

Company Code: 600623

900909

Company abbreviation:

Huayi Group

Huayi B Shares

# **Shanghai Huayi Group Co., Ltd. 2022 Annual Report**

## Important Tips

**I. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company guarantee the truthfulness, accuracy and completeness of the contents of the annual report, and that there are no false records, misleading statements or material omissions, and assume individual and joint legal responsibility.**

**II. All directors of the company attended the board meeting.**

**3. Lixin CPA (Special General Partnership) has issued a standard unqualified audit report for the Company.**

**4. Liu Xunfeng, the person in charge of the company, Xu Liheng, the person in charge of accounting work, and Guo Mu, the person in charge of accounting institution (accounting officer in charge), declare that they guarantee the truthfulness, accuracy and completeness of the financial report in the annual report.**

**V. Resolution of the Board of Directors on the proposed distribution of profits or the proposed transfer of capital from provident funds for the current reporting period**

The Company will distribute profits based on the total share capital registered on the date of registration of the equity distribution and pay a cash dividend of RMB1.9 (including tax) for every 10 shares to all shareholders, with the B dividends converted into U.S. dollars. As of the date of the resolution of the Board of Directors on the profit distribution plan, the total share capital of the Company

2,131,449,598.00 shares were used as the basis for calculating the total proposed cash dividends of \$404,975,423.62 (including tax).

In the event of any change in the total share capital of the Company prior to the registration date for the implementation of the equity distribution, it is intended to maintain the total distribution amount unchanged and adjust the dividend per share ratio accordingly, and will separately announce the specific adjustment.

**VI. Risk statement on forward-looking statements**

✓Applicable ☐ Not applicable

Forward-looking statements such as future plans and development strategies covered in this report do not constitute material commitments by the Company to investors and investors are cautioned to be aware of the investment risks.

**VII. Whether there is non-operating appropriation of funds by controlling shareholders and other related parties** No

**VIII. Whether there is a violation of the prescribed decision-making procedures to provide external guarantees** No

**Is there any case where more than half of the directors cannot guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the company** No

**X. Significant Risk Alert**

The Company has described the risk matters in detail in this report, please refer to Section III Management's Discussion and Analysis for the possible risks faced, etc.

**XI. Other**

☐Applicable ☒Not applicable

## Catalog

<b>Section I Interpretation</b>	<b>3</b>
<b>Section II Company Profile and Key Financial Indicators</b>	<b>5</b>
<b>Section III Management Discussion and Analysis</b>	<b>9</b>
<b>Section IV Corporate Governance</b>	<b>31</b>
<b>Section V. Environment and Social Responsibility</b>	<b>47</b>
<b>Section VI Important Matters</b>	<b>51</b>
<b>Section 7 Share Changes and Shareholders</b>	<b>62</b>
<b>Section VIII Preferred Stock Related Information</b>	<b>68</b>
<b>Section IX Bond Related Information</b>	<b>69</b>
<b>Section X Financial Reports</b>	<b>70</b>

Catalog of available documents	An annual report document containing the signature of the chairman of the board of directors;
	Accounting statements containing the signatures and seals of the person in charge of the company, the person in charge of accounting work and the person in charge of the accounting organization;
	The original audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant;
	The originals and original announcements of all company documents that have been publicly disclosed in newspapers designated by the CSRC during the reporting period;
	The original copies of the above documents are available in the office of the Secretary of the Board of Directors.

## Section I Interpretation

### I. Interpretation

In this report, unless the context otherwise requires, the following words have the following meanings:

Commonly used word definitions		
Company	Refers to	Shanghai Huayi Group Co.
controlling shareholder, Shanghai Huayi	Refers to	Shanghai Huayi Holding Group Co., Ltd (formerly Shanghai Huayi (Group) Company)
Energy and Chemical Company	Refers to	Shanghai Huayi Energy Chemical Co.
Double Money Corporation	Refers to	Shuangqian Tire Group Co.
New Material Company	Refers to	Shanghai Huayi New Material Co.
Fine Chemical Company	Refers to	Shanghai Huayi Fine Chemical Co.
Investment Companies	Refers to	Shanghai Huayi Group Investment Co.
Tenkara Corporation	Refers to	Shanghai Tianyuan (Group) Co.
Information Company	Refers to	Shanghai Huayi Information Technology Co.
Finance Company	Refers to	Shanghai Huayi Group Finance Co.
Huayi Hong Kong	Refers to	Huayi Group (Hong Kong) Limited
Methanol, acetic acid and esters	Refers to	It is mainly used in the manufacture of olefins, formaldehyde, methyl tert-butyl ether, acetic acid, methyl methacrylate, chloromethane and other organic products, as well as solvents and antifreeze, fuel, etc.; acetic acid is mainly used in vinyl acetate, acetic anhydride, acetate fiber and metal acetate, etc., and is also used as a solvent and raw material for pesticides, pharmaceuticals, dyes and other industries. Acetic acid is mainly used in vinyl acetate, acetic anhydride, acetate fiber and metal acetate, etc. It is also used as a solvent and raw material for pesticide, pharmaceutical and dye industries, and is used in drug manufacturing, fabric dyeing and rubber There are a wide range of applications in industry
Industrial Gases	Refers to	Gaseous products at room temperature and pressure, including air gases, synthetic gases and special gases, of which air gases are separated from air, including nitrogen and oxygen; synthetic gases include carbon monoxide, hydrogen and

## Section II      Company Profile and Key Financial Indicators

### I. Company Information

Chinese name of the company	Shanghai Huayi Group Co.
Chinese abbreviation of the company	Huayi Group
Foreign language name of the company	SHANGHAI HUAYI GROUP CORPORATION LIMITED
Legal representative of the company	Liu Xunfeng

### II. Contact person and contact information

	Board Secretary	Securities Representative
Name	Xu Li-hang	Yuan Dinghua
Contact Address	No. 809 Changde Road, Shanghai	No. 809 Changde Road, Shanghai
Phone	021-23530152	021-23530152
Fax	021-64456042-880152	021-64456042-880152
E-mail	IR@shhuayi.com	yuandinghua@shhuayi.com

### III. Basic information profile

Company Registered Address	No.809 Changde Road, Jing'an District, Shanghai
Historical change of the company's registered address	1. No. 63, Sichuan Middle Road, Huangpu District, Shanghai 1991.12.14; 2. Building 2, Lane 2178, Pudong South Road, Shanghai 1996.05.08; 3. No. 63, Sichuan Middle Road, Huangpu District, Shanghai 1999.08.09; 4. Room 605, No. 1251, Jiangchuan Road, Minhang District, Shanghai 2003.08.28; 5. No. 63, Sichuan Middle Road, Huangpu District, Shanghai 2008.06.10; 6. No.809 Changde Road, Jing'an District, Shanghai, China 2017.06.29
Company Office Address	No.809 Changde Road, Jing'an District, Shanghai
Postal code of the company's office address	200040
E-mail	IR@shhuayi.com

### IV. Information disclosure and availability of locations

Name and website of the media in which the company discloses its annual report	Shanghai Securities News, Securities Daily, Hong Kong Commercial Daily
Website of the stock exchange where the company discloses its annual report	www.sse.com.cn
The place where the company's annual report is filed	No.809 Changde Road, Jing'an District, Shanghai

### V. Brief description of the company's stock

Company stock profile				
Stock Types	Stock exchange	Stock short	Stock	Stock short name

	listing	name	Code	before change
A shares	Shanghai Stock Exchange	Huayi Group	600623	Double Coin, Tire Rubber
B Shares	Shanghai Stock Exchange	Huayi B Shares	900909	Shuangqian B share, Tire B share

## VI. Other relevant information

Accounting firm engaged by the company (domestic)	Name	Lixin CPA (Special General Partnership)
	Office Address	4F, New Huangpu Financial Building, 61 Nanjing East Road, Shanghai
	Name of Signing Accountant	Xu Liqun, Lv Jie
Financial advisors who performed ongoing	Name	Haitong Securities Co.
	Office Address	888 Zhongshan South Road, Huangpu District, Shanghai

**VII. Major accounting data and financial indicators for the past three years (i) Major accounting data**

Unit: Yuan Currency: RMB

Key Accounting Data	2022	2021	Current period compared to the same period of the previous year Increase or decrease (%)	2020
Operating income	38,511,107,497.47	39,691,837,446.67	-2.97	28,126,764,594.66
Shares attributable to listed companies East's net profit	1,281,211,494.32	2,967,726,756.48	-56.83	423,442,095.21
Net income attributable to shareholders of the listed	874,006,828.03	2,624,106,303.13	-66.69	56,854,489.57

The decrease in net profit attributable to shareholders of the listed company and the decrease in net profit after extraordinary gain or loss attributable to shareholders of the listed company were mainly due to the significant decrease in sales prices of the Company's major products as a result of the market environment in the chemical industry.

**(ii) Key financial indicators**

Key Financial Indicators	2022	2021	Increase or decrease in the current period compared with the same period of the previous year (%)	2020
Basic earnings per share (yuan/share)	0.60	1.39	-56.83	0.20
Diluted earnings per share (yuan/share)	0.60	1.39	-56.83	0.20
Basic earnings per share after non-recurring gains and losses Benefit (yuan/share)	0.41	1.23	-66.67	0.03
Weighted average return on net assets (%)	5.93	14.82	Decrease of 8.89 percentage points	2.29
Weighted average net after non-recurring gains and losses Return on Assets (%)	4.04	13.10	Decrease of 9.06 percentage points	0.31

The year-on-year decreases in basic earnings per share, diluted earnings per share and basic earnings per share after non-recurring gains and losses were mainly due to the significant decline in sales prices of the



Company's major products as a result of the market environment in the chemical industry.

Description of the main accounting data and financial indicators of the company for the previous three years at the end of the reporting period

☐Applicable ☒Not applicable

**VIII. Differences in accounting data under domestic and foreign accounting standards**

**(i) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed simultaneously in accordance with international accounting standards and in accordance with PRC accounting standards**

☐Applicable ☒Not applicable

**(ii) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed simultaneously in accordance with overseas accounting standards and in accordance with PRC accounting standards**

☐Applicable ☒Not applicable

**(iii) Explanation of differences between domestic and foreign accounting standards:**

☐Applicable ☒Not applicable

**ix. key financial data by quarter in 2022**

Unit: Yuan Currency: RMB

	First Quarter (January - March)	Second quarter (April-June)	Third Quarter (July-September)	Fourth Quarter (October-December)
Operating income	9,567,597,373.04	9,936,406,320.39	9,850,870,429.68	9,156,233,374.36
Shares attributable to listed companies	671,413,343.23	358,692,912.61	107,569,908.90	143,535,329.58
East's net profit				
Net income attributable to shareholders of	543,381,367.01	406,802,712.29	-187,650,034.00	111,472,782.73

Explanation of differences between quarterly data and disclosed periodic reports

☐Applicable ☒Not applicable

**X. Non-recurring gain or loss items and amounts**

☒Applicable ☐ Not applicable

Unit:

Non-recurring gain or loss items	Amount in 2022	Notes (e.g. (Applicable))	2021 Amount RMB	Amount in 2022 Yuan Currency:
Gain or loss on disposal of non-current assets	141,787,830.52		227,268,153.07	368,626,285.90
Ultra vires approval, or no official approval documents, or occasional tax Refunds, reductions				
Government grants that are charged to current profit or loss but are closely related to the company's normal operating business, in accordance with national policies and in accordance with certain standards Except for fixed or quantitative continuous government subsidies	760,843,708.32		90,766,584.38	146,416,926.56
Charges to non-financial enterprises for capital utilization charged to current profit or loss				
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the identifiable net assets of the investee at the time the investment is acquired.				
Gain arising from fair value of assets				
Gain or loss on exchange of non-monetary assets				
Gains or losses from entrusting others to invest or manage assets				

Each period due to force majeure factors such

gain or loss, and disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments				
Investment income earned				
Allowance for impairment of receivables and contract assets tested separately for impairment				
Alternate transfer back				
Gains or losses on external entrusted loans				
Investment properties subsequently measured using the fair value model				
Gains or losses arising from changes in fair value				
Current profit or loss in accordance with the requirements of taxation, accounting and other laws and regulations				
Effect of making a one-time adjustment on current profit or loss				
Custodian fee income earned from entrusted operations				
Non-operating income and expenses other than those mentioned above	72,578,101.00		14,667,448.27	-1,070,567.17
Other profit and loss items that meet the definition of non-recurring profit or loss	-33,761,080.64		2,682,699.53	-197,063,875.75
Less: Income tax effect amount	214,501,346.01		20,415,430.17	9,673,016.08
Amount of minority interest impact (after tax)	205,749,965.24		32,486,940.08	-65,391,631.40
Total	407,204,666.29		343,620,453.35	366,587,605.64

For non-recurring as defined by the Company in accordance with "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Gains and Losses" items, and those that define non-recurring items listed in "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Gains and Losses" as recurring items, should explain the reasons.

☐Applicable ☒Not applicable

## XI. Items measured using fair value

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Project Name	Opening balance	Closing balance	Current period change	Effect on current period profit Amount of impact
Financial assets held for trading	1,433,588,957.15	1,368,465,133.72	-65,123,823.43	-27,199,514.97
Receivables financing	2,202,622,824.76	1,752,114,845.62	1,640,508,076.12	

## XII. Other

☐Applicable ☒Not applicable

## Section III Management Discussion and Analysis

### I. Discussion and Analysis of Business Conditions

The 20th Party Congress was held in 2022, which is also a crucial year for **the** Group to take the next step in the 14th Five-Year **Plan**. Under the leadership of the Party Committee and the Board of Directors, the company's management team led all cadres and staff to focus closely on the work objectives set at the beginning of the year, seize the opportunity of industry development, benchmark with the first-class, deepen the transformation, and implement the report of the 20th Party Congress by practical action, which pointed out **that** "deepening the reform of state-owned capital and state-owned enterprises, accelerating the optimization of the layout and restructuring of the state-owned economy, promoting state-owned capital and state-owned enterprises To be stronger, better and bigger, and enhance the core competitiveness of enterprises."

In 2022, the Company will achieve a total revenue of RMB 38.18 billion, total profit of RMB 2.11 billion and net profit attributable to the parent company of RMB 1.28 billion.

As of the end of the reporting period, the Company had total assets of RMB 59.20 billion, net assets attributable to the parent company of RMB 21.77 billion and a return on net assets of 5.93%. As of the end of the reporting period, the Company had total assets of RMB 59.20 billion, net assets attributable to the parent company of RMB 21.77 billion and return on net assets of 5.93%.

In 2022, the company fully implemented the five major tasks of "solidifying safety foundation, continuously reducing costs and increasing efficiency, promoting major projects, expanding open innovation and promoting management change", and achieved remarkable results in operation and management.

In 2022, the company's safety production was generally under control. We will implement the general requirement of "economic stability and safety for development", adhere to the production and operation of both hands, and the daily production and operation will be smooth and orderly. Implement safety responsibilities and enhance system capabilities. Utilize digital means to improve essential safety. Continuous safety audit and creation of safety star factories. Strengthen the team building, and the safety culture is deeply rooted in people's hearts. Practice green development and fulfill social responsibility.

Secondly, we continued to reduce costs and increase efficiency to enhance profitability. We continuously carried out cost reduction and efficiency improvement, continued to promote lean production, and the overall smooth operation of the plant. We strengthened the centralized management of funds, continued to promote financial sharing on line, promoted the value-added of stock assets, continued to optimize budget control and actively sought support for financial and tax policies. We achieved significant results in all aspects of our work and steadily improved our operational efficiency.

Third, promote major projects to create new core competitive advantages. Guangxi Qinzhou base to speed up the construction, Guangxi new materials project smoothly in the delivery, the core device has entered the production phase, the base downstream projects to speed up the government approval, and continue to promote the integration of the base construction.

Fourth, we promote digital Huayi and expand open innovation. Digital benchmarking projects continued to be promoted, and digital transformation achievements were continuously promoted. The Group's digital transformation diagnosis score ranked among the top in the industry, and Huayi New Materials Company became the first global digital "lighthouse factory" in China's process chemical industry. We continued to promote open innovation, accelerate the industrialization of R&D achievements, strengthen intellectual property management and promote the construction of 1+3 science and technology innovation carriers.

Fifth, we continue to innovate mechanisms and promote management changes. Fully complete the tasks of the three-year action of comprehensive reform of state-owned enterprises, continue to optimize the assessment mechanism, promote the integration and reform of similar businesses, hold a meeting on talent work, and strengthen the training and selection of talents. Carry out research on the carbon neutral strategy of Carbon Dafeng and formulate the company's dual carbon strategy. Strengthen audit management, prevent and resolve major

risks, strengthen compliance management, launch financial vertical management, strengthen competence center empowerment, deepen work efficiency linkage mechanism, improve procurement management system, strengthen the Group's brand building, continue to focus on work mechanism, and care for employees.

In 2022, the company made concerted efforts to accomplish its annual targets in the face of a complex and volatile external environment, and made steady progress in all its work. The core competitiveness of the company continued to improve and the pace of building a world-class enterprise with international competitiveness and influence was accelerated.

## **II. Industry in which the company operates during the reporting period**

During the reporting period, the global economy slowed down significantly under the impact of the Russia-Ukraine conflict, high inflation, the Fed's continued interest rate hike and rising energy prices; the domestic economy withstood the impact of multiple adverse factors and continued to develop; the chemical industry remained stable overall, with capacity utilization higher than the average of domestic industry, good growth in investment and export, and continued improvement in trade structure, but also faced major chemical prices fluctuating, especially Since the second half of the year, with the fall in crude oil prices and weak downstream demand, the profit level has narrowed significantly and the performance of enterprises in the industry has diverged. At the same time, domestic chemical companies actively respond to the challenges, strengthen the integrated development of upstream and downstream, promote digital transformation, accelerate the layout of new business around green low-carbon, new energy, etc., and continuously improve the quality of development.

## **III. Businesses engaged by the Company during the reporting period**

The company is a large state-controlled listed company, mainly engaged in five core businesses: energy chemicals, green tires, advanced materials, fine chemicals and chemical services, and has basically formed a "manufacturing + service" dual-core-driven business development model, as well as upstream and downstream industrial chain integrated development system. Among them, the main products of energy chemical business include methanol, acetic acid, ethyl acetate, synthesis gas and other basic chemicals and clean energy products, which are widely used in medicine, agriculture, construction, textile and new energy vehicles, etc., and is a leading company in China in the comprehensive utilization of clean coal; the main products of green tire business include load tires, passenger tires, engineering tires, etc., which are widely used in trucks, buses, passenger cars, mining and agricultural vehicles, etc., and are used for the development of the company. The main products of the advanced materials business include acrylic acid and esters, acrylic acid catalysts, high absorbency resins, etc., which are widely used in the fields of coatings, adhesives, synthetic rubber, water treatment and sanitary products, etc. The main products of the fine chemicals business include industrial coatings, pigments, inks, daily-use chemicals, etc., which are widely used in household appliances, automobiles, high-speed railways, automobiles, railway lines, and other industries, automobiles, high speed railways

Aerospace, marine engineering, construction, medicine, food, cosmetics, etc.; chemical service business mainly includes chemical trade, chemical investment, information technology, etc., providing corresponding supporting trade, investment and information service for chemical manufacturing.

#### **IV. Analysis of core competitiveness during the reporting period**

√Applicable ☐

Not applicable (i)

##### **Technology research and development capability**

The company has advanced R&D hardware and software innovation conditions in the industry, including national enterprise technology center, municipal enterprise technology center, Shanghai high-tech enterprise, national testing laboratory, as well as postdoctoral research workstation, academician expert workstation, constructed industrial catalysis, new chemical materials, fine chemicals, process development, analysis and testing and other technology research platform, for new products, new processes, new technology development and It provides good conditions for the development of new products, new processes, new technology and industrialization of results. The company continues to increase investment in technological innovation, promote the integrated sharing and gathering of R&D resources, and improve R&D efficiency; build a gateway management system to comprehensively enhance the excellent R&D capability oriented to market demand; carry out key project R&D, and form a series of new products and new technologies with independent intellectual property rights.

##### **(II) Industry leading core products**

After years of development, the core business of the company has formed a series of advantageous products and has strong industry influence. The company's main products such as methanol, acetic acid, acrylic acid and esters, and all-steel tires have certain scale advantages, among which methanol is one of the largest producers in East China, acetic acid, acrylic acid and esters rank among the top three in the industry, and all-steel tires rank among the top in the industry.

##### **(C) core product brand influence**

The company has a series of famous trademarks such as China Famous Brand, Chinese Old Brand, Shanghai Old Brand and Shanghai Famous Brand. Among them, the Chinese Old Brand and Shanghai Old Brand brand products include Shuangqian brand tires, Eye brand paints, Bright brand paints, Flying Tiger brand paints, One brand pigments, White Elephant batteries, Peony ink, Hui Li brand sports shoes and Bee Flower brand soaps; the company has been expanding the brand awareness and influence by strengthening the market publicity of the product brands and enhancing the market recognition and reputation.

##### **(IV) National business layout and overseas development capability**

The company has initially formed a business pattern of national development, with a number of internationally advanced and comprehensive chemical production bases located in Shanghai, Anhui, Jiangsu, Chongqing, Xinjiang, Zhejiang and other regions; the integrated chemical new materials production base in Qinzhou, Guangxi is being completed and put into operation; a large intelligent tire production plant has been built in Thailand. Through the reasonable layout of domestic bases and the construction of overseas bases, we are effectively close to the market, implement the mode of origin sales, expand overseas business, provide customers with efficient and fast product services, and enhance the company's ability to participate in market competition.

**(E) Integrated development capacity**

Relying on the advantages of wide coverage of upstream and downstream products, the company continues to build an integrated industrial chain, develop an integrated circular economy, continuously improve the efficiency of resource utilization, reduce pollutant emissions, reduce logistics and storage costs in production operations, and enhance the advantages of production operations, logistics and safety; strengthen integrated operations and control, promote centralized procurement and centralized sales, mutual supply of upstream and downstream products, and resist the risk of raw material market. We will also strengthen integrated operation and control, promote centralized procurement and sales, mutual supply of upstream and downstream products, and improve our ability to resist the risk of price fluctuations in the raw material market, enhance the bargaining power of raw material procurement and product sales and the overall stability of production operations, promote production scheduling and public works synergy between production bases of the same business segment and between different business segments within the same base, reduce costs and enhance competitiveness; give play to the "manufacturing + service". The Group's service sharing center is built to integrate professional resources, provide efficient services and promote overall industrial upgrading.

**(VI) Cooperative development capacity**

The company is one of the few enterprises in China's local chemical industry that has cooperated and set up joint ventures with global famous chemical companies in many aspects, and has become one of the preferred partners for global famous chemical companies to enter the Chinese market. At present, we have established several Sino-foreign joint ventures with multinational companies such as BASF, Arkema, Linde, Cabot, etc. Meanwhile, we have established good business relationships with many famous domestic companies such as Baowu, Sinopec, National Energy Group, CIMC, etc.

## (VII) Business management capabilities

The company has a group of experienced senior management personnel with strong knowledge and management skills in their specialized fields. The company's management team has continued to enhance the management level in lean production and operation, and changed from production management to "production + operation" management, continuously improving the operation quality of the plant, promoting process optimization, and driving down the unit material consumption and energy consumption of major products; in digitalization, the company has promoted digital empowerment and created several national In terms of digitalization, the company has promoted digital empowerment, created several national "Smart Manufacturing Benchmark Enterprises" and the first "Lighthouse Factory" in China's process chemical industry, enhanced the synergy of the manufacturing chain supply chain in terms of capital, logistics, supply and production, and continuously improved profitability.

## (H) HSE control capability

Safety and environmental protection is the lifeline of the enterprise, the company has formed a perfect HSE management system and management system. The company has established a series of effective safety management mechanisms and systems. In terms of environmental protection, through environmental risk prevention, continuous improvement of process technology, emission reduction at source, promotion of comprehensive management, and full process monitoring of the discharge of "three wastes" from enterprises along the river and rivers. The company introduces third-party assessment and other measures to maintain the effective operation of the HSE system and ensure the stable development of the company, while actively accepting social supervision through the establishment of corporate open days and actively promoting the harmonious development of enterprises and communities.

## V. Major operations during the reporting period

During the reporting period, the Company's main products, methanol, acetic acid and esters, produced 2,542,600 tons with operating revenue of RMB 604,886.29 million; industrial gases Production of 1,242,400 thousand cubic meters with operating income of RMB 165,942.15 million, production of 810,000 tons of acrylic acid and esters with operating income of 499,761.82 million The Company's revenue was NT\$968,590,000 for the production of 34,700,000 tons of paints and resins, and NT\$968,590,000 for the production of 12,445,700 tires. 1,001,989.83 million.

## (I) Analysis of main business

### 1. Analysis of changes in the income statement and related accounts in the cash flow statement

Unit: Yuan Currency: RMB

Subjects	Number of current period	Year-earlier period	Percentage of change (%)
Operating income	38,511,107,497.47	39,691,837,446.67	-2.97
Operating Costs	35,106,492,888.38	32,785,757,598.25	7.08
Selling expenses	508,169,812.13	520,064,680.32	-2.29
Overhead	1,075,505,368.08	1,259,779,930.20	-14.63
Finance costs	196,522,088.63	300,137,658.28	-34.52
R&D expenses	697,544,527.05	782,223,562.36	-10.83
Net cash flows from operating	7,459,024,760.22	5,960,204,772.56	27.00

Explanation of the reasons for the changes in financial expenses: mainly due to the decrease in exchange



losses during the period;

The reason for the change in net cash flow from financing activities: mainly due to the increase in loans for the Guangxi Qinzhou project;

Details of significant changes in the type of business, composition of profit or source of profit of the company during the period

☐Applicable ☒Not applicable

## 2. Revenue and cost analysis

☐Applicable ☒Not applicable

### (1) Main business by industry, by product, by region and by sales model

Unit: YuanCurrency:RMB

Main business by industry						
By Industry	Operating income	Operating Costs	Gross margin (%)	Operating income increased over the previous year Minus (%)	Operating costs increased over the previous year Minus (%)	Increase or decrease in gross margin over the previous year (%)
Energy Chemicals	9,315,441,004.94	9,020,154,778.62	3.17	-22.30	4.94	25.13 percentage point decrease
Advanced Materials	4,997,618,241.44	4,255,691,699.96	14.85	-24.68	-13.22	11.25 percentage point decrease
Fine Chemicals	6,560,524,218.25	5,501,558,456.89	16.14	11.71	10.75	0.73 percentage point increase
Green Tire	10,019,898,331.49	9,190,275,645.21	8.28	6.62	5.89	0.64 percentage point increase
Chemical Services	7,281,634,841.11	7,051,953,197.65	3.15	31.40	28.33	Increase of 2.31 percentage points
Main business by product						
Sub-products	Operating income	Operating Costs	Gross margin (%)	Operating income increased over the previous year Minus (%)	Operating costs increased over the previous year Minus (%)	Increase or decrease in gross margin over the previous year (%)
Methanol, acetic	6,048,862,870.23	6,312,576,144.65	-4.36	-32.82	3.17	36.40 percentage

Note: The Company's main products, methanol, acetic acid and esters, are different products in one set of production system. When the Company formulates its operation plan, it develops the related business based on the principle of the lowest overall operation cost and highest profitability of the production system. For the convenience of investors' understanding, this year the Company has presented methanol, acetic acid and esters together.

### (2) Production and sales situation analysis table

☒Applicable ☐ Not applicable

Main Products	Unit	Production volume	Sales volume	Inventory	Production volume over the previous year	Sales volume over the previous year Increase or decrease (%)	Increase or decrease in inventory over the previous year

**(3) Performance of major purchase contracts and major sales contracts**

□Applicable √Not applicable

**(4) Cost analysis table**

Unit: Yuan

Sub-industry situation							
By Industry	Cost component items	Amount for the period	Percentage of total cost for the period (%)	Amount in the same period of the previous year	Percentage of total costs in the same period of the previous year Example (%)	Change in the amount of the current period compared to the same period of the previous year Example (%)	Fact Sheet
Energy Chemicals	Materials, labor, fees	9,020,154,778.62	25.76	8,595,607,326.49	26.33	4.94	
Advanced	Materials,	4,255,691,699.96	12.15	4,903,872,489.99	15.02	-13.22	

**(5) Changes in the scope of consolidation due to changes in the shareholdings of major subsidiaries during the reporting period**

□Applicable √Not applicable

**(6) Significant changes or adjustments in the company's business, products or services during the reporting period**

□Applicable √Not applicable

**(7) Major sales customers and major suppliers****A. The company's main sales customers**

√Applicable □ Not applicable

Sales to the top five customers amounted to RMB351,542.36 million, accounting for 9.13% of total annual sales; among the sales to the top five customers, sales to related parties amounted to RMB0 million, accounting for 0% of total annual sales.

Unit: RMB million      Currency: RMB			
Serial number	Customer Name	Amount	Percentage of total annual sales
1	Customer 1	108,793.51	2.82
2	Customer 2	65,088.40	1.69
3	Customer 3	64,908.17	1.69
4	Customer 4	58,572.46	1.52

Sales to a single customer exceeded 50% of the total amount during the reporting period, or there were new customers among the top 5 customers, or there was heavy dependence on a few customers

☐Applicable ☒Not applicable

**B. The company's main suppliers**

√Applicable □ Not applicable

The purchase amount of the top five suppliers was RMB 1,137,933.97 million, accounting for 27.49% of the total annual purchase amount; among the purchase amount of the top five suppliers, the purchase amount of related parties was RMB 647,758.04 million, accounting for 15.65% of the total annual purchase amount.

Serial number	Supplier Name	Unit: RMB million	Currency: RMB
		Amount	Percentage of total annual procurement
1	Guangxi Huayi Energy Chemical Co.	523,207.02	12.64
2	Supplier 2	233,540.95	5.64
3	Suppliers 3	137,560.19	3.32
4	Shanghai Huayi Engineering Co.	124,551.02	3.01

Purchases from a single supplier exceeded 50% of the total amount during the reporting period, or there were new suppliers among the top 5 suppliers, or there was heavy dependence on a few suppliers

□Applicable √Not applicable

**3. Fees**

√Applicable □ Not applicable

Proj ects	Current Issue	Same period of previous year	Unit: Yuan
			Year-on-year increase or decrease (+-%)
Selling expenses	508,169,812.13	520,064,680.32	-2.29
Overhead	1 075 505 368 08	1 259 779 930 20	-14.63

The year-over-year decrease in finance costs was mainly due to the decrease in foreign exchange losses for the period; the year-over-year decrease in income tax was mainly due to the decrease in taxable income tax for the period.

**4. R&D investment****(1) R&D investment table**

√Applicable □ Not applicable

	Unit: Yuan
Expensed R&D investment for the period	697,544,527.05
Capitalized R&D investment for the period	
Total R&D investment	697,544,527.05
Total R&D investment as a percentage of operating revenue (%)	1.81
Share of R&D investment capitalized (%)	

**(2) Research and development staff fact sheet**

√Applicable □ Not applicable

Number of company's R&D staff	817
Number of R&D personnel as a percentage of total company headcount (%)	6.99
Educational structure of R&D personnel	
Academic Structure Category	21 / 355
Number of academic structure	
Doctoral students	28
Master's Degree	116

Age structure of R&D personnel	
Age Structure Category	Age Structure Number
Under 30 years old (excluding 30 years old)	197
30-40 years old (including 30 years old, not including 40 years old)	342
40-50 years old (including 40 years old, not including 50 years old)	154
50-60 years old (including 50 years old, not including 60 years old)	124
60 years old and above	0

### (3) Fact Sheet

√Applicable ☐ Not applicable

The company focuses on the strategic layout of "one Huayi, national business and overseas development", adheres to the five development concepts of "green development, innovative development, high-end development, cross-city development and integrated development", focuses on the four strategic fields of "new energy, new materials, new environmental protection and new biology", continues to increase R&D investment, focuses on key technology research of core products and builds the domestic leading "HTS" platform, New Energy, New Materials, New Environmental Protection and New Biology", continuously increase R&D investment, focus on the key core technologies of core products, build a leading "HTS" platform, integrate internal and external R&D resources to form an integrated R&D capability, promote R&D digital transformation, implement the incentive mechanism of scientific and technological rewards, stimulate innovation momentum, use major projects as the engine to promote the company's core industrial chain to complement and extend, accelerate the industrialization of scientific research achievements and the technological upgrading of existing products, reduce costs and increase efficiency, and continuously improve the company's comprehensive strength and core competitiveness.

### (4) Reasons for the significant changes in the composition of R&D personnel and the impact on the future development of the company

☐Applicable √Not applicable

## 5. Cash Flow

√Applicable ☐ Not applicable

Unit: Yuan

Proj ects	Curr ent Issu e	Same period of previous year	Year-on-year increase or decrease (+-%)
Net cash flow from operating	7,459,024,760.22	5,960,204,772.56	27.09

The year-on-year increase in net cash flow from financing activities was mainly due to the increase in loans for the Guangxi Qinzhou project.

## (II) Description of significant changes in profit due to non-main business

√Applicable ☐ Not applicable

1. The Twelfth Meeting of the Tenth Session of the Board of Directors and the First Extraordinary General Meeting of 2021 of the Company have considered and approved the "Agreement on Wholly-owned Subsidiary Proposal on the Expropriation of Publicly Owned Non-Residential Houses", in order to cooperate with the renovation of the old urban area of 203 Neighborhood of East Jinling Road in Huangpu District,

Shanghai, Shuangqian Company

The nine publicly-owned non-residential houses and related assets owned by the tenant in Lane 1-3, Yong'an Road, Huangpu District, Shanghai were included in the scope of expropriation. The

expropriated

The total amount of compensation for the value of publicly-owned non-residential houses and related assets owned by the Company and other kinds of subsidies was RMB252.13 million. In accordance with the agreement on land requisition and handover, Shuangqian handed over the requisitioned public non-residential houses and related assets to Huangpu District Housing Bureau in batches and received the compensation for the requisition one after another. As of January 27, 2022, Shuangqian had received a total of RMB252.13 million, and the publicly-owned non-residential houses and assets owned by Shuangqian had been expropriated.

The compensation for housing value of related assets and other kinds of subsidies have been fully received. This matter increases the Company's total profit for 2022

14,222.34 million Yuan. (Interim Announcement No. 2021-026, 2022-006)

2, the company's tenth session of the nineteenth meeting of the board of directors considered and approved the "proposal to sign the <Shanghai Yangpu District Industrial System State-owned land use rights acquisition contract supplementary contract>. In order to fulfill its corporate social responsibility, Shanghai Soap Factory Co., Ltd. has invested a lot of human and material resources in the work of staff diversion, personnel resettlement and settlement of former leaseholders. In this regard, the Shanghai Yangpu District Land Development Center, in accordance with the principle of seeking truth from facts, signed a Supplemental Contract to the Shanghai Yangpu District Industrial System State-owned Land Use Right Acquisition Contract (the "Supplemental Contract") on August 26, 2022, with Shanghai Soap Factory Co. Ltd. to pay RMB 605,564,800 as a one-time payment from the government to Shanghai Soap Factory Ltd. for the settlement of the original leasehold and the resettlement of employees.

Compensation. As of September 22, 2022, Shanghai Soap Factory Co., Ltd. has received RMB 605,564,800,000 and the supplemental contract has been fully paid.

The above government grants will increase the Company's total profit for 2022 by RMB 605,564,800. The above-mentioned government subsidies will increase the total profit of the Company for 2022 by RMB605,564,800. (Interim Announcement No. 2022-030, 2022-033, 2022-037)

### (C) Analysis of assets and liabilities

√Applicable □Not applicable

#### 1. Assets and liabilities

Unit: Yuan

Project Name	End of the period	End of the period as a percentage of total assets (%)	Prior period end	Ratio of prior period end to total assets (%)	Percentage change in the amount at the end of the current period compared to the end of the previous period (%)	Fact Sheet
Monetary Funds	16,569,813,702.27	27.99	9,907,109,351.70	18.83	67.25	Mainly attributable to the increase in deposits outside the scope of consolidation and decrease in loans outside the scope of consolidation issued by finance companies To
Receivables financing	1,752,114,845.63	2.96	3,392,623,821.76	6.45	-48.36	This is mainly due to the maturity of the current notes and Due to discounting
Other receivables	135,330,248.63	0.23	80,036,865.58	0.15	69.08	Mainly represents export tax refund receivables Increase due to
Dividend receivable	12,916,000.00	0.02	30,263,328.95	0.06	-57.32	Mainly due from investees during the period Due to decrease in corporate dividends
Buy-back financial assets	500,449,178.06	0.85	800,585,322.92	1.52	-37.49	Mainly due to finance companies at the end of the period Decrease in securities purchased resulting in
Issuance of loans	3,828,223,090.02	6.47	5,626,682,318.54	10.69	-31.96	Mainly due to loans and advances granted

#### 2. Foreign Assets

√Applicable □ Not applicable

##### (1) Asset Size

Of which: foreign assets of 390,768.72 (unit: RMB million currency: RMB), accounting for 6.60% of the



total assets.

**(2) Notes related to the high percentage of foreign assets**

☐Applicable ☒Not applicable

**3. Restrictions on major assets as of the end of the reporting period**

☐Applicable ☒Not applicable

**4. Other notes**

☐Applicable ☒Not applicable

**(D) Analysis of industry operating information**

☐Applicable ☒Not applicable

**Analysis of operating information of the chemical industry****1 Industry Basics****(1) Industry policies and their changes**

☒Applicable ☐Not applicable

In 2022, in the face of the complex and volatile global economy and domestic situation, the country has coordinated prevention and control and economic and social development, continued to adjust and optimize the industrial structure, and launched a series of guiding policies to guide the high-quality development of the chemical industry. Mainly including:

Promote high-end industrial upgrading. The "Outline for the Construction of a Strong Quality Country" proposes to shift the foothold of development to improve quality and efficiency, cultivate new advantages in economic development with technology, standards, brands, quality and services as the core, and promote the research and development of design and manufacturing technologies for special materials, functional materials and composite materials, as well as research and development of precise quality control technologies in key basic materials. The "14th Five-Year Plan" to promote the high-quality development of the petrochemical and chemical industry, the "Guiding Opinions" proposed to accelerate the transformation and upgrading of traditional industries, vigorously develop new chemical materials and fine chemicals, by 2025, the basic formation of high-quality development pattern of the petrochemical and chemical industry, high-end products to significantly improve the ability to ensure that the core competitiveness is significantly enhanced. By 2025, the petrochemical and chemical industry has basically formed a high-quality development pattern, the high-end product guarantee capacity has been significantly improved, and the core competitiveness has been significantly enhanced. The "Three Products" Implementation Plan for the Raw Materials Industry proposes to continuously optimize the development environment, reduce the low-end invalid supply, create products with high technological content, high quality satisfaction and high brand recognition, and promote the raw materials industry to increase variety, improve quality and create brands.

Enhance the level of digital development. The Implementation Guide for Digitalization of Manufacturing Quality Management (for Trial Implementation) requires enterprises to strengthen digital thinking to Digital empowerment of quality management, promote the digitalization of quality management activities, network, intelligent upgrade, enhance the whole product life cycle, the whole value chain, the whole industry chain quality management capabilities, improve the quality of products and services, and promote high-quality development of the manufacturing industry.

Promote green and low-carbon transformation. The "Implementation Plan for Carbon Peaking in Industry" proposes to build an industrial layout conducive to carbon emission reduction, resolutely curb the blind development of high energy consumption and high emission low level projects, and actively promote green manufacturing. The Opinions on Improving Institutional Mechanisms and Policy Measures for Green and Low-carbon Energy Transition requires strengthening the management of binding targets for reducing energy consumption intensity, effectively enhancing the flexibility of total energy consumption

management, excluding new renewable energy sources and raw materials from total energy consumption control, and strengthening the "double control" policy of energy consumption and carbon peak and carbon neutral target tasks. The "Double Control" policy and the carbon peak and carbon neutral targets will be strengthened. The Guidance on Energy Work in 2022 calls for vigorous development of wind power and photovoltaic, and efforts to cultivate new industries and modes of energy. The 14th Five-Year Plan for Renewable Energy Development calls for the proportion of non-fossil energy consumption to reach about 20% by 2025, and the promotion of green hydrogen substitution in key areas such as chemical industry to help achieve the goal of 'carbon peaking and carbon neutrality'. The Medium and Long-term Plan for the Development of Hydrogen Energy Industry (2021-2035) points out that hydrogen energy industry is a strategic emerging industry and a key development direction for future industries, and that it should strengthen the construction of the innovation system of hydrogen energy industry, accelerate the breakthrough of the core technology and key material bottleneck of hydrogen energy, accelerate the upgrading and growth of the industry, and realize the virtuous cycle and innovative development of the industry chain.

Strengthen safety and environmental protection governance. The 14th Five-Year Plan for Safe Production of Dangerous Chemicals focuses more on building a safety governance system and more

We will pay more attention to the improvement of essential safety, pay more attention to the digital transformation of management means, strengthen source management, treat both the symptoms and the root causes, promote systematically, and improve the systematic, accurate and intelligent level of safety management. The Notice on the Issuance of the "14th Five-Year Plan" Water Consumption and Intensity Control Targets proposed that by 2025, the water consumption of 10,000 yuan of industrial added value will be reduced by about 16% and 16% respectively compared with that of 2020, and the chemical industry will be promoted to enhance awareness of water conservation and improve water efficiency.

## (2) Basic information on major industry segments and the company's industry position

√Applicable ☐ Not applicable

In 2022, the supply-demand relationship in the acetic acid industry gradually shifted from the previous tight supply-demand balance to supply-demand balance. During the year, acetic acid production capacity expanded significantly, and the capacity of large installations accounted for a large proportion, with a high start-up rate and a relatively adequate supply, while downstream demand grew relatively slowly due to the macroeconomic downturn, and the market was slightly more in supply than in demand. Acetic acid enterprises

As the competition in the industry intensifies, the cost competitiveness of enterprises with technological and scale advantages gradually emerges. The company's acetic acid production capacity ranks among the top three in the domestic industry. The operating pressure of China's methanol industry has increased. On the one hand, under the influence of global energy supply tension caused by the war between Russia and Ukraine, coal prices are at a high level and the cost of methanol remains high; on the other hand, the overall economic situation at home and abroad is weak and the growth rate of downstream demand is slowing down, so the pressure of high raw material cost of methanol cannot be transmitted to the downstream, meanwhile, the overall trend of methanol import is increasing and the import volume is close to the historical high. The overall production and operation pressure of methanol enterprises is high, coupled with the environmental protection constraints, the methanol industry is promoted to accelerate the elimination of backward production capacity and promote industrial restructuring and industry upgrading. The company's methanol plant in Anhui Province was selected as one of the "Energy Efficiency Leaders" in key energy-using industries in 2022.

Acrylic acid and esters maintain a more relaxed pattern of supply and demand. On the supply side, acrylic acid and ester production capacity continues to grow, while the development trend of scale is further remarkable, and the industry concentration is further enhanced; on the demand side, affected by the real estate downturn and overall sluggish demand, the overall downstream consumption has fallen back. Industry enterprises have increased their core competitiveness, and the industry chain enterprises with leading technology and upstream and downstream integration can greatly enhance their competitive advantages. The company's total acrylic acid and ester production capacity ranks among the top three in the domestic industry.

Tire industry overall weak operation but there is still a strong export resilience support. The domestic market is affected by the slowdown in demand growth, tire enterprises production restrictions, the total supply of tires overall is a slight downward trend. Among them, the semi-steel tires, in the replacement market weak dragging demand is poor, the enterprise start rate has declined; all-steel tires, by the national infrastructure projects slowed down and logistics and transportation weakened, the overall demand showed a decline in the situation. However, with the support of overseas supply and demand gap, domestic tire export still showed resilience, and the annual export volume and export value both achieved growth. The company's all-steel tire production ranks among the top in China, and actively participates in domestic and overseas market expansion through collaboration of domestic and overseas bases, combined with brand advantages.

## 2 Products and Production

### (1) Main business model

☒Applicable ☐Not applicable

The operation of the company's main products adheres to the market principle, reasonably arranges the opening and closing of the plant according to the market changes, determines the production by sales, and reasonably controls the inventory; adheres to the principle of efficiency, optimizes the operation mode of the plant, and reduces or stops the production of the plant without marginal contribution; adheres to the principle of production capacity, operates the production at full capacity according to the actual production capacity of the plant, and promotes by production. In particular, in the production of tires, we have strong product development capability in design, good flexibility in manufacturing, and a unique marketing system in sales by combining supporting and retailing for automobile companies; some products such as paints are produced by order mode.

### Major adjustments to the business model during the reporting period

☐Applicable ☒Not applicable

### (2) Main product information

☒Applicable ☐Not applicable

Prod ucts	Industry segments	Main upstream 28 / 355 Raw Materials	Main downstream applications	Price main impact Factors
Methanol,	Energy	Raw	Fine chemicals, fuels, formaldehyde, MTO, etc.	Downstream

### (3) R&D Innovation

√Applicable    □Not applicable

The company attaches importance to technology R&D innovation, constantly improves and optimizes the technology innovation system, continuously increases R&D innovation investment, insists on open innovation, collaborative innovation and integrated innovation, takes core business drive as the main body, takes industrialization as the target, takes key projects as the grasp, accelerates the transformation of technology innovation results, and persistently improves the core competitiveness of the company.

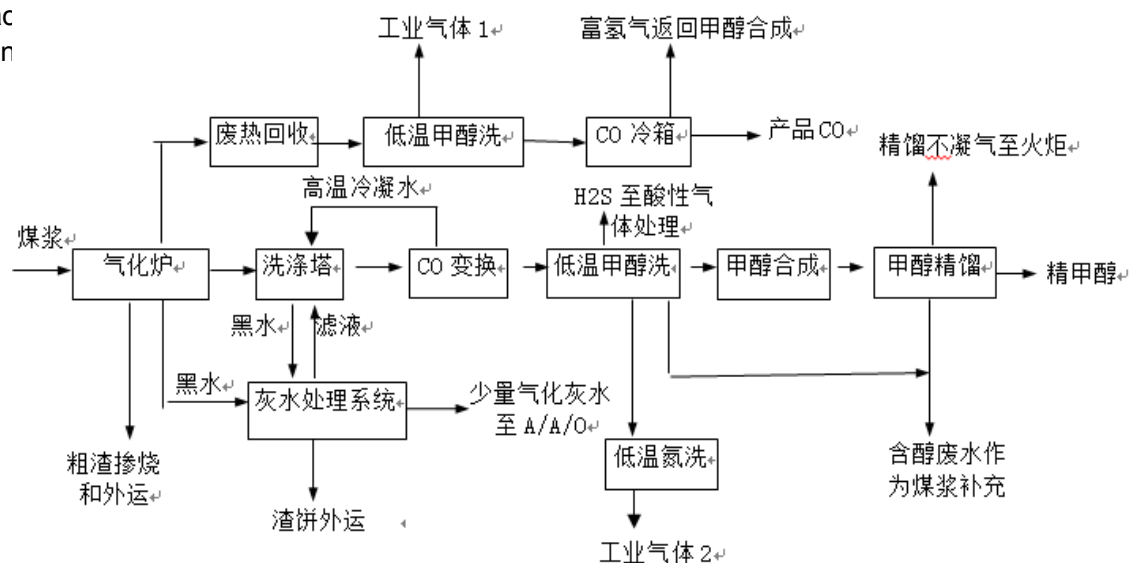
In 2022, the company introduced and implemented the "Group's Major Science and Technology Research Project Management Measures", promoted the establishment and implementation of major science and technology research projects, and implemented the innovation management of scientific research projects; carried out key core technology research for new products of core business, accelerated the industrialization of scientific research achievements and the technological upgrading of existing products, reduced costs and increased efficiency, and a number of key catalysts such as new catalyst system and truck tire series products for mining. The company has successfully transformed a number of key scientific and technological achievements, and promoted the company's core industrial chain to complete and extend; established and improved the technological innovation system, and continued to promote the construction of Huay's technology solution platform.

Highlight open innovation, collaborate with upstream, midstream and downstream enterprises, universities and research institutes in related fields to form innovative R&D resources to form innovative synergy, strengthen the function of new business incubation and technology radiation, and use the new mode of digital R&D to enhance innovative R&D kinetic energy; optimize the structure of scientific and technological talent team, improve the evaluation, flow and incentive mechanism of scientific and technological talent, improve the scale and quality of innovative talent, and realize the construction of high-quality talent team; Emphasize the construction of R&D bases, promote the construction of 1+3+X innovative R&D carriers based on the Central Research Institute and Wujing Science and Technology Park, Shanghai Science and Technology Innovation Park, Qinzhou Petrochemical Production Technology Innovation Center and several enterprise technology centers and innovation practice centers; create an open innovation system with special features, actively dock with national and Shanghai strategic needs, focus on new chemical materials, integrated circuits, energy conservation and environmental protection, new energy, biomedicine and other strategic emerging The company has undertaken and implemented 35 special government projects in science and technology, including 3 national projects. In the year, 114 patents were applied for and 78 were granted.

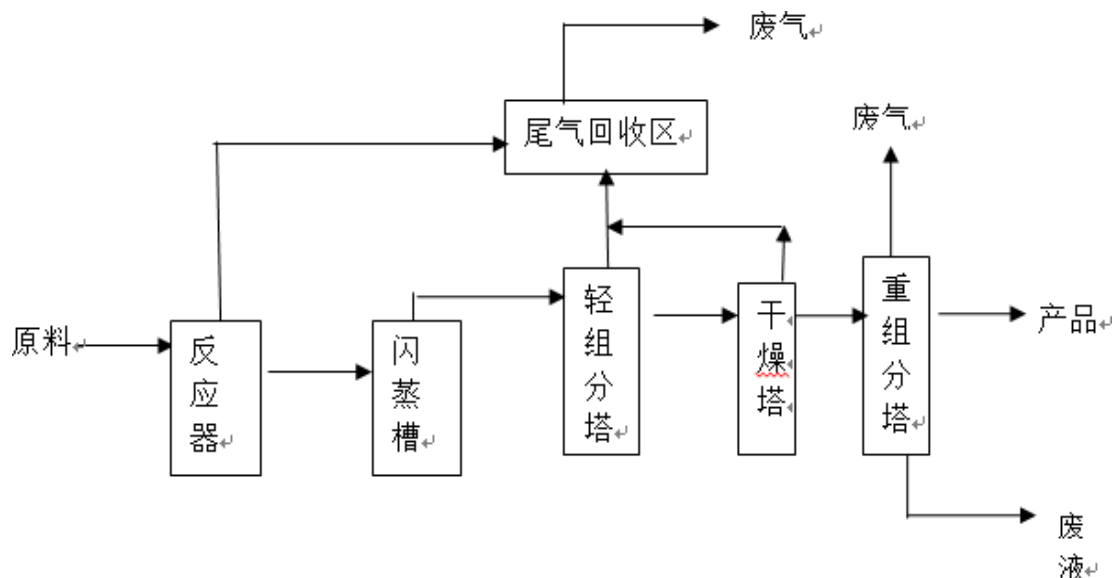
#### (4) Production process and flow

√Applicable    □Not applicable

① Brief description of methanol and industrial gas products process: The main raw materials for methanol production are gasified coal and oxygen, and the incompletely burned mixture is synthesized under the ac are obtain

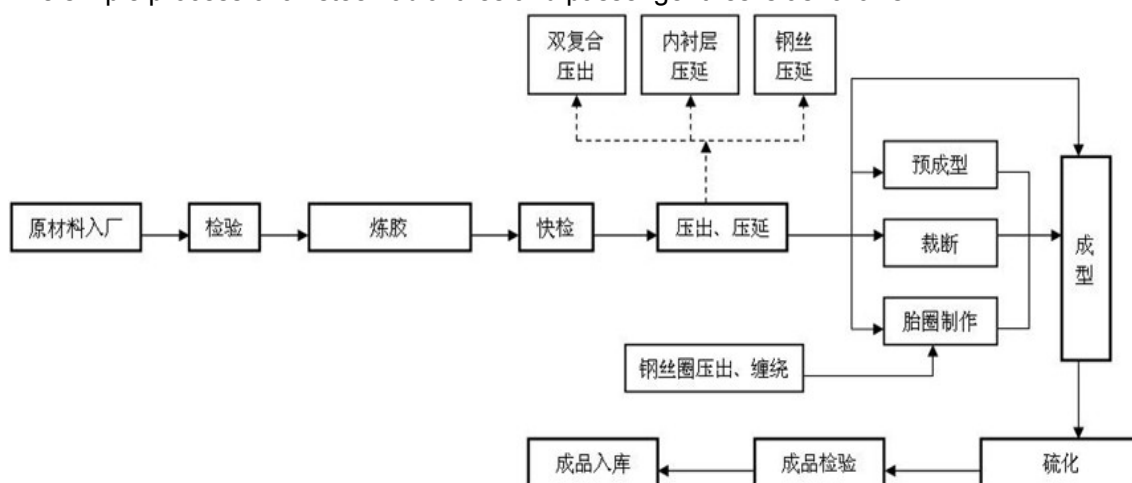


Acetic acid production is based on the low-pressure carbonyl synthesis of methanol, which is a continuous reaction of methanol and CO as raw material, catalyzed by the combination of catalyst and co-catalyst to produce acetic acid. Then the qualified acetic acid product is obtained after flash separation and distillation, and the simple flow chart is as follows:



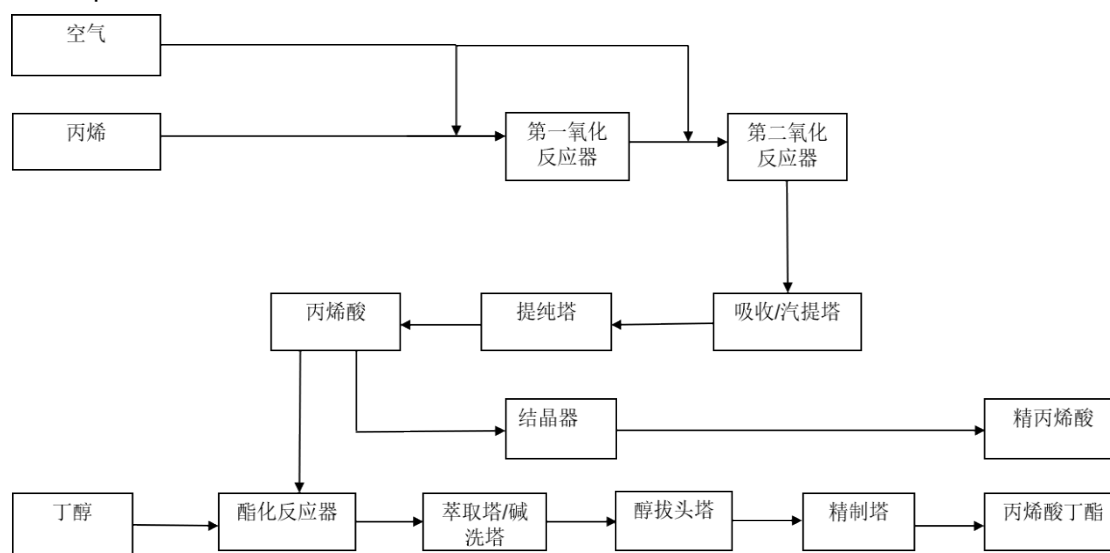
③ Tire production process is mainly divided into 6 major processes: rubber refining, pressing out, calendering, semi-product making, molding and vulcanization. The rubber refining process is to become qualified rubber after the process requirements, and then enter the pressing and calendering process to process the rubber into semi-products of different sizes and shapes, and then enter the molding process after further processing of the pressed and calendered semi-products, such as pre-compounding, steel cord cutting, bead forming, etc. The molding area will process the compound, cord fabric, belt bundle layer, wrapping cloth, etc. into raw tires, and the raw tires enter the curing process and are loaded into the curing machine with steam. After the raw tire enters the curing process, it is loaded into the curing machine and cured with high temperature until the tire is matured and enters the final inspection process.

The simple process of all-steel radial tires and passenger tires is as follows:

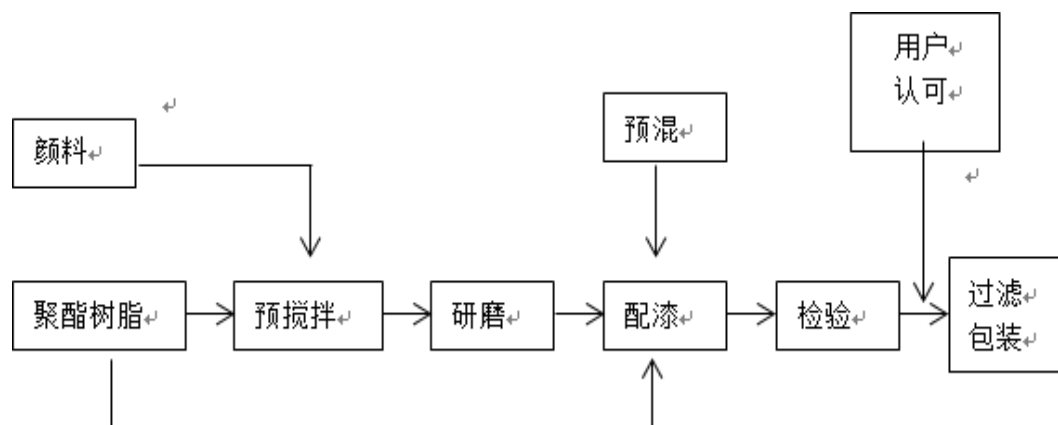


The acrylic acid and butyl acrylate process is described briefly: propylene, air and water vapor are passed through the catalyst bed in a certain ratio, propylene is oxidized to acrolein in the first oxidation reactor, and acrolein is further oxidized to acrylic acid in the second oxidation reactor, and the oxidation products are separated and purified by distillation to obtain acrylic acid products. The acrylic acid and n-butanol react with the catalyst PTSA (p-toluenesulfonic acid) to form butyl acrylate and water, and then the high purity butyl acrylate can be obtained by using the principle of distillation and decomposition.

