum of the consideration received due to the transfer and the cumulative changes in fair value that has been formerly recognized in other comprehensive incomes, is included in the current profit or loss.

Where the partial transfer of the financial assets meets derecognition conditions, the book value of the transferred financial assets shall be amortized between the derecognized and non-derecognized portions as per their relative fair values respectively; and the balance between the sum of the consideration from the transfer and the accumulative amount of changes in fair value which was previously recognized in other comprehensive incomes of the derecognized portion and aforesaid book value shall be included in the current profit or loss.

For financial assets sold with the right of recourse or financial assets subject to endorsement transfer, the Company shall make a judgment whether all risks and rewards from the ownership of the said financial assets have been transferred. Where the Company has transferred almost all risks and rewards of the ownership of the financial assets to the transferee, the financial assets shall be

derecognized; where the Company has retained almost all risks and rewards, the financial assets transferred shall not be derecognized; where the Company has neither transferred nor retained nearly all risks and rewards of the ownership of the financial assets, the Company shall make a further judgment whether the control over the financial assets is waived and the financial assets shall be subsequently handled according to the above accounting treatment methods.

(5) Classification and measurement of financial liabilities

Financial liabilities are classified, at the time of initial recognition, into financial liabilities at fair value through profit or loss and other financial liabilities. The initially recognized financial liabilities shall be measured at fair value. For financial liabilities measured at fair value with their variance included in the current profit and loss, related transaction expenses shall be directly included in the current profit and loss; the related transaction expenses of other financial liabilities shall be included in the initially recognized amount.

1) Financial liabilities at fair value through profit or loss

The conditions for classifying the financial liabilities as tradable financial liabilities and those designated at the time of initial recognition to be measured at fair value and whose changes are recognized in the current period profits or losses are consistent with the conditions for classifying financial assets as tradable financial assets and those designated at the time of initial recognition to be measured at fair value and whose changes are recognized in the current period profits or losses.

The financial liabilities which are measured at fair value and whose changes are recognized in the current period profits or losses are subsequently measured at fair value. The gains or losses resulting from the changes in fair value and the dividends and interest expenses related to such financial liabilities are recorded in the current period profits or losses.

2) Other financial liabilities

If derivative financial liabilities have no quotation in an active market and they are linked with equity instrument which cannot be reliably measured for fair value and settled by delivering such equity instrument, they are measured subsequently at cost. Other financial liabilities are subsequently measured at amortized cost by using the effective interest method. Gains or losses resulting from derecognition or amortization is included in current profit and loss.

(6) Derecognition of financial liabilities

When the current obligations of financial liabilities have been wholly or partially released, such financial liabilities or part of them can be derecognized. The Company (the Debtor) and the Creditor sign an agreement in which the existing financial liabilities are replaced by means of undertaking new financial liabilities; and the contractual terms of the new financial liabilities and those of existing financial liabilities are different in essence. Therefore, the existing financial liabilities shall be derecognized and the new financial liabilities shall be recognized.

If the financial liabilities, are entirely or the partially derecognized, the difference between the book value of the portion terminated in recognition and the consideration afforded (including the non-cash assets transferred or the new financial liabilities assumed) is recognized into current profit or loss.

(7) Offset of financial assets and financial liabilities

Financial assets and financial liabilities are presented in the balance sheet with the amount after offsetting each other when the Company has a legal right to offset the recognized financial assets and financial liabilities and the legal right is currently enforceable and when the Company intends either to settle on a net amount basis, or to realize the financial assets and pay off the financial liabilities

simultaneously. Besides, financial assets and financial liabilities are presented separately in the balance sheet and are not mutually offset.

(8) Equity instruments

Equity instrument refers to contract that serves as evidence of the right of ownership of residual equity after deducting all liabilities from the assets in the Company. The transaction costs incurred by the merging party in issuing equity instruments during the business merger shall be offset against the premium income of equity instruments. If the amount is insufficient, the retained earnings shall be offset. For the remaining equity instruments, the consideration received at the time of issuance shall be deducted from the transaction costs to increase shareholders' equity.

For all allocation of the Company to equity instrument holders (excluding stock dividends), shareholders' equity is decreased. The Company will not recognize the changes in fair value of equity instruments.

10. Notes receivable

Recognition method and accounting treatment of expected credit losses of notes receivable

Applicable Inapplicable

Bills receivable refer to banker's acceptance bill, commercial acceptance bills and letters of credit that are held until maturity to recover principal and interest. Commercial acceptance bills use the same method as accounts receivable to accrue bad debt reserves. See "Financial Instruments" for details.

11. Accounts receivable

Recognition method and accounting treatment of expected credit losses of accounts receivable

Applicable Inapplicable

See "Financial Instruments" for details.

12. Receivables financing

Applicable Inapplicable

Receivable financing refers to banker's acceptance bill received by the company for the purpose of recovering principal and interest at maturity, endorsement transfer and bank discount. If the remaining term of a banker's acceptance bill is short and the book balance is close to the fair value, the book value shall be taken as its fair value. See "Financial Instruments" for details.

13. Other receivables

Recognition method and accounting treatment of expected credit losses of other receivables

Applicable Inapplicable

See "Financial Instruments" for details.

14. Inventories

Applicable Inapplicable

(1) Classification of inventories

Classification of inventories: raw materials, packaging materials, in-process products, inventory goods, goods in transit, turnover materials (including packaging materials, low-value consumables, scaffolding of construction enterprises, etc.), consigned goods, issued goods, consigned processed goods, consumable biological assets, engineering construction, etc.

(2) Pricing method for sent out inventory

Inventories are priced at the actual cost at the time of acquisition. Inventory collection and issue except revolving materials shall be accounted for according to the weighted average method.

(3) Basis for determining the inventory's net realizable value and drawing methods for provision for obsolete inventories

At the end of the year, the inventories shall be valued by the lower one between cost and net realizable value. If the inventory cost is greater than the balance of net realizable value, provision for inventory falling price shall be withdrawn and included in current profits and losses. As to inventories related to the series produced and sold in the same area which have similar purposes or final application and are hard to separate from other items, the provision can be drawn by combination; as to inventories large in quantities and low in price, the provision is drawn by classification.

For material held for production, if the net realizable value of the finished product is higher than the cost, the material shall be measured with the cost; if the reduction of the material price indicates that the net realizable value of the finished product is lower than the cost, the material shall be measured with the net realizable value.

(4) Inventory system

The perpetual inventory system is applied to inventories.

(5) Amortization method for revolving materials

When the revolving materials (low-value consumables) are collected and used, the 50%-50% amortization method shall be adopted for the unit value above RMB 500 and one-time amortization for the unit value below RMB 500. Tongwei Solar (Hefei) Co., Ltd., a wholly-owned subsidiary of the Company, and its subsidiaries' low-value consumables are amortized at one time when they are collected. The impact is small, and the amount of impact is difficult to calculate accurately. It has not been adjusted in the consolidated statement.

15. Held-for-sale assets

Applicable Inapplicable

Where the Company recovers its book value mainly through the sales (including the exchange of non-monetary assets of commercial nature, similarly hereinafter) other than the continuous use of a non-current asset or disposal group, the non-current asset or disposal group shall be classified as held-for-sale.

Non-current assets or disposal groups classified as held for sale shall meet the following conditions:

(1) Based on the practice of selling such assets or disposal groups in similar transactions, those can be sold immediately under current conditions;

(2) Their sales are very likely to happen, that is, the Company has already made a resolution on a sales plan and obtained a certain purchase commitment and their sales are expected to be completed within one year. The relevant approval has been obtained from relevant authorities of the Company or regulators for those available for sale as required by the relevant regulations.

The Company measures the non-current assets or disposal group held for sale at the book value and net value of the fair value minus the selling expenses. If the book value is higher than the net amount of fair value minus selling expenses, the net amount of fair value minus selling expenses shall be reduced from the book value to the net amount of fair value. The reduced amount shall be recognized as an asset impairment loss and included in the current profits and losses. At the same time, provision for impairment of assets held for sale shall be made. If the net amount obtained by deducting the selling expenses from the fair value of non-current assets or disposal groups held for sale on the subsequent balance sheet date increases, the previous write-down amount shall be recovered and reversed from the asset impairment losses recognized after being classified as the held-for-sale assets, and the reversed amount shall be included in the current profits or losses. The book value of goodwill in the disposal

group held for sale that has been offset and the impairment loss of assets recognized before the non-current assets held for sale are classified as held for sale shall not be reversed.

No depreciation or amortization is provided for non-current assets held for sale or non-current assets in the disposal group. The interest of liabilities and other expenses in the disposal group held for sale shall be recognized continuously.

When non-current assets or disposal groups are no longer classified as held for sale because they no longer meet the classification criteria for held for sale categories, and non-current assets are removed from the held for sale disposal groups, they shall be measured according to the lower of the followings:

(1) The book value before being classified as held for sale, adjusted according to depreciation, amortization or impairment that should have been recognized if it had not been classified as held for sale;

(2) Recoverable amount.

16. Debt investment

(1). Recognition method and accounting treatment of expected credit losses of debt investment

Applicable Inapplicable

17. Investment in other debentures

(1). Recognition method and accounting treatment of expected credit losses of other debt investments

Applicable Inapplicable

18. Long-term receivables

(1). Recognition method and accounting treatment of expected credit losses of long-term receivables

Applicable Inapplicable

19. Long-term equity investments

Applicable Inapplicable

The long-term equity investments of the Company refers that investors control the investees' equity investment or significantly influence the investees, and the equity investments of the joint venture.

(1) Determination of investment cost

Long-term equity investments forming in business merger: as to long-term equity investments forming in merger of enterprises under common control, the portion of book value in the consolidated financial statement of the final controlling party based on the shareholder's equity of the merged party on the merger date shall be taken as the initial capitalized costs. As to that forming in merger of corporations under different control, the merger costs consist of assets paid, liabilities incurred or undertaken and fair value of equity securities issued by the purchaser. Intermediation costs such as audit, legal service and assessment and consultation and other administration costs shall be included into current profits and losses when incurred during business merger. The transaction expenses of equity securities or debt securities issued as merger consideration by the purchaser shall be included into the initially recognized amount thereof.

Other equity investment other than that forming in business merger shall be calculated initially as per costs. According to acquiring ways of long-term equity investment, the costs shall be determined as per cash purchasing price actually paid by the Company, the fair value of equity securities issued by the Company, value agreed in investment contract or agreement, fair or book values of exchanged assets in non-monetary asset exchanging, fair value of the long-term equity investment itself, and other ways.

Expenses, taxes and other necessary expenditures directly related to the acquisition of the long-term equity investments shall be included in the investment cost.

(2) Methods of subsequent measurement and recognition of profits and losses

Long-term equity investment having common control (except for joint operation) or significant influence on the investee shall be calculated with the equity method. In addition, long-term equity investments, regarding which the Company can exercise control on the investee, are accounted for under the cost method.

1) Long-term equity investment calculated by using cost method

When calculated by cost method, the long-term equity investment will be valued as per initial investment costs. Except the declared but not released cash dividend or profit which is included in actual amount or consideration paid for acquiring investment, the current investment profit will be determined as per the cash dividend or profit which is declared to release in the investee.

2) Long-term equity investments calculated by equity method

For long-term equity investments calculated by the equity method, where their initial investment costs exceed the share of the fair value of the investee's identifiable net assets at the time of the investment, the initial investment costs of the long-term equity investment is not adjusted; where their initial investment costs are less than the share of the fair value of the investee's identifiable net assets at the time of the investment, the balance shall be included in the current profits or losses and the costs of the long-term equity investment are adjusted accordingly.

When calculated by equity method, the current investment profit or loss shall be the portion of the net profit or loss of the investee in the current year to be enjoyed or shared. When determining the portion to enjoy in the investee, the Company will adjust the net profits of the investee based on the fair value of identifiable assets in the investee during acquiring of investment, and accounting policies and period of the Company. The internal trading profits and losses incurred but not realized between the Group and joint venture/cooperative enterprise will be offset by the portion belonging to the Group as per shareholding ratio and then the investment profits and losses will be determined accordingly. But internal transaction profit or loss incurred but not realized between the Company and the investee which belong to impairment losses of transferred assets as per the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*, shall not be offset. Other comprehensive income of the investee shall be recognized as other comprehensive income by corresponding adjustment of the book value of the long-term equity investment. For other changes of the owner's equity except net profit and losses of interested entities, other comprehensive profits and profit distribution in investee, the book value of long-term equity investment should be adjusted and included in the shareholders' equity. In the subsequent disposal of the long-term equity investment, the amount included in the shareholders' equity shall be transferred to the investment income in proportion or in full.

When determining the net losses occurring in the Investee to share, the long-term equity of the net investment in the Investee shall be written off by the book value of the long-term equity investment and other essential parts till the equity is nil. In addition, if the Company has obligation to bear extra losses of the investee, the estimated liabilities shall be recognized by the estimated obligation and included in the current investment loss. When the investees realize net profits later, the Company will recover the sharing amount of recognized profits after the sharing amount offsets the unrecognized sharing losses.

3) Purchase of minority share holding

When consolidated financial statements are prepared, the capital reserves are adjusted by offsetting the difference between the newly increased long-term equity investment from purchase of minority

holding and the net asset portion of the subsidiary to share which is continuously calculated since acquisition date (or merger date) as per newly increased holding ratio; where the capital reserves is not sufficient to be offset, the retained earnings shall be adjusted.

4) Disposal of long-term equity investment

In consolidated financial statements, the parent company disposes the long-term equity investment to its subsidiaries partially without losing the right of control. The difference between the disposal amount and the net assets enjoyed in the subsidiaries corresponding to disposal of long-term equity is included into the shareholders' equity; if the parent company loses its control power to subsidiaries because of disposal of the long-term equity investment in the subsidiaries, the disposal shall be dealt with by relevant accounting policies stated in "Method for preparation of consolidated financial statements".

As for the disposal of the long-term equity investment under other circumstances, the difference between the book value and the actual purchase price will be included in the current profits and losses; for the long-term equity investment calculated by equity method, other comprehensive income originally recorded in the stockholder's equity is subject to accounting treatment in proportion on the same basis as the investee directly disposing related assets or liabilities. For the remaining equity, it will be recognized as long-term equity investment or other relevant financial assets according to its book value and measured subsequently in the light of above-mentioned accounting policies of long-term equity investment or financial assets. If the remaining equity will be measured with equity method instead of cost method, it will be retroactively adjusted in accordance with relevant stipulations.

(3) Basis for determining existence of jointly control or significant influence over investees

Control refers to the power of the investor over the investee, the exposure of the investor to variable returns by participating in related activities of the investee and the ability to use the power of the investor over the investee to influence the amount of the investor's returns. Common control refers to the sharing of control over certain arrangement under related agreements, and related activities of the arrangement can be determined only when the unanimous consent of the parties sharing the control is obtained. Material influence refers to the situation that a company has power to participate in making financial and operating decisions of an enterprise, but cannot control or jointly control with other parties over the formulation of these policies. In determining whether the control or significant influence can be imposed on the investee, such potential factors concerning voting rights as the current convertible bonds and current executable warrants of both the investor and the invested entity have been considered.

(4) Impairment test methods and drawing methods for impairment provision

The Company checks whether there are signs of possible asset impairment for the long-term equity investment at every balance sheet date. If any evidence shows that there is possible asset impairment, the recoverable amount thereof will be estimated. If the recoverable value of the asset is less than its carrying amount, the impairment provision is provided according to the balance and included in current profits or losses.

Once any impairment loss of long-term equity investment is recognized, it will not be reversed in the future accounting period.

20. Investment real estate

(1). If measured at cost:

Depreciation or amortization method

Investment property is property held to earn rentals or for capital appreciation or for both. It includes a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

1) Initial measurement

When the Company is able to obtain rental income or value-added income related to investment real estate and the cost of investment real estate can be measured reliably, the Company will initially measure it according to the actual expenditure of purchase or construction:

The cost of outsourcing investment real estate, including the purchase price and relevant taxes and fees directly attributable to the asset;

The cost of self-built investment property includes all the necessary expenses for constructing the asset to achieve the intended usable status;

The cost of investment property acquired by other methods shall be determined as per regulations of relevant accounting standards.

2) Subsequent measurement

In general, the Company adopts the cost model to carry out subsequent measurement on the subsequent expenditure of investment real estate. Depreciation or amortization shall be accrued for investment real estate according to the Company's accounting policies for fixed assets or intangible assets.

Where there is conclusive evidence that the fair value of the investment properties can be obtained continuously and reliably, in principle, use the fair value model to measure the investment properties subsequently. When using the fair value model for measurement, the Company does not draw depreciation for or amortize investment properties. It also adjusts its book value based on the fair value of investment properties on the balance sheet date and includes the difference between the fair value and the original book value in current profits and losses.

3) When the Company changes the use of investment real estate, it will transfer the relevant investment real estate to other assets.

21. Fixed assets

(1). Recognition conditions

Applicable Inapplicable

Fixed assets refer to houses, buildings, machinery and equipment, means of transportation and other tools and appliances related to production and operation held by the Company for the purpose of producing commodities, providing labor services, leasing or operation management with a service life of more than one year. Only when the relevant economic benefits in connection to such fixed assets are likely to flow into the enterprise and their costs can be reliably measured, the fixed assets can be recognized.

The leased fixed assets meet the finance lease conditions, and the company shall recognize and present it as fixed assets.

(2). Depreciation method

Applicable Inapplicable

Category	Depreciation method	Depreciation life (year)	Residual rate	Annual rate of depreciation
Houses and buildings	Straight-line method	5—35	5%	19%—2.71%
Where: office building	Straight-line method	35	5%	2.71%

Category	Depreciation method	Depreciation life (year)	Residual rate	Annual rate of depreciation
Houses and buildings for PV cell and module production	Straight-line method	30	5%	3.17%
Simple building	Straight-line method	5	5%	19%
Other houses and buildings	Straight-line method	15—20	5%	6.33%—4.75%
Notes on privatized land abroad	Non-amortization	Long-term		
Machinery equipment	Straight-line method	5—12	5%	19%—7.92%
Where: chemical equipment	Straight-line method	12	5%	7.92%
Cell processing equipment	Straight-line method	10	5%	9.5%
Feed equipment	Straight-line method	8—10	5%	11.875%—9.5%
Food processing equipment	Straight-line method	8—10	5%	11.875%—9.5%
Electronic equipment	Straight-line method	5	5%	19%
PV power generation equipment	Straight-line method	25	5%	3.8%
Transportation equipment	Straight-line method	4—5	5%	23.75%—19%
Office equipment	Straight-line method	5	5%	19%

Privatized land purchased for building factories outside China (e.g. Bangladesh) has a life-long property right and needs no amortization for long-term use. Impairment tests were conducted at the end of the reporting period.

When the depreciation of a fixed asset with impairment provision drawn is withdrawn, the depreciation rate and amount shall be recalculated and determined as per the book value and available service life of the fixed asset (i.e. the original price of the fixed asset minus accumulated depreciation and drawn impairment provision).

On the balance sheet date, fixed assets are priced according to the book value or recoverable amount (whichever is lower).

(3). Confirmation basis, valuation methods and depreciation methods for fixed assets acquired under finance leases

Applicable Inapplicable

The leased fixed assets meet the finance lease conditions, and the company shall confirm and account for the fixed assets. The lower of the fair value of the leased asset and the present value of the minimum lease payment on the lease commencement date shall be taken as the recorded value of the leased asset, and depreciation shall be calculated according to the classification standard of fixed assets and its depreciation method.

(4). Provision for fixed assets impairment

On the balance sheet date, fixed assets are priced according to the book value or recoverable amount (whichever is lower).

On the balance sheet date, the company judges whether there are signs of possible impairment of fixed assets according to the following situations:

1) The current market price of assets drops sharply, and the drop range is obviously above that as expected over time or due to normal use.

2) Economic, technical or law environment where the Company operates and market of the assets change dramatically in the current period or in the near future, which brings adverse effect on the Company.

3) The market interest rate or other market return on investment has increased in current period, which affects discount rate of present value of expected future cash flow when the enterprise calculates its assets and gives rise to dramatic decrease of recoverable amount.

4) There is evidence that the assets are obsolescent or the substance is damaged.

5) The assets have been or are going to be left unused, terminated or planned to be disposed in advance.

6) Evidence from the Company's internal report indicates that economic performance of the assets is lower or is going to be lower than the expect value. For example, net cash flow or operating profit (or loss) created by the assets is much lower than (or higher than) the expect amount.

7) Any signs indicating that the impairment of assets.

If there is any sign of impairment, the recoverable amount is estimated. If the recoverable amount is lower than its book value, the asset impairment reserve shall be accrued according to the difference.

Once recognized, the impairment loss of assets shall not be reversed in future accounting periods.

22. Construction in progress

Applicable Inapplicable

(1) Valuation of construction in progress

Projects under construction are priced at actual costs. Borrowing interest and related expenses incurred during construction shall be capitalized and included in the costs of projects under construction.

When the construction in progress reaches its intended purpose and is delivered for use, the fixed assets shall be carried forward at the actual cost. For construction in progress that has been delivered for use but has not yet completed final accounts, it shall be valued and transferred to fixed assets according to the data such as construction budget, construction cost or actual cost of construction, and depreciation shall be accrued. After the completion of the final accounts, the original valuation and drawn depreciation shall be adjusted according to the final accounts.

On the balance sheet date, construction in progress is priced according to the lower of book value and recoverable amount.

(2) Provision for impairment of construction in progress

In case of one or several of the following circumstances, the Company shall make provision for impairment of construction in progress based on the difference between the recoverable amount at the end of the construction in progress and its book value. Once recognized, the impairment loss of assets shall not be reversed in future accounting periods.

1) The construction has been suspended for a long time and will not be restarted within three years;

2) The construction in progress has fallen behind both functionally and technologically, and it will bring great uncertainties to the Company's economic benefit;

3) Other circumstances sufficient to prove that impairment has occurred in the construction in progress.

23. Borrowing costs

Applicable Inapplicable

The Company only capitalizes the related borrowing costs that can be directly attributed to assets that meet the capitalization conditions during the capitalization period. Capitalization of borrowing costs starts when the following three conditions are met at the same time: ① expenditures for the asset have

already been incurred; ② borrowing costs have already been incurred; ③ the necessary acquisition and construction activities have been started to make the assets reach the expected serviceable condition and will end when the fixed assets reach the expected serviceable condition. Capitalization of borrowing costs will be suspended and recognized as current expenses when abnormal interruption occurs in the acquisition and construction activities of fixed assets, with the interruption lasting for more than three consecutive months.

The capitalization amount of borrowing costs is calculated as follows: As to special borrowings borrowed for the acquisition, construction or production of assets eligible for capitalization, the amount shall be determined by interest expenses from special borrowings actually occurred in current period deducting the interest income acquired from unused borrowings which are deposited in banks, or deducting investment profit gained from the unused borrowings temporarily invested; as for general borrowings for the acquisition, construction or production of assets eligible for capitalization, the amount shall be determined by multiplying the weighted average of difference between accumulative assets expenditure and assets expenditure of specially borrowed loans by the capitalization rate of general borrowings; the capitalization amount of interest in each accounting period shall not exceed the actual interest of relevant borrowings incurred in current period. If there is a discount or premium on the borrowings, the amount of discount or premium to be amortized in each accounting period shall be recognized according to the actual interest rate method, and the amount of interest in each period shall be adjusted. Ancillary expenses incurred by special borrowings, which occurred before the relevant assets reached the expected serviceable or saleable condition, are capitalized according to the incurred amount when they occurred, and those occurred after the relevant assets reached the expected serviceable or saleable condition, are recognized as expenses and included in the current profit and loss.

24. Biological assets

Applicable Inapplicable

(1) Classification of productive biological assets

The productive biological assets of the Company are divided into: boars, parent ducks, parent fish (shrimp), etc.

(2) Valuation of productive biological assets

1) Cost valuation of purchased productive biological assets, including purchase price, relevant taxes, traffic expenses, insurance premiums and other expenditures directly attributable to the purchase of the assets;

2) The cost of self-created or propagated productive biological assets includes necessary expenditures such as feed, labor and indirect expenses that shall be amortized before reaching the intended production and operation purpose (reaching maturity).

(3) Subsequent measurement of productive biological assets

The Company determines the service life, residual value rate, and depreciation rate according to the nature, use of productive biological assets, and the expected realization of related economic benefits as follows:

Category	Service life	Residual rate	Annual rate of depreciation
Parent livestock	3 years	5%	31.67%
Parent poultry	3 years	5%	31.67%
Parent fish	3 years	5%	31.67%
Parent shrimp	7 months	0%	Amortization completed in the breeding season

On the balance sheet date, productive biological assets are priced according to the lower of book value and recoverable amount.

25. Oil and gas assets

Applicable Inapplicable

26. Right-of-use assets

Applicable Inapplicable

27. Intangible assets

(1). Valuation method, service life and impairment test

Applicable Inapplicable

Intangible assets refer to the recognizable non-monetary assets without physical form held or controlled by the Company.

The initial measurement of intangible assets shall be made at their cost. Where the payment of the acquisition price for intangible assets is delayed beyond the normal credit terms, for those with financing nature, the cost of intangible assets is determined at the present value of the acquisition price. Difference between actually paid amount and present value of purchase amount shall be calculated into current profit and loss within credit period excluding those that are capitalized.

When acquiring the intangible assets, the Company shall analyze their service life. The intangible assets with limited service life are amortized by the straight-line method while those with uncertain service life are not amortized.

The service life of intangible assets with uncertain service life shall be rechecked by the Company in each accounting period. At the end of each year, the service life and the amortization method of intangible assets with limited service life shall be rechecked.

On the balance sheet date, intangible assets are priced according to the book value or recoverable amount (whichever is lower).

(2). Accounting policies of expenditures on internal R&D

Applicable Inapplicable

Expenditures of the Company's internal research and development projects at the research stage shall be included in the current profit and loss when incurred; expenditures incurred by the Company's internal research and development projects at the research stage shall be recognized as intangible assets when the following conditions are met, otherwise they will be included in the current profits and losses when incurred:

1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

2) There is an intention to complete the intangible asset and use or sell it;

3) Where the usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;

4) With sufficient support of technology, financial resources and other resources for finishing development of the intangible assets as well as capacity for using or selling the assets;

5) With reliable measurement of the expenditures belonging to development stage of the intangible assets.

28. Impairment of long-term assets

Applicable Inapplicable

As to fixed assets, construction in progress, intangible assets with limited service life, investment properties measured by cost model, long-term equity investment to subsidiaries, joint ventures and associates, and other non-current and non-financial assets, the Company will determine whether they have signs of impairment on the balance sheet date. If any, the recoverable amount shall be estimated and the impairment tests shall be conducted. Impairment test shall be conducted on intangible assets every year with uncertain goodwill and service life and the intangible assets not yet available, no matter whether there is any sign of impairment.

If the impairment test result shows that the recoverable amount of the assets is less than the carrying amount, the impairment provision shall be provided as per their difference and included in impairment loss. The recoverable amount is the net amount of the fair value of the assets after deducting the disposal expenses or the present value of the expected future cash flow of the assets, whichever is higher. The fair value of the assets shall be recognized as per the price in sales agreement of fair dealing. If there is no sales agreement but assets active market exists, the fair value shall be recognized as per the buyer's price. If there is neither sales agreement nor assets active market, the fair value of the assets shall be estimated based on the best information available. Disposal expenses shall include legal expenses, relevant taxes and handling expenses arising from assets disposal and other direct expenses for enabling the assets to be available for sale. The discounted present value of the expected future cash flow of the assets shall be recognized at suitable discount rate as per the expected future cash flow generated in the process of continuous use and final disposal of the assets. Impairment provisions of assets shall be calculated and recognized on a single asset basis. If it is difficult to estimate the recoverable value of the single assets, the recoverable value shall be recognized as per the asset portfolio to which the single asset belongs. An asset portfolio is the smallest portfolio of assets that is able to generate independent cash inflows.

In conducting the impairment test, the book value of goodwill presented in the financial statements shall be allocated to the related asset portfolios or groups of asset portfolios which are expected to benefit from the synergies of the business merger. If the test result indicates that the recoverable value of an asset portfolio or group of asset portfolios, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss shall be recognized. The impairment loss shall be first deducted from the book value of goodwill that is allocated to the asset portfolio or group of asset portfolios, and then deducted from the carrying amounts of other assets within the asset portfolios or groups of asset portfolios in proportion to the book values of assets other than goodwill.

Once impairment loss is recognized for the above mentioned asset, the part with value recovered shall not be reversed.

29. Long-term deferred expenses

Applicable Inapplicable

Long-term unamortized expense shall be recorded according to the actual amount incurred and amortized within the benefit period or the specified amortization period by the straight-line method. If the long-term expenses to be amortized are no longer beneficial to the subsequent accounting periods, the amortized value of unamortized expenses will be completely carried forward to profits and losses of current period.

30. Employee compensation**(1). Accounting treatment methods for short-term compensation**

Applicable Inapplicable

Short-term compensation mainly includes salary, bonus, allowances and subsidies, employee welfare expenses, medical insurance premiums, birth insurance premium, work injury insurance premium, housing fund, labor union funds and personnel education fund, non-monetary welfare, etc. During the period of accountant when staffs provide services for the Company, the actual short-term employee compensation would be recognized as liabilities by the Company and be included in the current profit and loss or relevant asset cost. The non-monetary welfare shall be measured based on the fair value.

(2). Accounting treatment methods for post-employment welfare

Applicable Inapplicable

The post-employment benefit plan includes the defined contribution plan and defined benefit plan. The defined contribution plan mainly includes basic pension insurance premiums and unemployment insurance premiums. The corresponding amount payable is included in the cost of a relevant asset or the current profit and loss upon occurring. The Company's defined benefit plans specifically provides benefits such as living allowance and medical expenses for retirees according to relevant national policies, company regulations and considering the length of service for the Company.

For defined benefit plans, the Company performs actuarial valuation on the balance sheet date. Actuarial gains and losses are recognized in other comprehensive income. Service costs and net interest on net liabilities or net assets of defined benefit plans are included in current profit and loss.

(3). Accounting treatment methods for dismissal welfare

Applicable Inapplicable

Dismissal welfare refers to compensation provided to employees for terminating the labor relationship with employees before the expiration of the labor contract between the Company and the employee, or for encouraging the employees to voluntarily accept the reduction. The Company will include the dismissal welfare arising therefrom into the employee compensation liabilities and the current profits and losses when paying. If it is expected that such dismissal welfare cannot be paid off within 12 months at the end of the annual reporting period, then the dismissed employees shall be paid the same as other long-term employee.

The Company provides social insurance premiums and living allowances for the internally retired staff before their formal retirement. The internal retirement plan is treated by using the same principles for dismissal welfare as described above. Salaries and social insurance premiums to be paid by the Company to the internally retired staff during the period from the date when the staff ceases to provide services to the normal retirement date are included in current profit and loss when the recognition criteria for provisions are met (dismissal welfare).

(4). Accounting treatment methods for other long-term employee welfare

Applicable Inapplicable

Other long-term employee welfare provided for employees by the Company are under accounting treatment by defined contribution plan for that meets defined contribution plan, and is under accounting treatment by defined benefit plan for the rest part.

31. Lease liabilities

Applicable Inapplicable

32. Estimated liabilities

Applicable Inapplicable

If obligations related to contingencies occur and meet the following conditions at the same time, they will be recognized as estimated liabilities.

(1) Such obligation is a current obligation undertaken by the Company;

(2) The performance of such obligation will probably cause outflow of economic interest of the Company;

(3) The amount of such obligation can be measured reliably.

If all or part of payment necessary for the estimated liabilities are expected to be compensated by a third party or the other party, only when the amount of compensation is basically recognized to be received, it can be independently recognized as assets, while recognized amount of compensation cannot exceed the book value of the recognized liabilities.

The book value of estimated liabilities shall be reviewed by the Company on the balance sheet date. If there is concrete evidence showing that the book value cannot truly reflect the current best estimate, the book value shall be adjusted as per the current best estimate.

33. Share-based payment

Applicable Inapplicable

34. Other financial instruments as preferred shares and perpetual bond

Applicable Inapplicable

35. Income

Applicable Inapplicable

(1) Revenue from commodity sales

Revenue realization is recognized when the following conditions are met: the Company has transferred the main risks and remunerations related to the proprietary rights of the commodity to the purchaser; the Company does not reserve the continuing management rights which are always related to the proprietary rights, or executes control on the sold commodities; the economic benefits related to trades can inflow into the Company; and relevant revenues and costs can be measured reliably.

The Company produces and sells food and animal drugs such as feed, fish, pigs and ducks, and the specific conditions for revenue recognition are: for domestic products after delivery and receipt by customers, and for export products after declaration and release. The Company produces and sells high-purity polycrystalline silicon, polyvinyl chloride, caustic soda, cement products, cells, components, etc. and the specific conditions for revenue confirmation are: for products after delivery and receipt by customers or the transportation companies entrusted by the customers.

(2) Revenue from rendering labor services

The earning of the labor service provided and finished in the same accounting year shall be recognized when the labor service is finished; the relevant earning of the labor service provided and finished in different accounting years shall be recognized by the percentage of completion method on the balance sheet date, given that the result of the labor service provided can be reliably estimated; if the result of the labor service provided cannot be reliably estimated, the earning of the labor service shall be recognized and measured in accordance with the principle of prudence.

(3) Revenue from abalienation of right to use asset

Provided that the economic benefits related to transactions can flow into the enterprise and that the amount can be reliably measured, the revenue from such use can be recognized.

36. Government grants

Applicable Inapplicable

(1) Adjustment basis and accounting treatment method of asset-related government grants

Asset-related government grants refer to the governmental subsidies that are obtained by the Company and used for acquisition or construction, or forming the long-term assets in other ways; if no government document specifies the grant object, the judgment basis for dividing the government grants into asset-related or income-related shall be explained separately.

Accounting treatment method: from the month when the relevant assets reach the expected serviceable condition and begin depreciation and amortization, asset-related government grants are recognized as deferred revenue, and are distributed evenly over their service life (i.e. within the depreciation and amortization period) and included in the current profit and loss. In case of early disposal of relevant assets, the remaining deferred revenue will be included in the current profit and loss at one time when the assets are disposed of. However, the government grants measured as per nominal amount shall be directly included in current profits and losses.

(2) Adjustment basis and accounting treatment method of revenue-related government grants

The revenue-related government grants refer to those obtained by the Company other than government subsidies related to assets;

Accounting treatment methods:

1) The amount used to compensate for related expenses or losses during future periods of the Company, it shall be recognized as deferred revenue, and shall be included in current profit and loss or offset the related costs during the period of recognizing the related expenses;

2) The amount used to compensate for the incurred related expenses or losses of the enterprise shall be included to current profit and loss or offset the related costs directly.

3) Timing for government grants recognition

The government grants shall be recognized when all the attached conditions can be satisfied and the government grants can be received by the Company.

4) Measurement of government grants

If government grants are monetary assets, they shall be measured as per amount received or amount receivable. If the government grants are non-monetary assets, they shall be measured based on fair value; if the fair value cannot be acquired reliably, they shall be measured based on the nominal amount.

37. Deferred income tax assets/Deferred income tax liabilities

Applicable Inapplicable

The accounting of the Company's income tax shall be conducted by using the balance sheet liability method.

The Company recognizes deferred income tax assets when the following conditions are met at the same time: (1) the temporary differences are likely to be reversed in the foreseeable future; (2) the amount of taxable income that can be used to offset deductible temporary differences is likely to be obtained in the future, and is limited to the amount of taxable income that is likely to be obtained.

On the balance sheet date, the current income tax liabilities (or assets) formed in the current period and previous period shall be measured at the amount of income tax to be paid (or returned) calculated as per the tax laws; deferred income tax assets and deferred income tax liabilities shall be measured according to the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are settled according to the tax laws.

On the balance sheet date, the Company reviews the book value of deferred income tax assets and deferred income tax liabilities. Except for income tax arising from business mergers, transactions or events directly recognized in owner's equity, the current income tax and deferred income tax of the Company are included in the current profit and loss as income tax expenses or income.

38. Lease

(1). Accounting treatment methods of operating lease

Applicable Inapplicable

1) The lease expenses paid for renting the assets by the Company shall be amortized based on the straight-line method and included in the current expenses during the whole lease period including the rent-free period. The initial direct expenses related to the lease transaction paid by the Company shall be included in current expenses.

When the asset lessor bears the lease-related expenses that shall be borne by the Company, the Company will deduct this part of the expenses from the total rent, and amortize the lease expenses after deduction within the lease period and include them in current expenses.

2) The rent charged for leasing the assets by the Company shall be amortized based on the straight-line method and included in lease-related revenue during the whole lease period including the rent-free period. The initial direct expenses related to the lease transaction paid by the Company shall be included in current expenses; if the amount is relatively large, it shall be subject to the capitalization, and be included by stages in current revenue as per the same basis for lease-related income recognition within the whole lease term.

