

**Appendix G.2 – Convenience Translation from Chinese
Mandarin to English of the highlighted parts in Sinoma
2020 Annual Report**

Pages 38 to 40

1. Tax incentives

(1) Corporate income tax

Name of taxpayer	Preferential income tax rate	Preferential policy
Sinoma Technology Co., Ltd.	15%	It has been approved as a high-tech enterprise by the Office of the National High-tech Enterprise Recognition Management Leading Group, and the certificate is still in process.
Sinoma Technology Wind Power Blade Co., Ltd.	15%	On October 21, 2020, it was awarded the high-tech enterprise certificate (certificate number GR202011003285) issued by the Beijing Municipal Science and Technology Commission, the Beijing Municipal Finance Bureau, and the Beijing Municipal Taxation Bureau of the State Administration of Taxation.
Sinoma Technology (Jiuquan) Wind Power Blade Co., Ltd.	15%	On August 19, 2019, it obtained the high-tech enterprise certificate (certificate number GR201962000044) issued by the Gansu Provincial Department of Science and Technology, the Gansu Provincial Department of Finance, and the Gansu Provincial Taxation Bureau of the State Administration of Taxation. The certificate is valid for three years.
Sinoma Technology (Funing) Wind Power Blade Co., Ltd.	15%	Obtained the high-tech enterprise certificate issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, Jiangsu Provincial Administration of Taxation, and Jiangsu Provincial Taxation Bureau of the State Administration of Taxation on December 2, 2020

Name of taxpayer	Preferential income tax rate	Preferential policy
		Book (certificate number GR202032001011), valid for three years.
Sinoma Technology (Pingxiang) Wind Power Blade Co., Ltd.	15%	On December 3, 2019, it obtained the high-tech enterprise certificate (certificate number GR201936001807) issued by Jiangxi Provincial Department of Science and Technology, Jiangxi Provincial Department of Finance, Jiangxi Provincial State Taxation Bureau, and Jiangxi Provincial Local Taxation Bureau (certificate number GR201936001807), valid for three years.
Sinoma Technology (Handan) Wind Power Blade Co., Ltd.	15%	On July 21, 2020, the certificate of high-tech enterprise (certificate number GR202013001161) issued by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Taxation Bureau of the State Administration of Taxation (certificate number GR202013001161) is valid for three years.
Sinoma Technology (Xilinguole) Wind Power Blade Co., Ltd.	15%	On September 4, 2020, the certificate of high-tech enterprise (certificate number GR202015000073) issued by the Inner Mongolia Autonomous Region Science and Technology Department, Inner Mongolia Autonomous Region Finance Department, and Inner Mongolia Autonomous Region Taxation Bureau of the State Administration of Taxation (certificate number GR202015000073) is valid for three years.
Sinoma Technology (Chengdu) Co., Ltd.	15%	On October 14, 2019, it obtained the high-tech enterprise certificate (certificate number GR201951000693) issued by Sichuan Provincial Department of Science and Technology, Sichuan Provincial Department of Finance, and Sichuan Provincial Taxation Bureau of the State Administration of Taxation. The validity period is three years.
Suzhou Sinoma Non-metallic Mineral Industry Design and Research Institute Co., Ltd.	15%	On December 2, 2020, it obtained the high-tech enterprise certificate (certificate) issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, Jiangsu Provincial Bureau of Taxation and Jiangsu Provincial Local Taxation Bureau.
Hunan Zhongli New Material Co., Ltd.	15%	No. GR202032000859), valid for three years.

Hunan Zhongli New Material Technology Co., Ltd.	15%	On October 17, 2018, it was awarded the high-tech enterprise certificate (certificate number GR201843000990) issued by the Hunan Provincial Department of Science and Technology, the Hunan Provincial Department of Finance, and the State Administration of Taxation, Hunan Taxation Bureau. The certificate is valid for three years.
Sinoma Technology (Jiujiang) Co., Ltd.	15%	On December 3, 2018, it obtained the high-tech enterprise certificate (certificate number) issued by the Hunan Provincial Department of Science and Technology, the Hunan Provincial Department of Finance, and the Hunan Provincial Taxation Bureau of the State Administration of Taxation.
Beijing Fiberglass Institute Composite Materials Co., Ltd.	15%	GR201843001033), valid for three years.
Taishan Fiberglass Co., Ltd.	15%	On September 14, 2020, it obtained the high-tech enterprise certificate (certificate number GR202036000879) issued by the Jiangxi Provincial Department of Science and Technology, the Jiangxi Provincial Department of Finance, and the State Administration of Taxation, Jiangxi Provincial Taxation Bureau. The certificate is valid for three years.