The simple flow chart is as follows:

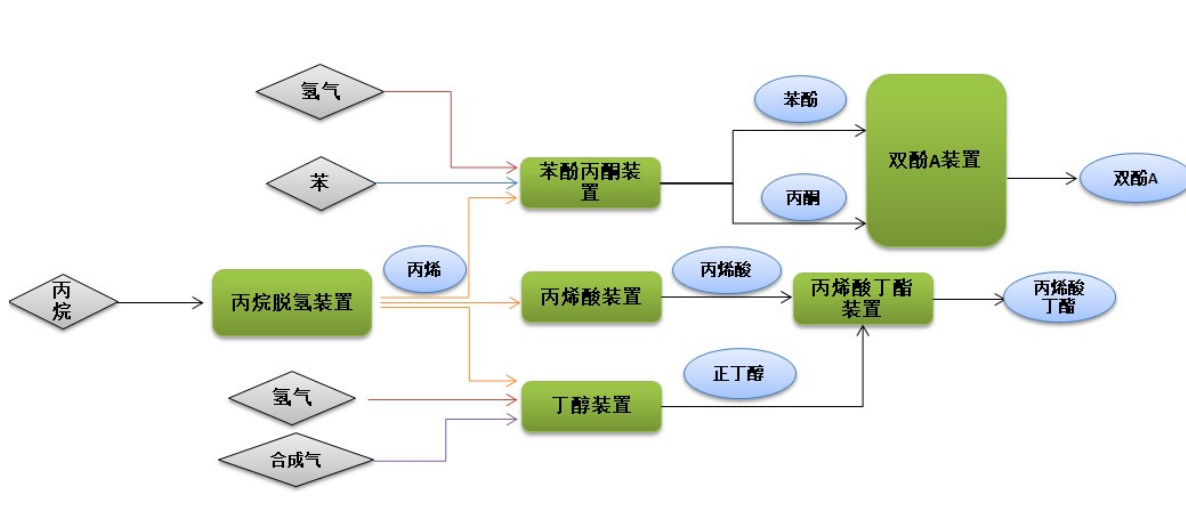


⑤ Paint product configuration process:





(6) Brief description of the product chain process of Guangxi New Material Company: propane is used as raw material to produce propylene products through dehydrogenation process, n-butylaldehyde is produced by the reaction of propylene and synthesis gas, n-butylaldehyde reacts with hydrogen to produce butanol; another way propylene produces acrylic acid through catalytic oxidation process, acrylic acid and butanol produce butyl acrylate; the third way propylene reacts with benzene to produce isopropylbenzene, isopropylbenzene is hydrogenated to produce phenol and acetone, phenol and acetone After catalytic condensation reaction to produce bisphenol A.



### (5) Production capacity and start-up situation

√Applicable    □Not applicable

Unit: billion yuan    Currency:

Major plants or projects	Design capacity	Capacity utilization Rate (%)	Under construction Production capacity	Capacity under construction Invested amount	Capacity under construction expected Completion time
Methanol at the Energy and Chemical Headquarters (10,000 tons)	95	68			
Acetic acid of Energy and Chemical Headquarters (10,000 tons)	70	79			
Anhui Huayi Methanol (10,000 tons)	66	97			
Anhui Huayi acetic acid (10,000 tons)	60	108			

### Increase or decrease of production capacity

□Applicable    √Not applicable

### Adjustment of product line and capacity structure optimization

□Applicable    √Not applicable

**Unusual production stoppage**

☐Applicable    ☒Not applicable

### 3 Raw Material Procurement

#### (1) Basic information of main raw materials

√Applicable □Not applicable

Main raw materials material	Sourcing Model	Settlement Method	Year-on-year price change Ratio (%)	Purchase volume	Consumption
Chemical Coal	Direct purchasing, trader purchasing	Cash on delivery	23.03	2,592,657 tons	2,625,104 tons
o-Phenylene	Direct purchase is the main, traders are auxiliary	Cash on delivery and goods To payment	22.91	10,903 tons	10,832 tons
Ethanol	Direct purchase is the main, traders are auxiliary	Cash on delivery	4.39	96,052 tons	95,282 tons
Natural	Direct purchasing, trader	Cash on	32.2	184,880 tons	184,880 tons

Changes in the prices of major raw materials have a significant impact on the company's operating costs

#### (2) Basic information of major energy sources

√Applicable □ Not applicable

Major energy sources	Sourcing Model	Settlement Method	Price change year-on-year Dynamic ratio (%)	Purchase volume	Consumption
	Direct				

Changes in major energy prices have a significant impact on the company's operating costs

#### (3) Responses to raw material price fluctuation risk Major holdings of financial products such as derivatives

□Applicable √Not applicable

#### (4) Basic information on the use of other methods such as phased reserves

√Applicable □Not applicable

The company adjusts the reserves of major raw materials such as coal and carbon, natural rubber, propylene, n-butanol and ethanol according to the market conditions at the right time.

### 4 Product Sales

#### (1) Basic information of the company's main business by industry segment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Segmentation	Operating income	Operating Costs	Gross margin (%)	Increase or decrease in operating income over the previous	Increase or decrease in operating costs over the previous	Increase or decrease in gross margin over the previous year (%)	Gross margin of products in the same field in the same industry
			35 / 355				

Green Tire	10,019,898,331.49	9,190,275,645.21	8.28	6.62	5.89	Increase 0.64 Percent	
Chemical Services	7,281,634,841.11	7,051,953,197.65	3.15	31.40	28.33	Increase 2.31 Percent	

## (2) Basic information of the company's main business by sales channel

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Sales channels	Operating income	Increase or decrease in operating income over the previous year (%)
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## Accounting Policy Statement

☐Applicable ☒Not applicable

## 5 Environmental protection and safety situation

### (1) Basic information on major production safety accidents during the reporting period

☐Applicable ☒Not applicable

### (2) Major environmental violations

☐Applicable ☒Not applicable

## (E) Investment status analysis

### Overall Analysis of Foreign Equity Investment

☒Applicable ☐Not applicable

At the end of the reporting period, the balance of long-term equity investments in foreign currencies was RMB473,341,500,000, an increase of RMB30,230.74 million from RMB443,110,51 million in the previous year.

million, an increase of 6.82%, of which: the current investment increased by 263,975,300 yuan and the equity method subsidiary increased by 38,048 due to earnings, etc.

The Company's dividend payout decreased by RMB 30,108.42 million.

### 1. Significant equity investments

☐Applicable ☒Not applicable

### 2. Significant non-equity investments

☒Applicable ☐Not applicable

① Ltd. has an annual production capacity of 1.8 million high-performance all-wire radial load tires expansion project, with a total investment of 1.526 billion yuan, and the project is progressing in phases, and 67% of the production capacity has been achieved.

② Ltd. has an annual production capacity of 15 million high-performance semi-wire radial tires, with a total investment of 3.183 billion yuan, and the project is progressing in phases and has achieved 40% capacity.

③ Guangxi Huayi New Material's annual output of 750,000 tons of propylene and downstream deep processing project, with a total investment of RMB 9,090 million, the project has been handed over in the middle.

- ④ Guangxi Huayi New Material annual production capacity of 200,000 tons of bisphenol A project, with a total investment of 3.267 billion yuan, the project has been handed over in the middle.
- ⑤ Guangxi Huayi New Material Polymer Resist Project, with a total investment of 570 million yuan, has carried out design and other work.

## 3. Financial assets

measured at fair value

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		Change in fair value for the period Profit and loss	Accumulated in equity Changes in fair value	Current accrual Impairment of	Purchase amount for the period	Current sale/redemption Amount	Other changes	End of period
Assets Category	Opening Number							
Stock	257,295,537.75	-52,025,068.08			132,596.80			205,403,066.47
Funds	1,510,641,240.94	-74,303,907.15			896,434,713.73	952,596,947.01		1,380,175,100.51

Portfolio

Investment Status

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		Stock short name	Initial investment cost	Funding Sources	Opening book value	Gains or losses on changes in fair value for the period	Accumulated fair value included in equity Value change	Purchase amount for the period	Amount sold during the period	Gain or loss on investments for the period	Carrying value at the end of the period	Accounting Accounts
Variety of securities	Stock Code											
Stock	000166	Shen Wan Hong yuan	26,983,236.00	Own Funding	188,812,078.08	-42,040,189.26		-	-	3,687,735.90	146,771,888.82	Transactional gold Financing Properties
Stock	600636	National New Culture	3,662,459.24	Own Funding	14,176,800.00	-1,689,600.00				52,800.00	12,487,200.00	Transactional gold Financing Properties
Stock	600322	Sky Room Development	267,200.00	Own Funding	342,350.00	35,070.00					377,420.00	Transactional gold Financing Properties

				Fund ing								Dynamic Gold Financin g Product
Total	/	/	78,865,135.37	/	1,767,936,778.69	-126,328,975.23	-	896,567,310.53	952,596,947.01	32,017,230.76	1,585,578,166.98	/

Private equity investments

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Nam e	Funding Sources	Opening book value	Fair value for the period Change in profit or loss	Purchase amount for the period	Amount sold during the period	Carrying value at the end of the period	Accounting Accounts
Shanghai M&A Equity Investment Fund Partnership (Limited Partnership)	Own funds	76,340,621.30	-7,217,354.44		51,576,772.51	17,546,494.35	Other non-current financial assets

Derivatives Investment

☐ Applicable ☒ Not applicable

#### 4. Specific progress of the integration of major assets restructuring during the reporting period

☐ Applicable ☒ Not applicable

#### (F) Significant asset and equity sales

☐ Applicable ☒ Not applicable

**(VII) Analysis of major holding and equity participation companies**

√Applicable □Not applicable

Company Name	Business Nature	Main Products	Registered Capital	Asset Size	Unit: RMB million	
					Shareholding %	Net Profit
Shanghai Huayi Energy Chemical Co.	Manufacturing, Service, Trade	Methanol, acetic acid	404,887.00	1,056,676.55	100.00	20,981.99
Shanghai Huayi Fine Chemical Co.	Manufacturing, wholesaling, shipping	Paints, lacquers, resins	72,555.95	343,008.80	100.00	27,755.15
Shanghai Huayi Group Investment Co.	Investment, Trade, Services, Manufacturing	Plastic, resin	123,500.00	411,229.29	100.00	35,265.81
Shanghai Tianyuan (Group) Co.	Real estate investment, manufacturing, freight forwarding, domestic country International trade, etc.	Plastic parts, resin, medical materials	35,217.61	134,841.41	100.00	-367.97
Shanghai Huayi Information Technology Co.	Technology Development	Software Development	2,148.00	25,657.85	51.21	1,850.30
Shanghai Huayi New Material Co.	Manufacturing	Acrylic acid, acrylate	226,834.00	525,796.99	100.00	37,258.68
Guangxi Huayi New Material Co.	Manufacturing	Acrylic acid, acrylate	392,344.00	1,042,382.34	60.00	-3,475.18
Shanghai Huayi Group Finance Co. Division	Financial Industry	Financial Services	100,000.00	2,356,687.98	64.00	21,855.94
Shanghai Soap Making (Group) Co.	Manufacturing	Soap, ink, batteries	16,069.03	138,290.32	60.00	44,479.89
Shanghai Tire Group Co.	Manufacturing	Tires	345,000.00	880,702.42	100.00	2,643.18



**(viii) Structured subjects controlled by the company**

☐Applicable ☒Not applicable

**VI. Discussion and analysis of the company's future development (I)**
**Industry pattern and trends**

☒Applicable ☐ Not applicable

Based on the macroeconomic situation at home and abroad and the current trend of chemical market operation, it is expected that the chemical industry will have both challenges and opportunities in 2023, and will accelerate structural adjustment and transformation to implement high-quality development.

First, the external environment remains complex. In the global fight against inflation, Russia-Ukraine conflict and other factors, the global economy downward pressure, the United States, the European Union and other developed economies will significantly weaken the growth momentum, and some emerging markets may even break out of the crisis; but emerging markets and developing economies as a whole will gradually show bottom stabilization, emerging markets in Asia and developing countries will take the lead in recovery, led by domestic demand will become the most dynamic global economy. The foundation of China's economic recovery is not yet solid, but the economy is resilient, high potential, full of vitality, the effect of the policies will continue to appear, in the word stable, stable policy guidance, China will better coordinate the structural reform on the supply side and expand domestic demand, through high-quality supply to create effective demand, accelerate the construction of a modern industrial system.

Second, fossil energy prices in the supply and demand multi-factor game will remain in the high level of wide fluctuations. Limited by the low level of investment, Russian supply risk, the end of the release of U.S. strategic oil reserves and shale oil production slowdown, oil supply growth is limited, and supply elasticity is low; demand, the global economic recession is expected to drag oil demand, but China and India and other emerging economic growth is still resilient, driving global oil demand to maintain growth momentum.

Third, the chemical industry to enhance the construction of core competitive capabilities. As growth is expected to slow down in Europe and the United States and other markets, a large amount of new domestic production capacity will be gradually put in place and pressure on the chemical market will increase. China's chemical industry will continue to optimize the industrial structure, actively develop downstream business, grasp new materials and other new tracks, promote green and low-carbon development, and compete for opportunities in hydrogen, wind power, photovoltaic and other industries; at the same time, strengthen core technology research, promote digital transformation, improve total factor productivity, and significantly enhance the level of competitiveness.

From the company's

industry segment: 1)

energy and chemical sector

Methanol industry will strengthen the extension of green industry chain to enhance the integration of competitive advantages. It is expected that in 2023, methanol and acetic acid production capacity will continue to expand, and the trend of large-scale and grouping will be further highlighted; on the demand side, under the guidance of green and low-carbon, the demand for methanol will grow driven by biodegradable materials and new energy vehicles, and the growth of acetic acid and other products will be driven by the photovoltaic industry, while there are still opportunities in the export market for acetic acid and other products. The company will make full use of its product scale and technical advantages to actively extend the downstream industry chain.

2 ) Green Tire Segment

The tire industry will continue to promote structural optimization and implement product upgrades.

It is expected that in 2023, leading tire companies will still increase their expansion efforts, promote industry consolidation, accelerate the elimination of backward production capacity, seize opportunities in overseas markets and upgrade overseas production capacity. Along with the significant growth of new energy vehicle market demand, new opportunities for new energy vehicle special tires; in the context of accelerated investment in energy and new infrastructure, the demand for special tires such as mining truck tires and engineering giant tires will also increase significantly; under the leadership of double carbon, the green tire market will also grow rapidly. With multiple production bases in China and Thailand, the company will actively optimize its production capacity layout and keep pace with the growth of various market segments in the tire industry to further develop mid- to high-grade and differentiated tire products.

### 3 ) Advanced Materials Segment

The acrylic acid and ester industry will continue to develop in the direction of supply pattern concentration and industry chain integration. It is expected that acrylic acid production capacity will still grow further in 2023, and downstream demand will recover slightly, maintaining an overall loose pattern of supply and demand. The scale of acrylic acid and ester products of the Company is at the forefront of the industry, and the upstream and downstream industry chains are continuously improved.

### 4 ) Fine Chemicals Segment

The domestic coating industry will actively promote high-end industrial upgrading. It is expected that the coatings market will continue to grow in 2023 as downstream consumption and investment pick up, while the industry will develop in the direction of intensification and specialization, pay more attention to the development of specialized and special new products, and strengthen low-carbon and environmental protection innovation. The company's coating business accelerates the development of high-solid, water-based and other environmentally friendly coatings and actively breaks through to the green, low-carbon and high-end coating market; at the same time, it continues to enrich its specialty chemicals business to promote the development of downstream business.

### 5 ) Chemical Services Segment

Under the impetus of high-quality development, the chemical manufacturing industry and chemical service industry will further integrate and develop synergistically. It is expected that by 2023, enterprises in the industry will accelerate the transformation from providing "products" to providing "products + services". The company will continue to promote the synergistic development of chemical manufacturing and service business.

The company will develop its business model, develop investment business, and actively cultivate new business; develop chemical application services, get close to user customers, and build an industrial ecosystem; strengthen digital endogenous capacity building, promote digital level improvement, and enhance the competitive ability of the company's manufacturing business.

Entering the new year of recovery, the company's board of directors and management team will forge ahead, build a solid foundation, sustain change, actively cope with difficulties and challenges, firmly grasp opportunities, firmly promote the company's innovation and transformation, high-quality development, and ensure the successful completion of all economic goals.

## (II) Corporate Development Strategy

√Applicable □ Not applicable

The company's development is still in a good development opportunity period: the Asia-Pacific region will become the locomotive of global economic recovery, and the RCEP agreement will continue to release dividends after it officially comes into effect, which will effectively promote the development of chemical trade; domestic consumer demand continues to recover, favorable economic measures are gradually introduced, and economic growth momentum is significantly enhanced; new energy, electronic information, biotechnology and other strategic emerging industries accelerate development, promoting new chemical business. The rapid development of new energy, electronic information, biotechnology and other strategic emerging industries will promote the development of new chemical business, especially the rapid growth of the new chemical materials market; under the promotion of the dual carbon strategy, the chemical industry will accelerate the elimination of inefficient production capacity and bring huge growth space in the fields of clean energy, carbon sequestration and carbon reduction; the digital economy will further integrate deeply with the industry, creating new opportunities for chemical industry enterprises to improve quality and efficiency, energy saving and carbon reduction, and new product development.

At the same time, in the face of the complex external environment, the company will also face a series of challenges in its development. The downward trend of the global economy is still severe, and chemical products face greater export contraction pressure; the chemical industry, after rapid expansion of production capacity in the early stage, has fierce market competition, and industrial structure adjustment and value chain enhancement are still huge challenges; the energy market is expected to fluctuate at a medium-high level, and the pressure on raw material cost will continue; the task of double carbon transformation is urgent and arduous, and the pressure of green low-carbon upgrade is urgent.

To this end, the company is firmly committed to the vision of "building a chemical enterprise group with international competitiveness and influence, and becoming a **company that society needs and respects**", adhering to the development concept of "green chemical industry and good life", and will continue to optimize its business portfolio and business layout. We will continue to optimize our business portfolio and business layout, give full play to our technological, brand, location, industrial base and customer resources advantages, and accelerate high-quality development in accordance with the principles of "digital upgrading, high-end manufacturing, technology-driven and overseas **development**".

In terms of developing specific strategic initiatives, the company:

First, we optimize our business portfolio and strengthen high-end manufacturing. The company implements chain supplementation and strengthening around industry chain integration, enhances the Group's product richness and integration synergy level, and improves industry chain resilience. Enlarge and improve the layout of mid- and upstream industries, further expand the business support and development barriers of high-end chemical raw materials; accelerate the extension to downstream businesses, actively develop new materials business and promote high-end manufacturing; continue to open up new business growth points with scale advantages and leading levels, cultivate emerging businesses and build new growth momentum; build an open cooperation ecosystem, establish mutually beneficial and win-win relationships with customers "united front", strengthen brand image and cultural connotation, improve brand influence and market reputation, and achieve long-term win-win situation.

Second, optimize the business layout and accelerate overseas development. Promote the intensive

and large-scale development of the main production bases, focus on accelerating the construction of integrated bases, integrate into the Yangtze River Delta integration, and enhance the competitive advantages of integration; seize overseas development opportunities at the right time, strengthen domestic and international production capacity cooperation, actively expand overseas sales, and steadily implement overseas development.

Thirdly, we promote digital upgrading and build digital Huayi. Vigorously implement the digital Huayi strategy, implement digitalization projects in an orderly manner for R&D, production, marketing and procurement supply chain, build a digital lighthouse factory, construct a digital leading technology structure and efficient organization mechanism, establish a digital way of working and build a digital cooperation ecosystem.

Fourth, promote technology-driven, enhance the advantages of innovation. Deeply implement the innovation-driven strategy, face the major national needs and focus on the key core links of the industrial chain, and conquer a number of "neck" technologies; follow the industry development trend and grasp the professional frontier dynamics, and seize a number of high point technologies; closely follow the upstream and downstream industrial chain, build a common technology research and development platform, and build a multi-party participation, open and shared industrial We will accelerate the development of new business and new mode with technology empowerment.

Fifth, implement double carbon action and promote green transformation. Grasp the development trend of efficient operation, clean energy and low-carbon raw materials, and strengthen energy-saving and carbon-reducing initiatives. Establish a business system to support the dual carbon strategy, practice the new model of green and low-carbon development from the dimensions of energy, raw materials, production process and product application, carry out low-carbon technology and green product development, and deploy green and low-carbon projects. Build a carbon management system and establish an efficient and coordinated carbon management organization.

Sixth, deepen the mechanism of change and stimulate the vitality of talent. We will continue to change to achieve new breakthroughs in operational dynamics and vitality; strengthen the construction of talent team, optimize talent discovery mechanism, management policy and incentive mechanism, and make new breakthroughs in the use of talents; strengthen the overall leadership of the Party, strengthen the construction of "Sunny Huayi" family culture, unify ideals and beliefs, and inspire the staff team to We will strengthen the overall leadership of the Party, strengthen the construction of "Sunshine Huayi" family culture, unify ideals and beliefs, stimulate the autonomy, enthusiasm and creativity of the staff team and jointly promote the development of the Group.

### (III) Business Plan

√Applicable ☐ Not applicable

In 2023, the Board of Directors and the management team will work together to strengthen the research on the changing trends of industry development under the guidance of the development strategy, focus on the long term, look for opportunities, accelerate innovation and development, build the core competitiveness of the company around safe production, operational excellence, open innovation and management change, actively respond to the uncertainty of the external environment and the downward pressure of the industry, and promote the high-quality development of the company.

First, the implementation of work responsibilities to ensure safe production. Actively coordinate development and safety, and accelerate the green transformation of the development mode. Fully implement HSE responsibilities, continuously strengthen the main responsibility of enterprise safety, and enhance safety leadership; continuously improve essential safety, promote the application and upgrade of intelligent equipment, and strengthen emergency management; adhere to green development, increase investment in environmental protection, and promote the creation of green factories; strengthen dual carbon management, promote the construction of carbon emission management system, and promote the implementation of carbon reduction initiatives.

Second, deepen digital empowerment and promote operational excellence. Deepen digital empowerment, continue to promote benchmarking projects, summarize the best practices of lighthouse factories and promote them, and continue to improve profitability; continue to promote cost reduction and efficiency, develop differentiated and targeted measures, establish a long-term incentive mechanism, and evaluate the Group's lean production star factories.

Third, expand open innovation and accelerate the construction of major projects. Integrate the internal and external technical resources of the Group, build a Group innovation system that closely integrates experimental research, process development, engineering development and product application, accelerate the construction of the Group's scientific and technological innovation carrier, focus on the industrial chain to attack key projects and major technologies, and accelerate the industrialization of technologies; accelerate the construction of major projects, strengthen the coordination among base enterprises, and enhance the core competitiveness of the base industrial chain.

Fourth, continued management changes to enhance core competitiveness. Continuously promote mechanism innovation, implement the responsibility of penetrating assessment, optimize the toolkit of incentive mechanisms, and broaden the work surface of market-based selection and recruitment; strengthen risk prevention and control, implement mechanisms such as daily monitoring of financial risks; promote the implementation of financial vertical management and audit enhancement; strengthen the empowerment of service centers and summarize and promote best practices; and continuously promote research on major topics and key work mechanisms.

#### **(IV) Possible risks faced**

√Applicable ☐ Not applicable

Looking ahead to 2023, the global macro economy will face greater downward pressure in the face of high inflation, tight monetary policy and the adverse impact of geopolitical conflicts; China's economy will recover quickly, but the triple pressure of demand contraction, supply shock and weakening expectations will remain high, especially the weakening of global economic growth will lead to a decline in external demand. China's economic work will implement the policy of "stability in the forefront, steady progress", focus on expanding domestic demand, accelerate the construction of a modern industrial system, promote a high level of external opening, and work together to promote high-quality development.

The company will continue to track and analyze the national macro environment and industrial policies, adjust and optimize the company's development strategy and planning on a rolling basis, strengthen the pre-project demonstration, fully investigate the planning positioning and policy requirements of the regions where the projects are located, and promote the company's business development in accordance with the relevant policy requirements.

#### **(E) Other**

☐Applicable ☒Not applicable

**Seven, the company does not apply the provisions of the standard or state secrets, trade secrets and other special reasons, not disclosed in accordance with the standard and the reasons explained**

☐Applicable ☒Not applicable

## Section IV Corporate Governance

### I. Corporate governance-related information note

√Applicable    □Not applicable

The Company continues to improve its corporate governance structure and regulate its operations in accordance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the relevant regulations of the CSRC.

1. Regarding shareholders and shareholders' meetings: The Company has formulated the Rules of Procedure for Shareholders' Meetings in accordance with the Opinions on the Regulation of Shareholders' Meetings of Listed Companies and the Articles of Association to maximize the protection of shareholders' rights and interests; treat all shareholders equally, and small and medium shareholders enjoy equal status and are able to fully exercise their rights, encourage shareholders to participate in the governance of the Company, and be able to express their own opinions on the management of the Company at shareholders' meetings. The shareholders are encouraged to participate in the governance of the Company, to express their opinions and suggestions on the management of the Company and to exercise their voting rights in the shareholders' meeting.

2. Regarding the controlling shareholder and the listed company: the controlling shareholder exercises the rights of capital contributors through the shareholders' meeting in accordance with the law and does not interfere directly or indirectly with the decision-making and operation activities of the company beyond the shareholders' meeting; the company and the controlling shareholder are independent of each other in terms of personnel, assets, finance, institutions and business, and the board of directors, supervisory committee and internal institutions of the company are functionally sound and independently operated.

3. Regarding directors and the Board of Directors: the number and composition of the Board of Directors of the Company comply with the requirements of relevant laws and regulations and the Articles of Association of the Company; the Board of Directors of the Company has formulated the Rules of Procedure of the Board of Directors, and the directors of the Company are able to attend the Board of Directors' meetings and shareholders' meetings in a serious and responsible manner, and actively exercise their rights and fulfill their corresponding obligations; there are three independent directors of the Company, accounting for more than one-third of the total number of members of the Board of Directors. The Company has three independent directors, accounting for more than one-third of the total number of members of the Board of Directors, and has established four special committees, namely, strategy, audit, nomination, remuneration and assessment, which makes the decision-making of the Board of Directors of the Company more scientific and professional.

4. Regarding the Supervisors and the Supervisory Committee: The Company has formulated the Rules of Procedure of the Supervisory Committee to regulate the proceedings and contents of the Supervisory Committee; the personnel and composition of the Supervisory Committee comply with the requirements of relevant laws and regulations; the members of the Supervisory Committee are able to attend the Supervisory Committee and shareholders' meetings and attend the Board of Directors with a conscientious and responsible attitude; the Supervisory Committee is able to conscientiously perform its duties and, with a responsible attitude to all shareholders, supervise the financial affairs of the Company and the directors, managers and other senior management of the Company, The Supervisory Committee is able to perform its duties conscientiously, supervise the company's financial affairs and the legal compliance of the company's directors, managers and other executives in performing their duties with a responsible attitude towards all shareholders, and express its opinions independently.

5. Regarding performance evaluation and incentive and restraint mechanism: The Company has established a performance evaluation system, which directly links the operating performance of the Company with the economic interests of individuals and conducts open recruitment for the appointment of employees in a fair, just, open, efficient and transparent manner, in compliance with the relevant provisions of laws and regulations.

6. Regarding relevant stakeholders: The Company is able to fully respect and safeguard the

legitimate rights and interests of banks and other creditors, employees, customers and other relevant stakeholders, and is able to pay attention to issues such as environmental protection and public welfare, and work together to promote the sustainable and healthy development of the Company in its economic dealings.

7. Regarding information disclosure and transparency: The Company is able to disclose relevant information in a true, accurate, complete and timely manner in strict accordance with the laws, regulations and the Articles of Association; the Company has established the "Information Disclosure Affairs Management System"; the Company has set up a directors' and secretaries' office to be responsible for information disclosure and to receive investors' visits and consultation work; the Company is able to disclose relevant information of major shareholders or the actual controller of the Company in a timely manner in accordance with relevant regulations and changes in shares in accordance with relevant regulations.

8. Management of insider information: The Company has formulated the "Management System for Registration of Informants of Insider Information" and registers informants of insider information in strict accordance with the relevant provisions of the system in its daily work to prevent leakage of information and ensure fairness of information disclosure.

During the reporting period, in line with the principle of seeking truth from facts, the Company continued to promote corporate governance, continuously improve the system of corporate governance, strengthen and improve the construction of the Company's internal control system and enhance the level of standardized operation of the Company.

Whether there are material differences between corporate governance and the provisions of laws, administrative regulations and CSRC on the governance of listed companies; if there are material differences, the reasons should be explained

☐Applicable ☒Not applicable



**Second, the company's controlling shareholder, the actual controller in ensuring the independence of the company's assets, personnel, financial, institutional, business and other specific measures, as well as the impact of the company's independence and the solutions taken, work progress and follow-up work plan**

☐Applicable ☒Not applicable

The controlling shareholder, the de facto controller and other units under their control engaged in the same or similar business as the Company, and the impact of competition or significant changes in the situation of competition in the same industry on the Company, the measures taken to solve the problem, the progress of solving the problem and the follow-up solution plan

☒Applicable ☐Not applicable

The Ninth Session of the Board of Directors of the Company considered and passed the resolution on the agreement between the Company and its wholly-owned subsidiary Shanghai Huayi Energy Chemical Co. (Group) Company in respect of the Qinzhou Project". (hereinafter referred to as "Guangxi Huayi Energy Chemical Company"), a wholly-owned subsidiary of the Company, was incorporated in Qinzhou City with a registered capital of RMB 10 million. In view of the huge initial investment in the project and the high risk at the initial stage of investment, in order to relieve the financial pressure of the Company and Nengchem and to enable the project in Qinzhou to be completed and put into operation as soon as possible, the controlling shareholder of the Company made an upfront capital contribution to acquire 100% of Guangxi Qinzhou Company, a wholly-owned subsidiary of Nengchem, based on the appraised value of RMB 4,888,300,000.

The Company has increased the registered capital of Guangxi Qinzhou Company to RMB3,688 million in accordance with the progress of the project. Guangxi Qinzhou Company has completed the procedures of industrial and commercial change of registered capital in August 2017. In order to avoid the issue of competition with the listed company in the same industry after Guangxi Qinzhou Company has been put into operation and started sales, the following terms have been agreed by the parties:

1. agree to transfer 100% of the equity interest of Guangxi Qinzhou Company to the listed company or its designated entity according to the appraisal confirmed value after the completion of the Qinzhou Project and Guangxi Qinzhou Company achieves profitability, the specific manner of transfer shall be decided by the listed company at its own discretion. Without the consent of the listed company, Shanghai Huayi shall not sell the Qinzhou project to any third party, and if Shanghai Huayi adjusts the equity structure of Guangxi Qinzhou Company for financing purposes, it shall ensure that the other shareholders agree to the above-mentioned buy-back arrangement of the listed company by way of agreement.

2. Agree to entrust the project management and operation management of Guangxi Qinzhou Company during the whole process from the subsequent construction of the plant, completion and commissioning, specific operation of Guangxi Qinzhou Company to the completion of the acquisition of the entire equity interest in Guangxi Qinzhou Company by the listed company as agreed in Article 1 to the team of Enerchina, as agreed in the entrusted management agreement signed by Enerchina and Guangxi Qinzhou Company.

Third, the products of Guangxi Qinzhou Company can only be sold through Nengchem Company after it has been put into operation, as agreed in a separate agreement signed by both parties, to ensure that it will not affect the existing market share of Nengchem Company and will not have a competitive relationship with Nengchem Company.

The Twenty-second Meeting of the Tenth Session of the Board of Directors of the Company considered and passed the "Proposal on Equity Trusteeship of Guangxi Huayi Energy Chemical Co. The ninth meeting of the ninth session of the Board of Directors of the Company considered and approved the proposal on the signing of the agreement on non-competition between the Company and its wholly-owned subsidiary Shanghai Huayi Energy Chemical Co. (hereinafter referred to as "Shanghai Energizer") (for details, please refer to the Announcement of Resolutions of the Ninth Meeting of the Ninth Session of the Board of Directors of the Company, Announcement No. 2017-003) In view of the fact that Guangxi Energizer has been

completed and put into operation and upgraded to a second-tier company, in order to rationalize the management relationship, the Company transferred Guangxi Energizer, which was formerly under the custody of Shanghai Energizer, to the direct custody of the Company, and the relevant agreement on non-competition in the same industry will continue to be performed.

At the tenth and nineteenth board meeting, the Company considered and approved the "Proposal to Sign Agreement on Avoidance of Inter-competition and Equity Entrustment Management Agreement with Shanghai Huayi for Synthetic Gas Supply and Supporting Projects". In order to meet the objective of the future industrial layout adjustment of Wujing Base, after consultation with all parties, Shanghai Huayi, the controlling shareholder of the Company, intends to select the site in Shanghai Chemical Industry Zone and use Shanghai Huayi Industrial Gas Company Limited (a wholly-owned subsidiary of the controlling shareholder of the Company, hereinafter referred to as the "Gas Company") as the main body of the project to build a syngas supply and ancillary project (hereinafter referred to as the "Syngas Project"). (hereinafter referred to as the "Gas Company"), the owner of the project site, as the main body of the project to construct the syngas supply and ancillary projects (hereinafter referred to as the "Syngas Project"). Since the Gas Company is a wholly-owned subsidiary of the Company's controlling shareholder and the main products of the Syngas Project include 800,000 tons/year of acetic acid, in order to avoid competition with the listed company after the completion and commencement of sales of the Syngas Supply and Supporting Project of the Gas Company, the Company will commence the acquisition of more than 51% controlling interest in the Gas Company at the same time as the construction of the Syngas Project of the Gas Company. In order to avoid competition with the listed company after the completion and commencement of sales of the syngas supply and ancillary projects of the Gas Company, the following terms have been agreed by the parties:

1. In parallel with the construction of the syngas supply and supporting projects of the Gas Company, the Company will initiate the acquisition of more than 51% of the controlling interest of the Gas Company, and Shanghai Huayi will transfer more than 51% of the controlling interest of the Gas Company to the Company or its designated entity based on the appraisal confirmed value, and the specific method of transfer will be decided by the listed company at its own discretion. The Company will complete the acquisition of the controlling interest in the Gas Company within 24 months from the date of the feasibility study report of the Syngas Supply and Supporting Project. Shanghai Huayi shall not sell the equity interest in the Gas Company to any third party without the consent of the Company.

2. Starting from the establishment of the feasibility study report of the syngas supply and supporting project of the Gas Company, Shanghai Huayi will sign an equity escrow agreement with the Company to entrust the management of its equity interest in the Gas Company to the Company at a fair market price until the completion of the Company's acquisition of the equity interest in the Gas Company in accordance with Article 1.

3. Before the completion of the Company's acquisition of the equity interest in the Gas Company, the supply of syngas and the acetic acid and ammonia products of the Gas Company after the commissioning of the ancillary projects can only be distributed exclusively through the Company, as agreed in a separate agreement to be signed by both parties, so as to avoid competitive relationship with the listed company.

**III. Briefing on the shareholders' meeting**

Sessions	Date	Designation of the publication of the resolution Query index of the website	Resolution published Date of Disclosure	Conference Resolutions
2021 Annual General Meeting of Shareholders	2022 June 2	www.sse.com.cn	2022 June 3	<p>The meeting considered and adopted the "Board of Directors' Work for the year 2021 Report on the Work of the Supervisory Committee of the Company for the Year 2021</p> <p>Report of the Independent Directors of the Company for the Year 2021", "Report of the Independent Directors of the Company for the Year 2021</p> <p>The Company's 2021 Annual Report, the Company's 2021 Report on Annual Financial Accounts", "Proposal on the Company's Daily Connected Transactions in 2022", "Proposal on the Amount of the Company's External Guarantees", "The Company's Profit and Loss for the Year 2021" and "The Company's Profit and Loss for the Year 2021".</p> <p>The "Profit Distribution Plan" and the "Accountant's Report for the Year 2021 Audit fees and renewal of accounting services for 2022</p> <p>The proposal of the Board of Directors of the Company for the year 2021, and the proposal of the Board of Directors of the Company for the year 2021.</p> <p>Proposal on Total Remuneration for Supervisors and Senior Management and Determination of Total Remuneration for Directors, Supervisors and Senior Management of the Company in 2022", "Proposal on the Signing of Financial Service Agreement and Related Transaction between Finance Company and Shanghai Huayi", "Proposal on the Capital Increase and Related Transaction of Guangxi Huayi New Materials Co. The proposal. Ltd. 2021 Annual General Meeting Announcement of Resolutions" disclosed by the Company, Provisional Announcement number: 2022-028.</p>

First Extraordinary General Meeting of Shareholders in 2022	2022 November 22 Day	www.sse.com.cn	2022 November 23rd	The Meeting considered and passed two proposals, including the "Proposal to Amend the Articles of Association" and the "Proposal to Elect Independent Directors of the Company". For details, please refer to the "Announcement of Resolutions of the First Extraordinary General Meeting of 2022" disclosed by the Company, Interim Announcement Report number: 2022-045.
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Preferred stockholders whose voting rights have been restored request an extraordinary general meeting

☐Applicable ☒Not applicable

Information Note for the Shareholders' Meeting

☐Applicable ☒Not applicable

#### IV. Directors, Supervisors and Senior Management

##### (i) Changes in shareholdings and remuneration of current and outgoing directors, supervisors and senior management during the reporting period

√Applicable □ Not applicable

Unit: Unit											Whether acquired at a related party of the company Compensation
Name	Position(Not e)	Gender	Age	Term Start Date	Term Expiration Date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase or decrease in shares during the year	Reasons for change	Total pre-tax compensation received from the Company during the reporting period (million yuan)	
Liu Xunfeng	President	Male	57	2020-6-23	2023-6-23					155.40	No
Wang Xia	Director, President	Female	59	2020-6-23	2023-6-23	632,800	632,800			170.70	No
Lili Gu	Directors	Male	50	2020-6-23	2023-6-23					121.09	No
Chen Qi	Outside Directors	Male	66	2020-6-23	2023-6-23						No
Guan Yimin	Independent Directors	Male	72	2020-6-23	2023-6-23					15.00	No
Li Yuan	Independent Directors	Male	61	2021-12-22	2023-6-23					15.00	No
Gong Xiaohang	Independent Directors	Male	66	2022-11-22	2023-6-23					1.25	No
Zhang Renliang	Chairman of the Supervisory Board	Male	61	2020-8-12	2023-6-23					134.33	No
Zhang Hu	Supervisors	Male	53	2022-6-2	2023-6-23					71.81	No

Name	Main work experience
Liu Xunfeng	Male, born in May 1965, postgraduate degree, Master of Engineering, Doctor of Management, professor-level senior engineer, member of the CPC. He was the deputy chief engineer of ethylene plant of refining department, deputy chief engineer of aromatics plant of refining department, deputy director of investment and engineering department, assistant general manager, deputy general manager, director and deputy general manager of Shanghai SECCO Petrochemical Company, director and deputy general manager of Shanghai Chemical Industry Zone Development Co. Ltd. and Chairman of Shanghai Huayi Group Finance Co. Ltd. and Chairman of Shanghai Huayi Holding Group Co. Vice Chairman of Chemical Industry Zone Development Co.
Wang Xia	Female, born in April 1963, holds a university degree, a bachelor's degree in engineering, and is a professor-level senior engineer. She was the deputy manager and manager of the development department of Shanghai Coking and Chemical Co., Ltd, the assistant general manager and deputy general manager of Shanghai Coking and Chemical Co. Now he is the director and general manager of Shanghai Huayi Group Co. Ltd. and Vice Chairman of Shanghai Huayi Holding Group Co.
Lili Gu	Male, born in May 1972, with university degree, MBA, political engineer, senior economist, member of the CPC. He was the deputy director of Shanghai Sulfuric Acid Factory, deputy director of Rikaze District Economic and Trade Commission of Tibet Autonomous Region, deputy secretary of the Party Committee and secretary of the Discipline Inspection Committee of Shanghai Chlor-alkali Chemical Co. Ltd, Deputy Secretary of Discipline Inspection Committee and General Manager of Supervision and Audit Department of Shanghai Huayi (Group) Company, Chairman of Supervisory Committee of Shanghai Chlor-alkali Chemical Co. Now he is Deputy Secretary of the Party Committee, Chairman of the Labor Union, Director of Shanghai Huayi Group Co. Long.
Chen Qi	Male, born in April 1956, with a graduate degree and a master's degree, is a professor-level senior economist and a member of the Chinese Communist Party. He was the Deputy Director of Development Planning Department of China Petroleum & Chemical Corporation, Director of Sinopec Foreign Cooperation Office, and served as Director of Yangzi BASF Ltd. and Shanghai SECCO, and Vice Chairman of Sino-Saudi (Tianjin) Petrochemical Company. Now he is the external of Shanghai Huayi Group Co. Director.
Guan Yimin	Male, born in April 1950, with a university degree, is a professor of accounting and a member of the Chinese Communist Party. He was a professor of Shanghai National Accounting Institute, an independent director of China Shipping Container Lines Company Limited, an independent director of Bank of Shanghai Corporation, an independent director of Chongqing Boateng Pharmaceutical Technology Company Limited, and an independent director of Shanghai Jahwa United Co. Ltd., an independent director of Huaxin Securities Co. (a proposed listed company), an independent director of Established Director.
Li Yuan	He is a professor and a member of the Chinese Communist Party. He was the Dean of School of Management of Xi'an Jiaotong University, the Executive Dean of Antai School of Economics and Management of Shanghai Jiaotong University, and the Dean of School of Economics and Management of Tongji University. He is a Distinguished Professor of "Changjiang Scholars" of the Ministry of Education, and a recipient of the National Natural Science Foundation of China's Outstanding Youth Program. He is the deputy director of the Steering Committee for Teaching Management Science and Engineering of the Ministry of Education, the deputy director of the China Society for Science and Technology

	<p>Policy Research, and the director of the Special Committee on Technology and Innovation Management of the China Society for Management Modernization. He is currently the director of the Technology and Innovation Management Committee of the China Society for the Modernization of Management.</p> <p>He is an independent director of the Company and a Chair Professor of Shanghai Jiao Tong University.</p>
Gong Xiaohang	<p>Male, born in October 1956, with a postgraduate degree. He was a researcher of the Hong Kong Branch of Xinhua News Agency and the director of the Hong Kong, Macao and Taiwan Law Research Office of East China University of Political Science and Law. Now he is a member of Shanghai Bar Association and a Hong Kong lawyer</p> <p>He is a member of the China Law Society. He is currently an independent director of Shanghai Huayi Group Company Limited, Chairman of the Global Board of Directors of Shanghai Duan &amp; Duan Law Firm, and an adjunct professor of East China University of Political Science and Law.</p>
Zhang Renliang	<p>Male, born in February 1961, university degree, bachelor of engineering, senior political engineer, member of the CPC. He was deputy director, director, office director, deputy secretary and secretary of youth technology department of Baoshan Iron and Steel General Factory Youth League Committee, deputy secretary of Party Committee of Ironmaking Plant, deputy secretary of Shanghai Municipal Committee of Communist Youth League, head of Party Discipline Inspection Group, deputy director and member of Party Group of Municipal Tourism Management Committee, deputy secretary, deputy mayor, acting mayor and mayor of Jing'an District, executive deputy general director and deputy secretary of Party Committee of Municipal Counterpart Support for Xinjiang Work Forward Command (seventh batch). City to support the work of Xinjiang front command (the eighth batch) general director, party committee</p> <p>Secretary, Deputy Secretary of Xinjiang Kashgar Regional Committee, President and Deputy Secretary of Party Committee of Shanghai Tongsheng (Investment) Group Company Limited, Deputy General Director of Municipal Deepwater Port Project Construction Command, Shanghai Jiaotong Group Co.</p>

	Secretary of the Party Committee and Chairman of the Board of Directors of the Company. Ltd. and Chairman of the Supervisory Board of Shanghai Huayi Holdings Group Co.
Zhang Hu	Male, born in February 1970, postgraduate degree, master of accounting, senior accountant, member of the CPC. Ltd., Shanghai Zhenhua Paint Factory, Shanghai Yipin Pigment Co. Chief Financial Officer. Ltd. and Deputy General Manager of Finance Department, and Supervisor of Shanghai Huayi Holding Group Co.
Ai-min Li	Female, born in August 1968, graduate degree, senior political engineer, member of the CPC. Ltd., Deputy Secretary of Party Committee, Secretary of Discipline Inspection Committee and Chairman of Labor Union, Deputy Secretary of Party Committee, Secretary of Discipline Inspection Committee and Chairman of Labor Union, Shuangqian Group Co. Now he is an employee of Shanghai Huayi Group Co. Supervisor, Director of the Old Cadre Department, Vice Chairman of the Labor Union, Supervisor of Shanghai Huayi Holding Group Co.
Li Yuhong	Female, born in September 1979, with a postgraduate degree and a doctorate degree, is a member of the Chinese Communist Party. She was the assistant director of legal counsel office, deputy manager and manager of legal department of Shanghai Wujing Chemical Co. (Group) Company, assistant director of the office, deputy director of the office, deputy general manager of the legal department of Shanghai Huayi Group Co. Ltd. now serves as employee supervisor and legal affairs officer of Shanghai Huayi Group Co. General Manager of the Department, Supervisor of Shanghai Huayi Holding Group Co.
Li Liangjun	Male, born in October 1966, with university degree, Bachelor of Science, Master of Business Administration, professor-level senior engineer, member of the CPC. He has served as Deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Committee, Chairman of the Labor Union and President of Shanghai Research Institute of Chemical Technology, Deputy Secretary of the Party Committee, General Manager and Executive Director of Shanghai Research Institute of Chemical Technology Co. Now he is Deputy Secretary of the Party Committee and Vice President of Shanghai Huayi Group Co. Chairman of the Board, Industrial Research Institute Co.
Chen Yao	Male, born in March 1964, postgraduate degree, doctor of management, professor-level senior engineer, member of the CPC. Ltd. and secretary and factory manager of Xinhua Resin Factory, deputy general manager (Chinese representative) of Shanghai International Paint Co. Ltd. and Vice President of Shanghai Huayi (Group) Co. Now he is the vice president of Shanghai Huayi Group Co. Vice President.
Gu Chunlin	Male, born in October 1966, postgraduate degree, doctor of economics, senior economist, member of the CPC. He was the executive deputy director of Shanghai Xiangyang Chemical Plant, deputy general manager of Shanghai COSCO Chemical Co, General Manager of Human Resources Department, Secretary of the Board of Directors, etc. Now he is the Secretary of the Board of Directors of Shanghai Huayi Group. Vice President of Group Co.
Chen Dasheng	Male, born in October 1971, with university degree, master's degree, professor-level senior engineer, member of the CPC. He was the Chief Engineer, Executive Vice General Manager, Deputy Secretary of the Party Committee and General Manager of Shanghai Wujing Chemical Company Limited, Deputy Chief Engineer and General Manager of Engineering Management Department of Shanghai Huayi (Group) Company, Deputy Secretary of the Party Committee, Executive Director and General Manager of Shanghai Engineering Chemical Design Institute Co, Ltd. and Deputy Secretary of the Party Committee, General Manager, Secretary of the Party Committee and Chairman of the Board of Directors. Ltd. Vice President.



Xu Li-hang	Male, born in October 1976, university degree, senior economist, member of the CPC. He was the deputy general manager (presiding over the work) of Supervision and Audit Department of Shanghai Huayi (Group) Company, the deputy general manager (presiding over the work) and general manager of Finance Department of Shanghai Huayi Group Company, the chief financial officer of Shanghai Huayi New Materials Co. Ltd. He is currently the Secretary of the Party Committee and Chairman of the Board of Directors of Chief Financial Officer and Secretary of the Board of Directors of Hai Hua Yi Group Co.
Duan Qihua	Male, born in February 1956, Master, member of the Zhigong Party. He is currently an independent director of ZJU Netstar Technology Co. He is a member of the 11th and 12th National Committee of the Chinese People's Political Consultative Conference, a member of the Advisory Committee of the President of the Shanghai Federation of Industry and Commerce, and a member of the Washington State China Relations Council.
Zhang Jianxin	Male, born in August 1962, with university degree, Bachelor of Engineering, Assistant Engineer, member of the CPC. He was the Secretary of the Youth League Committee of Shanghai Petrochemical General Factory, Deputy Secretary of the Party Committee of Sinopec Shanghai Jinshan Industrial Company, and Chairman of the Labor Union and Secretary of the Party Committee of Shanghai Petrochemical Machinery Manufacturing Company, Deputy Secretary of Shanghai Jinshan District Committee, Vice President of Shanghai Lansheng (Group) Co.

	Chairman, Chairman of the Supervisory Board, Vice President of Shanghai Donghao Lansheng International Service Trade (Group) Co. Vice Chairman of the Board of Directors, etc.
Shen Guoping	Male, born in September 1961, with university degree, senior engineer, member of the CPC. He was the deputy general manager of the investment planning department of Shanghai Huayi (Group) Company, deputy secretary of the party committee and general manager of Shanghai Huayi Group Investment Co. Supervisor, head of the party committee inspection team, supervisor of Shanghai Huayi (Group) Company, etc.
Ma Xiaobin	Male, born in August 1978, with university degree, master's degree, senior economist, member of the CPC. He was the deputy general manager of foreign cooperation department of Shanghai Huayi (Group) Company, the deputy general manager of Shuangqian Group Co. Ltd. and Vice President of Shanghai Huayi Group Co.
Wei Jianhua	Male, born in November 1961, graduate degree, master degree, professor level senior engineer, member of the CPC. He was the deputy director, director, assistant director, deputy director and party committee member of the packing center of Shanghai Research Institute of Chemical Industry, chairman of Shanghai Sanfu New Materials Co. Vice President of the company and other positions.

## Other information notes

√Applicable ☐ Not applicable

On January 24, 2022, the Company held the Sixteenth Meeting of the Tenth Session of the Board of Directors and considered and approved the Proposal on Mr. Wei Jianhua ceasing to be the Vice President of the Company, the Proposal on Mr. Ma Xiaobin ceasing to be the Vice President of the Company and the Proposal on the Appointment of the Secretary of the Board of Directors. Mr. Xu Liheng as the Secretary of the Board of Directors of the Company.

On June 2, 2022, the Company held its 2021 annual general meeting to elect Mr. Zhang Hu as a supervisor of the Company and the relevant announcement was disclosed on the website of the Shanghai Stock Exchange on June 3, 2022.

On 22 November 2022, the Company held the first extraordinary general meeting of 2022 to elect Mr. Gong Xiaohang as an independent director of the Company and the relevant announcement was disclosed on the website of the Shanghai Stock Exchange on 23 November 2022.

## (II) Current and outgoing directors, supervisors and senior management during the reporting period

### 1. Employment with shareholders

√Applicable □ Not applicable

Name of the incumbent	Name of shareholder unit	In the shareholder unit Positions held	Term Start Date	Term Expiration Date
Liu Xunfeng	Shanghai Huayi Holding Group Co.	President	July 2013	
Wang Xia	Shanghai Huayi Holding Group Co.	Vice Chairman	April 2017	
Lili Gu	Shanghai Huayi Holding Group Co.	General Manager	March 2020	
Zhang Renliang	Shanghai Huayi Holding Group Co.	Chairman of the Supervisory Board	August 2020	
Zhang Jianxin	Shanghai Huayi Holding	Vice Chairman	October 2014	

### 2. Employment in other units

√Applicable □ Not applicable

Name of the incumbent	Name of other units	Working in other units as The position of	Term Start Date	Term Expiration Date
Liu Xunfeng	Shanghai Chemical Industry Zone Development Co.	Vice Chairman	October 2007	
Lili Gu	Shanghai Chlor-Alkali Chemical Co.	President	March 2020	
Guan Yimin	Shanghai Fosun Pharmaceutical Co.	External Supervisors	June 2014	
Guan Yimin	Yihai Kerry Golden Dragonfish Co.	Independent Directors	March 2019	
Guan Yimin	Hefei Jieshijie New Material Co.	Independent Directors	December 2020	March 2022
Guan Yimin	Huaxin Securities Limited Liability Company	Independent Directors	December 2020	
Guan Yimin	Rongke Technology Co.	Independent Directors	April 2019	December 2021
Guan Yimin	Greenland Holdings Group Co.	Independent Directors	February 2022	
Guan Yimin	Jiangsu Nong Hua Intelligent Agriculture Technology Co.	Independent Directors	April 2022	
Guan Yimin	Shanghai Jinjiang Shipping (Group) Co.	Independent Directors	August 2022	
Li Yuan	Tongji University	School of Economics and Management Dean	March 2017	December 2021
Li Yuan	Tongji University	Distinguished	March 2017	November 2022

**(III) Compensation of directors, supervisors and senior management**√Applicable ☐ Not applicable

Compensation for Directors, Supervisors and Senior Management The decision-making process of	The remuneration of directors, supervisors and senior management shall be decided by the general meeting of shareholders
Compensation for Directors, Supervisors and Senior Management Determination basis	Based on the completion of annual operating targets, as well as the company's operating performance and year-end appraisal results Issued

**(IV) Changes in directors, supervisors and senior management of the Company**√Applicable ☐ Not applicable

Name	Positions held	Change situation	Reason for change
Gong Xiaohang	Independent Directors	Elections	On 22 November 2022, Mr. Gong Xiaohang was elected as an independent director of the Company as voted at the First Extraordinary General Meeting of 2022 and the Twentieth Meeting of the Tenth Session of the Board of Directors of the Company. For details, please refer to the "Announcement of Resolutions of the Twentieth Meeting of the Tenth Session of the Board of Directors" and "Resolutions of the First Extraordinary General Meeting of 2022" disclosed by the Company. Announcement of the Meeting, Interim Announcement Nos. 2022-039 and 2022-045.
Zhang Hu	Supervisors	Elections	On 2 June 2022, Mr. Zhang Hu was elected as a Supervisor of the Company by the Company at the 2021 Annual General Meeting and the 17th Meeting of the Tenth Supervisory Committee. For details, please refer to the "Announcement of Resolutions of the Seventeenth Meeting of the Tenth Session of the Supervisory Committee"

**(E) the last three years by the securities regulators to punish the situation description**☐Applicable √Not applicable**(F) Other**☐Applicable √Not applicable**V. Information about the Board of Directors held during the reporting period**

Sessions	Date	Conference Resolutions
Sixteenth Meeting of the Tenth Board of	January 24, 2022	The Meeting considered and passed three proposals, including the "Proposal on Mr. Wei Jianhua ceasing to be the vice president of the Company", "Proposal on Mr. Ma Xiaobin ceasing to be the vice president of the Company" and "Proposal on the appointment of the secretary of the Board of Directors". For details, please refer to the

Directors		"Announcement of Resolutions of the Sixteenth Meeting of the Tenth Session of the Board of Directors" disclosed by the Company, Provisional Announcement No: 2022-004.
Tenth session of the Board of Directors Seventeenth Meeting	March 25, 2022	The meeting considered and approved the "Company's business work in 2021 and 2022 business work The Company's Annual Report on the Work of the Board of Directors for the Year 2021

		<p>Annual Report on the Work of the Board of Directors", "Report of the Independent Directors of the Company for the Year 2021", and Report on the Performance of the Company's Audit Committee for the Year 2021", "Report on the Company's Audit Committee for the Year 2021</p> <p>The Company has made 20 proposals, including the "Annual Social Responsibility Report", the "Annual Report of the Company for 2021" and the "Report on the Financial Results of the Company for 2021". For details, please refer to the "Announcement of Resolutions of the Seventeenth Meeting of the Tenth Session of the Board of Directors" disclosed by the Company, Provisional Announcement No: 2022-009.</p>
Eighteenth Meeting of the Tenth Board of Directors	April 26, 2022	<p>The Meeting considered and approved the "First Quarterly Report of the Company for 2022", "Report on New Materials by the Company" and "Proposal to convene the 2021 annual general meeting" are three proposals. For details, please refer to the "Announcement of Resolutions of the Eighteenth Meeting of the Tenth Session of the Board of Directors" disclosed by the Company, Provisional Announcement No: 2022-023.</p>
Nineteenth Meeting of the Tenth Board of Directors	August 26, 2022	<p>The Meeting considered and approved five proposals, including the "Half-yearly Report of the Company for 2022", "Special Report on the Deposit and Actual Use of the Company's Funds Raised" and "Report on the Continuous Assessment of the Risks of Huayi Finance Co. For details, please refer to the "Announcement of Resolutions of the Nineteenth Meeting of the Tenth Session of the Board of Directors" disclosed in the Company, Interim Announcement No: 2022-030.</p>
Twentieth Meeting of the Tenth Board of Directors	October 27, 2022	<p>The Meeting considered and approved the "Third Quarterly Report of the Company for 2022", "Proposal to Amend the Articles of Association", "Proposal on the Nomination of Candidates for Independent Directors of the Company", "Proposal on the Nomination of Independent Directors of the Company", "Proposal on the Nomination of Independent Directors of the Company" and "Proposal on the Nomination of Independent Directors of the Company", Four proposals including "Proposal to convene the First Extraordinary General Meeting of 2022". For details, please refer to the "Announcement of Resolutions of the Twentieth Meeting of the Tenth Session of the Board of Directors" disclosed by the Company. Notice, Interim Announcement No. 2022-039.</p>
Twenty-first Meeting of the Tenth Board of Directors	December 9, 2022	<p>The Meeting considered and passed a proposal including the "Proposal on the Adjustment of the Members of the Specialized Committees of the Board of Directors". For details, please refer to the "Twenty-first Meeting of the Tenth Session of the Board of Directors" disclosed by the Company. Notice of Resolution of the Meeting, Interim Announcement No. 2022-047.</p>

## VI. Performance of duties by directors

### (i) Participation of directors in the board of directors' meetings and shareholders' meetings

Name of Director	Whether independent director	Participation in the Board of Directors						Participation in the General Meeting of Shareholders Meeting Status
		Attendance at the Board of Directors is due this year Number of times	Number of personal attendance	Participate by correspondence Add times	Number of Delegated Attendance	Number of absences	Is not personally participated in two consecutive Plus meetings	Attendance at shareholders' meetings
Liu Xunfeng	No	6	6	5	0	0	No	2
Wang Xia	No	6	6	5	0	0	No	1
Lili Gu	No	6	6	5	0	0	No	1
Chen Qi	No	6	6	5	0	0	No	1
Guan Yimin	Yes	6	6	5	0	0	No	2
Li Yuan	Yes	6	6	5	0	0	No	2
Gong Xiaohang	Yes	1	1	1	0	0	No	1
Duan Qihua	Yes	5	5	4	0	0	No	1

Explanation of failure to attend two consecutive board meetings in person

☐Applicable ☒Not applicable

Number of board meetings held during the year	6
Of which: Number of on-site meetings	1
Number of meetings held by means of communication	5
Number of meetings held on-site in combination with communication	0

**(II) Directors' dissent on matters relating to the Company**

□Applicable √Not applicable

**(C) Other**

□Applicable √Not applicable

**VII. Specialized committees under the Board of Directors**

√Applicable □ Not applicable

**(1) Membership of special committees under the Board of Directors**

Specialized Committee Categories	Member Name
Audit Committee	Guan Yimin, Li Yuan, Wang Xia
Nominating Committee	Liu Xunfeng, Wang Xia, Guan Yimin, Li Yuan, Gong Xiaohang
Compensation and Appraisal Committee	Gong Xiaohang, Li Yuan, Chen Qi

**(2) The Audit Committee held five meetings during the reporting period**

Date	Conference content	Important comments and suggestions	Other performance of duties
2022 January 12	2022 Audit Committee Convening Plan, 2021 Financial Forecast, Pre-Approval of 2021 Annual Report	Defined the company's annual audit Arrangement	For annual report pre-audit and annual The financial situation was communicated
2022 March 8	2021 internal audit report, 2021 financial snapshot, 2021 financial report preliminary audit	Communicated the preliminary audit status of the annual report, major accounting and auditing matters, and Audit Progress	Listened to the annual internal audit and internal control work report
2022 March 8	Separate communication between independent directors and accounting firm	The accounting firm made an inquiry on the issues of concern. Should reply	

**(3) Nomination Committee held two meetings during the reporting period**

Date	Conference content	Important comments and suggestions	Other performance of duties
2022 January 24	The "On the Appointment of the Company's Board of	Discussed and approved the "About the appointment of the secretary of the board of directors of the company	

**(4) The Remuneration and Evaluation Committee held two meetings during the reporting**

Date period	Conference content	Important comments and suggestions	Other performance of duties
2022 March 25	The "Notice on the Confirmation of the Total Remuneration of Directors, Supervisors and Senior Management of the	The Company unanimously agreed to the "Agreement on the Confirmation of the Total Compensation of Directors,	



9 September	Company Leadership 2021 Annual Performance Review and Incentive Receipts for the 2019-2021 Term Ltd. performance evaluation and remuneration for professional managers for the year 2021 Minutes of the Meeting on Cashing Matters	Ltd. leadership for fiscal year 2021 Performance Review and Incentive for 2019-2021 Term Ltd. on the Performance Evaluation and Remuneration of Professional Managers of Shanghai Huayi Group Co. Minutes of the Meeting on Matters	
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**(5) The Strategy Committee held two meetings during the reporting period**

Date	Conference content	Important comments and suggestions	Other performance of duties
2022 March 25	Notification of the revision of the compilation of the company's management system	Heard the above briefing	

**(6) The existence of objectionable matters in particular**

☐Applicable ☒Not applicable

**VIII. Description of the risks identified by the Supervisory Board for the Company**

☐Applicable ☒Not applicable

The Supervisory Board has no objection to the supervision matters during the reporting period.

