

Consolidated Balance Sheet (No Audited)
Unit: RMB

| Items | 2019.06.30 | 2018.12.31 |
|---|--------------------------|--------------------------|
| Current Assets: | | |
| Cash and bank balances | 4,681,901,693.70 | 4,610,754,896.85 |
| Financial assets at fair value through profit or loss | 515,215,656.68 | 443,680,687.55 |
| Notes receivable | 27,539,375.10 | 61,706,494.62 |
| Accounts receivable | 5,011,248,535.57 | 7,588,117,718.24 |
| Prepayments | 13,922,710.26 | 22,008,357.80 |
| Other receivables | 66,617,210.75 | 87,574,357.29 |
| Includes: Interest receivable | 1,300,140.79 | 4,553,084.29 |
| Inventories | 4,523,644,530.35 | 4,760,159,720.87 |
| Other current assets | 348,386,835.62 | 321,125,633.14 |
| Total Current Assets | 15,188,476,548.03 | 17,895,127,866.36 |
| Non-Current Assets: | | |
| Long term equity investments | 10,783,503.50 | - |
| Financial assets at fair value through other comprehensive income | 27,097,431.71 | 27,033,603.84 |
| Other non-current financial assets | 41,541,552.87 | - |
| Fixed assets | 1,486,579,983.91 | 1,544,556,661.08 |
| Right-of-Use | 114,198,013.28 | NA |
| Construction in progress | 617,155,500.99 | 49,408,708.62 |
| Intangible assets | 81,078,980.60 | 26,868,247.73 |
| Long-term deferred expenses | 301,634,311.87 | 301,227,310.48 |
| Deferred tax assets | 229,453,670.86 | 239,447,868.23 |
| Other non-current assets | 123,917,201.60 | 67,723,538.76 |
| Total Non-Current Assets | 3,033,440,151.19 | 2,256,265,938.74 |
| Total Assets | 18,221,916,699.22 | 20,151,393,805.10 |

Consolidated Balance Sheet (No Audited) - Continued
Unit: RMB

| Items | 2019.06.30 | 2018.12.31 |
|---|--------------------------|--------------------------|
| Current Liabilities: | | |
| Short-term loans | 1,837,032,796.35 | 1,471,773,736.86 |
| Notes payable & Accounts payable | 5,319,504,020.67 | 8,093,311,711.72 |
| Receipts in advance | 254,181.81 | - |
| Contract liability | 102,994,209.04 | 70,350,063.25 |
| Employee benefits payable | 315,410,718.84 | 475,867,423.67 |
| Taxes payable | 118,805,911.36 | 144,173,572.13 |
| Other payables | 336,365,963.64 | 315,153,590.20 |
| Includes: Interest payable | 2,882,015.61 | 3,895,069.64 |
| On-current liabilities due within one year | 79,723,277.11 | - |
| Other current liabilities | 22,635,142.02 | 26,098,790.78 |
| Total Current Liabilities | 8,132,726,220.84 | 10,596,728,888.61 |
| Non-Current Liabilities: | | |
| Lease obligation | 542,760,581.34 | NA |
| Long term payables | 47,011,397.82 | - |
| Long-term employee benefits payable | 103,172,953.75 | 105,681,321.15 |
| Provisions | 2,109,539.02 | 3,102,460.97 |
| Deferred revenues | 39,504,594.61 | 34,097,717.50 |
| Deferred tax liabilities | - | - |
| Other long-term liabilities | 1,812,460.42 | 1,881,460.42 |
| Total Non-Current Liabilities | 736,371,526.96 | 144,762,960.04 |
| Total Liabilities | 8,869,097,747.80 | 10,741,491,848.65 |
| Shareholders' Equity: | | |
| Share capital | 2,175,923,580.00 | 2,175,923,580.00 |
| Capital reserves | 1,663,540,335.41 | 1,656,230,955.71 |
| Treasury Stock | 87,266,609.18 | - |
| Other comprehensive income | (52,619,820.62) | (44,312,343.67) |
| Surplus reserves | 363,637,158.94 | 363,637,158.94 |
| Retained earnings | 5,289,197,414.12 | 5,256,553,763.15 |
| Total shareholders' equity attributable to owners of the company | 9,352,412,058.67 | 9,408,033,114.13 |
| Minority shareholders' equity | 406,892.75 | 1,868,842.32 |
| Total shareholders' equity | 9,352,818,951.42 | 9,409,901,956.45 |
| Total liabilities and shareholders' equity | 18,221,916,699.22 | 20,151,393,805.10 |