Name of taxpayer	Preferential income tax rate	Preferential policy
Taishan Fiberglass Zoucheng Co., Ltd.	15%	In 2020, it will obtain the high-tech enterprise certificate (certificate number) issued by Shandong Provincial Department of Science and Technology, Shandong Provincial Department of Finance, Shandong Provincial State Taxation Bureau, and Shandong Provincial Local Taxation Bureau.
Sinoma Technology Membrane Materials (Shandong) Co., Ltd.	15%	GR202037003687), valid for three years.
Sinoma Lithium Film Co., Ltd.	15%	On November 28, 2019, it obtained the high-tech enterprise certificate (certificate number GR201937000937) issued by Shandong Provincial Department of Science and Technology, Shandong Provincial Department of Finance, Shandong Provincial Bureau of Taxation and Shandong Provincial Local Taxation Bureau. The certificate is valid for three years.
Nanjing Fiberglass Research and Design Institute Co., Ltd.	15%	On November 28, 2019, it obtained the high-tech enterprise certificate (certificate number GR201937000120) issued by Shandong Provincial Department of Science and Technology, Shandong Provincial Department of Finance, Shandong Provincial Bureau of Taxation, and Shandong Provincial Local Taxation Bureau. The certificate is valid for three years.
Jiangsu Hengzhou Special Glass Fiber Material Co., Ltd.	15%	On December 2, 2020, it obtained the high-tech enterprise certificate (certificate number GR202032000257) issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Taxation Bureau of the State Administration of Taxation. The certificate is valid for three years.
Sinoma Technology (Suzhou) Co., Ltd.	15%	On December 2, 2020, it obtained the high-tech enterprise certificate (certificate number GR202032002894) issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Taxation Bureau of the State Administration of Taxation. The certificate is valid for three years.
Membrane Materials Vietnam Co., Ltd.	0%	On December 02, 2020, it obtained the high-tech enterprise certificate (certificate number GR202032002776) issued by the Office of the Accreditation Agency of Jiangsu Province, valid for three years.

Page 52

(1) Investment real estate with cost measurement model

Items	Houses and buildings	Land use rights	Total
1. Original book value			
1. The balance at the beginning of the year	226,739,563.11	33,538,472.06	260,278,035.17
2. Increased amount this year	11,947,806.77		11,947,806.77
(1) Transfer in of fixed assets	11,947,806.77		11,947,806.77
3. Decrease amount this year	34,876,334.64	3,349,246.89	38,225,581.53
(1) Transfer to fixed assets	34,876,334.64		34,876,334.64
(2) Transfer to intangible assets		3,349,246.89	3,349,246.89
4. Year-end balance	203,811,035.24	30,189,225.17	234,000,260.41
2. Cumulative depreciation and amortization			
1. The balance at the beginning of the year	90,586,924.76	6,858,337.82	97,445,262.58
2. Increased amount this year	13,330,667.69	738,289.41	14,068,957.10
(1) Provision or amortization	5,293,672.79	738,289.41	6,031,962.20
(2) Transfer in of fixed assets	8,036,994.90		8,036,994.90
3. Decrease amount this year	15,470,161.93	924,383.48	16,394,545.41
(1) Transfer to fixed assets	15,470,161.93		15,470,161.93
(2) Transfer to intangible assets		924,383.48	924,383.48
4. Year-end balance	88,447,430.52	6,672,243.75	95,119,674.27

Pages 77 to 85

(1) Government subsidy projects

Government subsidy project s	Initial balance	New subsidy amount this year	Amount included in non- operating income this year	Amount included in other income this year	Amount of cost reducti on this year	Othe r chan ges	End of year balance
Support funds	85,000,000.00						85,000,000.00
Corporate Sustainabl e Developm ent Fund	47,753,000.00			5,062,000.00			42,691,000.00
2018 Industrial Strong Foundation Special Fund	25,000,000.00						25,000,000.00