Where the Company bears the lease-related expenses that shall be borne by the lessee, the Company will deduct this part of the expenses from the total rent, and allocate the lease expenses after deduction within the lease period.

(2). Accounting treatment methods of finance lease

Applicable Inapplicable

1) Basis to determine finance lease

Finance lease is a kind of lease in which all or most of risks and rewards regarding the ownership of the said assets are actually transferred. Its ownership may be transferred or not in the end. The lease which meets one or more standards below shall be recognized as the finance lease:

First, upon the expiration of the lease term, ownership of the leasing assets is transferred to the lessee. It usually means that the lessor can transfer the ownership of the asset to the lessee when the lease term expires, either as agreed in the lease contract or after making a reasonable judgment based on relevant conditions on the lease start date.

Second, the lessee has option on the purchase of leasing assets. The purchase price is expected to fall far below the fair value when the option is performed so that it can be reasonably determined since the commencement date of the lease that the lessee will exercise the option.

Third, even if the ownership of the leasing assets is not transferred, the lease term accounts for most of the service life of the leasing assets. Among them, the "most" is usually controlled above 75% (including 75%) which the lease term accounts the service life of the leasing assets.

Fourth, the present value of the minimum amount paid by the lessee at the commencement of the lease is almost equal to the fair value of the leasing assets at that time. The present value of the minimum amount received by the leaser at the commencement of the lease is almost equal to the fair value of the

leasing assets at that time. Among them, "almost equal to" is usually controlled above 90% (including 90%).

Fifth, the property of the leasing assets is special. The leasing assets can be used by the lessee only if not changed significantly.

2) Accounting treatment methods of finance lease

a. Financing lease assets: on the commencement date of the lease term, the Company recognizes the fair value of leasing assets or the present value of minimum lease payment (whichever is lower) as the entry value of the leasing assets, and recognizes the minimum lease payment as the entry value of long-term payables and the difference between the entry values as the unrecognized financing charges. The unrecognized finance charge shall be amortized by the Company by the effective interest method during the asset lease period and included in financial expenses. The initial direct costs incurred in the Company shall be included in value of leased assets.

b. Financing leased assets: on the commencement date of the lease, the Company shall recognize the finance lease receivables and the balance between the sum of unguaranteed residual value and the present value as the unrealized financing income, and as the lease revenue in future periods when the rents are received. The initial direct expenses related to the lease transaction incurred by the Company shall be included in initial measurement of the finance lease receivables, and the amount of income recognized in the lease period shall be reduced.

(3) Accounting treatment method of recognizing sale and leaseback transactions as a finance lease

The contract, signed by and between the Company and the leasing company, does not change the right of use and management of the assets, and is essentially the sale-leaseback business financed by asset mortgage. It is recognized as a long-term payable when it obtains the finance lease payment, and the payable rent and service fee during the finance lease payment period are recognized as unrecognized finance charges, which are amortized according to the actual interest rate during the lease period and included in the cost expense.

The sale and leaseback transaction recognized as an operating lease shall be provided with accounting treatment separately based on asset disposal and lease.

(3). Determination method and accounting treatment method of lease under new lease standards

Applicable Inapplicable

39. Other significant accounting policies and accounting estimates

Applicable Inapplicable

40. Changes of significant accounting policies and accounting estimates

(1). Change of significant accounting policies

Applicable Inapplicable

Contents and reasons of changes in the accounting policies	Approval procedures	Notes (name and amount of the significantly affected statement items)
In 2017, the Ministry of Finance issued the <i>Notice of the Ministry of Finance on Issuing the Revised Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments</i> (CK [2017] No.7), the <i>Notice of the Ministry of Finance on Issuing the Revised Accounting Standards for Business Enterprises No. 23—Transfer of Financial Assets</i> (CK [2017] No.8), the <i>Notice of the Ministry of Finance on Issuing the Revised Accounting Standards for Business Enterprises No. 24—Hedge Accounting</i> (CK [2017] No.9), the <i>Notice of the Ministry of Finance on Issuing the Revised Accounting Standards for Business</i>	The 2nd meeting of the 7th board of directors and the 2nd meeting of the 7th board of supervisors	Refer to other notes for detail

Contents and reasons of changes in the accounting policies	Approval procedures	Notes (name and amount of the significantly affected statement items)
<i>Enterprises No. 37—Presentation of Financial Instruments</i> (CK [2017] No.14) (the above four standards are hereinafter referred to as "New Financial Instrument Standards").		
On April 30, 2019, the Ministry of Finance issued the <i>Notice of the Ministry of Finance on Revising and Issuing the Format of Financial Statements of General Enterprises</i> (CK [2019] No.6) (hereinafter referred to as the Notice), which revised the format of financial statements of general enterprises and is applicable to the interim financial statements and annual financial statements for non-financial enterprises in 2019 and the financial statements for subsequent periods during which the ASBE is implemented.	The 2nd meeting of the 7th board of directors and the 2nd meeting of the 7th board of supervisors	Refer to other notes for detail

Other notes

1) New Financial Instrument Standards

a. Main contents of accounting policy change of New Financial Instrument Standards

In terms of the classification of financial assets, the initial classification and measurement attributes should be determined according to the characteristics of contractual cash flow and the business model. It can be divided into three categories, namely "financial assets measured at amortized cost", "financial assets measured at fair value with changes included in other comprehensive income" and "financial assets measured at fair value with changes included in current profit or loss".

The accounting treatment of impairment of financial assets is changed from the "occurred loss method" to the "expected loss method". It requires the consideration of the future expected credit loss of financial assets, in which way to make preparation for more timely and full provision for impairment reserves of financial assets.

The accounting treatment of non-tradable equity instrument investments is adjusted to allow enterprises to designate non-tradable equity instrument investments to be measured at fair value with their changes included in other comprehensive income. However, the designation is irrevocable and the accumulated changes in fair value originally included in other comprehensive income shall not be carried forward and included in current profits or losses at the time of disposal.

The principle of judging the transfer of financial assets and its accounting treatment are further clarified.

The hedging accounting standards focus on the organic combination of hedge accounting and risk management activities of enterprises to better reflect the risk management activities of enterprises.

b. The influence of accounting policy change of "New Financial Instrument Standards"

According to the transitional provisions of the New Financial Instrument Standards, the Company will adjust the classification and measurement (including impairment) of financial instruments on the implementation date of the New Financial Instrument Standards, and will not adjust the data of the previous comparative financial statements. The difference between the original book value of financial instruments and the new book value on the implementation date of the New Financial Instrument Standards shall be included in the retained earnings at the beginning of the period or other comprehensive earnings of the annual reporting period during which the New Financial Instrument Standards are implemented.

The Company will adjust the equity of Chengdu Tongwei Property Co., Ltd. it held from the original "financial assets available for sale" to "financial assets measured at fair value with changes included in other comprehensive income" for accounting, and report it in the "other equity instrument investment" project.

In daily fund management, the Company will endorse or discount some bank's acceptance bills, and the business model of managing the above bills receivable is to collect contract cash flow as well as to sell them. Therefore, the Company reclassified these bills receivable as financial assets measured at fair value with changes included in other comprehensive income on January 1, 2019, and presented as "accounts receivable financing". Due to the implementation of the New Financial Instrument Standards, the Company's financial statements at the beginning of 2019 are adjusted as follows.

2) Changes in format of financial statements

According to the requirements of the *Notice of the Ministry of Finance on Revising and Issuing the Format of Financial Statements of General Enterprises* (CK [2019] No.6) and the *Notice on Revising and Issuing the Format of Consolidated Financial Statements (2019 Edition)* (CK [2019] No. 16), the "notes receivable and accounts receivable" items in the balance sheet are divided into "notes receivable" and "accounts receivable", and the "notes payable and accounts payable" items are divided into "notes payable" and "accounts payable". The Company retroactively adjusted the comparative data accordingly. The change of accounting policy has no impact on the net profit and owner's equity of the Company.

In addition, with the implementation of the New Financial Instrument Standards in this year, according to the requirements of the *Notice of the Ministry of Finance on Revising and Issuing the Format of Financial Statements of General Enterprises* (CK [2019] No.6), the "interest receivable" in the "other receivables" item is changed to reflect only the interest that can be collected when the relevant financial instrument is due but has not been received on the balance sheet date, of which the interest of the financial instrument accrued based on the effective interest method is included in the book balance of the corresponding financial instrument. "Interest payable" in the "other payables" item is changed to reflect only the interest of the relevant financial instrument that is due and payable but has not been paid on the balance sheet date, of which the interest of the financial instrument accrued based on the effective interest method is included in the book balance of the corresponding financial instrument. No retroactive adjustment of the comparative data is made with reference to the transitional provisions of the new financial instruments standards.

The impact of the above changes in accounting policies on the financial statements is as follows:

a. Consolidated Balance Sheet

Statement item	2018/12/31	Impact of changes in the presentation of Financial Statements	Impact of New Financial Instrument Standards	2019/1/1
Notes receivable and accounts receivable	2,216,604,779.83	-2,216,604,779.83		-
Notes receivable		1,051,079,891.90	-1,024,423,651.77	26,656,240.13
Accounts receivable		1,165,524,887.93		1,165,524,887.93
Receivables financing			1,024,423,651.77	1,024,423,651.77
Available-for-sale financial assets	146,687,800.00		-146,687,800.00	-
Other equity instrument investments			148,087,311.09	148,087,311.09
Financial liabilities at fair value through profit or loss	970,300.00		-970,300.00	
Financial liabilities held for trading			970,300.00	970,300.00
Notes payable and accounts payable	6,303,688,909.52	-6,303,688,909.52		

2019 Annual Report

Statement item	2018/12/31	Impact of changes in the presentation of Financial Statements	Impact of New Financial Instrument Standards	2019/1/1
Notes payable		2,175,267,377.06		2,175,267,377.06
Accounts payable		4,128,421,532.46		4,128,421,532.46
Other comprehensive income	-41,082,132.15		1,399,511.09	-39,682,621.06

b. Balance Sheet of the Parent Company

Statement item	2018/12/31	Impact of changes in the presentation of Financial Statements	Impact of New Financial Instrument Standards	2019/1/1
Notes receivable and accounts receivable	124,634,852.88	-124,634,852.88		
Notes receivable		113,114,825.00	-113,114,825.00	
Accounts receivable		11,520,027.88		11,520,027.88
Receivables financing			113,114,825.00	113,114,825.00
Available-for-sale financial assets	146,687,800.00		-146,687,800.00	
Other equity instrument investments			148,087,311.09	148,087,311.09
Financial liabilities at fair value through profit or loss	970,300.00		-970,300.00	
Financial liabilities held for trading			970,300.00	970,300.00
Notes payable and accounts payable	343,630,837.70	-343,630,837.70		
Notes payable		195,189,063.64		195,189,063.64
Accounts payable		148,441,774.06		148,441,774.06
Other comprehensive income			1,399,511.09	1,399,511.09

(2). Changes in significant accounting estimates

Applicable Inapplicable

(3). The details of relevant items adjusted and implemented in the financial statements at the beginning of the year upon the implementation of the New Financial Instrument Standards, new income standards or new lease standards since 2019

Applicable Inapplicable

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Item	December 31, 2018	January 1, 2019	Adjusted amount
Current Assets:			
Cash at bank and on hand	3,412,054,110.28	3,412,054,110.28	
Settlement reserve			
Loans to banks and other financial institutions			
Trading financial assets			
Financial assets at fair value through current profit and loss			
Derivative financial assets			
Notes receivable	1,051,079,891.90	26,656,240.13	-1,024,423,651.77
Accounts receivable	1,165,524,887.93	1,165,524,887.93	
Receivables financing		1,024,423,651.77	1,024,423,651.77
Advance payment	228,051,356.81	228,051,356.81	
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract reserve receivable			
Other receivables	534,640,211.38	534,640,211.38	
Including: Interest receivable			
Dividend receivable			
Financial assets purchased under agreements to resell			
Inventories	1,585,861,249.75	1,585,861,249.75	
Held-for-sale assets	43,485,917.03	43,485,917.03	
Current portion of non-current assets			
Other current assets	724,196,499.32	724,196,499.32	
Total current assets	8,744,894,124.40	8,744,894,124.40	
Non-Current Assets:			
Loans and advances			
Debt investment			
Available-for-sale financial assets	146,687,800.00		-146,687,800.00
Investment in other debentures			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	281,589,120.46	281,589,120.46	
Other equity instrument investments		148,087,311.09	148,087,311.09
Other non-current financial assets			
Investment real estate	95,214,884.03	95,214,884.03	
Fixed assets	16,754,359,500.62	16,754,359,500.62	
Construction in progress	8,367,145,068.09	8,367,145,068.09	
Bearer biological assets	12,360,421.98	12,360,421.98	
Oil and gas assets			
Right-of-use assets			
Intangible assets	1,393,500,024.22	1,393,500,024.22	
Development expenditure			
Goodwill	635,818,717.99	635,818,717.99	
Long-term deferred expenses	603,463,766.70	603,463,766.70	

2019 Annual Report

Item	December 31, 2018	January 1, 2019	Adjusted amount
Deferred income tax assets	236,471,968.43	236,471,968.43	
Other non-current assets	1,212,126,155.76	1,212,126,155.76	
Total non-current assets	29,738,737,428.28	29,740,136,939.37	1,399,511.09
Total assets	38,483,631,552.68	38,485,031,063.77	1,399,511.09
Current Liabilities:			
Short-term loans	5,276,189,930.48	5,276,189,930.48	
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading		970,300.00	970,300.00
Financial liabilities at fair value through profit or loss	970,300.00		-970,300.00
Derivative financial liabilities			
Notes payable	2,175,267,377.06	2,175,267,377.06	
Accounts payable	4,128,421,532.46	4,128,421,532.46	
Advances from customers	1,187,132,081.33	1,187,132,081.33	
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Customer brokerage deposits			
Acting underwriting securities			
Employee compensation payable	535,857,366.42	535,857,366.42	
Taxes and fees payable	268,159,967.52	268,159,967.52	
Other payables	663,334,020.98	663,334,020.98	
Including: Interest payable	76,023,327.94	76,023,327.94	
Dividend payable	75,000.00	75,000.00	
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	1,508,813,498.66	1,508,813,498.66	
Other current liabilities	3,014,677,803.85	3,014,677,803.85	
Total current liabilities	18,758,823,878.76	18,758,823,878.76	
Non-Current Liabilities:			
Insurance contract reserves			
Long-term loans	690,466,944.00	690,466,944.00	
Bonds payable			
Including: Preferred shares			
Perpetual bond			
Lease liabilities			
Long-term payables	3,419,964,889.39	3,419,964,889.39	
Long-term employee compensation payable			
Estimated liabilities			
Deferred incomes	348,822,238.95	348,822,238.95	
Deferred income tax liabilities	38,915,110.65	38,915,110.65	
Other non-current liabilities			
Total non-current liabilities	4,498,169,182.99	4,498,169,182.99	
Total liabilities	23,256,993,061.75	23,256,993,061.75	

2019 Annual Report

Item	December 31, 2018	January 1, 2019	Adjusted amount
Owners' Equity (or Shareholders' Equity):			
Paid-in capital (or share capital)	3,882,372,220.00	3,882,372,220.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bond			
Capital surplus	5,712,534,456.10	5,712,534,456.10	
Less: Treasury shares			
Other comprehensive income	-41,082,132.15	-39,682,621.06	1,399,511.09
Special reserves	15,988,834.33	15,988,834.33	
Surplus reserves	412,849,106.56	412,849,106.56	
General risk provision			
Undistributed profits	4,755,055,633.39	4,755,055,633.39	
Total owners' equity (or shareholders' equity) attributable to the parent company	14,737,718,118.23	14,739,117,629.32	1,399,511.09
Non-controlling interest	488,920,372.70	488,920,372.70	
Total owners' equity (or shareholders' equity)	15,226,638,490.93	15,228,038,002.02	1,399,511.09
Total liabilities and owners' equity (or shareholders' equity)	38,483,631,552.68	38,485,031,063.77	1,399,511.09

Description of adjustment of each item:

Applicable Inapplicable

Balance Sheet of the Parent Company

Unit: Yuan Currency: RMB

Item	December 31, 2018	January 1, 2019	Adjusted amount
Current Assets:			
Cash at bank and on hand	1,215,096,278.99	1,215,096,278.99	
Trading financial assets			
Financial assets at fair value through current profit and loss			
Derivative financial assets			
Notes receivable	113,114,825.00		-113,114,825.00
Accounts receivable	11,520,027.88	11,520,027.88	
Receivables financing		113,114,825.00	113,114,825.00
Advance payment	8,531,372.80	8,531,372.80	
Other receivables	10,663,184,336.79	10,663,184,336.79	
Including: Interest receivable			
Dividend receivable			
Inventories	180,011,902.53	180,011,902.53	
Held-for-sale assets			
Current portion of non-current assets			
Other current assets	18,246,407.52	18,246,407.52	
Total current assets	12,209,705,151.51	12,209,705,151.51	
Non-Current Assets:			
Debt investment			
Available-for-sale financial assets	146,687,800.00		-146,687,800.00
Investment in other debentures			
Held-to-maturity investments			
Long-term receivables	1,898,845,533.29	1,898,845,533.29	
Long-term equity investments	9,288,662,823.16	9,288,662,823.16	
Other equity instrument investments		148,087,311.09	148,087,311.09
Other non-current financial assets			
Investment real estate			
Fixed assets	393,901,135.27	393,901,135.27	
Construction in progress	4,893,850.41	4,893,850.41	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	101,076,516.63	101,076,516.63	
Development expenditure			
Goodwill			
Long-term deferred expenses	38,175,918.40	38,175,918.40	
Deferred income tax assets	1,995,811.26	1,995,811.26	
Other non-current assets	4,680,466.00	4,680,466.00	
Total non-current assets	11,878,919,854.42	11,880,319,365.51	1,399,511.09
Total assets	24,088,625,005.93	24,090,024,517.02	1,399,511.09
Current Liabilities:			
Short-term loans	4,018,375,162.05	4,018,375,162.05	
Financial liabilities held for trading		970,300.00	970,300.00
Financial liabilities at fair value through profit or loss	970,300.00		-970,300.00

2019 Annual Report

Item	December 31, 2018	January 1, 2019	Adjusted amount
Derivative financial liabilities			
Notes payable	195,189,063.64	195,189,063.64	
Accounts payable	148,441,774.06	148,441,774.06	
Advances from customers	121,396,813.31	121,396,813.31	
Employee compensation payable	73,825,820.64	73,825,820.64	
Taxes and fees payable	5,788,141.50	5,788,141.50	
Other payables	3,661,348,905.91	3,661,348,905.91	
Including: Interest payable	73,663,651.45	73,663,651.45	
Dividend payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	330,016,688.00	330,016,688.00	
Other current liabilities	2,995,833,333.27	2,995,833,333.27	
Total current liabilities	11,551,186,002.38	11,551,186,002.38	
Non-Current Liabilities:			
Long-term loans	684,366,944.00	684,366,944.00	
Bonds payable			
Including: Preferred shares			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term employee compensation payable			
Estimated liabilities			
Deferred incomes			
Deferred income tax liabilities	145,545.00	145,545.00	
Other non-current liabilities			
Total non-current liabilities	684,512,489.00	684,512,489.00	
Total liabilities	12,235,698,491.38	12,235,698,491.38	
Owners' Equity (or Shareholders' Equity):			
Paid-in capital (or share capital)	3,882,372,220.00	3,882,372,220.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bond			
Capital surplus	6,644,233,173.78	6,644,233,173.78	
Less: Treasury shares			
Other comprehensive income		1,399,511.09	1,399,511.09
Special reserves			
Surplus reserves	412,849,106.56	412,849,106.56	
Undistributed profits	913,472,014.21	913,472,014.21	
Total owners' equity (or shareholders' equity)	11,852,926,514.55	11,854,326,025.64	1,399,511.09
Total liabilities and owners' equity (or shareholders' equity)	24,088,625,005.93	24,090,024,517.02	1,399,511.09

Description of adjustment of each item:

Applicable Inapplicable

Description of retroactive adjustment of comparative data in the earlier stage upon the implementation of the New Financial Instrument Standards or the new leasing standards since 2019

Applicable Inapplicable

Others

Applicable Inapplicable

VI. Taxes

1. Main tax category and tax rates

About main tax category and tax rates

Applicable Inapplicable

Tax category	Tax basis	Tax rate
VAT	Sales amount	0%, 3%, 5%, 6%, 9%, 10%, 13%, 16%
Consumption tax		
Business tax		
Urban maintenance and construction tax	Turnover tax payable	1%-7%
Enterprise income tax	Taxable income	5%, 7.5%, 15%, 16.5%, 17%, 20%, 25%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Land use tax	Land use area	Regulations on the location of each company
Property tax	Original value of real estate × 70%, house rent	1.2%, 12%

For taxpayers with different enterprise income tax rates, the information note should be disclosed

Applicable Inapplicable

Name of taxpayer	Income tax rate (%)
Management headquarter of Tongwei Co., Ltd., Tongwei Co., Ltd. Sichuan Branch, Tongwei Co., Ltd. Deyang Branch, Tongwei Co., Ltd. Special Feed Branch, Tongwei Co., Ltd. Kunming Branch	15
Chengdu Tongwei Animal Nutrition Technology Co., Ltd.	15
Panzhihua Tongwei Feed Co., Ltd.	15
Chengdu Ronglai Tongwei Feed Co., Ltd.	15
Tongwei Agricultural Financing Guarantee Co., Ltd.	15
Chongqing Tongwei Feed Co., Ltd.	15
Xi'an Tongwei Feed Co., Ltd.	15
Nanning Tongwei Feed Co., Ltd.	15
Qianxi Tongwei Feed Co., Ltd.	15
Sichuan Yongxiang Poly-Silicon Co., Ltd.	15
Binyang Tongwei Feed Co., Ltd.	15
Chengdu Tongwei Sanxin Pharmaceutical Co. Ltd.	15
Sichuan Yongxiang Silicon Material Co., Ltd.	15
Sichuan Yongxiang New Material Co., Ltd.	15
Tongwei Solar (Chengdu) Co., Ltd.	15
Sichuan Yongxiang Co., Ltd.	15
Chengdu Tongwei Automation Equipment Co., Ltd.	15
Kunming Tongwei Feed Co., Ltd.	15
Nantong Bada Feed Co., Ltd.	15
Guangdong Tongwei Feed Co., Ltd.	15
Sichuan Fishery-Solar Wulian Technology Co., Ltd.	15

Name of taxpayer	Income tax rate (%)
Zhuhai Haiyi Aquatic Products Feed Co., Ltd.	15
Sichuan Willtest Technology Co., Ltd.	15
Tongwei Solar (Hefei) Co., Ltd.	15
Tongwei Vietnam Co., Ltd.	20
Heping Tongwei Co., Ltd.	20
Haiyang Tongwei Co., Ltd.	20
Qianjiang Tongwei Co., Ltd.	10
Tongta Tongwei Co., Ltd.	20
Tongwei Feed Mill Bangladesh Ltd.	5
Tongwei Holding Pte. Ltd.	17
Tongwei Solar HK Co., Ltd.	16.50

2. Tax preference

Applicable Inapplicable

(1) VAT

According to the provisions of CS [2001] No.121 document of the Ministry of Finance of the People's Republic of China and State Taxation Administration, sales of feed are exempted from VAT.

According to the provisions of CS [1995] No. 52 document of the Ministry of Finance of the People's Republic of China and State Taxation Administration, sales of fish fry (roe) are exempted from VAT.

Sichuan Yongxiang New Material Co., Ltd. implements the VAT policy of immediately refunding 70% upon payment for cement sales according to CS [2015] No. 78 document issued by the Ministry of Finance and State Taxation Administration. Sichuan Yongxiang New Material Co., Ltd. implements simple collection according to the provisions of QGST [2013] No. 456 document for the sale of commercial concrete, and implements VAT percentage charges of 3% from July 2014.

According to the *Provisional Regulations of the People's Republic of China on Value-Added Tax* (Order No. 538 of the State Council) and the *Implementing Rules for Provisional Regulations of the People's Republic of China on Value-added Tax* (Order No. 50 of the Ministry of Finance and the State Taxation Administration), the cultivation business of Tongwei Fishery-Solar Rudong Co., Ltd. and the self-produced agricultural products sold by agricultural producers shall be exempted from VAT.

According to the provisions of CS [2016] No. 36 document issued by the Ministry of Finance and the State Taxation Administration, the Company will be exempted from VAT when it transfers the land use right to agricultural producers for agricultural production from May 1, 2016.

(2) Enterprise income tax

Except the following units which enjoy preferential income tax, the income tax rate of the rest branches and subsidiaries is 25%. The classification is as follows:

1) Collective tax payment of parent company (including management headquarters and branches)

According to the Enterprise Income Tax Law and the Measures for the Administration of Collection of Enterprise Income Tax on the Basis of Consolidation of Trans-regional Business Operations (Announcement No. 57, 2012 of the State Taxation Administration), if a resident enterprise establishes branches without legal person status across the regions (including cross provinces, autonomous regions, municipalities directly under the central government and cities specifically designated in the state plan) within the territory of China, the resident enterprise is a transregional business consolidated taxpayer. According to the above spirit, the head office of the parent company shall implement the measures for

the administration of collection of enterprise income tax of "unified calculation, hierarchical management, local prepayment, consolidated liquidation and financial transfer".

2) Units enjoying preferential enterprise income tax rate in the development of the western region

According to *the Notice of Tax Policy Issues Concerning Further Implementing the Western Development Strategy* (CS [2011] No. 58) jointly issued by Ministry of Finance, the General Administration of Customs of China and the State Taxation Administration, and the *Notice on Issues Concerning Enterprise Income Tax Relating to Further Implementing the Western Region Development Strategy* (GS [2012] No. 12), corporate income tax will be levied at a reduced rate of 15% on encouraged industrial enterprises located in the western region" from January 1, 2011 to December 31, 2020. Including Sichuan Yongxiang Co., Ltd., Sichuan Yongxiang New Energy Co., Ltd., Inner Mongolia Tongwei High-purity polycrystalline silicon Co., Ltd., Tongwei Co., Ltd. Sichuan Branch, Tongwei Co., Ltd. Deyang Branch, Tongwei Co., Ltd. Special Feed Branch, Tongwei Co., Ltd. Kunming Branch and Chengdu Tongwei Animal Nutrition Technology Co., Ltd., Panzhihua Tongwei Feed Co., Ltd., Chengdu Ronglai Tongwei Feed Co., Ltd., Tongwei Agricultural Financing Guarantee Co., Ltd., Chongqing Tongwei Feed Co., Ltd., Xi'an Tongwei Feed Co., Ltd., Nanning Tongwei Feed Co., Ltd., Qianxi Tongwei Feed Co., Ltd., Sichuan Yongxiang Poly-Silicon Co., Ltd., Binyang Tongwei Feed Co., Ltd., Chengdu Tongwei Sanxin Pharmaceutical Co. Ltd., Sichuan Yongxiang Silicon Material Co., Ltd., Sichuan Yongxiang New Material Co., Ltd. and Tongwei Solar (Chengdu) Co., Ltd.

3) Subsidiaries recognized as high-tech enterprises and enjoying the ratio of preferential enterprise income tax rate of 15%.

Sichuan Yongxiang Co., Ltd. was recognized as a high-tech enterprise in 2017 with the Certificate No. of GR201751001334.

Chengdu Tongwei Automation Equipment Co., Ltd. was recognized as a high-tech enterprise in 2017 with the Certificate No. of GR201751000255.

Kunming Tongwei Feed Co., Ltd. was recognized as a high-tech enterprise in 2017 with the Certificate No. of GR201753000227.

Nantong Bada Feed Co., Ltd. was recognized as a high-tech enterprise in 2017 with the Certificate No. of GR201732003955.

Guangdong Tongwei Feed Co., Ltd. was recognized as a high-tech enterprise in 2017 with the Certificate No. of GR201744004139.

Sichuan Fishery-Solar Wulian Technology Co., Ltd. was recognized as a high-tech enterprise in 2017 with the Certificate No. of GR201751000668.

Zhuhai Haiyi Aquatic Products Feed Co., Ltd. was recognized as a high-tech enterprise in 2018 with the Certificate No. of GR201844005634.

Sichuan Willtest Technology Co., Ltd. was recognized as a high-tech enterprise in 2018 with the Certificate No. of GR201851001142.

Tongwei Solar (Hefei) Co., Ltd. was recognized as a high-tech enterprise in 2018 with the Certificate No. of GR201834001139.

4) Companies engaged in mariculture and inland culture and enjoying half of the enterprise income tax

According to Article 86 of *Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China* issued on December 6, 2007, the enterprise income tax shall be reduced by half for the income of enterprises engaged in mariculture and inland culture projects. The enterprise

income tax of the below enterprises shall be collected in half: Hainan Haiyi Aquatic Seed Co., Ltd., Zhanjiang Haiyi Aquatic Seed Co., Ltd., Tongwei Fishery-Solar Rudong Co., Ltd., Chengdu Tongwei Aquatic Seed Co., Ltd., Qingdao Hairen Aquatic Seed Industry Technology Co., Ltd., Nanjing Tongwei Aquatic Products Technology Co., Ltd., Zhenjiang Tongwei Huantai Huijin New Energy Co., Ltd., Dongxing Tonghui New Energy Co., Ltd.

5) Overseas companies enjoying tax preference

According to document No. 218/2013/N-CP issued by the Vietnamese government on December 26, 2013, the statutory tax rate of enterprise income tax in Vietnam was reduced to 20% from January 1, 2016. The tax preference policies enjoyed by Tongwei Vietnam Co., Ltd. are as follows: The main business of feed is given a preferential period of 12 years starting from the production and operation period, with a preferential tax rate of 15%, among which, 3-year free and 7-year half policies are implemented from the beginning of the profit period. For the Company, the tax exemption period is from 2011 to 2013, and the tax reduction rate is 7.5% from 2014 to 2019. With regard to non-main business income (such as foreign weighing income, shops rental income, penalty income, etc.), the Company will not enjoy tax preference policies, and its enterprise income tax rate is 20%.

According to document No. 218/2013/N-CP issued by the Vietnamese government on December 26, 2013, the statutory tax rate of enterprise income tax in Vietnam was reduced to 20% from January 1, 2016. The preferential tax policies enjoyed by Heping Tongwei Co., Ltd. are as follows: A preferential period of 10 years is given from the beginning of the production and operation period for the main feed business, with 2-year free and 4-year half from the beginning of the profit period. It can be calculated from the next year when the number of months of the current year is less than 12.

According to the *Investment Confirmation Certificate* issued by the local government of Vietnam and the *Legal Supplement to Enterprise Income Tax Law* (No.: 32 / 2013 / QH13) issued by the congressional conference on June 19, 2013, the tax policies adopted by Haiyang Tongwei Co., Ltd. are as follows: The legal general tax rate of enterprise income tax is 20% since January 1, 2016. With regard to the non-main business income (such as the foreign weighing income, shops rental income, penalty income, etc.), the Company does not enjoy tax preference policies, and its income tax rate is 20%.

According to document No. 218/2013/N-CP issued by the Vietnamese government on December 26, 2013, the legal tax rate of enterprise income tax has been reduced to 20% since January 1, 2016. The tax preference policies enjoyed by Qianjiang Tongwei Co., Ltd. are as follows: A preferential period of 15 years is given from the beginning of the production and operation period for the main feed business, with a preferential tax rate of 10% during the preferential period and 4-year free and 9-year half from the beginning of the profit period.

According to the document No. 218/2013/N-CP issued by the Vietnamese government on December 26, 2013, the legal tax rate of enterprise income tax has been reduced to 20% since January 1, 2016, and the legal tax rate of enterprise income tax of 20% is applicable to Tongta Tongwei Co., Ltd.

The enterprise income tax rate of PT. Tongwei Indonesia is 25%.

Tongwei Feed Mill Bangladesh Ltd. was completed and put into operation in December 2015. According to the government of Bangladesh, the profit income tax rate of feed industry is 5%, the loss within three years can be offset against profit income tax, the sales feed is exempted from VAT, and the sales income tax rate is within 5%.

The income tax rate of Tongwei Holdings PTE. Ltd. in Singapore is 17% in accordance with local tax policy.

The enterprise income tax rate of Tongwei Solar HK Co., Ltd. is 16.5%.

6) Enjoy tax preference of public infrastructure projects which are key supported by the state

According to the *Notice of the Ministry of Finance of the People's Republic of China and State Taxation Administration on Relevant Issues Concerning the Implementation of the Preferential Catalog of Enterprise Income Tax for Public Infrastructure Projects* (CS 2008 [46]), the income from investment and operation of enterprises engaged in public infrastructure projects supported by the State shall be exempted from enterprise income tax from the first to the third year starting from the tax year in which the first production and operation income of the project is obtained, and the enterprise income tax shall be halved from the fourth to the sixth year.

According to the provisions of CS [2008] No. 116, the new solar power generation project approved by the competent investment department of the government is a public infrastructure project. Now, the new PV power plant of the subsidiary of Tongwei New Energy Co., Ltd. has been connected to the grid for power generation, enjoying the preferential enterprise income tax policy of "3-year free and 3-year half".

3. Others

Applicable Inapplicable

VII. Notes to Items in Consolidated Financial Statement**1. Cash at bank and on hand**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Cash on hand	273,455.70	808,016.03
Bank deposits	1,752,248,881.07	2,369,738,349.90
Other monetary funds	940,159,412.00	1,041,507,744.35
Total	2,692,681,748.77	3,412,054,110.28
Including: Total amount deposited abroad	191,395,898.42	96,388,052.02

2. Trading financial assets

Applicable Inapplicable

3. Derivative financial assets

Applicable Inapplicable

4. Notes receivable**(1). Presentation of the notes receivable by type**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Bank's acceptance bill		
Commercial acceptance bill		
Letter of credit	457,074,006.31	26,656,240.13
Total	457,074,006.31	26,656,240.13

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

Applicable Inapplicable

(3). Notes receivable which have been endorsed or discounted but not yet expired on the balance sheet date at the end of the period

Applicable Inapplicable

(4). Notes to be transferred for accounts receivable due to the drawer's failure of performance at the end of the period

Applicable Inapplicable

(5). Classified disclosure by bad debt provision

Applicable Inapplicable

Provision for bad debt reserve is made individually:

Applicable Inapplicable

Provision for bad debt reserve is made by portfolio:

Applicable Inapplicable

If the provision for bad debt reserve is made according to the general model of expected credit losses, please refer to the disclosure of other accounts receivable:

Applicable Inapplicable

(6). About provision for bad debts

Applicable Inapplicable

(7). About notes receivable actually written off in the current period

Applicable Inapplicable

Other notes

Applicable Inapplicable

5. Accounts receivable**(1). Disclosure by aging**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
Within 1 year	
Including: within 1 year (subitem)	
Within 1 year	1,172,306,404.56
Subtotal within 1 year	1,172,306,404.56
1-2 years	449,651,162.37
2-3 years	163,762,878.06
Over 3 years	36,766,721.36
3-4 years	
4-5 years	
Over 5 years	
Total	1,822,487,166.35

(2). Classified disclosure by bad debt provision

Applicable Inapplicable

Unit: Yuan Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt reserve is made individually						293,049.03	0.02	293,049.03	100.00	
Where,										
Provision for bad debt reserve is made by portfolio	1,822,487,166.35	100.00	150,245,229.60	8.24	1,672,241,936.75	1,318,588,314.78	99.98	153,063,426.85	11.61	1,165,524,887.93
Where,										
Portfolio 1	8,724,257.79	0.48			8,724,257.79	2,710,629.07	0.21			2,710,629.07
Portfolio 2	1,214,530,286.98	66.64	71,018,331.56	5.85	1,143,511,955.42	623,830,309.25	47.30	36,280,046.01	5.82	587,550,263.24
Portfolio 3										
Portfolio 4	599,232,621.58	32.88	79,226,898.04	13.22	520,005,723.54	692,047,376.46	52.47	116,783,380.84	16.88	575,263,995.62
Total	1,822,487,166.35	/	150,245,229.60	/	1,672,241,936.75	1,318,881,363.81	/	153,356,475.88	/	1,165,524,887.93

Provision for bad debt reserve is made individually:

Applicable Inapplicable

Provision for bad debt reserve is made by portfolio:

Applicable Inapplicable

Portfolio provision item: Portfolio 1

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt reserve	Proportion of provision (%)
Company 1	5,619,574.80		
Company 2	3,104,682.99		
Total	8,724,257.79		

Recognition standards and description of bad debt provision made by portfolio:

Applicable Inapplicable

The above accounts receivable is all within the settlement period, so no bad debt reserve has been made.