**IX. Employees of the parent company and major subsidiaries at the end of the reporting period (I) Employees**

Number of active employees of the parent company	135
Number of active employees of major subsidiaries	11,556
Total number of active employees	11,691
Number of retired employees of the parent company and major subsidiaries required to bear expenses	10,282
Professional Composition	
Professional composition categories	Number of professional composition
Production staff	8,917
Sales staff	752
Technical Staff	817
Finance Staff	243
Administrative staff	962
Total	11,691

Education level	
Education level category	Number (people)
College and above	5,959
Under college	5,732
Total	11,691

## (II) Remuneration policy

√Applicable    □Not applicable

The company has established a salary management system based on the value of the position, combined with the employee's work performance assessment and the company's operating conditions. The principle of salary allocation is "setting salary by position, matching salary with position and changing salary by position".

**(III) Training programs**√Applicable ☐ Not applicable

In 2023, the Group's training work will continue to focus on the Group's five development strategies, annual work and key work, and continue to take the "YHA" talent "zigzag" training plan as the basis, job qualification and performance ability improvement as the cornerstone, and the "four keys" as the engine to conduct thematic training around the Group's key, difficult and blocked issues. With the "four keys" as the engine, we conduct thematic training around the key, difficult and blocking issues of the Group, and build an integrated training system of the Group that emphasizes practicality, operability and relevance. We strive to cultivate a team of cadres and employees that are consistent with the Group's values and compatible with its strategic objectives, and provide talent support for the Group to build a world class enterprise with core competitiveness.

**(D) outsourcing of labor services**√Applicable ☐ Not applicable

Total number of hours worked for labor outsourcing	1,104,048 hours
Total compensation paid for outsourcing of labor	65.78 million yuan

**X. Proposals for profit distribution or capital reserve transfer****(I) Formulation, implementation or adjustment of cash dividend policy**√Applicable ☐ Not applicable

According to the profit distribution plan for 2021 adopted at the annual general meeting of 2021 held on June 2, 2022, the Company will implement the profit distribution plan by implementing the equity distribution. Based on the total share capital of 2,131,449,598 shares registered on the record date of the distribution, \$4.2 per 10 shares (tax included) was distributed to all shareholders, totaling \$895,208,831.16 (B share dividends were converted to U.S. dollars).

The audited undistributed earnings of the Company at the end of the year 2022 amounted to \$10,052,103,193.44, of which: 1) Undistributed earnings at the beginning of the year 2022 9,816,118,454.74; 2) According to the profit distribution plan for 2021, dividends of \$895,208,831.16 were distributed to all shareholders in (3) the audited net profit attributable to the parent company in the consolidated statements of the Company for the year 2022 amounted to NT\$1,281,211,494.32.

The Company is required to withdraw \$150,017,924.46 from the legal reserve.

The Company shall distribute profits on the basis of the total share capital registered on the date of registration of the equity distribution and shall pay a cash dividend to all shareholders for every 10 shares. The B share dividends were converted into U.S. dollars and paid at NT \$ 1.9 (including tax). As of the date of the resolution of the Board of Directors on the profit distribution plan, the total share capital of the Company 2,131,449,598.00 shares, calculated as a total proposed cash dividend of \$404,975,423.62 (including tax).

In the event of any change in the total share capital of the Company prior to the registration date for the implementation of the equity distribution, it is intended to maintain the total distribution amount unchanged and adjust the dividend per share ratio accordingly, and will separately announce the specific adjustment.

**(II) Special Note on Cash Dividend Policy**√Applicable ☐ Not applicable

Whether it complies with the provisions of the articles of association or the resolution of the shareholders' meeting	√Yes <input type="checkbox"/> No
Whether the criteria and percentage of dividends are clear and unambiguous	√Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	√Yes <input type="checkbox"/> No
Whether the independent directors have performed their duties and responsibilities	√Yes <input type="checkbox"/> No

(c) If the parent company is profitable and has positive profit available for distribution to shareholders during the reporting period but has not proposed a cash profit distribution plan, the company shall disclose in detail the reasons and the use and plan for the use of the undistributed profit

☐ Applicable ☒ Not applicable

**(IV) Profit distribution and capitalisation of capital reserves for the reporting period**

☒ Applicable ☐ Not applicable

	Unit:	YuanCurrency:RMB
Number of bonus shares per 10 shares (shares)		
Number of dividends per 10 shares (yuan) (tax included)		1.9
Number of conversions per 10 shares (shares)		
Amount of cash dividends (including tax)		404,975,423.62

Net profit attributable to ordinary shareholders of the listed company in the consolidated statements of income for the year of dividend distribution	1,281,211,494.32
Ratio of net profit attributable to ordinary shareholders of listed companies in the consolidated statements (%)	31.61
Repurchase of shares in cash included in cash dividends	
Total dividend amount (including tax)	404,975,423.62
Ratio of the total dividend amount to the net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	31.61

## XI. The situation of the company's equity incentive plan, employee stock ownership plan or other employee incentives and their effects

### (a) The relevant incentive matters have been disclosed in the interim announcement and there is no progress or change in the subsequent implementation

√/Applicable □ Not applicable

Matter Overview	Query Index
<p>On November 24, 2020, the Company held the sixth meeting of the tenth session of the Board of Directors and considered and passed the "Proposal on the A-share Restricted Stock Incentive Plan (Draft)" and its summary", "Proposal on the formulation of the Company's A-share Restricted Stock Incentive Plan</p> <p>Proposal on &lt;Implementation Assessment Measures&gt; and &lt;Implementation Management Measures&gt; and Proposal on Requesting the Company's General Meeting to Authorize the Board of Directors to Handle Matters Relating to the A-Share Restricted Stock Incentive Plan, and the Independent Directors of the Company expressed their independent opinions on the relevant proposals of the A-Share Restricted Stock Incentive Plan. On the same day, the company held the sixth meeting of the tenth session of the supervisory committee, and considered and passed the proposal on the "Restricted Stock Incentive Plan for A Shares (Draft)" and its summary", "Proposal on the formulation of the Restricted Stock Incentive Plan for A Shares&lt;Implementation</p> <p>The motion of "Appraisal Method" and &lt;Implementation Management Method&gt;".</p>	<p>Provisional announcement numbers: 2020-039, 2020-042, 2020-043, 2020-044www.sse.com.cn</p>
<p>On December 8, 2020, the company disclosed the Announcement on the Approval of A-Share Restricted Stock Incentive Plan by Shanghai State-owned Assets Supervision and Administration Commission, and the Shanghai State-owned Assets Supervision and Administration Commission issued the Approval of the Implementation of A-Share Restricted Stock Incentive Plan by Shanghai Huayi Group Company Limited (Shanghai State-owned Assets Supervision and Administration Commission Allocation [2020] No. 405).</p> <p>In principle, the company agrees to implement this incentive plan.</p>	<p>Interim Announcement Number: 2020-045 www.sse.com.cn</p>
<p>On December 10, 2020, the company disclosed the "Verification Opinions of the Supervisory Committee on the List of Incentive Subjects of the A-share Restricted Stock Incentive Plan and the Public Announcement" and the "A-share Restricted Stock Incentive Plan".</p> <p>The list of incentive recipients of the Ticket Incentive Plan.</p>	<p>Interim Announcement Number: 2020-046 www.sse.com.cn</p>
<p>On December 16, 2020, the Company held the Third Extraordinary General Meeting of 2020 and considered and adopted the "Restricted Stock Incentive Plan for A Shares of Shanghai Huayi Group Co. (Draft)" and its abstract". "Proposal on the formulation of</p>	<p>Temporary Announcement</p>

On January 21, 2022, the Company disclosed the Announcement on the Results of the Reserved Grant of A-share Restricted Share Incentive Plan. A total of 1,068,235,000 restricted shares were registered under the reserved grant of the Share Incentive Scheme, which were registered on January 19, 2022 at the China Securities Depository and Clearing Corporation Ltd. Shanghai Branch to complete the registration procedures.	Temporary Announcement Number: 2022-003 www.sse.com.cn
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**(II) Incentive situation not disclosed in the interim announcement or with subsequent progress** Equity incentive situation

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

Status of Employee Stock Purchase Plan

☐Applicable ☒Not applicable

Other Incentives

☐Applicable ☒Not applicable

**(III) Equity incentives granted to directors and senior management during the reporting period**

☐Applicable ☒Not applicable

**(iv) The appraisal mechanism for senior management and the establishment and implementation of incentive mechanisms during the reporting period**

☒Applicable ☐Not applicable

The assessment and evaluation of the legal representatives of the Company is carried out by the Shanghai SASAC, mainly based on the "Municipal SASAC Evaluation Plan for the Tenure of Business Performance of Legal Representatives of Competitive Market Category Enterprises".

The assessment and rewards and punishments of other senior management personnel of the Company are implemented by the Board of Directors of the Company, mainly based on the "Remuneration Allocation Plan for Other Leaders of the Company", "Business Performance Assessment Plan for Other Leaders of the Company" and "Management Measures for Remuneration and Business Performance Assessment of Professional Managers of Huayi Group" approved by the Board of Directors.

**XII. Construction and implementation of internal control system during the reporting period**

☒Applicable ☐Not applicable

In FY2022, the Company continuously revised and improved its internal control management system and conducted internal control tests on important business areas and key control activities of the Company in accordance with the Basic Standard for Internal Control and other requirements, effectively identified deficiency categories and actively implemented corrective measures to ensure effective implementation of internal control.

Description of significant deficiencies in internal control for the reporting period

☐Applicable ☒Not applicable

### **XIII. Management control over subsidiaries during the reporting period**

☒Applicable ☐ Not applicable

The company has established a complete set of management control system and system for all subsidiaries, and the assets, business and strategic planning of subsidiaries are controlled within the company. After the company determines strategic objectives and budgets, they are broken down to the subsidiaries. The selection, appointment, removal and evaluation of personnel in important positions in each subsidiary are controlled and supervised by the company. In addition, the Company also strengthens the internal management control of subsidiaries through management system software such as financial system and OA system, which improves the operation and management of subsidiaries.

**XIV. Information statement related to the internal control audit report**

☒Applicable   ☐Not applicable

The Company engaged Lixin CPA (Special General Partnership) to audit the effectiveness of the Company's internal control over financial reporting and issued an unqualified audit report.

Whether to disclose the internal control audit report: Yes

Type of opinion on internal control audit report: standard unqualified opinion

**Fifteen, listed companies governance special action to rectify the problem of self-examination**

In accordance with the requirements of the State Council's Opinions on Further Improving the Quality of Listed Companies (Guo Fa [2020] No. 14) and the CSRC's Announcement on Special Actions on Governance of Listed Companies (CSRC Announcement [2020] No. 69), the Company conducted a special self-examination on corporate governance in comparison with laws and regulations, as well as its articles of association and other internal systems. Through the self-inspection, the Company basically complied with the requirements, and completed the rectification of the problems found.

**XVI. Other**

☐Applicable   ☒Not applicable



## Section V Environmental and Social Responsibility

### I. Environmental information situation

Whether to establish mechanisms related to environmental protection	Yes
Funds invested in environmental protection during the reporting period (unit: RMB million)	50,622

#### (i) Description of the environmental protection of the company and its major subsidiaries that are key emission units announced by the environmental protection authorities

√Applicable □ Not applicable

##### 1. Discharge information

√Applicable □ Not applicable

Ltd., Anhui Huayi Chemical Co., Shuangqian Group (Anhui) Hui Li Tire Co. Ltd., Yixing Huayi Yipin Coloring Technology Co.

During the reporting period, the key emission units, in accordance with relevant laws and regulations, improved their environmental protection responsibility system, established environmental management ledgers, strengthened the operation, maintenance and management of pollution prevention and control facilities, and ensured that the actual types, concentrations and emissions of pollutants emitted were in line with the permit requirements, and there were zero major environmental incidents.

During the reporting period, there were 21 wastewater outfalls, 30 rainwater outfalls, 130 exhaust gas outfalls, 43 general solid waste storage sites, and 43 hazardous waste storage sites in key enterprises. There are 21 waste warehouses. The key emission units discharged 5.949 million tons of wastewater, 281.4 tons of COD<sub>Cr</sub>, 8.1 tons of ammonia nitrogen, and 26.49 billion standard M<sup>3</sup> of exhaust gas. Sulfur dioxide is 211.4 tons, nitrogen oxides is 261 tons, soot is 31.1 tons, total non-methane hydrocarbons is 1010.3 tons, hazardous waste generation is 42,200 tons, general solid waste generation is 408,000 tons, general solid waste and hazardous waste harmless disposal rate is 100%, hazardous waste disposal strictly implements the hazardous waste transfer coupon system, and noise at the plant boundary meets the standard.

##### 2. Construction and operation of anti-pollution facilities

√Applicable □ Not applicable

During the reporting period, the pollution prevention and control facilities of key emission units include wastewater treatment facilities such as wastewater pretreatment facilities, biochemical treatment facilities, deep treatment facilities and reuse facilities; waste gas treatment facilities such as acid gas treatment devices, VOCs treatment devices, boiler flue gas desulfurization and denitrification and dust removal treatment facilities; hazardous waste incineration treatment facilities; noise reduction facilities, etc. All pollution prevention and control facilities are operating stably and effectively.

Ltd. was completed and put into operation; Anhui Huayi Chemical Co., Ltd. was completed and put into operation; Shuangqian Group (Jiangsu) Tire Co.

During the reporting period, the key emission units strengthened the management of pollution prevention and control facilities to ensure the effective operation of pollution prevention and control facilities. The key emission units installed online monitoring of COD<sub>Cr</sub>, ammonia nitrogen, pH, non-methane total hydrocarbons, sulfur dioxide, nitrogen oxides and smoke and dust respectively according to the requirements of emission permits, and the data were networked with the monitoring equipment of ecological and environmental authorities.

##### 3. Environmental impact assessment of construction projects and other administrative permits for environmental protection

√Applicable ☐ Not applicable

During the reporting period, all key emission units in-service installations were executed in accordance with the EIA report and EIA approval, and completed the task of upgrading construction and rectification on time in accordance with current laws and regulations. New construction projects are declared in accordance with the provisions of the EIA, and the construction of environmental protection measures and the completion of environmental protection facilities are implemented. Ltd. chemical car loading and unloading station exhaust gas absorption transformation project, Xinjiang Kunlun Engineering Tire Co., Ltd. sulfur warehouse, hazardous waste warehouse, internal oil supply station technology reform project, double money group (Chongqing) tire Co. Ltd. to add 100 tons of NC34, 150 tons of VA086, 150 tons of M3 products and existing product expansion and transformation projects and other construction projects to carry out environmental impact assessment work. According to the requirements of the "Emission Permit Management Measures", all key emission units have applied for emission permits in accordance with the regulations, complied with the provisions of the emission permits and discharged according to the permits. The new project of Guangxi Huayi New Materials Co., Ltd. has obtained the emission permit according to the regulations.

Strengthen the main responsibility of key sewage units for pollution prevention and control, the company regularly supervises and inspects the effective operation of pollution prevention and control facilities, and from time to time carries out supervision and monitoring, and conducts quarterly and annual appraisals of the environmental protection performance of key sewage units.

**4. Emergency response plan for sudden environmental events**√Applicable ☐ Not applicable

During the reporting period, all key emission units carried out the assessment of enterprise environmental risks, prepared emergency plans for environmental emergencies and completed filing with local environmental protection departments in accordance with the "Environmental Protection Law of the People's Republic of China", "Measures for the Management of Environmental Emergencies" and other relevant requirements for filing national and local environmental emergency plans. At the same time to improve the emergency organization, the implementation of emergency measures, emergency rescue material reserves complete, and regularly held emergency drills. Guangxi Huayi New Materials Co., Ltd. new projects in accordance with environmental laws and regulations, the assessment of enterprise environmental risks, the preparation of emergency plans for environmental emergencies and in Qinzhou City Ecological Environment Bureau for the record.

During the reporting period, all key emission units formulated safeguard measures for major events, special emission limits for pollutants and emergency measures for heavy polluted weather in accordance with various management requirements of national and local people's governments.

**5. Environmental self-monitoring program**√Applicable ☐ Not applicable

During the reporting period, all key emission units strictly implemented the self-monitoring management requirements in the "Regulations on the Administration of Emission Permits", "General Technical Guidelines for Self-monitoring by Emission Units" and "Technical Specification for Application and Issuance of Emission Permits for Rubber and Plastic Products Industry". Develop self-monitoring programs for environmental factors such as wastewater, exhaust gas, boiler flue gas, exhaust gas disorganized emissions and plant noise, determine the monitoring factors and monitoring frequency requirements, including self-monitoring of key pollution factors such as COD<sub>Cr</sub>, ammonia nitrogen, sulfur dioxide, nitrogen oxides, non-methane total hydrocarbons, soot, and implement regular and periodic monitoring. Monitoring programs and monitoring data are in the provinces and municipalities or local "key monitoring enterprise pollution source monitoring information release platform" or "environmental information of enterprises and institutions open platform" or the enterprise website publicly announced.

During the reporting period, the emission units involved in VOCs regularly carried out leak detection and repair of VOCs at equipment sealing points in accordance with the requirements of the technical guidelines for equipment leak detection and repair. Ltd., Anhui Huayi Chemical Co., Ltd., Shanghai Huayi New Materials Co., Ltd., Shanghai Huayi Paint Co.

**6. Administrative penalties imposed for environmental issues during the reporting period**√Applicable ☐ Not applicable

During the reporting period, the Company's subsidiaries were subject to administrative penalties totaling RMB 750,000 for violations of environmental laws, which have now been rectified.

**7. Other environmental information that should be disclosed**☐ Applicable √Not applicable**(B) environmental protection of companies other than key emission units description**√Applicable ☐ Not applicable

Ltd., Shanghai Huayi Information Technology Co., Ltd., Shanghai Huayi Group Finance Co., Ltd. and Huayi Group (Hong Kong) Co., Ltd. were not involved in the emission and monitoring of pollutants during the reporting period outside the key emission units.

During the reporting period, companies other than key emission units, Kunshan Baoyan Gas

Company Limited, Zhejiang Huayu Water Absorbing Material Company Limited, Shanghai Kailin Paint Factory, Shanghai Test Four Hervey Chemical Company Limited, Anhui Huayi Rixin Technology Company Limited, Shanghai Tianyuan Group Shengde Plastic Company Limited, Yantai Tianyuan Shengde Material Technology Company Limited, Fujian Huayi Shengde Material Technology Company Limited, Shanghai Plastics Research Institute Ltd. and other units, according to the "Emission Permit Management Measures" to implement simplified management and emission registration management, all obtain emission permits or complete emission registration. They comply with all laws and regulations on environmental protection, and all pollutants are discharged in accordance with the standards and meet the total amount requirements. Huayi Thailand is an overseas enterprise and complies with all local laws and regulations in Thailand.

There are 8 wastewater outfalls, 22 rainwater outfalls, 32 exhaust gas outfalls and 14 general solid waste storage sites in companies other than the key discharge units.

There are 16 hazardous waste warehouses. During the reporting period, 649,000 tons of wastewater, 6.87 tons of COD<sub>Cr</sub>, 1.12 tons of ammonia nitrogen and 1.92 billion standards of exhaust gas were discharged. M3, 3.7 tons of sulfur dioxide, 18.5 tons of nitrogen oxides, 19.8 tons of soot and 6.4 tons of total non-methane hydrocarbons. Amount of hazardous waste generated 218 tons, 100% harmless disposal rate. The noise level of the factory boundary complied with the standard.

### **1. Administrative penalties for environmental problems**

☐Applicable ☒Not applicable

## 2. Disclosure of other environmental information with reference to key emission units

√Applicable □ Not applicable

During the reporting period, companies other than key emission units sound environmental protection responsibility system, establish environmental management ledger, strengthen the operation and maintenance of pollution prevention and control facilities and management, pollution prevention and control facilities are stable and effective operation. Ltd. connection material waste gas treatment facilities transformation project was completed and put into operation, the second phase of Zhejiang Tianyuan Medical Materials Co.

Ltd. Shanghai Kailin Paint Factory technical reform project, Anhui Huayi Rixin Technology Co., Ltd. technology center construction project, Zhejiang Tianyuan Medical Materials Co., Ltd. annual output of 300 tons of environmentally friendly medical granule products small test project and other new projects, according to the provisions of the environmental impact assessment work. Key emission units outside the company to carry out self-monitoring as required, the preparation of emergency response plans for environmental incidents. No major environmental events.

## 3. Reasons for not disclosing other environmental information

□Applicable √Not applicable

### (C) is conducive to the protection of ecology, pollution prevention and fulfillment of environmental responsibility related information

√Applicable □ Not applicable

The company adheres to the five development strategies of "green development, innovative development, high-end development, cross-city development and integrated development", and actively practices the concept of "green chemical, good life" concept, continuously promote harmonious interaction with nature and society, give full play to its professional advantages, and strive to promote the creation of green factories. Ltd. and Shanghai Plastics Research Institute Co., Ltd. were awarded the "Three Stars" of Shanghai Green Factory Demonstration; Shuangqian Group (Anhui) Hui Li Tire Co. Ltd. was awarded the title of Green Factory of Fujian Province; HAYI Rixin Sulfur Soap (85g) Far Bar (wax paper packaging) and Bee Flower (new packaging) were declared as green products, which have passed the audit of Anhui Department of Industry and Information Technology and submitted to the Ministry of Industry and Information Technology.

### (iv) Measures taken to reduce its carbon emissions during the reporting period and their effects

Whether to adopt carbon reduction measures	Yes
Reduction of CO2 equivalent emissions (in tons)	31,000
Types of carbon reduction measures (e.g., use of clean energy to generate electricity, use of clean energy in the production process) (Use of carbon-reducing technologies, development and production of new products that contribute to carbon reduction, etc.)	Use of clean energy to generate electricity, use of carbon reduction technologies in the production process

Specific instructions

√Applicable □ Not applicable

During the reporting period, the company continued to explore the path of achieving the double carbon target, actively carried out research on the topics of carbon peak and carbon neutral, and steadily promoted the implementation of related work. Taking energy cleanliness, operation efficiency

and raw material low-carbon as the working hands, the company vigorously promoted the application of green and low-carbon new technologies, new processes, new equipment and new materials, strengthened the dynamic monitoring of energy operation within the enterprise, and promoted the monitoring and refined management of energy consumption in the production process, etc.

During the reporting period, the Company took various measures in using carbon reduction technology and clean energy in the production process to promote energy conservation and emission reduction. Ltd. Nitrogen compressor recycling, L5 compactor drive system renovation; Shuangqian Group (Chongqing) Tire Co., Ltd. coal to gas conversion project; Shuangqian Group (Xinjiang) Kunlun Tire Co., Ltd. office building area temperature control energy-saving technology renovation, effectively reducing carbon dioxide emissions equivalent to about 31,000 tons.

## **II. Social Responsibility Work**

### **(i) Whether to disclose a separate social responsibility report, sustainability report or ESG report**

☒ Applicable ☐ Not applicable

For details, please refer to the "Company's Annual Social Responsibility Report 2022" disclosed on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

### **(II) Social responsibility work specifics**

☐ Applicable ☒ Not applicable

Specific instructions

☐Applicable ☒Not applicable

**Third, consolidate and expand the results of poverty alleviation and rural revitalization and other specific work**

☐Applicable

☒Not applicable

Specify

☐Applicable ☒Not applicable

## Section VI Important Matters

### I. Implementation of commitments

(i) Commitments of the actual controller, shareholders, related parties, acquirers and parties related to the Company's commitments during the reporting period or continuing into the reporting period

√Applicable □ Not applicable

Commitment Background	Type of commitment	Commitment Parties	Commitment content	Commitment time and period	Availability of performance period Limit	Is it timely and strict Fulfillment	If you fail to perform in a timely manner, you should indicate the specific reasons for not completing the performance. Reason	If not fulfilled in time should explain the next plan
Commitments related to	Resolving Competition with Industry	Shanghai Huayi (Group) Co.	1、After the completion of this transaction, Shanghai Huayi (Group) Company will continue to exercise the rights of shareholders or urge the directors to exercise the rights of directors in accordance with the law in strict accordance with the requirements of the Company Law and other laws, regulations, rules and other regulatory documents as well as the relevant provisions of the Articles of Association of the listed company, and to perform the duties of the shareholders' meeting as well as the board of directors when voting on connected transactions related to matters involving Shanghai Huayi (Group) Company. 2. After the completion of this transaction, the connected transactions between Shanghai Huayi (Group) Company and the listed company will be minimized. In the case of related transactions that are necessary and cannot be avoided, the company will ensure fair operation in accordance with market-oriented principles and fair prices, and perform transaction procedures and information disclosure obligations in accordance with relevant laws, regulations and rules and other regulatory documents. Guarantee not to damage the legitimate rights and interests of the listed company and other shareholders through connected transactions. Any agreement and arrangement made by Shanghai Huayi (Group) Company and the listed company in respect of the connected affairs and transactions between them	Commitment date: March 23, 2015; Commitment period: Long-term validity	No	Yes		



			<p>Pre-listed company's board of directors and shareholders' meeting exercise their powers to make personnel appointment and removal decisions. 2. Guarantee the independence and integrity of the listed company's assets 1. Guarantee that the listed company has business system and independent and complete assets related to its operation; 2. Guarantee that the listed company does not have funds and assets occupied by Shanghai Huayi (Group) Company and its related parties; 3. Guarantee that the residence of the listed company is independent of Shanghai Huayi (Group) Company and its related parties. 3. Guarantee the financial independence of the listed company 1. Guarantee that the listed company establishes an independent financial department and an independent financial accounting system, and has a standardized and independent financial accounting system; 2. Guarantee that the listed company opens bank accounts independently and does not share bank accounts with Shanghai Huayi (Group) <b>Company and its related parties</b>; 3. (Group) Company and its related parties to work part-time; 4. to ensure that the listed company pays taxes independently according to the law; 5. to ensure that the listed company can make financial decisions independently and that Shanghai Huayi (Group) Company and its related parties do not interfere with the use of funds of the listed company. 4. To ensure the institutional independence of the listed company 1. To ensure that the listed company establishes a sound corporate governance structure and has an independent and complete organizational structure; 2. To ensure that the general meeting, board of directors, independent directors, supervisory board and general manager of the listed company exercise their powers independently in accordance with laws, regulations and the articles of association of Shuangqian JSC. V. Guarantee the business independence of the listed company 1. guarantee that the listed company has the assets, personnel, qualification and ability to carry out business activities independently and has the ability to operate independently and continuously in the market; 2. guarantee that Shanghai Huayi (Group) Company will not interfere unduly with the business activities of the listed company; 3. guarantee that Shanghai Huayi (Group) Company and its related parties will avoid engaging in business that has substantial competition with the listed company; 4. 4. Guarantee to minimize and avoid connected transactions between Shanghai Huayi (Group) Company and its related parties and the listed company; when connected transactions are necessary and unavoidable, guarantee to operate fairly in accordance with market-oriented principles and fair prices, and in accordance with relevant laws and regulations and the provisions of the regulatory documents and the articles of association of the listed company to fulfill the transaction procedures and information disclosure obligations.</p>					
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**(b) If there is a profit forecast for the company's assets or projects and the reporting period is still in the profit forecast period, the company makes a statement on whether the assets or projects have met the original profit forecast and the reasons for it**

☐ Achieved ☐ Not achieved ☒ Not applicable

**(iii) Completion of performance commitments and its impact on goodwill impairment testing**

☐ Applicable ☒ Not applicable

## **II. Non-operating appropriation of funds by controlling shareholders and other related parties during the reporting period**

☐Applicable ☒Not applicable

## **III. Violation of guarantees**

☐Applicable ☒Not applicable

## **IV. Explanation by the Board of Directors of the Company on the "Non-Standard Opinion Audit Report" of the accounting firm**

☐Applicable ☒Not applicable

## **V. Analysis of the Company's explanation of the causes and effects of changes in accounting policies, accounting estimates or corrections of significant accounting errors (a) Analysis of the Company's explanation of the causes and effects of changes in accounting policies and accounting estimates**

☒Applicable ☐Not applicable

At the Twenty-second Meeting of the Tenth Session of the Board of Directors of the Company on March 31, 2023, the "Proposal on the Change of Accounting Policy" (Interim Announcement No. 2023-014) was considered and approved.

On December 30, 2021, the Ministry of Finance issued Accounting Standards for Business Enterprises Interpretation No. 15 (Caihui [2021] No. 35), 2022 Notice on Issues Related to the Application of the Accounting Treatment Provisions for Rent Reduction Related to the New Crown Pneumonia Epidemic (Caihui [2022]) issued on May 19 (Caihui [2022] No. 31) on November 30, 2022 and the "Accounting Standards for Business Enterprises Interpretation No. 16" (Caihui [2022] No. 31) on November 30, 2022.

In accordance with the Notice on Issues Related to the Application of the Accounting Treatment Provisions for Rent Concessions Related to the New Coronary Pneumonia Epidemic, the Company has elected to adopt the simplified method of accounting for all eligible lease contracts before the scope of application adjustment, and has adopted the simplified method of accounting for all eligible similar lease contracts after the scope of application adjustment, and has made retroactive adjustments to the relevant lease contracts that were already accounted for using lease changes before the issuance of the Notice. The Company will make retroactive adjustments to the relevant lease contracts that were accounted for using lease modification before the issuance of the Circular, but will not adjust the comparative financial statement data of the previous period; and will make adjustments to the relevant rental concessions that occurred between January 1, 2022 and the effective date of the Circular but were not accounted for in accordance with the provisions of the Circular in accordance with the Circular.

The change in accounting policy will not have a material impact on the Company's financial position, results of operations and cash flows.

## **(2) The Company's analysis of the causes and effects of the correction of material accounting errors**

☐Applicable ☒Not applicable

## **(III) Communication with the former accounting firm**

☐Applicable    ☒Not applicable

**(IV) Other notes**

☐Applicable    ☒Not applicable

**VI. Appointment and dismissal of accounting firm**

		Unit: RMB million	Currency: RMB
		Now hiring	
Name of domestic accounting firm		Lixin CPA (Special General Partnership)	
Domestic Accounting Firm Compensation		547.86	
Years of audit by domestic accounting firms		21	
Name of Certified Public Accountant of the domestic accounting firm		Xu Liquan, Lv Jie	

	Name	Compensation
Internal control audit accounting firm	Lixin CPA (Special General Partnership)	190.14

Information note on the appointment and dismissal of the accounting firm

☒Applicable ☐ Not applicable

During the reporting period, the Company did not change its accounting firm.

According to the consideration of the Twenty-second Meeting of the Tenth Session of the Board of Directors of the Company, the Company agreed to continue to appoint Lixin CPA (Special General Partnership) as the accounting firm for the Company's 2023 annual report and internal control audit. Subject to the approval of the shareholders' meeting.

Information note on the change of accounting firm during the audit

☐Applicable ☒Not applicable

## VII. Situations facing the risk of delisting

### (I) Causes of the delisting risk warning

☐Applicable ☒Not applicable

### (II) The company intends to take countermeasures

☐Applicable ☒Not applicable

### (III) Circumstances and reasons for facing termination of listing

☐Applicable ☒Not applicable

## VIII. Bankruptcy reorganization-related matters

☐Applicable ☒Not applicable

## IX. Significant litigation and arbitration matters

The Company has significant litigation and arbitration matters during the year.

## X. The listed company and its directors, supervisors, senior management, controlling shareholders and actual controllers are suspected of violating the law, being punished and rectifying the situation

☐Applicable ☒Not applicable

## XI. Description of the integrity of the Company and its controlling shareholders and beneficial owners during the reporting period

☒Applicable ☐Not applicable

During the reporting period, the Company and its controlling shareholder and the actual controller were in good standing, and there were no cases of non-fulfillment of court judgments in force and large amount of debts due and unpaid.

## XII. Significant connected transactions

### (i) Connected transactions related to daily operations

#### 1. Matters that have been disclosed in the interim announcement and no progress or changes in subsequent implementation

☒Applicable ☐ Not applicable

Matter Overview	Query Index
<p>The Company's Tenth XVII Board of Directors Meeting on March 25, 2022 and the Company's June 2, 2022</p> <p>The Proposal on the Company's Daily Connected Transactions in 2022 was considered and approved at the Annual General Meeting in 2021. The daily transactions between the Company and the</p>	<p>85 / 355</p> <p>Considered and approved by the Tenth Seventeenth Board of Directors and the Annual General Meeting of Shareholders in 2021</p>

<p>The 2021 Annual General Meeting considered and approved the Proposal on the Signing of &lt;Financial Services Agreement&gt; and Related Transaction between the Finance Company and Shanghai Huayi. The provision of deposit services, loan services, settlement services and other businesses approved by the China Banking and Insurance Regulatory Commission for Shanghai Huayi by the Finance Company is in line with the business development needs of the Company and is not detrimental to the Company.</p> <p>and the interests of its shareholders, especially the small and medium-sized shareholders.</p>	<p>Considered and approved by the Annual General Meeting of Shareholders.</p> <p>www.sse.com.cn</p>
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## 2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☐Applicable ☒Not applicable

## 3. Matters not disclosed in the provisional announcement

☐Applicable ☒Not applicable

### (ii) Related transactions occurring in the acquisition or sale of assets or equity

#### 1. Matters that have been disclosed in the interim announcement and no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

#### 2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☐Applicable ☒Not applicable

#### 3. Matters not disclosed in the provisional announcement

☐Applicable ☒Not applicable

#### 4. If the performance agreement is involved, the performance achieved during the reporting period should be disclosed

☐Applicable ☒Not applicable

### (iii) Significant connected transactions of joint foreign investments

#### 1. Matters that have been disclosed in the interim announcement and no progress or changes in subsequent implementation

☒Applicable ☐Not applicable

Matter Overview	Query Index
<p>The Tenth Seventeenth Board of Directors and the 2021 Annual General Meeting of the Company have considered and approved the "Proposal on Guangxi Huayi New Materials Co. The company invests in the construction of polymer inhibitor project with Guangxi Huayi New Materials Co., Ltd. as the main body of its holding subsidiary, and the total investment amount of the project is RMB573,240,000, and the capital increase to Guangxi New Materials as the main body of the investment is</p> <p>The amount of capital increase was RMB 171.97 million (including RMB 103.18 million for the Company and RMB 1,000,000 for Shanghai Huayi).</p>	<p>Temporary Announcement Number: 2022-018 www.sse.com.cn</p>

**2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation**

☐Applicable    ☒Not applicable

**3. Matters not disclosed in the provisional announcement**

☐Applicable ☒Not applicable

**(iv) Related debt transactions**

**1. Matters that have been disclosed in the interim announcement and no progress or changes in subsequent implementation**

☐Applicable ☒Not applicable

**2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation**

☐Applicable ☒Not applicable

**3. Matters not disclosed in the provisional announcement**

☐Applicable ☒Not applicable



**(E) Financial business between the company and the finance company with which there is an affiliated relationship, the company's controlling finance company and related parties**

√Applicable □ Not applicable

Unit: RMB million

**1. Deposit Business**

√Applicable □ Not applicable

Related Parties	Affiliations	Maximum daily deposit limit	Deposit Rate Range	Opening balance	Current Period Incurred		Closing balance
					Total for the period Amount deposited	Total for the period Withdrawal amount	
Shanghai Huayi Holding Group Co.	Controlling Shareholders	None	0.42% ~ 3.85%	327,906.00	3,008,389.45	3,059,871.05	276,424.39
Shanghai Chlor-Alkali Chemical Co., Ltd. and its subsidiaries	Subsidiary of a controlling shareholder	80,000.00	0.42% ~ 3.85%	80,716.51	2,939,562.94	2,945,222.90	75,056.55
Shanghai Sanfu New Material Technology Co., Ltd. and its subsidiaries	Subsidiary of a controlling shareholder	None	0.42% ~ 3.85%	28,084.03	2,042,440.20	1,954,293.25	116,230.98
Shanghai Huayi Engineering Co., Ltd. and its subsidiaries	Subsidiary of a controlling shareholder	None	0.42% ~ 3.85%	26,030.16	375,595.62	357,761.68	43,864.10

**2. Loan**

**Business**

√Applicable □ Not applicable

Unit: RMB million

Related Parties	Affiliations	Loan amount	Loan interest rate range	Opening balance	Current Period Incurred		Closing balance
					Total for the period Loan amount	Total for the period Repayment amount	
Shanghai Huayi Holding Group Co.	Controlling Shareholders	400,000.00	2.5000% - 3.0450%	235,169.17	814,020.45	905,169.17	144,020.45
Shanghai Research Institute of Chemical Industry Ltd. and its subsidiaries	Subsidiary of a controlling shareholder	53,000.00	1.58% ~ 3.263%	16,152.46	11,615.90	14,334.63	13,433.73

**3. Credit business or other financial business**

☐Applicable ☒Not applicable

**4. Other notes**

☐Applicable ☒Not applicable

**(F) Other**

☐Applicable ☒Not applicable

**Significant contracts and  
their performance (i)  
Escrow, contract and  
lease matters 1.**

☐Applicable ☒Not applicable

**2、 Contracting status**

☐Applicable ☒Not applicable

**3、 Leasing situation**

☐Applicable ☒Not applicable

## (ii) Guarantees

√Applicable □ Not applicable

Company's external guarantees (excluding guarantees to subsidiaries)														Unit:
Guarantor	Relationship between the guarantor and the listed company Department	Secured party	Guarantee amount	Date of guarantee (date of agreement)	Guarantee start date	Guarantee maturity date	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount of guarantee overdue	Guarantee Situation	Whether to guarantee for related parties	Affiliations
Shanghai Huayi Group Co. Share Ltd.	Company Headquarters	Shanghai Huayi Holdings Group Ltd.	US\$ 178,500,000.00	2019/10/30	2019/10/30	2024/10/30	joint liability Appointment Guarantee	None	No	No	0	None	Yes	Holdings Shareholder
Shanghai Huayi Group Co. Share Ltd.	Company Headquarters	Guangxi Hongyi New Material Ltd.	20,000,000.00	2021/9/27	2021/9/29	2029/9/29	joint liability Appointment Guarantee	None	No	No	0	None	Yes	Associates Company
Shanghai Huayi Group Co. Share Ltd.	Company Headquarters	Guangxi Hongyi New Material Ltd.	42,500,000.00	2021/9/27	2021/11/15	2029/9/29	joint liability Appointment Guarantee	None	No	No	0	None	Yes	Associates Company
Shanghai Huayi Group Co. Share Ltd.	Company Headquarters	Guangxi Hongyi New Material Ltd.	20,675,000.00	2021/9/27	2022/4/29	2029/9/29	joint liability Appointment Guarantee	None	No	No	0	None	Yes	Associates Company
Shanghai Huayi Group Co. Share Ltd.	Company Headquarters	Guangxi Hongyi New Material Ltd.					joint liability Appointment Guarantee							Associates Company

Guarantees by the Company and its subsidiaries to subsidiaries	
Total amount of guarantees to subsidiaries during the reporting period	2,375,769,299.94
Total balance of guarantees to subsidiaries at the end of the reporting period (B)	3,092,791,395.40
Total amount of company guarantees (including guarantees to subsidiaries)	
Total guarantee (A+B)	5,759,771,849.34
Total guarantees as a percentage of the company's net assets (%)	26.46
Among them:	
Amount of guarantees provided to shareholders, beneficial owners and their related parties (C)	1,243,181,100.00
Amount of debt guarantee provided directly or indirectly for the guaranteed objects with gearing ratio over 70% (D)	14,364,795.40
Amount of total guarantees in excess of 50% of net assets (E)	14,364,795.40
Total amount of the above three guarantees (C+D+E)	1,271,910,690.80
Description of possible joint and several liability for unexpired guarantees	
Description of the guarantee	The amount in U.S. dollars is translated at the mid-rate of the exchange rate between RMB and U.S. dollars as of December 31, 2022; of which the amount of debt guarantees provided directly or indirectly for the guaranteed objects with asset and liability ratios exceeding 70% (D), the amount of total guarantees exceeding 50% of net assets (E), both of which are the result of the investment of our wholly-owned subsidiary, Shanghai Tianyuan (Group) Co. Ltd.

**(iii) Delegation of cash asset management to others****1. Entrusted financial management****(1) Overall situation of entrusted wealth management**☐Applicable☒Not applicableto **other cases**☐Applicable ☒Not applicable**(2) Single entrusted financial situation**☐Applicable☒Not applicableto **other cases**☐Applicable ☒Not applicable**(3) Provision for impairment of entrusted properties**☐Applicable ☒Not applicable**2. Entrusted Loan Status****(1) Overall situation of entrusted loans**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Type	Funding Sources	Occurrence	Outstanding balance	Amount overdue for collection
Through the bank to the	Own		30 000 000	

**Other situations**☐Applicable ☒Not applicable**(2) Single entrusted loan situation**☐Applicable☒Not applicableto **other cases**☐Applicable ☒Not applicable**(3) Provision for impairment of entrusted loans**☐Applicable ☒Not applicable**3. Other situations**☐Applicable ☒Not applicable**(iv) Other significant contracts**☐Applicable ☒Not applicable**XIV. Description of other significant matters that have a significant impact on investors' value judgments and investment decisions**☐Applicable ☒Not applicable

## Section 7 Share Changes and Shareholders

### I. Changes in share capital

#### (i) Statement of changes in shares

##### 1.

Unit: Unit

	Before this change		Increase or decrease in this change (+, -)					After this change	
	Quantity	Proportion (%)	Issue of new shares	Sent Shares	Provided Fund Transfer of shares	its H e	Subtotal	Quantity	Proportion (%)
I. Shares subject to limited sale	25,084,600	1.18	1,068,235				1,068,235	26,152,835	1.23
1、State shareholding									
2、State-owned legal person shareholding									
3、Other domestic shareholdings	25,084,600	1.18	1,068,235				1,068,235	26,152,835	1.23
Of which: shares held by domestic non-state legal persons									
Domestic natural person shareholding	25,084,600	1.18	1,068,235				1,068,235	26,152,835	1.23
4、Foreign shareholding									

##### 2. Description of changes in shares

√Applicable ☐ Not applicable

On December 6, 2021, the company held the 14th meeting of the 10th board of directors and the 14th meeting of the 10th supervisory committee, and considered and approved the proposal of granting reserved restricted shares to the incentive recipients of the company's A-share restricted stock incentive plan. On January 19, 2022, the company completed the registration of the reserved grant of A-share restricted shares, the registration date of A-share restricted shares was January 19, 2022. On January 19, 2022, the Company completed the registration of the reserved grant of A shares restricted shares, and the registration date for A shares restricted shares was January 19, 2022. For details, please refer to 2022-003 "Announcement on the Results of the Reserved Grant of A Shares Restricted Stock Incentive Plan" disclosed by the Company on January 21, 2022.

##### 3. Impact of the change in shares on financial indicators such as earnings per share and net assets per share for the most recent year and the most recent period (if any)

☐Applicable ☒Not applicable

##### 4. Other content that the company considers necessary or that the securities regulator requires to be disclosed

√Applicable ☐ Not applicable

On December 6, 2021, the Company held the 14th meeting of the 10th Board of Directors and the 14th meeting of the 10th Supervisory Committee, and considered and approved the "Proposal on the Granting of Reserved Restricted Shares to the Incentives of the Company's A-Share Restricted Share Incentive Plan", and granted 1,068,235,000 A-share restricted shares to 16 eligible incentive recipients. Ltd. was issued on 21 December 2021 (Xinhui Shi Bao Zi [2021] No. ZA15969), which verified the

receipt of funds subscribed under the reserved A shares restricted stock incentive plan as of 17 December 2021. As of December 17, 2021

As of the date of grant, the Company has received the actual subscription amount of RMB6,195,763.00 from the 16 incentive recipients. On January 19, 2022, the Company completed the registration of the reserved grant of A shares restricted shares, the registration date of A shares restricted shares was January 19, 2022, the registration number of A shares restricted shares was 1,068,235,000. On January 19, 2022, the Company completed the registration of the reserved grant of A shares of restricted stock, and the registration date for A shares of restricted stock was January 19, 2022. For details, please refer to 2022-003 "Announcement on the Results of the Reserved Grant of A Shares Restricted Stock Incentive Plan" disclosed by the Company on January 21, 2022.

## (II) Changes in restricted shares

Unit: Unit

√Applicable <input type="checkbox"/> Not applicable		Restricted shares at the beginning of the year Number	Lifted this year Number of restricted shares	Current year increase limit Number of shares sold	Restricted shares at year-end Number	Restricted original sale Because	Release date
A share restricted stock incentive plan grant		25,084,600	0	1,068,235	26,152,835	Stock Incentive Restriction Period	The restricted shares granted under the Plan are subject to a restricted sale period of 36 months from the date of completion of registration of the grant. The 36 months after the expiration of the restricted sale period

## II. Securities Issuance and Listing

### (I) Securities issuance up to the reporting period

Unit: Share Currency: RMB

√Applicable <input type="checkbox"/> Not applicable		Release Date	Issue Price (or interest rate)	Number of issues	Listing Date	Approved for listing Number of transaction	Transaction termination
Types of Securities							

Description of securities issuance as of the reporting period (for bonds with different interest rates during the duration, please describe them separately):

√Applicable ☐ Not applicable

See the description of changes in shares in Section VII of this report on changes in shares and shareholders.

### (ii) Changes in the total number of shares and shareholder structure of the Company and changes in the structure of the Company's assets and liabilities

√Applicable ☐ Not applicable

For changes in the total number of shares of the Company, please refer to the description of changes in shares in Section VII of this report on changes in shares and shareholders.

As a result of the completion of the registration of the reserved grant of A shares restricted shares, the shares of the Company increased, resulting in a decrease in the percentage of shares held by the controlling shareholders and the beneficial owners of the Company. The restricted share grant will not result in a change in control of the controlling shareholder of the Company.



**(iii) Status of existing internal employee shares**

☐Applicable ☒Not applicable

**III. Shareholders and  
actual controllers (i)**
**Total number of  
shareholders**

Total number of common shareholders as of the end of the reporting period (households)	70,764
Total number of common shareholders (households) as of the end of the previous month prior to the date of disclosure of the annual report	69,852
Total number of preferred shareholders whose voting rights were restored as of the end of the reporting period (households)	0
Total number of shareholders of preferred shares whose voting rights were restored at the end of the previous month before the disclosure date of the annual report (households)	0

**(2) List of top ten shareholders and top ten shareholders in circulation (or shareholders with unlimited selling conditions) as of the end of the reporting period**

Shareholdings of top ten shareholders							Unit:Unit
Shareholder Name (Full name)	Increase or decrease during the reporting period	Number of shares held at the end of the period	Proportion (%)	Shares held with limited selling conditions Quantity	Pledge, tag or Freezing situation		Nature of Shareholder
					Share Status	Number Quantity	
Shanghai Huayi Holding Group Co.	0	894,949,825	41.99	0	None		State-owned legal entities
Shanghai Guosheng (Group) Co.	-42,628,900	366,845,496	17.21	0	None		State-owned legal entities
Shanghai Guosheng Group Investment Co.	0	29,230,769	1.37	0	None		State-owned legal entities
Liu Weiwei	0	21,216,230	1.00	0	Unknown		Unknown
Industrial and Commercial Bank of China Ltd. CSI Shanghai State-owned Enterprises Traded Open Indexed Securities Investment Fund	2,737,200	10,372,113	0.49	0	Unknown		Unknown
Agricultural Bank of China Ltd. CSI 500 Traded Open-ended Index Number of securities investment funds	3,122,200	6,467,459	0.30	0	Unknown		Unknown
Min Qiao Zhong	4,677,116	5,049,916	0.24	0	Unknown		Unknown
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0	4,479,735	0.21	0	Unknown		Unknown
VANGUARD EMERGING MARKETS STOCK INDEX FUND	-640,600	3,631,343	0.17	0	Unknown		Unknown

Number of shares held by the top ten shareholders with limited selling conditions and conditions of sale  
☒ Applicable ☐ Not applicable

Unit: Unit

Serial number	Name of shareholders with limited selling conditions	Number of shares held with limited selling conditions	Restricted shares available for listing and trading		Restricted Sale Conditions
			Available for trading time	New listed tradable shares Number of copies	
1	Wang Xia	632,800			See description
2	Li Liangjun	324,800			See description
3	Chen Yao	569,500			See description
4	Chang Daguang	544,200			See description

(iii) Strategic investors or general corporations become the top 10 shareholders as a result of the placement of new shares

☐ Applicable ☒ Not applicable

#### IV. Controlling shareholders and actual controllers (I) Controlling shareholders

##### 1 Legal person

☒ Applicable ☐ Not applicable

Name	Shanghai Huayi Holding Group Co.
The person in charge of the unit or the legal representative	Liu Xunfeng
Date of Establishment	1997-01-23
Main Businesses	General projects: management and administration of state-owned assets within the scope of authorization, industrial investment, sales of chemical products and equipment, technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion, investment in pharmaceutical products, installation, maintenance and contracting services for chemical and pharmaceutical equipment projects, contracting for overseas chemical projects and domestic international bidding projects, export of equipment and materials required for the above overseas projects, dispatch of laborers required for the implementation of the above overseas projects, import and export of goods and technologies. Exporting, dispatching laborers needed for

##### 2 Natural Persons

☐Applicable ☒Not applicable

**3 Special Note on the Absence of Controlling Shareholders of the Company**

□Applicable √Not applicable

**4 Description of the change in controlling shareholders during the reporting period**

□Applicable √Not applicable

**5 Block diagram of the ownership and control relationship between the Company and the controlling shareholder**

√Applicable □Not applicable

**(II) The situation of the actual controller****1 Legal person**

√Applicable □ Not applicable

Name	Shanghai State-owned Assets Supervision and Administration
------	--

**2 Natural Persons**

□Applicable √Not applicable

**3 Special Note on the Absence of the Company's Effective Control Person**

□Applicable √Not applicable

**4 Description of the change in control of the company during the reporting period**

□Applicable √Not applicable

**5 Block diagram of the ownership and control relationship between the company and the actual controller**

√Applicable □Not applicable



**6 Control of the company by the beneficial owner through trust or other asset management**

□Applicable ✓/Not applicable

**(III) Other information on controlling shareholders and actual controllers**

□Applicable ✓/Not applicable

**V. The number of shares pledged by the controlling shareholder or the largest shareholder of the company and its concerted parties accounts for more than 80% of the number of shares held by the company**

□Applicable ✓/Not applicable

**Sixth, other corporate shareholders holding more than ten percent of the shares**

✓/Applicable □ Not applicable

Unit: RMB million Currency:

Name of corporate shareholder	Unit manager or legal representative People	Date of Establishment	Organization code	Registered Capital	Main business operations or management activities, etc.
Shanghai Guoshe ng	Shou Weiguang	2007-09-26	91310000667805050M	2,006,600	To carry out non-financial-based, financial-supported investment, capital operation and asset management, industrial research, social and

**VII. Description of share restriction reduction**

□Applicable ✓/Not applicable

**VIII. Specific implementation of share repurchase in the reporting period**

□Applicable ✓/Not applicable

## **Section VIII Preferred Stock Related Information**

☐Applicable ☒Not applicable

## **Section IX Bond Related Information**

### **I. Corporate bonds, corporate bonds and non-financial corporate debt financing instruments**

☐Applicable ☒Not applicable

### **II. Status of convertible bonds**

☐Applicable ☒Not applicable



## Section X Financial Reports

### Audit

√Applicable □ Not applicable

### Report

The Company's business is to provide the following services

**All shareholders of Shanghai Huayi Group Co:**

### I. Audit opinion

(hereinafter referred to as Huayi Group), which comprise the consolidated and parent company balance sheets as of December 31, 2022, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, the consolidated and parent company statements of changes in owners' equity for the year 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Huayi Group as of December 31, 2022 and the consolidated and parent company results of operations and cash flows for the year 2022, prepared in accordance with the provisions of the ASBE.

### Second, the basis for forming an audit opinion

We conducted our audit in accordance with PRC generally accepted auditing standards. Our responsibilities under these standards are further described in the "Responsibilities of Certified Public Accountants for the Audit of Financial Statements" section of our auditor's report. We are independent of Huayi Group and have fulfilled our other responsibilities in accordance with the Code of Ethics for Certified Public Accountants in China. 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, we consider to be most significant to the audit of the financial statements for the period. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters individually.

A summary of the key audit matters identified in our audit is as follows:

Key Audit Matters	How the matter was responded to in the audit
<b>(i) Recoverability of accounts receivable</b>	
<p>Please refer to the accounting policies described in Note 3, (j) and Note 5, (e) of the financial statements. As of December 31, 2022, the original value of accounts receivable of Huayi Group was \$2,055,685,260.46 and the allowance for bad debts was \$458,817,383.85. Because the management of Huayi Group is required to apply significant accounting estimates and judgments in determining the estimated recoverable amount of accounts receivable and the impact is significant, we determined the recoverability of accounts receivable to be a key audit matter for this reason.</p>	<p>The audit procedures we performed for the collectibility of accounts receivable were mainly as follows:</p> <ul style="list-style-type: none"> <li>① Evaluate the reasonableness of the expected credit loss model and the parameters used by management in assessing the allowance for bad debts, including forward-looking information, through discussions with management and a review of historical data;</li> <li>② Implemented correspondence procedures and reconciled the results of the correspondence with the amounts recorded by management;</li> <li>(iii) Evaluate the reasonableness of management's expected credit loss accrual in conjunction with post-period recovery checks;</li> </ul> <p>Based on the information obtained from the above procedures, the bad debt provision for the closing balance of accounts receivable was recalculated and the result of the calculation was consistent with the reasonable model.</p>

#### IV. Other Information

The management of Huayi Group (hereinafter referred to as management) is responsible for other information. Other information includes the information covered in Huayi Group's 2022 Annual Report, but excludes the financial statements and our auditors' report.

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

There are material inconsistencies or appear to be material misstatements in the statements or in the information we learned during our audit.

Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. We do not have any matters to report in this regard.

#### V. Management's and governance's responsibility for the financial statements

Management is responsible for preparing financial statements that give a fair view in accordance with accounting standards for businesses and for designing, implementing and maintaining internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the going concern of the HUA Group, disclosing matters related to going concern, if applicable, and applying the going concern assumptions unless liquidation is planned, discontinued operations are discontinued or there is no other realistic alternative.

Governance is responsible for overseeing the financial reporting process of the Huayi Group.

#### VI. CPA's responsibility for the audit of financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes an audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when one exists. Misstatements may result from fraud or error and are generally considered to be material if there is a reasonable expectation that, individually or in the aggregate, the misstatement could have affected the economic decisions made by users of the financial statements based on the financial statements.