Universal Scientific Industrial (Shanghai) Co.,Ltd.
Consolidated Income Statement (No Audited)
Unit: RMB

| Items | 2019.01.01—2019.06.30 | 2018.01.01—2018.06.30 |
|--|-----------------------|-----------------------|
| Operating income | 14,604,124,239.44 | 12,804,853,159.94 |
| Operating costs | 13,184,027,962.69 | 11,464,349,367.32 |
| Taxes and levies | 18,711,100.86 | 17,358,198.93 |
| Selling expenses | 155,556,168.14 | 134,789,279.91 |
| Administrative expenses | 333,633,730.04 | 187,733,106.53 |
| R&D expenses | 601,789,797.96 | 554,447,890.83 |
| Finance expenses | 16,855,703.88 | (5,963,981.41) |
| Includes: Interest expenses | 37,310,595.45 | 10,871,194.98 |
| Interest income | 20,670,440.05 | 17,527,063.94 |
| Add: Other income | 32,149,643.26 | 19,467,993.34 |
| Investment income (loss) | 45,171,802.56 | 187,370,109.52 |
| Gain (loss) from change of fair value | 68,199,439.75 | (177,646,339.25) |
| Credit impairment loss | 5,694,485.80 | (3,511,178.29) |
| Impairment losses of assets | (5,019,713.55) | (695,924.94) |
| Gain (loss) on disposal of assets | 2,984,870.37 | 925,918.67 |
| Operating profit (loss) | 442,730,304.06 | 478,049,876.88 |
| Add: Non-operating income | 5,528,089.44 | 5,508,083.36 |
| Less: Non-operating expenses | 1,285,166.97 | 21,593,385.03 |
| Total profit (loss) | 446,973,226.53 | 461,964,575.21 |
| Less: Income tax expenses | 57,558,515.97 | 69,740,032.60 |
| Net profit (loss) | 389,414,710.56 | 392,224,542.61 |
| (一) Classified according to the continuity of operation | | |
| 1. Net profit (loss) from continuing operations | 389,414,710.56 | 392,224,542.61 |
| 2. Net profit (loss) from discontinued operations | - | - |
| (二) Classified according to ownership | | |
| 1. Net profit (loss) attributable to owners of the company | 389,495,118.09 | 392,133,268.06 |
| 2. Minority shareholders' interest | (80,407.53) | 91,274.55 |


Universal Scientific Industrial (Shanghai) Co., Ltd.
Consolidated Income Statement (No Audited) - Continued
Unit: RMB

| Items | 2019.01.01—2019.06.30 | 2018.01.01—2018.06.30 |
|---|-----------------------|------------------------|
| Other comprehensive income | (8,292,048.72) | (10,215,881.73) |
| Other comprehensive income items which will not be reclassified to profit or loss subsequently | 304,464.27 | 427,348.75 |
| Other comprehensive income items which will be reclassified to profit or loss subsequently when specific conditions are met | (8,611,941.22) | (10,627,739.33) |
| Minority shareholders' other comprehensive income | 15,428.23 | (15,491.15) |
| Total comprehensive income | 381,122,661.84 | 382,008,660.88 |
| Total comprehensive income attributable to owners of the company | 381,187,641.14 | 381,932,877.48 |
| Total comprehensive income attributable to minority shareholders | (64,979.30) | 75,783.40 |
| Earnings per share: | | |
| Basic earnings per share | 0.18 | 0.18 |
| Diluted earnings per share | 0.18 | NA |