Portfolio provision item: Portfolio 2

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt reserve	Proportion of provision (%)
Power supply company (desulfurization electricity price)	122,539,529.61		
Subsidies of electricity price	803,719,610.83	40,185,980.54	5.00
Subsidies of electricity price	249,296,783.68	24,929,678.37	10.00
Subsidies of electricity price	37,843,998.38	5,676,599.75	15.00
Subsidies of electricity price	1,130,364.48	226,072.90	20.00
Total	1,214,530,286.98	71,018,331.56	5.85

Recognition standards and description of bad debt provision made by portfolio:

Applicable Inapplicable

The desulfurization electricity price receivable was recovered in the next month, without risk, and no provision for bad debt reserve was made.

Portfolio provision item: Portfolio 4

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt reserve	Proportion of provision (%)
Within 1 year	464,265,673.77	23,213,283.69	5.00
1-2 years	66,981,373.84	6,698,137.38	10.00
2-3 years	37,340,194.01	18,670,097.01	50.00
Over 3 years	30,645,379.96	30,645,379.96	100.00
Total	599,232,621.58	79,226,898.04	13.22

Recognition standards and description of bad debt provision made by portfolio:

Applicable Inapplicable

The recovery risk of such accounts receivable formed in the reporting period is related to the aging. Therefore, such portfolio accounts receivable shall be classified according to the aging, and the bad debt provision proportion corresponding to the aging shall be confirmed.

If the provision for bad debt reserve is made according to the general model of expected credit losses, please refer to the disclosure of other accounts receivable:

Applicable Inapplicable

(3). About provision for bad debts

Applicable Inapplicable

Unit: Yuan Currency: RMB

Category	Beginning balance	Change amount in the current period				Ending balance
		Provision	Accounts recovered or transferred back	Amounts written off or charged off	Other changes	
Risk portfolio	153,356,475.88	25,090,248.17	2,286,917.97	30,539,735.04	51,322.62	150,245,229.60
Total	153,356,475.88	25,090,248.17	2,286,917.97	30,539,735.04	51,322.62	150,245,229.60

Important provision for bad debts recovered or transferred back in the current period among above provision for bad debts:

Applicable Inapplicable

(4). About accounts receivable actually written off in the current period

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	30,539,735.04

About important accounts receivable written off among above accounts receivable

Applicable Inapplicable

Unit: Yuan Currency: RMB

Company name	Nature of accounts receivable	Amount written off	Reasons for writing off	The writing off procedure performed	Is the payment caused by related party transaction
Client 1	Payment for goods	4,347,845.41	Expected to be unable to recover the payment	Approval by authority	No
Client 2	Payment for goods	1,854,382.86	Expected to be unable to recover the payment	Approval by authority	No
Client 3	Payment for goods	1,814,858.01	Expected to be unable to recover the payment	Approval by authority	No
Client 4	Payment for goods	1,483,114.22	Expected to be unable to recover the payment	Approval by authority	No
Client 5	Payment for goods	1,257,811.96	Expected to be unable to recover the payment	Approval by authority	No
Client 6	Payment for goods	1,008,621.18	Expected to be unable to recover the payment	Approval by authority	No
Other 140 clients	Payment for goods	18,773,101.40	Expected to be unable to recover the payment	Approval by authority	No
Total	/	30,539,735.04	/	/	/

Description for accounts receivable written off:

Applicable Inapplicable

(5). About accounts receivable with top five ending balance collected as per the borrowers

Applicable Inapplicable

In the current period, accounts receivable with top five ending balance collected of the Company as per the borrowers is RMB 571,222,703.69, accounting for 31.34% of the total ending balance of accounts receivables, and the sum total of ending balance of provision for bad debt reserve made accordingly is RMB 33,544,134.38.

(6). Accounts receivable derecognized due to transfer of financial assets

Applicable Inapplicable

(7). Assets and liabilities formed by the transfer of accounts receivable and continuous involvement

Applicable Inapplicable

Other notes:

Applicable Inapplicable

6. Receivables financing

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Bank's acceptance bill	4,392,541,416.88	1,024,423,651.77
Total	4,392,541,416.88	1,024,423,651.77

About increase or decrease of accounts receivable financing in the current period and fair value changes:

Applicable Inapplicable

The change in balance is mainly due to the expansion of the Company's scale of operation and the increase of bank's acceptance bills receivable.

As the remaining term of a banker's acceptance bill is short and the book balance is close to the fair value, the book value shall be taken as its fair value.

If the provision for bad debt reserve is made according to the general model of expected credit losses, please refer to the disclosure of other accounts receivable:

Applicable Inapplicable

Other notes:

Applicable Inapplicable

(1) At the end of the period, the banker's acceptance bill pledged by the Company was RMB 4,250,855,326.54.

(2) The banker's acceptance bill endorsed at the end of the period but not yet due on the balance sheet date is RMB 3,363,470,937.07.

(3) The banker's acceptance bill discounted at the end of the period but not yet due on the balance sheet date is RMB 511,713,821.94.

(4) As the endorser of banker's acceptance bill endorsed or discounted at the end of the period but not yet due on the balance sheet date is a commercial bank, it has been derecognized due to the low possibility of not being paid at maturity and the low possibility of being claimed. However, if the bill fails to be paid at the due date, the Company will be jointly and severally liable to the holder in accordance with the provisions of the *Law of the People's Republic of China on Negotiable Instruments*.

(5) At the end of the period, the Company has no accounts receivable financing transferred to accounts receivable due to the drawer's inability to perform.

7. Advance payment**(1). Advances presented by aging**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	368,504,327.50	94.52	209,341,136.62	91.79
1-2 years	8,124,275.14	2.08	9,938,430.95	4.36
2-3 years	4,848,235.52	1.24	7,320,035.15	3.21
Over 3 years	8,399,059.99	2.16	1,451,754.09	0.64
Total	389,875,898.15	100.00	228,051,356.81	100.00

About the reason for no settlement of advances with the aging over 1 year with significant amount:

Note: No advances aged over 1 year with significant amount.

(2). About advances to suppliers with top five ending balance collected as per the suppliers

Applicable Inapplicable

The advances to suppliers from top five of prepaid parties classified based on the ending balance totals RMB 226,887,395.77 in the current period of the Company, accounting for 58.19% of the total ending balance of the advances to suppliers.

Other notes

Applicable Inapplicable

About no advances written off in the current period.

8. Other receivables**Item presentation**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interest receivable		
Dividend receivable		
Other receivables	805,398,204.90	534,640,211.38
Total	805,398,204.90	534,640,211.38

Other notes:

Applicable Inapplicable

Interest receivable**(1). Classification of interest receivable**

Applicable Inapplicable

(2). Important overdue interest

Applicable Inapplicable

(3). About provision for bad debt

Applicable Inapplicable

Other notes:

Applicable Inapplicable

(4). Dividend receivable

Applicable Inapplicable

Significant dividends receivable with aging over 1 year

Applicable Inapplicable

(5). About provision for bad debt

Applicable Inapplicable

Other notes:

Applicable Inapplicable

Other receivables

(6). Disclosure by aging

Applicable Inapplicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
Subtotal within 1 year	534,221,812.83
1-2 years	247,989,604.25
2-3 years	24,291,528.87
Over 3 years	30,646,714.87
Total	837,149,660.82

(7). About classification by payment nature

Applicable Inapplicable

Unit: Yuan Currency: RMB

Payment nature	Book balance at the end of the period	Book balance at the beginning of the period
Deposit	398,401,780.75	345,379,182.87
Assets disposal amount	115,929,359.00	
Insurance compensation	81,290,287.57	
Government grants	88,069,646.08	47,000,953.00
Borrowings for imprest	32,931,058.32	17,037,769.25
Advance money for another	32,241,659.81	20,707,723.85
Borrowings	23,552,024.00	8,217,024.00
Transaction with affiliated parties	19,270,158.40	45,719,694.49
Intercourse funds	14,903,851.90	
Temporary payment	12,816,038.52	9,817,987.75
Overdue payment for goods in advance	10,876,700.00	
Finance lease payment in transit		46,379,244.81
Others	6,867,096.47	8,327,211.51
Total	837,149,660.82	548,586,791.53

(8). About provision for bad debt

Applicable Inapplicable

Unit: Yuan Currency: RMB

Bad debt reserve	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	
Balance on January 1, 2019	6,339,415.95	7,607,164.20		13,946,580.15

Bad debt reserve	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	
The balance on January 1, 2019 is in the current period				
--Be transferred to Stage 2				
--Be transferred to Stage 3	-87,916.88		87,916.88	
--Be transferred back to Stage 2				
--Be transferred back to Stage 1				
Provision in the current period	12,593,898.46	5,297,698.77	24,888.35	17,916,485.58
Amount transferred back in the current period				
Written-off in the current period				
Charge-off in the current period			112,805.23	112,805.23
Other changes	1,195.42			1,195.42
Balance on December 31, 2019	18,846,592.95	12,904,862.97		31,751,455.92

Description of significant changes in the book balance of other accounts receivable changed due to loss reserve in the current period:

Applicable Inapplicable

The provision amount of bad debt reserve in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

Applicable Inapplicable

(9). About provision for bad debts

Applicable Inapplicable

Unit: Yuan Currency: RMB

Category	Beginning balance	Change amount in the current period				Ending balance
		Provision	Accounts recovered or transferred back	Amounts written off or charged off	Other changes	
Other receivables	13,946,580.15	17,916,485.58		112,805.23	1,195.42	31,751,455.92
Total	13,946,580.15	17,916,485.58		112,805.23	1,195.42	31,751,455.92

Significant bad debt reserve recovered or reversed among above accounts receivable:

Applicable Inapplicable

(10). About other accounts receivable actually written off in the current period

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount written off
Other accounts receivable actually written off	112,805.23

About other significant accounts receivable written off among above receivables:

Applicable Inapplicable

Description of other accounts receivable written off:

Applicable Inapplicable

(11). About other accounts receivable with top five ending balance collected as per the borrowers

Applicable Inapplicable

Unit: Yuan Currency: RMB

Company name	Nature of payment	Ending balance	Aging	Proportion in total ending balance of other accounts receivable (%)	Ending balance of provision for bad debt
Company 1	Assets disposal amount	115,929,359.00	Within 1 year	13.85	
Company 2	Deposit	107,400,000.00	1-2 years	12.83	
Company 3	Deposit	98,530,871.72	Note	11.77	
Company 4	Insurance compensation	81,256,687.57	Within 1 year	9.71	4,062,834.38
Company 5	Government grants	59,579,039.29	Within 1 year	7.12	
Total	/	462,695,957.58	/	55.28	4,062,834.38

At the end of the period, the amount of deposit receivable of Company 3 with the aging within one year is RMB 15,862,346.82, and the one with the aging of 1-2 years is RMB 82,668,524.90.

(12). Accounts receivable involving government subsidies

Applicable Inapplicable

Unit: Yuan Currency: RMB

Company name	Name of the projects under the subsidy of the government	Ending balance	The aging at the end of the year	Estimated time, amount and basis for collection
Company 1	Electricity subsidy	59,579,039.29	Within 1 year	Note
Company 2	Production incentives and interest subsidy	25,590,606.79	Within 1 year	Note
Company 3	Subsidy for new energy projects	2,900,000.00	Within 1 year	Note
Total		88,069,646.08		

Other notes

Note: The balance of the current period shall be determined according to the notice issued by the government or the agreement signed with the government, and it is expected to be recovered within one year.

(13). Other accounts receivable derecognized due to transfer of financial assets

Applicable Inapplicable

(14). Assets and liabilities formed by the transfer of other accounts receivable and continuous involvement

Applicable Inapplicable

Other notes:

Applicable Inapplicable

9. Inventories

(1). Classification of inventories

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw materials	1,405,377,795.52	1,217,986.56	1,404,159,808.96	792,984,595.13	242,554.40	792,742,040.73
Products in process	126,585,602.14	1,839,106.85	124,746,495.29	87,298,924.60		87,298,924.60
Inventory goods	533,654,835.00	913,689.20	532,741,145.80	456,858,797.74	725,581.28	456,133,216.46
Revolving materials	44,256,832.22		44,256,832.22	36,431,972.89		36,431,972.89
Consumptive biological assets	62,983,936.02		62,983,936.02	70,308,845.27		70,308,845.27
Unsettled assets of completed project formed by construction contract						
Packaging material						
Materials in transit	19,726,871.83		19,726,871.83	4,082,525.94		4,082,525.94
Consigned processing materials	462,980.07		462,980.07	1,117,415.75		1,117,415.75
Engineering construction	33,607,256.58		33,607,256.58	32,337,639.64		32,337,639.64
Goods shipped in transit	165,835,616.71		165,835,616.71	75,119,943.51		75,119,943.51
Packaging material	27,159,929.72		27,159,929.72	30,288,724.96		30,288,724.96
Total	2,419,651,655.81	3,970,782.61	2,415,680,873.20	1,586,829,385.43	968,135.68	1,585,861,249.75

(2). Falling price reserves for inventories

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Provision	Others	Amount transferred back or written off	Others	
Raw materials	242,554.40	975,432.16				1,217,986.56
Products in process		1,839,106.85				1,839,106.85
Inventory goods	725,581.28	2,103,375.49		1,915,267.57		913,689.20
Revolving materials						
Consumptive biological assets						
Unsettled assets of completed project formed by construction contract						
Total	968,135.68	4,917,914.50		1,915,267.57		3,970,782.61

(3). About ending balance of inventories containing capitalization amount of loan costs

Applicable Inapplicable

(4). About unsettled assets of completed projects formed by construction contract at the end of the period

Applicable Inapplicable

Other notes

Applicable Inapplicable

The basis for the provision for inventory falling price reserves for raw materials, products in process and inventory products is the estimated net realizable value.

10. Held-for-sale assets

Applicable Inapplicable

11. Current portion of non-current assets

Applicable Inapplicable

Significant debt investment and other debt investment at the end of the period:

Applicable Inapplicable

12. Other current assets

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Input tax retained / VAT prepaid	859,897,264.88	708,579,832.04
Enterprise income tax prepaid	49,831,097.37	13,723,065.01
Divided profits prepaid for poverty alleviation project of PV power plant	6,199,500.00	1,867,000.00
Advance payment of other taxes and fees	1,902,152.41	26,602.27
Total	917,830,014.66	724,196,499.32

13. Debt investment**(1). About debt investments**

Applicable Inapplicable

(2). Significant debt investments at the end of the period

Applicable Inapplicable

(3). About provisions for impairment reserves

Applicable Inapplicable

The amount of provision for impairment reserves in the current period and the basis for assessing if the credit risk of financial instruments increases significantly

Applicable Inapplicable

Other notes

Applicable Inapplicable

14. Investment in other debentures**(1). About other debt investments**

Applicable Inapplicable

(2). Significant other debt investments at the end of the period

Applicable Inapplicable

(3). About provisions for impairment reserves

Applicable Inapplicable

The amount of provision for impairment reserves in the current period and the basis for assessing if the credit risk of financial instruments increases significantly

Applicable Inapplicable

Other notes:

Applicable Inapplicable

15. Long-term receivables

(1). Long-term accounts receivable

Applicable Inapplicable

(2). About provision for bad debt

Applicable Inapplicable

The provision amount for bad debt reserve in the current period and the basis for assessing if the credit risk of financial instruments increases significantly

Applicable Inapplicable

(3). Long-term accounts receivable derecognized due to transfer of financial assets

Applicable Inapplicable

(4). Assets and liabilities formed by the transfer of long-term accounts receivable and continuous involvement

Applicable Inapplicable

Other notes

Applicable Inapplicable

16. Long-term equity investments

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Investee	Beginning balance	Increase or decrease in the current period								Ending balance	Ending balance of impairment reserves
		Additional investment	Reduced investment	Investment profit or loss recognized under equity method	Adjustments in other comprehensive income	Other equity changes	Cash dividend or profit declared to distribute	Provision for impairment reserves	Others		
I. Joint Ventures											
Shaoxing Tongwei Jiuding Feed Co., Ltd.	5,256,500.72			1,513,411.02			1,406,445.84			5,363,465.90	
Hefei Tongwei Jiuding Feed Co., Ltd.	7,033,235.83			1,453,564.54			2,916,667.00			5,570,133.37	
Maoming Tongwei Jiuding Feed Co., Ltd.	8,748,391.76	1,321,658.07		1,785,461.20		39,526.66	2,811,541.67			9,083,496.02	
Huangmei Tongwei Jiuding Fodder Co., Ltd.	3,844,100.40	174,980.10		891,209.81		525.00	805,803.33			4,105,011.98	
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	103,655,820.30			976,971.40						104,632,791.70	
Kunming Tongwei Jiuding Feed Co., Ltd.	2,379,918.36		2,365,187.04	-14,731.32							
Shanghai Yizheng Seed	551,966.21		478,090.10	-73,876.11							

2019 Annual Report

Investee	Beginning balance	Increase or decrease in the current period								Ending balance	Ending balance of impairment reserves
		Additional investment	Reduced investment	Investment profit or loss recognized under equity method	Adjustments in other comprehensive income	Other equity changes	Cash dividend or profit declared to distribute	Provision for impairment reserves	Others		
Industry Co., Ltd.											
Jiangsu Yanhai Tongwei Fuyun New Energy Co., Ltd.	4,965,275.75			-523,764.48						4,441,511.27	
Subtotal	136,435,209.33	1,496,638.17	2,843,277.14	6,008,246.06		40,051.66	7,940,457.84			133,196,410.24	
II. Affiliated Business											
Lijiang LONGi Silicon Materials Co., Ltd.	122,998,224.18			101,718,012.39		29,848.74				224,746,085.31	
Zhongwei New Energy (Chengdu) Co., Ltd.	22,155,686.95	59,700,000.00		-56,957.92						81,798,729.03	
Subtotal	145,153,911.13	59,700,000.00		101,661,054.47		29,848.74				306,544,814.34	
Total	281,589,120.46	61,196,638.17	2,843,277.14	107,669,300.53		69,900.40	7,940,457.84			439,741,224.58	

Other notes

(1) According to the resolution of the shareholders' meeting of Maoming Tongwei Jiuding Feed Co., Ltd. held on December 20, 2019, the Company acquired 4.83% of the shares of Maoming Tongwei Jiuding Feed Co., Ltd. held by individual shareholders, after which the Company actually accounted for 49.83% of the share. According to the resolution of the shareholders' meeting held by Huangmei Tongwei Jiuding Fodder Co., Ltd. on December 23, 2019, the Company acquired 2.50% of the shares of Huangmei Tongwei Jiuding Fodder Co., Ltd. held by individual shareholders. After acquisition, the Company actually accounts for 44.17% of the shares, which are still accounted for according to the equity method.

(2) Kunming Tongwei Jiuding Feed Co., Ltd. invested by the Company was cancelled due to business adjustment approved by Yiliang County Market Supervision Administration on October 10, 2019.

(3) Shanghai Yizheng Seed Industry Co., Ltd. invested by Hainan Haiyi Aquatic Seed Co., Ltd., a holding subsidiary of the Company, was determined to be cancelled according to the resolution of the interim shareholders' meeting held on May 5, 2019, and was cancelled after the examination and approval of Shanghai Pudong New Area Market Supervision Administration on January 3, 2020.

(4) Zhongwei New Energy (Chengdu) Co., Ltd. was established on July 17, 2018, with a registered capital of RMB 250 million, of which Tongwei Solar (Chengdu) Co., Ltd. holds 33% of the shares, with subscribed capital of RMB 82.5 million. As of December 31, 2019, the paid-in capital of Zhongwei New Energy (Chengdu) Co., Ltd. is RMB 230 million, and Tongwei Solar (Chengdu) Co., Ltd. has paid RMB 22.8 million and 59.7 million respectively in 2018 and 2019, totaling RMB 82.5 million. After payment, Tongwei Solar (Chengdu) Co., Ltd. actually accounts for 35.87% of the equity, which is accounted for by equity method. In September 2018, Tongwei Solar (Chengdu) Co., Ltd. signed an agreement with Tongwei Solar Co., Ltd. to transfer 33.00% of the equity of Zhongwei New Energy (Chengdu) Co., Ltd. to Tongwei Solar Co., Ltd. and complete the transfer on April 15, 2019. It is the internal equity transfer of the Company, which is accounted for according to the equity method.

(5) There are no significant restrictions on the realization of the Company's investment and the remittance of investment income.

(6) The book value of each long-term equity investment of the Company at the end of the period is lower than its recoverable amount, so no provision for the impairment of long-term equity is made.

17. Other equity instrument investments**(1). About other equity instrument investments**

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Chengdu Tongwei Property Co., Ltd.	153,385,357.94	148,087,311.09
Total	153,385,357.94	148,087,311.09

(2). About non-marketable equity instrument investment

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Dividend income recognized in the current period	Accrued gains	Accrued losses	Amount transferred from other comprehensive income to retained earnings	Measured at designated fair value with their changes included in other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings
Chengdu Tongwei Property Co., Ltd.		6,697,557.94			Based on the mode the management used to manage the asset	
Total		6,697,557.94				

Other notes:

□ Applicable √ Inapplicable

18. Other non-current financial assets

□ Applicable √ Inapplicable

Other notes:

□ Applicable √ Inapplicable

19. Investment real estate

Measurement model of investment properties

(1). Investment properties measured at cost

Unit: Yuan Currency: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original book value				
1. Beginning balance	145,567,075.10			145,567,075.10
2. Amount increased in the current period	39,672,455.78	21,630,000.00		61,302,455.78
(1) Outsourcing				
(2) Transferred from inventory / fixed assets / construction in progress	39,672,455.78	21,630,000.00		61,302,455.78
(3) Increase due to business merger				
3. Amount decreased in the current period	37,869,094.45			37,869,094.45
(1) Disposal				
(2) Other transfer-out	37,869,094.45			37,869,094.45
4. Ending balance	147,370,436.43	21,630,000.00		169,000,436.43
II. Accumulated depreciation and accumulated amortization				

Item	Houses and buildings	Land use right	Construction in progress	Total
1. Beginning balance	11,852,842.55			11,852,842.55
2. Amount increased in the current period	15,925,371.35	8,023,927.57		23,949,298.92
(1) Provision or amortization	3,478,127.90	278,265.66		3,756,393.56
(2) Transfer-in from fixed assets / intangible assets	12,447,243.45	7,745,661.91		20,192,905.36
3. Amount decreased in the current period	3,280,835.36			3,280,835.36
(1) Disposal				
(2) Other transfer-out	3,280,835.36			3,280,835.36
4. Ending balance	24,497,378.54	8,023,927.57		32,521,306.11
III. Impairment Reserves				
1. Beginning balance	38,499,348.52			38,499,348.52
2. Amount increased in the current period				
(1) Provision				
3. Amount decreased in the current period	9,132,441.67			9,132,441.67
(1) Disposal				
(2) Other transfer-out	9,132,441.67			9,132,441.67
4. Ending balance	29,366,906.85			29,366,906.85
IV. Book Value				
1. Book value at the end of the period	93,506,151.04	13,606,072.43		107,112,223.47
2. Book value at the beginning of the period	95,214,884.03			95,214,884.03

(2). About investment real estates which property certificates are not obtained

Applicable Inapplicable

Other notes

Applicable Inapplicable

The amount increased in the current period is due to the renting out of the Tongwei building by Tongwei Co., Ltd.(management headquarters), and the lease term is from August 1, 2019 to May 31, 2035.

The amount decreased in the current period is due to the recovery of dormitory D5 originally rented by Tongwei Solar (Hefei) Co., Ltd. in September 2019 for self use, which is transferred into fixed assets.

20. Fixed assets

Item presentation

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Fixed assets	24,531,015,710.34	16,754,359,500.62
Disposal of fixed assets	2,668,719.89	
Total	24,533,684,430.23	16,754,359,500.62

Other notes:

Applicable Inapplicable

(1). About fixed assets

Applicable Inapplicable

2019 Annual Report

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Means of transport	PV power generation equipment	Office equipment	Total
I. Original book value:						
1. Beginning balance	5,637,111,379.57	10,427,397,253.14	204,388,772.93	5,976,199,013.34	261,216,426.43	22,506,312,845.41
2. Amount increased in the current period	2,013,187,804.53	6,830,974,093.58	35,919,392.70	1,099,609,138.00	-3,908,257.76	9,975,782,171.05
(1) Purchase		167,893,837.12	35,919,392.70		37,821,885.50	241,635,115.32
(2) Transferred from construction in progress	1,869,310,010.99	6,640,183,406.16		1,185,103,569.57	5,638,375.87	9,700,235,362.59
(3) Increase due to business merger						
(4) Transferred from investment property	37,869,094.45					37,869,094.45
(5) Adjustment of final settlement of account	106,008,699.09	22,896,850.30		-85,494,431.57	-47,368,519.13	-3,957,401.31
3. Amount decreased in the current period	86,434,197.24	292,970,533.96	12,327,074.30	22,946,211.26	11,328,669.85	426,006,686.61
(1) Disposal or scrapping	44,214,027.19	72,362,587.04	12,327,074.30	22,946,211.26	7,913,962.47	159,763,862.26
(2) Decrease in disposal of subsidiaries	2,547,714.27				89,459.00	2,637,173.27
(3) Transferred to construction in progress		220,607,946.92			3,325,248.38	223,933,195.30
(4) Transferred to investment property	39,672,455.78					39,672,455.78
4. Ending balance	7,563,864,986.86	16,965,400,812.76	227,981,091.33	7,052,861,940.08	245,979,498.82	32,056,088,329.85
II. Accumulated depreciation						
1. Beginning balance	1,418,041,223.61	3,164,640,400.54	124,727,051.21	199,724,117.77	153,107,715.06	5,060,240,508.19
2. Amount increased in the current period	326,824,724.18	1,311,071,342.83	28,080,747.93	256,002,112.90	5,335,805.92	1,927,314,733.76
(1) Provision	312,002,140.74	1,290,637,063.91	28,080,747.93	264,610,419.79	30,957,634.36	1,926,288,006.73
(2) Transferred from investment property	3,280,835.36					3,280,835.36
(3) Adjustment of final settlement of account	11,541,748.08	20,434,278.92		-8,608,306.89	-25,621,828.44	-2,254,108.33
3. Amount decreased in the current period	49,786,626.55	93,472,564.67	10,478,789.02	1,965,244.51	7,616,733.62	163,319,958.37
(1) Disposal or scrapping	35,431,057.65	49,161,481.26	10,478,789.02	1,965,244.51	7,095,673.44	104,132,245.88
(2) Decrease in disposal of subsidiaries	1,908,325.45				64,561.05	1,972,886.50
(3) Transferred to construction in progress		44,311,083.41			456,499.13	44,767,582.54
(4) Transferred to investment property	12,447,243.45					12,447,243.45
4. Ending balance	1,695,079,321.24	4,382,239,178.70	142,329,010.12	453,760,986.16	150,826,787.36	6,824,235,283.58
III. Impairment Reserves						
1. Beginning balance	136,866,201.24	554,284,362.68	32,124.08		530,148.60	691,712,836.60
2. Amount increased in the current period	9,132,441.67					9,132,441.67

2019 Annual Report

Item	Houses and buildings	Machinery equipment	Means of transport	PV power generation equipment	Office equipment	Total
(1) Provision						
(2) Transferred from investment property	9,132,441.67					9,132,441.67
3. Amount decreased in the current period		7,942.34				7,942.34
(1) Disposal or scrapping		7,942.34				7,942.34
4. Ending balance	145,998,642.91	554,276,420.34	32,124.08		530,148.60	700,837,335.93
IV. Book Value						
1. Book value at the end of the year	5,722,787,022.71	12,028,885,213.72	85,619,957.13	6,599,100,953.92	94,622,562.86	24,531,015,710.34
2. Book value at the beginning of the period	4,082,203,954.72	6,708,472,489.92	79,629,597.64	5,776,474,895.57	107,578,562.77	16,754,359,500.62

1) The decrease in the disposal of subsidiaries is due to the transfer of the equity of Panzhihua Tongwei Fish Co., Ltd., a wholly-owned subsidiary of Chengdu Tongwei Fish Co., Ltd., by Chengdu Tongwei Fish Co., Ltd., a wholly-owned subsidiary of the Company in January 2019. Panzhihua Tongwei Fish Co., Ltd. withdrew from the consolidation scope on December 31, 2019.

2) The original adjustment value of the final accounts of the current period is mainly the final settlement of account of some projects transferred from budgets to fixed assets in new energy sector, solar energy sector and Yongxiang New Materials, and the book value and classification of fixed assets are adjusted according to the final accounts data.

(2). About temporarily idle fixed assets

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Impairment reserves	Book value	Notes
Houses and buildings	38,203,781.70	22,712,010.32		15,491,771.38	
Machinery equipment	38,753,658.14	26,105,858.34		12,647,799.80	
Transportation equipment	2,222,187.95	1,183,456.27		1,038,731.68	
Office equipment	1,425,815.29	1,176,416.94		249,398.35	
Total	80,605,443.08	51,177,741.87		29,427,701.21	

The idle fixed assets at the end of the period are mainly due to the relocation of the plant of Yangzhou Tongwei Feed Co., Ltd., and the corresponding fixed assets are suspended from use. When the relocation of the Company is completed, the relocated assets will be compensated accordingly. As there is no impairment, no provision for impairment reserves is made.

(3). About fixed assets acquired under finance lease

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Impairment reserves	Book value
Machinery equipment	1,554,761,856.13	146,512,774.19		1,408,249,081.94
Total	1,554,761,856.13	146,512,774.19		1,408,249,081.94

(4). Fixed assets leased out under operating lease

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Book value at the end of the year
Houses and buildings	49,284,306.97
Machinery equipment	105,806,504.47
Transportation equipment	350,943.73
Office equipment	231,039.10
Total	155,672,794.27

(5). About fixed assets which property certificates are not obtained

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Book value	Reasons for the failure of obtaining the property certificate
Houses and buildings of Tongwei Solar (Chengdu) Co., Ltd.	648,559,986.99	In progress
Houses of Inner Mongolia Tongwei Silicon Co., Ltd.	263,958,534.28	In progress
Houses of Sichuan Yongxiang New Energy Co., Ltd.	261,830,005.48	In progress
Houses and buildings of Tongwei Solar (Anhui) Co., Ltd.	202,585,763.21	In progress
Houses of Sichuan Tongwei Feed Co., Ltd.	81,856,845.67	In progress
Houses of Yangzhou Tongwei Feed Co., Ltd.	79,536,705.00	In progress

Item	Book value	Reasons for the failure of obtaining the property certificate
Houses of Sichuan Yongxiang Co., Ltd.	54,238,672.09	In progress
Houses of Fuzhou Tongwei William Feed Co., Ltd.	42,335,762.59	In progress
Houses of Tongwei Solar (Hefei) Co., Ltd.	41,396,001.24	In progress
Houses of Tongwei Co., Ltd. Special Feed Branch	28,082,502.37	In progress
Houses of Sichuan Yongxiang Poly-Silicon Co., Ltd.	24,671,631.93	In progress
Houses of Tongwei (Hainan) Aquatic Products Co., Ltd.	23,442,032.83	In progress
Houses of Huai'an Tongwei Feed Co., Ltd.	19,637,581.05	In progress
Houses of Tongwei Co., Ltd. Sichuan Branch	17,086,291.20	In progress
Houses of Tongwei Co., Ltd. Shenyang Branch	11,069,463.55	In progress
Houses of Qianxi Tongwei Feed Co., Ltd.	6,844,525.58	In progress
Houses of Tongwei Industries	3,714,717.64	In progress
Total	1,810,847,022.70	

Other notes:

Applicable Inapplicable

Disposal of fixed assets

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Disposal of fixed assets	2,668,719.89	
Total	2,668,719.89	

21. Construction in progress

Item presentation

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Construction in progress	3,537,742,717.58	8,247,174,500.62
Engineering materials	49,569,091.18	119,970,567.47
Total	3,587,311,808.76	8,367,145,068.09

Other notes:

Applicable Inapplicable

Construction in progress**(1). About construction in progress**

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Tianjin Tongli 140MW Fisheries & PV Integration Project	242,213,369.62		242,213,369.62	261,160,336.92		261,160,336.92
Shandong Zhanhua 300MW Fisheries & PV Integration Project	167,836,236.96		167,836,236.96	180,541.41		180,541.41
Other projects of new energy	321,987,486.94		321,987,486.94	570,334,649.68		570,334,649.68
Baotou 25,000 Tons High-purity polycrystalline silicon Project	166,506,965.33		166,506,965.33	3,089,963,847.95		3,089,963,847.95
Leshan 25,000 Tons High-purity polycrystalline silicon Project				2,277,282,399.01		2,277,282,399.01
Other projects of Yongxiang	84,197,686.48		84,197,686.48	34,297,795.99		34,297,795.99
Chengdu 3.8GW High Efficiency Crystalline Silicon Solar Cell Project	1,299,296,637.72		1,299,296,637.72			
Chengdu 3.2GW High Efficiency Crystalline Silicon Solar Cell Project	31,226,613.59		31,226,613.59	619,452,951.22		619,452,951.22
Hefei 2.3GW High Efficiency Crystalline Silicon Solar Cell Project				1,147,088,810.22		1,147,088,810.22
Other solar projects	990,226,002.20	12,650,688.56	977,575,313.64	88,389,632.22	12,650,688.56	75,738,943.66
Nanchang Biotechnology 500,000 Tons Feed Production Line Project	49,406,626.80		49,406,626.80			
Yangjiang Haiyi 136,000 Tons Shrimp Special Material Production Line Project	82,206,111.86		82,206,111.86			
Yangzhou Feed 200,000 Tons Feed Production Line Project	18,538,562.63		18,538,562.63	81,660,141.84		81,660,141.84
Other projects in the agricultural sector	96,751,106.01		96,751,106.01	90,014,082.72		90,014,082.72
Total	3,550,393,406.14	12,650,688.56	3,537,742,717.58	8,259,825,189.18	12,650,688.56	8,247,174,500.62

(2). About changes of significant construction in progress in the current period

√ Applicable □ Inapplicable

2019 Annual Report

Unit: Yuan Currency: RMB

Project name	Budget amount	Beginning balance	Amount increased in the current period	Amount transferred into fixed assets in the current period	Other amount decreased in the current period	Ending balance	Ratio of accumulative project investment to budget (%)	Project progress	Accumulated amount of capitalization of interest	Including: Amount of capitalization of interest in the current period	Capitalization rate of interest in the current period (%)	Fund source
Tianjin Tongli 140MW Fisheries & PV Integration Project	635.6665 million	261,160,336.92	242,371,519.88	261,318,487.18		242,213,369.62	79.22	75	13,040,873.11	12,634,197.84	5.50	Self-raised
Shandong Zhanhua 300MW Fisheries & PV Integration Project	1189.06 million	180,541.41	167,655,695.55			167,836,236.96	14.11	10	422,659.72	422,659.72	5.50	Self-raised
Tianjin Dagang 34MW Fisheries & PV Integration Project	140.9965 million		129,230,080.68	129,230,080.68			91.66	100				Self-raised
Other projects of new energy		570,334,649.68	629,930,834.30	799,863,041.24	78,414,955.80	321,987,486.94			108,686,370.40	9,279,466.62		
Baotou 25,000 Tons High-purity polycrystalline silicon Project	3,228.5 million	3,089,963,847.95	130,150,825.92	2,826,840,324.51	226,767,384.03	166,506,965.33	99.74	95	18,669,747.53	1,782,098.57	4.96	Raised fund
Leshan 25,000 Tons High-purity polycrystalline silicon Project	3,184.19 million	2,277,282,399.01	504,548,264.86	2,703,393,128.67	78,437,535.20		87.36	100	28,641,748.40	16,616,908.26	5.00	Raised fund
Other projects of Yongxiang		34,297,795.99	100,880,665.00	50,980,774.51		84,197,686.48						
Chengdu 3.8GW High Efficiency Crystalline Silicon Solar Cell Project	1,621.6216 million		1,299,296,637.72			1,299,296,637.72	80.12	80				Self-raised
Chengdu 3.2GW High Efficiency Crystalline Silicon Solar Cell Project	2,023.4 million	619,452,951.22	333,892,959.19	896,891,875.72	25,227,421.10	31,226,613.59	100.06	98				Raised funds + Self-raised
Hefei 2.3GW High Efficiency Crystalline Silicon Solar Cell	1,500.83 million	1,147,088,810.22	285,331,881.48	1,432,420,691.70			95.44	100				Raised fund

2019 Annual Report

Project name	Budget amount	Beginning balance	Amount increased in the current period	Amount transferred into fixed assets in the current period	Other amount decreased in the current period	Ending balance	Ratio of accumulative project investment to budget (%)	Project progress	Accumulated amount of capitalization of interest	Including: Amount of capitalization of interest in the current period	Capitalization rate of interest in the current period (%)	Fund source
Project												
Other solar projects		88,389,632.22	1,203,149,770.38	301,313,400.40		990,226,002.20						
Nanchang Biotechnology 500,000 Tons Feed Production Line Project	120 million		49,406,626.80			49,406,626.80	41.17	50				Self-raised
Yangjiang Haiyi 136,000 Tons Shrimp Special Material Production Line Project	112.3336 million		82,206,111.86			82,206,111.86	73.18	85	1,228,539.54	1,228,539.54	4.35	Self-raised
Yangzhou Feed 200,000 Tons Feed Production Line Project	170 million	81,660,141.84	81,525,868.36	129,641,168.00	15,006,279.57	18,538,562.63	95.99	90	884,507.09			Self-raised
Other projects in the agricultural sector		90,014,082.72	175,270,073.64	168,342,389.98	190,660.37	96,751,106.01			4,533,804.57	1,335,045.45		
Total	13,926.5982 million	8,259,825,189.18	5,414,847,815.62	9,700,235,362.59	424,044,236.07	3,550,393,406.14	/	/	176,108,250.36	43,298,916.00	/	/

1) Budget amount refers to the budget amount of project investment. The proportion of project investment in the budget refers to the proportion of accumulated investment in the budget of the project. The accumulated investment includes the amount of fixed assets carried forward in the previous year. The investment budget of the raised fund PV power plant project includes the project construction cost and the fish ponds rental fee. The budget of the non raised fund PV power plant project does not include the fish ponds rental fee, which was reflected in the "long-term deferred expenses".