Government subsidy projects	Initial balance	New subsidy amount this year	Amount included in non-operating income this year	Amount included in other income this year	Amount of cost reduction this year	Other changes	End of year balance
Alkali-resistant glass fiber implementation plan for marine engineering and infrastructure engineering	20,660,000.00			573,888.89			20,086,111.11
Large-scale glass fiber production line green key process integration demonstration project	13,500,000.00			1,364,385.72			12,135,614.28
High-quality development funds for the central manufacturing industry in 2019	13,200,000.00			3,600,000.00			9,600,000.00

Hushu Pass Relocation Compensation Agreement	11,744,824.28			229,936.67			11,514,887.61
Township economic development support funds	20,000,000.00						20,000,000.00
Industrialization of special glass fiber fine fabrics for aerospace and aerospace with an annual output of 3 million square meters of support funds for economic development in the town	10,000,000.00	500,000.00					10,500,000.00

Government subsidy projects	Initial balance	New subsidy amount this year	Amount included in non-operating income this year	Amount included in other income this year	Amount of cost reduction this year	Other changes	End of year balance
Import discount subsidy in 2018	8,131,567.92			692,048.33			7,439,519.59
Industrial transformation and upgrading funds support intelligent manufacturing comprehensive standardization and new model application projects	7,071,425.87			1,928,571.48			5,142,854.39
80,000-ton glass fiber kiln pure oxygen combustion technology innovation and industrialization demonstration project	6,666,666.50			3,200,000.04			3,466,666.46

Research and development of fine special glass fabrics	6,328,759.44			4,056,357.70			2,272,401.74
Industrial technology research and development funds in 2014-80,000-ton glass fiber kiln pure oxygen combustion technology innovation and industry	5,714,285.62			2,857,142.88			2,857,142.74
F_D01280 0006-64 Government subsidies for R&D and industrialization	4,444,444.43			3,353,366.80			1,091,077.63

Government subsidy projects	Initial balance	New subsidy amount this year	Amount included in non-operating income this year	Amount included in other income this year	Amount of cost reduction this year	Other changes	End of year balance
Local investment subsidy	4,444,234.15			110,415.72			4,333,818.43
2016 Central Foreign Economic and Trade Development Special Fund	4,012,240.55			398,820.04			3,613,420.51
2018 Central Foreign Economic and Trade Development Special Fund	3,126,074.67			272,071.42			2,854,003.25
2017 Central Foreign Economic and Trade Development Special Fund	2,987,565.18			292,142.85			2,695,422.33

2017 Central Foreign Trade Development Special Fund (Import Discount)	2,774,741.74			259,214.85			2,515,526.89
Discount on imported equipment	2,705,212.40			386,458.92			2,318,753.48

Government subsidy projects	Initial balance	New subsidy amount this year	Amount included in non-operating income this year	Amount included in other income this year	Amount of cost reduction this year	Other changes	End of year balance
Special Fund for Independent Innovation of Shandong Province in 2012	2,370,657.19			1,185,328.56			1,185,328.63
Demonstration production line of alkali-resistant glass fiber clean production technology	2,142,857.35			1,071,428.52			1,071,428.83
Key R&D Program of Zoucheng Science and Technology Bureau	2,100,000.00						2,100,000.00

Workshop waste gas treatment project	1,940,000.00			582,000.00			1,358,000.00
Special glass fiber high-efficiency wet process membrane material products and downstream products implementation plan (industrial strong base)	1,852,500.00	1,430,000.00		355,374.00			2,927,126.00
High-performance water filter project	1,706,645.06	3,189,600.00		2,859,526.91			2,036,718.15

Government subsidy projects	Initial balance	New subsidy amount this year	Amount included in non-operating income this year	Amount included in other income this year	Amount of cost reduction this year	Other changes	End of year balance
Adjust the research and industrialization subsidy of ultra-fine glass fiber D450	1,516,656.74			179,692.92			1,336,963.82
High-performance glass fiber manufacturing and application of key technologies , high-value patent cultivation	1,500,000.00			1,260,823.56			239,176.44
Shandong Province Independent Innovation and Achievement Transformation Special Plan Fund	1,499,999.82			428,571.48			1,071,428.34
High-performance glass fiber and product production line for wind power generation	1,396,750.00			453,000.00			943,750.00