Consolidated Cash Flow Statement (No Audited)
Unit: RMB

| Items | 2019.01.01—2019.06.30 | 2018.01.01—2018.06.30 |
|--|--------------------------|--------------------------|
| 1. Cash Flows from Operating Activities: | | |
| Cash receipts from the sale of goods and the rendering of services | 17,366,477,593.62 | 14,034,032,713.72 |
| Receipts of tax refunds | 146,242,932.51 | 117,003,790.82 |
| Other cash receipts relating to operating activities | 107,892,184.09 | 49,076,010.26 |
| Subtotal of cash inflows from operating activities | 17,620,612,710.22 | 14,200,112,514.80 |
| Cash payments for goods purchased and services received | 15,397,047,547.71 | 12,573,812,867.75 |
| Cash payments to and on behalf of employees | 1,332,409,343.53 | 1,229,781,996.90 |
| Payments of various types of taxes | 124,555,714.29 | 140,538,576.16 |
| Other cash payments relating to operating activities | 208,101,311.53 | 206,352,084.12 |
| Subtotal of cash outflows from operating activities | 17,062,113,917.06 | 14,150,485,524.93 |
| Net Cash Flows from Operating Activities | 558,498,793.16 | 49,626,989.87 |
| 2. Cash Flows from Investing Activities: | | |
| Cash receipts from disposals and recovery of investments | 6,173,782,130.54 | 5,985,729,581.45 |
| Cash receipts from investment income | 45,186,168.52 | 43,418,879.54 |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets | 9,861,168.09 | 6,683,933.37 |
| Other cash receipts relating to investing activities | 961,012.73 | 174,784.87 |
| Subtotal of cash inflows from investing activities | 6,229,790,479.88 | 6,036,007,179.23 |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | 294,495,391.77 | 241,045,423.38 |
| Cash payments to acquire investments | 6,231,213,125.00 | 5,853,513,268.96 |
| Net cash payments for acquisitions of subsidiaries and other business units | 10,780,000.00 | - |
| Subtotal of cash outflows from investing activities | 6,536,488,516.77 | 6,094,558,692.34 |
| Net Cash Flows from Investing Activities | (306,698,036.89) | (58,551,513.11) |

Consolidated Cash Flow Statement (No Audited) - Continued
Unit: RMB

| Items | 2019.01.01—2019.06.30 | 2018.01.01—2018.06.30 |
|---|-------------------------|-------------------------|
| 3.Cash Flows from Financing Activities: | | |
| Cash generated from merger | 431,200.01 | - |
| Cash receipts from borrowings | 4,565,786,698.67 | 2,606,035,549.98 |
| Subtotal of cash inflows from financing activities | 4,566,217,898.68 | 2,606,035,549.98 |
| Cash repayments of borrowings | 4,210,719,008.69 | 2,497,547,559.52 |
| Cash payments for distribution of dividends or profits or settlement of interest expenses | 383,777,298.56 | 413,354,875.43 |
| Other cash payments relating to financing activities | 142,902,327.47 | - |
| Subtotal of cash outflows from financing activities | 4,737,398,634.72 | 2,910,902,434.95 |
| Net Cash Flow from Financing Activities | (171,180,736.04) | (304,866,884.97) |
| 4.Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents | (8,347,823.38) | 12,763,188.19 |
| 5.Net Increase (Decrease) in Cash and Cash Equivalents | 72,272,196.85 | (301,028,220.02) |
| Add: Opening balance of Cash and Cash Equivalents | 4,606,688,796.85 | 5,043,407,968.81 |
| 6.Closing Balance of Cash and Cash Equivalents | 4,678,960,993.70 | 4,742,379,748.79 |