2) The scale of "Tianjin Tongli 140MW Fisheries & PV Integration Project" was changed from 120MW in the previous period to 140MW, and the budget amount was changed accordingly.

3) The increase of "Tianjin Dagang 34MW Fisheries & PV Integration Project" in the current period includes the acquisition, under different control, of Tianjin Zhongsheng Ridian Solar Energy Technology Co., Ltd. and Tianjin Fangsheng Lveng Agricultural Technology Co., Ltd. by Tongwei Huijin New Energy Co., Ltd., a holding subsidiary of Tongwei New Energy Co., Ltd., a wholly-owned subsidiary of the Company, with an increase of RMB 99,104,712.55 after the acquisition.

4) The amount of other decrease is RMB 424,044,236.07, including RMB 334,438,619.90 transferred in intangible assets - land use right, RMB 11,000,000.00 transferred in franchise, RMB 140,660.37 transferred in software, RMB 75,165,609.68 decreased in project termination or demolition (corresponding loss of RMB 8,018,644.57 transferred in management expense), RMB 3,249,346.12 decreased in the disposal of subsidiaries and RMB 50,000.00 transferred in long-term deferred expenses.

(3). About provision for impairment reserves of construction in progress in the current period

Applicable Inapplicable

Other notes

Applicable Inapplicable

Engineering materials**(4). About engineering materials**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Special equipment	49,569,091.18		49,569,091.18	84,628,988.33		84,628,988.33
Special materials				35,341,579.14		35,341,579.14
Total	49,569,091.18		49,569,091.18	119,970,567.47		119,970,567.47

Other notes:

As no net realizable value of engineering materials is lower than the book cost at the end of the period, no provision for impairment reserves of engineering materials is made.

22. Bearer biological assets**(1). Bearer biological assets measured at cost**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Aquaculture		Total
	Breeding fish	Breeding shrimp	
I. Original book value			
1. Beginning balance	981,343.47	11,865,229.28	12,846,572.75
2. Amount increased in the current period	137,000.00	8,677,853.02	8,814,853.02
(1) Outsourcing	137,000.00	8,677,853.02	8,814,853.02
3. Amount decreased in the current period	199,758.43	18,529,682.30	18,729,440.73
(1) Disposal	199,758.43	18,529,682.30	18,729,440.73
4. Ending balance	918,585.04	2,013,400.00	2,931,985.04
II. Accumulated depreciation			
1. Beginning balance	486,150.77		486,150.77
2. Amount increased in the current period	195,874.53	18,529,682.30	18,725,556.83
(1) Provision	195,874.53	18,529,682.30	18,725,556.83
3. Amount decreased in the current period	167,090.85	18,529,682.30	18,696,773.15
(1) Disposal	167,090.85	18,529,682.30	18,696,773.15
4. Ending balance	514,934.45		514,934.45
III. Impairment Reserves			
1. Beginning balance			
2. Amount increased in the current period			
(1) Provision			
3. Amount decreased in the current period			
(1) Disposal			
4. Ending balance			

Item	Aquaculture		Total
	Breeding fish	Breeding shrimp	
IV. Book Value			
1. Book value at the end of the period	403,650.59	2,013,400.00	2,417,050.59
2. Book value at the beginning of the period	495,192.70	11,865,229.28	12,360,421.98

(2). Bearer biological assets measured at fair value

Applicable Inapplicable

Other notes

Applicable Inapplicable

23. Oil and gas assets

Applicable Inapplicable

24. Right-of-use assets

Applicable Inapplicable

25. Intangible assets**(1). About intangible assets**

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Land use right	Patent rights	Non-patented technology	Software	Trademark right	Right to use transmission line	Franchise	Total
I. Original book value								
1. Beginning balance	1,474,384,007.65	10,427,954.55	80,615,610.97	74,944,776.09	614,180.00			1,640,986,529.26
2. Amount increased in the current period	361,500,500.39			4,194,839.82		16,290,480.32	11,000,000.00	392,985,820.53
(1) Purchase	27,061,880.49			4,054,179.45				31,116,059.94
(2) Transferred from construction in progress	334,438,619.90			140,660.37			11,000,000.00	345,579,280.27
(3) Adjustment of final settlement of account						16,290,480.32		16,290,480.32
3. Amount decreased in the current period	25,965,958.00			2,994,720.96				28,960,678.96
(1) Disposal	4,335,958.00			2,994,720.96				7,330,678.96
(2) Transferred to investment property	21,630,000.00							21,630,000.00
4. Ending balance	1,809,918,550.04	10,427,954.55	80,615,610.97	76,144,894.95	614,180.00	16,290,480.32	11,000,000.00	2,005,011,670.83
II. Accumulated amortization								
1. Beginning balance	206,618,569.37	5,482,182.45	7,891,705.61	26,961,618.14	532,429.47			247,486,505.04
2. Amount increased in the current period	35,368,219.90	1,054,625.28	8,322,723.55	13,146,408.03	26,870.22	2,070,746.38	375,426.60	60,365,019.96
(1) Provision	35,368,219.90	1,054,625.28	8,322,723.55	13,146,408.03	26,870.22		375,426.60	58,294,273.58
(2) Adjustment of final settlement of account						2,070,746.38		2,070,746.38
3. Amount decreased in the current period	9,598,152.52			2,994,720.96				12,592,873.48
(1) Disposal	1,852,490.61			2,994,720.96				4,847,211.57
(2) Transferred to investment property	7,745,661.91							7,745,661.91

2019 Annual Report

Item	Land use right	Patent rights	Non-patented technology	Software	Trademark right	Right to use transmission line	Franchise	Total
4. Ending balance	232,388,636.75	6,536,807.73	16,214,429.16	37,113,305.21	559,299.69	2,070,746.38	375,426.60	295,258,651.52
III. Impairment Reserves								
1. Beginning balance								
2. Amount increased in the current period								
(1) Provision								
3. Amount decreased in the current period								
(1) Disposal								
4. Ending balance								
IV. Book Value								
1. Book value at the end of the year	1,577,529,913.29	3,891,146.82	64,401,181.81	39,031,589.74	54,880.31	14,219,733.94	10,624,573.40	1,709,753,019.31
2. Book value at the beginning of the period	1,267,765,438.28	4,945,772.10	72,723,905.36	47,983,157.95	81,750.53			1,393,500,024.22

Ratio of intangible assets formed through internal R&D to the balance of intangible assets at the end of the current period: 0

(2). Land use rights whose property certificates are not obtained

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Book value	Reasons for the failure of obtaining the property certificate
Land of Inner Mongolia Tongwei Silicon Co., Ltd.	212,110,309.66	New land added this year whose landright certificate is still in process
Land of Yangzhou Tongwei Feed Co., Ltd.	14,931,248.18	New land added this year whose landright certificate is still in process
Land of Yangjiang Haiyi Biotechnology Co., Ltd.	7,283,385.78	New land added this year whose landright certificate is still in process
Land of Sichuan Yongxiang Poly-Silicon Co., Ltd.	4,377,810.62	New land added in 2018 whose landright certificate is still in process
Land of Xiamen Tongwei Feed Co., Ltd.	4,079,252.45	Now, the application materials are being supplemented and perfected according to relevant procedures and requirements since the foundation was not leveled according to regulations during construction.
Land of Binzhou Tonghui Marine Technology Co., Ltd.	2,125,733.32	New land added this year whose landright certificate is still in process
Land of Dongying Wanfulai Food Technology Co., Ltd.	3,870,900.00	New land added this year whose landright certificate is still in process
Land of Huai'an Tongwei Feed Co., Ltd.	618,879.86	The company is located in Baotan town. Huai 'an City allocates a fixed area of industrial land to Baotan government every year, and then the government allocates the land to enterprises from the total area. It is now being coordinated with the government

Other notes:

√ Applicable □ Inapplicable

Tongwei Solar (Chengdu) Co., Ltd. has 160 mu land whose landright certificate is still in process

26. Development expenditure

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Amount increased in the current period			Amount decreased in the current period			Ending balance
		Internal development expenditures	Others		Recognized as intangible assets	Transferred to current period profit or loss		
Production, research and development project of cells		596,375,500.28				596,375,500.28		
Research and development project of aquatic feed		120,267,795.82				120,267,795.82		
Research and development project of cultivation technology		49,497,934.96				49,497,934.96		
Production, research and development project of		107,760,656.20				107,760,656.20		

Item	Beginning balance	Amount increased in the current period			Amount decreased in the current period			Ending balance
		Internal development expenditures	Others		Recognized as intangible assets	Transferred to current period profit or loss		
high-purity polycrystalline silicon								
Production, research and development project of PVC and caustic soda		57,321,628.46				57,321,628.46		
Production, research and development project of poultry feed		48,391,582.90				48,391,582.90		
Others		21,079,495.23				21,079,495.23		
Total		1,000,694,593.85				1,000,694,593.85		

27. Goodwill

(1). Original book value of goodwill

Applicable Inapplicable

Unit: Yuan Currency: RMB

Name of the investee or event from which the goodwill arises	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Increase due to business combination		Disposal		
Tongwei Solar (Hefei) Co., Ltd.	591,542,868.55					591,542,868.55
Hainan Haiyi Aquatic Products Feed Co., Ltd.	22,461,157.77					22,461,157.77
Zhuhai Haiyi Aquatic Products Feed Co., Ltd.	21,814,691.67					21,814,691.67
Chengdu Chunyuan Food Co., Ltd	17,886,370.20					17,886,370.20
Hainan Haiyi Aquatic Seed Co., Ltd.	2,911,456.80					2,911,456.80
Sichuan Chunyuan Ecological Breeding Co., Ltd.	1,486,979.12					1,486,979.12
Total	658,103,524.11					658,103,524.11

(2). Impairment provision for goodwill

Applicable Inapplicable

Unit: Yuan Currency: RMB

Name of the investee or event from which the goodwill arises	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision		Disposal		
Chengdu Chunyuan Food Co., Ltd	17,886,370.20					17,886,370.20
Hainan Haiyi Aquatic Seed Co., Ltd.	2,911,456.80					2,911,456.80
Sichuan Chunyuan Ecological Breeding Co., Ltd.	1,486,979.12					1,486,979.12
Total	22,284,806.12					22,284,806.12

(3). Information of the asset portfolios or groups of asset portfolios in which goodwill is located

Applicable Inapplicable

The products produced by the above-mentioned -companies with goodwill are in active market. Major cash inflows are independent of cash inflows from other assets or asset groups. Companies are identified as independent asset groups. These asset groups are consistent with the asset portfolios recognized in the goodwill devaluation testing at the date of purchase.

(4). Description of recognition method for the process of goodwill devaluation testing, key parameters (e.g. growth rate in the forecast period, growth rate in the stable period, profit rate, discount rate, forecast period when forecasting the present value of future cash flow, if applicable) and goodwill impairment loss

Applicable Inapplicable

The recoverable amounts of Tongwei Solar (Hefei) Co., Ltd., Hainan Haiyi Aquatic Feed Co., Ltd. and Zhuhai Haiyi Aquatic Feed Co., Ltd. are determined according to the present value of the expected future cash flows of the asset group. The future cash flow is determined based on the financial budget approved by the management from 2020 to 2024. The cash flow of the asset group over 5 years adopts stable and sustainable cash flow. Other key assumptions used in predicting future cash flows include: Estimated operating income, gross profit margin, expenses, depreciation and amortization, and increase in long-term asset investment based on the asset group's past performance, industry development trends, and management's expectation of market development. The management believes that any reasonable changes in the above assumptions will not lead the book value of the asset groups of Tongwei Solar (Hefei) Co., Ltd., Hainan Haiyi Aquatic Feed Co., Ltd. and Zhuhai Haiyi Aquatic Feed Co., Ltd. to exceed their recoverable amounts.

(5). Effect of goodwill devaluation testing

Applicable Inapplicable

Other notes

Applicable Inapplicable

28. Long-term deferred expenses

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amortization in current period	Other decrease amount	Ending balance
Rental fees	586,920,057.69	380,255,237.60	370,307,065.16	6,737,597.31	590,130,632.82
Renovation fees	4,168,382.85	1,375,025.95	2,610,174.97		2,933,233.83
Others	12,375,326.16	6,675,488.69	4,781,599.46		14,269,215.39
Total	603,463,766.70	388,305,752.24	377,698,839.59	6,737,597.31	607,333,082.04

Other notes:

(1) Rental fees mainly include the fees of fish ponds for Fisheries & PV Integration Project and fish ponds for aquaculture, which are amortized on an average basis according to the lease term agreed in the contract. Among them, the amortization of rental fees of land and fish ponds during the normal construction period of Fisheries & PV Integration PV power plant is included in the construction cost, and the amortization during the abnormal construction period is included in the current profits and losses.

(2) Other fees are mainly the expenditures on improvement of rented fixed assets, etc.

(3) Other reductions are the expenses to be amortized for a long term due to termination of the lease contract by the Company.

29. Deferred income tax assets/Deferred income tax liabilities**(1). Deferred income tax assets not offset**

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Asset depreciation reserve	817,564,148.18	127,094,887.91	845,489,326.54	134,465,969.34
Unrealized profit of internal transaction	512,148,218.73	89,153,194.40	417,140,331.41	78,989,497.45
Deductible loss	118,888,345.84	26,820,269.10	113,926,080.86	27,527,751.68
Liability reserve	24,221,753.62	3,633,263.04	18,844,470.40	2,826,670.56
Amortization of fixed assets is greater than that stipulated in the tax law	-55,688,341.74	-8,344,785.12	7,226,469.25	1,277,949.54
Less depreciation of fixed assets due to provision of assets impairment	-275,532,612.46	-41,329,891.88	-230,456,200.62	-34,568,430.09
Less depreciation of investment real estate due to provision of assets impairment			-3,835,413.48	-575,312.02
Employee compensation payable	95,571,900.72	17,444,909.91	15,224,620.97	2,643,434.72
Deferred incomes	153,806,729.30	24,603,975.17	132,527,085.92	19,929,589.96
Value-added income offset in land evaluation during merging	25,601,886.53	3,840,282.98	26,365,648.65	3,954,847.29
Amortized interest on finance leases	13,250,787.79	1,987,618.17		
Total	1,429,832,816.51	244,903,723.68	1,342,452,419.90	236,471,968.43

(2). Deferred tax liabilities not offset

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Asset evaluation increment from business combination under different control				
Changes in fair value of other debt investments				
Changes in fair value of investment by other equity instruments				
Income of interest-free liabilities discounted	66,401,185.70	9,960,177.86	100,343,207.36	15,051,481.10
Amortization of fixed assets is less than that stipulated in the tax law	692,207,544.25	132,244,295.52	158,120,563.69	23,718,084.55
Book profit from trading financial assets			970,300.00	145,545.00
Total	758,608,729.95	142,204,473.38	259,434,071.05	38,915,110.65

(3). Deferred income tax assets or liabilities listed in net amount after offset

Applicable Inapplicable

(4). Details of unrecognized deferred tax assets

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference		
Deductible loss	750,647,107.09	486,533,014.31
Asset depreciation reserve	103,882,871.68	61,149,577.58
Total	854,529,978.77	547,682,591.89

(5). Deductible loss due in the following year of unrecognized deferred income tax assets

Applicable Inapplicable

Unit: Yuan Currency: RMB

Year	Ending amount	Beginning amount	Notes
Year 2019		65,783,215.56	
Year 2020	95,772,266.55	95,179,620.48	
Year 2021	97,840,095.54	97,020,720.29	
Year 2022	116,377,449.84	108,024,342.28	
Year 2023	118,719,387.60	120,525,115.70	
Year 2024	321,937,907.56		
Total	750,647,107.09	486,533,014.31	/

Other notes:

Applicable Inapplicable

30. Other non-current assets

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Input taxes of overpaid VAT	684,132,729.00	607,013,145.40
Prepaid amount for engineering and equipment	237,510,552.07	203,694,115.68
Payable for share acquisition	134,522,726.32	113,572,978.55
Assets unrecognized during reorganization in 2013		270,535,124.13
Land prepayment		17,310,792.00
Total	1,056,166,007.39	1,212,126,155.76

Other notes:

(1) Estimated excess VAT paid and input VAT that cannot be deducted within one year will be reported in other non-current assets.

(2) September 30, 2013 as the closing date, relevant data on the reorganization and acquisition of Tongwei Solar (Hefei) by Tongwei Group Co., Ltd. show that the assets of Tongwei Solar (Hefei) without valid asset recognition include book accounts receivable, prepayments, other receivables, inventories, etc. If these assets that have not been effectively recognized fail to be realized within 3 years from the date of signing the agreement (i.e. before September 30, 2016), the original shareholders may decrease Tongwei Solar (Hefei)'s liabilities to the original shareholders by the same amount at the scheduled time. According to the special auditor's report (WZJZSZ [2019] No. 347) issued by Anhui Zhongjian Certified Public Accountants Co., Ltd. on claims and contingencies that have not been

effectively recognized by Tongwei Solar (Hefei) Co., Ltd., the above assets that have not been effectively recognized are audited in this period, and the assets that have not been effectively recognized are approved by Creditor to be reduced.

31. Short-term loans

(1). Classification of short-term loans

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Pledged loans		
Mortgage loans		6,595,597.15
Guaranteed loans	3,367,822,936.07	3,990,374,371.28
Credit loans	255,030,273.76	1,023,719,962.05
Mortgage + guaranteed loans		255,500,000.00
Total	3,622,853,209.83	5,276,189,930.48

(2). Unpaid short-term loans in maturity

Applicable Inapplicable

Due but unpaid significant short-term loans:

Applicable Inapplicable

Other notes

Applicable Inapplicable

At the end of the period, the Company guaranteed RMB 3,367,822,936.07 in short-term loans. For details of the Company's guarantee by Tongwei Group Co., Ltd., refer to "related party guarantee", and the Company's guarantee for subsidiaries is as follows:

Guarantor	Guaranteed Party	Guaranteed amount	Starting date of the guarantee	Expiration date of the guarantee
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	192,501.26	2019/11/27	2020/3/9
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	426,541.61	2019/11/27	2020/3/6
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	206,439.71	2019/11/27	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	479,181.23	2019/11/27	2020/2/5
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	309,840.39	2019/11/27	2020/2/5
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	427,118.61	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	427,118.61	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	421,346.78	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	421,346.78	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	398,190.56	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	212,150.71	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	212,150.71	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	427,118.61	2019/11/28	2020/2/24

2019 Annual Report

Guarantor	Guaranteed Party	Guaranteed amount	Starting date of the guarantee	Expiration date of the guarantee
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	427,118.61	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	427,118.61	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	404,607.39	2019/11/28	2020/2/24
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	418,460.83	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	415,119.24	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	415,119.24	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	415,119.24	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	401,659.60	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	398,190.56	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	395,570.88	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	395,570.88	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	387,283.16	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	212,145.27	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	424,232.73	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	418,460.83	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	418,460.83	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	418,459.22	2019/12/26	2020/3/16
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	5,000,000.00	2019/1/23	2020/1/23
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	45,000,000.00	2019/2/21	2020/2/21
Tongwei Co., Ltd.	Tongwei (Hainan) Aquatic Products Co., Ltd.	30,000,000.00	2019/3/26	2020/3/26
Tongwei Co., Ltd.	Guangdong Tongwei Feed Co., Ltd.	100,000,000.00	2019/1/31	2020/1/30
Note	Haiyang Tongwei Co., Ltd.	3,614,457.83	2019/10/2	2020/1/2
Note	Haiyang Tongwei Co., Ltd.	2,409,638.55	2019/10/10	2020/1/10
Note	Haiyang Tongwei Co., Ltd.	2,710,843.37	2019/11/18	2020/2/18
Tongwei Co., Ltd.	PT. Tongwei Indonesia	1,255,000.00	2019/7/18	2020/1/3
Tongwei Co., Ltd.	PT. Tongwei Indonesia	2,510,000.00	2019/10/3	2020/1/29
Tongwei Co., Ltd.	PT. Tongwei Indonesia	1,506,000.00	2019/10/8	2020/1/3
Tongwei Co., Ltd.	PT. Tongwei Indonesia	2,510,000.00	2019/10/21	2020/1/17
Tongwei Co., Ltd.	PT. Tongwei Indonesia	1,506,000.00	2019/12/12	2020/1/10
Tongwei Co., Ltd.	PT. Tongwei Indonesia	1,506,000.00	2019/11/18	2020/1/16
Tongwei Co., Ltd.	PT. Tongwei Indonesia	1,506,000.00	2019/10/30	2020/1/24
Tongwei Co., Ltd.	PT. Tongwei Indonesia	3,514,000.00	2019/12/23	2020/1/22
Tongwei Co., Ltd.	PT. Tongwei Indonesia	342,201.76	2019/9/30	2020/1/18
Tongwei Co., Ltd.	PT. Tongwei Indonesia	285,491.88	2019/9/30	2020/1/18
Note	Tongta Tongwei Co., Ltd.	1,582,349.80	2019/10/2	2019/12/31
Note	Tongta Tongwei Co., Ltd.	1,319,334.50	2019/10/15	2020/1/13
Note	Tongta Tongwei Co., Ltd.	1,632,854.23	2019/10/24	2020/1/22
Note	Tongta Tongwei Co., Ltd.	868,908.96	2019/11/4	2020/2/2
Note	Tongta Tongwei Co., Ltd.	444,149.40	2019/11/6	2020/2/4
Note	Tongta Tongwei Co., Ltd.	1,029,743.12	2019/11/8	2020/2/6
Note	Tongta Tongwei Co., Ltd.	358,438.25	2019/11/11	2020/2/9

Guarantor	Guaranteed Party	Guaranteed amount	Starting date of the guarantee	Expiration date of the guarantee
Note	Tongta Tongwei Co., Ltd.	410,518.82	2019/11/15	2020/2/13
Note	Tongta Tongwei Co., Ltd.	604,660.66	2019/12/4	2020/3/3
Note	Tongta Tongwei Co., Ltd.	382,573.19	2019/12/9	2020/3/8
Note	Tongta Tongwei Co., Ltd.	1,112,936.93	2019/12/11	2020/3/10
Note	Tongta Tongwei Co., Ltd.	1,434,958.16	2019/12/17	2020/3/16
Tongwei Vietnam Co., Ltd.	Tongta Tongwei Co., Ltd.	574,784.82	2019/10/7	2020/1/5
Tongwei Vietnam Co., Ltd.	Tongta Tongwei Co., Ltd.	548,795.04	2019/10/29	2020/1/27
Tongwei Vietnam Co., Ltd.	Tongta Tongwei Co., Ltd.	415,101.54	2019/11/1	2020/1/30
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	100,000,000.00	2019/11/8	2020/11/7
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	55,200,000.00	2019/9/17	2020/9/17
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	76,000,000.00	2019/7/26	2020/7/26
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	100,000,000.00	2019/7/31	2020/7/31
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	70,000,000.00	2019/10/18	2020/10/17
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	10,000,000.00	2019/7/12	2020/7/11
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	20,000,000.00	2019/4/28	2020/4/28
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	30,000,000.00	2019/10/18	2020/10/18
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	125,000,000.00	2019/12/30	2020/12/24
Total		821,208,156.68		

Note: The loans of Tongta Tongwei Co., Ltd. and Haiyang Tongwei Co., Ltd. to ANZ Bank are guaranteed by five companies in Vietnam Area (Tongwei Vietnam Co., Ltd., Haiyang Tongwei Co., Ltd., Heping Tongwei Co., Ltd., Qianjiang Tongwei Co., Ltd., and Tongta Tongwei Co., Ltd.).

32. Financial liabilities held for trading

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Financial liabilities held for trading				
Where,				
Derivative financial liabilities	970,300.00		970,300.00	
Total	970,300.00		970,300.00	

Other notes:

Applicable Inapplicable

33. Derivative financial liabilities

Applicable Inapplicable

34. Notes payable

(1). Presentation of notes payable

Applicable Inapplicable

Unit: Yuan Currency: RMB

Category	Ending balance	Beginning balance
Commercial acceptance bills		
Banker's acceptance bill	5,294,623,239.24	2,175,267,377.06
Total	5,294,623,239.24	2,175,267,377.06

The bill payable due but unpaid at the end of period is RMB 0.

Notes:

1) The opening balance of the banker's acceptance bill includes the letter of credit of RMB 124,919,706.24, and the closing balance includes the letter of credit of RMB 45,727,471.47.

2) At the end of the period, the Company's guarantee for subsidiaries is as follows:

Guarantor	Guaranteed Party	Guaranteed amount	Starting date of the guarantee	Expiration date of the guarantee
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	71,000,000.00	2019/1/29	2020/1/28
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	40,000,000.00	2019/2/13	2020/2/13
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	71,200,000.00	2019/2/21	2020/2/22
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	71,120,000.00	2019/2/22	2020/2/22
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	17,160,418.00	2019/7/17	2020/1/17
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	100,000,000.00	2019/12/17	2020/6/17
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	63,569,600.00	2019/12/18	2020/6/18
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	15,359,571.68	2019/7/15	2020/8/20
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	4,951,400.88	2019/10/16	2020/12/31
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	438,844.91	2019/9/16	2020/7/31
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	249,065.69	2019/9/16	2020/5/31
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	62,500.80	2019/9/4	2020/3/31
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	801,361.40	2019/9/16	2020/5/5
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	268,051.20	2019/9/9	2020/3/31
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	117,272.40	2019/9/10	2020/3/31
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	119,018.68	2019/7/15	2020/5/20
Total		456,417,105.64		

3) The Company has signed a guarantee contract (No. ZB5806201800000020) with Hefei Branch of Shanghai Pudong Development Bank Co., Ltd. to provide a warrantice of up to RMB 400 million for debts incurred by subsidiary Tongwei Solar (Hefei) Co., Ltd. in Hefei Branch of Shanghai Pudong Development Bank Co., Ltd. from November 15, 2018 to October 1, 2019.

4) The Company has signed a maximum guarantee contract (XYR[EB] 1902 No.117) with the Chengdu Branch of Industrial Bank Co., Ltd. to provide a maximum guarantee of RMB 240 million for bills, loans and other debts that its subsidiary Tongwei Solar (Chengdu) Co., Ltd. continuously incurred within a certain period of time in Chengdu Branch of Industrial Bank Co., Ltd., with the warrantice amount valid from February 26, 2019 to February 26, 2020.

35. Accounts payable

(1). List of accounts payable

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Within 1 year	2,515,471,429.20	3,778,062,850.36
1-2 years	1,025,791,846.71	299,928,602.54
2-3 years	48,997,595.66	16,479,785.61
Over 3 years	18,777,818.14	33,950,293.95
Total	3,609,038,689.71	4,128,421,532.46

(2). Significant payables with the aging over 1 year

Applicable Inapplicable

Other notes

Applicable Inapplicable

1) Accounts payable over 1 year mainly refer to the Company's accounts payable for equipment and project funds.

2) Classification of accounts payable by nature:

Item	Ending balance	Beginning balance
Payable for business activities	1,285,230,601.77	1,296,585,230.34
Payable for non- business activities	2,323,808,087.94	2,831,836,302.12
Total	3,609,038,689.71	4,128,421,532.46

36. Advances from customers**(1). List of accounts received in advance**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Within 1 year	1,517,800,213.99	1,173,639,258.41
1-2 years	47,365,143.19	7,609,709.66
2-3 years	3,055,295.85	1,635,872.27
Over 3 years	3,224,625.94	4,247,240.99
Total	1,571,445,278.97	1,187,132,081.33

(2). Major advances from customers over 1 year

Applicable Inapplicable

(3). Settled project under construction formed by construction contract at period end:

Applicable Inapplicable

Other notes

Applicable Inapplicable

Accounts received in advance over 1 year are mainly the balance of outstanding loans from customers.

37. Employee compensation payable**(1). Presentation of employee benefits payable**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	535,693,008.42	2,656,107,377.96	2,499,167,971.21	692,632,415.17
II. Post-employment benefits - defined contribution plan	164,358.00	133,429,979.37	133,594,337.37	
III. Dismissal welfare		8,197,129.09	8,197,129.09	
IV. Current portion of other welfare				
Total	535,857,366.42	2,797,734,486.42	2,640,959,437.67	692,632,415.17

(2). Presentation of short-term compensation

Applicable Inapplicable

Unit: Yuan Currency: RMB

2019 Annual Report

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Wages, salaries, bonuses, allowances and subsidies	505,862,909.88	2,382,469,070.76	2,226,904,484.01	661,427,496.63
II. Employee benefits		117,481,037.02	117,481,037.02	
III. Social insurance premium	1,797,645.72	80,110,523.17	81,908,168.89	
Including: Medical insurance premium	1,246,122.88	63,835,943.68	65,082,066.56	
Work injury insurance premium	292,492.27	9,892,969.83	10,185,462.10	
Maternity insurance premium	259,030.57	6,381,609.66	6,640,640.23	
IV. Housing fund	2,112,518.16	28,862,535.63	30,937,974.38	37,079.41
V. Labor union funds and employee education funds	25,919,934.66	46,503,138.07	41,255,233.60	31,167,839.13
VI. Short-term compensated absence				
VII. Short-term profit sharing plan				
VIII. Non-monetary welfare		16,913.47	16,913.47	
IX. Miscellaneous		664,159.84	664,159.84	
Total	535,693,008.42	2,656,107,377.96	2,499,167,971.21	692,632,415.17

(3). List of defined contribution plan

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic retirement insurance	164,358.00	128,687,613.25	128,851,971.25	
2. Unemployment insurance premium		4,742,366.12	4,742,366.12	
3. Enterprise annuity				
Total	164,358.00	133,429,979.37	133,594,337.37	

Other notes:

Applicable Inapplicable

The balance of wages, bonuses, allowances and subsidies payable is the December wage and bonus of the current year paid in the next month, so there is no case of salary arrears.

38. Taxes and fees payable

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
VAT	50,438,638.48	92,291,384.75
Consumption tax		
Business tax		
Enterprise income tax	92,588,221.35	144,467,628.20
Individual income tax	9,901,760.58	5,467,446.71
Urban maintenance and construction tax	3,903,267.88	5,848,199.44
Property tax	4,975,347.13	4,777,729.55
Land use tax	2,869,677.91	2,728,862.30
Stamp tax	2,003,732.92	1,958,411.72
Education surcharge	1,757,638.12	2,486,684.84
Local water conservancy fund	1,604,873.80	1,450,314.98
Local education surcharge	1,117,560.05	1,662,005.40

Item	Ending balance	Beginning balance
Others	2,383,789.14	5,021,299.63
Total	173,544,507.36	268,159,967.52

Others

39. Other payables

Item presentation

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interest payable	53,828,469.22	76,023,327.94
Dividend payable	1,188,940.27	75,000.00
Other payables	558,243,859.36	587,235,693.04
Total	613,261,268.85	663,334,020.98

Other notes:

Applicable Inapplicable

Interest payable

(1). Listed as per classifications

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interest payable on long-term loans for repayment of interest by installments and repayment of principal when matured	5,108,380.87	11,367,295.79
Interest of corporate bonds	44,052,827.59	60,975,589.69
Interest payable on short-term loans	4,667,260.76	2,913,953.49
Preferred shares/perpetual bonds interest classified as financial liabilities		
Negotiation interest of letter of credit		766,488.97
Total	53,828,469.22	76,023,327.94

Significant interest due but unpaid

Applicable Inapplicable

Other notes:

Applicable Inapplicable

Dividend payable

(2). Listed as per classifications

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Common stock dividend	1,188,940.27	75,000.00
Total	1,188,940.27	75,000.00

Other notes, including significant dividends payable unpaid for over 1 year. The unpaid reason shall be disclosed:

1) The Company has no dividends payable unpaid for over 1 year;

2) Common stock dividends payable at the end of the period are dividends payable to minority shareholders by Sichuan Tongwei Sanlian Aquatic Products Co., Ltd.

Other payables

(1). Presentation of other payables by nature

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Current accounts of affiliated units	30,373,880.57	34,144,913.26
Deposit	348,685,498.78	293,462,371.65
Borrowings		47,637,396.18
Retainage of employees	46,247,643.48	50,209,078.65
Intercourse funds	63,641,421.01	66,347,035.88
Cash pledge	18,175,365.35	10,899,407.05
Advances received of assets disposed		50,242,000.00
Temporary receipts	12,400,431.93	5,595,960.38
Others	38,719,618.24	28,697,529.99
Total	558,243,859.36	587,235,693.04

(2). Payables with significant amount and age of over 1 year

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Reasons for nonpayment or non-carrying-over
People's Government of Longxi Town, Boluo County	4,071,075.00	According to the agreement, the government has not completed the processing of the land use certificate, so it has not been paid.
Total	4,071,075.00	/

Other notes:

Applicable Inapplicable

Other payables with relatively large final amount are the deposit payable by Inner Mongolia Tongwei Silicon Co., Ltd. to Inner Mongolia Taimengda Material Management Co., Ltd., with the ending balance of RMB 76,000,000.00.

40. Held-for-sale liabilities

Applicable Inapplicable

41. Current portion of non-current liabilities

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Current portion of long-term loans	139,118,287.89	827,515,688.00
Current portion of long-term payables	1,003,066,784.95	681,297,810.66
Total	1,142,185,072.84	1,508,813,498.66

Other notes:

(1) Current portion of long-term loans

Item	Ending balance	Beginning balance
Guaranteed loans	112,384,300.00	330,016,688.00
Pledged loans	16,733,987.89	
Mortgage + guaranteed loans	10,000,000.00	372,499,000.00

Item	Ending balance	Beginning balance
Entrusted loans		125,000,000.00
Total	139,118,287.89	827,515,688.00

1) At the end of the period, the amount of Company's guaranteed loans due within one year is RMB 112,384,300.00, and the amount of mortgage+guaranteed loans is RMB 10,000,000.00. For details of the Company's (Tongwei Group Co., Ltd.) guarantee, please refer to "related party guarantee". The Company's guarantee for subsidiaries is as follows:

Guarantor	Guaranteed party	Guaranteed amount	Starting date of the guarantee	Expiration date of the guarantee
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	25,000,000.00	2019/11/27	2020/5/26
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	25,000,000.00	2019/11/27	2020/11/26
Tongwei Co., Ltd.	Tongwei New Energy Co., Ltd.	5,000,000.00	2019/3/18	2020/3/18
Tongwei Co., Ltd.	Tongwei New Energy Co., Ltd.	5,000,000.00	2019/3/18	2020/11/20
Total		60,000,000.00		

The amount of ending long-term loans of Tongwei New Energy Co., Ltd. is RMB 10,000,000.00 due within one year with mortgage guarantee by the power station assets of Xide Tongwei Huijin New Energy Co., Ltd., a wholly-owned subsidiary of Tongwei Huijin New Energy Co., Ltd. which is the controlling subsidiary of Tongwei New Energy Co., Ltd., and pledge guarantee by electricity fee income right of Xide Tongwei Huijin New Energy Co., Ltd. power station, and warrandice of the loans by the Company.

2) For details of pledged loans and mortgage, please refer to "Assets with Limited Ownership or Use Right".

3) There is no overdue loan in current portion of long-term loans.