In performing our audit work in accordance with auditing standards, we use professional judgment and maintain professional skepticism. At the same time, we perform the following:

(i) Identify and assess the risks of material misstatement of financial statements due to fraud or error, design and perform audit procedures to address those risks, and obtain sufficient appropriate audit evidence as a basis for expressing an audit opinion. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to error because fraud may involve collusion, forgery, intentional omissions, misrepresentation, or override of internal control.

(ii) Understand internal controls relevant to the audit in order to design appropriate audit procedures.

(iii) Evaluate the appropriateness of management's selection of accounting policies and the reasonableness of the accounting estimates made and related disclosures.

(iv) To draw conclusions about the appropriateness of management's use of the going concern assumption. Also, based on the audit evidence obtained, we reach a conclusion as to whether there is a material uncertainty about the matters or circumstances that may cast significant doubt about the Hwayi Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require that we draw the attention of users of the financial statements to the relevant disclosures in the auditor's report; if the disclosures are not adequate, we should express a non-unqualified opinion. Our conclusion is based on information available to us as of the date of the audit report. However, future events or circumstances may cause the Huayi Group to fail to continue as a

going concern.

(v) Evaluate the overall presentation (including disclosures), structure and content of the financial statements, and evaluate whether the financial statements present fairly the related transactions and events.

(vi) Obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities in the Huayi Group to express an audit opinion on the consolidated financial statements. We are responsible for directing, supervising, and performing the group audit, and we assume full responsibility for the audit opinion.

We communicate with governance on matters such as planned audit scope, timing, and significant audit findings, including communication of internal control deficiencies of concern identified during our audit.

We also provide a statement to governance regarding compliance with ethical requirements related to independence and communicate with governance about all relationships and other matters that could reasonably be perceived to affect our independence, as well as related precautions, if applicable.

From the matters communicated with governance, we determine which matters are most significant to the audit of the financial statements for the period and therefore constitute critical audit matters. We describe these matters in our audit report, except in those cases where public disclosure of such matters is prohibited by law or regulation, or in those rare cases where we determine that a matter should not be communicated in the audit report if we reasonably expect that the negative consequences of communicating the matter in the audit report would outweigh the benefits in the public interest.

**Lixin Accounting Firm**  
**Xu Liqun**  
**(Special General Partnership)**

**Chinese Certified Public Accountant:**  
**(Project Partner)**

**Chinese Certified Public Accountant: Jie**  
**Lu**

**China - Shanghai**

**March 31, 2013**

## Financial Statements

Consolidated  
Balance SheetPrepared by: Shanghai Huayi Group  
Co.

December 31, 2022

Unit: Yuan

Proj ects	Note 5	December 31, 2022	December 31, 2021 Currency: RMB
<b>Current assets:</b>			
Monetary Funds	(I)	16,569,813,702.27	9,907,109,351.70
Settlement Allowance			
Unwinding funds			
Financial assets held for trading	(II)	1,368,465,133.72	1,433,588,957.15
Derivative financial assets			
Notes receivable	(IV)	122,493,891.76	126,940,818.38
Accounts Receivable	(V)	1,596,867,876.61	1,554,948,234.28
Receivables financing	(VI)	1,752,114,845.63	3,392,623,821.76
Prepayments	(VII)	598,114,667.60	601,228,313.03
Premiums receivable			
Sub-insurance receivables			
Reserves for reinsurance contracts receivable			
Other receivables	(VIII)	135,330,248.63	80,036,865.58
Of which: Interest receivable			
Dividend receivable		12,916,000.00	30,263,328.95
Buy-back financial assets	(ix)	500,449,178.06	800,585,322.92
Inventory	(X)	4,766,323,504.75	4,664,128,459.27
Contract Assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	(xiv)	481,805,505.86	579,369,668.39
Total current assets		27,891,778,554.89	23,140,559,812.46
<b>Non-current assets:</b>			
Issuance of loans and advances	(xv)	3,828,223,090.02	5,626,682,318.54
Debt Investment			
Other debt investments			
Long-term receivables			
Long-term equity investments	(XIX)	4,733,412,498.52	4,431,105,055.40
Investments in other equity instruments			
Other non-current financial assets	(xxi)	744,077,373.15	886,768,617.52
Investment properties	(xxii)	224,275,142.56	253,414,094.48
Fixed Assets	(xxiii)	10,714,896,025.90	10,973,135,321.91
Construction in progress	(xxiv)	8,887,732,859.11	2,901,640,430.73
Productive biological assets			
Oil and gas assets			

Goodwill	(Thirty)	62,546,981.26	62,546,981.26
Long-term amortized expenses	(xxxi)	143,718,603.75	155,830,526.07
Deferred income tax assets			
Other non-current assets	(xxxiii)	113,110,555.97	2,249,762,544.19
Total non-current assets		31,309,112,827.95	29,483,368,540.92
Total Assets		59,200,891,382.84	52,623,928,353.38
<b>Current liabilities:</b>			
Short-term borrowings	(xxxiv)	2,388,461,568.72	1,414,264,686.75
Borrowing from the central bank			
Unwinding funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes Payable	(XXXVII)	941,811,369.27	1,143,373,149.07
Accounts Payable	(XXXVIII)	4,760,669,421.75	3,822,501,674.78
Receipts in advance	(XXXIX)	696,896.60	324,821.57
Contractual Liabilities	(Forty)	842,747,711.44	924,388,342.13
Sale of repurchased financial assets			
Deposit-taking and interbank deposits	(Forty-one)	10,986,404,988.70	9,680,048,282.55
Securities trading agency			
Underwriting securities			
Employee compensation payable	(Forty-two)	279,664,298.01	288,225,200.42
Taxes Payable	(Forty-three)	302,189,707.43	807,155,248.97
Other payables	(Forty-four)	2,766,339,021.69	2,641,422,588.58
Of which: Interest payable			
Dividends payable		16,253,625.24	5,965,668.99
Fees and commissions payable			
Sub-insurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	(Forty-six)	519,886,541.83	948,060,966.86
Other current liabilities	(Forty-seven)	181,242,769.95	129,247,433.39
Total current liabilities		23,970,114,295.39	21,799,012,395.07
<b>Non-current liabilities:</b>			
Reserve for insurance contracts			
Long-term borrowings	(Forty-eight)	5,513,436,957.44	2,418,236,360.52
Bonds Payable	(Forty-nine)	2,428,204,356.45	2,218,326,429.49
Of which: Preferred shares			
Perpetual Debt			
Lease liabilities	(Fifty)	262,673,490.96	241,014,580.56
Long-term payables	(Fifty-one)	145,699,687.24	142,791,165.12
Long-term employee compensation payable	(Fifty-two)	253,510,000.00	316,800,000.00
Projected liabilities	(Fifty-three)	14,139,400.00	12,961,400.00
Deferred revenue	(Fifty-four)	490,446,346.79	541,981,144.91
Deferred income tax liabilities	(XXXII)	72,586,688.50	102,695,627.40

Other non-current liabilities			
Total non-current liabilities		9,180,696,927.38	5,994,806,708.00
Total liabilities		33,150,811,222.77	27,793,819,103.07

<b>Owner's equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	(Fifty-six)	2,131,449,598.00	2,131,449,598.00
Other equity instruments			
Of which: Preferred shares			
Perpetual Debt			
Capital surplus	(Fifty-eight)	9,098,177,708.34	9,131,885,255.03
Less: Treasury stock	(Fifty-nine)	102,771,473.00	102,771,473.00
Other comprehensive income	(60)	-152,098,992.47	-100,567,360.32
Specialized reserves	(Sixty-one)	116,892.37	2,761,493.48
Surplus reserves	(Sixty-two)	739,507,943.80	589,490,019.34
General risk allowance			
Undistributed earnings	(Sixty-three)	10,052,103,193.44	9,816,118,454.74
Equity attributable to owners of the parent company (or shareholders' equity) (Gain) Total		21,766,484,870.48	21,468,365,987.27
Minority interests		4,283,595,289.59	3,361,743,263.04
Total owner's equity (or shareholders' equity)		26,050,080,160.07	24,830,109,250.31
Liabilities and owner's equity (or shareholders' equity) (Benefit) Total		59,200,891,382.84	52,623,928,353.38

Person in charge of the company: Liu Xunfeng

Person in charge of

accounting work: Xu Liheng

Head of accounting institution: Guo Mu

**Parent  
Company**

Prepared by: Shanghai Huayi Group

**Balance Sheet**

Unit: Yuan

Co.	Projects	December 31, 2022 Note 15	December 31, 2021 December 31, 2021
			Unit: Yuan Currency: RMB
<b>Current assets:</b>			
	Monetary Funds	419,234,464.83	606,028,842.10
	Financial assets held for trading	128,696,206.40	161,643,081.40
	Derivative financial assets		
	Notes receivable		
	Accounts Receivable	(I)	58,756,489.02
	Receivables financing		
	Prepayments		8,685.81
	Other receivables	(II)	1,546,797,993.20
	Of which: Interest receivable		
	Dividend receivable		
	Inventory		
	Contract Assets		
	Assets held for sale		
	Non-current assets due within one year		
	Other current assets	6,240,792.51	25,317,957.96
	Total current assets	80 / 355 1,500,557,984.79	2,398,553,049.49
<b>Non-current assets:</b>			
	Debt Investment		
	Other debt investments		



Long-term equity investments	(III)	19,631,579,124.52	18,394,735,163.19
Investments in other equity instruments			
Other non-current financial assets			
Investment properties		80,113,210.45	85,761,803.19
Fixed Assets		9,636,440.61	11,909,147.08
Construction in progress		348,353.40	348,353.40
Productive biological assets			
Oil and gas assets			
Right-of-use assets		20,310,228.77	2,518,792.75
Intangible assets		19,012,861.01	25,311,262.57
Development Expenses			
Goodwill			
Long-term amortized expenses			
Deferred income tax assets			
Other non-current assets			
Total non-current assets		19,761,000,218.76	18,520,584,522.18
Total Assets		21,261,558,203.55	20,919,137,571.67
<b>Current liabilities:</b>			
Short-term borrowings		1,751,491,187.50	700,451,750.52
Trading financial liabilities			
Derivative financial liabilities			
Notes Payable			
Accounts Payable		3,806,369.22	5,621,658.00
Receipts in advance			
Contractual Liabilities			
Employee compensation payable		2,601,677.04	15,464,404.75
Taxes Payable		11,645,170.68	1,099,429.86
Other payables		181,655,884.61	781,646,320.95
Of which: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		35,930,792.44	33,733,622.62
Other current liabilities			
Total current liabilities		1,987,131,081.49	1,538,017,186.70
<b>Non-current liabilities:</b>			
Long-term borrowings		677,400,000.00	1,410,600,000.00
Bonds Payable			
Of which: Preferred shares			
Perpetual Debt			
Lease liabilities		16,304,766.72	
Long-term payables			
Long-term employee compensation payable			
Projected liabilities			
Deferred revenue		3,200,000.00	4,800,000.00
Deferred income tax liabilities		17,181,385.77	25,418,104.52
Other non-current liabilities			
Total non-current liabilities		714,086,152.49	1,440,818,104.52

Total liabilities		2,701,217,233.98	2,978,835,291.22
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<b>Owner's equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		2,131,449,598.00	2,131,449,598.00
Other equity instruments			
Of which: Preferred shares			
Perpetual Debt			
Capital surplus		12,204,654,710.99	12,189,586,435.28
Less: Treasury stock		102,771,473.00	102,771,473.00
Other comprehensive income		-16,184,241.20	-16,184,241.20
Specialized reserves			
Surplus reserves		739,507,943.80	589,490,019.34
Undistributed earnings		3,603,684,430.98	3,148,731,942.03
Total owner's equity (or shareholders' equity)		18,560,340,969.57	17,940,302,280.45
Liabilities and owner's equity (or shareholders' equity)		21,261,558,203.55	20,919,137,571.67
Total			

Person in charge of the company: Liu Xunfeng

Person in charge of

accounting work: Xu Liheng

Head of accounting institution: Guo Mu

**CONSOLIDATED INCOME  
STATEMENT**

January -  
December 2022

		Unit:	
		Year 2021	
<b>Projects</b>	<b>Note 5</b>	<b>Year 2022</b>	<b>Year 2021</b>
I. Total operating revenue		38,937,467,427.09	40,034,470,765.16
Of which: Operating income	(LXIV)	38,511,107,497.47	39,691,837,446.67
Interest income	(LXV)	426,359,929.62	342,633,318.49
Earned premiums			
Handling fee and commission income			
II. Total operating costs		37,950,629,485.51	36,023,401,369.01
Of which: Operating costs	(LXIV)	35,106,492,888.38	32,785,757,598.25
Interest expense	(LXV)	186,638,271.09	175,635,019.23
Handling fees and commission expenses	(Sixty-six)	737,104.96	780,995.37
Surrender premium			
Net benefit expense			
Net withdrawal of insurance liability reserve			
Policy Dividend Payments			
Reinsurance costs			
Taxes and surcharges	(Sixty-seven)	179,019,425.19	199,021,925.00
Selling expenses	(Sixty-eight)	508,169,812.13	520,064,680.32
Overhead	(Sixty-nine)	1,075,505,368.08	1,259,779,930.20
R&D expenses	(Seventy)	697,544,527.05	782,223,562.36
Finance costs	(Seventy-one)	196,522,088.63	300,137,658.28
Of which: Interest expense	83 / 355	233,010,505.00	241,601,986.42
Interest income		20,379,338.40	9,644,993.90
Add: Other gains	(Seventy-two)	764,248,121.52	93,449,283.91

Foreign exchange gain (loss is presented with a "-" sign)		4,173,899.34	-978,148.01
Net exposure hedge gain (loss in "-") (No. filled in)			
Gain (loss in "-") on changes in fair value (No. filled in)	(Seventy-five)	-107,110,679.56	47,108,997.02
Credit impairment losses (losses are marked with a "-") (Fill in the column)	(Seventy-six)	478,751.93	-19,309,740.40
Impairment loss on assets (loss marked with a "-") (Fill in the column)	(Seventy-seven)	-173,703,226.63	-454,020,751.73
Gain on disposal of assets (loss marked with a "-") (Fill in the column)	(Seventy-eight)	146,255,114.82	230,105,633.47
III. Operating profit (loss is shown with a "-" sign)		2,040,348,535.89	4,437,773,357.38
Add: Non-operating income	(Seventy-nine)	77,779,194.78	27,993,086.10
Less: Non-operating expenses	(Eighty)	9,668,378.08	16,163,118.23
IV. Total profit (Total loss is filled with "-" sign) (column)		2,108,459,352.59	4,449,603,325.25
Less: Income tax expense	(Eighty-one)	415,881,119.54	918,883,249.03
V. Net profit (net loss is shown with a "-" sign)		1,692,578,233.05	3,530,720,076.22
(i) Classification by business continuity			
1. Net profit (net loss) from continuing operations to (The "-" sign is filled in)		1,692,578,233.05	3,530,720,076.22
2. Net profit from discontinued operations (net loss of less than (The "-" sign is filled in)			
(ii) Classification by ownership attribution			
1. Net profit attributable to shareholders of the parent company (net) (Losses are shown with a "-" sign)		1,281,211,494.32	2,967,726,756.48
2. Minority interests (net loss in "-") (No. fill in)		411,366,738.73	562,993,319.74
VI. Other comprehensive income, net of tax		-91,510,243.54	11,778,418.03
(i) Other comprehensive attributable to owners of the parent company Net income after tax		-51,531,632.15	13,978,799.34
1. Other comprehensive income that cannot be reclassified to profit or loss Earnings		-3,114,399.60	1,092,964.00
(1) Remeasurement of changes in		-3,114,399.60	1,092,964.00

defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
Combined revenue			
(3) Changes in fair value of investments in other equity instruments			
movement			
(4) Fair value change of the enterprise's own credit risk			
movement			
2. Reclassification of other comprehensive income to profit or loss		-48,417,232.55	12,885,835.34
Benefit			
(1) Other comprehensive transferable profit or loss under the equity method		1,754,951.44	-453,838.13
Earnings			
(2) Changes in fair value of other debt investments			
(3) Reclassification of financial assets to other comprehensive			
Amount of proceeds			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedge reserve			

(6) Translation differences on foreign currency financial statements		-50,172,183.99	13,339,673.47
(7) Others			
(ii) Other comprehensive income attributable to minority shareholders		-39,978,611.39	-2,200,381.31
Net income after tax			
VII. Total comprehensive income		1,601,067,989.51	3,542,498,494.25
(i) Consolidated income attributable to owners of the parent company		1,229,679,862.17	2,981,705,555.82
Total benefits			
(ii) Total comprehensive income attributable to minority shareholders		371,388,127.34	560,792,938.43
forehead			
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)	(Eighty-three)	0.60	1.39
(ii) Diluted earnings per share (yuan/share)	(Eighty-three)	0.60	1.39

For business combinations under the same control in the current period, the net income realized by the consolidated party before consolidation was: \$0. The net income realized by the consolidated party in the previous period was: \$0.

Person in charge of the company: Liu Xunfeng

Person in charge of

accounting work: Xu Liheng

Head of accounting institution: Guo Mu

**Parent  
Company  
Income  
Statement**  
January-  
December 2022

		Unit:	
		2021	
		Yuan	
		Currency: R	
		MB	
Proj ects	Note 15	Year 2022	
I. Operating income	(IV)	22,558,493.59	22,048,975.43
Less: Operating costs	(IV)	5,648,592.74	5,648,909.00
Taxes and surcharges		3,160,640.97	3,207,686.83
Selling expenses			
Overhead		143,545,328.22	181,490,867.36
R&D expenses			
Finance costs		47,477,268.77	50,544,088.80
Of which: Interest expense		86,680,589.24	85,884,094.19
Interest income		31,398,106.18	37,738,531.42
Add: Other gains		1,839,192.18	277,767.96
Investment income (loss is presented with a "-" sign)	(V)	1,675,451,377.44	673,273,851.69
Of which: Investment income from associates and joint ventures		8,906,559.19	7,254,909.05
Benefit	86 / 355		
Discontinuation of financial assets measured at amortized cost			
Recognized earnings			
Gain on net exposure hedge (loss is			

(i) Net income from continuing operations (net loss is marked with a "-") (Fill in the column)		1,500,179,244.57	496,882,700.41
(ii) Net income from discontinued operations (net loss is marked with a "-") (Fill in the column)			
V. Other comprehensive income, net of tax			
(i) Other comprehensive income that cannot be reclassified to profit or loss			
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in fair value of the enterprise's own credit risk			
(ii) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income available for transfer to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive income forehead			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Translation differences on foreign currency financial statements			
7. Other			
VI. Total comprehensive income		1,500,179,244.57	496,882,700.41
VII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		0.70	0.23
(ii) Diluted earnings per share (yuan/share)		0.70	0.23

Person in charge of the company: Liu Xunfeng

Person in charge of

accounting work: Xu Liheng

Head of accounting institution: Guo Mu

**Consolidated  
Statement of  
Cash Flows**

January -  
December 2022

Unit: Yuan Currency: RMB

Proj ects	Note 5	Year 2022	FY 2021
<b>I. Cash flows from operating activities:</b>			
Cash received from the sale of goods and provision of services	87 / 355	35,091,014,764.38	36,079,028,899.33
Net increase in customer deposits and interbank deposits		1,254,091,660.83	1,214,349,187.76
Net increase in borrowings from the Central Bank			

Cash payment of benefits from the original insurance contract			
Net increase in funds transferred out			
Cash paid for interest, fees and commissions		161,795,728.08	252,971,635.69
Cash paid as policy dividends			
Cash paid to and for employees		2,455,623,973.75	2,286,526,814.10
All taxes paid		1,801,580,704.86	1,433,589,553.11
Other cash paid in connection with operating activities	(85)	1,156,365,044.29	1,200,645,388.60
Subtotal cash outflow from operating activities		31,579,213,607.79	32,825,997,826.62
Net cash flows from operating activities		7,458,931,769.22	5,869,294,773.56
<b>II. Cash flows from investing activities:</b>			
Cash received from the recovery of investments		1,001,254,328.80	1,369,365,465.20
Cash received from obtaining investment income		368,753,746.14	342,672,606.47
Disposal of fixed assets, intangible assets and other long-term assets		147,592,402.35	269,789,376.99
Net cash recovered			
Cash received from disposal of subsidiaries and other operating units			
Net			
Other cash received in connection with investing activities	(85)	1,323,125.00	33,693,741.86
Subtotal cash inflow from investing activities		1,518,923,602.29	2,015,521,190.52
Acquisition and construction of fixed assets, intangible assets and other long-term assets		5,076,495,267.32	4,571,663,222.02
Cash paid			
Cash paid for investments		1,283,107,189.41	1,300,223,965.76
Net increase in pledged loans			
Cash paid for acquisition of subsidiaries and other operating units			
Net			
Other cash paid in connection with investing activities	(85)		30,000,000.00
Subtotal cash outflow from investing activities		6,359,602,456.73	5,901,887,187.78
Net cash flows from investing activities		-4,840,678,854.44	-3,886,365,997.26
<b>III. Cash flows from financing activities:</b>			
Cash received from absorption of investments		772,732,500.00	353,846,308.00
Of which: Cash received from absorption of investment by minority shareholders in subsidiaries		772,732,500.00	335,016,000.00
Gold			
Cash received for obtaining loans		8,415,467,770.62	3,600,298,345.03



Other cash received in connection with financing activities	(85)		
Subtotal cash inflow from financing activities		9,188,200,270.62	3,954,144,653.03
Cash paid for debt service		4,107,119,400.56	3,694,884,129.00
Cash paid for distribution of dividends, profits or repayment of interest		1,399,077,972.96	440,310,004.98
Of which: dividends paid by subsidiaries to minority shareholders, profit		87,435,978.97	48,694,830.70
moisten			
Other cash paid in connection with financing activities	(85)	53,345,223.12	38,439,218.20
Subtotal cash outflow from financing activities		5,559,542,596.64	4,173,633,352.18
Net cash flows from financing activities		3,628,657,673.98	-219,488,699.15
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		31,303,977.65	-16,636,653.16
<b>V. Net increase in cash and cash equivalents</b>		6,278,214,566.41	1,746,803,423.99
Add: Cash and cash equivalents balance at the beginning of the period		9,665,113,659.26	7,918,310,235.27
<b>VI. Cash and cash equivalents at the end of the period</b>		15,943,328,225.67	9,665,113,659.26

Person in charge of the company: Liu Xunfeng  
 accounting work: Xu Liheng

Person in charge of  
 Head of accounting institution: Guo Mu

**Parent  
Company Cash  
Flow Statement**

Projects	Notes - January - December 2022	Year 2022	FY 2021
<b>I. Cash flows from operating activities:</b>			
Unit: Yuan Currency: RMB			
Cash received from the sale of goods and provision of services		93,190,042.49	17,610,487.89
Tax refunds received		17,282,116.80	35,211,882.18
Other cash received in connection with operating activities		57,372,363.35	732,923,666.07
Subtotal cash inflow from operating activities		167,844,522.64	785,746,036.14
Cash paid for the purchase of goods and services			4,195,294.05
Cash paid to and for employees		124,180,138.78	124,691,020.67
All taxes paid		3,248,556.19	3,151,941.40
Other cash paid in connection with operating activities		19,759,559.26	38,212,341.98
Subtotal cash outflow from operating activities		147,188,254.23	170,250,598.10
Net cash flows from operating activities		20,656,268.41	615,495,438.04
<b>II. Cash flows from investing activities:</b>			
Cash received from the recovery of investments			
Cash received from obtaining investment income		1,669,809,538.25	668,711,262.64
Disposal of fixed assets, intangible assets and other long-term assets			95,328,577.00
Net cash recovered			
Cash received from disposal of subsidiaries and other operating units			
Net			
Other cash received in connection with investing activities		615,648,639.94	
Subtotal cash inflow from investing activities		2,285,458,178.19	764,039,839.64
Acquisition and construction of fixed assets, intangible assets and other long-term assets		1,586,458.54	7,469,947.55
Cash paid			
Cash paid for investments		1,222,718,000.00	1,507,664,000.00
Cash paid for acquisition of subsidiaries and other operating units			
Net			
Other cash paid in connection with investing activities			
Subtotal cash outflow from investing activities		1,224,304,458.54	1,515,133,947.55

Person in charge of the company: Liu Xunfeng

Person in charge of

accounting work: Xu Liheng

Head of accounting institution: Guo Mu



**Consolidated  
Statement of Changes  
in Owners' Equity  
January - December  
2022**

Unit: Yuan

Currency: RMB

Projects	Year 2022												Currency:RMB		
	Equity attributable to owners of the parent company											Minority interests	Total Owner's Equity		
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specialized reserves	Surplus reserves	General risk allowance	Undistributed earnings			Other	Subtotal
		Preferred Shares	Perpetual Debt	Other											
I. Balance at the end of the previous year	2,131,449,598.00				9,131,885,255.03	102,771,473.00	-100,567,360.32	2,761,493.48	589,490,019.34		9,816,118,454.74		21,468,365,987.27	3,361,743,263.04	24,830,109,250.31
Add: Change in accounting policy															
Correction of Prior Period Errors															
Business combinations under common control															
Other															
II. Opening balance of the year	2,131,449,598.00				9,131,885,255.03	102,771,473.00	-100,567,360.32	2,761,493.48	589,490,019.34		9,816,118,454.74		21,468,365,987.27	3,361,743,263.04	24,830,109,250.31
III. Amount of increase or decrease in the current period (decrease by "-") (The number is filled in)					-33,707,546.69		-51,531,632.15	-2,644,601.11	150,017,924.46		235,984,738.70		298,118,883.21	921,852,026.55	1,219,970,909.76
(i) Total comprehensive income							-51,531,632.15				1,281,211,494.32		1,229,679,862.17	371,388,127.34	1,601,067,989.51
(ii) Owner input and reduction of capital					-33,707,546.69								-33,707,546.69	648,167,032.41	614,459,485.72
1. Ordinary shares invested by owners														772,732,500.00	772,732,500.00
2. Capital contributions from holders of other equity instruments															
3. Share-based payments included in owners' equity					13,990,616.69								13,990,616.69	1,077,659.04	15,068,275.73
4. Other					-47,698,163.38								-47,698,163.38	-125,643,126.63	-173,341,290.01
(iii) Profit distribution									150,017,924.46		-1,045,226,755.62		-895,208,831.16	-97,723,935.22	-992,932,766.38
1. Withdrawal of surplus reserves									150,017,924.46		-150,017,924.46				
2. Provision for general risks															
3. Distribution to owners (or shareholders)											-895,208,831.16		-895,208,831.16	-97,723,935.22	-992,932,766.38
4. Other															
(iv) Internal carryforward of owners' equity															
1. Transfer of capital surplus to capital (or share capital)															

Proj e c t s	2021													Minority interests	Total Owner's Equity
	Equity attributable to owners of the parent company														
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specialized reserves	Surplus reserves	Gener al risk allowa nce	Undistributed earnings	Other	Subt otal		
		Preferre d Shares	Perpetu al Debt	Other											
I. Balance at the end of the previous year	2,105,296,763.00				9,029,157,168.78		-114,546,159.66	6,454,332.75	539,801,749.30		7,025,902,850.08		18,592,066,704.25	2,523,112,520.99	21,115,179,225.24
Add: Change in accounting policy															
Correction of Prior Period Errors															
Business combinations under common control															
Other															
II. Opening balance of the year	2,105,296,763.00				9,029,157,168.78		-114,546,159.66	6,454,332.75	539,801,749.30		7,025,902,850.08		18,592,066,704.25	2,523,112,520.99	21,115,179,225.24
III. Amount of increase or decrease in the current period (decrease by "-") (The number is filled in)	26,152,835.00				102,728,086.25	102,771,473.00	13,978,799.34	-3,692,839.27	49,688,270.04		2,790,215,604.66		2,876,299,283.02	838,630,742.05	3,714,930,025.07
(i) Total comprehensive income							13,978,799.34				2,967,726,756.48		2,981,705,555.82	560,792,938.43	3,542,498,494.25
(ii) Owner input and reduction of capital	26,152,835.00				102,728,086.25	102,771,473.00							26,109,448.25	330,887,560.56	356,997,008.81
1. Ordinary shares invested by owners														335,016,000.00	335,016,000.00
2. Capital contributions from holders of other equity instruments															
3. Share-based payments included in owners' equity	26,152,835.00				89,807,609.41	102,771,473.00							13,188,971.41	871,560.56	14,060,531.97
4. Other					12,920,476.84								12,920,476.84	-5,000,000.00	7,920,476.84
(iii) Profit distribution									49,688,270.04		-177,511,151.82		-127,822,881.78	-51,737,030.70	-179,559,912.48
1. Withdrawal of surplus reserves									49,688,270.04		-49,688,270.04				
2. Provision for general risks															
3. Distribution to owners (or shareholders)											-127,822,881.78		-127,822,881.78	-51,737,030.70	-179,559,912.48
4. Other															
(iv) Internal carryforward of owners' equity															
1. Transfer of capital surplus to capital (or share capital)															
2. Transfer of surplus to capital (or share capital)															
3. Surplus reserves to cover losses															
4. Transfer of retained earnings from changes in defined benefit plans															
5. Other comprehensive income carried forward to retained earnings															
6. Other															
(E) special reserve								-3,692,839.27					-3,692,839.27	-1,312,726.24	-5,005,565.51
1. Withdrawal in the current period								13,247,049.53					13,247,049.53	2,510,112.50	15,757,162.03

2022 Annual

2. Used in this period							16,939,888.80					16,939,888.80	3,822,838.74	20,762,727.54	
(F) Other															
IV. Closing balance of the period	2,131,449,598.00				9,131,885,255.03	102,771,473.00	-100,567,360.32	2,761,493.48	589,490,019.34		9,816,118,454.74		21,468,365,987.27	3,361,743,263.04	24,830,109,250.31

Person in charge of the company: Liu Xunfeng  
institution: Guo Mu

Person in charge of accounting work: Xu Liheng

Head of accounting

**Parent Company**  
**Statement of Changes**  
**in Owners' Equity**  
January - December  
2022

Unit: Yuan Currency: RMB

Proj e c t s	Year 2022										
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specialize d reserves	Surplus reserves	Undistributed earnings	Total Owner's Equity
		Preferre d Shares	Perpetu al Debt	Other							
I. Balance at the end of the previous year	2,131,449,598.00				12,189,586,435.28	102,771,473.00	-16,184,241.20		589,490,019.34	3,148,731,942.03	17,940,302,280.45
Add: Change in accounting policy											
Correction of Prior Period Errors											
Other											
II. Opening balance of the year	2,131,449,598.00				12,189,586,435.28	102,771,473.00	-16,184,241.20		589,490,019.34	3,148,731,942.03	17,940,302,280.45
C. The amount of increase or decrease in the current period (the decrease is shown with a "-- " sign)					15,068,275.71				150,017,924.46	454,952,488.95	620,038,689.12
(i) Total comprehensive income										1,500,179,244.57	1,500,179,244.57
(ii) Owner input and reduction of capital					15,068,275.71						15,068,275.71
1. Ordinary shares invested by owners											
2. Capital contributions from holders of other equity instruments											
3. Share-based payments included in owners' equity					15,068,275.71						15,068,275.71
4. Other											
(iii) Profit distribution									150,017,924.46	-1,045,226,755.62	-895,208,831.16
1. Withdrawal of surplus reserves									150,017,924.46	-150,017,924.46	
2. Distribution to owners (or shareholders)										-895,208,831.16	-895,208,831.16
3. Other											
(iv) Internal carryforward of owners' equity											
1. Transfer of capital surplus to capital (or share capital)											
2. Transfer of surplus to capital (or share capital)											
3. Surplus reserves to cover losses											
4. Transfer of retained earnings from changes in defined benefit plans											



Proje cts	2021										
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specialize d reserves	Surplus reserves	Undistributed earnings	Total Owner's Equity
		Preferre d Shares	Perpetu al Debt	Other							
I. Prior year-end balance	2,105,296,763.00				12,098,907,265.25		-16,184,241.20		539,801,749.30	2,829,360,393.44	17,557,181,929.79
Add: Change in accounting policy											
Correction of Prior Period Errors											
Other											
II. Opening balance of the year	2,105,296,763.00				12,098,907,265.25		-16,184,241.20		539,801,749.30	2,829,360,393.44	17,557,181,929.79
C. The amount of increase or decrease in the current period (the decrease is shown with a "-- " sign)	26,152,835.00				90,679,170.03	102,771,473.00			49,688,270.04	319,371,548.59	383,120,350.66
(i) Total comprehensive income										496,882,700.41	496,882,700.41
(ii) Owner input and reduction of capital	26,152,835.00				90,679,170.03	102,771,473.00					14,060,532.03
1. Ordinary shares invested by owners											
2. Capital contributions from holders of other equity instruments											
3. Share-based payments included in owners' equity	26,152,835.00				90,679,170.03	102,771,473.00					14,060,532.03
4. Other											
(iii) Profit distribution									49,688,270.04	-177,511,151.82	-127,822,881.78
1. Withdrawal of surplus reserves									49,688,270.04	-49,688,270.04	
2. Distribution to owners (or shareholders)										-127,822,881.78	-127,822,881.78
3. Other											
(iv) Internal carryforward of owners' equity											
1. Transfer of capital surplus to capital (or share capital)											
2. Transfer of surplus to capital (or share capital)											
3. Surplus reserves to cover losses											
4. Transfer of retained earnings from changes in defined benefit plans											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(E) special reserve											
1. Withdrawal in the current period											
2. Used in this period											
(F) Other											
IV. Closing balance of the period	2,131,449,598.00				12,189,586,435.28	102,771,473.00	-16,184,241.20		589,490,019.34	3,148,731,942.03	17,940,302,280.45

Person in charge of the company: Liu Xunfeng  
institution: Guo Mu

Person in charge of accounting work: Xu Liheng

Head of accounting

## I. Basic information of the company (I)

### Company profile

√Applicable    □Not applicable

Ltd. (formerly known as Shanghai Tire & Rubber (Group) Co., Ltd. and Shuangqian Group Co., Ltd., hereinafter referred to as "the Company" or "the Company") was formerly known as Shanghai Tire & Rubber (Group) Co. Ltd. in May 1992 and listed on the Shanghai Stock Exchange in December 1992.

According to the resolution of the shareholders' meeting related to the A-share market of the Company's share split reform on April 10, 2006, the shareholders of non-circulating shares are entitled to receive the shareholding in the form of

On the basis of May 18, 2006, the registration date of the A shares, 7 shares will be given away for every 10 shares of A shares outstanding to the shareholders of the A shares, for a total payment of 16,016,000 shares were issued as consideration for the non-marketable shares, and the non-marketable shareholders were thus granted the right to circulate the non-marketable shares held by them.

The listing date for the consideration shares is May 22, 2006. After the implementation of the share reform plan, the shares of the Company have been listed on the stock exchange since January 5, 2011.

The 889,467,722 shares are unrestricted shares.

According to the resolution of the first extraordinary general meeting of the company in 2015, the license of the securities supervision [2015] 1721 issued by the China Securities Regulatory Commission In August 2015, the Company issued 940,784,985 RMB ordinary shares (A shares) with par value of RMB1 each to Shanghai Huayi Holding Group Co., Ltd. to purchase the equity interests of 7 companies including Shanghai Huayi Energy Chemical Co. In November 2015, the Company issued 287,178,206 RMB ordinary shares (A shares) with par value of RMB1 each to specific investors, increasing the registered capital by RMB287,178,206.00. After the change, the registered capital was RMB2,117,430,913.00.

Pursuant to the resolution of the first extraordinary general meeting of the Company in 2018, the Company repurchased 12,134,150 ordinary shares (A shares) of the Company held by Shanghai Huayi Holdings Group Co., Ltd. at a total price of RMB1 and cancelled them in March 2019. The changed registered capital is RMB2,105,296,763.00.

According to the resolution of the Third Extraordinary General Meeting of 2020 and the resolution of the Seventh Meeting of the Tenth Session of the Board of Directors, the Company has determined that in 2020

December 16 was the first grant date, and 25,884,600 A shares of restricted stock were granted to 278 eligible incentive recipients.

The price is RMB3.85 per share. As of January 6, 2021, the Company received the actual subscription amount of RMB 96,575,710.00 from 278 incentive recipients. The source of the restricted shares granted is the issuance of RMB A ordinary shares to the incentive recipients, and the initial grant of the restricted share incentive plan increased the registered capital of the company by RMB 25,084,600.00.

In accordance with the resolution of the Third Extraordinary General Meeting of 2020 and the resolution of the Fourteenth Meeting of the Tenth Session of the Board of Directors, the Company determined that 2021

December 6, 2012 is the reserved share grant date and 106.8235 million A shares restricted shares were granted to 16 eligible incentive recipients.

The initial grant price is RMB5.80 per share. As of December 21, 2021, the Company received the actual subscription amount of RMB6,195,763.00 from the 16 incentive recipients. The source of the restricted shares granted is the issuance of RMB A ordinary shares to the incentive recipients, and the initial grant of the restricted share incentive plan increased the registered capital of the company by RMB

1,068,235.00.

As of December 31, 2022, the total cumulative issued share capital of the Company was 2,131,449,598 shares, with a registered capital of 2,131,449,598.00 yuan. The business scope is: wholesale, import, export, commission agency (except auction) and related business of chemical products (dangerous chemicals according to the scope of license) plastics, paints, pigments, dyes and other related products; research and development, production of tires, force tires, rubber shoes and other rubber products and accessories for the aforementioned products, rubber raw and auxiliary materials, rubber machinery, molds, tires and rubber products steel wire (limited to branches); sales of self-produced products. (limited to branch operations) sales of self-produced products. **【Does not involve the state trade management goods, involving quota, license management goods, according to the relevant state regulations for the application; projects subject to approval by law, the relevant departments for approval before operating activities】**. Ltd. is the parent company of the Company, and the actual controller of the Company is Shanghai Huayi Holding Group Co.

These financial statements were approved by the Company's Board of Directors on March 31, 2023.

## **(ii) Scope of consolidated financial statements**

√Applicable    ☐Not applicable

For details of the Company's subsidiaries, please refer to **"VII. Interests in other entities" in this note**. For details of changes in the scope of consolidation during the reporting period, please refer to **"VI. Changes in the scope of consolidation" in this note**.

## II. Basis of preparation of financial statements (I)

### Basis of preparation

The financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises - Basic Standards" and various specific accounting standards, guidelines for the application of accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other related regulations (hereinafter collectively referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance, and the relevant provisions of The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises - Basic Standards and specific accounting standards issued by the Ministry of Finance, the Guidelines for the Application of Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations (hereinafter collectively referred to as "ASBEs"), and the relevant provisions of the China Securities Regulatory Commission's "General Provisions on Financial Reporting".

#### (ii) Going concern

☒Applicable ☐Not applicable

These financial statements have been prepared on a going concern basis.

There is no material doubt about the Company's ability to continue as a going concern for the 12 months from the end of the reporting period.

## III. Significant Accounting

### Policies and Accounting

#### Estimates Specific Accounting

Policies and Accounting

Estimates Tip:

☐Applicable ☒Not applicable

#### (I) Statement of compliance with corporate accounting standards

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance and give a true and complete view of the Company's financial position as at December 31, 2022.

The consolidated and parent company's financial position as of December 31, 2012 and the consolidated and parent company's results of operations and cash flows for fiscal year 2022.

#### (ii) Accounting period

The fiscal year begins on January 1 and ends on December 31.

#### (III) Business cycle

☒Applicable ☐Not applicable

The Company's business cycle is 12 months.

#### (iv) Currency of accounts

The Company adopts RMB as its local currency of accounts. Subsidiaries of the Company determine their accounting currency based on the primary economic environment in which they operate. The financial statements are presented in Renminbi.

**(E) Accounting for business combinations under common control and non-common control**√Applicable ☐ Not applicable

Business combinations under common control: Assets and liabilities acquired by the consolidating party in a business combination (including goodwill resulting from the acquisition of the consolidated party by the ultimate controlling party) are measured at the carrying value of the consolidated party's assets and liabilities in the consolidated financial statements of the ultimate controlling party at the date of the combination. The difference between the book value of the net assets acquired in the merger and the book value of the merger consideration paid (or the total nominal value of shares issued) is adjusted against the equity premium in capital surplus, and if the equity premium in capital surplus is not sufficient for elimination, retained earnings are adjusted.

Business combinations not under common control: The cost of the combination is the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the purchaser to obtain control of the acquiree at the date of purchase. The difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets acquired in the combination is recognized as goodwill; the difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets acquired in the combination is recognized in profit or loss for the period. Each identifiable asset, liability and contingent liability of the acquiree acquired in a merger that qualifies for recognition is measured at fair value at the date of purchase.

Directly related costs incurred for a business combination are recognized in profit or loss as incurred; transaction costs for issuing equity securities or debt securities for a business combination are included in the initial recognition amount of the equity securities or debt securities.

**(vi) Methods of preparing consolidated financial statements**√Applicable ☐

Not applicable 1.

**Scope of consolidation**

The scope of consolidation in the consolidated financial statements is determined on the basis of control, and the scope of consolidation includes the Company and all of its subsidiaries. Control means that the Company has power over the investee, enjoys variable returns through its participation in the investee's related activities, and has the ability to use its power over the investee to influence the amount of its returns.

**2. Merger procedure**

The Company considers the entire enterprise group as one accounting entity and prepares consolidated financial statements in accordance with uniform accounting policies to reflect the financial position, results of operations and cash flows of the enterprise group as a whole. The effects of internal transactions that occur between the Company and its subsidiaries and between subsidiaries are eliminated. If an internal transaction indicates an impairment loss on the related asset, the full amount of such loss is recognized. If the accounting policies and accounting periods adopted by a subsidiary are not consistent with those of the Company, the necessary adjustments are made in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements.

The share of the subsidiary's ownership interest, net profit or loss for the period and comprehensive income attributable to minority shareholders are presented separately in the consolidated balance sheet under the item of ownership interest, in the consolidated income statement under the item of net profit and in the consolidated statement of total comprehensive income, respectively. The balance resulting from the excess of the minority shareholders' share of the subsidiary's loss for the period over the minority shareholders' share of the subsidiary's ownership interest at the beginning of the period is eliminated to reduce shareholders' equity.

**(1) Increase in subsidiaries or operations**

During the reporting period, if a subsidiary or business is added as a result of a business combination under the same control, the operating results and cash flows of the subsidiary or business combination from the beginning of the period to the end of the reporting period are included in the consolidated financial statements, while the opening figures of the consolidated financial statements and the related items in the comparative statements are adjusted as if the consolidated reporting entity had been in existence since the point when the ultimate controlling party began to control it.

If, for example, additional investments enable control over an investee under the same control, the equity investment held before the acquisition of control of the consolidated party is eliminated from the opening retained earnings or current profit or loss for the comparative period, respectively, for the relevant gains or losses, other comprehensive income and other changes in net assets recognized between the later of the date of acquisition of the original equity interest and the date on which the consolidated party and the consolidated party are under the same control as the consolidated party.

During the reporting period, the addition of subsidiaries or operations as a result of a business combination not under common control is included in the consolidated financial statements from the date of purchase based on the fair value of each identifiable asset, liability and contingent liability determined at the date of purchase.

If the Company is able to exercise control over an investee that is not under the same control due to additional investment, the equity interest in the investee held before the date of purchase is remeasured at the fair value of the equity interest at the date of purchase, and the difference between the fair value and its carrying amount is recognized as investment income for the current period. Other comprehensive income and other changes in owner's equity under the equity method of accounting that can be reclassified to profit or loss are

transferred to investment income for the period to which they belong at the date of purchase.

## ( 2 ) Disposal of subsidiaries

### ① General treatment method

When control over an investee is lost due to the disposal of a portion of the equity investment or for other reasons, the remaining equity investment after disposal is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the sum of the share of the net assets of the original subsidiary calculated on a continuing basis from the date of purchase or the date of consolidation in proportion to the original shareholding and goodwill, is recognized as investment income in the period in which control is lost. Other comprehensive income and other changes in owner's equity under the equity method of accounting related to the equity investment in the original subsidiary that can be reclassified to profit or loss in the future are transferred to investment income in the period when control is lost.

### ② Step-by-step disposal of subsidiaries

Where an equity investment in a subsidiary is disposed of in steps through multiple transactions until control is lost, the terms, conditions and economic effects of each transaction for the disposal of the equity investment in the subsidiary are consistent with one or more of the following, which generally indicates that the multiple transaction event is a package transaction:

- i. These transactions were entered into simultaneously or with consideration of the effects of each other;
- ii. these transactions as a whole to achieve a complete business result;
- iii. The occurrence of a transaction is dependent on the occurrence of at least one other transaction;
- iv. A transaction is not economical on its own, but it is economical when considered together with other transactions.

If each transaction is a package transaction, each transaction is accounted for as a disposal of a subsidiary and loss of control; the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment for each disposal prior to the loss of control is recognized in the consolidated financial statements as other comprehensive income and is transferred to profit or loss in the period in which control is lost.

If each transaction is not a package transaction, the equity investment in the subsidiary is accounted for as a partial disposal without loss of control until the loss of control; upon loss of control, the disposal of the subsidiary is accounted for in accordance with the general treatment for disposal of subsidiaries.

## ( 3 ) Purchase of minority interests in subsidiaries



The difference between the newly acquired long-term equity investment due to the purchase of minority interest and the share of net assets of the subsidiary calculated on a continuing basis from the date of purchase or the date of consolidation based on the newly acquired shareholding is adjusted to the equity premium in capital surplus in the consolidated balance sheet, and if the equity premium in capital surplus is not sufficient for elimination, it is adjusted to retained earnings.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The difference between the disposal price and the share of net assets of the subsidiary corresponding to the disposal of the long-term equity investment calculated on a continuing basis from the date of purchase or the date of consolidation is adjusted against the equity premium in capital surplus in the consolidated balance sheet, and if the equity premium in capital surplus is not sufficient for elimination, it is adjusted against retained earnings.

## **(G) Classification of joint venture arrangements and accounting treatment of joint operations**

√Applicable    □Not applicable

Joint venture arrangements are divided into joint operations and joint ventures.

A joint operation is a joint arrangement in which the joint venturers are entitled to the assets and bear the liabilities associated with the arrangement. The

Company recognizes the following items related to the share of interest in a joint operation:

- (1) Recognition of assets held individually by the Company and recognition of jointly held assets based on the Company's share;
- (2) Recognition of liabilities assumed by the Company individually and liabilities assumed jointly on the basis of the Company's share;
- (3) recognize revenue from the sale of the Company's share of common operating output;
- (4) Recognition of revenue from joint operations arising from the sale of output at the Company's share;
- (5) Recognize expenses incurred separately and expenses incurred in joint operations based on the Company's share.

The Company's investments in joint ventures are accounted for by the equity method, as described in Note 5 (XIX), "Long-term equity investments".

## **(H) Criteria for determining cash and cash equivalents**

Cash, which refers to the Company's cash on hand and deposits that are readily available for payment. Cash equivalents, which are investments held by the Company with short maturities, high liquidity, easily convertible to known amounts of cash and subject to insignificant risk of changes in value.

## **(ix) Foreign currency operations and translation of foreign currency statements**

√Applicable    1.

### **Foreign currency operations**

Foreign currency operations are recorded in RMB using the spot exchange rate on the date of the transaction as the translation rate.

The balances of foreign currency monetary items at the balance sheet date are translated at the spot exchange rate at the balance sheet date, and the resulting exchange differences are recognized in profit or loss, except for those arising from special borrowings in foreign currencies related to the acquisition of assets eligible for capitalization, which are treated in accordance with the principle of capitalization of borrowing costs.

## 2. Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated using the spot rate of exchange at the balance sheet date; items in owners' equity, except for "undistributed earnings", are translated using the spot rate of exchange at the time of occurrence. Income and expense items in the income statement are translated using the spot exchange rate at the date of the transaction.

Upon disposal of a foreign operation, the difference in translation of the foreign currency financial statements related to the foreign operation is transferred from the owner's equity item to profit or loss in the period of disposal.

### **(X) Financial instruments**

✓Applicable ☐ Not applicable

The Company recognizes a financial asset, a financial liability or an equity instrument when it becomes a party to a financial instrument contract. 1.

### **Classification of financial instruments**

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified at initial recognition as follows: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The Company classifies as financial assets at amortized cost financial assets that are not designated as at fair value through profit or loss if they both meet the following criteria:

- The business model is targeted at collecting contractual cash flows;
- Contractual cash flows represent only payments of principal and interest based on the outstanding principal amount.

The Company classifies financial assets that are not designated as at fair value through profit or loss as financial assets at fair value through other comprehensive income (debt instruments) if they both meet the following criteria:

- business model with the objective of both collecting the contractual cash flows and selling the financial asset;
- Contractual cash flows represent only payments of principal and interest based on the outstanding principal amount.

For investments in non-trading equity instruments, the Company may irrevocably designate them at initial recognition as financial assets at fair value through other comprehensive income (equity instruments). This designation is made on an individual investment basis and the related investment meets the definition of an equity instrument from the perspective of the issuer.

Except for the above-mentioned financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. On initial recognition, the Company may irrevocably designate financial assets that would otherwise be classified as financial assets carried at amortized cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss if it can eliminate or significantly reduce the accounting mismatch.

Financial liabilities are classified at initial recognition as follows: financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

## 2. Recognition basis and measurement method of financial instruments

### ( 1 ) Financial assets measured at amortized cost

Financial assets measured at amortized cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, with related transaction costs included in the initial recognition amount; accounts receivable that do not contain significant financing components and those that the Company has decided not to consider financing components of less than one year are initially measured at contractual transaction prices.

Interest calculated using the effective interest method during the holding period is recognized in profit or loss.

On recovery or disposal, the difference between the acquisition price and the carrying amount of the financial asset is recognized in profit or loss.

### ( 2 ) Financial assets at fair value through other comprehensive income (debt instruments)

Financial assets at fair value through other comprehensive income (debt instruments), including receivables financing and other debt investments, are initially measured at fair value, with related transaction costs recognized in the initial recognition amount. The financial assets are subsequently measured at fair value, and changes in fair value are recognized in other comprehensive income, except for interest, impairment loss or gain and exchange gain or loss calculated using the effective interest rate method.

Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss for the current period.

### ( 3 ) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments), including investments in other equity instruments, are initially measured at fair value, with related transaction costs recognized in the initial recognition amount. The financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income. Dividends received are recognized in current profit or loss.

Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and included in retained earnings.

( 4 ) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, derivative financial assets and other non-current financial assets, which are initially measured at fair value, with related transaction costs recognized in profit or loss. The financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss for the period.

( 5 ) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and derivative financial liabilities, which are initially measured at fair value, with related transaction costs recognized in profit or loss. The financial liabilities are subsequently measured at fair value, with changes in fair value recognized in profit or loss for the period.

On derecognition, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

( 6 ) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value, with related transaction costs recognized in the initial recognition amount.

Interest calculated using the effective interest method during the holding period is recognized in profit or loss.

On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in profit or loss.

### 3. Derecognition of financial assets and transfer of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

- the termination of the contractual right to receive cash flows from financial assets;
- the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferring party;
- Financial assets are transferred, although the Company neither transfers nor retains control over substantially all the risks and rewards of ownership of the financial assets.

A financial asset is not derecognized when a transfer of the financial asset occurs and substantially all the risks and rewards of ownership of the financial asset are retained.

In determining whether a transfer of financial assets meets the above conditions for derecognition of financial assets, the principle of substance over form is applied.

The Company distinguishes between transfers of financial assets as a whole and partial transfers of financial assets. When a transfer of a financial asset as a whole satisfies the derecognition condition, the difference between the following two amounts is recognized in profit or loss for the period:

- (1) The carrying value of the financial assets transferred;
- (2) The sum of the consideration received for the transfer and the cumulative amount of changes in fair value originally recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value through other comprehensive income).

If a partial transfer of a financial asset satisfies the conditions for derecognition, the carrying amount of the financial asset transferred as a whole is apportioned between the derecognized portion and the unrecognized portion according to their respective relative fair values, and the difference between the following two amounts is recognized in profit or loss for the current period:

- (1) The carrying value of the derecognized portion;
- (2) The sum of the consideration for the derecognition portion and the amount corresponding to the derecognition portion of the cumulative amount of changes in fair value previously recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value through other comprehensive income).

If the transfer of a financial asset does not meet the derecognition condition, the financial asset continues to be recognized and the consideration received is recognized as a financial liability.

### 4. Derecognition of financial liabilities

A financial liability or a portion thereof is derecognized when the present obligation of the financial liability has been discharged in whole or in part. If the Company enters into an agreement with a creditor to replace an existing financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are materially different from those of the existing financial liability, the existing financial liability is derecognized and the new financial liability is recognized at the same time.

If all or part of the contractual terms of an existing financial liability are materially modified, the existing financial liability or part of it is derecognized and the modified financial liability is recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the carrying amount of the derecognized financial liability and the consideration paid (including the non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss.

If the Company repurchases a portion of a financial liability, the carrying amount of the financial liability as a whole is allocated on the repurchase date based on the relative fair values of the portion that continues to be recognized and the portion that is derecognized. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the period.

**5. Methodology for determining the fair value of financial assets and financial liabilities**

The fair value of financial instruments for which there is an active market is determined using quoted prices in an active market. The fair value of financial instruments for which there is no active market is determined using valuation techniques. In valuation, the Company uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the asset or liability considered by market participants in transactions for the relevant asset or liability, and gives preference to the use of relevant observable inputs. Unobservable inputs are used only when relevant observable inputs are not available or not practicable to obtain.

**6. Test methods and accounting treatment for impairment of financial assets**

The Company estimates expected credit losses on financial assets measured at amortized cost, financial assets at fair value through other comprehensive income (debt instruments) and financial guarantee contracts, etc., either individually or in combination.

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

If the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the allowance for losses at an amount equal to the expected credit losses over the life of the financial instrument; if the credit risk of the financial instrument has not increased significantly since initial recognition, the Company measures the allowance for losses at an amount equal to the expected credit losses over the next 12 months of the financial instrument. The resulting increase or reversal of the allowance for losses is recognized as an impairment loss or gain in profit or loss.

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition to determine the relative change in the risk of default over the expected life of the financial instrument. The Company generally considers the credit risk of a financial instrument to have increased significantly if it is more than 30 days past due, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument is low at the balance sheet date, the Company considers that the credit risk of the financial instrument has not increased significantly since initial recognition.

If there is objective evidence that a financial asset is impaired on a credit basis, the Company provides for impairment of that financial asset on a stand-alone basis.

For receivables and contract assets resulting from transactions governed by ASBE No. 14 - Revenue (2017), the Company consistently measures its allowance for losses at an amount equal to the expected credit loss over the entire life of the asset, whether or not it contains a significant financing component.

For lease receivables, the Company elects to always measure its allowance for losses at an amount equal to the expected credit loss over the entire life of the receivable. If the Company no longer has a reasonable expectation that the contractual cash flows of a financial asset will be fully or partially recovered, it directly writes down the carrying amount of the financial asset.

Amount.

Determination of credit losses for various types of financial assets:

(1) Notes receivable

For notes receivable, whether or not they contain a significant financing component, the Company always measures its loss allowance at an amount equal to the expected credit loss over the entire life of the note.

Based on the credit risk characteristics of the notes receivable, they are classified into different portfolios:

Combination name	Basis for determining the portfolio
Notes receivable portfolio 1	Bank Acceptance

(2) Accounts Receivable

For accounts receivable, whether or not they contain a significant financing component, the Company always measures its allowance for losses at an amount equal to the expected credit loss over the entire life of the receivable.

In addition to receivables that are assessed individually for credit risk, they are classified into different portfolios based on their credit risk characteristics:

Combination name	Basis for determining the portfolio

(3) Other receivables

The Company measures impairment losses based on whether the credit risk of other receivables has increased significantly since initial recognition, using an amount equal to the expected credit loss over the next 12 months, or over the entire life of the receivables.

In addition to receivables that are assessed individually for credit risk, they are classified into different portfolios based on their credit risk characteristics:

Combination name	Basis for determining the portfolio
Other receivables portfolio 1	External receivables

**(xi) Notes receivable**

**Method of determining expected credit losses on notes receivable and accounting treatment**

✓Applicable ☐ Not applicable

For details, see Annex III, (j) Financial instruments.



**(XII) Accounts receivable****Method of determining expected credit losses on accounts receivable and accounting treatment**✓Applicable ☐ Not applicable

For details, see Annex III, (j) Financial instruments.

**(XIII) Receivables financing**✓Applicable ☐ Not applicable

For details, see Annex III, (j) Financial instruments.

**(XIV) Other receivables****Method of determining expected credit losses on other receivables and accounting treatment**✓Applicable ☐ Not applicable

For details, see Annex III, (j) Financial instruments.

**(xv) Inventory**✓Applicable ☐ Not applicable**1. Classification and cost of inventories**

Inventories are classified as: materials in transit, raw materials, working capital materials, inventory goods, work in process, finished goods, development costs, development products, and materials on consignment.

Inventories are initially measured at cost, which includes the cost of acquisition, processing costs and other expenditures incurred in bringing the inventories to their present location and condition.

**2. Valuation method of issued inventories**

Inventories are valued on a weighted-average basis when they are issued.

**3. The basis for determining the net realizable value of different categories of inventories**

At the balance sheet date, inventories should be measured at the lower of cost or net realizable value. When the cost of inventory is higher than its net realizable value, a provision for decline in value of inventory should be made. Net realizable value is the estimated selling price of inventories in the ordinary course of activities, less the estimated costs to be incurred to completion, estimated selling expenses and related taxes.

The net realizable value of inventories of finished goods, inventory goods and materials for sale, which are directly used for sale, is determined in the normal course of production and operation by taking the estimated selling price of such inventories less estimated selling expenses and related taxes; the net realizable value of inventories of materials subject to processing is determined in the normal course of production and operation by taking the estimated selling price of the finished goods produced less estimated costs to be incurred to completion, estimated selling expenses and related taxes. The net realizable value of inventory held for the execution of sales contracts or labor contracts is calculated on the basis of the contract price. If the quantity of inventory held exceeds the quantity ordered in the sales contract, the net realizable value of the excess inventory is calculated on the basis of the general sales price.