Environmentally friendly non-metallic mineral functional materials preparation technology and application research project supporting funds	1,375,900.00			598,172.10			777,727.90
Resin-based fan blades and casing XX process technology basis	1,300,000.00			1,300,000.00			

Government subsidy projects	Initial balance	New subsidy amount this year	Amount included in non-operating income this year	Amount included in other income this year	Amount of cost reduction this year	Other changes	End of year balance
Government support funds	1,118,888.88			706,666.68			412,222.20
Interest discount funds for imported products	1,118,079.21			161,649.96			956,429.25
In 2018, the provincial level encourages the expansion of advanced technology and equipment import funds	1,030,466.67			106,600.00			923,866.67
2*100,000 tons of alkali-free glass fiber pool kiln drawing production line	1,023,809.68			285,714.24			738,095.44

High-performance BGF glass fiber key preparation technology research funds		8,340,000.00					8,340,000.00
Import discount in 2019 (Notice on the 2019 Central Foreign Economic and Trade Development Fund (Import Discount) Budget Indicators)		2,964,476.00		231,201.96			2,733,274.04

Government subsidy projects	Initial balance	New subsidy amount this year	Amount included in non-operating income this year	Amount included in other income this year	Amount of cost reduction this year	Other changes	End of year balance
5000 tons of super fine yarn project funds		10,000,000.00					10,000,000.00
Research on Development and Application of Resin Matrix Composite Fan Case		16,068,400.00		12,771,410.94			3,296,989.06
High-strength glass fiber and its efficient manufacturing and application development		5,000,000.00					5,000,000.00
KCW-106		11,076,600.00		5,306,600.00			5,770,000.00
National New Material Testing and Evaluation Platform (Composite Material Industry		40,000,000.00					40,000,000.00

Center)							
Research on Developmen t and Application of Resin- based Composite Material Fan Brake		7,090,000.00					7,090,000.00

Government subsidy projects	Initial balance	New subsidy amount this year	Amount included in non-operating income this year	Amount included in other income this year	Amount of cost reduction this year	Other changes	End of year balance
Annual output of 4000 tons of high-strength and high-modulus alkali-free glass fiber		21,000,000.00					21,000,000.00
other	27,837,234.53	40,014,198.46		31,087,855.80			36,763,577.19
Total	358,095,487.88	166,673,274.46		89,568,439.94			35,200,322.40

Page 88

1. Operating income, operating cost

(1) Operating income and operating costs

Project	Amount occurred this year		Amount occurred last year	
	Revenue	Cost	Revenue	Cost
Main business	18,323,001,965.21	13,385,312,663.42	13,190,973,845.43	9,911,627,426.86
Other business	387,869,834.96	250,237,074.95	399,493,105.87	294,872,368.74
total	18,710,871,800.17	13,635,549,738.37	13,590,466,951.30	10,206,499,795.60

Page 95

2) Other cash paid related to operating activities

Item	Amount incurred in this year	Amount incurred in the previous year
Margin and restricted funds	261,275,528.14	361,405,319.11
Management costs	216,961,137.17	154,336,810.98
Social security fee	74,041,041.19	89,612,161.94
R&D expenses	155,797,802.96	71,776,570.02
Current payment	77,161,046.34	78,018,014.37
sales expense	65,422,518.91	49,652,654.63
Bank fees	20,937,140.80	25,553,054.86
Other	17,891,845.47	19,657,606.48
Total	889,488,060.98	850,012,192.39

Page 96

(1) Supplementary information on consolidated cash flow statement

Project	Amount of this year	Amount of previous year
1. Adjust net profit to cash flow from operating activities:	—	—
Net profit	1,968,605,254.34	1,428,477,136.82
Add: Provision for asset impairment	315,978,856.42	108,181,464.72
Credit impairment loss	45,779,203.37	1,944,132.54
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	967,190,602.23	944,148,267.24
Amortization of intangible assets	109,273,181.41	98,962,717.07

Page 99

2. Government subsidies

Basic situation of government subsidies

Type	Amount	Listed item	Amount included in current profit and loss
Included in current profit	198,660,591.76	Other income	198,660,591.76
Included in current profit	32,347,234.40	Non-operating income	32,347,234.40
Include deferred income	435,200,322.40	Deferred income	89,568,439.94