(2) Current portion of long-term payables include current portion of net finance lease of RMB 817,978,867.40 and current portion of deferred payment of net debts of RMB 185,087,917.55. Among them, the details of current portion of finance lease payments are as follows:

Item	Ending balance	Beginning balance
Current portion of finance lease payments	926,540,694.62	832,030,239.56
Including: 1. China Huarong Financial Leasing Co., Ltd.	463,457,911.41	393,411,765.49
2. CITIC Financing Leasing Co., Ltd.	339,702,998.01	234,373,274.06
3. SPDB Financial Leasing Co., Ltd.	104,779,785.20	80,860,200.01
4. Jiangsu Financial Leasing Co., Ltd.	18,600,000.00	123,385,000.00
Current portion of unrecognized finance fees	108,561,827.22	150,732,428.90
Including: 1. China Huarong Financial Leasing Co., Ltd.	21,188,716.25	32,298,352.08
2. CITIC Financing Leasing Co., Ltd.	64,649,046.98	49,859,200.89
3. SPDB Financial Leasing Co., Ltd.	20,021,411.54	18,010,825.93
4. Jiangsu Financial Leasing Co., Ltd.	2,702,652.45	50,564,050.00
Current portion of net finance lease payments	817,978,867.40	681,297,810.66
Including: 1. China Huarong Financial Leasing Co., Ltd.	442,269,195.16	361,113,413.41
2. CITIC Financing Leasing Co., Ltd.	275,053,951.03	184,514,073.17
3. SPDB Financial Leasing Co., Ltd.	84,758,373.66	62,849,374.08
4. Jiangsu Financial Leasing Co., Ltd.	15,897,347.55	72,820,950.00

42. Other current liabilities

Other current liabilities

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Short-term bonds payable	1,099,583,333.30	2,995,833,333.27
Reserve provision of guarantor enterprise	24,221,753.62	18,844,470.58
Total	1,123,805,086.92	3,014,677,803.85

Increase and decrease of short-term bonds payable:

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Bond name	Face value	Issuance date	Bond term	Issuance amount	Beginning balance	Current issuing value	Interest accrued according to face value	Amortization of premium or discount	Repayment in current period	Ending balance
2018 Phase I Short-Term Financing Bill of Tongwei Co., Ltd.	100.00	2018/1/29	365 days	500,000,000.00	499,916,666.63			83,333.37	500,000,000.00	
2018 Phase II Short-Term Financing Bill of Tongwei Co., Ltd.	100.00	2018/4/25	365 days	500,000,000.00	499,749,999.97			250,000.03	500,000,000.00	
2018 Phase IV Super & Short-term Commercial Paper of Tongwei Co., Ltd.	100.00	2018/10/30	180 days	500,000,000.00	500,000,000.00				500,000,000.00	
2018 Phase V Super & Short-term Commercial Paper of Tongwei Co., Ltd.	100.00	2018/11/22	180 days	500,000,000.00	496,000,000.00			4,000,000.00	500,000,000.00	
2018 Phase VI Super & Short-term Commercial Paper of Tongwei Co., Ltd.	100.00	2018/12/5	270 days	1,000,000,000.00	1,000,166,666.67			-166,666.67	1,000,000,000.00	
2019 Phase I Short-Term Financing Bill of Tongwei Co., Ltd.	100.00	2019/3/12	365 days	500,000,000.00		500,000,000.00		-166,666.70		499,833,333.30
2019 Phase I Super & Short-term Commercial Paper of Tongwei Co., Ltd.	100.00	2019/1/16	180 days	500,000,000.00		500,000,000.00			500,000,000.00	
2019 Phase II Super & Short-term Commercial Paper of Tongwei Co., Ltd.	100.00	2019/2/25	165 days	500,000,000.00		500,000,000.00			500,000,000.00	
2019 Phase III Super & Short-term Commercial Paper of Tongwei Co., Ltd.	100.00	2019/7/26	90 days	400,000,000.00		400,000,000.00			400,000,000.00	
2019 Phase IV Super &	100.00	2019/9/20	270 days	300,000,000.00		300,000,000.00		-250,000.00		299,750,000.00

2019 Annual Report

Bond name	Face value	Issuance date	Bond term	Issuance amount	Beginning balance	Current issuing value	Interest accrued according to face value	Amortization of premium or discount	Repayment in current period	Ending balance
Short-term Commercial Paper of Tongwei Co., Ltd.										
2019 Phase V Super & Short-term Commercial Paper of Tongwei Co., Ltd.	100.00	2019/9/27	100 days	300,000,000.00		300,000,000.00				300,000,000.00
Total	/	/	/	5,500,000,000.00	2,995,833,333.27	2,500,000,000.00	-	3,750,000.03	4,400,000,000.00	1,099,583,333.30

Other notes:

Applicable Inapplicable

(1) On May 28, 2018, the Company received the Notification of Registration Acceptance (ZSXZ [2018] SCP No. 151) issued by National Association of Financial Market Institutional Investors showing the Association has received the registration for RMB 3 billion of Super & Short-term Commercial Paper of the Company, and the registration shall be effective for two years since the inscribed date of this Notification and will be co-lead underwritten by China Postal Savings Bank Co., Ltd., Industrial Bank Co., Ltd. and Agricultural Bank of China Limited.

(2) The provision for liability reserve not yet due shall be accrued at 50% of the guarantee income, and the accrued provision for liability reserve not yet due shall be reversed after the cancellation of the guarantee liability upon expiration. The provision of guarantee compensation reserve shall be 1% of the ending guarantee balance.

43. Long-term loans**(1). Classification of long-term loans**

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Pledged loans	729,617,723.74	
Mortgage loans		
Guaranteed loans	2,357,370,781.96	190,466,944.00
Credit loans	500,000,000.00	500,000,000.00
Mortgage + guaranteed loans	502,000,000.00	
Total	4,088,988,505.70	690,466,944.00

Notes for classifications of long-term loans:

At the end of the period, the Company guaranteed RMB 2,357,370,781.96 in long-term loans, and RMB 502,000,000.00 in mortgage + guaranteed loans. For details of the Company's guarantee by Tongwei Group Co., Ltd., refer to "related party guarantee", and the Company's guarantee for subsidiaries is as follows:

Guarantor	Guaranteed party	Guaranteed amount	Starting date of the guarantee	Expiration date of the guarantee
Tongwei Co., Ltd.	Tongwei Solar (Hefei) Co., Ltd.	300,000,000.00	2019/11/27	2024/11/26
Tongwei Co., Ltd.	Tongwei Solar (Chengdu) Co., Ltd.	820,000,000.00	2019/10/29	2021/10/29
Tongwei Co., Ltd.	Panzhuhua Tongwei Huijin New Energy Co., Ltd.	80,000,000.00	2019/6/28	2029/6/10
Tongwei Co., Ltd.	Tongwei New Energy Co., Ltd.	122,000,000.00	2019/3/18	2039/3/18
Total		1,322,000,000.00		

Other notes, including the interest rate collar:

√ Applicable □ Inapplicable

The interest rate of long-term loans is between 2.65% and 6.00%.

44. Bonds payable**(1). Bonds payable**

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
2019 Convertible Corporate Bonds of Tongwei Co., Ltd.	4,212,346,552.36	
Total	4,212,346,552.36	

(2). Increase/decrease of bond payable (preferred shares, perpetual bond and other financial instruments classified as financial liabilities excluded)

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Bond name	Face value	Issuance date	Bond term	Issuance amount	Beginning balance	Current issuing value	Interest accrued according to face value	Amortization of premium or discount	Repayment in current period	Ending balance
2019 Convertible Corporate Bonds of Tongwei Co., Ltd.	100	2019/3/18	6 years	5,000,000,000.00		5,000,000,000.00		-784,922,447.64	2,731,000.00	4,212,346,552.36
Total	/	/	/	5,000,000,000.00		5,000,000,000.00		-784,922,447.64	2,731,000.00	4,212,346,552.36

(3). Conversion condition and conversion time of convertible corporate bonds

Applicable Inapplicable

Approved by the document (ZJXX [2018] No. 1730) from CSRC, the Company issued 50 million of convertible corporate bonds on March 18, 2019 with a face value of RMB 100 and RMB 5 billion of proceeds. The coupon rate of the convertible bonds issued this time is specifically: 0.5% in the first year, 0.8% in the second year, 1.0% in the third year, 1.5% in the fourth year, 1.8% in the fifth year and 2.0% in the sixth year. Pay interest once a year and repay the principal and interest in the last year upon expiration. This convertible bond conversion period starts from the first trading day six months after the issuance date of convertible bonds to the expiration date of convertible bonds.

The initial conversion price of this convertible bond is RMB 12.44 per share. After this issue, when the shares of the Company change due to the distribution of stock dividends, conversion of capital stock, issuance of new shares or rights issue, distribution of cash dividends, etc. (excluding the increased share capital due to the conversion of convertible bonds issued this time), the conversion price shall be adjusted accordingly. During the convertible bonds duration issued this time, when the closing price of the Company's A-share shares is lower than 80% of the current conversion price in 15 of any 30 consecutive trading days, the board of directors of the Company shall propose a revision plan for lower conversion price and submit it to the shareholders' meeting of the Company for deliberation and vote. Within five trading days after the expiration of the convertible bonds issued this time, the issuer will redeem the convertible bonds that have not been converted into shares at the price of 110% of the face value of the bonds (including the interest of the last period). During the conversion period of convertible bonds issued this time, if the closing price of at least 15 of the Company's A-share stocks for 30 consecutive trading days is not less than 130% of the current conversion price (including 130%), or if the outstanding balance of convertible bonds issued this time is less than RMB 30 million, the Company shall redeem all or part of the convertible bonds that have not been converted at the price of the face value of the bonds plus the accrued interest for the current period.

In the last two interest bearing years of the convertible corporate bonds issued this time, if the closing price of the Company's shares on any 30 consecutive trading days is lower than 70% of the current conversion price, the convertible corporate bonds holder has the right to sell all or part of the convertible corporate bonds held to the Company at the face value plus the current accrued interest price. If the implementation of the investment project of the convertible corporate bonds proceeds of the Company this time is significantly changed over the Company's commitment in the prospectus, and the change is determined by the China Securities Regulatory Commission to change the purpose of the proceeds, the holders of the convertible corporate bonds shall have one chance to sell back at one time. Holders of convertible corporate bonds have the right to sell all or part of their convertible corporate bonds back to the Company at the face value of the bonds plus the current accrued interest. After the additional conditions for the sell back are met, the holder may sell back within the reporting period of the additional sell back announced by the Company. If the additional sell back is not implemented during the reporting period, the holder shall never exercise the right of additional sell back.

The annual shareholders' meeting of the Company in 2018 reviewed and approved the profit distribution plan in 2018. This profit distribution is based on the total share capital of the Company of 3,882,372,220 shares before the plan, and each share will be paid a cash dividend of RMB 0.16 (including tax). According to the issuance clauses and relevant regulations in Prospectus for Public Issuance of Convertible Corporate Bonds, the conversion price of convertible corporate bonds of Tongwei will be adjusted from the initial conversion price of RMB 12.44/share to RMB 12.28/share after the completion of the distribution of rights and interests in 2018.

With the approval of the document (ZLJG [2019] No.052) issued by Shanghai Stock Exchange, the convertible corporate bonds for RMB 5 billion of the Company have been listed and traded on the Shanghai Stock Exchange since April 10, 2019. The bonds are referred to as "Tongwei Zhuanzhai" with bond code of "110054". As of December 31, 2019, "Tongwei Zhuanzhai", with the cumulative face value of RMB 2,731,000, have been converted into shares of the Company. The number of cumulative shares is 222,376, accounting for 0.0057% of the total convertible corporate bonds for equity issued by the Company.

(4). Other financial instruments classified as financial liabilities

Basic information of other financial instruments as preferred shares and perpetual bonds externally issued at the end of period

Applicable Inapplicable

Variation to other financial instruments as preferred shares and perpetual bonds externally issued at the end of period

Applicable Inapplicable

Basis for financial instruments classified as financial liabilities:

Applicable Inapplicable

Other notes:

Applicable Inapplicable

45. Lease liabilities

Applicable Inapplicable

46. Long-term payables

Item presentation

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Long-term payables	1,900,657,753.72	3,419,114,889.39
Special payables	850,000.00	850,000.00
Total	1,901,507,753.72	3,419,964,889.39

Other notes:

Applicable Inapplicable

Long-term payables

(1). Presentation of long-term payables by nature

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Ending balance
Net debts moratorium	1,079,781,388.63	488,862,566.78
Finance lease payable	2,339,333,500.76	1,411,795,186.94

Other notes:

1) The net deferred debts are shown as follows:

Item	Ending balance	Beginning balance
Socialized Service Company in Hefei High-tech Industrial Development Zone	602,821,095.82	1,008,211,378.18

Item	Ending balance	Beginning balance
Hefei Hi-tech Innovation Park Management Co., Ltd.	78,694,734.21	98,368,417.81
Hefei High-tech Construction Investment Group Company	58,835,840.00	73,544,800.00
Total original value of liabilities	740,351,670.03	1,180,124,595.99
Less: Unrecognized financing expenses measured at fair value	66,401,185.70	100,343,207.36
Net debt deferred payments	673,950,484.33	1,079,781,388.63
Including: Due over one year	185,087,917.55	
Due over one year	488,862,566.78	1,079,781,388.63

On January 10, 2014, Tongwei Solar (Hefei) Co., Ltd. and Tongwei Group Co., Ltd. jointly signed the *Debt Restructuring Agreement* with the former shareholder Socialized Service Company in Hefei High-tech Industrial Development Zone and its related parties Hefei Hi-tech Innovation Park Management Co., Ltd. and Hefei Hi-tech Construction Investment Group Co., Ltd., stipulating that Tongwei Solar (Hefei) Co., Ltd. shall repay the debts of RMB 1,180,124,595.99 recognized in Article 1 of this Agreement in equal amounts over 5 years from the 6th year after the delivery of the audit base date (September 30, 2013). By the 10th year, when the repayment amount of Tongwei Solar (Hefei) Co., Ltd. reaches the amount of debts recognized by parties in Article 1 of this reorganization agreement, the parties' creditor's rights and debts will be fully settled.

In February 2016, Tongwei Solar (Hefei) Co., Ltd., Tongwei Group Co., Ltd., Hefei Hi-tech Innovation Park Management Co., Ltd., Management Committee of Hefei Hi-tech Industrial Development Zone, and Hefei Hi-tech Urban Construction Investment Co., Ltd. jointly signed a supplementary agreement to the Debt Restructuring Agreement, stipulating that Hefei Hi-tech Innovation Park Management Co., Ltd. will transfer the debt receivable of RMB 98,368,417.81 from Tongwei Solar (Hefei) Co., Ltd. to Hefei Hi-tech Urban Construction Investment Co., Ltd. In December 2013, Administrative Committee of Hefei National High-tech Industrial Development Zone (Party A), Tongwei Group Co., Ltd. (Party B) and Socialized Service Company in Hefei High-tech Industrial Development Zone (Party C) jointly signed the *Supplementary Agreement on Restructuring and Investment of 1600MW Solar Cells and 500MW Solar Cell Components Project with an Annual Output of 1,600 MW*, stipulating that according to the Special Audit Report on Assets and Capital Verification (KSZ [2013] No.2492) issued by Huapu Tianjian Certified Public Accountants (Beijing) Co., Ltd., if assets not effectively recognized by Party B include book receivables, prepayments, other receivables, deferred income tax assets, inventories, etc. (except deferred income tax assets) cannot be realized or transferred back within 3 years from the date of signing the Agreement of Transfer, Party A may reduce the debts payable to Party C with the same amount at that time; if deferred income tax assets fail to realize the effect of tax return within the time limit stipulated by the Enterprise Income Tax Law, Party A may reduce the debt payable to Party C by the same amount at that time.

According to the above, December 31, 2013 is taken as the benchmark date for debt restructuring by Tongwei Solar (Hefei) Co., Ltd. On the basis of the debt balance (RMB 903,282,824.85) after deducting "assets not recognized as valid assets" (RMB 276,841,771.14), and taking the 10-year treasury bond yield (4.44%) at that time as the discount rate, calculate the fair value of the debts payable by Tongwei Solar (Hefei) Co., Ltd. to three companies including Socialized Service Company in Hefei High-tech Industrial Development Zone. When the fair value is lower than the difference between the book value of the debt (RMB 257,110,176.38), the fair value shall be included in the profits and losses of 2013, and this amount shall be regarded as "unrecognized financing expenses" which will be amortized before the debt repayment date agreed in the *Agreement of Debt Restructuring* according to

the actual interest rate (4.44%) according to the provisions of *Article 7 of Accounting Standards for Business Enterprises No. 12- Debt Restructuring*.

According to the special auditor's report (WZJZSZ [2019] No. 347) issued by Anhui Zhongjian Certified Public Accountants Co., Ltd. on claims and contingencies that have not been effectively recognized by Tongwei Solar (Hefei) Co., Ltd., assets that have not been effectively recognized shall be reduced in this period.

According to the Agreement, Tongwei Solar (Hefei) Co., Ltd. will repay the debt of RMB 185,087,917.55 in this period.

2) The payable finance lease payments are listed as follows by company:

Item	Ending balance	Beginning balance
Finance lease payments	1,521,164,138.14	2,767,026,439.40
Including: 1. China Huarong Financial Leasing Co., Ltd.	283,580,627.52	498,479,062.82
2. CITIC Financing Leasing Co., Ltd.	883,940,184.30	755,958,742.92
3. SPDB Financial Leasing Co., Ltd.	307,843,326.32	287,090,475.04
4. Jiangsu Financial Leasing Co., Ltd.	45,800,000.00	1,225,498,158.62
Unrecognized financing charges	109,368,951.20	427,692,938.64
Including: 1. China Huarong Financial Leasing Co., Ltd.	6,440,817.86	13,899,721.77
2. CITIC Financing Leasing Co., Ltd.	71,175,307.88	81,543,129.41
3. SPDB Financial Leasing Co., Ltd.	28,104,740.73	33,155,496.51
4. Jiangsu Financial Leasing Co., Ltd.	3,648,084.73	299,094,590.95
Net finance lease payments	1,411,795,186.94	2,339,333,500.76
Including: 1. China Huarong Financial Leasing Co., Ltd.	277,139,809.66	484,579,341.05
2. CITIC Financing Leasing Co., Ltd.	812,764,876.42	674,415,613.51
3. SPDB Financial Leasing Co., Ltd.	279,738,585.59	253,934,978.53
4. Jiangsu Financial Leasing Co., Ltd.	42,151,915.27	926,403,567.67

Special payables

(2). Presentation of other payables by nature

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Causes
Special fund for agricultural credit guarantee of Tongwei agricultural guarantee	850,000.00			850,000.00	Note
Total	850,000.00			850,000.00	/

Other notes:

The amount of special fund for agricultural credit guarantee of Tongwei agricultural guarantee is RMB 2,480,000.00, including: risk subsidy for RMB 1,630,000.00 and compensation fund for RMB 850,000.00. This fund shall be managed and used in accordance with the "Financial Special Subsidy Fund Management Measures of Sichuan Provincial Agricultural Credit Guarantee" issued by Sichuan Provincial Finance Department on August 28, 2012. Article 18 of the Measures stipulates that: The funds will be used to increase the capital of guarantee institutions instead of subsidies, and will be injected in the form of state-owned capital. Whenever a guarantee institution receives a total amount of more than RMB 10 million (including RMB 10 million) in compensation funds, it shall promptly report to the

relevant departments for approval before completing the change of industrial and commercial registration of registered capital, etc. in accordance with the relevant provisions; the risk subsidy fund shall be used to compensate for the guarantee risk loss when the risk reserve drawn by the guarantee institution is insufficient to compensate for the loss; balance (if any) will be carried forward to the next year. The fund received by the Company has been used in 2018 to make up for the loss of RMB 1,630,000.00 due to the irrecoverable part of the compensation receivable, with a balance of RMB 850,000.00.

47. Long-term employee compensation payable

Applicable Inapplicable

48. Estimated liabilities

Applicable Inapplicable

49. Deferred incomes

About deferred income

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Causes
Government grants	348,822,238.95	255,735,747.00	60,233,529.22	544,324,456.73	
Total	348,822,238.95	255,735,747.00	60,233,529.22	544,324,456.73	/

Projects with government grants

Applicable Inapplicable

Unit: Yuan Currency: RMB

Liability items	Beginning balance	Newly increased amount of subsidy in the current period	Amount of non-operating income of current period	Amount included in other incomes in the current period	Other changes	Ending balance	Related to assets/related to income
Land investment subsidy		60,000,000.00		1,016,949.15		58,983,050.85	Related to assets
Fixed investment subsidy at Phase II		61,883,750.00		5,304,321.45		56,579,428.55	Related to assets
Fixed assets technological transformation project subsidies of " Post-award and Subsidy Fund"	28,998,575.98	22,158,300.00		4,953,769.06		46,203,106.92	Related to assets
High-purity polycrystalline silicon subsidy	43,304,361.87			1,604,296.20		41,700,065.67	Related to assets
Fixed asset investment subsidy	45,575,407.40			5,818,137.00		39,757,270.40	Related to assets
2GW intelligent factory skills upgrading project		41,110,000.00		7,674,219.73		33,435,780.27	Related to assets
Special subsidy for 1GW project fixed assets and sewage station	34,404,000.00			4,392,000.00		30,012,000.00	Related to assets
Baotou's financial emerging strategic subsidy		25,000,000.00		1,736,111.10		23,263,888.90	Related to assets
Compensation for Tianjin Tongwei relocation	25,487,916.50			4,694,164.68		20,793,751.82	Related to assets
Subsidy for new energy projects	17,100,000.00	2,900,000.00		1,111,111.12		18,888,888.88	Related to assets
Compensation for Huai'an Tongwei relocation	20,571,920.21			2,794,704.48		17,777,215.73	Related to assets
Provincial special fund for strategic emerging industries projects in 2018	19,816,513.76			2,201,834.88		17,614,678.88	Related to assets
Subsidy for research and development of instruments and equipment	9,109,253.60	5,033,000.00		1,895,637.80		12,246,615.80	Related to assets
Compensation for Chongqing Tongwei relocation	12,984,604.58			2,061,528.36		10,923,076.22	Related to assets
Subsidy for high-purity polycrystalline Silicon filling project	10,083,333.44	500,000.00		958,333.20		9,625,000.24	Related to assets

2019 Annual Report

Liability items	Beginning balance	Newly increased amount of subsidy in the current period	Amount of non-operating income of current period	Amount included in other incomes in the current period	Other changes	Ending balance	Related to assets/related to income
Provincial special fund for strategic emerging industries projects in 2019		10,000,000.00		422,403.76		9,577,596.24	Related to assets
Other items related to assets	80,662,051.61	26,800,697.00		11,342,033.89		96,120,714.72	Related to assets
Other items related to income	724,300.00	350,000.00		251,973.36		822,326.64	Income related
Total	348,822,238.95	255,735,747.00		60,233,529.22		544,324,456.73	

Other notes:

Applicable Inapplicable

Compensation for Tianjin Feed, Huai'an Feed and Chongqing Feed relocation will recognize other income of RMB 9,550,397.52 on average in 2019 according to the expected service life (depreciation period) of the assets.

50. Other non-current liabilities

Applicable Inapplicable

51. Paid-in capital

Applicable Inapplicable

Unit: Yuan Currency: RMB

	Beginning balance	Increase (+)/Decrease (-) During the Period					Ending balance
		New shares issued	Allotment	Turned from reserve	Others	Subtotal	
Total number of shares	3,882,372,220				222,376	222,376	3,882,594,596

Other notes:

(1) The number of shares added in this period is 222,376, which is the conversion of "Tongwei Zhuanzhai" with a cumulative face value of RMB 2,731,000 into company shares.

(2) As of December 31, 2019, with the approval of the Reply on Approving Tongwei Co., Ltd. to Purchase Assets and Raise Supporting Funds by Issuing Shares to Tongwei Group Co., Ltd. (ZJXX [2016] No. 190) from the CSRC on January 27, 2016, the approval of the Reply on Approving Tongwei Co., Ltd. to Purchase Assets and Raise Supporting Funds by Issuing Shares to Tongwei Group Co., Ltd. (ZJXX [2016] No. 2054) from the CSRC on September 8, 2016, and all the restricted shares approved for issuance have been listed and circulated, including: 1,148,262,145 shares were listed and circulated in 2017, 176,989,182 shares were listed and circulated on February 20, 2019, and 922,901,629 shares were listed and circulated on October 15, 2019.

52. Other equity instruments**(1). Basic information of other financial instruments as preferred shares and perpetual bonds externally issued at the end of period**

Applicable Inapplicable

Approved by the document (ZJXX [2018] No. 1730) from CSRC, the Company issued RMB 5 billion of convertible corporate bonds on March 18, 2019 for a period of 6 years. The coupon rate of the convertible bonds issued this time is specifically: 0.5% in the first year, 0.8% in the second year, 1.0% in the third year, 1.5% in the fourth year, 1.8% in the fifth year and 2.0% in the sixth year. Pay interest once a year and repay the principal and interest in the last year upon expiration.

(2). Variation to other financial instruments as preferred shares and perpetual bonds externally issued at the end of period

Applicable Inapplicable

Financial instrument externally issued	The beginning of the period		Increase in the current period		Decrease in the current period		The end of the period	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Tongwei Co., Ltd. 2019 convertible corporate bond			50,000,000	854,702,808.53	27,310	466,838.68	49,972,690	854,235,969.85
Total			50,000,000	854,702,808.53	27,310	466,838.68	49,972,690	854,235,969.85

About changes and causes thereof in increase/decrease of other equity instruments in the current period and basis of related accounting treatment:

Applicable Inapplicable

The increase in other equity instruments in the current period is mainly due to the Company's issuance of convertible corporate bonds "Tongwei ZhuanZhai" (110054), as shown in "Bonds Payable". The decrease in the current period is due to the impact of the cumulative book value of RMB 2,731,000 of convertible corporate bonds issued by the Company has been converted into company shares and the corresponding other equity instruments been carried forward to the capital reserve.

Other notes:

Applicable Inapplicable

53. Capital surplus

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (share premium)	5,709,810,952.23	2,536,081.47	42,475,637.47	5,669,871,396.23
Other capital reserves	2,723,503.87	69,900.40		2,793,404.27
Total	5,712,534,456.10	2,605,981.87	42,475,637.47	5,672,664,800.50

Other notes, including explanations about changes and causes thereof in increase/decrease in the current period:

(1) The share premium increased by RMB 2,536,081.47, including:

1) From September to December 2019, 27,310 convertible corporate bonds "Tongwei ZhuanZhai" (110054) issued by the Company have been converted into company shares, and the cumulative number of shares transferred is 222,376. The book value of the convertible corporate bond is RMB 2,278,547.09 and the corresponding interest payable is RMB 6,579.58 minus RMB 222,376.00 of the transferred capital stock plus RMB 466,838.68 of the other equity instruments corresponding to the 27,310 bonds, and a total of RMB 2,529,589.35 has been transferred into the capital reserve - share premium.

2) Through the resolution passed by the shareholders meeting of Tongwei Huijin New Energy Co., Ltd., the subscribed capital contribution will be adjusted in January, March and June 2019 respectively, and all the subscribed capital contribution will be paid according to the adjusted amount. Thus, the shareholding ratio of Tongwei New Energy Co., Ltd., a wholly-owned subsidiary of the Company, in Tongwei Huijin New Energy Co., Ltd. has changed from 88.51% to 88.75%, and the above equity transaction has increased the share premium by RMB 6,492.12.

(2) The share premium decreased by RMB 42,475,637.47, including:

1) In August 2019, the Company acquired 30.00% of its equity held by minority shareholders of Honghu Tongwei Feed Co., Ltd. with RMB 48,164,469.77. After the acquisition, the proportion of equity held by the Company was changed from 70.00% to 100.00%. The transaction belongs to equity transaction, which enjoys the difference of the Company's net assets of RMB 27,886,745.59 based on the purchase price and the proportion of equity according to the accounting standards, and deduces the share premium. 2) In August 2019, Tongwei Huijin New Energy Co., Ltd., a controlling subsidiary of Tongwei New Energy Co., Ltd., a wholly-owned subsidiary of the Company, acquired 48% of the shares of Zhenjiang Tongwei Huantai Huijin New Energy Co., Ltd. at a price of RMB 38,000,000.00. After the acquisition, the shareholding ratio of Tongwei Huijin New Energy Co., Ltd. was changed from 52.00% to 100.00%. The transaction belongs to equity transaction, which enjoys the difference of the Company's

net assets of RMB 3,935,845.38 based on the purchase price and the proportion of equity according to the accounting standards, and deduces the share premium.

3) In September 2019, the Company increased its capital to Chengdu Chunyuan Food Co., Ltd. by RMB 95,000,000.00. After the capital increase, the Company's shareholding in Chengdu Chunyuan Food Co., Ltd. was changed from 72.29% to 93.63%, resulting in an equity transaction to reduce the capital reserve by RMB 10,065,552.40.

4) In October 2019, the Company acquired 3.68% of the Company's equity held by minority shareholders of Sichuan Willtest Technology Co., Ltd. for RMB 1,051,100.00. After the acquisition, the equity held by the Company was changed from 78.00% to 81.68%. The transaction belongs to equity transaction, which enjoys the difference of the Company's net assets of RMB 214,354.35 based on the purchase price and the proportion of equity according to the accounting standards, and deduces the share premium.

5) In December 2019, the Company acquired 5.00% of the Company's equity held by minority shareholders of Chengdu Tongwei Automation Equipment Co., Ltd. for RMB 654,054.14. After the acquisition, the equity held by the Company was changed from 57.95% to 62.95%. The transaction belongs to equity transaction, which enjoys the difference of the Company's net assets of RMB 373,139.75 based on the purchase price and the proportion of equity according to the accounting standards, and deduces the share premium.

(3) The increase in other capital reserves, amounted to RMB 69,900.40, is due to changes in capital reserves caused by capital increase in joint ventures Maoming Tongwei Jiuding Feed Co., Ltd., Huangmei Tongwei Jiuding Feed Co., Ltd. and associates Lijiang LONGi Silicon Materials Co., Ltd. in the current year. The Company adjusted its long-term equity investment and capital reserves-other capital reserves of RMB 69,900.40 based on the proportion of equity it holds.

54. Treasury shares

Applicable Inapplicable

55. Other comprehensive income

Applicable Inapplicable

Unit: Yuan Currency: RMB

2019 Annual Report

Item	Beginning balance	Amount in the current period						Ending balance
		Amount incurred before income tax in the current period	Less: Profit or loss included in other comprehensive incomes at early stage and transferred in the current period	Less: Profit or loss included in other comprehensive incomes at early stage and transferred to the retained earnings in the current period	Less: income tax expenses	After-tax amount attributable to parent company	After-tax amount attributable to minority shareholders	
I. Other comprehensive income that cannot be reclassified through profit or loss	1,399,511.09	5,298,046.85				5,298,046.85		6,697,557.94
Including: changes arising from re-measurement of the defined benefit plan								
Other comprehensive incomes that cannot be reclassified into profit and loss under the equity method								
Changes in fair value of investment by other equity instruments	1,399,511.09	5,298,046.85				5,298,046.85		6,697,557.94
Changes in fair value of the enterprise's credit risk								
II. Other comprehensive income to be reclassified into profits or losses	-41,082,132.15	2,584,373.16				2,584,373.16		-38,497,758.99
Including: other comprehensive income to be reclassified through profit or loss under the equity method								
Changes in fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Impairment provision of credit in other debt investments								
Effective parts of cash flow hedging profit or loss								
Translation difference of foreign currency financial statements	-41,082,132.15	2,584,373.16				2,584,373.16		-38,497,758.99
Total other comprehensive income	-39,682,621.06	7,882,420.01				7,882,420.01		-31,800,201.05

56. Special reserves

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Work safety expense	15,988,834.33	36,794,382.36	34,725,401.82	18,057,814.87
Total	15,988,834.33	36,794,382.36	34,725,401.82	18,057,814.87

57. Surplus reserves

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	412,849,106.56	151,292,213.98		564,141,320.54
Discretionary surplus reserve				
Reserve fund				
Enterprise expansion fund				
Others				
Total	412,849,106.56	151,292,213.98		564,141,320.54

58. Undistributed profits

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	4,755,055,633.39	3,453,778,830.02
Total number of undistributed profit at beginning of adjustment (adjustment +/-)		-13,378,413.45
Undistributed profits at the beginning of the period after adjustment	4,755,055,633.39	3,440,400,416.57
Add: net profits attributable to owners of parent company in current period	2,634,568,828.17	2,018,746,008.65
Less: appropriation of statutory surplus reserve	151,292,213.98	82,911,236.63
Appropriation of discretionary surplus reserve		
Appropriation to general risk provision		
Common stock dividends payable	621,179,555.20	621,179,555.20
Common stock dividends converted into share capital		
Undistributed profits at the end of the period	6,617,152,692.38	4,755,055,633.39

Details of undistributed profits at the beginning of the adjustment period:

1. The amount that will affect the undistributed profit at the beginning of the period due to retroactive adjustment of ASBE and its relevant new regulations is RMB 0.00.
2. The amount that will affect the undistributed profit at the beginning of the period due to accounting policy alternation is RMB 0.00.
3. The amount that will affect the undistributed profit at the beginning of the period due to correction of major accounting error is RMB 0.00.

4. The amount that will affect the undistributed profit at the beginning of the period due to change of consolidation scope as a result of common control is RMB 0.00.

5. Amount of the undistributed profit at the beginning of the period that will be affected due to total of other adjustments is RMB 0.00.

59. Operating revenue and operating cost

(1). Operating revenue and operating cost

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Main operation	36,427,626,635.92	29,468,482,925.80	26,884,859,850.48	21,719,572,116.53
Other operations	1,127,491,619.78	1,067,518,190.66	650,310,423.77	607,326,284.74
Total	37,555,118,255.70	30,536,001,116.46	27,535,170,274.25	22,326,898,401.27

60. Taxes and surcharges

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Consumption tax		
Business tax		
Urban maintenance and construction tax	16,603,047.61	24,938,282.20
Education surcharge	7,235,680.06	10,800,573.00
Resources tax		
Property tax	35,892,612.31	25,589,289.25
Land use tax	28,917,026.05	19,505,369.40
Vehicle and vessel use tax		
Stamp tax	19,739,909.38	16,600,353.30
Local education surcharge	4,820,318.56	7,192,651.15
Others	9,652,541.63	6,773,132.40
Total	122,861,135.60	111,399,650.70

Other notes:

Please refer to "Taxes" for details of the standard for calculation and payment various taxes.