After the provision for inventory decline, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its carrying value, the provision for inventory decline is reversed within the amount originally provided for, and the reversal is credited to current profit or loss.

**4. Inventory**

**system The**

perpetual

inventory system

is used.

**5. Amortization method of low-value consumables and packaging**

- ( 1 ) The one-time reversal method is used for low-value consumable items;
- ( 2 ) The packaging uses the one-time resale method.

**(XVI) Contract assets****1. Methods and criteria for recognition of contract assets**✓Applicable ☐ Not applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance of the obligation and payment by the customer. The Company's right to receive consideration for goods transferred or services rendered to the customer (and which is dependent on factors other than the passage of time) is shown as a contract asset. Contract assets and contract liabilities under the same contract are shown on a net basis. The Company's unconditional (depending only on the passage of time) rights to receive consideration from customers are shown separately as receivables.

**2. Method of determining expected credit losses on contract assets and accounting treatment**✓Applicable ☐ Not applicable

The method of determining expected credit losses on contract assets and the accounting treatment are described in **Note 3(j) 6, "Test Methods for Impairment of Financial Assets and Accounting Treatment"**.

**(xvii) Assets held for sale**✓Applicable ☐ Not applicable

A non-current asset or disposal group whose carrying amount is recovered principally through sale (including exchange of non-monetary assets with commercial substance) rather than through continuing use is classified as held for sale.

The Company classifies non-current assets or disposal groups as held for sale if they meet both of the following conditions:

- ( 1 ) immediately in their current condition, in accordance with the practice for the sale of such assets or disposal groups in similar transactions;
- ( 2 ) A sale is highly likely to occur, i.e. the Company has resolved on a plan of sale and obtained firm purchase commitments, and the sale is expected to be completed within one year. Where the relevant regulations require the approval of the relevant authority or regulatory authority of the Company before the sale can take place, such approval has been obtained.

If the carrying amount of a non-current asset (excluding financial assets, deferred income tax assets and assets resulting from employee compensation) or disposal group classified as held for sale is higher than the fair value less costs to sell, the carrying amount is written down to the fair value less costs to sell, and the amount of the write-down is recognized as an impairment loss on the asset and charged to current profit or loss, together with a provision for impairment of assets held for sale.

**(xviii) Debt investments****1. Method of determining expected credit losses on debt investments and accounting treatment**☐ Applicable ✓Not applicable**(XIX) Other debt investments****1. Method of determining expected credit losses on other debt investments and accounting treatment**☐ Applicable ✓Not applicable**(xx) Long-term receivables****1. Method of determining expected credit losses on long-term receivables and accounting**

**treatment**

☐Applicable ☒Not applicable

**(XXI) Long-term equity investments**

☒Applicable ☐Not applicable

**1. Judgment criteria for joint control and significant influence**

Joint control refers to the control shared by an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement can only be decided with the unanimous consent of the participants sharing the control. If the Company exercises joint control over an investee together with other joint venture parties and has rights to the investee's net assets, the investee is a joint venture of the Company.

Significant influence means having the power to participate in the financial and operating decisions of the investee, but not being able to control or jointly control with other parties the formulation of these policies. Where the Company is able to exercise significant influence over an investee, the investee is an associate of the Company.

## 2. Determination of initial investment cost

### (1) Long-term equity investments resulting from business combinations

For long-term equity investments in subsidiaries resulting from business combinations under common control, the initial investment cost of long-term equity investments is determined at the date of consolidation based on the acquisition of the share of the ownership interest of the consolidated party in the carrying value of the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of the long-term equity investment and the carrying value of the consideration paid is adjusted against the equity premium in capital surplus; if the equity premium in capital surplus is not sufficient for elimination, retained earnings are adjusted. If the Company is able to exercise control over an investee under the same control due to additional investment, the difference between the initial investment cost of the long-term equity investment recognized in accordance with the above principle and the sum of the book value of the long-term equity investment before reaching the consolidation plus the book value of the consideration paid for further acquisition of shares at the date of consolidation is adjusted against equity premium, and if the equity premium is not sufficient for elimination, it is reduced against retained earnings.

For long-term equity investments in subsidiaries formed through business combinations not under common control, the initial investment cost of the long-term equity investment is based on the cost of the combination determined at the date of purchase. If it is possible to exercise control over the investee under non-same control due to additional investment, etc., the sum of the book value of the originally held equity investment plus the cost of the additional investment is used as the initial investment cost.

### (2) Long-term equity investments acquired through means other than business combinations

Long-term equity investments acquired by paying cash are recognized as initial investment cost based on the actual purchase price paid.

Long-term equity investments acquired by issuing equity securities are stated at the fair value of the equity securities issued as the initial investment cost.

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

### (1) Long-term equity investments accounted for under the cost method

The Company accounts for its long-term equity investments in subsidiaries using the cost method, unless the investments qualify as held for sale. Except for the declared but unpaid cash dividends or profits included in the price or consideration actually paid for the investment at the time of acquisition, the Company recognizes investment income for the current period on the basis of its entitlement to the declared cash dividends or profits of the investee.

### (2) Long-term equity investments accounted for under the equity method

Long-term equity investments in associates and joint ventures are accounted for using the equity method. The difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment is not adjusted to the initial investment cost of the long-term equity investment; the difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment is recognized in profit or loss for the current period and the cost of the long-term equity investment is adjusted at the same time.

The Company recognizes investment income and other comprehensive income according to the share of net profit or loss and other comprehensive income of the investee, and adjusts the carrying value of long-term equity investments. For changes in the equity of the investee other than net profit or loss, other comprehensive income and profit distribution ("changes in other owners' equity"), the carrying amount of the long-term equity investment is adjusted and recognized in owners' equity.

In recognizing the share of the investee's net income or loss, other comprehensive income and other changes in owner's equity, the fair value of the investee's identifiable net assets at the time the investment is acquired is used as the basis for recognition, and the net income and other comprehensive income of the investee are adjusted in accordance with the Company's accounting policies and accounting periods.

Unrealized internal transaction gains or losses incurred between the Company and its associates or joint ventures that are attributable to the Company in proportion to the Company's share are offset and investment income is recognized on this basis, except when the assets invested or sold constitute a business. Unrealized losses on internal transactions with investees are recognized in full if they are impairment losses on assets.

The Company's net loss incurred by a joint venture or an associate, except for the obligation to bear additional losses, is limited to a write-down to zero of the carrying amount of the long-term equity investment and other long-term interests that substantially constitute a net investment in the joint venture or associate. If the joint venture or associate subsequently realizes net profit, the Company resumes recognition of revenue sharing after the revenue sharing amount makes up for the unrecognized loss sharing amount.

( 3 ) Disposal of long-term equity investments

The difference between the carrying amount and the actual acquisition price of a long-term equity investment is recognized in profit or loss for the current period.

If a long-term equity investment accounted for under the equity method is partially disposed of and the remaining equity interest is still accounted for under the equity method, other comprehensive income recognized under the former equity method is carried forward in proportion to the corresponding percentage using the same basis as the direct disposal of the related assets or liabilities by the investee, and other changes in owners' equity are carried forward to profit or loss in proportion to the current period.

If the common control or significant influence over the investee is lost due to the disposal of the equity investment, etc., other comprehensive income recognized on the former equity investment due to the adoption of the equity method of accounting is accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee upon the termination of the equity method of accounting, and all changes in other owners' equity are transferred to current profit or loss upon the termination of the equity method of accounting.

If control over the investee is lost due to disposal of part of the equity investment, etc., in preparing the individual financial statements, if the remaining equity interest is capable of exercising joint control or significant influence over the investee, it will be accounted for under the equity method instead, and the remaining equity interest will be adjusted as if it had been accounted for under the equity method from the time of acquisition, and other comprehensive income recognized prior to the acquisition of control of the investee will be recognized using the same method of accounting as the direct investment in the investee. Disposal-related

The remaining equity interest that cannot exercise joint control or significant influence over the investee is recognized as a financial asset, and the difference between its fair value and its carrying amount at the date of loss of control is recognized in profit or loss for the current period, and for other changes in owner's equity recognized before control of the investee is obtained. All other comprehensive income and other changes in owners' equity recognized prior to the acquisition of control over the investee are carried forward.

If the disposal of an equity investment in a subsidiary through multiple transactions until the loss of control is a package transaction, each transaction is accounted for as a disposal of an equity investment in a subsidiary and the loss of control; the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity interest disposed of before the loss of control is recognized as other comprehensive income in the individual financial statements, and then transferred to profit or loss in the period in which control is lost. The difference between the disposal price and the carrying amount of the long-term equity investment before the loss of control is recognized as other comprehensive income in the individual financial statements, and then transferred to profit or loss in the period in which control is lost. If it is not a package transaction, each transaction is accounted for separately.

## **(xxii) Investment properties**

### **1. If the cost measurement model is used for:**

Depreciation or amortization method

Investment properties are real estate held for rental income or capital appreciation, or both, including land use rights that have been leased, land use rights that are held and intended to be transferred after appreciation, and buildings that have been leased (including buildings that will be used for leasing after completion of self-construction or development activities and buildings that will be used for leasing in the future while under construction or development).

Subsequent expenditures related to investment properties are included in the cost of investment properties when the inflow of related economic benefits is probable and their costs can be measured reliably; otherwise, they are recognized in profit or loss when incurred.

The Company uses the cost model to measure existing investment properties. For investment properties measured under the cost model - buildings for lease, the same depreciation policy as that for the Company's fixed assets is applied, and land use rights for lease are subject to the same amortization policy as that for intangible assets.

## **(xxiii) Fixed assets 1.**

☒ Applicable ☐ Not applicable

Fixed assets are tangible assets that are held for the production of goods, provision of services, rental or operation management and have a useful life of more than one fiscal year. Fixed assets are recognized when both of the following conditions are met:

- ( 1 ) it is probable that the economic benefits associated with the fixed asset will flow to the enterprise;
- ( 2 ) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (taking into account the effect of expected abandonment cost factors).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when it is probable that the economic benefits associated with them will flow and their cost can be measured reliably; for the replaced portion, the carrying amount is derecognized; all other subsequent expenditures are recognized in profit or loss as incurred.

### **2、 Depreciation method**

Depreciation of fixed assets is provided using the average method over the estimated useful lives of the

assets and the estimated net salvage value. For fixed assets for which provision for impairment has been made, depreciation is determined in future periods on the basis of the carrying amount net of provision for impairment and based on the remaining useful lives. If the useful lives of the components of fixed assets are different or they provide economic benefits to the enterprise in different ways, different depreciation rates or depreciation methods are selected and depreciated separately.

The depreciation methods, depreciable lives, salvage rates and annual depreciation rates for various types of fixed assets are as follows:

☒ Applicable ☐ Not applicable

Category	Depreciation Method	Depreciable life (years)	Residual Value Rate	Annual depreciation rate
Houses and Buildings	Annual averaging method	10-50	3% – 10%	9.70% - 1.80%
Specialized equipment	Annual averaging method	10-20	3% – 10%	9.70% - 4.50%

### 3、Fixed assets disposal

A fixed asset is derecognized when it is disposed of, or when no economic benefits are expected to arise from its use or disposal. Proceeds from disposal of fixed assets that are sold, transferred, scrapped or destroyed, net of their carrying amounts and related taxes, are recognized in profit or loss for the current period.



#### **4. The basis of recognition, valuation and depreciation methods for fixed assets leased under finance**

☐Applicable ☒Not applicable

##### **(xxiv) Construction in progress**

☒Applicable ☐Not applicable

Construction in progress is measured at the actual cost incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization and other necessary expenditures incurred to bring the construction in progress to its intended useable condition. Construction in progress is transferred to fixed assets and depreciated from the following month when it reaches its intended useable condition.

##### **(xxv) Borrowing costs**

☒Applicable ☐Not applicable

#### **1. The recognition principle of capitalization of borrowing costs**

Borrowing costs incurred by the Company that are directly attributable to the acquisition or production of assets eligible for capitalization are capitalized and charged to the cost of the related assets; other borrowing costs are recognized as expenses when incurred and charged to current profit or loss based on the amount incurred.

Assets eligible for capitalization are assets such as property, plant and equipment, investment properties and inventories that require a substantial period of time for their acquisition or production activities to reach their intended use or saleable condition.

#### **2. Period of capitalization of borrowing costs**

The capitalization period refers to the period from the point at which capitalization of borrowing costs commences to the point at which capitalization ceases, excluding the period during which capitalization of borrowing costs is suspended.

Borrowing costs begin to be capitalized when both of the following conditions are met:

- ( 1 ) Asset expenditure has been incurred, which includes expenditure incurred in the form of cash payments, transfers of non-cash assets or the assumption of interest-bearing debt for the acquisition or production of assets eligible for capitalization;
- ( 2 ) Borrowing costs have been incurred;
- ( 3 ) The acquisition or production activities necessary to bring the asset to its intended use or saleable condition have begun.

Borrowing costs cease to be capitalized when the acquisition or production of assets eligible for capitalization reaches its intended use or saleable condition.

#### **3. Suspension of capitalization period**

Capitalization of borrowing costs is suspended if there is an unusual interruption in the process of acquisition or production of the assets eligible for capitalization that lasts for more than three consecutive months; borrowing costs continue to be capitalized if the interruption is necessary to bring the assets eligible for capitalization to their intended useable or marketable condition. Borrowing costs incurred during the interrupted period are recognized as current profit or loss until the acquisition or production of the asset is restarted and the borrowing costs continue to be capitalized.

#### **4. Calculation of the capitalization rate and capitalization amount of borrowing costs**

For special borrowings for the purpose of acquiring or producing assets eligible for capitalization, the

amount of borrowing costs to be capitalized is determined by subtracting the interest income earned on the unused borrowed funds deposited in banks or the investment income earned on temporary investments from the actual borrowing costs incurred during the period of the special borrowings.

For general borrowings occupied for the purpose of acquiring or producing assets eligible for capitalization, the amount of borrowing costs to be capitalized for general borrowings is calculated by multiplying the weighted-average amount of asset expenditures in excess of the portion of accumulated asset expenditures over special borrowings by the capitalization rate of the general borrowings occupied. The capitalization rate is determined based on the weighted-average effective interest rate of general borrowings.

During the capitalization period, exchange differences on the principal and interest of foreign-currency special borrowings are capitalized and included in the cost of the assets eligible for capitalization. Exchange differences arising from the principal of and interest on foreign-currency special borrowings other than foreign-currency special borrowings are recognized in profit or loss for the current period.

**(xxvi) Biological assets**

☐Applicable    ☒Not applicable

**(xxvii) Oil and gas assets**

☐Applicable ☒Not applicable

**(xxviii) Right-to-use assets**

☒Applicable ☐ Not applicable

See Note 3, (XLII) Leases for details.

**(xxix) Intangible assets****Valuation methods, useful life, impairment testing**

☒Applicable ☐ Not applicable

**1. Valuation method of intangible assets**

(1) The company initially measures intangible assets at cost when they are acquired;

The cost of an externally acquired intangible asset includes the purchase price, related taxes and other expenses that are directly attributable to bringing the asset to its intended use.

(2) Subsequent measurement

The useful life of an intangible asset is analyzed and determined at the time of acquisition.

For intangible assets with finite useful lives, they are amortized over the period in which they bring economic benefits to the enterprise; if the period in which the intangible assets bring economic benefits to the enterprise cannot be foreseen, they are considered to be intangible assets with indefinite useful lives and are not amortized.

**2. Estimated useful lives of intangible assets with finite useful lives**

Proj ects	Expected service life	Based on
Land use rights	50-60 years	The age is stated on the land certificate
Trademark usage rights	10-20 years	Benefit period
Financial software, special technology, etc.	5 years	Benefit period
Industrial Property	10 years	Benefit period

**3. Accounting policy for internal research and development expenditures**

☒Applicable ☐ Not applicable

Specific criteria for classifying the research and development phases

The expenditures for in-house research and development projects are divided into research phase expenditures and development phase expenditures.

Research stage: The stage of original and planned investigation and research activities to acquire and understand new scientific or technical knowledge, etc. Development stage: The application of research results or other knowledge to a plan or design before commercial production or use to produce

The stage of activity of new or substantially improved materials, devices, products, etc.

**4. Specific conditions for capitalization of development stage expenditures**

Research expenditures are recognized in profit or loss as incurred. Expenditures in the development stage are recognized as intangible assets if the following conditions are met, and expenditures in the development stage that do not meet the following conditions are recognized in profit or loss:

(1) it is technically feasible to complete the intangible asset so that it can be used or sold; and (2) there is an intent to complete the intangible asset and use it or sell it;

(3) The manner in which the intangible asset will generate economic benefits, including the ability to demonstrate the existence of a market for the product produced using the intangible asset or the existence of a market for the intangible asset itself, and the ability to demonstrate the usefulness of the intangible asset if it will be used internally;

(4) have sufficient technical, financial and other resources to support the completion of the development of the intangible asset and the ability to use or sell the intangible asset;

(5) The expenditure attributable to the development phase of this intangible asset can be measured reliably.

If it is not possible to distinguish research stage expenditures from development stage expenditures, all research and development expenditures incurred are recognized in profit or loss for the current period.

**(xxx) Impairment of long-lived assets**

☒Applicable   ☐Not applicable

Long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets and other long-term assets are tested for impairment if there is an indication of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment is made for the difference and an impairment loss is recorded. The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of estimated future cash flows of the asset. The provision for asset impairment is calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined using the asset group to which the asset belongs. An asset group is the smallest combination of assets that can generate cash inflows independently.

For goodwill resulting from business combinations, intangible assets with indefinite useful lives, and intangible assets that have not yet reached a useable condition, impairment tests are performed at least at the end of each year, regardless of whether there is an indication of impairment.

The Company conducts goodwill impairment tests and apportions the carrying value of goodwill arising from a business combination to the relevant asset group from the date of purchase in accordance with a reasonable method; if it is difficult to apportion to the relevant asset group, it is apportioned to the relevant asset group combination. The relevant group of assets or combination of groups of assets is the group of assets or combination of groups of assets that can benefit from the synergistic effect of the business combination.

When performing an impairment test on the relevant asset group or combination of asset groups containing goodwill, if there is an indication of impairment of the asset group or combination of asset groups related to goodwill, the impairment test is first performed on the asset group or combination of asset groups that do not contain goodwill, and the recoverable amount is calculated and compared with the relevant carrying amount, and a corresponding impairment loss is recognized. If the recoverable amount is less than the carrying amount, the impairment loss is first reduced by the carrying amount of goodwill apportioned to the asset group or group of assets, and then reduced by the carrying amount of each asset group or group of assets other than goodwill in proportion to its proportionate share of the carrying amount of the other assets. The carrying amount of each asset is then reduced by the carrying amount of each asset other than goodwill. Once the above impairment loss is recognized, it will not be reversed in subsequent accounting periods.

### **(xxx) Long-term amortization expense**

☒Applicable ☐Not applicable

Long-term amortization is an expense that has been incurred but should be borne by the current and future periods and is apportioned over a period of more than one year. **1.**

#### **Amortization Method**

Long-term amortization is amortized evenly over the benefit period

### **2. Amortization period**

Those with a definite benefit period are amortized over the benefit period, and those without a definite benefit period are amortized equally over five years.

### **(xxxii) Contract liabilities**

#### **1. Method of recognition of contract liabilities**

☒Applicable ☐ Not applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation and payment from the customer. The Company's obligation to transfer goods or provide services to customers for consideration received or receivable from customers is presented as a contract liability. Contract assets and contract liabilities under the same

contract are shown on a net basis.

### **(xxxiii) Employee compensation**

#### **1. Accounting for short-term compensation**

☒Applicable   ☐Not applicable

The Company recognizes the actual short-term compensation incurred as a liability in the accounting period in which the employee provides services to the Company and recognizes it in current profit or loss or in the cost of related assets.

The social insurance premiums and housing fund paid by the Company for its employees, as well as the labor union funds and employee education funds withdrawn in accordance with regulations, are used to determine the corresponding amount of employee compensation based on the prescribed accrual basis and accrual ratio during the accounting period in which the employees provide services to the Company.

Employee benefits incurred by the Company are charged to current profit or loss or to the cost of related assets when actually incurred, based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

#### **2. Accounting for post-employment benefits**

☒Applicable   ☐ Not applicable

**( 1 ) Set up a withdrawal plan**

The Company contributes to basic pension insurance and unemployment insurance for its employees in accordance with the relevant local government regulations. In the accounting period in which the employees provide services to the Company, the amount payable is calculated based on the contribution base and ratio set by the local regulations, recognized as a liability, and charged to current profit or loss or the cost of related assets. In addition, the Company participates in an enterprise annuity plan/supplemental pension fund approved by the relevant state authorities. The Company contributes a certain percentage of the employees' total salaries to the annuity plans/local social insurance agencies, and the corresponding expenses are recognized in the current period's profit or loss or cost of related assets.

**( 2 ) Defined benefit plans**

The Company attributes benefit obligations arising from defined benefit plans to employees in the period in which the employees render services, based on a formula determined by the expected accumulated benefit unit method, and recognizes them in current profit or loss or the cost of related assets.

The deficit or surplus resulting from the present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net defined benefit plan liability or net asset. If a defined benefit plan has a surplus, the Company measures the net defined benefit plan assets at the lower of the surplus or asset limit of the defined benefit plan.

All defined benefit plan obligations, including those expected to be paid within twelve months after the end of the annual reporting period in which the employee rendered services, are based on the market for treasury bonds or high quality corporate bonds in an active market that matches the maturity and currency of the defined benefit plan obligations at the balance sheet date. The field rate of return is discounted.

The service cost incurred by the defined benefit plan and the net interest on the net liabilities or net assets of the defined benefit plan are recognized in profit or loss or the cost of related assets; changes resulting from the remeasurement of the net liabilities or net assets of the defined benefit plan are recognized in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods, and the entire portion previously recognized in other comprehensive income is carried forward to unappropriated earnings within equity upon the termination of the original defined benefit plan. The portion of other comprehensive income within equity is carried forward to unappropriated earnings upon termination of the defined benefit plan.

Upon settlement of a defined benefit plan, a gain or loss on settlement is recognized as the difference between the present value of the defined benefit plan obligation and the settlement price determined at the settlement date.

**3. Accounting for Termination Benefits**

√Applicable ☐ Not applicable

When the Company provides termination benefits to employees, it recognizes a liability for employee compensation arising from termination benefits in profit or loss at the earlier of: when the Company is unable to unilaterally withdraw termination benefits provided as a result of a plan to terminate employment or a proposal to reduce employment; and when the Company recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

**4. Accounting treatment of other long-term employee benefits**

☐Applicable √Not applicable

**(xxxiv) Lease liabilities**

√Applicable ☐ Not applicable

See Note 3, (XLII) Leases for details.

**(xxxv) Projected liabilities**

√/Applicable    □Not applicable

The Company recognizes a contingent obligation as a projected liability when both of the following conditions are met:

- ( 1 ) The obligation is a present obligation assumed by the Company;
- ( 2 ) it is probable that the performance of the obligation will result in an outflow of economic benefits to the Company;
- ( 3 ) The amount of the obligation can be measured reliably.

The projected liability is initially measured at the best estimate of the expenditure required to settle the related present obligation.

In determining the best estimate, the risks associated with contingencies, uncertainties and the time value of money are taken into account. For those with a significant impact on the time value of money, the best estimate is determined by discounting the related future cash outflows.

Where a continuous range of required expenditures exists and the likelihood of various outcomes within that range is equal, the best estimate is determined by the midpoint of the range; in other cases, the best estimate is treated separately as follows:

- Contingencies involving individual items are determined by the most probable amount.
- Contingencies involving multiple items are determined based on various possible outcomes and related probabilities.

When all or part of the expenditures required to settle a projected liability are expected to be reimbursed by a third party, the amount of reimbursement is recognized separately as an asset when it is substantially certain that it will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the projected liability.



The Company reviews the carrying amount of the estimated liability at the balance sheet date and adjusts the carrying amount in accordance with the current best estimate if there is conclusive evidence that the carrying amount does not reflect the current best estimate.

### **(36) Share-based payment**

☒Applicable ☐Not applicable

The Company's share-based payments are transactions in which equity instruments are granted or liabilities determined on the basis of equity instruments are assumed in order to obtain services provided by employees or other parties. The Company's share-based payments are classified as equity-settled share-based payments and cash-settled share-based payments.

#### **1. Equity-settled share-based payments and equity instruments**

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees. For share-based payment transactions that become exercisable immediately after the grant, the fair value of the equity instruments is recorded at the grant date as the related cost or expense, with a corresponding increase in capital surplus. For share-based payment transactions in which the services are completed within the waiting period after the grant or the required performance conditions are met before the rights become exercisable, at each balance sheet date during the waiting period, the Company recognizes the services acquired during the period as related costs or expenses based on the best estimate of the number of exercisable equity instruments, based on the fair value at the date of grant, and increases capital surplus accordingly.

If the terms of an equity-settled share-based payment are modified, acquired services are recognized at least as if the terms had not been modified. In addition, any modification that increases the fair value of the equity instruments granted, or changes that benefit employees at the date of modification, is recognized as an increase in acquired services.

If the equity instrument granted is cancelled during the waiting period, the Company treats the cancelled equity instrument granted as an accelerated exercise, and the amount to be recognized over the remaining waiting period is immediately recognized in profit or loss, together with capital surplus. However, if a new equity instrument is granted and it is determined on the grant date of the new equity instrument that the new equity instrument granted is intended to replace the cancelled equity instrument, the replacement equity instrument granted is treated in the same manner as the modification of the terms and conditions of the original equity instrument.

### **(37) Preferred stocks, perpetual bonds and other financial instruments**

☐Applicable ☒Not applicable

### **(XXXVIII) Revenue**

#### **1. Accounting policies used for revenue recognition and measurement**

☒Applicable ☐Not applicable

The Company recognizes revenue when it has fulfilled its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods or services. The acquisition of control of the relevant goods or services is defined as the ability to dominate the use of the goods or services and derive substantially all of the economic benefits therefrom.

If a contract contains two or more performance obligations, the Company apportions the transaction price to each individual performance obligation at the contract commencement date in the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation. The Company measures revenue based on the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled to receive as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company determines

the transaction price in accordance with the terms of the contract, taking into account its past customary practices, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to the customer in determining the transaction price. The Company determines the transaction price that includes variable consideration by an amount that does not exceed the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue at the time the relevant uncertainty is removed. If there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained, and amortizes the difference between this transaction price and the contract consideration over the term of the contract using the effective interest rate method.

Performance obligations are fulfilled within a certain time period if one of the following conditions is met, otherwise, performance obligations are fulfilled at a certain point in time:

- The Customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance.
- The customer is able to control the goods under construction in the course of the Company's performance.
- The goods produced in the course of the Company's performance are of irreplaceable use and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the term of the contract.

For performance obligations to be performed within a certain period of time, the Company recognizes revenue in accordance with the progress of performance during that period, except when the progress of performance cannot be reasonably determined. The Company determines the progress of performance using the output method or the input method, taking into account the nature of the goods or services. When the progress of performance cannot be reasonably determined, the Company recognizes revenue in the amount of costs already incurred until the progress of performance can be reasonably determined, if the costs already incurred are expected to be reimbursed.

For performance obligations performed at a point in time, the Company recognizes revenue at the point in time when the customer obtains control of the related goods or services. In determining whether a customer has acquired control of goods or services, the Company considers the following indications:

- The Company has the right to receive payment now for the goods or services, i.e. the customer has the obligation to pay now for the goods or services.
- The Company has transferred legal ownership of the merchandise to the customer, i.e., the customer has legal ownership of the merchandise.
- The Company has physically transferred the merchandise to the customer, i.e., the customer has taken physical possession of the merchandise.
- The Company has transferred the principal risks and rewards of ownership of the goods to the customer, i.e., the customer has acquired the principal risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, etc.

## 2. Differences in accounting policies for revenue recognition due to different business models for the same type of business

☐Applicable ☒Not applicable

### (XXXIX) Contract costs

☒Applicable ☐ Not applicable

Contract costs include contract performance costs and contract acquisition costs.

Costs incurred by the Company to perform a contract that are not regulated by the relevant standards, such as inventory, fixed assets or intangible assets, are recognized as an asset as contract performance costs when the following conditions are met:

- This cost is directly related to a current or anticipated contract.
- This cost increases the resources available to the Company to meet its performance obligations in the future.
- This cost is expected to be recovered.

Incremental costs incurred by the Company to acquire a contract that are expected to be recovered are recognized as an asset as contract acquisition costs.

Assets related to contract costs are amortized using the same basis as revenue recognition for goods or services related to the asset; however, for contract acquisition costs amortized over a period not exceeding one year, the Company recognizes them in profit or loss as incurred.

If the carrying value of an asset related to contract costs is higher than the difference between the following two items, the Company makes an allowance for impairment for the excess and recognizes an impairment loss on the asset:

1. the residual consideration expected to be obtained as a result of the transfer of goods or services related to the asset;
2. The estimated costs to be incurred for the transfer of the relevant goods or services.

If there is a subsequent change in the impairment factors in previous periods, such that the aforementioned difference is higher than the carrying amount of the asset, the Company reverses the provision for impairment and recognizes it in profit or loss for the current period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment was made.

### (40) Government grants

☒Applicable

☐Not applicable

#### 1. Type

Government grants, which are monetary or non-monetary assets acquired by the Company from the

government without consideration, are classified as asset-related government grants and revenue-related government grants.

Government grants related to assets are government grants acquired by the Company for the acquisition and construction or other formation of long-term assets. Government grants related to revenue are government grants other than those related to assets.

## **2、 Confirm the time point**

For government grants received in connection with assets, the point of amortization of deferred income is when the related assets are available for use; for long-lived assets subject to depreciation or amortization, it is the point at which depreciation or amortization of the assets begins;

Government grants received in connection with revenue are recognized in profit or loss in the period in which the related expenses or losses are incurred, including those used to compensate for related expenses or losses already incurred (including those incurred in prior periods), which are recognized directly in the period in which they are acquired, and those used to compensate for related expenses or losses in subsequent periods, which are recognized in the period in which the related expenses or losses are recognized.

If there is conclusive evidence that a government subsidy project has been approved and the expected collection point and specific amount are clear, the project will be recognized in the period of approval with reference to the above principles.

### 3. Accounting treatment

Government grants related to assets are written down to the carrying amount of the related assets or recognized as deferred income. If recognized as deferred income, it is recognized in profit or loss in accordance with a reasonable and systematic method in installments over the useful life of the related assets (if it is related to the Company's ordinary activities, it is recognized in other income; if it is not related to the Company's ordinary activities, it is recognized in non-operating income);

Government grants related to revenue that are used to compensate the Company for related costs or losses in subsequent periods are recognized as deferred revenue and are charged to current profit or loss (to other income if they are related to the Company's ordinary activities; to non-operating income if they are not related to the Company's ordinary activities) or reduced by related costs or losses in the period in which they are recognized; those used to compensate the Company for related costs or losses already incurred are charged directly to current profit or loss (to other income if they are related to the Company's ordinary activities; to non-operating income if they are not related to the Company's ordinary activities) or reduced by related costs or losses. If it is used to compensate the Company for the related costs or losses incurred, it is directly recognized in profit or loss (other income if it is related to the Company's daily activities; non-operating income if it is not related to the Company's daily activities) or reduced by the related costs or losses.

The Company distinguishes between the following two scenarios for accounting for policy-based preferential loan subsidies obtained:

( 1 ) If the finance allocates the discounted interest funds to the lending bank, and the lending bank provides loans to the Company at the policy preferential interest rate, the Company uses the actual amount of borrowings received as the recorded value of the borrowings and calculates the related borrowing costs in accordance with the principal amount of the borrowings and the policy preferential interest rate.

( 2 ) If the finance allocates the discount funds directly to the Company, the Company will offset the corresponding discount against the related borrowing costs.

#### (41) Deferred income tax assets/deferred income tax liabilities

√Applicable    ☐Not applicable

Income taxes consist of current income taxes and deferred income taxes. The Company recognizes current income tax and deferred income tax in profit or loss, except for income tax arising from business combinations and transactions or events directly recognized in owners' equity (including other comprehensive income).

Deferred income tax assets and deferred income tax liabilities are recognized based on the difference between the tax basis of the assets and liabilities and their carrying amounts (temporary differences).

Deferred income tax assets are recognized for deductible temporary differences to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized in future periods. For deductible losses and tax credits that can be carried forward to future years, deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be utilized.

For taxable temporary differences, deferred tax liabilities are recognized, except in special cases. The special cases in which deferred tax assets or deferred tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transactions or events that are neither business combinations nor, when they occur, affect accounting profit and taxable income (or deductible losses). Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, unless the Company

The Company is able to control the timing of the reversal of the temporary differences and it is probable that

the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates applicable to the periods when the related assets are expected to be recovered or the related liabilities settled, in accordance with the provisions of the tax laws.

At the balance sheet date, the Company reviews the carrying amount of deferred tax assets. The carrying amount of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available against which the benefit of the deferred tax assets can be utilized in future periods. To the extent that it is probable that sufficient taxable income will be available, the written down amount is reversed.

When there is a legal right to settle on a net basis and the intention is to settle on a net basis or to acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are reported on a net basis after offsetting.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented as net of offsetting amounts when both of the following conditions are met:

- The taxable entity has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, but in each future period in which it is significant that the deferred income tax assets and liabilities reverse, the taxable entities involved intend to settle the current income tax assets and liabilities on a net basis or acquire the assets and settle the liabilities at the same time.

## **(XLII) Leasing**

### **Accounting for operating leases**

☐Applicable    ☒Not applicable

## Accounting treatment of finance leases

☐Applicable ☒Not applicable

### The method of determining the lease and accounting treatment under the new lease standard

☒Applicable ☐ Not applicable

A lease is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time for consideration. At the inception date of the contract, the Company assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

If a contract contains several separate leases, the Company splits the contract and accounts for each separate lease separately. If a contract contains both lease and non-lease components, the lessee and the lessor split the lease and non-lease components.

For rent concessions such as rent reductions and deferred payments agreed upon for existing leases that are directly triggered by the New Crown Pneumonia outbreak and that also meet the following conditions, the Company applies the simplified method to all lease options and does not evaluate whether a lease change has occurred or reevaluate the lease classification:

- The lease consideration after the reduction is less than or substantially the same as before the reduction, where the lease consideration is not discounted or discounted at the discount rate before the reduction are

May;

- The other terms and conditions of the lease were determined to have not changed significantly after considering qualitative and quantitative factors together.

## 1. The Company as the lessee

### (1) Right-of-use assets

At the inception date of the lease term, the Company recognizes right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-of-use assets are initially measured at cost. This cost includes:

- The initial measurement amount of the lease liability;
- The amount of lease payments made on or before the commencement date of the lease term for which a lease incentive exists, less the amount related to the lease incentive already taken;
- The initial direct costs incurred by the Company;
- The Company expects to incur costs to disassemble and remove the leased assets, restore the site where the leased assets are located, or restore the leased assets to the agreed condition under the terms of the lease, excluding costs that are part of the costs incurred for the production of inventories.

The Company subsequently depreciates right-of-use assets using the straight-line method. If it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Company depreciates the leased asset over its remaining useful life; otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

The Company determines whether a right-of-use asset is impaired and accounts for the identified impairment loss in accordance with the principles described in Note 3(30), "Impairment of Long-Lived Assets".

### (2) Lease liabilities

At the inception date of the lease term, the Company recognizes a lease liability for leases other than short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of the lease payments outstanding. Lease payments consist of:

- Fixed payments (including material fixed payments) net of amounts related to lease incentives, if lease incentives exist;

- Variable lease payments that depend on an index or rate;
- Estimated payments due based on the residual value of the guarantee provided by the company;
- the exercise price of the purchase option, provided that the company reasonably determines that it will exercise the option;
- The amount required to be paid to exercise the option to terminate the lease is subject to the lease term reflecting that the Company will exercise the option to terminate the lease.

The Company uses the interest rate embedded in the lease as the discount rate, but if the interest rate embedded in the lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the discount rate.

The Company calculates the interest expense on the lease liability for each period of the lease term at a fixed periodic interest rate, which is charged to current profit or loss or to the cost of the related asset.

Variable lease payments that are not included in the measurement of the lease liability are recognized in current profit or loss or the cost of the related assets when they are actually incurred.

After the commencement date of the lease term, the Company remeasures the lease liability and adjusts the corresponding right-of-use asset if the carrying value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the difference is recognized in profit or loss for the current period:

- When there is a change in the valuation of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is not consistent with the original valuation, the Company re-measures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;
- When there is a change in the amount of the substantive fixed payment, a change in the amount expected to be payable for the guaranteed residual value, or an index used to determine the lease payment



If a change in the lease payment amount or rate occurs, the Company remeasures the lease liability at the present value calculated from the changed lease payment amount and the original discount rate. However, if the change in the lease payments results from a change in the floating interest rate, the present value is calculated using the revised discount rate.

(3) Short-term leases and low-value asset leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and to recognize the related lease payments in current profit or loss or the cost of the related assets on a straight-line basis over each period of the lease term. Short-term leases are leases with a lease term of not more than 12 months at the commencement date of the lease term and do not include an option to purchase. Low-value asset leases are leases with a lower value when the individual leased asset is a brand-new asset. If a company subleases or expects to sublease a leased asset, the original lease is not a low-value asset lease.

(4) Lease Changes

A company accounts for a change in a lease as a separate lease if the change occurs and both of the following conditions are met:

- The lease modification expands the lease by adding the right to use one or more of the leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of that contract.

If a lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the company reapportioned the consideration of the modified contract, redetermined the lease term, and remeasured the lease liability based on the present value of the modified lease payments and the revised discount rate.

If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the carrying value of the right-of-use asset accordingly and recognizes the gain or loss related to the partial termination or complete termination of the lease in profit or loss for the current period. If other lease changes result in the remeasurement of the lease liability, the Company adjusts the carrying value of the right-of-use asset accordingly.

(5) Rent concessions related to the Newcastle pneumonia outbreak

For those adopting the simplified method of rent reductions related to the new crown pneumonia epidemic, the Company does not assess whether a lease change has occurred, continues to calculate interest expense on lease liabilities at a discount rate consistent with that before the reductions and record it in current profit or loss, and continues to depreciate right-of-use assets at a rate consistent with that before the reductions. If a rent reduction occurs, the Company treats the reduced rent as variable lease payments and reduces the cost or expense of the relevant asset by the amount discounted at the discount rate before the discount or reduction when the original rent payment obligation is discharged, such as when a reduction agreement is reached, and adjusts the lease liability accordingly; if the rent payment is deferred, the Company reduces the lease liability recognized in prior periods when the actual payment is made.

For short-term leases and leases of low-value assets, the Company continues to recognize the original contractual rentals as the cost or expense of the related assets in a manner consistent with the method used before the abatement. When rent reductions occur, the Company recognizes the reduced rent as variable lease payments and reduces the cost of the related assets or expenses in the period of the reductions; when rent payments are deferred, the Company recognizes the rent payable as a payable in the original payment period and reduces the payable recognized in the prior period when the actual payment is made.

## 2. The Company as lessor

At the inception date of the lease, the Company classifies leases as finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of the leased asset, regardless of whether ownership is ultimately transferred. Operating leases refer to leases other than finance leases.

When the Company acts as a sublease lessor, it classifies subleases based on the right-to-use assets arising from the original lease.

( 1 ) Accounting for operating leases

Lease receipts under operating leases are recognized as rental income on a straight-line basis over the respective periods of the lease term. The Company capitalizes the initial direct costs incurred in connection with operating leases, which are apportioned to current profit or loss over the lease term on the same basis as rental income is recognized. Variable lease payments that are not included in the lease receipts are recognized in current profit or loss when they are actually incurred. If an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease before the change is considered to be the amount of receipts under the new lease.

( 2 ) Accounting for finance leases

At the inception date of the lease, the Company recognizes finance lease receivables for finance leases and derecognizes the finance lease assets. For the initial measurement of finance lease receivables, the Company uses the net lease investment as the recorded value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease.

The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of finance lease receivables are accounted for in accordance with Note 3(j), "Financial Instruments".

Variable lease payments not included in the net lease investment measurement are recognized in profit or loss when they are actually incurred.

When a change in a finance lease occurs and both of the following conditions are met, the Company will account for the change as a separate lease:

- The change expands the scope of the lease by adding the right to use one or more leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of that contract.

If a change in a finance lease is not accounted for as a separate lease, the Company treats the changed lease separately in the following circumstances:

- If the change becomes effective on the commencement date of the lease and the lease would have been classified as an operating lease, the Company accounts for it as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the carrying value of the leased asset;

- If the change becomes effective on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will account for it in accordance with the policy of amending or renegotiating the contract as described in Note 3(j) "Financial Instruments" herein.

(3) Rent concessions related to the Newcastle pneumonia outbreak

- For operating leases that use the simplified method of rent reduction related to the New Crown Pneumonia Epidemic, the Company continues to recognize the original contractual rent as lease income in the same manner as before the reduction; if rent reduction occurs, the Company recognizes the reduced rent as variable lease payments and eliminates lease income in the period of reduction; if rent collection is deferred, the Company recognizes the rent receivable in the original collection period and actual receipt is reduced by the receivable recognized in the prior period.

- For finance leases that use the simplified method of rent reduction related to the New Crown Pneumonia outbreak, the Company continues to calculate interest and recognize it as lease income at a discount rate consistent with the rate before the reduction. In the event of rent reductions, the Company treats the reduced rent as variable lease payments and, upon waiver of the original right to receive rent, such as the conclusion of a reduction agreement, reduces the originally recognized lease income by the amount discounted at the discount rate before discounting or reduction, with the shortfall being recorded as investment income and the finance lease receivable adjusted accordingly; in the event of deferred collection of rent, the Company reduces the previously recognized finance lease receivable upon actual receipt. In case of delayed collection of rent, the Company shall offset the finance lease receivable recognized in the previous period upon actual receipt.

### 3. Sale and leaseback transactions

The Company assesses whether the transfer of assets in sale-and-leaseback transactions is a sale in accordance with the principles described in Note 3(38), "Revenue".

(1) As a tenant

If the transfer of an asset in a sale-and-leaseback transaction is a sale, the company, as the lessee, measures the right-of-use asset resulting from the sale-and-leaseback at the portion of the original asset's carrying value that relates to the right of use acquired by the leaseback and recognizes a gain or loss related to the right transferred to the lessor only; if the transfer of an asset in a sale-and-leaseback transaction is not a sale, the company, as the lessee, continues to recognize the transferred asset and also recognizes a financial liability equal to the The company continues to recognize the transferred asset as a lessee and at the same time recognizes a financial liability equal to the transferred revenue. For details of the accounting treatment of financial liabilities, please refer to Note 3 (J) Financial Instruments.

(2) As a lessor

If the transfer of assets in a sale-and-leaseback transaction is a sale, the Company accounts for the purchase of the assets as a lessor and accounts for the lease of the assets in accordance with the aforementioned policy. The Company recognizes a financial asset in the amount equal to the transfer proceeds. For details of the accounting treatment of financial assets, please refer to Note 3 (J) Financial Instruments.

Other significant accounting policies and accounting estimates

✓Applicable

□Not applicable

#### (43) Fiduciary business

The Company generally acts as an agent, trustee in a fiduciary business for individuals, securities

investment funds, social security funds, insurance companies, qualified foreign investors, annuity plans and other clients in the holding and management of assets. The assets involved in these agency activities do not belong to the Company and are therefore not included in the Company's balance sheet.

The Company also operates entrusted loan business. The entrusted loan business refers to the loan that the principal provides funds and the Company issues, supervises the use of and recovers the funds on behalf of the principal according to the borrower, purpose, amount, currency, term and interest rate determined by the principal. The risk is borne by the principal, and the Company only receives the related handling fee. The entrusted loans are not included in the Company's balance sheet.

#### **(XLIV) termination of operations**

A discontinued operation is a separately distinguishable component that meets one of the following conditions and which has been disposed of by the Company or classified by the Company as held for sale:

- ( 1 ) The component represents a separate primary business or a separate primary operating area;
- ( 2 ) The component is part of an associated plan for the proposed disposal of a separate major business or a separate major operating area;
- ( 3 ) This component is a subsidiary acquired exclusively for resale.

Gains or losses from continuing operations and gains or losses from discontinued operations are presented separately in the income statement. Gains or losses from operations such as impairment losses and reversals of amounts from discontinued operations and gains or losses on disposals are reported as gains or losses from discontinued operations. For discontinued operations presented in the current period, the Company restates the information previously reported as gain or loss from continuing operations in the current financial statements as gain or loss from discontinued operations in the comparable accounting period.

**(45) Segment reporting**

The Company determines operating segments based on internal organizational structure, management requirements and internal reporting system, and determines reportable segments and discloses segment information based on operating segments.

An operating segment is a component of the Company that also meets the following conditions: (1) the component is able to generate revenues and incur expenses in its daily activities; (2) the Company's management is able to evaluate the operating results of the component on a regular basis in order to decide to allocate resources to it and evaluate its performance; and (3) the Company is able to obtain accounting information related to the financial position, operating results and cash flows of the component. Two or more operating segments may be combined into one operating segment if they have similar economic characteristics and certain conditions are met.

**(46) Changes in Significant  
Accounting Policies and  
Accounting Estimates 1.**

☒Applicable

☐Not applicable

Other

Description

(1) Implementation of EITF Interpretation No. 15

On December 30, 2021, the Ministry of Finance issued Interpretation No. 15 of Accounting Standards for Business Enterprises (Caihui [2021] No. 35, hereinafter referred to as

Interpretation No. 15)

① Accounting for trial sales

Interpretation No. 15 provides for the accounting treatment and presentation of the sale of products or by-products produced by an enterprise before the fixed assets reach their intended useable state or during the research and development process. It stipulates that the net amount of revenues related to trial sales after offsetting costs should not be offset against the cost of fixed assets or research and development expenses. This provision is effective January 1, 2022, and should be retroactively adjusted for trial sales that occurred between the beginning of the earliest period presented in the financial statements and January 1, 2022. The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

② Judgment on loss-making contracts

Interpretation No. 15 clarifies that the "cost of performing the contract" considered by an enterprise in determining whether a contract constitutes a loss-making contract should also include This includes the share of incremental costs of performing the contract and other costs directly related to the performance of the contract. This provision is effective as of January 1, 2022

The Company should implement this provision for contracts with all obligations outstanding as of January 1, 2022, with the cumulative effect of adjusting retained earnings and other related financial statement items at the beginning of the year in which the provision is implemented, without adjusting prior period comparative financial statement data. The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

(2) Implementation of the "Notice on Issues Related to the Application of the Accounting Treatment Provisions for Rent Reduction Related to the New Crown Pneumonia Epidemic

On May 19, 2022, the Ministry of Finance issued the Circular on Issues Related to the Application of the Accounting Treatment Provisions for the Rent Concessions Related to the New Coronary Pneumonia Epidemic (Caihui [2022] No. 13) which once again adjusted the scope of application of the simplified method for the rent concessions related to the new coronary pneumonia epidemic,

eliminating the original **"concessions** only for lease payments payable before June 30, 2022" in order to apply the simplified method. The scope of application of the simplified method for rent concessions related to the new coronary pneumonia epidemic has been adjusted again, and the original "concessions for lease payments payable before June 30, 2022" has been cancelled.

Restrictions. For the derogation of lease payments payable after June 30, 2022 that is directly triggered by the New Crown Pneumonia outbreak, lessees and lessors may continue to elect to use the simplified method of accounting regulated by the Accounting for Derogation of Rent Related to the New Crown Pneumonia Outbreak, and other applicable conditions remain unchanged.

The Company has chosen to adopt the simplified method of accounting for all eligible leases before the scope of application adjustment, and has adopted the simplified method of accounting for all similar leases eligible after the scope of application adjustment, and has made retroactive adjustments to the relevant leases that were accounted for using lease changes before the issuance of the Circular, but has not adjusted the comparative financial statement data for the previous period. The Company will make retroactive adjustments to the relevant lease contracts that were accounted for using lease changes prior to the issuance of the Circular, but will not adjust the comparative financial statement data of the prior period.

### (3) Implementation of EITF Interpretation No. 16

On November 30, 2022, the Ministry of Finance (MOF) promulgated Interpretation No. 16 of Accounting Standards for Business Enterprises (Caihui [2022] No. 31, hereinafter referred to as

#### Interpretation No. 16)

① Accounting for the income tax effects of dividends related to financial instruments classified as equity instruments by the issuer

Interpretation No. 16 stipulates that for financial instruments classified as equity instruments by an enterprise, if the related dividend expense is deducted before corporate income tax in accordance with the relevant provisions of the tax policy, the income tax effect related to the dividend shall be recognized when the dividend payable is recognized and the income tax effect of the dividend shall be recognized in current profit or loss or in accordance with the accounting treatment consistent with that used in the past for transactions or events giving rise to distributable profit. Owner's equity items (including other comprehensive income items)

This provision is effective as of the date of publication, and the relevant dividends payable occurring between January 1, 2022 and the effective date will be carried out in accordance with this provision.

If the adjustment occurs before January 1, 2022 and the related financial instrument has not been derecognized as of January 1, 2022, an adjustment should be made.

Retroactive adjustment. The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

② Accounting treatment for companies that modify cash-settled share-based payments to equity-settled share-based payments

Interpretation No. 16 clarifies that if an enterprise modifies the terms and conditions in a cash-settled share-based payment agreement to make it an equity-settled share-based payment, the equity-settled share-based payment shall be measured at the fair value of the equity instrument granted on the date of modification (whether it occurs during or after the end of the waiting period) and the services acquired shall be recognized in capital surplus, while the cash-settled share-based payment shall be derecognized share-based payments recognized as a liability at the date of modification, with the difference between the two recognized in profit or loss for the current period.

The provisions shall come into effect on the date of publication, and the relevant transactions added from January 1, 2022 to the effective date shall be adjusted in accordance with the provisions; 2022 If the relevant transactions occurring before January 1, 2012 are not treated in accordance with this provision, they should be adjusted retroactively by adjusting the cumulative effect of 2022 Retained earnings and other related items as of January 1, 2011, are not adjusted to the comparative financial statement data of prior periods. The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

## 2. Changes in significant accounting estimates

☐ Applicable ☒ Not applicable

## 3. First-time implementation of new accounting standards or interpretations of standards from 2022 onwards involving adjustments to the financial statements at the beginning of the year of first-time implementation

☐ Applicable ☒ Not applicable

## (XLVII) Other

☐ Applicable ☒ Not applicable

## IV. Taxes

### (A) Major taxes

#### and tax rates Major

taxes and tax rates

☒ Applicable ☐ Not applicable

Taxes	Taxation basis	Tax rate
Value Added Tax	The output tax is calculated on the basis of the income from the sale of goods and taxable services calculated in accordance with the provisions of the tax law, after deducting the input tax allowed to be deducted in the current	5%, 6%, 9%, 13%

The taxable entities with different corporate income tax rates exist as follows:

☒ Applicable ☐ Not applicable

Name of taxable entity	Income tax rate (%)
Huatai Rubber Co.	20
China North America Tire United Sales, Inc.	U.S. federal tax rates, U.S. California tax rates
Huayi Group (Hong Kong) Limited	16.5
HUAYIFINANCE LTD.	16.5
Huayi Group (Thailand) Co.	20
Huayi Tire Canada LLC	26.5

Shanghai Plastics Research Institute Co.	15
Shanghai Resin Factory Co.	15
Shanghai Tianyuan Group Shengde Plastics Co.	15
Shanghai Huayi Information Technology Co.	15
Shanghai Huayi New Material Co.	15
Shanghai Huayi Resin Co.	15
Shanghai Huayi Inspection & Testing Technology Co.	15
Zhejiang Tianyuan Medical Material Co.	15

## (II) Tax benefits

√Applicable    □Not applicable

1. On October 12, 2022, Shuangqian Group (Xinjiang) Kunlun Tire Co., Ltd. received the "High-tech Enterprise Certificate" with the number GR202265000248, which has a limited period of three years and the actual implementation of the enterprise income tax rate of 15% in 2022;

2. Anhui Huayi Rixin Technology Co., Ltd. obtained the "High-tech Enterprise Certificate" with the number GR202034002519 on August 17, 2020, which is valid for three years and the actual implementation of the enterprise income tax rate of 15% in 2022;

3. Shanghai Paint Research Institute Co., Ltd. received the "High and New Technology Enterprise Certificate" with the number GR202031004740 on November 12, 2020, which is valid for three years and the effective corporate income tax rate for the year 2022 is 15%;

Ltd. obtained the "High-tech Enterprise Certificate" with the number GR202031000849 on November 12, 2020, which is valid for three years, and the actual implementation of the enterprise income tax rate of 15% in 2022;

5. Shanghai Chemical Reagent Research Institute Co., Ltd. obtained the "High and New Technology Enterprise Certificate" with the number GR202031003375 on November 12, 2020, which is valid for three years, and the actual implementation of the enterprise income tax rate of 15% in 2022;

6. Shanghai Test Four Chemicals Co., Ltd. obtained the "High-tech Enterprise Certificate" with the number GR202031003387 on November 12, 2020, which is valid for three years, and the actual implementation of the enterprise income tax rate of 15% in 2022;

7. Shanghai Synthetic Resin Research Institute Co., Ltd. obtained the "High and New Technology Enterprise Certificate" with the number GR202031002621 on November 12, 2020, which is valid for three years, and the effective corporate income tax rate for 2022 is 15%;

8. Shanghai Plastics Research Institute Co., Ltd. received the "High-tech Enterprise Certificate" with the number GR202031003642 on November 12, 2020, which is valid for three years and the effective corporate income tax rate for 2022 is 15%;

9. Shanghai Resin Factory Co., Ltd. received the Certificate of High and New Technology Enterprise No. GR202231001541 on November 15, 2022, which is valid for three years, and the effective corporate income tax rate for 2022 is 15%;

10. On November 18, 2020, Shanghai Tianyuan Group Shengde Plastics Co., Ltd. obtained the "High-tech Enterprise Certificate" with the number GR202031006055, which is valid for three years and the actual implementation of the corporate income tax rate of 15% in 2022;

Ltd. received the "High-tech Enterprise Certificate" with the number GR202231004438 on December 14, 2022, which is valid for three years and the actual implementation of the enterprise income tax rate of 15% in 2022;

Ltd. received the "High-tech Enterprise Certificate" with the number GR202131003178 from November 18, 2021, which is valid for three years and the actual implementation of the enterprise income tax rate of 15% in 2022;

Ltd. received the "High-tech Enterprise Certificate" with the number GR202131005439 on December 23, 2021, which is valid for three years, and the actual implementation of the enterprise income tax rate of 15% in 2022;



Ltd. obtained the "High-tech Enterprise Certificate" with the number GR202031002646 on November 12, 2020, which is valid for three years, and the actual implementation of the enterprise income tax rate of 15% in 2022;

15, zhejiang tianyuan medical materials co., ltd. in December 4, 2022 received the number GR202233007891 "high-tech enterprise certificate", the certificate is valid for three years, the actual implementation of the enterprise income tax rate of 15% in 2022.

**(C) Other**

☐Applicable ☒Not applicable

**V. Notes to the**

**Consolidated Financial**

**Statements (i)**

**Monetary funds**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
Cash on hand	46,988.55	35,493.35
Bank deposits	1,023,772,409.85	1,803,532,056.38
Other monetary funds	119,410,094.33	200,540,615.61
Cash and deposits with central banks	1,027,140,957.42	858,166,211.76
Of which: deposit of central bank legal reserve	1,027,140,957.42	858,166,211.76
Interbank deposits	14,399,443,252.12	7,044,834,974.60
Of which: demand deposits	9,899,443,252.12	5,944,834,974.60
Fixed Deposit	4,500,000,000.00	1,100,000,000.00
Total	16,569,813,702.27	9,907,109,351.70
Of which: Total amount deposited abroad	298,562,191.30	999,147,684.94
Deposits with finance companies		

## Other notes

The breakdown of these monetary funds with restrictions on their use due to mortgages, pledges or freezes, restrictions on withdrawals due to centralized management of funds, and funds placed abroad with restrictions on repatriation of funds are as follows:

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Prior year-end balance
Bank Acceptance Deposit	50,063,510.20	136,483,238.84
Letter of Credit Margin		1,116,507.00
Guarantee deposit	20,853,174.91	20,000,000.00
Performance Bond		163,109.72
Time deposits or call deposits for security purposes	4,615,127.01	3,705,996.76
Other deposits	23,812,707.06	22,360,628.36
Deposit of central bank legal reserve	1,027,140,957.42	858,166,211.76

Note: Shanghai Huayi Group Finance Co., Ltd., a subsidiary of the Company, is required by the People's Bank of China to make reserve deposits in RMB and foreign currencies, which cannot be used for daily operations. the reserve deposit ratio for RMB as of December 31, 2022 was 5% and the reserve deposit ratio for foreign currencies was 6%.