61. Sales expenses

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Employee compensation	478,656,539.45	425,663,800.20
Travel expenses	132,861,310.52	121,195,877.44
Traffic expenses	155,634,509.88	121,085,099.82
Advertising expenses	100,665,942.89	117,972,928.20
Export expenses	13,591,382.76	6,234,785.34
After-sales service charges	10,856,506.63	15,891,753.47
Business entertainment expenses	11,980,350.91	11,174,508.77
Exhibition fee	7,918,514.76	2,135,171.69
Rental fees	5,671,057.09	5,853,476.76

Item	Amount in the current period	Amount in the previous period
Depreciation expenses	5,680,079.84	5,757,811.07
Others	51,754,302.34	29,739,160.99
Total	975,270,497.07	862,704,373.75

62. General and administrative expenses

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Employee compensation	723,061,371.26	503,830,130.08
Repair expenses	196,365,971.43	108,475,492.74
Depreciation expenses	127,571,184.92	93,699,206.75
Amortization of intangible assets	55,175,036.79	43,103,017.20
Travel expenses	39,181,159.47	35,277,577.77
Consulting fees (including consultant fees)	36,595,155.73	25,835,531.89
Work safety expense	33,343,882.12	9,059,356.27
Rental fees	31,377,052.10	35,890,343.54
Business entertainment expenses	27,419,152.75	20,812,332.87
Property management fee	24,211,393.61	11,087,351.29
Project development losses	20,143,708.38	596,311.11
Poverty relief fund	20,465,500.00	4,133,000.00
Fees for employing intermediation	16,100,741.82	11,463,582.86
Quality inspection fee	15,618,592.17	13,344,159.26
Property insurance premium	13,721,033.05	8,541,117.04
Office expenses	13,621,612.24	8,529,820.77
Charges for water and electricity	13,177,592.87	12,048,520.63
Car cost	11,301,348.81	11,719,884.56
Idle loss of leased items	10,897,312.83	14,433,616.35
Amortization of low value consumables	10,073,949.98	7,693,549.53
Others	74,386,847.29	59,330,731.96
Total	1,513,809,599.62	1,038,904,634.47

63. R&D expenses

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Personnel expense	240,334,947.09	126,045,820.72
Material cost	488,555,308.52	304,710,684.21
Depreciation cost	104,463,367.14	75,924,039.25
Fuel and power	137,089,633.84	50,205,014.98
Other expenses	30,251,337.26	40,742,941.34
Total	1,000,694,593.85	597,628,500.50

64. Financial expenses

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Interest expenses	605,992,874.97	319,261,575.95
Less: financial discount	27,900,347.52	63,306,269.66

Item	Amount in the current period	Amount in the previous period
Less: Interest income	56,710,422.17	29,057,444.47
Add: exchange loss	28,396,268.64	37,992,870.78
Less: exchange income	39,377,208.72	31,576,375.15
Add: amortization of unrecognized financing expenses	186,682,895.47	77,232,841.32
Add: handling charge of financial institutions	10,721,763.33	5,494,324.11
Total	707,805,824.00	316,041,522.88

65. Other incomes

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Government subsidies related to daily operating activities	214,303,960.33	89,564,836.74
Total	214,303,960.33	89,564,836.74

Other notes:

Details of government subsidies related to daily operating activities are listed as follows:

Item	Amount in the current period	Amount in the previous period	Related to assets/related to income
2GW intelligent factory skills upgrading project	7,674,219.73		Related to assets
Fixed asset investment subsidy	5,818,137.00	5,818,137.00	Related to assets
Fixed investment subsidy at Phase II	5,304,321.45		Related to assets
Tax returns	41,013,193.38	14,859,521.39	Income related
Special fund for logistics project of crystalline silicon solar cell project	25,285,243.75	1,490,400.00	Income related
Subsidies for provincial key enterprises	18,148,911.00		Income related
Subsidies for Low Energy Consumption and Zero Emission Polycrystalline Silicon Green Key Process System Integration Project	6,400,000.00		Income related
In 2019, electricity price subsidies for Phase I and II of the "support fund project"	5,580,000.00		Income related
PV industry support policy subsidy	5,824,000.00	2,500,000.00	Income related
Other items related to assets	41,184,877.68	24,696,727.31	Related to assets
Other items related to income	52,071,056.34	40,200,051.04	Income related
Total	214,303,960.33	89,564,836.74	

66. Investment income

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Investment income of long-term equity investments measured under equity method	107,669,300.53	17,013,179.39
Investment income from disposal of long-term equity investments	9,516,812.37	52,989,878.28
Investment income from financial assets measured at fair value and with the variance included into current profits and losses during holding period of the financial assets		
Investment income from disposal of financial assets at fair value through profit or loss		

Item	Amount in the current period	Amount in the previous period
Investment income from disposal the investments held-to-maturity		
Investment income from disposal of held-to-maturity investment		
Income during period of holding available-for-sale financial assets		
Investment income from disposal of available-for-sale financial assets		-60,000.00
Investment income from trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets		
Disposal of investment income from other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Investment income arising from buying banks' financial products	1,180,005.16	5,559,334.03
Total	118,366,118.06	75,502,391.70

Other notes:

(1) Investment income from disposal of long-term equity investments

Investee	Amount in the current period	Amount in the previous period
Xiangcheng Tongwei Huijin New Energy Co., Ltd.	9,300,000.00	
Panzhuhua Tongwei Fish Co., Ltd.	216,812.37	
Xi'an Tongwei Feed Co., Ltd.		52,989,878.28
Total	9,516,812.37	52,989,878.28

(2) Investment income from disposal of available-for-sale financial assets

Investee	Amount in the current period	Amount in the previous period
Shijiazhuang Zhongyi Solar Technology Co., Ltd.		-60,000.00
Total		-60,000.00

67. Net exposure hedging income

Applicable Inapplicable

68. Income from changes in fair value

Applicable Inapplicable

Unit: Yuan Currency: RMB

Sources of income from changes in fair value	Amount in the current period	Amount in the previous period
Trading financial assets		-970,300.00
Including: income from changes in fair values arising from derivative financial instruments		-970,300.00
Financial liabilities held for trading		

Sources of income from changes in fair value	Amount in the current period	Amount in the previous period
Investment properties measured at fair value		
Total		-970,300.00

69. Credit impairment losses

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Loss on bad debts of notes receivable	-25,090,248.17	
Bad debt losses of other receivables	-17,916,485.58	
Impairment loss of debt investment		
Impairment loss from other debt investments		
Bad debt loss of long-term receivables		
Total	-43,006,733.75	

70. Asset impairment loss

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
I. Bad debt losses		-40,877,515.80
II. Inventory falling price loss	-4,917,914.50	-3,582,489.91
III. Loss from available-for-sale financial assets impairment		
IV. Loss from held-to-maturity investment impairment		
V. Loss from long-term equity investment impairment		
VI. Loss from investment properties impairment		
VII. Loss from fixed assets impairment		-51,476.58
VIII. Loss from construction materials impairment		
IX. Loss from construction in progress impairment		
X. Loss from bearer biological assets impairment		
XI. Loss from oil and gas assets impairment		
XII. Loss from intangible assets impairment		
XIII. Loss from goodwill impairment		-2,911,456.80
XIV. Others		
Total	-4,917,914.50	-47,422,939.09

71. Incomes from assets disposal

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Profits from the sale of non-current assets classified as held for sale	36,044,702.46	

Item	Amount in the current period	Amount in the previous period
Incomes from disposal of fixed assets	87,806,056.20	-2,969,460.53
Incomes from bearer biological assets disposal	61,370.10	12,411.44
Incomes from disposal of construction in progress	15,689,526.61	
Total	139,601,655.37	-2,957,049.09

72. Non-operating income

Information on non-operating income

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period	Amount of non-recurring profits and losses included in the current period
Total gains from disposal of non-current assets	843,121.44	380,362.98	843,121.44
Including: gains from disposal of fixed assets	843,121.44	380,362.98	843,121.44
Gains from disposal of intangible assets			
Gains from debt restructurings			
Gains from exchange of non-monetary assets			
Donation accepted		65,777.05	
Government grants			
Unpayable dues	27,904,992.69	4,143,094.50	27,904,992.69
Penalty income	6,167,976.40	2,714,349.17	6,167,976.40
Income from breach indemnity	6,195,318.38	7,393,560.14	6,195,318.38
Others	1,271,326.25	1,603,503.63	1,271,326.25
Total	42,382,735.16	16,300,647.47	42,382,735.16

Government subsidies included in the current profit and loss

□ Applicable √ Inapplicable

Other notes:

□ Applicable √ Inapplicable

73. Non-operating expenses

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period	Amount of non-recurring profits and losses included in the current period
Total losses from disposal of non-current assets	4,077,869.41	2,615,314.85	4,077,869.41
Including: Losses from disposal of fixed assets	3,889,010.86	2,615,314.85	3,889,010.86
Losses from disposal of intangible assets			
Loss from debt restructuring	1,162,174.00		1,162,174.00
Loss from exchange of non-monetary assets			
External donation	2,892,339.59	1,039,947.89	2,892,339.59
Fines expenses	1,424,173.21	2,233,124.85	1,424,173.21
Overdue fine	319,816.35	1,530,892.87	319,816.35

Item	Amount in the current period	Amount in the previous period	Amount of non-recurring profits and losses included in the current period
Abnormal losses	250,200.12	758,955.11	250,200.12
Expenditure of compensation	2,333,803.58	1,998,745.21	2,333,803.58
Others	1,423,112.37	3,102,662.69	1,423,112.37
Total	13,883,488.63	13,279,643.47	13,883,488.63

74. Income tax expenses**(1). List of income tax expenses**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Current income tax expenses	374,328,222.52	385,322,675.61
Deferred income tax expenses	94,857,607.48	-18,011,625.44
Total	469,185,830.00	367,311,050.17

(2). Adjustment process of accounting profits and income tax expenses

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period
Total profit	3,151,521,821.14
Income tax expenses calculated with legal or applicable tax rate	787,880,455.29
Effect of different tax rate applicable to subsidiaries	-268,929,534.49
Effect of adjustments to income tax of prior period	1,088,248.49
Effect of non-taxable income	-120,910,055.11
Effect of cost, expense and loss nondeductible	60,889,087.03
Effect of using the deductible loss of the unrecognized in prior period	-5,565,911.55
Deductible temporary difference or effect of deductible loss of unrecognized deferred income tax assets in the current period	77,840,166.21
Effect of reversal of deductible losses of deferred income tax assets confirmed in prior period	245,564.14
Impact of research and development costs plus deduction	-63,352,432.13
Verification collection	242.12
Income tax expenses	469,185,830.00

Other notes:

Applicable Inapplicable

75. Other comprehensive income

Applicable Inapplicable

Refer to Note.

76. Items of cash flow statement**(1). Other cash received concerning operating activities**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Government grants	437,706,525.63	239,223,544.09
Interest income from bank deposit	42,169,626.41	20,993,193.26
Income from breach indemnity	4,686,247.42	7,393,560.14

Item	Amount in the current period	Amount in the previous period
Guarantee deposit and security deposit received	2,241,053.44	99,342,293.33
Rental income	48,138,743.48	42,993,043.00
Production award and interest subsidy received	47,800,000.00	73,030,200.00
Others	7,677,047.36	6,277,910.67
Total	590,419,243.74	489,253,744.49

(2). Other cash paid for related operating activities

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Other expenses paid for related operating activities	652,557,229.53	536,557,690.77
Petty cash and intercourse fund paid	45,902,080.85	23,712,794.33
PV power plant poverty alleviation project prepaid divided profits to pay cash	4,332,500.00	
Guarantee deposit and security deposit paid	6,970,132.73	58,047,786.62
Total	709,761,943.11	618,318,271.72

(3). Other cash received relating to investing activities

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Project bid bond received	281,412,760.57	111,400,147.64
Project transfer funds and land funds received		24,912,000.00
Equity transfer fund received	10,843,094.42	50,242,000.00
Total	292,255,854.99	186,554,147.64

(4). Other cash paid relating to investing activities

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Pre-paid equity acquisition funds	134,522,726.32	
Refund of transfer funds and land funds	15,300,000.00	
Project bid bond paid	244,236,183.03	130,552,426.05
Total	394,058,909.35	130,552,426.05

(5). Other cash received relating to financing activities

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Loan funds of relevant units received or recovered:	768,149,439.68	1,012,412,064.13
Net decrease in guarantee deposits of notes	168,808,449.80	17,289,647.80
Interest income from guarantee deposit	2,452,576.88	2,203,811.27
Repayment of loan by minority shareholders	3,947,877.82	
Total	943,358,344.18	1,031,905,523.20

(6). Other cash paid related to financing activities

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Note margins and L/C guarantee deposits paid		501,042,792.35
Financial lease paid	1,490,531,553.53	95,574,624.34
Repayment of principal on interest-free debt	185,087,917.55	
Acquisition of minority stockholders' equity	36,651,143.00	
Frozen bank deposits	1,697,738.00	
Others	949,873.07	
Paid handling charge for financing	26,523,169.82	4,410,000.00
Loan funds of relevant units paid	776,327,757.89	1,021,709,997.99
China Huarong Financial Leasing Co., Ltd. Risk Fund	20,017,669.48	58,054,743.24
Total	2,537,786,822.34	1,680,792,157.92

77. Supplementary Information of Cash Flow Statement**(1). Supplementary information of cash flow statement**

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Supplementary information	Amount of the current period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profits	2,682,335,991.14	2,031,020,084.77
Add: Provision for impairment of assets	47,924,648.25	47,422,939.09
Depreciation of fixed assets, oil and gas assets and bearer biological assets	1,930,044,400.29	1,168,623,204.77
Amortization of use right asset		
Amortization of intangible assets	58,294,273.58	43,274,315.03
Amortization of long-term deferred expenses	7,391,774.43	5,988,560.67
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains to be listed with "-")	-139,601,655.37	2,957,049.09
Loss from retirement of fixed assets (income to be listed with "-")	3,234,747.97	2,234,951.87
Loss from changes in fair value (gains to be listed with "-")		970,300.00
Financial expenses (gains to be listed with "-")	753,794,482.84	402,910,912.90
Investment loss (gains to be listed with "-")	-118,366,118.06	-75,502,391.70
Decreases of deferred income tax assets (increases to be listed with "-")	-8,431,755.25	-36,755,015.77
Increases of deferred income tax liabilities (decrease to be listed with "-")	103,289,362.73	18,743,390.33
Decrease of inventory (increase to be listed with "-")	-824,901,708.95	178,263,655.13
Decreases of operating receivables (increase to be listed with "-")	-4,787,479,039.95	-1,017,879,744.08
Increase in operating payables (decrease to be listed with "-")	2,649,935,804.03	928,722,526.26
Others		-601,374,694.21
Net cash flow from operating activities	2,357,465,207.68	3,099,620,044.15
2. Major investment and financing		

Supplementary information	Amount of the current period	Amount in the previous period
activities not relating to cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible bonds due within 1 year		
Fixed assets acquired under financial leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	1,942,739,577.25	2,428,024,586.63
Less: beginning balance of cash	2,428,024,586.63	2,489,844,230.58
Add: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-485,285,009.38	-61,819,643.95

(2). Net cash paid for acquisition of subsidiaries in the current period

Applicable Inapplicable

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents paid in the current period for business merger occurred in the current period	4,100,000.00
Including: Dongying Wanfulai Food Technology Co., Ltd.	4,100,000.00
Less: cash and cash equivalents held by subsidiaries on acquisition date	1,133,001.68
Including: Dongying Wanfulai Food Technology Co., Ltd.	189,907.26
Tianjin Zhongsheng Ridian Solar Energy Technology Co., Ltd.	942,705.28
Tianjin Fangsheng Lvneng Agricultural Technology Co., Ltd.	389.14
Add: cash or cash equivalents paid in the current period for business merger occurred during previous year	
Net cash paid to acquire subsidiaries	2,966,998.32

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

Applicable Inapplicable

Unit: Yuan Currency: RMB

	Amount
Cash and cash equivalents received in the current period from disposal of subsidiaries in the current period	872,519.11
Including: Panzhihua Tongwei Fish Co., Ltd.	872,519.11
Less: cash and cash equivalents held by subsidiaries on the loss-control date	
Add: cash or cash equivalents received in the current period from subsidiary disposal in the previous periods	
Net cash received from disposal of subsidiaries	872,519.11

(4). Composition of cash and cash equivalents

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
I. Cash	1,942,739,577.25	2,428,024,586.63
Including: cash on hand	273,455.70	808,016.03
Bank deposits available for payment on demand	1,749,657,393.40	2,369,161,849.90
Other cash and cash equivalents available for payment at any time	192,808,728.15	58,054,720.70
Available fund that is deposited into the Central Bank for		

Item	Ending balance	Beginning balance
payment		
Inter-bank deposits		
Interbank loans		
II. Cash equivalents		
Including: bond investment maturing within 3 months		
III. Ending balance of cash and cash equivalents	1,942,739,577.25	2,428,024,586.63
Including: Restricted cash and cash equivalents used by parent company or subsidiaries under the Group	749,942,171.52	984,029,523.65

Other notes:

Applicable Inapplicable

The banker's acceptance bill received by the Company in the current period and endorsed and transferred is RMB 7,976,895,599.11, while the banker's acceptance bill and letter of credit received in the current period but not due at the end of the period are RMB 4,849,615,423.19. "Cash received from selling goods and providing services" in the cash flow statement does not include the above business amount.

78. Notes to items of changes in owners' equity

Explain the names and amounts of "others" items adjusted to the ending balance of the previous year.

Applicable Inapplicable

79. Assets with restricted ownership or use right

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Book value at the end of the year	Reason of being restricted
Cash at bank and on hand	749,942,171.52	Providing guarantee for financing and operation of the Company
Notes receivable		
Inventories		
Fixed assets	2,644,518,455.91	Providing guarantee, financial lease, etc. for corporate financing
Intangible assets	185,118,480.96	Providing collateral for corporate financing
Receivables financing	4,250,855,326.54	Providing pledge for issuing banker's acceptance bill for the Company
Accounts receivable	606,060,716.10	Providing collateral for corporate financing
Investment real estate	66,732,319.61	Providing collateral for corporate financing
Total	8,503,227,470.64	/

80. Monetary items in foreign currency

(1). Monetary items in foreign currency

Applicable Inapplicable

Unit: Yuan

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance of converted RMB
Cash at bank and on hand	-	-	
Including: USD	18,945,261.09	6.9762	132,165,935.93

2019 Annual Report

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance of converted RMB
EUR	132,587.38	7.8155	1,036,236.66
HKD	297,614.46	0.89578	266,597.08
VND	505,550,040,453.61	0.0003012	152,274,108.58
Bangladesh taka	148,271,896.07	0.0824770	12,229,023.50
SGD	89,828.97	5.1739	464,766.11
IDR	4,616,874,088.10	0.0005020	2,317,670.79
Notes receivable	-	-	
Including: USD	43,071,759.17	6.9762	300,477,206.31
Accounts receivable	-	-	
Including: USD	8,438,672.80	6.9762	58,869,869.16
VND	317,773,761,057.39	0.0003012	95,714,988.27
Bangladesh taka	7,294,530.21	0.0824770	601,631.09
IDR	16,473,761,923.75	0.0005020	8,269,828.49
Other receivables	-	-	
Including: VND	904,057,615.27	0.0003012	272,306.51
IDR	1,736,089,647.60	0.0005020	871,517.00
Short-term loans	-	-	
Including: USD	2,542,855.62	6.9762	17,739,469.38
VND	89,591,265,589.00	0.0003012	26,985,320.96
IDR	31,500,000,000.00	0.0005020	15,813,000.02
Notes payable	-	-	
Including: USD	186,800.00	6.9762	1,303,154.16
EUR	5,653,532.64	7.8155	44,185,184.35
CHF	16,600.00	7.2028	119,566.48
Accounts payable	-	-	
Including: USD	142,500.15	6.9762	994,109.55
VND	222,157,990,958.20	0.0003012	66,915,057.54
Bangladesh taka	6,047,677.29	0.0824770	498,794.37
IDR	17,976,210,788.32	0.0005020	9,024,057.82
EUR	127,480.00	7.8155	996,319.94
Employee compensation payable	-	-	
Including: USD	2,550.17	6.9762	17,790.50
VND	10,603,313,995.20	0.0003012	3,193,769.27
Bangladesh taka	3,269,100.00	0.0824770	269,625.61
IDR	591,254,236.00	0.0005020	296,809.63
Taxes and fees payable	-	-	
Including: USD	47,136.80	6.9762	328,835.74
VND	41,804,735,349.95	0.0003012	12,591,787.75
Bangladesh taka	14,377,476.65	0.0824770	1,185,811.37
IDR	119,467,228.93	0.0005020	59,972.55
Interest payable	-	-	
Including: USD	5,251.24	6.9762	36,633.69
VND	138,835,851.00	0.0003012	41,818.03
IDR	45,005,806.55	0.0005020	22,592.91
Other payables	-	-	
Including: VND	22,110,946,999.63	0.0003012	6,659,923.80
Bangladesh taka	3,383,814.87	0.0824770	279,086.95

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance of converted RMB
IDR	140,419,411.00	0.0005020	70,490.54
Non-current liabilities due within one year	-	-	
Including: USD	1,500,000.00	6.9762	10,464,300.00
Long-term loans	-	-	
Including: USD	3,420,000.00	6.9762	23,858,604.00

(2). The description of overseas operating entities, including main premises abroad, bookkeeping base currency and selection basis to be disclosed for the important overseas operating entities; reasons shall also be disclosed for the changed bookkeeping base currency

Applicable Inapplicable

Company name	Major places of business	Recording currency	Selection basis of recording currency
Tongwei Holding Pte. Ltd.	Singapore	USD	Currency of major economic business
Tongwei Feed Mill Bangladesh Ltd.	Bangladesh	Bangladesh taka	Major local currencies
Tongwei Vietnam Co., Ltd.	Vietnam	VND	Major local currencies
Haiyang Tongwei Co., Ltd.	Vietnam	VND	Major local currencies
Heping Tongwei Co., Ltd.	Vietnam	VND	Major local currencies
PT. Tongwei Indonesia	Indonesia	IDR	Major local currencies
Qianjiang Tongwei Co., Ltd.	Vietnam	VND	Major local currencies
Tongta Tongwei Co., Ltd.	Vietnam	VND	Major local currencies
Tongwei Solar HK Co., Ltd.	Hong Kong	USD	Currency of major economic business

81. Hedging

Applicable Inapplicable

82. Government Subsidies

(1). Basic information of government subsidies

Applicable Inapplicable

Unit: Yuan Currency: RMB

Category	Amount	Item presented	Amount included in the current profit and loss
Assets-related government subsidies	603,483,685.95	Deferred incomes	59,981,555.86
Income-related government subsidies	1,074,300.00	Deferred incomes	251,973.36
Income-related government subsidies	154,070,431.11	Other incomes	154,070,431.11
Income-related government subsidies	59,579,039.29	Cost of main operations	59,579,039.29
Income-related government subsidies	27,900,347.52	Financial expenses	27,900,347.52

(2). Refund of government subsidies

Applicable Inapplicable

83. Others

Applicable Inapplicable

VIII. Changes in Consolidation Scope

1. Business merger under different control

Applicable Inapplicable

(1). Business merger under different control in current period

Applicable Inapplicable

Unit: Yuan Currency: RMB

Name of acquiree	Time point of acquisition of equity	Acquisition cost of equity	Acquisition proportion of equity (%)	Acquisition method of equity	Acquisition date	Basis for determination of acquisition date	Income of acquiree from acquisition date to the end of the period	Net profit of acquiree from acquisition date to the end of the period
Tianjin Zhongsheng Ridian Solar Energy Technology Co., Ltd.	2019/3/5	0.00	100.00	Acquired	2019/3/5	Note 1	19,251,909.03	8,354,485.84
Tianjin Fangsheng Lvneng Agricultural Technology Co., Ltd.	2019/3/8	0.00	100.00	Acquired	2019/3/8	Note 2	0.00	-6,772.80
Dongying Wanfulai Food Technology Co., Ltd.	2019/7/5	4,100,000.00	100.00	Acquired	2019/7/5	Note 3	0.00	0.00

Other notes:

Note 1: On September 25, 2018, Tongwei Huijin New Energy Co., Ltd., the controlling subsidiary of Tongwei New Energy Co., Ltd., a wholly-owned subsidiary of the Company, signed an equity transfer agreement with Qingdao New Energy Solutions Inc. (NESI) to acquire 100.00% equity in Tianjin Zhongsheng Ridian Solar Energy Technology Co., Ltd. held by Qingdao New Energy Solutions Inc. (NESI). For a price of RMB 0.00. The Company's articles of association were amended on March 5, 2019 and the handover was completed.

Note 2: On September 25, 2018, Tongwei Huijin New Energy Co., Ltd., the controlling subsidiary of Tongwei New Energy Co., Ltd., a wholly-owned subsidiary of the Company, signed an equity transfer agreement with NESI (Yongning) Poverty Alleviation and Development Services Co., Ltd. to acquire 100.00% equity in Tianjin Fangsheng Lvneng Agricultural Technology Co., Ltd. held by NESI (Yongning) Poverty Alleviation and Development Services Co., Ltd. for a price of RMB 0.00. The Company's articles of association were amended on March 8, 2019 and the handover was completed.

Note 3: on June 28, 2019, Dongying Tongli New Energy Co., Ltd., the controlling subsidiary of Tongwei New Energy Co., Ltd., a wholly-owned subsidiary of the Company, signed an equity transfer agreement with Nie Jianguang, obtaining 100.00% equity of Dongying Wanfulai Food Technology Co., Ltd. held by Nie Jianguang for RMB 4.1 million, obtaining a new business license on July 5, 2019, and completing the handover work.

(2). Merger cost and goodwill

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Merger cost	Tianjin Zhongsheng Ridian Solar Energy Technology Co., Ltd.
--Cash	0
--Fair value of non-cash assets	
--Fair value of liabilities issued or borne	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
--Fair value on acquisition date for equity held prior to the acquisition date	
--Others	
Total merger cost	0
Less: Fair value of net identifiable assets acquired	0
Amount of which the goodwill/merger cost is less than the fair value of net identifiable assets acquired	0

Merger cost	Tianjin Fangsheng Lvneng Agricultural Technology Co., Ltd.
--Cash	0
--Fair value of non-cash assets	
--Fair value of liabilities issued or borne	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
--Fair value on acquisition date for equity held prior to the acquisition date	
--Others	
Total merger cost	0
Less: Fair value of net identifiable assets acquired	0
Amount of which the goodwill/merger cost is less than the fair value of net identifiable assets acquired	0

Merger cost	Dongying Wanfulai Food Technology Co., Ltd.
--Cash	4,100,000.00
--Fair value of non-cash assets	
--Fair value of liabilities issued or borne	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
--Fair value on acquisition date for equity held prior to the acquisition date	
--Others	
Total merger cost	4,100,000.00
Less: Fair value of net identifiable assets acquired	4,100,000.00
Amount of which the goodwill/merger cost is less than the fair value of net identifiable assets acquired	0

(3). Identifiable assets and liabilities of the acquiree on the acquisition date

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

2019 Annual Report

	Tianjin Zhongsheng Ridian Solar Energy Technology Co., Ltd.		Tianjin Fangsheng Lvneng Agricultural Technology Co., Ltd.		Dongying Wanfulai Food Technology Co., Ltd.	
	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date
Assets:	103,678,112.55	103,678,112.55	1,001,329.14	1,001,329.14	4,100,000.00	4,100,000.00
Cash at bank and on hand	942,705.28	942,705.28	389.14	389.14	189,907.26	189,907.26
Receivables						
Inventories						
Fixed assets						
Intangible assets						
Advance payment	0.00				3,910,092.74	3,910,092.74
Other receivables	1,005,134.72	1,005,134.72				
Construction in progress	99,103,772.55	99,103,772.55	940.00	940.00		
Long-term deferred expenses	2,626,500.00	2,626,500.00	1,000,000.00	1,000,000.00		
Liabilities:	103,678,112.55	103,678,112.55	1,001,329.14	1,001,329.14	0.00	0.00
Borrowings						
Payables						
Deferred income tax liabilities						
Other payables	103,678,112.55	103,678,112.55	1,001,329.14	1,001,329.14		
Net assets	0.00	0.00	0.00	0.00	4,100,000.00	4,100,000.00
Less: Minority equity						
Acquired net assets	0.00	0.00	0.00	0.00	4,100,000.00	4,100,000.00

(4). Acquisition profit or loss arising from the revaluation of the equity held prior to the date at the fair value

Whether conditions of various deals for step-by-step business combination of control occurring in the reporting period

Applicable Inapplicable

(5). Relevant descriptions of the merging consideration or the fair value of identifiable net assets and liabilities of acquiree that cannot be confirmed rationally on the acquisition date or at the end of the current merging period

Applicable Inapplicable

(6). Other notes

Applicable Inapplicable

2. Business merger under common control

Applicable Inapplicable

3. Counter purchase

Applicable Inapplicable

4. Disposal of subsidiaries

Whether conditions of single disposal of the investment in subsidiary with control lost occurred

Applicable Inapplicable

Unit: Yuan Currency: RMB

2019 Annual Report

Name of subsidiary	Disposal price of equity	Disposal proportion of equity (%)	Disposal way of equity	Time point for loss of control	Basis for determining time point for loss of control	Difference between the disposal price and the Company's share of the subsidiary's net assets in the consolidated financial statements relevant to the disposed equity interest	Proportion of remaining equity on the date of loss of control (%)	Carrying value of remaining equity on the date of loss of control	Fair value of remaining equity on the date of loss of control	Profit or loss caused by recalculation of remaining equity according to fair value	Determining method and main assumptions of remaining equity fair value on the date of loss of control	Profit or loss on investment transferred from other comprehensive incomes in connection with equity investment of the original subsidiary
Panzhihua Tongwei Fish Co., Ltd.	872,519.11	100.00	Equity Transfer	2019/1/2	Asset Transfer	216,812.37	0.00%	-	-	-	-	-
Xiangcheng Tongwei Huijin New Energy Co., Ltd.	9,300,000.00	75.00	Equity Transfer	2019/5/16	Industrial and commercial registration of changes	9,300,000.00	0.00%	-	-	-	-	-

Other notes:

Applicable Inapplicable

In January 2019, the Company transferred its 100.00% equity interest in Panzhihua Tongwei Fish Co., Ltd. to Yang Kingshun. After the transfer, the Company no longer holds the equity interest in Panzhihua Tongwei Fish Co., Ltd., thus losing control over it. Therefore, since the day of losing control rights, Panzhihua Tongwei Fish Co., Ltd. will no longer be included in the scope of consolidated statements.

Xiangcheng Tongwei Huijin New Energy Co., Ltd., a controlling subsidiary of Tongwei Huijin New Energy Co., Ltd. which is a controlling subsidiary of Tongwei New Energy Co., Ltd. (a wholly-owned subsidiary of the Company), signed an equity transfer agreement with WANHUITONG ENERGY TECHNOLOGY CO., LTD. in October 2018 and completed all equity change procedures in May 2019.

Whether conditions of various deals for step-by-step equity investment disposal and loss of control occurred in the current period

Applicable Inapplicable

5. Changes in consolidation scope for other reasons

Explain the changes in consolidation scope due to other reasons (such as establishment of new subsidiaries, liquidation of subsidiaries etc.) and related circumstances:

Applicable Inapplicable

The Company invested and established in 2019 and newly merged first-level subsidiaries include: Nanchang Tongwei Biotechnology Co., Ltd., Yangjiang Haiyi Biotechnology Co., Ltd., Gongan County Tongwei Aquatic Products Technology Co., Ltd.

In 2019, ZHANJIANG HAIXIANFENG BIO-TECH CO., LTD., Chengdu Xintaifeng Livestock and Poultry Farming Co., Ltd., Chengdu Chunyuan Food Co., Ltd. and Sichuan Chunyuan Ecological Farming Co., Ltd., the second-level subsidiaries of the Company, were transferred to the first-level subsidiaries. Binzhou Tonghui Marine Technology Co., Ltd., a first-level subsidiary of the Company, was transferred to a third-level subsidiary.

6. Others

Applicable Inapplicable

7. Business merger under different control

(7). Merger cost and goodwill

(8). Identifiable assets and liabilities of the acquiree on the acquisition date

IX. Equity in Other Entities

1. Equities in subsidiaries

(1). Composition of the Group

Applicable Inapplicable

Subsidiaries name	Major places of business	Registered place	Business nature	Shareholding proportion (%)		Obtaining method
				Direct	Indirect	
Sichuan Yongxiang Co., Ltd.	Leshan City	Leshan City	Chemical industry, PV new energy	99.9999	0.0001	Business merger under common control
Tongwei Solar (Hefei) Co., Ltd.	Hefei City	Hefei City	Production and operation of cells and	100		Business merger under common

2019 Annual Report

Subsidiaries name	Major places of business	Registered place	Business nature	Shareholding proportion (%)		Obtaining method
				Direct	Indirect	
			modules			control
Tongwei New Energy Co., Ltd.	Chengdu City	Chengdu City	PV power management	100		Business merger under common control
Chongqing Tongwei Feed Co., Ltd.	Chongqing City	Chongqing City	Feed production and operation	100		Business merger under common control
Xiamen Tongwei Feed Co., Ltd.	Xiamen City	Xiamen City	Feed production and operation	100		Business merger under common control
Yuanjiang Tongwei Feed Co., Ltd.	Yuanjiang City	Yuanjiang City	Feed production and operation	100		Business merger under common control
Wuhan Tongwei Feed Co., Ltd.	Wuhan City	Wuhan City	Feed production and operation	100		Business merger under common control
Shashi Tongwei Feed Co., Ltd.	Shashi	Shashi	Feed production and operation	100		Business merger under common control
Guangdong Tongwei Feed Co., Ltd.	Foshan City	Foshan City	Feed production and operation	100		Business merger under common control
Shandong Tongwei Feed Co., Ltd.	Zibo City	Zibo City	Feed production and operation	92		Business merger under common control
Zaozhuang Tongwei Feed Co., Ltd.	Zaozhuang City	Zaozhuang City	Feed production and operation	100		Business merger under common control
Suzhou Tongwei Special Feed Co., Ltd.	Suzhou City	Suzhou City	Feed production and operation	100		Business merger under common control
He'nan Tongwei Feed Co., Ltd.	Xinxiang city	Xinxiang city	Feed production and operation	100		Business merger under common control
Changchun Tongwei Feed Co., Ltd.	Changchun City	Changchun City	Feed production and operation	100		Business merger under common control
Chengdu Tongwei Aquatic Products Technology Co., Ltd.	Chengdu City	Chengdu City	Aquaculture industries	100		Business merger under common control
Chengdu Tongwei Fish Co., Ltd.	Chengdu City	Chengdu City	Aquaculture industries	100		Business merger under common control
Chengdu Tongwei Sanxin Pharmaceutical Co. Ltd.	Chengdu City	Chengdu City	Veterinary drugs	70		Business merger under different controls
Tongwei (Hainan) Aquatic Products Co., Ltd.	Hainan	Hainan	Food processing	100		Business merger under different controls
Hainan Haiyi Aquatic Products Feed Co., Ltd.	Hainan	Hainan	Feed production and operation	100		Business merger under different controls
Zhuhai Haiyi Aquatic Products Feed Co., Ltd.	Zhuhai City	Zhuhai City	Feed production and operation	100		Business merger under different controls
Hainan Haiyi Aquatic	Hainan	Hainan	Aquaculture	49.95		Business merger

2019 Annual Report

Subsidiaries name	Major places of business	Registered place	Business nature	Shareholding proportion (%)		Obtaining method
				Direct	Indirect	
Seed Co., Ltd.			industries			under different controls
Nantong Bada Feed Co., Ltd.	Nantong City	Nantong City	Feed production and operation	100		Business merger under different controls
Tongwei (Chengdu) Salmon Co., Ltd.	Chengdu City	Chengdu City	Aquaculture industries	100		Business merger under different controls
Hainan Haiyi Biotechnology Co., Ltd.	Hainan	Chengmai County	Biological products	51		Business merger under different controls
Chengdu Xintaifeng Agricultural Development Co., Ltd.	Chengdu City	Chengdu City	Food processing	100		Business merger under different controls
Nanning Tongwei Feed Co., Ltd.	Nanning City	Nanning City	Feed production and operation	100		Establishment by investment
Tianjin Tongwei Feed Co., Ltd.	Tianjin City	Tianjin City	Feed production and operation	100		Establishment by investment
Huai'an Tongwei Feed Co., Ltd.	Huai'an City	Huai'an City	Feed production and operation	100		Establishment by investment
Jieyang Tongwei Feed Co., Ltd.	Jieyang City	Jieyang City	Feed production and operation	100		Establishment by investment
Chengdu Ronglai Tongwei Feed Co., Ltd.	Chengdu City	Chengdu City	Feed production and operation	80		Establishment by investment
Yangzhou Tongwei Feed Co., Ltd.	Yangzhou City	Yangzhou City	Feed production and operation	100		Establishment by investment
Langfang Tongwei Feed Co., Ltd.	Langfang City	Langfang City	Feed production and operation	100		Establishment by investment
Chengdu Tongwei Animal Nutrition Technology Co., Ltd.	Chengdu City	Chengdu City	Feed production and operation	100		Establishment by investment
Panzhuhua Tongwei Feed Co., Ltd.	Panzhuhua City	Panzhuhua City	Feed production and operation	100		Establishment by investment
Tongwei (Chengdu) Aquatic Products Co., Ltd.	Chengdu City	Chengdu City	Food processing	100		Establishment by investment
Foshan Nanhai Tongwei Aquatic Products Technology Co., Ltd.	Guangzhou City	Guangzhou City	Aquaculture industries	100		Establishment by investment
Tongwei Agricultural Financing Guarantee Co., Ltd.	Chengdu City	Chengdu City	Guarantee	100		Establishment by investment
Tongwei (Chengdu) Agriculture Investment Holding Co., Ltd.	Chengdu City	Chengdu City	Investment	100		Establishment by investment
Sichuan Tongguang Construction Engineering Co., Ltd.	Chengdu City	Chengdu City	Architecture	100		Establishment by investment
Tongwei Aquatic Products Co., Ltd.	Chengdu City	Chengdu City	Aquaculture industries	100		Establishment by investment
Chongqing Changshou Tongwei Feed Co., Ltd.	Chongqing Changshou	Chongqing Changshou	Feed production and operation	100		Establishment by investment
Qianxi Tongwei Feed Co., Ltd.	Qianxi County	Qianxi County	Feed production and operation	100		Establishment by investment
Lianyungang Tongwei	Lianyungang	Lianyungang	Feed production and	100		Establishment by

2019 Annual Report

Subsidiaries name	Major places of business	Registered place	Business nature	Shareholding proportion (%)		Obtaining method
				Direct	Indirect	
Feed Co., Ltd.	City	City	operation			investment
Chengdu Tongwei Automation Equipment Co., Ltd.	Chengdu City	Chengdu City	Equipment Manufacturing	62.95		Establishment by investment
Foshan Tongwei Feed Co., Ltd.	Foshan City	Foshan City	Feed production and operation	100		Establishment by investment
Zibo Tongwei Feed Co., Ltd.	Zibo City	Zibo City	Feed production and operation	76		Establishment by investment
Tongwei (Dafeng) Feed Co., Ltd.	Yancheng City	Yancheng City	Feed production and operation	51		Establishment by investment
Kunming Tongwei Feed Co., Ltd.	Kunming City	Kunming City	Feed production and operation	100		Establishment by investment
Zibo Tongwei Food Co., Ltd.	Zibo City	Zibo City	Food processing	100		Establishment by investment
Foshan Gaoming Tongwei Feed Co., Ltd.	Gaoming City	Gaoming City	Feed production and operation	100		Establishment by investment
Tianmen Tongwei Biotechnology Co., Ltd.	Tianmen City	Tianmen City	Feed production and operation	100		Establishment by investment
Binyang Tongwei Feed Co., Ltd.	Binyang City	Binyang City	Feed production and operation	100		Establishment by investment
Fuzhou Tongwei William Feed Co., Ltd.	Fuzhou City	Fuzhou City	Feed production and operation	65		Establishment by investment
Ningxia Yinchuan Tongwei Feed Co., Ltd.	Yinchuan City	Yinchuan City	Feed production and operation	100		Establishment by investment
Harbin Tongwei Feed Co., Ltd.	Binxian County	Binxian County	Feed sales	100		Establishment by investment
Nanjing Tongwei Aquatic Products Technology Co., Ltd.	Nanjing City	Nanjing City	Aquaculture, feed sales	100		Establishment by investment
Tongwei Holding Pte. Ltd.	Singapore	Singapore	Trade	100		Establishment by investment
Tongwei Industrial (Tibet) Co., Ltd.	Lhasa City	Lhasa City	Trade	100		Establishment by investment
Chizhou Tongwei Feed Co., Ltd.	Anhui Province	Chizhou City	Feed production and operation	100		Establishment by investment
Chengdu Tongwei Aquatic Seed Co., Ltd.	Chengdu City	Chengdu City	Aquaculture industries	100		Establishment by investment
Hengshui Tongwei Feed Co., Ltd.	Hebei Province	Hebei Province	Feed production and operation	100		Establishment by investment
Qingyuan Tongwei Feed Co., Ltd.	Yingde City	Yingde City	Feed production and operation	100		Establishment by investment
Honghu Tongwei Feed Co., Ltd.	Honghu City	Honghu City	Feed production and operation	100		Establishment by investment
Sichuan Tongwei Food Co., Ltd.	Chengdu City	Chengdu City	Food processing	70		Establishment by investment
Hanshou Tongwei Feed Co., Ltd.	Changde City	Honghu City	Feed production and operation	100		Establishment by investment
Sichuan Fishery-Solar Wulian Technology Co., Ltd.	Chengdu City	Chengdu City	Others	60		Establishment by investment
Sichuan Willtest Technology Co., Ltd.	Chengdu City	Chengdu City	Testing service	81.68		Establishment by investment
Wuxi Tongwei Biotechnology Co., Ltd.	Wuxi City	Wuxi City	Aquaculture, feed sales	100		Establishment by investment

Subsidiaries name	Major places of business	Registered place	Business nature	Shareholding proportion (%)		Obtaining method
				Direct	Indirect	
Binzhou Tonghui Marine Technology Co., Ltd.	Binzhou City	Binzhou City	PV new energy		50.83	Establishment by investment
Tongwei New Energy Engineering Design (Sichuan) Co., Ltd.	Chengdu City	Chengdu City	Electrical Engineering Design	100		Business merger under different controls
Zhejiang Tongwei Solar Technology Co., Ltd.	Zhejiang Province	Zhejiang Province	PV new energy	100		Establishment by investment
Sichuan Tongwei Feed Co., Ltd.	Meishan City	Chengdu City	Feed production and operation	100		Establishment by investment
Sichuan Tongwei Sanlian Aquatic Products Co., Ltd.	Chengdu City	Chengdu City	Aquatic product market management	53.57		Establishment by investment
Qingdao Hairen Aquatic Seed Industry Technology Co., Ltd.	Qingdao City	Qingdao City	Aquaculture industries	51		Business merger under different controls
Chengdu Tongwei Quannonghui Electronic Commerce Co., Ltd.	Chengdu City	Chengdu City	Retail Business	100		Business merger under common control
Sichuan Yongxiang New Material Co., Ltd.	Leshan City	Leshan City	Chemical	100		Establishment by investment
Tianmen Tongwei Aquatic Products Technology Co., Ltd.	Tianmen City	Tianmen City	Feed production and operation	100		Establishment by investment
Nanning Tongwei Biotechnology Co., Ltd.	Nanning City	Nanning City	Feed production and operation	100		Establishment by investment
Yangjiang Haiyi Biotechnology Co., Ltd.	Yangjiang City	Yangjiang City	Feed production and operation	100		Establishment by investment
Nanchang Tongwei Biotechnology Co., Ltd.	Nanchang City	Nanchang City	Feed production and operation	82.76		Establishment by investment
Gongan County Tongwei Aquatic Products Technology Co., Ltd.	Gongan County	Gongan County	Aquaculture and seedling breeding	100		Establishment by investment
Sichuan Chunyuan Ecological Farming Co., Ltd.	Qionglai City	Qionglai City	Farming industries	100		Business merger under different controls
Chengdu Xintaifeng Livestock and Poultry Farming Co., Ltd.	Qionglai City	Qionglai City	Farming industries	100		Business merger under different controls
Chengdu Chunyuan Food Co., Ltd.	Qionglai City	Qionglai City	Food processing	93.63		Business merger under different controls
Zhanjiang Haixianfeng Bio-tech Co., Ltd.	Hainan	Chengmai County	Biological products	51		Business merger under different controls

Explanation of the fact that the shareholding percentage is different from proportion of votes in subsidiaries:

None

Basis for the Company's control over the investee when holding half of the votes or less and the Company's loss of control over the investee when holding half of the votes or more:

None

Basis for control over the important structured entities incorporated in consolidated scope:

None

Basis to determine the Company is the agent or the principal:

None

Other notes:

In 2019, the Company established Yangjiang Haiyi Biotechnology Co., Ltd., Nanchang Tongwei Biotechnology Co., Ltd. and Gonggan County Tongwei Aquatic Products Technology Co., Ltd.

In 2019, Sichuan Chunyuan Ecological Farming Co., Ltd., Chengdu Xintaifeng Livestock and Poultry Farming Co., Ltd., Chengdu Chunyuan Food Co., Ltd. and ZHANJIANG HAIXIANFENG BIO-TECH CO., LTD., the second-level subsidiaries of the Company, were transferred to the first-level subsidiaries.

In 2019, Binzhou Tonghui Marine Technology Co., Ltd., a first-level subsidiary of the Company, was transferred to a third-level subsidiary.

(2). Important non-wholly-owned subsidiaries

Applicable Inapplicable

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding proportion of minority shareholders (%)	Profit or loss attributable to minority shareholders in current period	Dividends declared to minority shareholders in current period	Equity balance of minority shareholders at the end of the period
Sichuan Yongxiang New Energy Co., Ltd.	15.00%	29,086,866.17		209,067,260.48

Explanation of the fact that shareholding percentage is different from the proportion of voting rights for minority shareholders in the subsidiaries:

Applicable Inapplicable

None

Other notes:

Applicable Inapplicable

None

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

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Name of subsidiary company	Ending balance						Beginning 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
Sichuan Yongxiang New Energy Co., Ltd.	1,023,382,697.73	2,734,680,780.58	3,758,063,478.31	913,637,643.35	1,450,644,098.45	2,364,281,741.80	518,080,227.82	2,307,066,024.59	2,825,146,252.41	1,438,449,343.86	186,827,613.14	1,625,276,957.00

Name of subsidiary company	Amount in the current period				Amount in the previous period			
	Operating income	Net profits	Total comprehensive income	Cash flow from operating activities	Operating income	Net profits	Total comprehensive income	Cash flow from operating activities
Sichuan Yongxiang New Energy Co., Ltd.	1,246,542,200.06	193,912,441.10	193,912,441.10	-91,786,560.31	11,034.49	-130,704.59	-130,704.59	16,925,727.21

(4). Major limitations on use of enterprise group assets and payment of enterprise group debts:

□ Applicable √ Inapplicable

(5). Financial support or other supports provided to structured entities incorporated into the scope of consolidated financial statement

□ Applicable √ Inapplicable

Other notes:

□ Applicable √ Inapplicable

2. Transactions of the owner's equity portion variation in the subsidiaries and the subsidiaries still being under control

Applicable Inapplicable

(1). Change of owners' equity in subsidiaries

Applicable Inapplicable

Through the resolution passed by the shareholders' meeting of Tongwei Huijin New Energy Co., Ltd., the subscribed capital contribution will be adjusted in January, March and June 2019 respectively, and all the subscribed capital contributions will be paid according to the adjustment. Thus, the shareholding ratio of Tongwei New Energy Co., Ltd., a wholly-owned subsidiary of the Company, to Tongwei Huijin New Energy Co., Ltd. has changed from 88.51% to 88.75%.

In August 2019, the Company has acquired 30.00% of its equity held by minority shareholders of Honghu Tongwei Feed Co., Ltd. with RMB 48,164,469.77. After the acquisition, the Company's equity ratio in Honghu Tongwei Feed Co., Ltd. was changed from 70.00% to 100.00%.

In August 2019, Tongwei Huijin New Energy Co., Ltd., a controlling subsidiary of Tongwei New Energy Co., Ltd., a wholly-owned subsidiary of the Company, acquired 48.00% of the shares of Zhenjiang Tongwei Huantai Huijin New Energy Co., Ltd. for RMB 38,000,000.00. After the acquisition, Tongwei Huijin New Energy Co., Ltd. changed its shareholding from 52.00% to 100.00%.

In September 2019, the Company increased its capital by RMB 95 million to Chengdu Chunyuan Food Co., Ltd. after the increase, the Company's shareholding in Chengdu Chunyuan Food Co., Ltd. was changed from 72.29% to 93.63%.

In October 2019, the Company has acquired 3.68% of its equity held by minority shareholders of Sichuan Willtest Technology Co., Ltd. with RMB 1,051,100.00. After the acquisition, the Company's equity ratio in Sichuan Willtest Technology Co., Ltd. was increased from 78.00% to 81.68%.

In December 2019, the Company has acquired 5.00% of its equity held by minority shareholders of Chengdu Tongwei Automation Equipment Co., Ltd. with RMB 654,054.14. After the acquisition, the Company's equity ratio in Chengdu Tongwei Automation Equipment Co., Ltd. was increased from 57.95% to 62.95%.

(2). The influence of trading on interests of minority shareholders and owners of the parent company

Applicable Inapplicable

Unit: Yuan Currency: RMB

	Tongwei Huijin New Energy Co., Ltd.	Honghu Tongwei Feed Co., Ltd.	Zhenjiang Tongwei Huantai Huijin New Energy Co., Ltd.	Chengdu Chunyuan Food Co., Ltd.	Sichuan Willtest Technology Co., Ltd.	Chengdu Tongwei Automation Equipment Co., Ltd.
Acquisition cost/disposal consideration						
--Cash	551,143.00	10,000,000.00	38,000,000.00	95,000,000.00	1,051,100.00	654,054.14
--Fair value of non-cash assets						
--Other receivables		38,164,469.77				
Total consideration paid						
Total acquisition cost/disposal	551,143.00	48,164,469.77	38,000,000.00	95,000,000.00	1,051,100.00	654,054.14

	Tongwei Huijin New Energy Co., Ltd.	Honghu Tongwei Feed Co., Ltd.	Zhenjiang Tongwei Huantai Huijin New Energy Co., Ltd.	Chengdu Chunyuan Food Co., Ltd.	Sichuan Willtest Technology Co., Ltd.	Chengdu Tongwei Automation Equipment Co., Ltd.
consideration						
Less: net assets of the subsidiaries calculated based on the proportion of assets acquired/disposed	557,635.12	20,277,724.18	34,064,154.62	84,934,447.60	836,745.65	280,914.39
Difference	-6,492.12	27,886,745.59	3,935,845.38	10,065,552.40	214,354.35	373,139.75
Including: adjustment to the capital reserves	6,492.12	-27,886,745.59	-3,935,845.38	-10,065,552.40	-214,354.35	-373,139.75
Adjustment of surplus reserves						
Adjustment of undistributed profits						

Other notes

Applicable Inapplicable

3. Equity in joint ventures or associates

Applicable Inapplicable

(1). Important joint ventures or associates

Applicable Inapplicable

Unit: Yuan Currency: RMB

Name of joint venture or associate	Major places of business	Registered place	Business nature	Shareholding proportion (%)		Accounting treatment method of joint ventures or associates
				Direct	Indirect	
Lijiang LONGi Silicon Materials Co., Ltd.	Huaping County, Lijiang City, Yunnan Province	Clean and Energy-bearing Industry Park, Shilongba Town, Huaping County	Production and sales of silicon materials		15.00	Equity method

Description of shareholding proportion of joint ventures or associates different from proportion of voting rights:

None

Basis for determining a shareholder holding less than 20% of the voting rights has significant influence, or a shareholder holding 20% or more of the voting rights does not have significant influence:

None

(2). Main financial information of important joint ventures

Applicable Inapplicable

(3). Main financial information of important associates

Applicable Inapplicable

Unit: Yuan Currency: RMB

2019 Annual Report

	Ending balance/ Amount incurred in current period	Beginning balance/ Amount incurred in previous period
	Lijiang LONGi Silicon Materials Co., Ltd.	Lijiang LONGi Silicon Materials Co., Ltd.
Current assets	1,574,684,481.13	1,039,319,280.48
Non-current assets	1,082,766,809.32	905,358,721.17
Total assets	2,657,451,290.45	1,944,678,001.65
Current liabilities	789,201,631.89	764,689,751.00
Non-current liabilities	362,596,492.47	360,192,998.66
Total liabilities	1,151,798,124.36	1,124,882,749.66
Non-controlling interest		
Equity attributable to shareholders of the parent company	1,505,653,166.09	819,795,251.99
Net assets calculated based on percentage of shareholding	225,847,974.91	122,998,224.18
Adjustment events	-1,101,889.60	
--Goodwill		
--Unrealized profit of internal transaction	-1,101,889.60	
--Others		
Book value of equity investment in associates	224,746,085.31	122,998,224.18
Fair value of equity investment in associates with public offer		
Operating income	3,041,951,877.56	765,080,404.16
Net profits	685,658,922.50	25,041,978.93
Net profits from termination of operation		
Other comprehensive income		
Total comprehensive income		
Dividends received from associates in the current year		

(4). Summary of financial information of unimportant joint ventures and associates

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

	Ending balance/ Amount incurred in current period	Beginning balance/ Amount incurred in previous period
Joint ventures:		
Total book value of investment	133,196,410.24	136,435,209.33
Total amount of following items according to shareholding proportion		
-- Net profits	6,008,246.06	13,872,259.22
-- Other comprehensive income	40,051.66	22,211.74
-- Total comprehensive income	6,048,297.72	13,894,470.96
Associate:		
Total book value of investment	81,798,729.03	22,155,686.95
Total amount of following items according to shareholding proportion		
-- Net profits	-56,957.92	-644,313.05
-- Other comprehensive income		
-- Total comprehensive income	-56,957.92	-644,313.05

Other notes

None

(5). Explanation on major restrictions on the capability of transferring capital from joint ventures or associates to the Company

Applicable Inapplicable

(6). Excess losses incurred to joint ventures or associates

Applicable Inapplicable

(7). Unrecognized commitments related to investment of joint ventures

Applicable Inapplicable

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

Applicable Inapplicable

4. Significant joint operation

Applicable Inapplicable

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

Description of the structured entities not included in consolidated financial statements:

Applicable Inapplicable

6. Others

Applicable Inapplicable

X. Risks Related to Financial Instruments

Applicable Inapplicable

The Company is faced with all kinds of financial risks during operation: credit risk, market risk and liquidity risk.

1. Credit risk

Credit risk refers to the risk of financial loss of one party due to the failure to perform obligations by another party of financial instruments. The Company is mainly confronted with customer credit risks arising from sale on credit. Before the conclusion of a new contract, the Company may evaluate the credit risk of a new customer, including external credit rating and, in some cases, bank reference letter (if available). The Company has set a credit limit for each customer which is the maximum limit without obtaining any additional approval.

Through credit monitoring and account receivable aging management for existing customers, the financial department submits weekly changes in receivables of key customers to ensure that the Company's overall credit risk is within a controllable range. Customers shall be grouped according to the credit features in monitoring the credit risks of customers. Customers classified into "high risk" level will be listed in the list of restricted customers, and they must make corresponding payments in advance.

2. Market risk

Market risk of financial instruments refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to market price development, including foreign exchange risk, interest rate risk and other price risk.

(1) Interest rate risk

Interest rate risk refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to change in market interest rate. Interest rate risks faced by the Company are mainly from bank borrowings.

On December 31, 2019, the Company's long-term and short-term loans with floating interest rates were RMB 3,318.9517 million and RMB 1,643.5916 million respectively.

By controlling the debt structure within a reasonable range, the Company's headquarters will uniformly dispatch the funds of domestic branches, enhance the liquidity of funds, prevent the occurrence of overdue loans, maintain good bank credit and effectively control interest rate risks.

(2) Foreign exchange risk

Foreign exchange risk refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to change in foreign exchange rate. The Company tries to match the foreign currency income and foreign expense to reduce foreign exchange risk. The foreign exchange risks faced by the Company mainly come from financial assets and financial liabilities denominated in foreign currencies such as us dollar, Vietnamese dong, Bangladesh taka, Indonesian rupiah, SGD, euro and HKD. Please refer to "monetary items for foreign currency" for the amount converted from foreign currency financial assets and foreign currency financial liabilities into RMB.

3. Liquidity risk

Liquidity risk refers to the risk of capital shortage in performing obligation of settling accounts by cash payment or other financial assets. The policy of the Company is to ensure that there is sufficient cash to pay the matured debts. Liquidity risk is generally controlled by the finance department of the Company. The finance department ensures that the Company possesses sufficient capital to pay the debts through monitoring of cash reserve and negotiable securities which can be converted into cash at any time and rolling prediction of cash flow in the next 12 months.

XI. Disclosure of Fair Value

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

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Trading financial assets				
1. Financial assets at fair value through current profits and losses				
(1) Bond instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Financial assets designated to be measured at fair value with the changes in fair value included in current profits and losses				
(1) Bond instrument investment				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investments			153,385,357.94	153,385,357.94
(IV) Investment real estates				
1. Land use right for lease				
2. Buildings for lease				

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
3. Land use rights possessed and ready for transfer after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Bearer biological assets				
Receivables financing			4,392,541,416.88	4,392,541,416.88
Total amount of assets continuously measured at fair value			4,545,926,774.82	4,545,926,774.82
(VI) Trading financial liabilities				
1. Financial liabilities at fair value through current profits and losses				
Including: trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities measured at fair value with their variance recorded into current profits and losses				
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total amount of assets non-continuously measured at fair value				
Total amount of liabilities non-continuously measured at fair value				

2. Basis for recognition of market prices for continuous and non-continuous level 1 fair value measurement items

Applicable Inapplicable

3. Qualitative and quantitative information about valuation techniques and key parameters of items subject to continuous and non-continuous level 2 fair value measurement

Applicable Inapplicable

4. Qualitative and quantitative information about valuation techniques and key parameters of items subject to continuous and non-continuous level 3 fair value measurement

Applicable Inapplicable

The remaining period of receivables financing is relatively short, and the book value is close to the fair value. The book value is adopted as the fair value.

Investment in other equity instruments takes the net assets of the invested entity at the end of the period as an important reference basis for assessing its fair value. The fair value is determined by

specific valuation techniques, and the important parameters include the interest rate that cannot be directly observed.

5. Information on adjustment between beginning book value and ending book value of items subject to continuous level 3 fair value measurement and sensitivity analysis of non-observable parameters

Applicable Inapplicable

6. Reasons for transfer and the policies applicable at the time of transfer for items subject to continuous fair value measurement and having transferred between levels in the current period

Applicable Inapplicable

7. Change of valuation techniques incurred in the current period and the reasons thereof

Applicable Inapplicable

8. Fair value of financial assets and liabilities not measured at fair value

Applicable Inapplicable

9. Others

Applicable Inapplicable

XII. Related Parties and Related Party Transactions

1. Parent company of the Company

Applicable Inapplicable

Unit: 10,000 Yuan Currency: RMB

Name of the parent company	Registered place	Business nature	Registered capital	Share proportion held by parent company in the Company (%)	Voting right proportion of parent company in the Company (%)
Tongwei Group Co., Ltd.	Sichuan Province	Mixed operation	20,000.00	51.47	51.47

Instructions to the parent company of the Company

Company name: Tongwei Group Co., Ltd.; Nature of enterprise: limited liability company; Registered Address: No. 588, Tianfu Avenue Middle Section, Hi-Tech Zone, Chengdu; Office location: No. 588, Tianfu Avenue Middle Section, Hi-Tech Zone, Chengdu; Legal Representative: Guan Yamei; Registered capital: RMB 200 million. Scope of business: (The following scope does not include items requiring prior approval, and items subject to ex-post approval are operated with license or approval documents) Feed processing; manufacturing of special equipment for electronic industry; manufacturing of photovoltaic equipment and components; battery manufacturing; manufacturing of domestic appliances for gas, solar and similar energy sources; aquaculture (the above items are limited to branches); wholesale and retail of commodities; livestock husbandry; science and technology promotion and application services; software and information technology services; import and export industry; real estate development and management; property management; leasing industry; advertising; solar power generation. (For the items that are subject to approval according to laws, the business activities shall be carried out only with approval from relevant departments.)

Ultimate controlling party of the Company is Liu Hanyuan

Other notes:

None

2. Subsidiaries of the Company

For detailed information about subsidiaries of the Company, see Notes.

Applicable Inapplicable

For detailed information about subsidiaries of the Company, see “Equity in Other Entities”.

3. Information of joint ventures and associates of the Company

For detailed information about important joint ventures or associates of the Company, see Notes.

Applicable Inapplicable

The information on other joint ventures or associates which produced balance for conducting related party transaction with the Company in current period or in the previous period is shown as follows

Applicable Inapplicable

Name of joint venture or associate	Relationship with the Company
Shaoxing Tongwei Jiuding Feed Co., Ltd.	Joint venture
Hefei Tongwei Jiuding Feed Co., Ltd.	Joint venture
Maoming Tongwei Jiuding Feed Co., Ltd.	Joint venture
Huangmei Tongwei Jiuding Feed Co., Ltd.	Joint venture
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Joint venture
Lianyungang Tongwei Jiuding Feed Co., Ltd.	Joint venture
Kunming Tongwei Jiuding Feed Co., Ltd.	Joint venture
Jiangsu Yanhai Tongwei Fuyun New Energy Co., Ltd.	Joint venture
Xinxiang Tongwei Jiuding Feed Co., Ltd.	Joint venture
Shanghai Yizheng Seed Industry Co., Ltd.	Joint venture
Lijiang LONGi Silicon Materials Co., Ltd.	Associate
Zhongwei New Energy (Chengdu) Co., Ltd.	Associate

Other notes

Applicable Inapplicable

4. Information of other related parties

Applicable Inapplicable

Name of other related parties	Relationship between other related parties and the Company
Chengdu Care Pet Food Co., Ltd.	The same ultimate control
Chengdu Tongwei Culture Media Co., Ltd.	The same ultimate control
Chengdu Tongwei Property Co., Ltd.	The same ultimate control
Chengdu Tongyu Property Co., Ltd.	The same ultimate control
Chengdu Xinrui Technology Development Co., Ltd.	The same ultimate control
Leshan Yongxiang Silicon Industry Co., Ltd.	The same ultimate control
Sichuan Huadi Hengtong Group Co., Ltd.	The same ultimate control
Sichuan Tongli Construction Engineering Co., Ltd.	The same ultimate control
Meishan Tongwei Land Property Co., Ltd.	The same ultimate control
Leshan Yongxiang Polysilicon Co., Ltd.	The same ultimate control
Zhuhai Haiwei Feed Co., Ltd.	A wholly-owned subsidiary of the joint venture BioMar Tongwei (Wuxi) Biotech Co., Ltd.

Other notes

None

5. Related party transactions

(1). Related party transactions of purchasing or selling goods and rendering or receiving labor services

Table of purchasing goods/receiving labor services

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Related party	Content of related party transaction	Amount in the current period	Amount in the previous period
Zhuhai Haiwei Feed Co., Ltd.	Feed	105,888,930.83	80,149,644.77
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Feed	798,111.70	48,980.00
Lianyungang Tongwei Jiuding Feed Co., Ltd.	Feed		294,644.00
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Premix	808,246.00	
Zhuhai Haiwei Feed Co., Ltd.	Raw materials	30,088.38	5,251.81
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Raw materials		786,100.00
Zhuhai Haiwei Feed Co., Ltd.	Packing materials, labels	142,016.68	26,259.92
Zhuhai Haiwei Feed Co., Ltd.	Processing charges	35,073.44	
Shanghai Yizheng Seed Industry Co., Ltd.	Shrimp larvae		1,072,657.70
Jiangsu Yanhai Tongwei Fuyun New Energy Co., Ltd.	Fry		441,654.80
Leshan Yongxiang Polysilicon Co., Ltd.	Hydrogen compressor		39,606,837.78
Chengdu Tongyu Property Co., Ltd.	Property fees and service charge	29,057,206.36	15,103,462.51
Chengdu Tongwei Culture Media Co., Ltd.	Goods and labor services	8,215,962.90	12,723,570.69
Chengdu Xinrui Technology Development Co., Ltd.	ERP Information Management Platform	600,000.00	7,610,598.56
Chengdu Xinrui Technology Development Co., Ltd.	Spare parts	202,607.19	
Chengdu Xinrui Technology Development Co., Ltd.	Machinery equipment	30,626,559.56	
Leshan Yongxiang Silicon Industry Co., Ltd.	Office buildings		831,467.12

Table of selling goods/rendering labor services

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Related party	Content of related party transaction	Amount in the current period	Amount in the previous period
Maoming Tongwei Jiuding Feed Co., Ltd.	Feed	157,780,969.90	303,068,846.29
Shaoxing Tongwei Jiuding Feed Co., Ltd.	Feed	68,601,893.64	66,888,341.71
Hefei Tongwei Jiuding Feed Co., Ltd.	Feed	66,667,939.32	153,482,355.51
Huangmei Tongwei Jiuding Feed Co., Ltd.	Feed	58,963,841.98	102,079,986.69
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Feed	37,799,269.82	35,763,033.86
Zhuhai Haiwei Feed Co., Ltd.	Feed	190,521.44	2,461,465.16
Tongwei Group Co., Ltd.	Feed	17,250.00	
Lianyungang Tongwei Jiuding Feed Co., Ltd.	Feed		11,451,949.03
Kunming Tongwei Jiuding Feed Co., Ltd.	Feed		30,905,003.89
Xinxiang Tongwei Jiuding Feed Co., Ltd.	Feed		8,280,341.94
Zhuhai Haiwei Feed Co., Ltd.	Raw materials	12,551,441.14	179,878,253.95
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Raw materials	7,925,418.33	4,465.00
Chengdu Care Pet Food Co., Ltd.	Raw materials		900.00
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Premix	11,203,030.00	12,041,276.40
Chengdu Care Pet Food Co., Ltd.	Premix	134,395.00	146,010.00
Zhuhai Haiwei Feed Co., Ltd.	Premix		1,747,200.00
Shanghai Yizheng Seed Industry Co., Ltd.	Shrimp larvae		1,179,684.00
Zhuhai Haiwei Feed Co., Ltd.	Medicine	576,291.94	675,167.79
Zhuhai Haiwei Feed Co., Ltd.	Packing materials	214,971.08	185,523.59

Related party	Content of related party transaction	Amount in the current period	Amount in the previous period
Shaoxing Tongwei Jiuding Feed Co., Ltd.	Packing materials	12,626.30	9,078.14
Xinxiang Tongwei Jiuding Feed Co., Ltd.	Packing materials		2,818.93
Tongwei Group Co., Ltd. and its subsidiaries	Foods	532,763.02	160,955.23
Lijiang LONGi Silicon Materials Co., Ltd.	Polysilicon	323,495,908.88	75,506,862.10
Zhongwei New Energy (Chengdu) Co., Ltd.	Cell	8,477,875.78	
Zhongwei New Energy (Chengdu) Co., Ltd.	Monocrystalline silicon wafer	1,092,478.32	
Tongwei Group Co., Ltd.	Distributed household system		163,992.24
Zhongwei New Energy (Chengdu) Co., Ltd.	Other, tooling	52,474.76	183.94
Meishan Tongwei Land Property Co., Ltd.	Office equipment	4,275.14	
Chengdu Care Pet Food Co., Ltd.	Testing service	75,533.50	50,870.27
Tongwei Group Co., Ltd.	Testing service	5,629.25	
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Testing service		52,907.53
Zhuhai Haiwei Feed Co., Ltd.	Testing service		50,870.27
Kunming Tongwei Jiuding Feed Co., Ltd.	Testing service		6,995.29
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Service charge		223,584.91
Zhuhai Haiwei Feed Co., Ltd.	Service charge		333,272.00

Notes for related party transactions of purchasing or selling goods and rendering or receiving labor services

Applicable Inapplicable

(2). Related entrusted management/contracting and entrusting management/outsourcing

Entrusted management/contracting of the Company:

Applicable Inapplicable

Related entrusting/contracting

Applicable Inapplicable

Entrusting management/outsourcing of the Company

Applicable Inapplicable

Related management/outsourcing

Applicable Inapplicable

(3). Related lease

The Company as the lessor:

Applicable Inapplicable

Unit: Yuan Currency: RMB

Name of lessee	Type of leased assets	Lease income recognized in current period	Lease income recognized in previous period
Chengdu Care Pet Food Co., Ltd.	Machinery equipment	5,267,228.58	4,899,749.29
Chengdu Care Pet Food Co., Ltd.	Houses and buildings	1,513,219.08	1,608,242.41
Sichuan Huadi Hengtong Group Co., Ltd.	Houses and buildings	16,274.31	32,327.03
Chengdu Xinrui Technology Development Co., Ltd.	Houses and buildings		209,321.36
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Houses and		952.38

Name of lessee	Type of leased assets	Lease income recognized in current period	Lease income recognized in previous period
	buildings		

The Company as the lessee:

Applicable Inapplicable

Unit: Yuan Currency: RMB

Name of lessor	Type of leased assets	Lease expenses recognized in current period	Lease expenses recognized in previous period
Chengdu Tongwei Property Co., Ltd.	Houses and buildings	13,197,211.98	13,153,162.21
Tongwei Group Co., Ltd.	Houses and buildings	1,134,712.86	659,560.00

Notes for related lease

Applicable Inapplicable

None

(4). Related party guarantee

The Company as the guarantor

Applicable Inapplicable

The Company as the secured party

Applicable Inapplicable

Unit: Yuan Currency: RMB

Guarantor	Guaranteed amount	Starting date of the guarantee	Expiration date of the guarantee	Whether the guarantee has been fulfilled
Tongwei Group	50,000,000.00	2019/2/28	2020/2/28	No
Tongwei Group	240,000,000.00	2019/7/3	2020/5/20	No
Tongwei Group	210,000,000.00	2019/4/17	2020/4/16	No
Tongwei Group	200,000,000.00	2019/10/21	2020/8/6	No
Tongwei Group	270,000,000.00	2019/6/4	2020/5/31	No
Tongwei Group	71,853,134.16	2019/2/19	2020/1/29	No
Tongwei Group	44,131,966.97	2019/3/13	2020/1/29	No
Tongwei Group	17,004,303.82	2019/3/21	2020/1/29	No
Tongwei Group	15,359,724.10	2019/3/27	2020/1/29	No
Tongwei Group	21,272,999.16	2019/4/10	2020/1/29	No
Tongwei Group	27,219,853.23	2019/4/24	2020/1/29	No
Tongwei Group	23,158,018.56	2019/5/8	2020/1/29	No
Tongwei Group	28,549,559.42	2019/5/15	2020/5/12	No
Tongwei Group	33,454,671.03	2019/5/22	2020/5/12	No
Tongwei Group	24,377,639.44	2019/5/28	2020/5/12	No
Tongwei Group	10,957,695.42	2019/6/19	2020/5/12	No
Tongwei Group	17,541,000.14	2019/6/26	2020/5/12	No
Tongwei Group	9,757,888.49	2019/7/10	2020/5/12	No
Tongwei Group	11,976,325.45	2019/7/17	2020/5/12	No
Tongwei Group	50,000,000.00	2019/9/25	2020/9/24	No
Tongwei Group	300,000,000.00	2019/7/9	2020/7/8	No
Tongwei Group	100,000,000.00	2019/3/18	2020/3/17	No
Tongwei Group	300,000,000.00	2019/12/30	2020/12/29	No
Tongwei Solar (Chengdu) Co.,	200,000,000.00	2019/6/10	2020/6/9	No

Guarantor	Guaranteed amount	Starting date of the guarantee	Expiration date of the guarantee	Whether the guarantee has been fulfilled
Ltd. ; Tongwei Group Co., Ltd.				
Tongwei Solar (Chengdu) Co., Ltd. ; Tongwei Group Co., Ltd.	270,000,000.00	2019/8/30	2020/8/29	No
Tongwei Group	6,660,000.00	2016/11/25	2020/5/18	No
Tongwei Group	6,660,000.00	2016/11/25	2020/11/18	No
Tongwei Group	14,200,000.00	2017/3/16	2020/5/31	No
Tongwei Group	5,500,000.00	2017/3/16	2020/11/30	No
Tongwei Group	5,100,000.00	2017/3/16	2020/5/31	No
Tongwei Group	5,100,000.00	2017/3/16	2020/11/30	No
Tongwei Group	5,232,150.00	2016/11/25	2020/5/18	No
Tongwei Group	5,232,150.00	2016/11/25	2020/11/18	No
Tongwei Group	8,700,000.00	2017/9/29	2020/11/30	No
Tongwei Group	23,858,604.00	2016/11/25	2022/11/18	No
Tongwei Group	61,800,000.00	2017/9/29	2022/11/30	No
Tongwei Group	23,280,000.00	2017/3/16	2022/3/15	No
Tongwei Group	13,600,000.00	2016/11/25	2021/11/18	No
Tongwei Group	280,000,000.00	2019/10/31	2021/10/31	No
Tongwei Group	270,000,000.00	2019/9/29	2022/9/28	No
Tongwei Group	200,000,000.00	2019/12/6	2022/9/29	No
Tongwei Group	260,000,000.00	2019/12/31	2021/12/30	No
Tongwei Group	200,000,000.00	2019/10/28	2021/10/27	No
Tongwei Group	200,000,000.00	2019/12/18	2022/12/17	No
Tongwei Group	13,600,000.00	2016/11/25	2022/11/18	No

Notes for related party guarantee

Applicable Inapplicable

Tongwei Co., Ltd. lent money from Agricultural Bank of China Limited Chengdu Zongfu Sub-branch. Tongwei Group Co., Ltd. and Tongwei Solar (Chengdu) Co., Ltd. provided guarantee for it. The guarantee period was from December 18, 2018 to December 31, 2020, with the guarantee amount being RMB 1.68 billion.

(5). Fund lending/borrowing of related parties

Applicable Inapplicable

(6). Asset transfer and debt restructuring of related parties

Applicable Inapplicable

(7). Remuneration of key management personnel

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Remuneration of key management personnel	30,892,837.68	24,145,110.20

(8). Other related party transactions

Applicable Inapplicable

6. Receivables and payables of related parties

(1). Receivable items

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Project name	Related party	Ending balance		Beginning balance	
		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Other receivables	Zhuhai Haiwei Feed Co., Ltd.	14,995,598.87			
Other receivables	Jiangsu Yanhai Tongwei Fuyun New Energy Co., Ltd.	4,274,559.53		4,826,835.21	
Other receivables	Tongwei-BioMar (Wuxi) Co., Ltd.			40,892,859.28	

(2). Payable items

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Chengdu Xinrui Technology Development Co., Ltd.	2,048,734.66	
Accounts payable	Chengdu Tongwei Culture Media Co., Ltd.	480,010.53	3,290,000.00
Accounts payable	Zhuhai Haiwei Feed Co., Ltd.	175,075.93	
Accounts payable	Sichuan Tongli Construction Engineering Co., Ltd.		19,814,498.36
Advances from customers	Maoming Tongwei Jiuding Feed Co., Ltd.	1,365,919.05	1,357,080.77
Advances from customers	Zhongwei New Energy (Chengdu) Co., Ltd.	1,350,000.37	
Advances from customers	BioMar Tongwei (Wuxi) Biotech Co., Ltd.	296,096.73	
Advances from customers	Tongwei Group Co., Ltd.	7,988.20	
Other payables	Shaoxing Tongwei Jiuding Feed Co., Ltd.	12,365,759.65	664,699.65
Other payables	Huangmei Tongwei Jiuding Fodder Co., Ltd.	8,763,049.31	8,535,358.63
Other payables	Hefei Tongwei Jiuding Feed Co., Ltd.	5,357,569.86	15,496,980.21
Other payables	Maoming Tongwei Jiuding Feed Co., Ltd.	2,839,538.75	8,276,856.82
Other payables	Chengdu Xinrui Technology Development Co., Ltd.	450,000.00	400,000.00
Other payables	Zhuhai Haiwei Feed Co., Ltd.	329,375.80	333,271.63
Other payables	Chengdu Tongyu Property Co., Ltd.	108,835.85	
Other payables	BioMar Tongwei (Wuxi) Biotech Co., Ltd.	90,776.95	
Other payables	Chengdu Tongwei Culture Media Co., Ltd.	68,974.40	
Other payables	Tongwei Group Co., Ltd.		424,028.24
Other payables	Chengdu Xinde Investment Co., Ltd.		13,718.08

7. Commitments by related parties

□ Applicable √ Inapplicable

8. Others

□ Applicable √ Inapplicable

XIII. Share-based payment**1. General conditions of share-based payment**

□ Applicable √ Inapplicable

2. Equity-settled share-based payment

Applicable Inapplicable

3. Cash-settled share-based payment

Applicable Inapplicable

4. Changes to and termination of shared-based payment

Applicable Inapplicable

5. Others

Applicable Inapplicable

XIV. Commitments and Contingencies

1. Significant commitments

Applicable Inapplicable

2. Contingencies

(1). Significant contingencies existed on the balance sheet date

Applicable Inapplicable

External guarantee

As of December 31, 2019, the Company's external guarantees, the repayment of guaranteed loans and the recovery of guaranteed credit sales after the statement date are as follows:

Providing guarantee to borrow money from financial institutions, which for husbandry farmers to buy Tongwei feed and for farmers to build rooftop power stations:

Item	Starting date of the guarantee	Expiration date of the guarantee	Guaranteed amount
Tongwei Agricultural Financing Guarantee Co., Ltd. provides guarantee for husbandry farmers to borrow money from financial institutions to buy Tongwei feed	2019/1/21	2020/12/30	175,878,981.69
Tongwei Agricultural Financing Guarantee Co., Ltd. provides guarantee for farmers to borrow money from financial institutions to build rooftop power stations	2017/9/15	2028/5/31	648,553.33
Total			176,527,535.02

As of December 31, 2019, Tongwei Agricultural Financing Guarantee Co., Ltd. had a guarantee compensation balance of RMB 27,934,393.86, and the Company was seeking compensation.