**(ii) Financial assets held for trading**

✓Applicable □ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
Financial assets at fair value through profit or loss	1,368,465,133.72	1,433,588,957.15
Among them:		
Investments in equity instruments	205,403,066.47	257,295,537.75
Fund Investment	1,163,062,067.25	1,176,293,419.40
Financial assets designated as at fair value through profit or loss		

## Other notes:

□Applicable ✓Not applicable

**(iii) Derivative financial assets**

☐Applicable ☒Not applicable

**(iv) Notes receivable****1. Classification of notes receivable is presented**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Bankers' Acceptances	1,520,000.00	8,313,915.97
Commercial Acceptances	127,340,938.69	124,870,423.59
Less: Provision for bad debts	-6,367,046.93	-6,243,521.18

**2. Notes receivable pledged by the Company at the end of the period**

☐Applicable ☒Not applicable

**3. Notes receivable endorsed or discounted by the Company and not yet due at the balance sheet date at the end of the period**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bankers' Acceptances		
Commercial Acceptances		10,561,393.69

**4. Notes that the Company transferred to accounts receivable at the end of the period due to non-performance by the drawer**

☐Applicable ☒Not applicable

**5. Disclosure by bad debt accrual method**

☐Applicable ☒Not applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not applicable

Provision for bad debts is made on a portfolio basis:

☐Applicable ☒Not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure of other receivables as follows:

☐Applicable ☒Not applicable

**6. Provision for bad debts**

☐Applicable ☒Not applicable

**7. Actual write-off of notes receivable during the period**

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

**(V) Accounts receivable****1. Disclosure by age**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing book balance	Opening book balance
Within 1 year		
Of which: within 1 year subdivision		
Within 1 year	1,627,236,205.75	1,575,630,527.09
Subtotal within 1 year	1,627,236,205.75	1,575,630,527.09
1 to 2 years	90,040,790.52	106,800,207.53
2 to 3 years	69,764,471.11	28,387,855.53
More than 3 years	268,643,793.08	272,300,158.18
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	2,055,685,260.46	1,983,118,748.33

**2. Disclosure by bad debt accrual method**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Accrual ratio Example (%)		Amount	Proportion (%)	Amount	Accrual ratio Example (%)	
Accrual by individual items Provision for bad debts	129,175,222.14	6.28	103,153,511.72	79.86	26,021,710.42	81,181,843.49	4.09	81,181,843.49	100.00	
Among them:										
Accrual by individual	129,175,222.14	6.28	103,153,511.72	79.86	26,021,710.42	81,181,843.49	4.09	81,181,843.49	100.00	

Provision for bad debts is made on an individual basis:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Accrual ratio (%)	Reason for accrual
Zhejiang Dongyue Chemical Co.	23,599,522.55	23,599,522.55	100.00	Not expected to be recovered
Xinjiang Donghan Technology Development Co.	20,370,000.78	20,370,000.78	100.00	Not expected to be recovered
Xinjiang Yongji Trading Co.	16,957,381.92	16,957,381.92	100.00	Not expected to be recovered
Shanghai Jintong Trading Co.	4,780,000.00	4,780,000.00	100.00	Not expected to be recovered
Hebei Chenyang Industry and Trade Group Co.	3,402,370.00	3,402,370.00	100.00	Not expected to be recovered
Wuchuan Nanlun Trading Co.	1,546,977.30	1,546,977.30	100.00	Not expected to be

Notes to the provision for bad debts by individual items:

☐ Applicable ☒ Not applicable

Provision for bad debts is made on a portfolio basis:

☒ Applicable ☐ Not applicable

Portfolio accrual items: Accounts receivable portfolio 1

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts Receivable	Provision for bad debts	Accrual ratio (%)
Accounts receivable	1,026,510,028.22	255,662,872.12	19.46

Recognition criteria and description of bad debts by portfolio:

☐ Applicable ☒ Not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure of other receivables as follows:

☐ Applicable ☒ Not applicable

### 3. Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or	Transfer or	Other	

Of which the amount of provision for bad debts recovered or reversed during the period is significant:

☐Applicable ☒Not applicable

#### 4. Actual write-off of accounts receivable during the period

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Write-off amount
--	------------------

Of which significant write-offs of accounts receivable

Unit: Yuan Currency: RMB

Unit Name	Nature of accounts receivable	Write-off amount	Reason for write-off	Underwriting procedures performed	Whether the amount is paid by the associated delivery Easy to produce
Zhejiang Dongyue	Payment for	4,050,000.00	The amount is recognized as	Board	No

Accounts Receivable Write-off Notes:

☐Applicable ☒Not applicable

#### 5. The top five accounts receivable with closing balances grouped by party in arrears

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Unit Name	Closing balance	As a percentage of the closing balance of accounts receivable Proportion of the total number (%)	Provision for bad debts Closing balance
China Salt Kunshan Co.	82,952,034.63	4.04	4,147,601.73
Shanghai Hualin Industrial Gases	52,751,196.92	2.57	2,637,559.85

#### 6. Derecognition of receivables due to transfer of financial assets

☐Applicable ☒Not applicable

#### 7. Transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable



**(vi) Receivables financing**

√Applicable □ Not applicable

**1. Receivables financing**

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Notes receivable	1,752,114,845.63	3,392,623,821.76
Accounts Receivable		

Changes in receivables financing and changes in fair value during the period:

□Applicable √Not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure of other receivables as follows:

□Applicable √Not applicable

Other notes:

√Applicable □ Not applicable

**2. Presentation of**

Unit: Yuan Currency: RMB

Projects	Closing balance	Prior year-end balance
Bank Acceptance	1,752,114,845.63	3,392,623,821.76
Commercial acceptances		
Total	1,752,114,845.63	3,392,623,821.76

**3. Notes receivable pledged by the Company at the end of the period**

Unit: Yuan Currency: RMB

Projects	Pledged amount at the end of the period
Bank Acceptance	92,766,557.48

**4. Notes receivable endorsed or discounted by the Company and not yet due at the balance sheet date at the end of the period**

Unit: Yuan Currency: RMB

Projects	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank Acceptance	3,534,339,052.50	92,766,557.48
Commercial acceptances		

**(VII) Prepayments****1. Prepayments are shown by ageing**✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	587,495,064.11	98.23	586,808,046.20	97.61

**2. Top five prepayments with ending balances grouped by prepaid objects**✓Applicable ☐Not applicable

Unit Name	Closing balance	As a percentage of the closing balance of prepayments Proportion of the total number (%)
State Energy Sales Group East China Energy Co.	101,976,188.84	17.05
State Grid Shanghai Electric Power Company	70,495,069.56	11.79
Zhangjiagang Huachang New Material Technology Co.	53,900,237.98	9.01

Other notes

☐Applicable ✓Not applicable**(H) Other receivables 1.**✓Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Interest receivable		
Dividend receivable	12,916,000.00	30,263,328.95
Other receivables	122,414,248.63	49,773,536.63

Other notes:

☐Applicable ✓Not applicable**2. Interest receivable****(1) Classification of interest receivable**☐Applicable ✓Not applicable**(2) Important late interest**☐Applicable ✓Not applicable

**(3) Provision for bad debts**

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**3. Dividends receivable**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Project (or investee unit)	Closing balance	Opening balance
Shanghai Runhong Industrial Co.	576,000.00	576,000.00
Edoko China Ltd.		19,127,100.00
Shanghai International Paint Co.		10,560,228.95
Shanghai Coking Chemical Development Corporation	2,340,000.00	
Shanghai Global Molecular Sieve Co.	40,000,000.00	

**(1) Significant dividends receivable aged over 1 year**

☐Applicable ☒Not applicable

**(2) Provision for bad debts**

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**4. Other receivables****(1) Disclosure by age**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing book balance	Opening book balance
Within 1 year		
Of which: within 1 year subdivision		
Within 1 year	125,271,178.12	56,556,779.23
Subtotal within 1 year	125,271,178.12	56,556,779.23
1 to 2 years	20,642,495.16	11,717,937.52
2 to 3 years	8,062,725.03	5,561,848.23
More than 3 years	169,536,506.23	176,839,942.31
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	323,512,904.54	250,676,507.29

## (2) Disclosure by bad debt accrual method

Unit: Yuan Currency: RMB

Category	Closing balance					Prior year-end balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Accrual rate (%)		Amount	Proportion (%)	Amount	Accrual ratio Cases (%)	
Accrual by individual items Provision for bad debts	95,480,237.72	29.51	95,480,237.72	100.00		95,480,237.72	38.09	95,480,237.72	100.00	

Provision for bad debts is made on an individual basis:

Unit: Yuan Currency: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Accrual rate (%)	Reason for accrual
Shanghai Qianli Industry (Group) Co.	25,200,000.00	25,200,000.00	100.00	Not expected to be recovered
Delian Metal Resources Group Limited	14,200,000.00	14,200,000.00	100.00	Not expected to be recovered
Shanghai Tianvuan Resources	21,880,237.72	21,880,237.72	100.00	Not expected

Provision for bad debts is made on a portfolio basis: Portfolio

Unit: Yuan Currency: RMB

provision items: Name	Closing balance		
	Other receivables	Provision for bad debts	Accrual ratio (%)

### (3) Provision for bad debts

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (unissued) (e.g., credit impairment)	Expected credit losses for the entire life (incurred) (credit impairment)	
Balance as of January 1, 2022	49,425,870.12		151,477,100.54	200,902,970.66
January 1, 2022 balance in this Period	49,425,870.12		151,477,100.54	200,902,970.66
--Transfer to Phase II				
--Turning to the third stage				
--Turn back to the second stage				

A description of significant changes in the carrying amount of other receivables for which changes in the allowance for losses occurred during the period:

☐Applicable ☒Not applicable

The amount of provision for bad debts for the period and the basis used to assess whether there is a significant increase in the credit risk of the financial instruments:

☐Applicable ☒Not applicable

**(4) Provision for bad debts**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or	Transfer or	Other	

Of which the amount of provision for bad debts reversed or recovered during the period is significant:

□Applicable √Not applicable

**(5) Actual write-off of other receivables during the period**

Unit: Yuan Currency: RMB

Projects	Write-off amount
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Of the significant other receivables written off:

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Unit Name	Other receivables Characteristic	Write-off amount	Reason for write-off	Underwriting procedures performed Preface	Are the amounts paid by the associated Transaction Generation
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Other receivables write-off notes:

□Applicable √Not applicable

**(6) Breakdown by nature of payments**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing book balance	Opening book balance
Payment for land acquisition and storage	43,493,000.00	43,493,000.00
Current payments	151,116,889.55	138,667,126.90
Deposits and security deposits	12,145,756.66	10,478,275.99
Reserves	3,863,932.85	2,812,785.13
Export Tax Refund	95,881,078.47	41,064,740.30
Other	17,012,247.04	11,160,570.07

**(7) Top five other receivables with closing balances, grouped by party in arrears**

✓Applicable □ Not applicable

Unit: Yuan Currency: RMB

Unit Name	Nature of the payment	Closing balance	Age of accounts	As a percentage of the total ending balance of other receivables Proportion of number (%)	Closing balance of provision for bad debts
Zhabei District Land Development Center	Payment for land acquisition and storage	25,737,800.00	More than 3 years	7.96	25,737,800.00
Shanghai Qianli Industry (Group)	Current	25,200,000.00	More	7.79	25,200,000.00

**(8) Receivables involving government grants**

□Applicable ✓Not applicable

**(9) Other receivables derecognized due to transfer of financial assets**

□Applicable ✓Not applicable

**(10) Transfer of other receivables and continued involvement in the amount of assets and liabilities formed**

□Applicable ✓Not applicable

Other notes:

□Applicable ✓Not applicable

**(ix) Buy-back financial assets**

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Prior year-end balance
Securities	500,000,000.00	800,000,000.00
Accrued interest	449,178.06	585,322.92
Less: Provision for losses		

Buy-sell credit risk and expected credit loss profile

Unit: Yuan Currency:

Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit incurred) Impairment)	Expected credit losses for the entire duration (issued (e.g., credit impairment)	
Book balance	500,449,178.06			500,449,178.06



**(X) Inventory****1、 Inventory classification**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/contracts Provision for impairment of performance costs	Carrying value	Book balance	Provision for decline in value of inventories/contracts Provision for impairment of performance costs	Carrying value
Raw Materials	1,970,720,532.32	151,189,461.20	1,819,531,071.12	1,749,038,546.70	130,953,775.73	1,618,084,770.97
Material in transit				1,016,714.07		1,016,714.07
Turnaround materials	13,640,821.93	451,976.30	13,188,845.63	12,334,462.82	451,976.30	11,882,486.52
Commissioned materials	88,466.26		88,466.26	16,660.27		16,660.27
In the product	156,295,096.60	826,657.42	155,468,439.18	151,736,907.49	830,658.88	150,906,248.61

## 2. Provision for decline in value of inventories and provision for impairment of contract performance costs

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Opening balance	Increase in the current period		Decrease for the period		Closing balance
		Accr ual	Othe r	Reversal or write-back	Othe r	
Raw Materials	130,953,775.73	52,981,935.60		32,746,250.13		151,189,461.20
Turnaround materials	451,976.30					451,976.30
In the product	830,658.88			4,001.46		826,657.42
Stock items	132,996,403.84	117,838,084.88		113,321,913.67		137,512,575.05
Contract	5,050,000.00					5,050,000.00

## 3. Description of the ending balance of inventories containing the amount of capitalized borrowing costs

☐ Applicable ☒ Not applicable

## 4. Description of the amount of amortization of contract performance costs for the period

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

### (xi) Contract assets

#### 1、Contract assets

☐ Applicable ☒ Not applicable

#### 2. The amount of and reasons for significant changes in the book value during the reporting period

☐ Applicable ☒ Not applicable

#### 3. Provision for impairment of contract assets during the period

☐ Applicable ☒ Not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure of other receivables as follows:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

### (XII) Assets held for sale

☐ Applicable ☒ Not applicable

### (XIII) Non-current assets due within one year

☐Applicable ☒Not applicable

Significant debt investments and other debt investments at the end of the period:

☐Applicable ☒Not applicable

**(XIV) Other****current assets**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Closing balance	Opening balance
Contract acquisition costs		
Cost of returned goods receivable		
Retained VAT credits and other prepaid taxes	412,433,083.19	541,679,066.37
Entrusted Loan	30,000,000.00	30,000,000.00
Interest receivable	39,054,049.52	7,073,741.89
Other	318,272.15	616,860.12

**(xv) the issuance of loans and advances**

Unit: Yuan Currency: RMB

<b>1. Distribution of loans and advances by measurement</b>	Closing balance	Prior year-end balance
(1) Measured at amortized cost		
Business loans and advances	3,928,468,781.85	5,772,179,867.62
-Loans	3,443,995,666.99	5,433,809,149.80
-Discount	484,473,114.86	338,370,717.82
-Other		
Total loans and advances measured at amortized cost	3,928,468,781.85	5,772,179,867.62
Less: Allowance for loan losses	103,789,323.57	150,972,862.98
Of which: single accrual number		
Portfolio accruals	103,789,323.57	150,972,862.98
Carrying value of loans and advances measured at amortized cost	3,824,679,458.28	5,621,207,004.64
(2) Measured at fair value and recognized in other comprehensive income		
Business loans and advances		
-Loans		
-Discount		
-Other		
Loans measured at fair value through other comprehensive income and Total advances		
Less: Allowance for loan losses		
Of which: single accrual number		
Portfolio accruals		
Loans measured at fair value through other comprehensive income and Carrying value of advances		
(3) Measured at fair value through profit or loss		
Business loans and advances		
-Loans		
-Discount		
-Other		
Loans and advances at fair value through profit or loss		

**2. Distribution of loans and advances by individuals and enterprises**

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Prior year-end balance
Business loans and advances		
-Loans	3,443,995,666.99	5,433,809,149.80
-Discount	484,473,114.86	338,370,717.82
-Other		

**3. Distribution of loans issued by industry**

Unit: Yuan Currency: RMB

Industry Distributi on	Closing balance	Proportion (%)	Prior year-end balance	Proportion (%)
Manufacturing	2,651,451,750.50	67.50	4,104,510,689.12	71.11
Wholesale and retail trade	32,758,784.53	0.83		
Electricity, heat, gas and water production and supply industry	1,219,331,199.77	31.04	1,596,730,129.67	27.66
Scientific research and technical	24,927,047.05	0.63	70,225,000.00	1.22

**4. Distribution of loans and advances by region**

Unit: Yuan Currency: RMB

Regional Distribution	Closing balance	Proportion (%)	Prior year-end balance	Proportion (%)
East China	1,976,697,809.75	50.32	2,896,778,270.62	50.19
Northwest China	9,949,696.12	0.25		
South China	1,873,059,578.24	47.68	2,783,401,597.00	48.22
North China	68,761,697.74	1.75	92,000,000.00	1.59

**5. Distribution of loans and advances by guarantee**

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Prior year-end balance
Credit Loans	1,489,338,106.32	3,362,268,949.22
Guaranteed Loans	1,954,657,560.67	1,359,850,200.58
Loans with collateral		711,690,000.00
Of which: mortgage loans		
Pledge Loans		711,690,000.00
Bill Discounting	484,473,114.86	338,370,717.82
Other		

**6. No overdue loans at the end of the period**

## 7. Allowance for loan losses

## (1) Analysis of the allowance

Unit: Yuan Currency: RMB

for loan losses by Projects measurement	Closing balance			Prior year- end balance		
	Single item	Combination	Total	Single item	Combination	Total
Losses on loans and advances granted measured at amortized cost		103,789,323.57	103,789,323.57		150,972,862.98	150,972,862.98
Loss of preparation						
Loans issued at						

## (2) Changes in allowance for loan losses

Unit: Yuan Currency: RMB

Proj ects	Amount for the period			Amount of previous period		
	Single item	Combination	Total	Singl e item	Combination	Total
Prior year-end balance		150,972,862.98	150,972,862.98		113,993,287.84	113,993,287.84
Balance at the beginning of the year		150,972,862.98	150,972,862.98		113,993,287.84	113,993,287.84
Current accrual		-47,183,539.41	-47,183,539.41		36,979,575.14	36,979,575.14
Current transfer out						
Current write-offs						
Current period carried back:						
-- Recovery of original						

## Credit risk and expected credit losses on loans and advances

Unit: Yuan Currency: RMB

Proje cts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (not incurred) credit impairment)	Expected credit losses for the entire life (incurred) credit impairment)	
Book balance	3 028 468 781 85			3 028 468 781 85

## Statement of changes in allowance for expected credit losses on loans and advances

Unit: Yuan Currency: RMB

Provision for losses	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (unissued) (e.g., credit impairment)	Expected credit losses for the entire life (incurred) credit impairment)	
Prior year-end balance	150 972 862 98			150 972 862 98

--Turning to the third stage				
--Turn back to the second stage				
--Turn back to the first stage				
Current accrual	-47,183,539.41			-47,183,539.41
Current period reversal				
Current period reversal				
Current write-offs				
Other changes				
Closing balance	103,789,323.57			103,789,323.57

## 8. The five levels of loan classification and the provision for loan losses

Unit: Yuan Currency: RMB

Five levels of classification	2022/12/31				2021/12/31			
	Amount of loans and advances	Percentage of total (%)	Allowance for loan losses ratio (%)	Amount of allowance for loan losses	Amount of loans and advances	Percentage of total (%)	Allowance for loan losses ratio (%)	Amount of allowance for loan losses
Normal	3,928,468,781.85	100.00	2.64	103,789,323.57	5,772,179,867.62	100.00	2.62	150,972,862.98
Focus								

### (XVI) Debt investments

#### 1. Debt investment

☐Applicable ☒Not applicable

#### 2. Significant debt investments at the end of the period

☐Applicable ☒Not applicable

#### 3. Provision for impairment

☐Applicable ☒Not applicable

The amount of provision for impairment for the period and the basis used to assess whether there is a significant increase in the credit risk of the financial instrument

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

### (XVII) Other debt investments

#### 1. Other debt investments

☐Applicable ☒Not applicable

**2. Significant other debt investments at the end of the period**

☐Applicable ☒Not applicable



**3. Provision for impairment**

☐Applicable ☒Not applicable

The amount of provision for impairment for the period and the basis used to assess whether there is a significant increase in the credit risk of the financial instrument

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**(xviii) Long-term receivables****1. Long-term receivables**

☐Applicable ☒Not applicable

**2. Provision for bad debts**

☐Applicable ☒Not applicable

The amount of the provision for bad debts for the period and the basis used to assess whether the credit risk of the financial instruments has increased significantly

☐Applicable ☒Not applicable

**3. Long-term receivables derecognized due to transfer of financial assets**

☐Applicable ☒Not applicable

**4. Transfer of long-term receivables and continued involvement in the amount of assets and liabilities formed**

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

**(XIX) Long-term equity investments**

√Applicable □ Not applicable

Unit: Yuan Currency:

Investee Units	Ope ning bala nce	Change in the period								RMB	Clos ing bala nce	Closin g balanc e of provisi on for impair ment
		Additional investment	Red uce inve stm ent	Gains or losses recognized on investments under the equity method	Adjustm ents to other compreh ensive income	Other changes in equity	Declaration of cash dividends or profits	Prov ision for imp airm ent Prepa ration	Other			
I. Joint ventures												
Shanghai Troy Chemicals Co. Division	2,649,850.17			328,897.53						2,978,747.70		
Shanghai Hualin Industrial Gases Co. Division	310,637,278.52			119,525,600.21			106,546,284.35			323,616,594.38		
Shanghai Shuangqian Tire Sales (Jordan) Ltd.	8,373,937.65			-3,572,724.20	1,754,951.44					6,556,164.89		
Subtotal	321,661,066.34			116,281,773.54	1,754,951.44		106,546,284.35			333,151,506.97		
II. Affiliates												
Shanghai Huayi Group Financial Leasing has Limited company	526,193,162.10			18,184,225.03			6,665,470.00			537,711,917.13		
Huayi Tianyuan Chemical Logistics Co. Division	185,109,747.41	12,396,175.69		8,240,629.46			4,503,414.00			201,243,138.56		
BASF (Shanghai) Coatings Co. Company	661,843,009.80			93,948,330.41			31,679,999.20			724,111,341.01		
Shanghai International Paint Co.	65,356,472.92			9,715,846.49						75,072,319.41		
Shanghai Runhong Industrial Co.	6,793,367.14			-1,341,879.08						5,451,488.06		

Shanghai Coking Chemical Development Corporation	14,734,296.93			-88,014.69			2,340,000.00			12,306,282.24	
Linde CO2 (Wuhu) has Limited company											
Shanghai Jingxing Chemical Co.	27,154,793.00			327,455.31			314,574.70			27,167,673.61	
Shanghai Shenxing Chemical Co.	74,001,071.91			17,476,844.52			16,113,884.30			75,364,032.13	
Fumisil (Shanghai) Agricultural Technology Ltd.	116,088,326.26			59,775,169.89			3,141,349.60			172,722,146.55	
Shanghai Yashang Huayi Equity Investment Management Management Co.	1,174,949.46			-928,573.70						246,375.76	
Shanghai Xuyihui Culture Development Co. Company	30,071,217.70			-5,665,625.90						24,405,591.80	
Huachang Polymer, East China University of Science and Technology Ltd.	107,203,644.13			4,335,139.86						111,538,783.99	
Linde Gas (Guangxi) Co. Division	195,108,585.43			33,498,922.09		-1,242,243.04				227,365,264.48	
Veolia Environmental Technologies (Qinzhou) Ltd.	39,333,566.59			-20,650,271.02						18,683,295.57	
Guangxi Tianyi Environmental Technology Co. Division	137,501,505.70			12,029,710.32						149,531,216.02	
VUPO (Qinzhou) Terminal Co. Division	156,166,155.58			29,269,027.75			13,569,500.00			171,865,683.33	
Dalian New Sunshine Material Technology Co. Company	50,880,266.47			-79,036.65		383,817.10				51,185,046.92	
Jiaxing Zhijun Junyi Phase III Investment	32,445,022.47			-16,360.48						32,428,661.99	

Cooperation Partnership (Limited Partnership)										
Guangxi Hualin Terminal Co.	64,327,355.92			2,528,713.64					66,856,069.56	
Shanghai Minhang Huayi Microfinance Unit Share Ltd.	46,396,643.45			1,679,655.03			836,000.00		47,240,298.48	
Guilin Rubber Design Institute Co.		123,018,000.00		6,280,341.32		258,811.22			129,557,152.54	
Shanghai Global Molecular Sieve Co.		126,807,663.05		2,084,254.25			4,000,000.00		124,891,917.30	
Shanghai Dawei Li Footwear Co.	936,064.71							-936,064.71		
Guangxi Free Trade Zone Huachin Smart Park Technology Technology Research Institute Ltd.		1,750,000.00		-134,648.08					1,615,351.92	
Zhejiang Huahong New Material Co.	541,059,947.19	3,500.00		-63,998,682.64		8,941.86			477,073,706.41	
Guangxi Hongyi New Material Co.	44,700,000.00							-44,700,000.00		
Edoko China Ltd.	221,269,156.24			16,330,536.62			8,357,520.00		229,242,172.86	
Shanghai Jinfeng Oil & Chemical Industry Co.	1,381,502.98			260,024.59			336,496.86		1,305,030.71	

Division											
Shanghai Shenma Curtain Fabric Co. Company (Note)											
Subtotal	4,110,380,053.77	263,975,338.74		264,198,265.98		1,881,272.85	194,537,875.08		-45,636,064.71	4,400,260,991.55	
Total	4,432,041,120.11	263,975,338.74		380,480,039.52	1,754,951.44	1,881,272.85	301,084,159.43		-45,636,064.71	4,733,412,498.52	

## Other notes

Note: Excess losses have been incurred

**(xx) Investments in other equity instruments****1. Investments in other equity instruments**

☐Applicable ☒Not applicable

**2. Investments in non-trading equity instruments**

☐Applicable ☒Not applicable

## Other notes:

☐Applicable ☒Not applicable

**(xxi) Other non-current financial assets**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
Financial assets at fair value through profit or loss	744,077,373.15	886,768,617.52
Of which: Investments in equity instruments	526,964,339.89	552,420,795.98
Fund Investment	217,113,033.26	334,347,821.54

Other notes:

□Applicable √Not applicable

**(xxii) Investment****properties** Investment

property measurement

model

**1. Investment properties using the cost measurement model**

Unit: Yuan Currency: RMB

Proj ects	Houses, buildings	Land use rights	Total
<b>I. Original book value</b>			
1. Opening balance	451,174,700.99	38,042,708.93	489,217,409.92
2. Increase in the current period			
(1) Outsourcing			
(2) Transfer of inventories, fixed assets and construction in progress			
(3) Increase in business combinations			
3. Decrease in the current period	31,083,110.47		31,083,110.47
(1) Disposal	515,000.00		515,000.00
(2) Other transfers out			
(3) Transfer to fixed assets	30,568,110.47		30,568,110.47
4. Closing balance	420,091,590.52	38,042,708.93	458,134,299.45
<b>II. Accumulated depreciation and accumulated amortization</b>			
1. Opening balance	224,077,475.60	11,725,839.84	235,803,315.44
2. Increase in the current period	12,841,520.49	750,021.65	13,591,542.14
(1) Accrual or amortization	12,841,520.49	750,021.65	13,591,542.14
3. Decrease in the current period	15,535,700.69		15,535,700.69
(1) Disposal	299,283.50		299,283.50
(2) Other transfers out			
(3) Transfer to fixed assets	15,236,417.19		15,236,417.19
4. Closing balance	221,383,295.40	12,475,861.49	233,859,156.89
<b>III. Provision for impairment</b>			
1. Opening balance			
2. Increase in the current period			
(1) Accrual			
3. Decrease in the current period			
(1) Disposal			
(2) Other transfers out			
4. Closing balance			
<b>IV. Book value</b>			
1. Closing book value	198,708,295.12	25,566,847.44	224,275,142.56

**2. Investment properties without proper title certificates**

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

**(xxiii) Fixed assets 1.**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Fixed Assets	10,714,896,025.90	10,973,135,321.91
Fixed Assets Liquidation		

Other notes:

☐Applicable ☒Not applicable

## 2、Fixed assets

### (1) Fixed Assets

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Houses and Buildings	Specialized equipment	Transportatio n	General Purpose Equipment	Othe r	Total
I. Original book value:						
1. Opening balance	7,590,336,963.05	16,127,531,770.10	77,612,498.76	2,038,019,981.26	724,733,168.52	26,558,234,381.69
2. Increase in the current period	139,774,393.99	506,112,489.60	1,928,196.00	309,407,044.74	74,580,068.67	1,031,802,193.00
(1) Acquisition	10,180,160.13	127,436,816.25	1,876,091.15	31,697,345.69	31,210,300.93	202,400,714.15
(2) Transfer to construction in progress	75,887,022.47	375,918,453.50		220,558,721.79	43,369,767.74	715,733,965.50
(3) Increase in business combinations						
(4) Translation differences on foreign currency statements	23,139,100.92	2,757,219.85	52,104.85	57,150,977.26		83,099,402.88
(5) Transfer to investment properties	30,568,110.47					30,568,110.47
3. Decrease in the current period	371,104.72	48,228,704.25	2,266,380.73	3,384,570.55	15,700,370.59	69,951,130.84
(1) Disposal or scrapping	371,104.72	48,228,704.25	2,266,380.73	3,384,570.55	15,700,370.59	69,951,130.84
4. Closing balance	7,729,740,252.32	16,585,415,555.45	77,274,314.03	2,344,042,455.45	783,612,866.60	27,520,085,443.85
II. Accumulated depreciation						
1. Opening balance	3,085,829,946.80	10,516,705,873.17	61,090,480.91	888,341,872.53	559,963,829.48	15,111,932,002.89
2. Increase in the current period	292,151,253.56	749,554,837.77	2,667,682.14	193,564,838.17	42,189,455.03	1,280,128,066.67
(1) Accrual	272,480,933.90	747,431,520.85	2,623,552.72	171,754,703.21	42,189,455.03	1,236,480,165.71
(2) Translation differences on foreign currency statements	4,433,902.47	2,123,316.92	44,129.42	21,810,134.96		28,411,483.77
(3) Transfer to investment	15,236,417.19					15,236,417.19



(1) Disposal or scrapping		3,233,968.47	68,439.69	17,675.00	174,436.52	3,494,519.68
4. Closing balance	43,399,687.27	412,677,554.59	517,704.82	9,026,944.53	6,933,852.15	472,555,743.36
IV. Book value						
1. Closing book value	4,308,710,923.31	4,945,448,098.41	15,091,922.78	1,256,255,056.90	189,390,024.50	10,714,896,025.90
2. Opening book value	4,461,369,406.79	5,197,526,232.49	15,935,873.34	1,140,642,758.92	157,661,050.37	10,973,135,321.91

**(2) Temporarily idle fixed assets**

☐Applicable ☒Not applicable

**(3) Fixed assets leased through finance leases**

☐Applicable ☒Not applicable

**(4) Fixed assets leased out through operating leases**

☐Applicable ☒Not applicable

**3、Fixed assets without proper title certificate**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Carrying value	Reasons for not completing the title certificate
Shanghai Yipin Pigment Co., Ltd. House and Building	11,254,746.95	Not yet processed
House and building of Shanghai Trial Four Hervey Chemical Co.	4,923,519.19	Not yet processed
Building building (1100 Kunming Road, Yangpu District, Shanghai)	275,502.56	The right holder of the house is Shanghai Huayi Holding Group Ltd.
Shuangqian Headquarters Plant	324,692.09	No property license issued
Loaded plant	392,448.74	No property license issued

Other notes:

□Applicable √Not applicable

**4、Liquidation of fixed assets**

□Applicable √Not applicable

**(xxiv)****Construction in****progress 1.**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Construction in progress	8,260,464,682.58	2,319,211,816.18
Engineering Materials	627,268,176.53	582,428,614.55

Other notes:

□Applicable √Not applicable

## 2、 Construction in progress

Unit: Yuan Currency: RMB

(1) Construction in progress	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
√Applicable □ Not applicable	8,374,077,685.04	10,642,002.42	8,363,435,682.62	8,320,824,848.64	10,642,002.42	8,310,211,846.22

Not applicable

## (2) Changes in significant construction-in-progress projects during the period

Unit: Yuan Currency: RMB

√Applicable □ Not applicable	Project Name	Budget	Opening balance	Increase in the current period	Amount transferred to fixed assets during the period	Other decrease during the period Amount	Closing balance	Cumulative investment in the project as a percentage of the budget (%)	Project Progress	Accumulated amount of interest capitalized	Of which: Amount of interest capitalized in the period	Current interest capitalization rate (%)	Funding Sources
	11131A1802 Shanghai Chemical Industry Zone 2000 tons /New Energy Anode Material Project (Phase I) (Cheng)	18,168.00 million yuan	95,236,771.66	18,715,666.55	113,952,438.21			62.72	100.00%				Self-financing
	Guangxi Huayi Qinzhou Chemical New Material Integration Base Projects	1,295,187.27 million yuan	1,655,936,468.84	6,105,876,049.07			7,761,812,517.91	71.31	99.50%	224,884,959.09	188,361,971.13	3.64	Owned capital Funds, loans
	11131A2001 1200 tons / year catalyst project	8,999.00 million	54,782,357.68	4,882,657.63	59,665,015.31			66.30	100.00%				Self-

**3. Provision for impairment of construction in progress during the period**

□Applicable ✓Not applicable

Other notes

□Applicable ✓Not applicable

**4. Engineering materials****(1) Engineering materials**

✓Applicable □ Not applicable

Unit: Yuan Currency: RMB

Project s	Closing balance			Opening balance		
	Book balance	Provision for impairme nt	Carrying value	Book balance	Provision for impairme nt	Carrying value

**(xxv) Productive biological assets****1. Productive biological assets using the cost measurement model**

□Applicable ✓Not applicable

**2. Production biological assets using the fair value measurement model**

□Applicable ✓Not applicable

Other notes

□Applicable ✓Not applicable

**(xxvi) Oil and gas assets**

□Applicable ✓Not applicable

**(xxvii) Right-to-use assets**

✓Applicable □ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Houses and Buildings	Specialized equipment	Total
I. Original book value			
1. Opening balance	291,111,279.22	69,595,848.26	360,707,127.48
2. Increase in the current period	96,211,273.96	119,711.27	96,330,985.23
(1) New lease	96,211,273.96	119,711.27	96,330,985.23
3. Decrease in the current period	39,173,785.87		39,173,785.87
(1) Disposal or scrapping	39,173,785.87		39,173,785.87
4. Closing balance	348,148,767.31	69,715,559.53	417,864,326.84
II. Accumulated depreciation			
1. Opening balance	44,154,839.51	17,635,925.18	61,790,764.69
2. Increase in the current	58,057,039.68	17,755,636.11	76,712,676.00

(1) Disposal	22,538,403.60		22,538,403.60
4. Closing balance	80,573,475.59	35,391,561.59	115,965,037.18
III. Provision for impairment			
1. Opening balance			
2. Increase in the current period			
(1) Accrual			
3. Decrease in the current period			
(1) Disposal			
4. Closing balance			
IV. Book value			
1. Closing book value	267,575,291.72	34,323,997.94	301,899,289.66
2. Opening book value	246,956,439.71	51,959,923.08	298,916,362.79

**(XXVIII)**  
**Intangible**  
**assets 1.**

√Applicable    □Not applicable

Unit: Yuan    Currency: RMB

Proj ects	Land use rights	Patents	Non-patented technology	Softwa re	Trademark usage rights	Total
I. Original book value						
1. Opening balance	2,108,583,736.09	58,030,888.55	186,135,972.61	117,218,668.41	44,677,897.59	2,514,647,163.25
2. Increase in the current period			6,692.07	6,057,533.64		6,064,225.71
(1) Acquisition			6,692.07	600,834.87		607,526.94
(2) Internal R&D						
(3) Increase in business combinations						
(4) Transfer to construction in progress				5,456,698.77		5,456,698.77
3. Decrease in the current period	19,565.31					19,565.31
(1) Disposal	19,565.31					19,565.31
4. Closing balance	2,108,564,170.78	58,030,888.55	186,142,664.68	123,276,202.05	44,677,897.59	2,520,691,823.65
II. Accumulated amortization						
1. Opening balance	653,356,578.65	43,217,532.40	64,720,147.98	64,093,773.95	44,354,513.17	869,742,546.15
2. Increase in the current period	64,181,344.94	3,238,076.91	13,608,766.06	13,335,968.45	37,238.23	94,401,394.59
(1) Accrual	64,181,344.94	3,238,076.91	13,608,766.06	13,335,968.45	37,238.23	94,401,394.59
3. Decrease in the current period	10,854.21					10,854.21
(1) Disposal	10,854.21					10,854.21
4. Closing balance	717,527,069.38	46,455,609.31	78,328,914.04	77,429,742.40	44,391,751.40	964,133,086.53
III. Provision for impairment						
1. Opening balance		1,338,329.07				1,338,329.07
2. Increase in the current period						
(1) Accrual						

**2. Land use rights without proper title certificate**

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**(xxix) Development expenses**

☐Applicable ☒Not applicable

**(xxx) Goodwill****1. Original book**

value of

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Opening balance	Increase in the current period	Decrease for the period	Closing balance
		Formed by business combinations	Disposal	
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable goodwill				

**2. Provision for impairment of**

Unit: Yuan Currency: RMB

Name of formation of goodwill	Opening balance	Increase in the current period	Decrease for the period	Closing balance
		Accrual	Disposal	
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable goodwill				

**3. Information about the asset group or combination of asset groups in which the goodwill is located**

☐Applicable ☒Not applicable

**4. Description of the goodwill impairment testing process, key parameters (e.g. growth rate over the forecast period, growth rate over the stabilization period, profitability, discount rate, forecast period, etc. for the present value of expected future cash flows, if applicable) and the method of recognition of goodwill impairment loss**

☒Applicable ☐Not applicable

Note: In March 2014, the Company subscribed for 51% equity interest in Shuangqian Group (Xinjiang) Kunlun Tire Company Limited (hereinafter referred to as "Xinkun Tire") at a consideration of \$572,000,000.00. The difference between the cost of the merger and the share of

identifiable net assets acquired in the merger of \$128,065,581.26 was recognized as goodwill. The all-steel radial tire and sliced tire production line of Nissin Kun Tire purchased is the only asset group. The asset group in which the goodwill is located at the end of the year is the same as the asset group identified at the date of purchase when the goodwill was formed. The Company determines the recoverable amount of an asset group based on the present value of the estimated future cash flows of the asset group. The projected future cash flows based on the financial budget approved by management for the above asset group for a five-year period are based on an annualized growth rate of operating income of 3.9% for the next five years. The perpetual cash flows beyond five years are determined based on the level of the last year of the detailed forecast period, taking into account industry trends and other factors. The forecasted perpetual growth rate is 2%. The discount rate used to calculate the present value is 12.11%, which is a pre-tax discount rate reflecting the risks specific to the relevant asset group. After testing, the Company's goodwill was impaired by \$65,518,600.00 as of December 31, 2022.



**5. Impact of goodwill impairment test**

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

**(xxxi) Long-term amortization expense**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Opening balance	Increase in the current period	Amortization amount for the period	Other decrease amount	Closing balance
Mold	64,709,295.17	16,899,218.77	21,569,055.18	4,457,896.74	55,581,562.02
Land lease fee	1,440,000.00		360,000.00		1,080,000.00
Decoration fee	48,844,982.79	11,810,091.24	18,326,091.55		42,328,982.48
Catalyst	38,831,678.52	32,519,732.44	29,618,615.38		41,732,795.58

Other notes:

Other decreases Note: Sale of molds

**(xxxii) Deferred income tax  
assets/deferred income tax  
liabilities 1. Deferred income tax  
assets without offsetting**

☐Applicable ☒Not applicable

**2. Deferred income tax liabilities without offsetting**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance		Opening balance	
	Taxable temporary Differences	Deferred income tax Liabilities	Taxable temporary Differences	Deferred income tax Liabilities
Changes in fair value of other debt investments				
Changes in fair value of investments in other equity instruments				
Valuation increment of assets in	32 975 872 43	5 252 224 60	34 675 290 31	5 555 328 35

**3. Deferred income tax assets or liabilities presented as net of offsetting**

☐Applicable ☒Not applicable

**4. Details of unrecognized deferred income tax assets**

☐Applicable ☒Not applicable

**5. The deductible losses on unrecognized deferred income tax assets will expire as follows**

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable**(xxxiii) Other non-****current assets**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Closing balance			Opening balance		
	Book balance	Impairment Preparation	Carrying value	Book balance	Impairment Preparation	Carrying value
Contract acquisition costs						

**(xxxiv) Short-term loans 1.**☒Applicable ☐

Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Pledged loans	92,766,557.48	185,753,153.12
Collateralized Borrowing	518,834,089.11	258,835,501.42
Guaranteed Borrowing	5,005,625.00	54,237,323.31
Credit Borrowing	1,758,055,297.13	900,438,708.90
Entrusted Borrowing	13,800,000.00	15,000,000.00

**2. Short-term loans that were overdue**☐Applicable ☒Not applicable

Of these, significant overdue short-term borrowings are as follows:

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable**(35) Financial liabilities held for trading**☐Applicable ☒Not applicable**(xxxvi) Derivative financial liabilities**☐Applicable ☒Not applicable

**(37) Notes****Payable 1.**✓Applicable ☐

Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Bank Acceptance	894,168,241.67	1,138,373,149.07
Commercial acceptances	47,643,127.60	5,000,000.00

**(38) Accounts****Payable 1.**✓Applicable ☐

Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Accounts Payable	4,760,669,421.75	3,822,501,674.78

**2. Significant accounts payable****aged over 1 year**✓Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Reasons for non-reimbursement or carry-forward
Unilever	24,045,987.52	Yearly correspondence
Shanghai Huayi Environmental Protection Technology Co.	7,241,514.30	The final payment of the project is not settled
Zhongji Jianqian Group Co.	6,701,588.78	The final payment of the project is not

Other notes

☐Applicable ✓/Not applicable**(XXXIX) Receipts in advance****1. Presentation of accounts receivable in advance**✓Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Prepayments	696,896.60	324,821.57

**2. Significant receipts in advance aged over 1 year**☐Applicable ✓/Not applicable

Other notes

☐Applicable ✓/Not applicable

**(40) Contract liabilities****1. Contract liabilities**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Receivables in advance	842,747,711.44	924,388,342.13

**2. The amount of and reasons for significant changes in the book value during the reporting period**

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

**(XLI) deposit-taking**

Unit: Yuan Currency: RMB

Projects	Closing balance	Balance at the beginning of the year
Demand Deposit	7 323 832 068.10	4 467 487 432.52

**(42) Employee's compensation payable 1.**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
I. Short-term compensation	246,775,508.68	2,193,642,215.39	2,200,263,348.06	240,154,376.01
II. Post-employment benefits - defined contribution accrual Paddle	6,498,240.39	232,867,626.14	233,010,301.57	6,355,564.96
III. Termination benefits	24,051,451.25	10,700,446.02	24,587,240.22	22,164,657.04

**2. Presentation of short-term****remuneration**

Unit: Yuan Currency: RMB

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
I. Wages, bonuses, allowances and supplements sticker	228,920,545.73	1,688,925,386.80	1,702,162,261.30	215,683,671.23
II. Employee benefit costs	430,503.24	81,642,010.93	80,917,492.09	1,155,022.08
III. Social insurance premiums	3,864,186.30	122,662,996.90	118,779,075.97	7,748,107.23
Of which: medical insurance premiums	3,344,476.92	149,135,435.72	109,208,094.35	7,079,954.97

Fee				
VI. Short-term paid absences				
VII. Short-term profit sharing plan				
VIII. Other short-term remuneration	1,566,304.06	144,054,704.81	143,642,448.97	1,978,559.90
Total	246,775,508.68	2,193,642,215.39	2,200,263,348.06	240,154,376.01

### 3. Set up the withdrawal plan presentation

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
1、Basic pension insurance	5,833,585.27	193,962,709.52	194,090,207.89	5,706,086.90
2、Unemployment insurance premiums	664,210.12	6,127,577.80	6,142,309.86	649,478.06

Other notes:

☐Applicable ☒Not applicable

### (43) Taxes and fees payable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Value Added Tax	26,930,698.56	159,817,692.45
Consumption tax	319,698.35	297,097.63
Corporate Income Tax	215,769,535.97	592,997,630.19
Personal Income Tax	25,614,835.09	16,487,915.72
City Maintenance and Construction Tax	1,495,898.24	3,636,366.33
Property Tax	8,111,108.27	7,642,081.08
Education Fee Surcharge	1,346,774.20	3,174,273.60
Land use tax	7,711,545.07	7,821,199.82
Environmental Protection Tax	200,472.94	157,622.74
Stamp duty	12,915,705.64	14,781,864.39
Other	1,772,425.10	244,505.02

### (44) Other payables 1.

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Interest Payable		
Dividends payable	16,253,625.24	5,965,668.99
Other payables	2,750,085,396.45	2,635,456,919.59

Other notes:

☐Applicable ☒Not applicable

**2. Interest payable****(1) Categorical presentation**

☐Applicable ☒Not applicable

**3. Dividends****payable****(1) Category**

Unit: Yuan Currency: RMB

Listing Projects	Closing balance	Opening balance
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		
Dividends on ordinary shares		
Preferred stock classified as equity instruments \		
Dividends on perpetual debt		
Shanghai Heteng High-Tech Co.	8,148,750.00	5,432,500.00
Shanghai Trial 4 Trial China Investment Management Center (Limited Partnership)	7,604,460.57	32,754.32

**4. Other payables****(1) Presentation of other****payables by nature of**

Unit: Yuan Currency: RMB

payment Projects	Closing balance	Opening balance
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		
Other payables	2,750,085,396.45	2,635,456,919.59

**(2) Significant other payables****aged over 1 year**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Closing balance	Reasons for non-reimbursement or carry-forward
Shanghai Huayi Group Financial Leasing Co.	180,000,000.00	Related party transactions
Great Wall Asset Management	15,807,703.00	Historical

Other notes:

☐Applicable ☒Not applicable

**(45) Liabilities held for sale**

☐Applicable ☒Not applicable

**(46) Non-current liabilities  
due within one year**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Closing balance	Opening balance
Long-term loans due within 1 year	440,649,229.26	883,157,446.83
Bonds payable due within 1 year	12,188,050.00	11,157,475.00
Lease liabilities due within 1 year	67,049,262.57	53,746,045.03
Long-term payables due within 1 year		

Other notes:

**1. Long-term loans due  
within one year**

Unit: Yuan Currency: RMB

<b>(1) Long-term loans due within one year</b> Projects	Closing balance	Balance at the beginning of the year
Guaranteed Borrowing	5,100,113.23	682,768,038.63



## (2) The top five long-term loans due within one year in terms of amount

Unit: Yuan

Loan Unit	Borrowing Start Date	Borrowing termination date	Currency	Interest rate (%)	Closing balance		Balance at the beginning of the year	
					Forei gn Curre ncy Amou nt	Amount in local currency	Foreign Currency Amount	Amount in local currency
BangkokBankPublicCompan yLimited	2017/7/27	2022/6/27	USD	Libor/Bibor(3M) +1.90%			USD49,264,238.80	314,094,007.32
BangkokBankPublicCompan yLimited	2017/8/25	2022/6/27	THB	THBFIX(3M)+2%			THB1,281,250,000.00	244,943,412.10
BankofChina(Thai)Public CompanyLimited	2017/7/25	2022/6/30	USD	Libor/Bibor(3M) +1.90%			USD11,203,356.89	71,429,242.52
BankofChina(Thai)Public CompanyLimited	2017/7/24	2022/6/30	THB	Libor/Bibor(3M) +1.90%			THB266,387,687.01	50,926,758.24
Bank of								

**(XLVII) Other  
current liabilities**

Other current

liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Short-term bonds payable		
Returned goods payable		
Taxes to be transferred	181,242,769.95	129,247,433.39

Increase or decrease in short-term bonds payable:

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**(48) Long-term  
borrowings 1.**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Pledged loans		
Collateralized Borrowing	110,789,924.70	49,228,545.77
Guaranteed Borrowing	4,714,251,858.21	511,049,974.55
Credit Borrowing	688,395,174.53	1,852,557,840.20
Entrusted Borrowing		5,400,000.00

Other notes, including interest rate bands:

√Applicable □ Not applicable

## 2. The top five long-term loans

Unit: Yuan

Loan Unit	Borrowing Start Date	Borrowing termination date	Curre ncy	Interest rate (%)	Closing balance		Balance at the beginnin g of the year	
					Foreign Currency Amount	Amount in local currency	Foreign Currency Amount	Amount in local currency
China Exim Bank Shanghai Branch	2020/7/30	2023/7/30	CNY	3.00				400,000,000.00
China Exim Bank Shanghai Branch	2021/3/17	2023/3/16	CNY	2.70				400,000,000.00
China Exim Bank Shanghai Branch	2021/3/17	2023/3/16	CNY	3.40				300,000,000.00
Bank of Communications Co. Branches	2021/6/28	2024/6/21	CNY	3.30		297,500,000.00		299,500,000.00

**(49) Bonds payable 1.**

√Applicable ☐

Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
Huayi Group (Hong Kong) Limited Bonds	2,428,204,356.45	2,218,326,429.49

**2. Changes in bonds payable: (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)**

Unit: Yuan Currency: RMB

√Applicable ☐ Not applicable

Bon d Na me	Face Value	Rele ase Date	Bon d Ter m	Issu e amo unt	Ope ning bala nce	Is su ed in thi s is sue lin	Interest accrued at par value	Amortization of premium and discount	Curr ent reim burs eme nt	Exchange differences	Clos ing bala nce

Other notes:

√Applicable ☐ Not applicable

Note: HUAYI FINANCE I LTD., a subsidiary of the Company, issued a five-year U.S. dollar bond on October 30, 2019, with a par value of \$350 million, bearing interest at a fixed rate of 3.00% per annum, payable semi-annually. The five-year U.S. dollar bonds are due for repayment on October 30, 2024, unless the bonds are repurchased, cancelled or redeemed prior to that date. The effective interest rate on the bonds payable is set at 3.25% per annum.

### 3. Description of the conversion conditions and conversion time of convertible corporate bonds

☐Applicable ☒Not applicable

### 4. Description of other financial instruments classified as financial liabilities

Basic information of other financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not applicable

Statement of changes in financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not applicable

Description of the basis for classifying other financial instruments as financial liabilities:

☐Applicable ☒Not applicable

#### (50) Lease liabilities

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Closing balance	Opening balance
Lease payment amount	401,300,672.10	391,389,485.39
Unrecognized financing costs	-71,577,918.58	-96,628,859.80
Less: Lease liabilities due within	-67,049,262.56	-53,746,045.03

#### (51) Long-term payables 1.

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Long-term payables	45,824,158.17	45,824,158.17
Specialized accounts payable	99,875,529.07	96,967,006.95

Other notes:

☐Applicable ☒Not applicable

### 2. Long-term payables

#### (1) Presentation of long-term payables by nature of payment

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Anhui Chaohu government allocated to the project	24,413,285.36	24,413,285.36
Land acquisition and storage payments	156 / 3559,256,084.19	9,256,084.19
Shanghai Huayi Holding Group Co.	10,266,457.06	10,266,457.06
Shanghai Aikun Trust Investment		

### 3. Specific accounts payable

#### (1) Presentation of special accounts payable by nature of payment

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Opening balance	Increase in the current period	Decrease for the period	Closing balance	Reasons for formation
Military project R&D special section	81,624,349.45	6,090,000.00	3,081,477.88	84,632,871.57	Military Projects
Hazardous chemical special (Note)	14,342,657.50			14,342,657.50	Financial Allocation
Shanghai New					

Other notes:

Note: In the special project for hazardous chemicals, it is mainly due to the approval of "Shanghai Industrial Structure Adjustment Coordination and Promotion Joint Conference Office" and "Shanghai Production Adjustment Office [2012] No. 32" according to the "Shanghai Municipal Special Subsidy for the Adjustment of Hazardous Chemicals Enterprises", the subsidiary Shanghai Zhenhua Paint Factory, the subsidiary Shanghai Paint Research Institute Co. Ltd. are eligible for the subsidy and received special subsidies of RMB20,020,000.00, RMB840,000.00 and RMB5,887,000.00, respectively, with a balance of RMB20,020,000.00 in 2022 after payment of corresponding expenses.

14,342,657.50 for outstanding expenditures.

#### (52) Long-term

#### employee compensation

#### payable

√Applicable □ Not

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
1. Statement of long-term employee compensation payable		
I. Not liability for post-employment benefits - defined benefit plans	209,540,000.00	264,480,000.00
II. Severance benefits	43,970,000.00	52,320,000.00

√Applicable □ Not

applicable

### 2. Changes in defined

#### benefit plans

#### (1) Present value of

Unit: Yuan Currency: RMB

Proj ects	Current Period Incurred	Prior Period Incurrence
I. Opening balance	316,800,000.00	336,850,000.00
II. Defined benefit cost charged to current profit or loss	-44,520,000.00	4,980,000.00
1. Current service cost		1,660,000.00
2. Past service costs 157 / 355	-50,190,000.00	-8,850,000.00
3. Settlement gain (loss indicated by "-")	-3,240,000.00	570,000.00
4. Net interest	8,910,000.00	11,600,000.00
III. Cost of defined benefit included in other comprehensive income	2,880,000.00	-1,620,000.00

**(2) Plan assets:**

☐Applicable ☒Not applicable

**(3) Net defined benefit plan liabilities (net assets)**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Current Period Incurred	Prior Period Incurrence
I. Opening balance	316,800,000.00	336,850,000.00
II. Defined benefit cost charged to current profit or loss	-44,520,000.00	4,980,000.00
III. Cost of defined benefit included in other comprehensive income	2,880,000.00	-1,620,000.00
IV. Other changes	21,650,000.00	22,410,000.00

Description of the content of the defined benefit plan and the risks associated with it, the impact on the company's future cash flows, timing and uncertainty:

☐Applicable ☒Not applicable

Statement of significant actuarial assumptions and sensitivity analysis results for defined benefit plans

☒Applicable ☐ Not applicable

Using the following actuarial assumptions:

Actuarial Assumpti ons	December 31, 2022
Annual discount rate - post-employment benefits	3.00%
Annual discount rate - post-employment benefits	2.50%
Mortality	China Life Insurance Industry Experience Life Table (2010-2013)-Nursing Old category business men's/women's watches
Annual growth rate of supplemental medical benefits	8.00%
Annual growth rate of monthly supplemental pension	8.00%

Description of the results of the sensitivity analysis of major actuarial assumptions

Actuarial Assumpti ons	Impact on the present value of the plan benefit obligation (Unit: RMB yuan)
Post-employment benefits for all categories of personnel	
Discount rate + 1%	-21,300,000.00
Discount rate - 1%	25,800,000.00
Post-employment benefits for all categories of personnel	

Other notes:

☐Applicable ☒Not applicable

**(53) Projected liabilities**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance	Reasons for formation
External guarantees					
Pending Litigation					
Restructuring Obligations					
Loss-making contracts pending execution					
Returned goods payable					
Other					

Other explanations, including explanations of significant assumptions, estimates related to significant projected liabilities: Note: See Note 12, (ii) Contingencies for details

**(54) Deferred****revenue****Deferred**

revenue

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance	Reasons for formation
Governme	541,981,144.91	9,392,100.53	60,926,898.65	490,446,346.79	



Projects involving government grants:

√Applicable □ Not applicable

Unit: Yuan Currency:  
RMB

Liability items	Opening balance	New grants for the period forehead	Included in operating for the period Amount of external income	Included in other income during the period Amount of benefit	Other changes	Closing balance	Asset-related/ Related to revenue
Development of high performance special resin matrix composites for space applications	560,000.00			560,000.00			Asset-related
Project polymer material genome platform construction	210,000.00			120,000.00		90,000.00	Related to revenue
Key to novel structural epoxy resin based on MGI method of material genome Research on preparation technology and its application on spacecraft	267,000.00			160,000.00		107,000.00	Related to revenue
Military project asset procurement	12,829,223.72			1,086,689.51		11,742,534.21	Asset-related
Technical transformation of polyimide molded parts production line	4,550,580.80			657,915.36		3,892,665.44	Asset-related
Liner items	2,768,566.23			400,274.64		2,368,291.59	Asset-related
Standardization revision of special funds	1,160,000.00			95,894.55		1,064,105.45	Related to revenue
Shanghai Changning District Finance Bureau Zero Balance Special Account	950,000.00					950,000.00	Related to revenue
Municipal treasury collection and payment center financial direct payment clearing account	650,000.00					650,000.00	Related to revenue
Shanghai Made Brand Special Fund	5,000,000.00	2,500,000.00		5,000,000.00		2,500,000.00	Related to revenue

PI material mass production and coated substrate material (film) engineering technology Technology Development Project		1,292,477.88		32,311.95		1,260,165.93	Asset-related
Military Projects	3,200,000.00					3,200,000.00	Asset-related
Special resin preparation technology for high modulus asphalt-based carbon fiber composites		360,000.00		360,000.00			Related to revenue
The eighth batch of industrial transformation and development special (industrial Internet) in 2020 ZJ	2,050,000.00					2,050,000.00	Related to revenue
Retaining wall subsidy	919,787.59			23,035.86		896,751.73	Asset-related
Fujian Ningde Sanduao Economic Development Zone Management Committee-Annual output of 500,000 Set of equipment subsidies for interior and exterior trim projects	1,007,670.21			103,350.79		904,319.42	Asset-related
Infrastructure Development Subsidy	18,734,693.88			416,326.53		18,318,367.35	Asset-related
160,000 tons/year acrylic acid green new process industrialization development project	10,694,444.32			1,458,333.36		9,236,110.96	Asset-related
Pulian Switching Station Project Engineering	10,459,202.60			1,426,254.90		9,032,947.70	Asset-related
Smart Factory Integration and Application Project	9,000,000.00					9,000,000.00	Asset-related
2017 Green Manufacturing System Integration	15,800,000.00			1,316,666.65		14,483,333.35	Asset-related
Acrylic acid and ester green production technology transformation project	12,300,000.00					12,300,000.00	Asset-related
1000 tons of lithium battery science and innovation results transformation project	5,000,000.00					5,000,000.00	Asset-related

Intelligent production safety control platform	2,490,000.00					2,490,000.00	Asset-related
High-safety power battery cathode materials (strong base)	3,800,000.00					3,800,000.00	Related to revenue
Industrial Internet Platform Project for Chemical Industry	4,800,000.00			1,600,000.00		3,200,000.00	Asset-related
Guangxi New Materials Land Compensation	32,856,799.00					32,856,799.00	Asset-related
Jiangsu Province financial allocation 100,000 sets of engineering tire project government support funds	866,666.70			433,333.32		433,333.38	Asset-related
Rugao City 100,000 sets of engineering tires project local matching funds	259,999.66			130,000.08		129,999.58	Asset-related
Special Funds for Transformation of Scientific and Technological Achievements in Jiangsu Province	866,666.74			433,333.32		433,333.42	Asset-related
Special funds for independent innovation in Jiangsu Province	255,555.62			133,333.32		122,222.30	Asset-related
Rugao Development and Reform Commission special funds for energy optimization projects	1,649,999.98			300,000.00		1,349,999.98	Asset-related
2015 Special Funds for Major Scientific and Technological Achievements	6,933,333.39			533,333.28		6,400,000.11	Asset-related
2016 Special Funds for Major Scientific and Technological Achievements	1,733,333.35			133,333.32		1,600,000.03	Asset-related
900,000 sets of low rolling resistance green tires special funds	1,833,333.35			133,333.32		1,700,000.03	Asset-related
Chongqing Shuangqiao Township Government Land Rebate	75,091,274.57			2,059,380.96		73,031,893.61	Asset-related
Chongqing Tire for the purchase of dual-mode setting curing machine equipment for financial special Funding	400,000.40			99,999.96		300,000.44	Asset-related
2016 Chongqing City Industrial Revitalization Special Funds	248,444.46			22,933.32		225,511.14	Asset-related
21 years of air pollution prevention and control funds project subsidies	1,380,000.00					1,380,000.00	Asset-related

Xinjiang annual output of 600,000 all-steel radial tires project technology reform Construction funds	23,505,323.01			1,415,335.92		22,089,987.09	Asset-related
Fixed asset loans in Xinjiang financial subsidies	24,684,668.66			1,400,000.04		23,284,668.62	Asset-related
Xinjiang Uygur Autonomous Region Finance Department 150,000 sets of large agricultural machinery big project wheel Tire technology improvement project financial subsidies	666,666.41			66,666.72		599,999.69	Asset-related
Huoshan Road relocation compensation	45,354,616.54			2,387,085.12		42,967,531.42	Asset-related
Anhui land rebate	34,499,242.62			907,874.76		33,591,367.86	Asset-related
Special subsidy for mega-baby	40,000,000.00					40,000,000.00	Asset-related
Compensation for the relocation of Kunyang Road	52,388,993.23			2,576,815.24		49,812,177.99	Asset-related
Development of tire force and torque characteristics testing machine for cars and light-duty vehicles Project subsidy (abbreviation: sextant force testing machine project)	163,682.89			81,841.43		81,841.46	Asset-related
Duplex car and light truck tires with camber and side deflection for high speed resistance Subsidy for long term durability testing machine project (referred to as high speed durability machine project)	28,644.51			28,644.51			Asset-related
Rubber capillary rheometer project grant (referred to as rheometer project)	6,649.65			6,649.65			Asset-related
Laser holographic phase shear interference tire nondestructive testing instrument project grants	89,207.21			22,301.78		66,905.43	Asset-related

(referred to as the laser holographic inspection machine project)							
Collaboration with Tongji University on the research platform project of tire noise and vibration help	3,069.02			3,069.02			Asset-related
Research and development of powder-filled rubber in cooperation with South China University of Technology Use of project grants	28,644.45			14,322.29		14,322.16	Asset-related
Tires with the Institute of Composites and Structures, Harbin Institute of Technology Grants for finite element analysis technology platform projects	3,069.02			3,069.02			Asset-related
Receive special funds for the development of information technology in Shanghai	1,400,000.00					1,400,000.00	Asset-related
Winding machine pilot project subsidy	100,000.00					100,000.00	Asset-related
New radial tire development project subsidy	600,000.00					600,000.00	Asset-related
Startup Program - Radial Tire Research and Development Grant	70,000.00					70,000.00	Asset-related
Shanghai Finance High Performance Tire Development Project Grant	700,000.00					700,000.00	Asset-related
Yixing coloring land compensation	23,185,305.00			562,068.00		22,623,237.00	Asset-related
Jinshan District Finance Bureau Technological Reform Project	11,472,500.19			1,764,999.96		9,707,500.23	Asset-related
Fine chemical continuous flow process research and evaluation and industrial demonstration implementation plan Overview	3,245,614.06	3,900,000.00		7,145,614.06			Related to revenue
Microchannel reaction system based on ultra-constrained microchemical reaction chip assembly Performance evaluation and application research of	1,310,000.00					1,310,000.00	Related to revenue

the system							
VOC Project	1,802,126.60			1,516,887.90		285,238.70	Asset-related
Qcc64 Production plant technology renovation project	845,714.30			422,857.14		422,857.16	Asset-related
Boiler clean energy alternative special funds	1,030,158.02			150,754.84		879,403.18	Asset-related
Graphene Project Science Committee Subsidy	537,658.15			537,658.15			Asset-related
Over-proportional incentives (employment of people with disabilities)	1,014.80			1,014.80			Related to revenue
Industrialization of water-based hydroxyacrylate emulsions and industry chain expansion		1,339,622.65				1,339,622.65	Asset-related
Pudong New Area Development Support Grant	20,682,000.00			20,682,000.00			Related to revenue

Other notes:

☐Applicable ☒Not applicable

### (55) Other non-current liabilities

☐Applicable ☒Not applicable

### (56) Share capital

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Increase or decrease in this change (+, I)					Closing balance
		Distribution	Share	Provident	Other	Subtotal	

### (57) Other equity instruments

#### 1. Basic information of other financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not applicable

#### 2. Statement of changes in financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not applicable

Changes in other equity instruments during the period, the reasons for the changes, and the basis for the related accounting treatment:

☐Applicable ☒Not applicable

Other notes.

☐Applicable ☒Not applicable

### (58) Capital surplus

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
Capital premium (equity premium)	7,820,822,097.39	2,155,520.50	51,734,956.73	7,771,242,661.16

Other explanations, including the changes in the current period, the reasons for the changes:

Note

1. The change in capital premium for the period was mainly due to the increase in capital surplus as a result of equity dilution due to the non-parity capital increase of subsidiaries 2,155,520.50

The Company's capital surplus was reduced by \$51,734,956.73 due to the acquisition of minority interests in subsidiaries.

2. The change in other capital surplus for the period was mainly due to the increase in capital surplus

of \$13,990,616.69 due to the change in equity incentive; the increase in capital surplus of \$13,990,616.69 due to the change in associate  
Other changes in equity increased capital surplus by \$1,881,272.85.



## (Fifty-nine)

## Inventory Unit

Unit: Yuan Currency: RMB

√Applicable <input type="checkbox"/> Projects Not applicable	Opening balance	Increase in the current period	Decrease for the period	Closing balance
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## (60) Other

## comprehensive

Unit: Yuan Currency: RMB

income √Applicable <input type="checkbox"/> Not applicable Projects	Opening balance	Amount incurred during the period						Closing balance
		Incurred before income tax for the period	Less: Prior period charged to other comprehensive income Transfer to profit or loss in the current period	Less: Transfer from prior period to other comprehensive income in the current period Income from retained earnings	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified to profit or loss	-121,461,897.73	-2,880,000.00				-3,114,399.60	234,399.60	-124,576,297.33
Of which: remeasurement of changes in defined benefit plans	-121,461,897.73	-2,880,000.00				-3,114,399.60	234,399.60	-124,576,297.33
Other comprehensive income that cannot be								

**(LXI) special****reserve**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable Projects <input type="checkbox"/> Not applicable	Opening balance	Increase in the current period	Decrease for the period	Closing balance
Safety	2,761,493.48	13,985,380.21	16,629,981.32	116,892.37

**(62) Surplus****reserves**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable Projects <input type="checkbox"/> Not applicable	Prior year-end balance	Opening balance	Increase in the current period	Decrease for the period	Closing balance
Legal reserve	589,490,019.34	589,490,019.34	150,017,924.46		739,507,943.80
Discretionary surplus					
Reserve Fund					
Enterprises					

**(63) Undistributed****earnings**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable Projects <input type="checkbox"/> Not applicable	Current Issu e	Previ ous perio d
Unallocated earnings at the end of the previous period before adjustment	9,816,118,454.74	7,025,902,850.08
Adjustments to total unappropriated earnings at the beginning of the period (increase +, decrease -)		
Adjustment to unappropriated earnings at the beginning of the period	9,816,118,454.74	7,025,902,850.08
Add: Net profit attributable to owners of the parent company for the period	1,281,211,494.32	2,967,726,756.48

**(64) Operating income and operating costs 1.****Operating income and operating costs**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable Projects <input type="checkbox"/> Not applicable	Current Period Incurred		Prior Period Incurrence	
	Rev enue	Cost	Rev enue	Cost
Main	38 175 116 637 23	35 010 633 778 33	30 135 014 004 57	32 641 250 017 14

Other notes:

**2. Breakdown of****operating income:**

Unit: Yuan Currency: RMB

Industry Name	Current Period Incurred		Prior Period Incurrence	
	Operating income	Operating Costs	Operating income	Operating Costs
1、 Main business income and cost	38,175,116,637.23	35,019,633,778.33	39,435,914,094.57	32,641,259,017.14
(1) Tire manufacturing	10,019,898,331.49	9,190,275,645.21	9,397,471,217.82	8,679,042,531.17
①All-wire radial tires	9,238,282,673.06	8,458,253,006.64	8,663,780,332.89	7,965,778,206.50
②Half wire radial tires	781,615,658.43	732,022,638.57	733,690,884.93	713,264,324.67
(2) Energy Chemicals	9,315,441,004.94	9,020,154,778.62	11,988,525,077.56	8,595,607,326.49
①Methanol, acetic acid and esters	6,048,862,870.23	6,312,576,144.65	9,003,502,652.14	6,118,738,037.28
②Industrial gases	1,659,421,457.26	1,498,141,689.24	1,412,152,318.00	1,255,761,128.85
③ Other Energy Chemicals	1,607,156,677.45	1,209,436,944.73	1,572,870,107.42	1,221,108,160.36
(3) Fine Chemicals	7,967,455,282.07	6,644,057,444.30	9,263,195,944.18	6,946,238,027.99
①Coatings and resins	968,509,021.81	830,691,210.65	1,003,840,241.30	876,328,300.95
②Acrylic acid and esters	4,997,618,241.44	4,255,691,699.96	6,635,616,199.73	4,903,872,489.99
③Reagents and intermediates	1,314,259,077.82	1,056,330,138.99	919,144,401.39	633,532,552.16
④Pigment	439,008,657.99	381,092,175.03	414,617,252.48	370,817,278.05
⑤ Other fine chemicals	248,060,283.01	120,252,219.67	289,977,849.28	161,687,406.84
(4) Daily chemical products	883,321,134.91	765,250,187.26	772,371,606.50	690,040,169.88
(5) Chemical services	7,281,634,841.11	7,051,953,197.65	5,541,521,591.90	5,495,073,533.95

**3. Operating revenues of the company's top five customers**

Unit: Yuan Currency: RMB

Customer Name	Total operating income	Percentage of the company's total operating revenue (%)
First Place	1,087,935,062.63	2.82
Second Place	650,883,975.51	1.69
Third Place	649,081,652.91	1.69
Fourth Place	585,724,580.00	1.52

**4. Information on revenue generated by the contract**☐Applicable ☒Not applicable

Description of revenue generated by the contract:

☐Applicable ☒Not applicable**5. Description of performance obligations**☐Applicable ☒Not applicable**6. Description of the apportionment to the remaining performance obligations**☐Applicable ☒Not applicable

**(65) Net interest income**

Unit: Yuan Currency: RMB

Item	Current Period Incurred	Prior Period Incurrence
Interest income	426,359,929.62	342,633,318.49
-Deposit with interbank	244,667,768.68	139,108,539.68
-Deposit with the Central Bank	15,004,625.86	13,704,144.20
-Demobilization of funds		
-Loans and advances issued	165,945,830.61	188,753,572.07
Of which: corporate loans and advances	162,190,554.54	187,455,299.74
Bill Discounting	3,755,276.07	1,298,272.33
-Purchase and sale of financial assets	741,704.47	1,067,062.54
-Bond Investment		
-Other		
Of which: Interest income from impaired financial assets		
Interest expense	186,638,271.09	175,635,019.23
-Interbank deposit		
-Borrowing from the central bank		
-Inward Funds		
-Deposit taking	186,508,653.41	175,635,019.23
-Sale of repurchase financial assets		

**(66) Net fee and commission income**

Unit: Yuan Currency: RMB

Item	Current Period Incurred	Prior Period Incurrence
Handling fee and commission income		
-Settlement and clearing fees		
-Agent Business Handling Fee		
-Credit commitment fees and commissions		
-Banking Card Fees		
-Advisory and consulting fees		
-Custody and other fiduciary business commissions		
-Other		
Handling fees and commission	737,104.96	780,995.37

**(67) Taxes and surcharges**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Current Period Incurred	Prior Period Incurrence
Consumption tax	2,273,944.50	3,496,444.66
City Maintenance and Construction Tax	31,505,415.24	44,656,414.10
Education Fee Surcharge	26,607,404.14	20,288,728.16

Vehicle use tax	103,877.06	94,357.63
Stamp duty	36,165,222.98	26,095,660.52
Land use tax	33,371,153.74	36,724,060.26
Environmental Protection Tax	3,667,085.18	4,356,508.18
Other	4,121,725.19	4,241,748.86
Total	179,019,425.19	199,021,925.00

**(68) Selling****expenses**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Projects	Current Period Incurred	Prior Period Incurrence
Not applicable		
Selling expenses	508,169,812.13	520,064,680.32

**(69)****Administrative**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Projects	Current Period Incurred	Prior Period Incurrence
Not applicable		
Overhead	1,075,505,368.08	1,259,779,930.20

**(70) R&D****expenses**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Projects	Current Period Incurred	Prior Period Incurrence
Not applicable		
R&D expenses	697,544,527.05	782,223,562.36

**(71) Finance****costs**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Projects	Current Period Incurred	Prior Period Incurrence
Not applicable		
Interest costs	233,010,505.00	241,601,986.42
Of which: Interest expense on lease liabilities	15,252,564.69	9,803,267.82
Less: Interest income	-20,379,338.40	-9,644,993.90
Foreign exchange gains and losses	-29,708,658.96	50,626,692.82
Other	13,599,580.99	17,553,972.94

**(72) Other gains**☒Applicable ☐ Not

applicable

Unit: Yuan Currency: RMB

Projects	Current Period Incurred	Prior Period Incurrence
Government Grants	760,843,708.32	90,766,584.38
Input tax credit	2,026,152.75	1,731,095.09
Personal income tax withholding fees	1,378,260.45	951,604.44

Other notes:

Government grants included in other income

Unit: Yuan Currency: RMB

Subsidized Projects	Amount for the period	Amount of previous period	Asset-related/ Related to revenue
160,000 tons/year acrylic acid green new process industrialization development project	1,458,333.36	1,458,333.36	Asset-related
19sn03 District Science Committee paint inspection and testing platform	1,000,000.00	609,900.00	Related to revenue
2015 Special Funds for Major Scientific and Technological Achievements	533,333.28	533,333.28	Asset-related
2016 Special Funds for Major Scientific and Technological Achievements	133,333.32	133,333.32	Asset-related
2016 Chongqing City Industrial Revitalization Special Funds	22,933.32	22,933.32	Asset-related
The second batch of 2018 industrial strength district funding grants		487,000.00	Related to revenue
The second batch of Science and Technology Strengthening District Grants in 2018		100,300.00	Related to revenue
2019-2020 Annual high-tech achievements subsidy (2019)		398,000.00	Related to revenue
2019-2020 Annual high-tech achievements subsidies (2020)		328,000.00	Related to revenue
Municipal manufacturing upgrade policy funds for 2019		50,000.00	Related to revenue
Fiscal policy cash-out funds in 2020		9,536,129.89	Related to revenue
2020 Air Pollution Prevention and Control Award Funds		100,000.00	Related to revenue
Soft Set Design Award 2020 Soft Set Design Award 2020		195,000.00	Related to revenue
SME International Market 2020		394,300.00	Related to revenue
2020 Rugao City Economic Work Incentive (Technological Reform Subsidy)		1,851,700.00	Related to revenue
Provincial foreign trade and economic policy funds in 2020		5,000.00	Related to revenue
Patent funding in the second half of 2020 (annual fees for inventions authorized)		31,600.00	Related to revenue
2020 Grant Incentive Fee		57,000.00	Related to revenue
2021 Energy saving and comprehensive utilization of resources special grants		30,000.00	Related to revenue
2021 Second Quarter Enterprise Social Security Subsidy		11,834.00	Related to revenue
Pre-allocation for the fourth quarter of 2021		120,000.00	Related to revenue
2021 First Quarter Enterprise Social Security Subsidy		12,825.20	Related to revenue
2020 Annual Dazhan Industrial Green Manufacturing		50,000.00	Related to revenue

Over-proportional reward	2,611.30	39,731.60	Related to revenue
Liner items	400,274.64	400,274.64	Asset-related
Standardization revision of special funds	95,894.55		Related to revenue
Shanghai Made Brand Special Fund	5,000,000.00		Related to revenue
PI material mass production and coated substrate material (film) engineering technology Development Projects	32,311.95		Asset-related
Export Credit Insurance Subsidy	287,287.26	313,060.54	Related to revenue
Dazu Industry Top 20 Awards 2020		50,000.00	Related to revenue
Retaining wall subsidy	23,035.86	23,035.86	Asset-related
Party Building Leaders (funded by the Wakashui Excellence Project)		42,000.00	Related to revenue
Local special fund subsidies		3,680.00	Related to revenue
The fifth batch of innovation and technology voucher subsidies arrived		48,555.00	Related to revenue
The first batch of innovation and technology voucher subsidies arrived		12,175.00	Related to revenue
Adjustment of silicone new materials R & D and industrialization subsidies		330,000.00	Related to revenue
Catalyst for the oxidative dehydrogenation of butadiene and its preparation and use 6 patents including		50,000.00	Related to revenue
Urban Saitang 2021 2nd quarter support		40,000.00	Related to revenue
Urban Sitang Financial Support		120,000.06	Related to revenue
Urban Si Tong first quarter support funds		80,000.00	Related to revenue
Property tax refunds		25,797.51	Related to revenue
Enabling funds		1,010,000.00	Related to revenue
Service Industry Guidance Funds		150,000.00	Related to revenue
Fujian Ningde Sanduao Economic Development Zone Management Committee subsidies	103,350.79	60,287.96	Asset-related
Pre-job training subsidy		3,600.00	Related to revenue
Port construction fee rebate		5,209.00	Related to revenue
HK Construction Fee		3,196.40	Related to revenue
High and low temperature universal material testing machine project subsidy (referred to as high and low temperature tensile strength machine) (Project)		5,831.25	Asset-related



Special resin preparation technology for high modulus asphalt-based carbon fiber composites	140,000.00	60,000.00	Related to revenue
Application of key technologies for the treatment of industrial wastewater with high concentration of hydrochloric acid biodegradation and Demonstration Projects		300,000.00	Related to revenue
High-tech Enterprise Reward		100,000.00	Related to revenue
Return of trade union funds		11,222.60	Related to revenue
Fixed asset loans in Xinjiang financial subsidies	1,400,000.04	1,400,000.07	Asset-related
Boiler clean energy alternative special funds	150,754.84	150,754.84	Asset-related
SASAC three batches of resettlement subsidies		244,000.00	Related to revenue
Management Committee of Huangshan Economic Development Zone - Support the development of enterprises		2,231,960.00	Related to revenue
Hansan County Public Employment Service Center-Unemployment Insurance Refund	15,670.57	5,365.72	Related to revenue
Human Resources and Social Security Bureau of Hanyama County - Employment Subsidy		5,393.31	Related to revenue
Hangzhou Lin'an District Disabled Persons' Federation *Enterprise Placement Subsidy, Employer Employment subsidy for the disabled		14,400.00	Related to revenue
Hangzhou Lin'an District Employment Management Service Unemployment Fund Expenditure Account Dedicated Account* Job Stabilization Subsidy		7,185.43	Related to revenue
Environmental subsidies		790,000.00	Related to revenue
Huoshan Road relocation compensation	2,387,085.12	2,387,085.12	Asset-related
Infrastructure Development Subsidy	416,326.53	416,326.53	Asset-related
Key production of novel structural epoxy resin based on MGI method of material genome Research on preparedness technology and its application on spacecraft	160,000.00	53,000.00	Related to revenue
Laser holographic phase shear interference tire nondestructive testing instrument project grants (brief)	22,301.78	22,301.78	Asset-related

(called laser holographic detection machine project)			
Industrial Internet Platform Project for Chemical Industry	1,600,000.00		Asset-related
Jiangsu Province financial allocation 100,000 sets of engineering tire project government support funds	433,333.32	433,333.32	Asset-related
Special Funds for Transformation of Scientific and Technological Achievements in Jiangsu Province	433,333.32	433,333.32	Asset-related
Special funds for independent innovation in Jiangsu Province	133,333.32	133,333.32	Asset-related
Car and light-duty vehicle tire force and torque characteristics of the development of testing machine project Project subsidy (abbreviation: sextant force testing machine project)	81,841.43	81,841.43	Asset-related
Fine chemical continuous flow process research and evaluation and industrial demonstration implementation plan Description	7,145,614.06		Related to revenue
Jinshan District Finance Bureau Technological Reform Project	1,764,999.96	1,765,000.00	Asset-related
Economic park tax rebate	70,405.00	273,500.00	Related to revenue
Employment subsidy	4,000.00	7,000.00	Related to revenue
Technical transformation of polyimide molded parts production line	657,915.36	657,915.36	Asset-related
Military project asset procurement	1,086,689.51	1,086,689.51	Asset-related
Development Zone Pays Enterprise Support Funds - Huayi Gas Adjustment Fee		23,138.00	Related to revenue
Science and technology subsidies (high-tech three project research and development funds subsidies)		16,000.00	Related to revenue
Technology Innovation Project Subsidy		70,000.00	Related to revenue
Compensation for the relocation of Kunyang Road	2,576,815.24	2,576,815.24	Asset-related
Green Finance Award	5,447.60	33,264.00	Related to revenue
Development of high performance special resin matrix composites for space applications	560,000.00	540,000.00	Asset-related
Development of high temperature and long life self-lubricating spherical bearing pads (1607-10) (topic)		70,000.00	Asset-related
South Border Award Subsidy		40,000.00	Related to revenue
Energy Management System		100,000.00	Related to revenue
Training Subsidy	1,800.00	178,910.00	Related to revenue
Over-proportional incentives (employment of people with disabilities)	1,014.80		Related to revenue
Pudong New Area Development Support Grant	20,682,000.00	5,702,000.00	Related to revenue
Pudong Yushang Subsidy	1,500.00	141,000.00	Related to

			revenue
Pulian Switching Station Project Engineering	1,426,254.90	1,426,254.90	Asset-related
2017 Green Manufacturing System Integration	1,316,666.65		Asset-related
Enterprise Development Fund		2,787,400.00	Related to revenue
Corporate social security subsidies		14,344.40	Related to revenue
District-level technology center special		870,200.00	Related to revenue
Talent Subsidy		265,200.00	Related to revenue
Rugao City 100,000 sets of engineering tires project local matching funds	130,000.08	130,000.08	Asset-related
Rugao Development and Reform Commission special funds for energy optimization projects	300,000.00	300,000.00	Asset-related
Business Council Subsidy		50,000.00	Related to revenue
Shanghai Hangzhou Bay Economic Technology Development Co. Subsidies		56,000.00	Related to revenue
Fengxian District Finance Bureau, Shanghai, zero-balance special account special subsidy		20,000.00	Related to revenue
Investment Service Center of Hangzhou Bay Industrial Base, Fengxian District, Shanghai 2021, China Year Fengxian District		224,000.00	Related to revenue
Shanghai Mechanical and Electrical Products Export Enterprises Market Diversification Funding Support Project		557,646.00	Related to revenue
Shanghai Minhang District Market Supervision and Management Standardization Funds		270,000.00	Related to revenue
Shanghai Pudong New Area Expo Area Development Management Committee Special Funds Household development support funds		318,000.00	Related to revenue
Shanghai Zizhu High-tech Industrial Development Zone Special Funds Project		800,000.00	Related to revenue
Social Security Subsidy	6,381,030.94	1,390,637.59	Related to revenue
Provincial star on the cloud award subsidies		28,000.00	Related to revenue

Unemployment Insurance Fund Training Subsidy	1,200.00	10,200.00	Related to revenue
Unemployment insurance fund dedicated account to pay training subsidies	600.00	600.00	Related to revenue
Unemployment insurance training subsidy		600.00	Related to revenue
Top Ten Enterprise Awards		50,000.00	Related to revenue
Graphene Project Science Committee Subsidy	537,658.15	737,300.00	Asset-related
Municipal Finance Industry and Trade Division Comprehensive Award		457,000.00	Related to revenue
City funds		90,000.00	Related to revenue
Market Supervision Bureau Municipal Bureau 2021 Patent funding in the first half of the year		30,000.00	Related to revenue
Municipal SASAC Subsidy		24,000.00	Related to revenue
Collecting over-proportional incentives for people with disabilities		16,392.20	Related to revenue
Received foreign trade promotion policy funds for 2020		99,400.00	Related to revenue
Received subsidies for VOC flue gas treatment		200,000.00	Related to revenue
Received money for illegal claims		127,000.00	Related to revenue
High-speed durability of duplex car and light truck tires with camber and side deflection Subsidy for sex testing machine project (referred to as high-speed endurance machine project)	28,644.51	28,644.50	Asset-related
Shuangqiao Economic Development Zone 20 years of industrial development special bonus - major new products		100,000.00	Related to revenue
Shuangqiao Economic Development Zone 21 years of industry industrial enterprises 10 strong development special bonus		400,000.00	Related to revenue
Tax Refund	233,088.30	351,230.53	Related to revenue
Tax refunds	337,281.75	745,223.44	Related to revenue
Tax Handling Fee Refund	5,566.24	14,928.15	Related to revenue
Land tax refunds		20,010.00	Related to revenue
Tax refunds	1,947,409.10	1,982.47	Related to revenue
Input credits for veterans, etc. (VAT deductions)		656,700.00	Related to revenue
Retired employee activity funds		1,346.00	Related to revenue
FECO Development Funds		463,500.00	Related to revenue
Foreign trade transformation funds	21,044.25	8,867.93	Related to revenue

Job Stabilization Subsidy	1,561,522.38	351,517.24	Related to revenue
Job Stabilization Subsidy		453.60	Related to revenue
Stabilization rebate		302,924.41	Related to revenue
Logistics Service Fee Refund		550.00	Related to revenue
Employment absorption subsidy		2,600.00	Related to revenue
Project polymer material genome platform construction	120,000.00	30,000.00	Related to revenue
Rubber capillary rheometer project grant (referred to as rheometer project)	6,649.65	6,649.61	Asset-related
Xinjiang annual output of 600,000 all-steel radial tires project technical transformation capital Gold	1,415,335.92	1,415,335.89	Asset-related
Xinjiang Uygur Autonomous Region Department of Finance 150,000 sets of large agricultural machinery, large engineering tire technology Financial subsidies for change projects	66,666.72	66,666.72	Asset-related
New Apprenticeship Program Awards		138,000.00	Related to revenue
Information technology input reimbursement (technology reform subsidy)		234,900.00	Related to revenue
R&D investment declaration statistics cost - district budget		500.00	Related to revenue
Yixing coloring land compensation	562,068.00	562,068.00	Asset-related
Work-based training subsidy		6,600.00	Related to revenue
Work-based training subsidies		154,000.00	Related to revenue
Work for Food		4,000.00	Related to revenue
Emergency Management Agency Comprehensive Award		307,500.00	Related to revenue
Talent Grant		27,000.00	Related to revenue
The employer absorbed a one-time on		12,000.00	Related to revenue
Tires in cooperation with the Institute of Composite Materials and Structures of Harbin Institute of Technology have Grants for limited meta-analysis technology platform projects	3,069.02	3,069.06	Asset-related

Research and development of powder-filled rubber in cooperation with South China University of Technology Project Grants	14,322.29	14,322.26	Asset-related
Research Platform Project Grant for Tire Noise and Vibration in Cooperation with Tongji University	3,069.02	3,069.06	Asset-related
Rolling resistance testing machine project subsidy for lorry tires (abbreviation: rolling (Resistance testing machine project))		26,598.44	Asset-related
VAT refundable on demand	1,201,709.56	978,666.73	Related to revenue
VAT first levy and then refund		784,316.54	Related to revenue
Changning District Market Supervision Bureau-standardized funding applications		1,429,000.00	Related to revenue
Town-level financial support payments		864,000.00	Related to revenue
Special funds for the development of small and medium-sized enterprises		3,200,000.00	Related to revenue
SME funding		30,000.00	Related to revenue
Chongqing Tire for the purchase of dual-mode setting curing machine equipment financial special funds Gold	99,999.96	99,999.96	Asset-related
Chongqing Shuangqiao Finance Bureau		8,080,000.00	Related to revenue
Chongqing Shuangqiao Township Government Land Rebate	2,059,380.96	2,059,380.96	Asset-related
Housing subsidy funding incentives		170,000.00	Related to revenue
Patent Subsidy	64,000.00	3,000.00	Related to revenue
Patent funding		36,000.00	Related to revenue
Patent grant fee (2nd batch of patent grant fee in 2021)		200,000.00	Related to revenue
Dedicated subsidies		600.00	Related to revenue
Financial Support Funds for Free Trade Zone		325,617.00	Related to revenue
Wuhu Human Resources and Social Security Bureau on the subsidy of skill master studio		100,000.00	Related to revenue
Employment risk reserve of the social security section of the financial bureau of Wuhu City, Hat River District		121,318.86	Related to revenue
Wuhu City, Hat River District Finance Bureau of the Enterprise Section to stay in the job stability subsidies		61,000.00	Related to revenue
Wuhu City Hatake District Finance Bureau on the 2021 provincial energy-saving ecological special		300,000.00	Related to revenue
Vocational training subsidies to "Non-operating income - Subsidy income" account		157,500.00	Related to revenue
2020 Air Pollution Prevention and Control Award Funds		400,000.00	Related to revenue
Wuhu City, Hat River District Emergency Management Bureau on the rescue base subsidy funding		100,000.00	Related to revenue
2021 Energy saving and comprehensive utilization of		100,000.00	Related to

resources special grants			revenue
Social Security Administration epidemic unreturned worker benefits		2,000.00	Related to revenue
Minhang District Advanced Manufacturing Policy Support	200,000.00	50,000.00	Related to revenue
High-tech enterprise policy funding		50,000.00	Related to revenue
2020 Disability Insurance Over-Proportionate Share Incentive		936.70	Related to revenue
Disability Allowance	19,205.50	21,622.06	Related to revenue
The first batch of municipal intellectual property awards in 2020	33,000.00		Related to revenue
2020 independent innovation incentive funds (county level)	185,000.00		Related to revenue
2020 Science and Technology Innovation Awards for Development Zone	44,800.00		Related to revenue
2020 Market Manufacturing Policy Funding (Municipal)	55,000.00		Related to revenue
2020 City Science and Technology Innovation Policy Cashing Bonus	165,000.00		Related to revenue
2021 Jinshan District Patent Work Demonstration Unit	50,000.00		Related to revenue
2021 "fight a quarter to open a new bureau" to promote stable industrial growth if Stem policy measures award funds	200,000.00		Related to revenue
2021 High-tech Achievement Subsidy	399,000.00		Related to revenue
2021 High-tech Achievement Transformation Special Funds	7,496,000.00		Related to revenue
2021 annual Jinshan District two integration management system standardization awards	20,000.00		Related to revenue
2021 municipal-level enterprise technology center and the evaluation of enterprise awards Funding	100,000.00		Related to revenue
2021 County intellectual property first batch of awards	40,000.00		Related to revenue
2021 Annual Policy Incentives	27,223,886.08		Related to revenue

2021 Special incentive funds for talents in key industries	302,000.00		Related to revenue
2021 International market development funds for SMEs	286,400.00		Related to revenue
First quarter 2022 support	30,000.00		Related to revenue
Special subsidies for foreign trade promotion in 2022	6,905.01		Related to revenue
2022 Foreign Trade Transformation Promotion Fund	24,336.29		Related to revenue
The first batch of special funds for brand building in 2022	100,000.00		Related to revenue
2022 Special support for green development of industries in Shanghai Chemical Industry Zone	520,000.00		Related to revenue
2022 Special Support for Science and Technology Innovation and Achievement Transformation in Shanghai Chemical Industry Zone	20,000.00		Related to revenue
2022 Municipal energy conservation and comprehensive utilization of resources financial special funds	771,400.00		Related to revenue
2022 Wuhu City Energy Conservation and Comprehensive Utilization of Resources Financial Special Funds	100,000.00		Related to revenue
2022 Subsidies for closed control areas and control areas	3,000.00		Related to revenue
2022 Industrial enterprises above the scale	200,000.00		Related to revenue
2022 Expansion Grants	4,500.00		Related to revenue
21 years of municipal foreign trade promotion policy	53,000.00		Related to revenue
21 years of strong manufacturing provinces national energy efficiency leader award	500,000.00		Related to revenue
21 years of strong manufacturing province national water efficiency leader award	500,000.00		Related to revenue
Financial support for business education	137,900.00		Related to revenue
Standardization Subsidy	270,000.00		Related to revenue
Standard-setting subsidies	100,000.00		Related to revenue
Standard revision funds	200,000.00		Related to revenue
Financial subsidies	101,386.00		Related to revenue
Finance Bureau Support Funds	65,727.54		Related to revenue
Subsidy for participation in diagnostic services for digital applications and lean manufacturing companies	10,000.00		Related to revenue
Disability insurance over-proportionate rewards	2,695.50		Related to revenue
Disability benefits	1,853.20		Related to revenue
Disability over-proportionate allowance	49,821.00		Related to revenue



Special incentives for industry-academia research	140,000.00		Related to revenue
Overbill disability benefits	40,264.14		Related to revenue
Dazu Industry Top 20 Awards	50,000.00		Related to revenue
Local education surcharge subsidy	36,600.00		Related to revenue
The 10th batch of subsidies to stabilize jobs-Dazu Finance Bureau	250,026.00		Related to revenue
The second batch of lump-sum subsidies for job stability	3,000.00		Related to revenue
The sixth batch of one-time subsidies for employers	4,000.00		Related to revenue
The third batch of innovation and technology voucher subsidies arrived	38,082.00		Related to revenue
Urban Si Tong Liquidation in the fourth quarter of 2021	70,000.00		Related to revenue
Urban Saitang Second Quarter 2022 Support	220,000.00		Related to revenue
Anti-epidemic subsidy	21,400.00		Related to revenue
Fengxian District IPR Comprehensive Insurance Funding	4,750.00		Related to revenue
Bureau of Industry and Information Technology to support the development of production enterprises subsidy income	100,000.00		Related to revenue
Industrial Internet Special	150,000.00		Related to revenue
Special funds for industrial energy conservation and contract energy management	331,900.00		Related to revenue
The first batch of enterprise awards for industrial strong streets	20,000.00		Related to revenue
Guard post allowance	1,500.00		Related to revenue
East China Normal University project final payment	240,000.00		Related to revenue
Environmental pollution liability insurance subsidy	7,200.00		Related to revenue
Technology Reform Subsidy	800,300.00		Related to revenue
Technology reform government incentives	462,400.00		Related to revenue
Technology Awards	200,000.00		Related to revenue
Jiaxing Gazelle Enterprise Subsidy	100,000.00		Related to revenue

Jiaxing Municipal Green Factory Subsidy	100,000.00		Related to revenue
Jiaxing Municipal Enterprise Technology Center Subsidy	200,000.00		Related to revenue
Jinshan Gazelle Enterprise	300,000.00		Related to revenue
Jinshan District Finance Bureau Subsidy	540,700.00		Related to revenue
Subsidy for one project in Jinshan District	3,813,000.00		Related to revenue
Economic and Information Technology Bureau logistics subsidies	2,961.00		Related to revenue
Hattie District Expansion Grant	10,000.00		Related to revenue
Employment Management Service Center* One-time job retention training subsidy	25,000.00		Related to revenue
Development zone on enterprise R & D subsidies	5,848.00		Related to revenue
Job expansion subsidy	18,000.00		Related to revenue
Retained Worker Training Subsidy	599,000.00		Related to revenue
Minhang Economic Committee	100,000.00		Related to revenue
Minhang District special support funds	200,000.00		Related to revenue
Minhang District General Union 2021 Local Education Surcharge Subsidy	120,399.50		Related to revenue
South Border Labor Subsidy	32,000.00		Related to revenue
Training Subsidy	197,000.00		Related to revenue
Pinghu City Zhong Dai street pay Zhejiang Tianyuan Medical Material Co. 2020 Degree Reward	2,679,000.00		Related to revenue
Other government grants	11,780.00		Related to revenue
Enterprise placement of veterans to enjoy tax deductions	148,500.00		Related to revenue
Enterprise production and business activities related to the construction of basic facilities	5,600,000.00		Related to revenue
One-time employment absorption subsidy for enterprises	76,500.00		Related to revenue
Qingpu Finance Bureau Subsidy	54,300.00		Related to revenue
Qingpu District Finance Bureau support funds	1,667,000.00		Related to revenue
Special funds for talent reward	70,000.00		Related to revenue
Human Resources and Social Security Bureau 2022 Vocational Training Subsidy for Enterprise Employees	12,700.00		Related to revenue
HRSS direct subsidy	469,400.00		Related to revenue
Shanghai Baoshan District Finance Bureau Support	150,000.00		Related to

Funds			revenue
Shanghai Employment Service Center for Persons with Disabilities Over-Scale Award	3,706.30		Related to revenue
Shanghai Mechanical and Electrical Products Export Enterprises Market Diversification Financial Support	266,193.00		Related to revenue
Lump-sum compensation for soap factory employee diversion and resettlement, etc.	605,564,838.00		Related to revenue
Shanghai Zizhu High-Tech Industrial Development Zone	750,000.00		Related to revenue
City Industry and Information Technology Bureau awards - intelligent workshop	200,000.00		Related to revenue
Municipal specialization and new subsidies	100,000.00		Related to revenue
City Human Resources Master Skill Grant	150,000.00		Related to revenue
City Emergency Management Bureau risk identification and control of advanced enterprise awards	13,000.00		Related to revenue
2021 Municipal incentives and subsidies for enterprises on the scale of the Bureau of Industry and Information Technology	50,000.00		Related to revenue
2022 Municipal energy conservation and comprehensive utilization of resources financial special funds	80,913.24		Related to revenue
2022 Anti-epidemic Stabilization Grant	100,000.00		Related to revenue
2022 Zhong Dai Street Office Enterprise Relief Development Incentive	5,222.00		Related to revenue
The Bureau of Industry and Information Technology into the regular enterprise incentive subsidies	50,000.00		Related to revenue
Economic and Development Bureau 2021 Business Enterprise Assessment Awards	150,000.00		Related to revenue
Special funds for foreign trade development 2.29 million	2,290,000.00		Related to revenue
Special Funds for Foreign Trade and Economic Cooperation Commission	1,925,000.00		Related to revenue
Taopu Township Tax Rebate (Putuo District Government Support Funds)	72,000.00		Related to revenue
Sports industry demonstration unit subsidy	200,000.00		Related to revenue
Investment company pension subsidy funds	21,486.00		Related to revenue
Veterans placement tax relief	9,000.00		Related to revenue
Retirement benefits	23,575.00		Related to revenue

Veterans Allowance	494,585.00		Related to revenue
Retired soldier's allowance	33,310.00		Related to revenue
Retired soldiers' pension benefits	555,941.69		Related to revenue
Foreign Trade Subsidy	2,000,000.00		Related to revenue
Foreign trade growth stabilization special funds	25,000.00		Related to revenue
The first batch of subsidies for job stability 202206	14,374.40		Related to revenue
Stabilization subsidy income	3,036.71		Related to revenue
The first batch of Wuhu Unemployment Insurance Stabilization Rebate Hat River District	634,730.82		Related to revenue
Financial employment subsidy in Wuhu City, Hat River District	2,000.00		Related to revenue
Employment Subsidy for College Graduates (First Batch) of the Bureau of Finance of Hat River District, Wuhu City	2,000.00		Related to revenue
Wuhu City Hat River District Finance Bureau industrial enterprises to stabilize production and increase efficiency subsidies	83,800.00		Related to revenue
Wuhu City Hatake District Finance Bureau to support industrial enterprises to increase production and income subsidies	200,000.00		Related to revenue
Wuhu City Hatake District on the provincial R & D investment subsidy	40,000.00		Related to revenue
Wujiang Human Resources Bureau Subsidy	1,549.00		Related to revenue
R&D Subsidy	400,000.00		Related to revenue
Yangpu District Human Resources and Social Security Bureau	6,000.00		Related to revenue
Subsidies for logistics and transport security during the epidemic	149,000.00		Related to revenue
Zhangjiang Special Funds	250,000.00		Related to revenue
Subsidy for recruiting veterans	10,500.00		Related to revenue
Town-level financial support	946,000.00		Related to revenue
Pinghu City Zhong Dai Street Office Enterprise Development Subsidy	600,000.00		Related to revenue
Intellectual Property Protection Subsidy	500,000.00		Related to revenue
IPR Policy Funding Collections	6,000.00		Related to revenue
Smart forklift management system installation subsidy	8,000.00		Related to revenue
China (Shanghai) Pilot Free Trade Zone Administration Committee Expo Administration The development of funds to support the development	507,000.00		Related to revenue

of a special account			
Small and medium-sized enterprise relief funds - loan interest subsidies	25,000.00		Related to revenue
Central fund subsidy	4,160,000.00		Related to revenue
Specialized new subsidies	100,000.00		Related to revenue
Patent Grant Fee	4,100.00		Related to revenue
Rent relief subsidy	92,700.00		Related to revenue

**(73) Investment income**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Current Period Incurred	Prior Period Incurrence
Income from long-term equity investments accounted for by the equity method	380,480,039.52	441,621,070.94
Investment income from disposal of long-term equity investments		
Investment income on financial assets held for trading	24,712,608.10	39,758,409.11
Dividend income earned on investments in other equity instruments during the holding period		
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held	7,304,622.66	14,003,000.25

Investment income from disposal of other non-current financial assets	-14,186,524.75	25,941.08
Other	1,248,231.13	1,699,410.38
Total	419,168,612.89	530,348,686.97

**(74) Net exposure to hedging gains**

☐Applicable ☒Not applicable

**(75) Gain on changes in****fair value**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Sources of gains from changes in fair value	Current Period Incurred	Prior Period Incurrence
Financial assets held for trading	-59,216,745.73	-12,852,601.46
Of which: Gain on fair value changes arising from derivative financial instruments		
Trading financial liabilities		
Investment properties measured at fair value		
Other non-current financial assets	47,883,833.83	50,864,508.48

**(76) Credit****impairment losses**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Current Period Incurred	Prior Period Incurrence
Bad debt loss on notes receivable	123,525.75	1,867,168.42
Bad debt losses on accounts receivable	41,037,980.61	-34,449,870.46
Bad debt losses on other receivables	5,543,081.12	16,745,099.32
Impairment loss on debt investments		
Impairment loss on other debt investments		
Bad debt losses on long-term receivables		
Impairment loss on contract assets		
Impairment losses on loans and advances issued	-47,183,539.41	36,979,575.14
Provision for expected credit losses on off-balance sheet	200.00	-1,832,232.02

**(77) Impairment****loss on assets**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Current Period Incurred	Prior Period Incurrence
I. Bad debt losses		
II. Loss on decline in value of inventories and impairment loss on contract performance costs	170,820,020.48	235,869,064.61
III. Impairment loss on long-term equity investments		
IV. Impairment loss on investment properties		
V. Impairment loss on fixed assets	2,883,206.15	152,633,087.12
VI. Impairment loss of engineering materials		
VII. Impairment loss on construction in progress 185 / 355		
VIII. Impairment losses on productive biological assets		
IX. Impairment losses on oil and gas assets		

XI. Impairment loss on goodwill		65,518,600.00
XII. Other		
Total	173,703,226.63	454,020,751.73

**(78) Gain on disposal of assets**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Current Period Incurred	Prior Period Incurrence	Amount included in non-recurring profit or loss for the period
Gain on disposal of fixed assets	144,789,754.69	230,086,068.04	144,789,754.69
Gain on disposal of intangible assets	-8,711.10		-8,711.10

**(79) Non-operating income**

Non-operating income

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Current Period Incurred	Prior Period Incurrence	Amount included in non-recurring profit or loss for the period
Total gain on disposal of non-current assets			
Including: Gain on disposal of fixed assets			
Gain on disposal of intangible assets			
Gain on exchange of non-monetary assets			
Donation Acceptance			

Government grants included in current profit or loss

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**(80) Non-operating expenses**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Projects	Current Period Incurred	Prior Period Incurrence	Amount included in non-recurring profit or loss for the period
Total loss on disposal of non-current assets			
Including: Loss on disposal of fixed assets			
Loss on disposal of intangible assets			
Loss on exchange of non-monetary assets			

Other	327,433.69	9,884,144.48	327,433.69
Total	9,668,378.08	16,163,118.23	9,668,378.08

### (81) Income tax expense 1.

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Current Period Incurred	Prior Period Incurrence
Current income tax expense	445,990,058.44	940,045,107.42
Deferred income tax expense	-30,108,938.90	-21,161,858.39

## 2. The process of adjusting accounting profit and income tax expense

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

### (82) entrusted business

Unit: Yuan Currency: RMB

Projects	Current Period Incurred	Prior Period Incurrence
Entrusted Deposit	33,800,000.00	40,400,000.00
Less: entrusted loans	33,800,000.00	40,400,000.00

### (83) Earnings per share (1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net income attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares of the Company in issue:

Unit: Yuan Currency: RMB

Projects	Amount for the period	Amount of previous period
Consolidated net income attributable to ordinary shareholders of the parent	1,281,211,494.32	2,967,726,756.48
Weighted average number of common shares of the Company issued and outstanding	2,131,449,598.00	2,131,449,598.00
Basic earnings per share	0.60	1.39

## 2. Diluted earnings per share

Diluted earnings per share is calculated by dividing consolidated net income attributable to ordinary shareholders of the parent (diluted) by the weighted average number of ordinary shares of the Company outstanding (diluted):

Unit: Yuan Currency: RMB

Projects	Amount for the period	Amount of previous period
Consolidated net income attributable to ordinary shareholders of the parent (diluted)	1,281,211,494.32	2,967,726,756.48
Weighted average number of common shares of the Company issued and outstanding (diluted)	2,131,449,598.00	2,128,290,979.67



Projects	Amount for the period	Amount of previous period
Diluted earnings per share from discontinued operations		

**(84) Other comprehensive income**√Applicable ☐ Not applicable

For details, see Note V, (60)

**(85) Cash flow statement items****1. Other cash received in connection with operating activities**

Unit: Yuan Currency: RMB

Projects √Applicable <input type="checkbox"/> Not applicable	Current Period Incurred	Prior Period Incurrence
Rental income	53,669,732.30	29,683,079.42
Interest income	20,379,338.40	9,644,993.90
Government grants received	711,572,572.37	109,966,003.17
Corporate Correspondence	134,315,182.23	493,408,255.44
Recovery of deposit	120,288,354.57	198,167,595.29
Other	72,021,599.99	16,463,070.60

**2. Other cash paid in connection with operating activities**

Unit: Yuan Currency: RMB

Projects √Applicable <input type="checkbox"/> Not applicable	Current Period Incurred	Prior Period Incurrence
Fees	759,046,779.40	761,399,790.14
Refund of deposit	10,995,707.26	183,827,453.08
Corporate Correspondence	357,802,143.38	251,986,449.46
Other	28,520,414.25	3,431,695.92

**3. Other cash received in connection with investing**

Unit: Yuan Currency: RMB

Projects √Applicable <input type="checkbox"/> Not applicable	Current Period Incurred	Prior Period Incurrence
Entrusted Loan		30,000,000.00
Interest income from entrusted loans	1,323,125.00	3,693,741.86

**4. Other cash paid in connection with investing activities**

Unit: Yuan Currency: RMB

Projects √Applicable <input type="checkbox"/> Not applicable	Current Period Incurred	Prior Period Incurrence
Entrusted Loan	188 / 355	30,000,000.00

**5. Other cash received in connection with financing activities**

☐Applicable ☒Not applicable

## 6. Other cash paid in connection with financing activities

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Projects	Current Period Incurred	Prior Period Incurrence
Amount paid to repay lease liabilities	53,345,223.12	38,439,218.20

## (86) Supplementary information of the cash flow statement 1.

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Additional Information	Amount for the period	Amount of previous period
<b>1. Reconciliation of net income to cash flows from operating activities:</b>		
Net Profit	1,692,578,233.05	3,530,720,076.22
Add: Provision for asset impairment	173,703,226.63	454,020,751.73
Credit impairment losses	-478,751.93	19,309,740.40
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	1,250,071,707.85	1,359,086,211.65
Amortization of right-to-use assets	76,712,676.09	63,438,609.79
Amortization of intangible assets	94,401,394.59	93,744,605.57
Amortization of long-term amortization	71,067,560.30	128,836,427.20
Loss on disposal of fixed assets, intangible assets and other long-lived assets (Earnings are presented with a "-" sign)	-146,255,114.82	-230,105,633.47
Loss on scrapping of fixed assets (gain is recorded with a "-" sign)	4,467,284.30	2,837,480.40
Loss on changes in fair value (gain is presented with a "-" sign)	107,110,679.56	-47,108,997.02
Finance costs (income is shown with a "-" sign)	201,706,527.35	258,238,639.58
Investment losses (gains are presented with a "-" sign)	-419,168,612.89	-530,348,686.97
Decrease in deferred income tax assets (increase is presented with a "-" sign)		
Increase in deferred income tax liabilities (Decrease is presented with a "-" sign)	-30,108,938.90	-21,161,858.39
Decrease in inventories (increase is shown with a "-" sign)	-273,015,065.96	-680,610,700.80
Decrease in loans (increase is shown with a "-" sign)	1,843,711,085.77	-1,458,015,513.45
Increase in deposits (decrease is shown with a "-" sign)	1,287,091,660.83	1,170,672,678.50
Decrease in operating receivables (increase is shown with a "-" sign)	2,706,393,087.86	1,380,452,161.62
Increase in operating payables (decrease is shown with a "-" sign)	-1,181,056,870.46	375,288,781.00

**2. Net cash paid to acquire subsidiaries during the period**

□Applicable ✓Not applicable

**3. Net cash received from disposal of subsidiaries during the period**

□Applicable ✓Not applicable

**4. Composition of cash and cash equivalents**

✓Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
I. Cash	10,943,328,225.67	7,765,113,659.26
Of which: cash on hand	46,988.55	35,493.35
Bank deposits readily available for disbursement	1,023,548,604.67	1,803,532,056.38
Other monetary funds readily available for disbursement	20,289,380.33	16,711,134.93
Deposited central bank funds available for disbursement		
Interbank deposits	9,899,443,252.12	5,944,834,974.60
Interbank loans		
II. Cash equivalents	5,000,000,000.00	1,900,000,000.00
Of which: Bond investments maturing		

Other notes:

□Applicable ✓Not applicable

**(87) Notes to the statement of changes in owners' equity**

Description of "Other" items adjusted for prior year's ending balance and the amount of the adjustment, etc:

□Applicable ✓Not applicable

**(88) Assets subject to restrictions on ownership or use**

✓Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Carrying value at the end of the period	Restricted Reasons
Monetary Funds	1,126,485,476.60	Guarantee
Notes receivable	92,766,557.48	Pledge of notes
Inventory		
Fixed Assets	642,861,239.01	Collateralized Borrowing
Intangible assets		

Total	1,862,113,273.09	/
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**(89) Foreign currency****monetary items 1.**✓Applicable ☐ Not applicable

Unit: Yuan

Projec ts	Foreign currency balance at the end of the period	Converted exchange rate	Translated into RMB at the end of the period Balance
Monetary Funds	-	-	586,941,804.33
Of which: USD	73,895,924.04	6.9646	514,655,552.57
Euro	423,306.82	7.4229	3,142,164.19
Hong Kong Dollars	1,664,526.24	0.8933	1,486,921.29
Thai Baht	277,807,758.83	0.2014	55,950,482.63
British Pound	1,226,313.26	8.3941	10,293,796.14
Canadian Dollars	274,961.08	5.1385	1,412,887.51
Accounts Receivable	-	-	389,483,780.16
Of which: USD	55,419,787.24	6.9646	385,976,650.21
Euro	18,368.00	7.4229	136,343.83
Hong Kong Dollars	2,590,063.92	0.8933	2,313,704.10
British Pound	125,931.55	8.3941	1,057,082.02
Long-term borrowings	-	-	118,353,810.59
Of which: USD	15,907,579.00	6.9646	110,789,924.70
Euro	1,018,993.37	7.4229	7,563,885.89
Other receivables	-	-	10,051,471.11
Of which: USD	1,443,223.03	6.9646	10,051,471.11
Short-term borrowings			346,669,950.23
Of which: Thai Baht	655,200,000.00	0.2014	131,957,280.00
USD	30,829,146.00	6.9646	214,712,670.23
Accounts Payable			170,899,841.72
Of which: USD	24,538,357.08	6.9646	170,899,841.72
Other payables			324,110,517.65
Of which: USD	46,536,846.00	6.9646	324,110,517.65

**2. Description of foreign operating entities, including for significant foreign operating entities, disclosure of their principal place of business outside of the country, the base currency of account and the basis of selection, and the reasons for any change in the base currency of account**

☐Applicable ✓Not applicable**(90) Hedging**☐Applicable ✓Not applicable

## (91) Government grants

## 1. Basic information of government subsidies

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Amount	Reported items	Amount charged to current profit or loss	charged to current profit or loss or written down to related costs and expenses Missing prior period amount	charged to current profit or loss or written down to related costs and expenses Missing items
<b>1. Asset-related government grants</b>					
160,000 tons/year acrylic acid green new process industrialization development project	17,500,000.00	Deferred revenue	1,458,333.36	1,458,333.36	Other gains
2015 Special Funds for Major Scientific and Technological Achievements	8,000,000.00	Deferred revenue	533,333.28	533,333.28	Other gains
2016 Special Funds for Major Scientific and Technological Achievements	2,000,000.00	Deferred revenue	133,333.32	133,333.32	Other gains
2016 Chongqing City Industrial Revitalization Special Funds	344,000.00	Deferred revenue	22,933.32	22,933.32	Other gains
900,000 sets of low rolling resistance green tires special funds	2,000,000.00	Deferred revenue	133,333.32	133,333.32	Other gains
MDSC Differential Flow Scanning Calorimeter Project Grant	115,089.51	Deferred revenue		7,672.61	Other gains
Qcc64 Production plant technology renovation project	2,960,000.00	Deferred revenue	422,857.14	422,857.14	Other gains
VOC Project	6,981,508.26	Deferred revenue	1,516,887.90	95,079.57	Other gains
Anhui land rebate	40,854,366.00	Deferred revenue	907,874.76	907,874.76	Other gains
Liner items	4,002,746.37	Deferred revenue	400,274.64	400,274.64	Other gains
Retaining wall subsidy	1,102,060.00	Deferred revenue	23,035.86	23,035.86	Other gains
High and low temperature universal material testing machine project subsidy (referred to as high and low temperature tensile machine project)	87,468.03	Deferred revenue		5,831.25	Other gains
Fixed asset loans in Xinjiang financial subsidies	41,575,700.00	Deferred revenue	1,400,000.04	1,400,000.07	Other gains
Boiler clean energy alternative special funds	1,809,058.03	Deferred revenue	150,754.84	150,754.84	Other gains

Rugao Development and Reform Commission special funds for energy optimization projects	4,500,000.00	Deferred revenue	300,000.00	300,000.00	Other gains
Graphene Project Science Committee Subsidy	4,900,000.00	Deferred revenue	537,658.15	737,300.00	Other gains
Duplex car and light truck tires with camber, side deflection angle of high-speed durability testing machine project subsidy (referred to as high-speed endurance) (Long-term machine project)	429,667.52	Deferred revenue	28,644.51	28,644.50	Other gains
Rubber capillary rheometer project grant (referred to as rheometer project)	99,744.25	Deferred revenue	6,649.65	6,649.61	Other gains
Xinjiang annual production capacity of 600,000 all-steel radial tires project technical transformation funds	42,000,000.00	Deferred revenue	1,415,335.92	1,415,335.89	Other gains
Xinjiang Uygur Autonomous Region Department of Finance 150,000 sets of large agricultural machinery, large engineering tire technology improvement project financial subsidies	1,000,000.00	Deferred revenue	66,666.72	66,666.72	Other gains
Yixing coloring land compensation	28,103,400.00	Deferred revenue	562,068.00	562,068.00	Other gains
Subsidy for the Tire Finite Element Analysis Technology Platform Project with the Institute of Composite Materials and Structures, Harbin Institute of Technology	46,035.81	Deferred revenue	3,069.02	3,069.06	Other gains
Research and development and utilization of powder-filled rubber project subsidy with South China University of Technology	214,833.76	Deferred revenue	14,322.29	14,322.26	Other gains
Research Platform Project Grant for Tire Noise and Vibration in Cooperation with Tongji University	46,035.81	Deferred revenue	3,069.02	3,069.06	Other gains
Rolling resistance testing machine project subsidy for lorry tires (abbreviation: rolling resistance testing machine project)	398,976.98	Deferred revenue		26,598.44	Other gains
Chongqing Tire for the purchase of dual-mode setting curing machine equipment financial special funds	1,500,000.00	Deferred revenue	99,999.96	99,999.96	Other gains
Chongqing Shuangqiao Township Government Land Rebate	102,969,049.50	Deferred revenue	2,059,380.96	2,059,380.96	Other gains
Smart Factory Integration and Application Project	9,000,000.00	Deferred revenue			
Acrylic acid and ester green production technology transformation project	12,300,000.00	Deferred revenue			
1000 tons of lithium battery science and innovation results transformation project	5,000,000.00	Deferred revenue			
Intelligent production safety control platform	2,490,000.00	Deferred revenue			
Guangxi New Materials Land Compensation	32,856,799.00	Deferred revenue			
21 year air pollution prevention and control funds project subsidies	1,380,000.00	Deferred revenue			
Special subsidy for mega-baby	40,000,000.00	Deferred revenue			