As of December 31, 2019, the Company has no other significant contingencies that shall be disclosed except for the above-mentioned ones.

(2). In case of no significant contingencies to be disclosed, a description shall be given:

Applicable Inapplicable

3. Others

Applicable Inapplicable

XV. Events after the Balance Sheet Date

1. Significant non-adjusting events

Applicable Inapplicable

2. Profit distribution

Applicable Inapplicable

Unit: Yuan Currency: RMB

Profit or dividend to be distributed	797,541,157.22
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3. Sales return

Applicable Inapplicable

4. Notes for other events after the Balance Sheet Date

Applicable Inapplicable

The closing price of the Company's shares is not less than 130% (i.e. RMB 15.96/share) of the current conversion price of "Tongwei ZhuanZhai" in 15 of the 30 consecutive trading days from January 14, 2020 to March 3, 2020, triggering the redemption clause of "Tongwei ZhuanZhai". After deliberation at the 6th meeting of the 7th board of directors, the Company was approved to exercise the right of early redemption and redeem all the "Tongwei ZhuanZhai" listed on the "redemption registration date".

As of the close of the market on the redemption registration date (March 16, 2020), the "Tongwei ZhuanZhai" with a cumulative book value of RMB 4,979,353,000 has been converted into company shares, accounting for 99.59% of the total amount of RMB 5,000,000,000 issued by the "Tongwei ZhuanZhai" and the cumulative number of shares transferred is 405,483,464. The balance of the book value of the "Tongwei ZhuanZhai" is RMB 20,647,000, accounting for 0.41% of the total amount of RMB 5,000,000,000 issued by the "Tongwei ZhuanZhai". The number of convertible bonds redeemed by the Company is 206,470, and the total amount redeemed is RMB 20,750,028.53. The redemption payment date is March 17, 2020.

Redemption of convertible corporate bonds was completed on March 17, with the cumulative number of shares transferred being 405,483,464, bringing the total number of shares of the Company to 4,287,855,684. Tongwei Group Co., Ltd., as the controlling shareholder, holds 1,998,422,515 shares of the Company. After the convertible bonds are transferred into share capital, the number of shares held will remain unchanged, with the shareholding ratio changing from 51.47% to 46.61%.

As of April 17, 2020, the Company has no other significant events after the balance sheet date that shall be disclosed except for the above-mentioned ones.

XVI. Other Significant Events

1. Correction of accounting errors in the previous period

(1). Retrospective restatement

Applicable Inapplicable

(2). Prospective application

Applicable Inapplicable

2. Debt restructuring

Applicable Inapplicable

On May 9, 2019, Zhejiang Tongwei Solar Technology Co., Ltd., a wholly-owned subsidiary of the Company, signed a *Distributed PV Power Generation Project Sales Contract* with Xu Qingzhi, which terminated the *Tongwei Household PV Power Generation System Sales Agency Agreement* signed with Xu Qingzhi, Kaifeng Weiqitong Photovoltaic Equipment Co., Ltd. and Kaifeng Bangtuo New Energy Technology Co., Ltd. and transferred the creditor's rights of 13 customers who have not lent but have issued user invoices to Xu Qingzhi at the original meter capacity of RMB 3.2 /W, with the transfer price of RMB 974,592.00 and the original debt amount of RMB 2,097,980.00. In this debt restructuring, the debt principal was reduced by RMB 1,123,388.00 by modifying other debt terms (reducing the debt principal). The Company recognized the losses on debt restructurings of RMB 1,123,388.00 in 2019.

As of May 18, 2019, Fu Ceming owed RMB 205,256.00 to Hainan Haiyi Aquatic Products Feed Co., Ltd., a wholly-owned subsidiary of the Company. The following repayment agreement was reached through friendly consultations: (1) RMB 40,000.00 out of the RMB 87,540.00 that Fu Ceming owned to

the Company shall be returned before May 30, 2019, and the remaining RMB 47,540.00 will be exempted by the Company; (2) another arrears of RMB 117,716.00 will be settled on December 31, 2019; (3) if Fu Ceming fails to make the repayment as agreed above, he will still repay the previous arrears at RMB 87,540.00 and bear the liquidated damages and interest on the arrears (calculated at the annual rate of 7.2%). In this debt restructuring, the debt principal was reduced by RMB 47,540.00 by modifying other debt terms (reducing the debt principal). In 2019, the amount that the Company recognized to exempt the book value and convert to losses on debt restructurings was RMB 38,786.00.

3. Replacement of assets

(1). Exchange of non-monetary assets

Applicable Inapplicable

(2). Replacement of other assets

Applicable Inapplicable

4. Annuity plan

Applicable Inapplicable

5. Discontinued operation

Applicable Inapplicable

6. Segment information

(1). Determination basis and accounting policy of reporting segments

Applicable Inapplicable

The Company determines the operating segments on the basis of internal organization structure, management requirements and internal reporting system. An operating segment of the Company is a component that satisfies all of the following conditions: ① it is able to create revenue and incur expenses from ordinary business activities; ② its operating results can be regularly reviewed by the Management for making decision about resources to be allocated and to assess its performance; ③ the accounting information on its financial position, operating results and cash flow is available through analysis. Where two or more operating segments have similar economic features and meet certain conditions, they can be combined into one operating segment.

The Company determines the reporting segments based on the regional segments. The main business income and cost are divided according to the place where the business occurs, and the assets and liabilities are divided according to the location of the operating entity.

The Company determines the reporting segments based on the business segments. The main business income and cost, assets and liabilities are divided according to similar business operating entities.

(2). Financial information of reporting segments

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Agriculture and livestock husbandry business	PV business	Management headquarters	Offset among segments	Total
Main business income	18,698,931,318.22	17,801,338,713.82		72,643,396.12	36,427,626,635.92
Cost of main operations	16,349,337,602.88	13,193,451,041.81		74,305,718.89	29,468,482,925.80

Item	Agriculture and livestock husbandry business	PV business	Management headquarters	Offset among segments	Total
Total assets	7,245,992,896.81	39,270,249,540.90	23,504,562,991.40	23,199,854,683.51	46,820,950,745.60
Total liabilities	3,580,898,689.23	27,710,531,160.39	13,038,948,074.78	15,597,617,413.62	28,732,760,510.78

(3). Where the Company has no reporting segment or cannot disclose total assets and total liabilities of reporting segments, explain the reasons

Applicable Inapplicable

(4). Other notes

Applicable Inapplicable

7. Other significant transactions and matters affecting investors' decisions

Applicable Inapplicable

8. Others

Applicable Inapplicable

As of December 31, 2019, Tongwei Group Co., Ltd. held 1,998,422,515 shares of the Company, of which 1,348,550,003 shares were used for financing pledge.

As of December 31, 2019, the Company has no other significant matters that shall be explained except for the above-mentioned ones.

XVII. Notes to Main Items in Financial Statements of the Parent Company

1. Accounts receivable

(1). Disclosure by aging

Applicable Inapplicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
Subtotal within 1 year	10,597,042.63
1-2 years	917,643.90
2-3 years	1,851,498.89
Over 3 years	1,019,629.36
Total	14,385,814.78

(2). Classified disclosure by bad debt provision

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt reserve is made by portfolio	14,385,814.78	100.00	2,566,995.33	17.84	11,818,819.45	14,479,985.06	100.00	2,959,957.18	20.44	11,520,027.88
Where,										
Portfolio 4	14,385,814.78	100.00	2,566,995.33	17.84	11,818,819.45	14,479,985.06	100.00	2,959,957.18	20.44	11,520,027.88
Total	14,385,814.78	100.00	2,566,995.33	17.84	11,818,819.45	14,479,985.06	100.00	2,959,957.18	20.44	11,520,027.88

Provision for bad debts made individually:

Applicable Inapplicable

Provision for bad debt reserve is made by portfolio:

Applicable Inapplicable

Portfolio provision item: accounts receivable in portfolio 4 with provision for bad debts made by aging analysis:

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt reserve	Proportion of provision (%)
Within 1 year	10,597,042.63	529,852.13	5.00
1-2 years	917,643.90	91,764.39	10.00
2-3 years	1,851,498.89	925,749.45	50.00
Over 3 years	1,019,629.36	1,019,629.36	100.00
Total	14,385,814.78	2,566,995.33	17.84

Recognition standards and description of bad debt provision made by portfolio:

Applicable Inapplicable

If the provision for bad debt reserve is made according to the general model of expected credit losses, please refer to the disclosure of other accounts receivable:

Applicable Inapplicable

(3). About provision for bad debts

Applicable Inapplicable

Unit: Yuan Currency: RMB

Category	Beginning balance	Change amount in the current period				Ending balance
		Provision	Accounts recovered or transferred back	Amounts written off or charged off	Other changes	
Provision for bad debts of accounts receivable	2,959,957.18	1,667,230.38	11,050.97	2,071,243.20		2,566,995.33
Total	2,959,957.18	1,667,230.38	11,050.97	2,071,243.20		2,566,995.33

Important provision for bad debts recovered or transferred back in the current period among above provision for bad debts:

Applicable Inapplicable

(4). About accounts receivable actually written off in the current period

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	2,071,243.20

About important accounts receivable written off among above accounts receivable

Applicable Inapplicable

Unit: Yuan Currency: RMB

Company name	Nature of accounts	Amount written off	Reasons for writing off	The writing off procedure	Is the payment caused by related
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	receivable			performed	party transaction
Client 1	Payment for goods	825,091.05	Expected to be unable to recover the payment	Approval by authority	No
Client 2	Payment for goods	516,383.62	Expected to be unable to recover the payment	Approval by authority	No
Client 3	Payment for goods	296,161.37	Expected to be unable to recover the payment	Approval by authority	No
Client 4	Payment for goods	159,493.00	Expected to be unable to recover the payment	Approval by authority	No
Client 5	Payment for goods	132,893.87	Expected to be unable to recover the payment	Approval by authority	No
Three other clients	Payment for goods	141,220.29	Expected to be unable to recover the payment	Approval by authority	No
Total	/	2,071,243.20	/	/	/

Description for accounts receivable written off:

Applicable Inapplicable

(5). About accounts receivable with top five ending balance collected as per the borrowers

Applicable Inapplicable

In the current period, accounts receivable with top five ending balance collected of the Company as per the borrowers is RMB 6,516,690.40, accounting for 45.30% of the total ending balance of accounts receivable, and the sum total of ending balance of provision for bad debt reserve made accordingly is RMB 1,001,336.98.

(6). Accounts receivable derecognized due to transfer of financial assets

Applicable Inapplicable

(7). Assets and liabilities formed by the transfer of accounts receivable and continuous involvement

Applicable Inapplicable

Other notes:

Applicable Inapplicable

2. Other receivables

Item presentation

Applicable Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interest receivable		
Dividend receivable	1,371,854.15	
Other receivables	12,953,093,766.22	10,663,184,336.79
Total	12,954,465,620.37	10,663,184,336.79

Other notes:

Applicable Inapplicable

Interest receivable

(1). Classification of interest receivable

Applicable Inapplicable

(2). Important overdue interest

Applicable Inapplicable

(3). About provision for bad debt

Applicable Inapplicable

Other notes:

Applicable Inapplicable

(4). Dividend receivable

Applicable Inapplicable

(5). Significant dividends receivable with aging over 1 year

Applicable Inapplicable

(6). About provision for bad debt

Applicable Inapplicable

Other notes:

Applicable Inapplicable

Other receivables**(1). Disclosure by aging**

Applicable Inapplicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
Subtotal within 1 year	11,518,709,780.51
1-2 years	1,912,455,009.58
2-3 years	2,487,592.64
Over 3 years	1,381,875.90
Total	13,435,034,258.63

(2). About classification by payment nature

Applicable Inapplicable

Unit: Yuan Currency: RMB

Payment nature	Book balance at the end of the period	Book balance at the beginning of the period
Transaction with affiliated parties	13,280,568,481.17	11,208,726,020.40
Deposit	32,372,761.49	55,325,933.58
Assets disposal amount	115,929,359.00	-
Others	6,163,656.97	6,819,551.76
Total	13,435,034,258.63	11,270,871,505.74

(3). About provision for bad debt

Applicable Inapplicable

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	
Balance on January 1, 2019	607,687,168.95			607,687,168.95
The balance on January 1, 2019 is in the current period				
--Be transferred to Stage 2				

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	
--Be transferred to Stage 3				
--Be transferred back to Stage 2				
--Be transferred back to Stage 1				
Provision in the current period	-125,746,676.54			-125,746,676.54
Amount transferred back in the current period				
Written-off in the current period				
Charge-off in the current period				
Other changes				
Balance on December 31, 2019	481,940,492.41			481,940,492.41

Description of significant changes in the book balance of other accounts receivable changed due to loss reserve in the current period:

Applicable Inapplicable

The provision amount of bad debt reserve in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

Applicable Inapplicable

(4). About provision for bad debts

Applicable Inapplicable

Unit: Yuan Currency: RMB

Category	Beginning balance	Change amount in the current period				Ending balance
		Provision	Accounts recovered or transferred back	Amounts written off or charged off	Other changes	
Other receivables	607,687,168.95	-125,746,676.54				481,940,492.41
Total	607,687,168.95	-125,746,676.54				481,940,492.41

Significant bad debt reserve recovered or reversed among above accounts receivable:

Applicable Inapplicable

(5). About other accounts receivable actually written off in the current period

Applicable Inapplicable

(6). About other accounts receivable with top five ending balance collected as per the borrowers

Applicable Inapplicable

Unit: Yuan Currency: RMB

Company name	Nature of payment	Ending balance	Aging	Proportion in total ending balance of other accounts receivable (%)	Ending balance of provision for bad debt
Sichuan Yongxiang Co., Ltd.	Concerned intercourse funds	1,866,124,264.96	Within 1 year	13.89	
Sichuan Yongxiang New Energy Co., Ltd.	Concerned intercourse funds	1,512,851,291.39	Within 1 year	11.26	
Inner Mongolia	Concerned	1,453,922,927.38	Within 1 year	10.82	

Company name	Nature of payment	Ending balance	Aging	Proportion in total ending balance of other accounts receivable (%)	Ending balance of provision for bad debt
Tongwei Silicon Co., Ltd.	intercourse funds				
Sichuan Yongxiang Poly-Silicon Co., Ltd.	Concerned intercourse funds	522,693,666.12	Within 1 year	3.89	
Tianjin Binhai New Area Tongli New Energy Co., Ltd.	Concerned intercourse funds	497,441,913.87	Within 1 year	3.70	
Total	/	5,853,034,063.72	/	43.56	

(7). Accounts receivable involving government subsidies

Applicable Inapplicable

(8). Other accounts receivable derecognized due to transfer of financial assets

Applicable Inapplicable

(9). Assets and liabilities formed by other receivables transfer and continuous involvement

Applicable Inapplicable

Other notes:

Applicable Inapplicable

3. Long-term equity investments

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Investment in subsidiaries	10,990,038,707.01	169,201,456.80	10,820,837,250.21	9,326,946,312.59	169,201,456.80	9,157,744,855.79
Investment in joint ventures and associates	128,754,898.97		128,754,898.97	130,917,967.37		130,917,967.37
Total	11,118,793,605.98	169,201,456.80	10,949,592,149.18	9,457,864,279.96	169,201,456.80	9,288,662,823.16

(1). Investment in subsidiaries

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Invested entity	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment provided in the current period	Ending balance of impairment reserves
Sichuan Yongxiang Co., Ltd.	2,372,199,373.39			2,372,199,373.39		
Tongwei Solar (Hefei) Co., Ltd.	2,884,624,940.43			2,884,624,940.43		
Tongwei New Energy Co., Ltd.	1,441,070,940.76	1,090,407,700.00		2,531,478,640.76		
Chongqing Tongwei Feed Co., Ltd.	23,074,213.76			23,074,213.76		
Chengdu Tongwei Animal Nutrition Technology Co., Ltd.	11,605,910.79			11,605,910.79		
Nanning Tongwei Feed Co., Ltd.	28,978,368.63			28,978,368.63		
Chengdu Tongwei Aquatic Products Technology Co., Ltd.	9,245,867.39			9,245,867.39		
Chengdu Tongwei Sanxin Pharmaceutical Co. Ltd.	7,000,000.00			7,000,000.00		
Chengdu Tongwei Fish Co., Ltd.	16,889,244.77	2,000,000.00		18,889,244.77		
Chengdu Ronglai Tongwei Feed Co., Ltd.	16,000,000.00			16,000,000.00		
Tongwei (Chengdu) Aquatic Products Co., Ltd.	100,000,000.00	83,000,000.00		183,000,000.00		47,930,000.00
Chengdu Xintaifeng Agricultural Development Co., Ltd.	122,000,000.00	75,000,000.00		197,000,000.00		52,000,000.00
Tongwei (Chengdu) Agriculture Investment	50,000,000.00			50,000,000.00		

2019 Annual Report

Invested entity	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment provided in the current period	Ending balance of impairment reserves
Holding Co., Ltd.						
Sichuan Tongguang Construction Engineering Co., Ltd.	20,000,000.00			20,000,000.00		
Tongwei Agricultural Financing Guarantee Co., Ltd.	100,000,000.00			100,000,000.00		
Panzhuhua Tongwei Feed Co., Ltd.	20,000,000.00			20,000,000.00		
Tongwei Aquatic Products Co., Ltd.	50,000,000.00	6,000,000.00		56,000,000.00		50,000,000.00
Chongqing Changshou Tongwei Feed Co., Ltd.	30,000,000.00			30,000,000.00		
Qianxi Tongwei Feed Co., Ltd.	30,000,000.00			30,000,000.00		
Chengdu Tongwei Automation Equipment Co., Ltd.	1,220,000.00	654,054.14		1,874,054.14		
Kunming Tongwei Feed Co., Ltd.	20,000,000.00			20,000,000.00		
Tongwei (Chengdu) Salmon Co., Ltd.	13,775,000.00	38,500,000.00		52,275,000.00		
Shandong Tongwei Feed Co., Ltd.	703,760.04			703,760.04		
Suzhou Tongwei Special Feed Co., Ltd.	26,138,780.12			26,138,780.12		
Xiamen Tongwei Feed Co., Ltd.	13,752,585.43			13,752,585.43		
Zaozhuang Tongwei Feed Co., Ltd.	18,987,038.58			18,987,038.58		
Huai'an Tongwei Feed Co., Ltd.	10,599,481.76			10,599,481.76		
Yangzhou Tongwei Feed Co., Ltd.	20,000,000.00			20,000,000.00		
Lianyungang Tongwei Feed Co., Ltd.	80,000,000.00			80,000,000.00		
Zibo Tongwei Feed Co., Ltd.	3,800,000.00			3,800,000.00		
Nantong Bada Feed Co., Ltd.	57,372,600.00			57,372,600.00		
Tongwei (Dafeng) Feed Co., Ltd.	49,900,133.00			49,900,133.00		
Zibo Tongwei Food Co., Ltd.	50,000,000.00			50,000,000.00		12,420,000.00
Shashi Tongwei Feed Co., Ltd.	21,851,065.30			21,851,065.30		
Yuanjiang Tongwei Feed Co., Ltd.	70,858,072.03			70,858,072.03		
He'nan Tongwei Feed Co., Ltd.	6,518,994.97			6,518,994.97		
Guangdong Tongwei Feed Co., Ltd.	59,994,628.41			59,994,628.41		
Wuhan Tongwei Feed Co., Ltd.	16,479,438.23			16,479,438.23		
Jieyang Tongwei Feed Co., Ltd.	50,000,000.00			50,000,000.00		

2019 Annual Report

Invested entity	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment provided in the current period	Ending balance of impairment reserves
Tongwei (Hainan) Aquatic Products Co., Ltd.	201,859,769.84			201,859,769.84		
Hainan Haiyi Aquatic Products Feed Co., Ltd.	85,711,797.01			85,711,797.01		
Foshan Nanhai Tongwei Aquatic Products Technology Co., Ltd.	10,000,000.00			10,000,000.00		3,940,000.00
Foshan Tongwei Feed Co., Ltd.	30,095,100.00			30,095,100.00		
Foshan Gaoming Tongwei Feed Co., Ltd.	100,000,000.00			100,000,000.00		
Tianmen Tongwei Biotechnology Co., Ltd.	15,000,000.00			15,000,000.00		
Binyang Tongwei Feed Co., Ltd.	20,000,000.00			20,000,000.00		
Fuzhou Tongwei William Feed Co., Ltd.	32,500,000.00			32,500,000.00		
Changchun Tongwei Feed Co., Ltd.	10,585,208.09			10,585,208.09		
Tianjin Tongwei Feed Co., Ltd.	14,700,000.00			14,700,000.00		
Langfang Tongwei Feed Co., Ltd.	15,000,000.00			15,000,000.00		
Ningxia Yinchuan Tongwei Feed Co., Ltd.	30,000,000.00			30,000,000.00		
Harbin Tongwei Feed Co., Ltd.	20,000,000.00			20,000,000.00		
Nanjing Tongwei Aquatic Products Technology Co., Ltd.	10,000,000.00			10,000,000.00		
Zhuhai Haiyi Aquatic Products Feed Co., Ltd.	31,897,204.89			31,897,204.89		
Hainan Haiyi Aquatic Seed Co., Ltd.	20,763,456.80			20,763,456.80		2,911,456.80
Tongwei Holding Pte. Ltd.	61,605,594.60			61,605,594.60		
Tongwei Industrial (Tibet) Co., Ltd.	100,000,000.00			100,000,000.00		
Chizhou Tongwei Feed Co., Ltd.	50,000,000.00			50,000,000.00		
Honghu Tongwei Feed Co., Ltd.	42,000,000.00	48,164,469.77		90,164,469.77		
Chengdu Tongwei Aquatic Seed Co., Ltd.	5,000,000.00			5,000,000.00		
Hengshui Tongwei Feed Co., Ltd.	5,000,000.00			5,000,000.00		
Qingyuan Tongwei Feed Co., Ltd.	5,000,000.00			5,000,000.00		
Hainan Haiyi Biotechnology Co., Ltd.	1,226,165.52			1,226,165.52		
Sichuan Tongwei Food Co., Ltd.	3,500,000.00			3,500,000.00		
Hanshou Tongwei Feed Co., Ltd.	27,900,000.00			27,900,000.00		
Tianmen Tongwei Aquatic Products Technology	20,000,000.00	5,939,300.00		25,939,300.00		

2019 Annual Report

Invested entity	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment provided in the current period	Ending balance of impairment reserves
Co., Ltd.						
Sichuan Fishery-Solar Wulian Technology Co., Ltd.	1,200,000.00			1,200,000.00		
Sichuan Willtest Technology Co., Ltd.	19,500,000.00	1,051,100.00		20,551,100.00		
Wuxi Tongwei Biotechnology Co., Ltd.	150,007,603.05			150,007,603.05		
Binzhou Tonghui Marine Technology Co., Ltd.	6,100,000.00		6,100,000.00			
Zhejiang Tongwei Solar Technology Co., Ltd.	8,000,000.00			8,000,000.00		
Tongwei New Energy Engineering Design (Sichuan) Co., Ltd.	4,300,000.00			4,300,000.00		
Sichuan Tongwei Sanlian Aquatic Products Co., Ltd.	15,000,000.00			15,000,000.00		
Sichuan Tongwei Feed Co., Ltd.	100,000,000.00			100,000,000.00		
Qingdao Hairen Aquatic Seed Industry Technology Co., Ltd.	40,800,000.00			40,800,000.00		
Sichuan Yongxiang New Material Co., Ltd.	83,053,975.00			83,053,975.00		
Chengdu Tongwei Quannonghui Electronic Commerce Co., Ltd.	5,000,000.00			5,000,000.00		
Nanchang Tongwei Biotechnology Co., Ltd.		96,000,000.00		96,000,000.00		
Yangjiang Haiyi Biotechnology Co., Ltd.		50,000,000.00		50,000,000.00		
Gongan County Tongwei Aquatic Products Technology Co., Ltd.		5,000,000.00		5,000,000.00		
Chengdu Xintaifeng Livestock and Poultry Breeding Co., Ltd.		53,800,000.00		53,800,000.00		
Chengdu Chunyuan Food Co., Ltd.		97,764,129.77		97,764,129.77		
Sichuan Chunyuan Ecological Breeding Co., Ltd.		15,146,640.74		15,146,640.74		
Zhanjiang Haixianfeng Bio-tech Co., Ltd.		765,000.00		765,000.00		
Total	9,326,946,312.59	1,669,192,394.42	6,100,000.00	10,990,038,707.01		169,201,456.80

1) In March 2019, Chengdu Xintaifeng Agricultural Development Co., Ltd., a wholly-owned subsidiary of the Company, transferred its 100.00% equity in Chengdu Xintaifeng Livestock and Poultry Breeding Co., Ltd. to the Company. After the transfer of equity, Chengdu Xintaifeng Agricultural Development Co., Ltd. became a first-level wholly-owned subsidiary of the Company.

2) In April 2019, Tongwei (Agriculture) Holding Co., Ltd., a subsidiary of the Company, transferred its 100.00% equity in Sichuan Chunyuan Ecological Breeding Co., Ltd. to the Company. After the transfer of equity, Sichuan Chunyuan Ecological Breeding Co., Ltd. became a first-level wholly-owned subsidiary of the Company.

3) In August 2019, the Company transferred 51.00% of the equity held by Binzhou Tonghui Marine Technology Co., Ltd., the controlling subsidiary, to Tongwei New Energy (Shenzhen) Co., Ltd., the controlling subsidiary of Tongwei New Energy Co., Ltd., the wholly-owned subsidiary of the Company.

4) In September 2019, Tongwei (Agriculture) Holding Co., Ltd., a subsidiary of the Company, transferred its 72.29% equity of Chengdu Chunyuan Food Co., Ltd. to the Company. After the transfer of equity, Chengdu Chunyuan Food Co., Ltd. became a first-level holding subsidiary of the Company.

5) In December 2019, Hainan Haiyi Biotechnology Co., Ltd., the controlling subsidiary of the Company, transferred its 51.00% equity of Zhanjiang Haixianfeng Bio-tech Co., Ltd. to the Company. After the transfer of equity, Hainan Haiyi Biotechnology Co., Ltd. became a first-level controlling subsidiary of the Company.

6) In August 2019, the Company has acquired 30.00% of its equity held by minority shareholders of Honghu Tongwei Feed Co., Ltd. with RMB 48,164,469.77. After the acquisition, the Company's equity ratio in Honghu Tongwei Feed Co., Ltd. was changed from 70.00% to 100.00%.

7) In October 2019, the Company has acquired 3.68% of its equity held by minority shareholders of Sichuan Willtest Technology Co., Ltd. with RMB 1,051,100.00. After the acquisition, the Company's equity ratio in Sichuan Willtest Technology Co., Ltd. was increased to 81.68% from 78.00%.

8) In December 2019, the Company has acquired 5.00% of its equity held by minority shareholders of Chengdu Tongwei Automation Equipment Co., Ltd. with RMB 654,054.14. After the acquisition, the Company's equity ratio in Chengdu Tongwei Automation Equipment Co., Ltd. was increased to 62.95% from 57.95%.

9) In 2019, Nanchang Tongwei Biotechnology Co., Ltd., Yangjiang Haiyi Biotechnology Co., Ltd. and Gonggan County Tongwei Aquatic Products Technology Co., Ltd. were set up by the funds of the Company.

10) Due to the business development demand, the Company increased capital in 2019 to Tongwei New Energy Co., Ltd., Chengdu Tongwei Fish Co., Ltd., Tongwei (Chengdu) Aquatic Products Co., Ltd., Chengdu Xintaifeng Agricultural Development Co., Ltd., Tongwei Aquatic Products Co., Ltd., Tongwei (Chengdu) Salmon Co., Ltd., Tianmen Tongwei Aquatic Products Technology Co., Ltd. and Nanchang Tongwei Biotechnology Co., Ltd.

(2). Investment in joint ventures and associates

√ Applicable □ Inapplicable

2019 Annual Report

Unit: Yuan Currency: RMB

Investment unit	Beginning balance	Increase or decrease in the current period								The end of the period Balance	Ending balance of impairment reserves
		Additional investment	Reduced investment	Investment profit or loss recognized under equity method	Adjustments in other comprehensive income	Other equity changes	Cash dividend or profit declared to distribute	Provision for impairment reserves	Others		
I. Joint Ventures											
Shaoxing Tongwei Jiuding Feed Co., Ltd.	5,256,500.72			1,513,411.02			1,406,445.84			5,363,465.90	
Hefei Tongwei Jiuding Feed Co., Ltd.	7,033,235.83			1,453,564.54			2,916,667.00			5,570,133.37	
Maoming Tongwei Jiuding Feed Co., Ltd.	8,748,391.76	1,321,658.07		1,785,461.20		39,526.66	2,811,541.67			9,083,496.02	
Huangmei Tongwei Jiuding Fodder Co., Ltd.	3,844,100.40	174,980.10		891,209.81		525.00	805,803.33			4,105,011.98	
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	103,655,820.30			976,971.40						104,632,791.70	
Kunming Tongwei Jiuding Feed Co., Ltd.	2,379,918.36		2,365,187.04	-14,731.32							
Subtotal	130,917,967.37	1,496,638.17	2,365,187.04	6,605,886.65		40,051.66	7,940,457.84			128,754,898.97	
II. Affiliated Business											
None											
Subtotal											
Total	130,917,967.37	1,496,638.17	2,365,187.04	6,605,886.65		40,051.66	7,940,457.84			128,754,898.97	

Other notes:

According to the resolution of the shareholders' meeting of Maoming Tongwei Jiuding Feed Co., Ltd. held on December 20, 2019, the Company acquired 4.83% of the shares of Maoming Tongwei Jiuding Feed Co., Ltd. held by individual shareholders, after which the Company actually accounted for 49.83% of the share. According to the resolution of the shareholders' meeting held by Huangmei Tongwei Jiuding Fodder Co., Ltd. on December 23, 2019, the Company acquired 2.50% of the shares of Huangmei Tongwei Jiuding Fodder Co., Ltd. held by individual shareholders. After acquisition, the Company actually accounts for 44.17% of the shares, which are still incorporated according to the equity method.

Kunming Tongwei Jiuding Feed Co., Ltd. invested by the Company was cancelled due to business adjustment approved by Yiliang County Market Supervision Administration on October 10, 2019.

There are no significant restrictions on the return of the Company's investment and the remittance of investment income.

4. Operating revenue and operating costs**(1). Operating revenue and operating costs**

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Main operation	3,929,030,419.81	3,434,789,856.41	3,657,817,808.38	3,199,730,971.50
Other operations	678,970,624.42	634,615,941.56	657,928,284.88	567,976,905.69
Total	4,608,001,044.23	4,069,405,797.97	4,315,746,093.26	3,767,707,877.19

Other notes:

None

5. Investment income

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the previous period
Long-term equity investment income calculated by cost method	1,481,568,295.32	770,519,855.87
Investment income of long-term equity investments measured under equity method	6,605,886.65	15,949,221.37
Investment income from disposal of long-term equity investments	715,348.63	50,078,083.73
Investment income from financial assets measured at fair value and with the variance included into current profits and losses during holding period of the financial assets		
Investment income from disposal of financial assets at fair value through profit or loss		
Investment income from disposal the investments held-to-maturity		
Investment income from disposal of held-to-maturity investment		
Income during period of holding available-for-sale financial assets		
Investment income from disposal of available-for-sale financial assets		
Investment income from trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets		
Disposal of investment income from other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Investment income arising from buying banks' financial products	1,180,005.16	5,322,667.36
Total	1,490,069,535.76	841,869,828.33

Other notes:

6. Others

√ Applicable □ Inapplicable

The Company transfers the funds of subsidiaries in a unified way. The fund transactions between the parent and the subsidiaries are reported as fund-raising activities under the "cash received from other fund-raising activities" or "cash paid from other fund-raising activities" of the "cash flow statement of the parent company" based on the net quarterly income and expenditure.

XVIII. Supplementary information

1. Breakdown of non-recurring profit or loss of the current period

√ Applicable □ Inapplicable

Unit: Yuan Currency: RMB

Item	Amount	Notes
Profit or loss on disposal of non-current assets	149,118,467.74	
Tax return or relief under ultra vires approval or without formal approval documents		
Government grants included in the current profits and losses (exclusive of those which are closely related with the enterprise business or granted according to national standard fixed rate or quantity)	204,753,562.81	
Payment for the use of state funds included in the current profit or loss and collected from non-financial business		
Income from the difference between the cost of an investment in a subsidiary, associate and joint venture and the investee's interests in the fair value of the acquiree's identifiable net assets acquired during the acquisition		
Profit or loss on exchange of non-monetary assets		
Profit or loss on the assets by entrusting others to invest or manage		
Provision for impairment of assets owing to force majeure (e.g. natural disasters)		
Profit or loss from debt restructuring	-1,162,174.00	
Enterprise restructuring charges, such as staffing expenditure and integrating expenses		
Profit or loss of the portion exceeding the fair value arising from the transaction with the bargain price losing fairness		
Net current profit and loss of the subsidiary acquired in business combination involving entities under common control from the beginning of the period to the combination date		
Profit or loss arising from contingencies irrelevant to the Company's normal operating businesses		
In addition to the effective hedging business related to the normal operating businesses of the Company, profit and loss from changes in fair value arising from holding of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and investment gains from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debts		
Reversal of impairment reserve for receivables subject to impairment test separately		
Profit or loss from externally entrusted loans		
Profit or loss from changes in fair value of investment properties subsequently measured at fair value		
Effect of one-off adjustment to current profit or loss in accordance with the requirement of taxation and accounting laws and regulations		
Trustee fee income received from the entrusted management		
Non-operating revenue and expenses other than aforesaid items	29,661,420.53	
Other profit or loss items that meet the definition of non-recurring profit or loss		
Affected amount of the income tax	-60,600,017.60	
Affected amount of minority equity	-1,687,142.53	
Total	320,084,116.95	

Explain the reasons if the Company defines an item as a non-recurring profit and loss according to the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss, or defines a non-recurring profit or loss listed in the said explanatory announcement as a recurring one.

Applicable Inapplicable

2. Return on net profits and earnings per share

Applicable Inapplicable

Profit for the reporting period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	16.14	0.6786	0.6558
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit or loss	14.18	0.5961	0.5793

3. Difference in accounting data under the accounting standards both at home and abroad

Applicable Inapplicable

4. Others

Applicable Inapplicable

Section XII List of Documents Available for Inspection

List of Documents Available for Inspection	Financial statements signed and sealed by the person in charge of the Company, person in charge of accounting and person in charge of the accounting institution (accountant in charge).
List of Documents Available for Inspection	The original copy of Audit Report sealed by the accounting firm and sealed and signed by certified public accountants.
List of Documents Available for Inspection	Originals of all documents and announcements which have been publicly disclosed in the website specified by CSRC during the reporting period.

Chairman: Xie Yi

Submission date for approval of the Board of Directors: April 17, 2020

Amendment Information

Applicable Inapplicable