Receive special funds for the development of information technology in Shanghai	1,400,000.00	Deferred revenue			
Winding machine pilot project subsidy	100,000.00	Deferred revenue			
New radial tire development project subsidy	600,000.00	Deferred revenue			
Startup Program - Radial Tire Research and Development Grant	70,000.00	Deferred revenue			
Shanghai Finance High Performance Tire Development Project Grant	700,000.00	Deferred revenue			
Industrialization of water-based hydroxyacrylate emulsions and industry chain expansion	1,339,622.65	Deferred revenue			
Fujian Ningde Sanduao Economic Development Zone Management Committee-Equipment Subsidy for 500,000 sets of interior and exterior trim projects per year	1,067,958.17	Deferred revenue	103,350.79	60,287.96	Other gains
PI material mass production and coated substrate material (film) engineering technology development project	1,292,477.88	Deferred revenue	32,311.95		Other gains
Industrial Internet Platform Project for Chemical Industry	4,800,000.00	Deferred revenue	1,600,000.00		Other gains
2017 Green Manufacturing System Integration	7,900,000.00	Deferred revenue	1,316,666.65		Other gains
<b>2. Revenue-related government grants</b>					
19sn03 District Science Committee paint inspection and testing platform	1,000,000.00		1,000,000.00	609,900.00	Other gains
Baoshan financial support funds	720,000.00		720,000.00	1,060,000.00	Other gains
Financial support funds	1,219,000.00		1,219,000.00	138,000.00	Other gains
Disability Insurance Incentive	37,466.80		37,466.80	43,480.50	Other gains
Disability over-representation incentives	38,491.10		38,491.10	27,632.60	Other gains
Employment Service Center for the Disabled	10,529.30		10,529.30	4,527.40	Other gains
Disability Employment Service Center Section	2,260.30		2,260.30	15,299.38	Other gains
Over-proportional reward	2,611.30		2,611.30	39,731.60	Other gains
Standardization revision of special funds	1,160,000.00		95,894.55		Other gains
Shanghai Made Brand Special Fund	7,500,000.00		5,000,000.00		Other gains
Export Credit Insurance Subsidy	287,287.26		287,287.26	313,060.54	Other gains
Special resin preparation technology for high modulus asphalt-based carbon fiber composites	140,000.00		140,000.00	60,000.00	Other gains
Hansan County Public Employment Service Center-Unemployment Insurance Refund	15,670.57		15,670.57	5,365.72	Other gains
Research on the key preparation technology of new structural epoxy resin based on <b>MGI</b> method of material genome and its application in spacecraft Study	320,000.00		160,000.00	53,000.00	Other gains
Fine chemical continuous flow process research evaluation and industrial demonstration implementation plan overview	7,145,614.06		7,145,614.06		Other gains

## 2022 Annual

Economic park tax rebate	70,405.00		70,405.00	273,500.00	Other gains
Employment subsidy	4,000.00		4,000.00	7,000.00	Other gains
Green Finance Award	5,447.60		5,447.60	33,264.00	Other gains
Training Subsidy	1,800.00		1,800.00	178,910.00	Other gains
Over-proportional incentives (employment of people with disabilities)	1,014.80		1,014.80		Other gains
Pudong New Area Development Support Grant	26,384,000.00		20,682,000.00	5,702,000.00	Other gains
Pudong Yushang Subsidy	1,500.00		1,500.00	141,000.00	Other gains
Social Security Subsidy	6,381,030.94		6,381,030.94	1,390,637.59	Other gains
Unemployment Insurance Fund Training Subsidy	1,200.00		1,200.00	10,200.00	Other gains
Unemployment insurance fund dedicated account to pay training subsidies	600.00		600.00	600.00	Other gains
Tax Refund	233,088.30		233,088.30	351,230.53	Other gains
Tax refunds	337,281.75		337,281.75	745,223.44	Other gains
Tax Handling Fee Refund	5,566.24		5,566.24	14,928.15	Other gains
Tax refunds	1,947,409.10		1,947,409.10	1,982.47	Other gains
Foreign trade transformation funds	21,044.25		21,044.25	8,867.93	Other gains
Job Stabilization Subsidy	1,561,522.38		1,561,522.38	351,517.24	Other gains
Project polymer material genome platform construction	240,000.00		120,000.00	30,000.00	Other gains
VAT refundable on demand	1,201,709.56		1,201,709.56	978,666.73	Other gains
Patent Subsidy	64,000.00		64,000.00	3,000.00	Other gains
Minhang District Advanced Manufacturing Policy Support	200,000.00		200,000.00	50,000.00	Other gains
Disability Allowance	19,205.50		19,205.50	21,622.06	Other gains
The first batch of municipal intellectual property awards in 2020	33,000.00		33,000.00		Other gains
2020 independent innovation incentive funds (county level)	185,000.00		185,000.00		Other gains
2020 Science and Technology Innovation Awards for Development Zone	44,800.00		44,800.00		Other gains
2020 Market Manufacturing Policy Funding (Municipal)	55,000.00		55,000.00		Other gains
2020 City Science and Technology Innovation Policy Cashing Bonus	165,000.00		165,000.00		Other gains
2021 Jinshan District Patent Work Demonstration Unit	50,000.00		50,000.00		Other gains
2021 **fighting a quarter to open a new bureau** to promote industrial growth of a number of policy measures to subsidize	200,000.00		200,000.00		Other gains
2021 High-tech Achievement Subsidy	399,000.00		399,000.00		Other gains
2021 High-tech Achievement Transformation Special Funds	7,496,000.00		7,496,000.00		Other gains
2021 annual Jinshan District two integration management system standardization awards	20,000.00		20,000.00		Other gains
2021 Municipal Enterprise Technology Center recognition and evaluation of enterprise incentive funds	100,000.00		100,000.00		Other gains
2021 County intellectual property first batch of awards	40,000.00		40,000.00		Other gains
2021 Annual Policy Incentives	27,223,886.08		27,223,886.08		Other gains
2021 Special incentive funds for talents in key industries	302,000.00		302,000.00		Other gains
2021 International market development funds for SMEs	286,400.00		286,400.00		Other gains

2022 Annual

Support in the first quarter of 2022	30,000.00		30,000.00		Other gains
Special subsidies for foreign trade promotion in 2022	6,905.01		6,905.01		Other gains
2022 Foreign Trade Transformation Promotion Fund	24,336.29		24,336.29		Other gains
The first batch of special funds for brand building in 2022	100,000.00		100,000.00		Other gains
2022 Special Support for Green Development of Industries in Shanghai Chemical Industry Zone	520,000.00		520,000.00		Other gains
2022 Special Support for Science and Technology Innovation and Achievement Transformation in Shanghai Chemical Industry Zone	20,000.00		20,000.00		Other gains
2022 Municipal energy conservation and comprehensive utilization of resources financial special funds	771,400.00		771,400.00		Other gains
2022 Wuhu City Energy Conservation and Comprehensive Utilization of Resources Financial Special Funds	100,000.00		100,000.00		Other gains
2022 Subsidies for closed control areas and control areas	3,000.00		3,000.00		Other gains
2022 Industrial enterprises above the scale	200,000.00		200,000.00		Other gains
2022 Expansion Grants	4,500.00		4,500.00		Other gains
21 years of municipal foreign trade promotion policy	53,000.00		53,000.00		Other gains
21 years of strong manufacturing provinces national energy efficiency leader award	500,000.00		500,000.00		Other gains
21 years of strong manufacturing province national water efficiency leader award	500,000.00		500,000.00		Other gains
Financial support for business education	137,900.00		137,900.00		Other gains
Standardization Subsidy	270,000.00		270,000.00		Other gains
Standard-setting subsidies	100,000.00		100,000.00		Other gains
Standard revision funds	200,000.00		200,000.00		Other gains
Financial subsidies	101,386.00		101,386.00		Other gains
Finance Bureau Support Funds	65,727.54		65,727.54		Other gains
Subsidy for participation in diagnostic services for digital applications and lean manufacturing companies	10,000.00		10,000.00		Other gains
Disability insurance over-proportionate rewards	2,695.50		2,695.50		Other gains
Disability benefits	1,853.20		1,853.20		Other gains
Disability over-proportionate allowance	49,821.00		49,821.00		Other gains
Special incentives for industry-academia research	140,000.00		140,000.00		Other gains
Overbill disability benefits	40,264.14		40,264.14		Other gains
Dazu Industry Top 20 Awards	50,000.00		50,000.00		Other gains
Local education surcharge subsidy	36,600.00		36,600.00		Other gains
The 10th batch of subsidies to stabilize jobs-Dazu Finance Bureau	250,026.00		250,026.00		Other gains
The second batch of lump-sum subsidies for job stability	3,000.00		3,000.00		Other gains
The sixth batch of one-time subsidies for employers	4,000.00		4,000.00		Other gains
The third batch of innovation and technology voucher subsidies arrived	38,082.00		38,082.00		Other gains
Urban Saitang Liquidation in the fourth quarter of 2021	70,000.00		70,000.00		Other gains
Urban Saitang Second Quarter 2022 Support	220,000.00		220,000.00		Other gains

Anti-epidemic subsidy	21,400.00		21,400.00		Other gains
Fengxian District IPR Comprehensive Insurance Funding	4,750.00		4,750.00		Other gains
Bureau of Industry and Information Technology to support the development of production enterprises subsidy income	100,000.00		100,000.00		Other gains
Industrial Internet Special	150,000.00		150,000.00		Other gains
Special funds for industrial energy conservation and contract energy management	331,900.00		331,900.00		Other gains
The first batch of enterprise awards for industrial strong streets	20,000.00		20,000.00		Other gains
Guard post allowance	1,500.00		1,500.00		Other gains
East China Normal University project final payment	240,000.00		240,000.00		Other gains
Environmental pollution liability insurance subsidy	7,200.00		7,200.00		Other gains
Technology Reform Subsidy	800,300.00		800,300.00		Other gains
Technology reform government incentives	462,400.00		462,400.00		Other gains
Technology Awards	200,000.00		200,000.00		Other gains
Jiaxing Gazelle Enterprise Subsidy	100,000.00		100,000.00		Other gains
Jiaxing Municipal Green Factory Subsidy	100,000.00		100,000.00		Other gains
Jiaxing Municipal Enterprise Technology Center Subsidy	200,000.00		200,000.00		Other gains
Jinshan Gazelle Enterprise	300,000.00		300,000.00		Other gains
Jinshan District Finance Bureau Subsidy	540,700.00		540,700.00		Other gains
Subsidy for one project in Jinshan District	3,813,000.00		3,813,000.00		Other gains
Economic and Information Technology Bureau logistics subsidies	2,961.00		2,961.00		Other gains
Hattie District Expansion Grant	10,000.00		1,000.00		Other gains
Employment Management Service Center* One-time job retention training subsidy	25,000.00		25,000.00		Other gains
Development zone on enterprise R & D subsidies	5,848.00		5,848.00		Other gains
Job expansion subsidy	18,000.00		15,000.00		Other gains
Retained Worker Training Subsidy	599,000.00		599,000.00		Other gains
Minhang Economic Committee	100,000.00		100,000.00		Other gains
Minhang District special support funds	200,000.00		200,000.00		Other gains
Minhang District General Union 2021 Local Education Surcharge Subsidy	120,399.50		120,399.50		Other gains
South Border Labor Subsidy	32,000.00		32,000.00		Other gains
Training Subsidy	197,000.00		197,000.00		Other gains
Pinghu City Zhong Dai Street paid Zhejiang Tianyuan Medical Materials Co.	2,679,000.00		2,679,000.00		Other gains
Other government grants	11,500.00		11,500.00		Other gains
Enterprise placement of veterans to enjoy tax deductions	148,500.00		148,500.00		Other gains
Enterprise production and business activities related to the construction of basic facilities	5,600,000.00		5,600,000.00		Other gains
One-time employment absorption subsidy for enterprises	76,500.00		76,500.00		Other gains
Qingpu Finance Bureau Subsidy	54,300.00		54,300.00		Other gains
Qingpu District Finance Bureau support funds	1,667,000.00		1,667,000.00		Other gains

Special funds for talent reward	70,000.00		70,000.00		Other gains
Human Resources and Social Security Bureau 2022 Vocational Training Subsidy for Enterprise Employees	12,700.00		12,700.00		Other gains
HRSS direct subsidy	469,400.00		469,400.00		Other gains
Shanghai Baoshan District Finance Bureau Support Funds	150,000.00		150,000.00		Other gains
Shanghai Employment Service Center for Persons with Disabilities Over-Scale Award	3,706.30		3,706.30		Other gains
Shanghai Mechanical and Electrical Products Export Enterprises Market Diversification Financial Support	266,193.00		266,193.00		Other gains
Shanghai Zizhu High-Tech Industrial Development Zone	750,000.00		750,000.00		Other gains
City Industry and Information Technology Bureau awards - intelligent workshop	200,000.00		200,000.00		Other gains
Municipal specialization and new subsidies	100,000.00		100,000.00		Other gains
City Human Resources Master Skill Grant	150,000.00		150,000.00		Other gains
City Emergency Management Bureau risk identification and control of advanced enterprise awards	13,000.00		13,000.00		Other gains
2021 Municipal incentives and subsidies for enterprises on the scale of the Bureau of Industry and Information Technology	50,000.00		50,000.00		Other gains
2022 Municipal energy conservation and comprehensive utilization of resources financial special funds	80,913.24		80,913.24		Other gains
2022 Anti-epidemic Stabilization Grant	100,000.00		100,000.00		Other gains
2022 Zhong Dai Street Office Enterprise Relief Development Incentive	5,222.00		5,222.00		Other gains
The Bureau of Industry and Information Technology into the regular enterprise incentive subsidies	50,000.00		50,000.00		Other gains
Economic and Development Bureau 2021 Business Enterprise Assessment Awards	150,000.00		150,000.00		Other gains
Special funds for foreign trade development 2.29 million	2,290,000.00		2,290,000.00		Other gains
Special funds from the Foreign Trade and Economic Cooperation Commission (389,000)	389,000.00		389,000.00		Other gains
Special funds of the Foreign Trade and Economic Cooperation Commission (576,000)	576,000.00		576,000.00		Other gains
Special funds from the Foreign Trade and Economic Cooperation Commission (960,000)	960,000.00		960,000.00		Other gains
Taopu Township Tax Rebate (Putuo District Government Support Funds)	72,000.00		72,000.00		Other gains
Sports industry demonstration unit subsidy	200,000.00		200,000.00		Other gains
Investment company pension subsidy funds	21,486.00		21,486.00		Other gains
Veterans placement tax relief	9,000.00		9,000.00		Other gains
Retirement benefits	23,575.00		23,575.00		Other gains
Veterans Allowance	494,585.00		494,585.00		Other gains
Retired soldier's allowance	33,310.00		33,310.00		Other gains
Retired soldiers' pension benefits	555,941.69		555,941.69		Other gains
Foreign Trade Subsidy	2,000,000.00		2,000,000.00		Other gains
Foreign trade growth stabilization special funds	25,000.00		25,000.00		Other gains

The first batch of subsidies for job stability 202206	14,374.40		14,374.40		Other gains
Stabilization subsidy income	3,036.71		3,036.71		Other gains
The first batch of Wuhu Unemployment Insurance Stabilization Rebate Hat River District	634,730.82		634,730.82		Other gains
Financial employment subsidy in Wuhu City, Hat River District	2,000.00		2,000.00		Other gains
Employment Subsidy for College Graduates (First Batch) of the Bureau of Finance of Hat River District, Wuhu City	2,000.00		2,000.00		Other gains
Wuhu City Hat River District Finance Bureau industrial enterprises to stabilize production and increase efficiency subsidies	83,800.00		83,800.00		Other gains
Wuhu City Hatake District Finance Bureau to support industrial enterprises to increase production and income subsidies	200,000.00		200,000.00		Other gains
Wuhu City Hatake District on the provincial R & D investment subsidy	40,000.00		40,000.00		Other gains
Wujiang Human Resources Bureau Subsidy	1,549.00		1,549.00		Other gains
R&D Subsidy	400,000.00		400,000.00		Other gains
Yangpu District Human Resources and Social Security Bureau	6,000.00		6,000.00		Other gains
Subsidies for logistics and transport security during the epidemic	149,000.00		149,000.00		Other gains
VAT tax control system special equipment fee and technical maintenance fee as tax credit	280.00		280.00		Other gains
Zhangjiang Special Funds	250,000.00		250,000.00		Other gains
Subsidy for recruiting veterans	10,500.00		10,500.00		Other gains
Town-level financial support	946,000.00		946,000.00		Other gains
Government Grants	600,000.00		600,000.00		Other gains
Intellectual Property Protection Subsidy	500,000.00		500,000.00		Other gains
IPR Policy Funding Collections	6,000.00		6,000.00		Other gains
Smart forklift management system installation subsidy	8,000.00		8,000.00		Other gains
China (Shanghai) Pilot Free Trade Zone Management Committee Expo Administration Special Funds Development Support Funds	507,000.00		507,000.00		Other gains
Small and medium-sized enterprise relief funds - loan interest subsidies	25,000.00		25,000.00		Other gains
Central fund subsidy	4,160,000.00		4,160,000.00		Other gains
Specialized new subsidies	100,000.00		100,000.00		Other gains
Patent Grant Fee	4,100.00		4,100.00		Other gains
Lump-sum compensation for soap factory employee diversion and resettlement, etc.	605,564,838.00		605,564,838.00		Other gains
Rent relief subsidy	92,700.00		92,700.00		Other gains
The second batch of 2018 industrial strength district funding grants				487,000.00	Other gains
The second batch of Science and Technology Strengthening District Grants in 2018				100,300.00	Other gains
2019-2020 Annual high-tech achievements subsidy (2019)				398,000.00	Other gains
2019-2020 Annual high-tech achievements subsidies (2020)				328,000.00	Other gains
Municipal manufacturing upgrade policy funds for 2019				50,000.00	Other gains
Fiscal policy cash-out funds in 2020				9,536,129.89	Other gains

2020 Air Pollution Prevention and Control Award Funds				100,000.00	Other gains
Soft Set Design Award 2020 Soft Set Design Award 2020				195,000.00	Other gains
SME International Market 2020				394,300.00	Other gains
2020 Rugao City Economic Work Incentive (Technological Reform Subsidy)				1,851,700.00	Other gains
Provincial foreign trade and economic policy funds in 2020				5,000.00	Other gains
Patent funding in the second half of 2020 (annual fees for inventions authorized)				31,600.00	Other gains
2020 Grant Incentive Fee				57,000.00	Other gains
2021 Energy saving and comprehensive utilization of resources special grants				30,000.00	Other gains
2021 Second Quarter Enterprise Social Security Subsidy				11,834.00	Other gains
Pre-allocation for the fourth quarter of 2021				120,000.00	Other gains
2021 First Quarter Enterprise Social Security Subsidy				12,825.20	Other gains
20 Annual Dazhan Industrial Green Manufacturing Cleaner Production Award				50,000.00	Other gains
20 annual Dazu industrial green manufacturing energy-saving product awards				80,000.00	Other gains
21 years radial tire green manufacturing system integration post-grant funds				5,000,000.00	Other gains
Placement of veterans tax deductions				194,530.00	Other gains
Special funds for standardization				100,000.00	Other gains
Cai Shui 2019/21 Recruitment of military personnel preferential				12,000.00	Other gains
Financial Support				930,000.00	Other gains
Disability insurance excess ratio incentive-Shanghai Employment Service Center for the Disabled				1,561.20	Other gains
Dazu Industry Top 20 Awards 2020				50,000.00	Other gains
Party Building Leaders (funded by the Wakashui Excellence Project)				42,000.00	Other gains
Local special fund subsidies				3,680.00	Other gains
The fifth batch of innovation and technology voucher subsidies arrived				48,555.00	Other gains
The first batch of innovation and technology voucher subsidies arrived				12,175.00	Other gains
Adjustment of silicone new materials R & D and industrialization subsidies				330,000.00	Other gains
6 patents including catalyst for the oxidative dehydrogenation of butadiene and its preparation method and use				50,000.00	Other gains
Urban Saitang 2021 2nd quarter support				40,000.00	Other gains
Urban Sitang Financial Support				120,000.06	Other gains
Urban Si Tong first quarter support funds				80,000.00	Other gains
Property Tax Refunds				25,797.51	Other gains
Enabling funds				1,010,000.00	Other gains
Service Industry Guidance Funds				150,000.00	Other gains
Pre-job training subsidy				3,600.00	Other gains
Port construction fee rebate				5,209.00	Other gains
HK Construction Fee				3,196.40	Other gains
Key technology application and demonstration project of biodegradable industrial wastewater treatment with high concentration of hydrochloric acid				300,000.00	Other gains

High-tech Enterprise Reward				100,000.00	Other gains
Return of trade union funds				11,222.60	Other gains
SASAC three batches of resettlement subsidies				244,000.00	Other gains
Management Committee of Huangshan Economic Development Zone - Support the development of enterprises				2,231,960.00	Other gains
Human Resources and Social Security Bureau of Hanyama County - Employment Subsidy				5,393.31	Other gains
Hangzhou Lin'an District Disabled Persons' Federation* Enterprise placement subsidy, employment subsidy for disabled persons by employers				14,400.00	Other gains
Hangzhou Lin'an District Employment Management Service Office Unemployment Fund Expenditure Account Dedicated Account* Job Stabilization Subsidy				7,185.43	Other gains
Environmental subsidies				790,000.00	Other gains
Development Zone Pays Enterprise Support Funds - Huayi Gas Adjustment Fee				23,138.00	Other gains
Science and technology subsidies (high-tech three project research and development funds subsidies)				16,000.00	Other gains
Technology Innovation Project Subsidy				70,000.00	Other gains
South Border Award Subsidy				40,000.00	Other gains
Energy Management System				100,000.00	Other gains
Enterprise Development Fund				2,787,400.00	Other gains
Corporate social security subsidies				14,344.40	Other gains
District-level technology center special				870,200.00	Other gains
Talent Subsidy				265,200.00	Other gains
Business Council Subsidy				50,000.00	Other gains
Special subsidy for intellectual property patent of Shanghai Hangzhou Bay Economic Technology Development Co.				56,000.00	Other gains
Fengxian District Finance Bureau, Shanghai, zero-balance special account special subsidy				20,000.00	Other gains
Investment Service Center of Hangzhou Bay Industrial Base, Fengxian District, Shanghai, China 2021 Fengxian District				224,000.00	Other gains
Shanghai Mechanical and Electrical Products Export Enterprises Market Diversification Funding Support Project				557,646.00	Other gains
Shanghai Minhang District Market Supervision and Management Standardization Funds				270,000.00	Other gains
Shanghai Pudong New Area Expo Area Development Management Committee Special Funds Development Support Funds				318,000.00	Other gains
Shanghai Zizhu High-tech Industrial Development Zone Special Funds Project				800,000.00	Other gains
Provincial star on the cloud award subsidies				28,000.00	Other gains
Unemployment insurance training subsidy				600.00	Other gains
Top Ten Enterprise Awards				50,000.00	Other gains
Municipal Finance Industry and Trade Division Comprehensive Award				457,000.00	Other gains



City funds				90,000.00	Other gains
Market Supervision Bureau Municipal Bureau 2021 Patent funding in the first half of the year				30,000.00	Other gains
Municipal SASAC Subsidy				24,000.00	Other gains
Collecting over-proportional incentives for people with disabilities				16,392.20	Other gains
Received foreign trade promotion policy funds for 2020				99,400.00	Other gains
Received subsidies for VOC flue gas treatment				200,000.00	Other gains
Received money for illegal claims				127,000.00	Other gains
Shuangqiao Economic Development Zone 20 years of industrial development special bonus - major new products				100,000.00	Other gains
Shuangqiao Economic Development Zone 21 years of industry industrial enterprises 10 strong development special bonus				400,000.00	Other gains
Land tax refunds				20,010.00	Other gains
Input credits for veterans, etc. (VAT deductions)				656,700.00	Other gains
Retired employee activity funds				1,346.00	Other gains
FECO Development Funds				463,500.00	Other gains
Job Stabilization Subsidy				453.60	Other gains
Stabilization rebate				302,924.41	Other gains
Logistics Service Fee Refund				550.00	Other gains
Employment absorption subsidy				2,600.00	Other gains
New Apprenticeship Program Awards				138,000.00	Other gains
Information technology input reimbursement (technology reform subsidy)				234,900.00	Other gains
R&D investment declaration statistics cost - district budget				500.00	Other gains
Work-based training subsidy				6,600.00	Other gains
Work-based training subsidies				154,000.00	Other gains
Work for Food				4,000.00	Other gains
Emergency Management Agency Comprehensive Award				307,500.00	Other gains
Talent Grant				27,000.00	Other gains
The employer absorbed a one-time on				12,000.00	Other gains
VAT first levy and then refund				784,316.54	Other gains
Changning District Market Supervision Bureau-standardized funding applications				1,429,000.00	Other gains
Town-level financial support payments				864,000.00	Other gains
Special funds for the development of small and medium-sized enterprises				3,200,000.00	Other gains
SME funding				30,000.00	Other gains
Chongqing Shuangqiao Finance Bureau				8,080,000.00	Other gains
Housing subsidy funding incentives				170,000.00	Other gains
Patent funding				36,000.00	Other gains
Patent grant fee (2nd batch of patent grant fee in 2021)				200,000.00	Other gains
Dedicated subsidies				600.00	Other gains

Financial Support Funds for Free Trade Zone				325,617.00	Other gains
Wuhu Human Resources and Social Security Bureau on the subsidy of skill master studio				100,000.00	Other gains
Employment risk reserve of the social security section of the financial bureau of Wuhu City, Hat River District				121,318.86	Other gains
Wuhu City, Hat River District Finance Bureau of the Enterprise Section to stay in the job stability subsidies				61,000.00	Other gains
Wuhu City Hatake District Finance Bureau on the 2021 provincial energy-saving ecological special				300,000.00	Other gains
Vocational training subsidies to "Non-operating income - Subsidy income" account				157,500.00	Other gains
2020 Air Pollution Prevention and Control Award Funds				400,000.00	Other gains
Wuhu City, Hat River District Emergency Management Bureau on the rescue base subsidy funding				100,000.00	Other gains
2021 Energy saving and comprehensive utilization of resources special grants				100,000.00	Other gains
Social Security Administration epidemic unreturned worker benefits				2,000.00	Other gains
High-tech enterprise policy funding				50,000.00	Other gains
2020 Disability Insurance Over-Proportionate Share Incentive				936.70	Other gains
XX-10 Polyimide bushing production project for engine				1,500,000.00	Other gains
Anhui land compensation				659,818.52	Other gains
Development of high-temperature resistant and long-life self-lubricating spherical bearing pads (1607-10 Feature)				70,000.00	Other gains

## 2. Return of government subsidies

☐Applicable ☒Not applicable

**(Ninety-two) Other**

☐Applicable ☒Not applicable

**VI. Changes in the scope of consolidation****(i) Business combinations not under common control**

☐Applicable ☒Not applicable

**(ii) Business combination under common control**

☐Applicable ☒Not applicable

**(iii) Reverse purchase**

☐Applicable ☒Not applicable

**(iv) Disposal of subsidiaries**

Whether there is a loss of control upon a single disposal of investment in a subsidiary

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**(v) Changes in the scope of consolidation for other reasons**

Describe changes in the scope of consolidation due to other reasons (e.g., new subsidiaries, liquidation of subsidiaries, etc.) and the related circumstances:

☒Applicable ☐ Not applicable

- ( 1 ) Ltd. was newly established in the current period and included in the scope of consolidation.
- ( 2 ) Ltd. was absorbed and merged by its subsidiary, Shanghai Huayi Fine Chemical Co.
- ( 3 ) Ltd. was absorbed and merged by its subsidiary Shanghai Soap (Group) Co.
- ( 4 ) Ltd., a subsidiary of Fine Chemical Company, completed the cancellation of industry and commerce and withdrew from the scope of consolidation.

**(F) Other**

☐Applicable ☒Not applicable

**VII. Interests in other entities (a) Interests in subsidiaries**

**1、Composition of enterprise group**

√Applicable □ Not applicable

Subsidiaries Name	Main business locations	Place of registration	Business Nature	Shareholding ratio (%)		Get Mode
				Direct	Indirect	
Shuangqian Tire Group Co.	Shanghai	Shanghai	Manufacturing	100.00		Set up
Shuangqian Group Shanghai Tire Research Institute Ltd. (Note 1)	Shanghai	Shanghai	Research, Development		100.00	Set up
Shuangqian Group (Jiangsu) Tire Company Limited (Note 1)	Rugao	Rugao	Manufacturing		76.32	Set up
Shuangqian Group Shanghai Supply and Marketing Co.	Shanghai	Shanghai	Wholesale		100.00	Set up
Shuangqian Group Shanghai Donghai Tire Company Limited (Note 1)	Shanghai	Shanghai	Manufacturing		65.00	Set up
Shanghai Rubber Machinery No.1 Factory Ltd. (Note 1)	Shanghai	Shanghai	Manufacturing		100.00	Set up
Shuangqian Group (Anhui) HuiLi Tire Company Limited (Note 1)	Anhui	Anhui	Manufacturing		66.10	Set up
Shanghai Jin Gong Tire Factory Co., Ltd (Note 1)	Shanghai	Shanghai	Manufacturing		77.00	Set up
China North American Tire Joint Sales Corporation (Note 1)	United States	United States	Wholesale		52.40	Set up
Shanghai Shuangqian Tire Sales Co., Ltd (Note 1)	Shanghai	Shanghai	Wholesale		35.06	Set up
Shuangqian Group (Chongqing) Tire Company Limited (Note 1)	Chongqing	Chongqing	Manufacturing		65.36	Set up
Huatai Rubber Co., Ltd. (Note 1)	Thailand	Thailand	Manufacturing		83.00	Business combinations not under common control
Shuangqian Group (Xinjiang) Kunlun Tire Company Limited (Note 1)	Xinjiang	Xinjiang	Manufacturing		51.53	Business combinations not under common control
Xinjiang Kunlun Engineering Tire Co., Ltd (Note 1)	Xinjiang	Xinjiang	Manufacturing		51.00	Business combinations not under common control

Anhui Huayi Chemical Company Limited (Note 3)	Anhui	Anhui	Manufacturing		94.00	Business combinations under common control
Shanghai Huayi New Energy Chemical Sales Co.	Shanghai	Shanghai	Trade		100.00	Business combinations under common control
Kunshan Baoyan Gas Co., Ltd. (Note 3)	Jiangsu	Jiangsu	Manufacturing		40.00	Business combinations not under common control
Shandong Huayi Industrial Gas Company Limited (Note 3)	Shandong	Shandong	Manufacturing		100.00	Set up
Shanghai Huayi Fine Chemical Co.	Shanghai	Shanghai	Manufacturing	100.00		Business combinations under common control
Shanghai Yipin Pigment Co. (Note 4)	Shanghai	Shanghai	Manufacturing		97.30	Business combinations under common control
Shanghai Huayi Fine Chemical Sales Co., Ltd. (Note 4)	Shanghai	Shanghai	Wholesale		100.00	Business combinations under common control
Yixing Huayi Yipin Coloring Technology Co., Ltd (Note 4)	Yixing	Yixing	Manufacturing		58.33	Business combinations under common control
Shanghai Test Four Chemicals Co., Ltd (Note 4)	Shanghai	Shanghai	Manufacturing		78.82	Business combinations under common control
Shanghai Research Institute of Coatings Limited (Note 4)	Shanghai	Shanghai	Manufacturing		100.00	Business combinations under common control
Shanghai Tetra Hevi Chemical Co., Ltd (Note 4)	Shanghai	Shanghai	Manufacturing		81.20	Business combinations under common control
Shanghai Chemical Reagent Research Institute Co.	Shanghai	Shanghai	Manufacturing		78.82	Business combinations under common control
Shanghai Huayi Paint Co. (Note 4)	Shanghai	Shanghai	Manufacturing		53.73	Business combinations under common control
Shanghai Huayi Group Investment Co.	Shanghai	Shanghai	Investment	100.00		Business combinations under common control
Shanghai Huayi Group International Trading Company Limited (Note 5)	Shanghai	Shanghai	Trade		100.00	Business combinations under common control
Shanghai Chemical Industry Inspection & Testing Co.	Shanghai	Shanghai	Service Industry		51.00	Business combinations under common control
Shanghai Chemical Engineering Supervision Company Limited (Note 5)	Shanghai	Shanghai	Service Industry		100.00	Business combinations under common control

Shanghai Plastics Research Institute Ltd. (Note 5)	Shanghai	Shanghai	Manufacturing		100.00	Business combinations under common control
Shanghai HuiLi Shoes Co., Ltd (Note 5)	Shanghai	Shanghai	Manufacturing		100.00	Business combinations under common control
Shanghai Rubber Products Research Institute Ltd. (Note 5)	Shanghai	Shanghai	Manufacturing		100.00	Business combinations under common control
Shanghai Synthetic Resin Research Institute Ltd. (Note 5)	Shanghai	Shanghai	Manufacturing		100.00	Business combinations under common control
Shanghai Huayi Resin Co., Ltd (Note 5)	Shanghai	Shanghai	Manufacturing		51.00	Business combinations under common control
Shanghai Huayi Engineering Services Company Limited (Note 5)	Shanghai	Shanghai	Service Industry		51.00	Business combinations under common control
Shanghai Huayi Inspection & Testing Technology Co., Ltd (Note 5)	Shanghai	Shanghai	Service Industry		100.00	Business combinations under common control
Shanghai Tianyuan (Group) Co.	Shanghai	Shanghai	Real Estate Investment Domestic Trade	100.00		Business combinations under common control
Yantai Tianyuan Shengde Material Technology Company Limited (Note 6)	Shandong	Shandong	Production and sales of plastic products		100.00	Business combinations under common control
Shanghai Huayi Group Trading Company Limited (Note 6)	Shanghai	Shanghai	Domestic International Trade		100.00	Business combinations under common control
Shanghai Tianyuan Group Shengde Plastics Co., Ltd (Note 6)	Shanghai	Shanghai	Plastic products production and sales		100.00	Business combinations under common control
Shanghai Chemical Supply & Marketing Co., Ltd. (Note 6)	Shanghai	Shanghai	Trade		100.00	Business combinations under common control
Shanghai Resin Factory Ltd. (Note 6)	Shanghai	Shanghai	Resin production and sales		100.00	Business combinations under common control
Suzhou Tianyuan Logistics Co., Ltd. (Note 6)	Jiangsu	Jiangsu	Warehousing Services		74.25	Business combinations under common control
Zhejiang Tianyuan Medical Material Co., Ltd (Note 6)	Zhejiang	Zhejiang	Manufacturing		100.00	Set up

Fujian Huayi Shengde Material Technology Co., Ltd (Note 6)	Fujian	Fujian	Wholesale		100.00	Set up
Anhui Huayi Shengde Material Technology Co., Ltd (Note 6)	Anhui	Anhui	Manufacturing		100.00	Set up
Shanghai Huayi New Material Co.	Shanghai	Shanghai	Manufacturing	100.00		Business combinations under common control
Zhejiang Huayu Absorbent Materials Co., Ltd (Note 7)	Zhejiang	Zhejiang	Manufacturing		51.00	Set up
Shanghai Huayi New Material Chemical Sales Co., Ltd (Note 7)	Shanghai	Shanghai	Manufacturing		100.00	Business combinations under common control
Shanghai Huayi Information Technology Co.	Shanghai	Shanghai	Technology Development	51.21		Business combinations under common control
Shanghai Huayi Group Finance Co.	Shanghai	Shanghai	Financial Industry	64.00		Business combinations under common control
Huayi Group (Hong Kong) Limited	Hong Kong	Hong Kong	Investment Holding	51.00		Business combinations under common control
HUAYIFINANCE LTD.(Note 8)	Virgin Islands	Virgin Islands	Debt issuance		51.00	Business combinations under common control
Huayi Group (Thailand) Limited (Note 8)	Thailand	Thailand	Manufacturing		43.35	Business combinations under common control
Huayi Tire Canada, LLC (Note 8)	Canada	Canada	Wholesale		51.00	Business combinations under common control
Guangxi Huayi New Material Co.	Guangxi	Guangxi	Manufacturing	60.00		Set up

## Other notes:

Note 1: A subsidiary of Shuangqian Tire Group Co.

Note 2: Subsidiary of Shanghai Soap (Group)

Co. Note 3: Subsidiary of Shanghai Huayi

Energy Chemical Co. Note 4: Subsidiary of

Shanghai Huayi Fine Chemical Co. Note 5:

Subsidiary of Shanghai Huayi Group

Investment Co. Note 6: Subsidiary of

Shanghai Tianyuan (Group) Co. Note 7:

Subsidiary of Shanghai Huayi New Materials

Co. Note 8: Subsidiary of Huayi Group (Hong

Kong) Co.

(hereinafter referred to as "Shuangqian Tire"), a subsidiary of the Company, holds 35.06% of the shares of Shanghai Shuangqian Tire Sales Co. (hereinafter referred to as "Shuangqian Sales"), the remaining shares are held by scattered minority shareholders, with all minority shareholders individually holding no more than 3.47% of the voting shares, and there is no collective decision-making agreement among the other shareholders. Meanwhile, the chairman, general manager and financial officer of Shuangqian Sales are dispatched by Shuangqian Tire, which dominates Shuangqian Sales' daily operating activities, financial decisions and other important matters, so Shuangqian Tire controls Shuangqian Sales.

Note 10: The Company holds 60% of the shares of the subsidiary Shanghai Soap (Group) Co. Therefore, the Company controls MoltechHoldingsCorporation and MoltechPowerSystemInc. Based on the shareholding ratio, the Company indirectly holds 42% of MoltechHoldingsCorporation. The Company indirectly holds 42% of MoltechHoldingsCorporation and 42% of MoltechPowerSystemInc.

Note 11: Shanghai Huayi Energy & Chemical Company Limited ("Energizer"), a subsidiary of the Company, holds 40% of the shares of Kunshan Baoyan Gas Co. According to the Articles of Association of Kunshan Bao Salt, the Board of Directors consists of five directors, of which NEC sends three directors, and the general manager and financial officer of Kunshan Bao Salt are sent by NEC, which dominates the daily operation activities and financial decisions of Kunshan Bao Salt and other important matters.

Note 12: The Company holds 51% of the equity of the subsidiary Huayi Group (Hong Kong) Limited, and Huayi Group (Hong Kong) Limited holds 85% of the equity of the subsidiary Huayi Group (Thailand) Limited, so the Company controls Huayi Group (Thailand) Co., Ltd. and based on the shareholding ratio, the Company indirectly holds 43.35% equity interest in Huayi Group (Thailand) Co.



## 2. Significant non-wholly owned subsidiaries

√Applicable □ Not applicable

Subsidiary Name	Minority shareholding ratio	Profit or loss attributable to minority shareholders for the period	Dividends declared to minority shareholders during the period	Unit:
				Balance of minority interests at the end of the period Yuan/Currency: RMB
Shuangqian Group (Jiangsu) Tire Co.	23.68%	256,548.66		80,966,676.53
Shuangqian Group (Anhui) HuiLi Tire Co.	33.90%	-9,733,557.76		203,268,929.39
China North American Tire Joint Sales, Inc.	47.60%	31,550,810.24	9,321,398.41	43,246,666.57
Shuangqian Group (Chongqing) Tire Co.	34.64%	-50,697,293.58		42,230,478.96
Shuangqian Group (Xinjiang) Kunlun Tire Co.	48.47%	-10,334,382.92		463,286,321.61
Shanghai Soap Making (Group) Co.	40.00%	177,919,570.71	7,682,280.00	407,588,472.37
Anhui Huayi Chemical Co.	6.00%	8,931,099.81	29,978,016.29	159,666,874.32
Kunshan Baoyan Gas Co.	60.00%	38,987,809.69		524,786,904.29
Shanghai Test Four Hervey Chemical Co.	18.80%	28,239,481.06	20,586,000.00	91,692,912.75
Shanghai Huavi Information Technology	48.79%	8,939,904.98	7,444,712.16	50,669,223.52

Description of the percentage of shareholding of minority shareholders of subsidiaries different from the percentage of voting rights:

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

### 3. Key financial information of significant non-wholly owned subsidiaries

√Applicable □ Not applicable

Unit:Yuan Currency:RMB

Subsidiary Name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shuangqian Group (Jiangsu) Wheel Tire Co.	1,051,087,919.29	881,129,166.92	1,932,217,086.21	1,577,419,381.46	12,902,162.92	1,590,321,544.38	604,640,193.81	795,351,605.94	1,399,991,799.75	1,043,668,463.66	15,306,629.63	1,058,975,093.29
Shuangqian Group (Anhui) back Force Tire Co.	300,616,766.01	849,915,279.97	1,150,532,045.98	550,918,684.95		550,918,684.95	297,233,432.32	882,298,680.02	1,179,532,112.34	551,275,703.50		551,275,703.50
China North America Tire Joint Sales Sales Company	810,190,357.24	98,916,841.77	909,107,199.01	691,847,672.76	126,405,184.71	818,252,857.47	734,813,544.86	87,527,464.92	822,341,009.78	715,439,879.73	61,979,945.77	777,419,825.50
Shuangqian Group (Chongqing) Wheel Tire Co.	552,453,193.92	695,361,219.45	1,247,814,413.37	1,050,968,059.36	74,937,405.19	1,125,905,464.55	689,775,067.85	763,901,117.49	1,453,676,185.34	1,108,383,858.33	77,119,719.43	1,185,503,577.76
Shuangqian Group (Xinjiang) Kun Lun Tire Co.	1,048,535,770.62	1,656,845,280.14	2,705,381,050.76	1,698,255,653.22	51,226,880.00	1,749,482,533.22	1,120,524,023.03	1,678,817,903.59	2,799,341,926.62	1,767,725,870.99	54,411,986.43	1,822,137,857.42
Shanghai soap making (group) has Limited company	1,139,793,957.37	243,109,257.60	1,382,903,214.97	342,258,042.40	21,673,991.64	363,932,034.04	576,959,400.70	239,400,142.13	816,359,542.83	201,066,434.79	22,685,850.23	223,752,285.02
Anhui Huayi Chemical Co. Division	1,590,591,229.03	1,232,499,626.91	2,823,090,855.94	163,075,469.30		163,075,469.30	2,226,953,481.04	1,453,676,259.79	3,680,629,740.83	669,552,907.65		669,552,907.65
Kunshan Baoyan Gas Co. Division	386,351,655.04	528,586,987.22	914,938,642.26	40,293,801.77		40,293,801.77	416,858,633.05	606,760,303.46	1,023,618,936.51	183,116,113.17	30,837,665.67	213,953,778.84
Shanghai Test Four	551,401,671.05	888,570,888.50	1,439,972,559.55	888,881,851.10	10,888,888.71	899,770,739.81	810,888,888.10	888,888,888.85	1,699,777,777.95	110,888,888.85	81,888,888.88	192,777,777.73

Subsidiary Name	Current Period Incurred				Prior Period Incurrence			
	Operating income	Net Profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net Profit	Total comprehensive income	Cash flow from operating activities
Shuangqian Group (Jiangsu) Tire Co.	3,063,720,337.57	757,189.45	757,189.45	333,952,772.33	2,434,007,579.86	-177,744,720.91	-177,744,720.91	426,170,562.75
Shuangqian Group (Anhui) HuiLi Tire Co.	784,252,576.35	-28,712,559.77	-28,712,559.77	56,833,580.31	735,930,362.04	-67,247,556.09	-67,247,556.09	173,133.06
China North America Tire United Sales, Inc.	2,008,853,535.05	66,283,214.80	65,515,927.03	-101,402,899.36	1,358,989,068.57	66,613,617.31	75,307,890.86	-21,864,776.06
Shuangqian Group (Chongqing) Tire Co.	1,394,729,299.16	-146,350,548.70	-146,350,548.70	78,326,820.96	1,630,737,216.94	2,581,725.21	2,581,725.21	129,986,795.70
Shuangqian Group (Xinjiang) Kunlun Tire Co.	2,658,519,167.65	-21,322,929.65	-21,322,929.65	141,418,908.07	2,515,082,329.39	40,756,861.30	40,756,861.30	281,555,162.73
Shanghai Soap Making (Group) Co.	892,422,209.18	444,798,926.77	444,948,926.77	593,725,844.02	785,870,630.92	-47,175,683.62	-47,195,683.62	-47,958,234.93
Anhui Huayi Chemical Co.	3,895,132,011.10	148,851,663.52	148,851,663.52	313,632,646.12	4,689,115,376.33	869,957,995.15	869,957,995.15	1,525,761,964.98
Kunshan Baoyan Gas Co.	1,091,494,387.63	64,979,682.82	64,979,682.82	239,989,897.72	977,316,019.44	91,743,252.59	91,743,252.59	168,688,611.78
Shanghai Test Four Hervey Chemical Co.	1,292,496,340.76	150,210,005.66	150,840,005.66	201,665,051.84	1,219,652,914.30	115,764,001.64	117,564,001.64	150,711,608.56
Shanghai Huayi Information Technology Co.	236,476,220.84	18,503,015.78	18,503,015.78	43,873,588.07	195,171,300.00	13,922,369.59	13,922,369.59	38,926,995.86
Shanghai Huayi Group Finance Co.	493,248,088.85	218,559,372.61	218,559,372.61	7,077,463,918.59	454,221,618.17	122,912,193.58	122,912,193.58	1,474,924,470.20
Huayi Group (Hong Kong) Limited	1,750,081,078.30	172,191,346.88	97,415,817.66	224,362,014.80	1,535,669,356.71	-88,536,661.78	-103,332,644.58	280,744,163.68
Guangxi Huayi New Material Co.	13,529,407.00	-34,751,793.72	-34,751,793.72	358,565,184.30	6,290,851.06	-78,292,225.70	-78,292,225.70	-93,595,951.93

#### 4. Significant restrictions on the use of the enterprise group's assets and the settlement of the enterprise group's debts

☐Applicable ☒Not applicable

#### 5. Financial or other support provided to structured subjects included in the scope of the consolidated financial statements

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

#### (ii) Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

☒Applicable ☐Not applicable

##### 1. Description of changes in the share of ownership interests in subsidiaries

☒Applicable ☐Not applicable

(1) Ltd., a subsidiary of Huayi Group (Hong Kong) Co., Ltd. acquired 20% equity interest in Shuangqian Group (Jiangsu) Tire Co.

(2) Ltd., a subsidiary of the Company, introduced strategic investors to increase its capital, and after the capital increase, the Company's shareholding in Shanghai Huayi Information Technology Co.

##### 2. Effect of the transaction on minority interests and owners' equity attributable to the parent company

☒Applicable ☐Not applicable

Unit:Yuan Currency:RMB

	Shuangqian Group (Jiangsu) Tire Co.	Shanghai Huayi Information Technology Ltd.
Purchase Cost / Disposal Consideration		
–Cash	169,820,200.00	
--Fair value of non-cash assets		
Total purchase cost/disposal consideration	169,820,200.00	
Less: Share of net assets of subsidiaries based on percentage of equity acquired/disposed of	68,379,108.37	2,155,520.50
Difference	101,441,091.63	-2,155,520.50
Effect on owners' equity attributable to the parent company	-51,734,956.73	2,155,520.50

Other notes

☐Applicable ☒Not applicable

**(iii) Interest in joint ventures or associates**

√Applicable □ Not applicable

**1. Significant joint ventures or associates**

√Applicable □ Not applicable

Name of joint venture or associate	Main business locations	Place of registration	Business Nature	Shareholding ratio (%)		Investment in joint ventures or associates The accounting treatment of
				Direct	Indirect	
(1) Shanghai Huayi Group Co.						
Affiliates						
Shanghai Huayi Group Financial Leasing Co.	Shanghai	Shanghai	Financial Industry	24.00		Equity method
(2) Shanghai Huayi Energy Chemical Co.						
Joint Ventures						
Shanghai Hualin Industrial Gases Co.	Shanghai	Shanghai	Manufacturing	50.00		Equity method
Affiliates						
Shanghai Arkema Hydrogen Peroxide Co.	Shanghai	Shanghai	Manufacturing	33.33		Equity method
Cabot Chemical (Tianjin) Co.	Tianjin	Tianjin	Manufacturing	30.00		Equity method
Shanghai Cabot Chemical Co.	Shanghai	Shanghai	Manufacturing	30.00		Equity method
Shanghai Shenxing Chemical Co.	Shanghai	Shanghai	Manufacturing	37.00		Equity method
(3) Shanghai Huayi Fine Chemical Co.						

Unit:

Investment in joint ventures or associates

RMB

The accounting treatment of

Shanghai Global Molecular Sieve Co.	Shanghai	Shanghai	Manufacturing	30		Equity method
(5) Shanghai Tianyuan (Group) Co.						
Affiliates						
Shanghai Huayi Tianyuan Chemical Logistics Co.	Shanghai	Shanghai	Logistics	33.36		Equity method
(6) Huayi Group (Hong Kong) Limited						
Affiliates						
Shanghai Huayi Group Financial Leasing Co.	Shanghai	Shanghai	Financial Industry	25.00		Equity method
Edoko China Ltd.	Hong Kong	Hong Kong	Manufacturing	25.00		Equity method
(7) Shanghai Huayi New Material Co.						
Affiliates						
Zhejiang Huahong New Material Co.	Jiaxing	Jiaxing	Technology Development	35.00		Equity method

## 2. Key financial information of important joint ventures

√/Applicable    □/Not applicable

### (1) Shanghai Huayi Energy Chemical Co.

Unit: Yuan Currency: RMB

	Closing balance / current period's occurrence	Opening balance/previous period's occurrence
	Shanghai Hualin Industrial Gases Co.	Shanghai Hualin Industrial Gases Co.
Current assets	489,376,963.82	426,080,222.22
Of which: Cash and cash equivalents		
Non-current assets	299,618,461.05	383,439,058.43
Total assets	788,995,424.87	809,519,280.65
Current liabilities	141,762,236.11	188,244,723.61
Non-current liabilities		
Total liabilities	141,762,236.11	188,244,723.61
Minority interests		
Equity attributable to shareholders of the parent company		
Net Assets	647,233,188.76	621,274,557.04
Share of net assets based on percentage of shareholding	323,616,594.38	310,637,278.52
Adjustment matters		
--Goodwill		
- - Unrealized profit on internal transactions		
--Other		
Carrying value of equity investments in joint ventures	323,616,594.38	310,637,278.52
Existence of publicly quoted equity investments in joint ventures		
Fair value		
Operating income	1,487,448,398.94	1,324,577,957.30
Finance costs		
Income tax expenses		

### 3. Key financial information of important affiliates

√Applicable    □Not applicable

#### (1) Shanghai Huayi Group Co.

Unit: Yuan    Currency: RMB

	Closing balance / current period's occurrence	Opening balance/previous period's occurrence
	Shanghai Huayi Group Financial Leasing Ltd.	Shanghai Huayi Group Financial Leasing Ltd.
Current assets	663,182,862.89	924,623,907.79
Non-current assets	567,529,063.57	752,695,331.36
Total assets	1,230,711,926.46	1,677,319,239.15
Current liabilities	133,340,667.01	282,137,643.03
Non-current liabilities		321,318,000.00
Total liabilities	133,340,667.01	603,455,643.03
Minority interests		
Equity attributable to shareholders of the parent company	1,097,371,259.45	1,073,863,596.12
Share of net assets based on percentage of shareholding	263,369,102.27	257,727,263.07
Adjustment matters		
—Goodwill		
- - Unrealized profit on internal transactions		
—Other		
Carrying value of equity investments in associates	263,369,102.27	257,727,263.07
Fairness of equity investments in associates where publicly quoted prices exist Value		
Operating income	53,454,801.86	52,848,028.69



**(2) Shanghai Huayi Energy Chemical Co.**

	Closing balance / current period's occurrence				Opening balance/previous period's occurrence			
	Shanghai Arkema Hydrogen Peroxide Ltd.	Cabot Chemicals (Tianjin) Ltd.	Shanghai Cabot Chemical Ltd.	Shanghai Shenxing Chemical Ltd.	Shanghai Arkema Hydrogen Peroxide Ltd.	Cabot Chemicals (Tianjin) Ltd.	Shanghai Cabot Chemical Ltd.	Shanghai Shenxing Chemical Ltd.
Current assets	335,240,847.38	1,084,413,126.24	594,809,590.29	192,426,518.85	333,326,694.27	993,240,765.60	679,949,569.26	171,850,674.79
Non-current assets	204,957,453.47	399,654,403.68	100,145,066.07	192,973,917.38	235,545,874.06	417,477,567.97	114,316,900.67	202,546,696.30
Total assets	540,198,300.85	1,484,067,529.92	694,954,656.36	385,400,436.23	568,872,568.33	1,410,718,333.57	794,266,469.93	374,397,371.09
Current liabilities	51,454,210.19	382,394,578.15	145,628,599.86	181,713,862.91	49,653,967.31	250,955,697.50	142,328,524.46	174,394,474.04
Non-current liabilities	4,178,802.84				1,146,903.39			
Total liabilities	55,633,013.03	382,394,578.15	145,628,599.86	181,713,862.91	50,800,870.70	250,955,697.50	142,328,524.46	174,394,474.04
Minority interests								
Equity attributable to shareholders of the parent company	484,565,287.82	1,101,672,951.77	549,326,056.50	203,686,573.32	518,071,697.63	1,159,762,636.07	651,937,945.47	200,002,897.05
Share of net assets based on percentage of shareholding	161,505,610.43	330,501,885.53	164,797,816.95	75,364,032.13	172,673,296.82	347,928,790.82	195,581,383.64	74,001,071.91
Adjustment matters								
--Goodwill								
- - Unrealized profit on internal transactions								
--Other								
Carrying value of equity investments in associates	161,505,610.43	330,501,885.53	164,797,816.95	75,364,032.13	172,673,296.82	347,928,790.82	195,581,383.64	74,001,071.91
Existence of publicly quoted equity investments in affiliates								
Fair value of capital								

**(3) Shanghai Huayi Fine Chemical Co.**

	Closing balance / current period's occurrence		Opening balance/previous period's occurrence	
	BASF Shanghai Coatings Co.	Shanghai International Paint Co.	BASF Shanghai Coatings Co.	Shanghai International Paint Co.
Current assets	2,171,320,109.15	543,961,669.61	2,029,964,852.51	609,502,058.29
Non-current assets	1,017,563,132.47	115,965,330.86	1,051,555,568.14	113,253,054.20
Total assets	3,188,883,241.62	659,927,000.47	3,081,520,420.65	722,755,112.49
Current liabilities	1,306,502,315.94	432,832,069.39	1,247,348,723.41	529,607,473.37
Non-current liabilities	72,102,573.15	6,293,991.63	179,564,172.78	922,718.75
Total liabilities	1,378,604,889.09	439,126,061.02	1,426,912,896.19	530,530,192.12
Minority interests				
Equity attributable to shareholders of the parent company	1,810,278,352.53	220,800,939.45	1,654,607,524.46	192,224,920.37
Share of net assets based on percentage of shareholding	724,111,341.01	75,072,319.41	661,843,009.80	65,356,472.92
Adjustment matters				
—Goodwill				
- - Unrealized profit on internal transactions				
—Other				
Carrying value of equity investments in associates	724,111,341.01	75,072,319.41	661,843,009.80	65,356,472.92
Fair value of equity investments in associates for which publicly quoted prices exist				
Operating income	4,536,635,925.97	772,996,482.25	3,986,037,856.05	873,355,184.67
Net Profit	234,870,827.07	28,576,019.08	287,033,646.24	-245,715.18
Net profit from discontinued operations				

## (4) Shanghai Huayi Group Investment Co.

	Closing balance / current period's occurrence			Opening balance/previous period's occurrence		
	Fumihisa (Shanghai) Agricultural Science Technology Co.	East China University of Science and Technology Huachang Polymers Co.	Linde Gas (Guangxi) Ltd.	Fumihisa (Shanghai) Agriculture Technology Co.	East China University of Science and Technology Huachang Polymers Co.	Linde Gas (Guangxi) has Limited company
Current assets	1,240,980,699.91	267,583,476.78	207,032,345.29	759,880,183.64	251,597,268.12	235,470,637.49
Non-current assets	219,386,144.48	391,009,127.19	1,297,624,669.92	271,991,984.29	392,913,668.16	1,266,526,558.18
Total assets	1,460,366,844.39	658,592,603.97	1,504,657,015.21	1,031,872,167.93	644,510,936.28	1,501,997,195.67
Current liabilities	594,978,092.64	205,569,649.99	127,528,622.78	451,430,536.64	188,212,154.85	55,059,788.47
Non-current liabilities	1,778,019.00	60,479,802.46	808,715,231.24		86,546,599.68	959,165,943.63
Total liabilities	596,756,111.64	266,049,452.45	936,243,854.02	451,430,536.64	274,758,754.53	1,014,225,732.10
Minority interests		13,232,468.47			12,406,701.38	
Equity attributable to shareholders of the parent company	863,610,732.75	371,795,946.63	568,413,161.19	580,441,631.29	357,345,480.37	487,771,463.57
Share of net assets based on percentage of shareholding	172,722,146.55	111,538,783.99	227,365,264.48	116,088,326.26	107,203,644.13	195,108,585.43
Adjustment matters						
—Goodwill						
- - Unrealized profit on internal transactions						
—Other						
Carrying value of equity investments in associates	172,722,146.55	111,538,783.99	227,365,264.48	116,088,326.26	107,203,644.13	195,108,585.43
The existence of publicly quoted equity investments in affiliates						

	Closing balance / current period's occurrence					Opening balance/previous period's occurrence		
	Veolia Environmental Technologies (Qinzhou) Co.	Guangxi Tianyi Environmental Technology Ltd.	Vubo (Qinzhou) Terminal Ltd.	Guilin Rubber Design Institute Ltd.	Shanghai Global Molecular Sieve Ltd.	Veolia Environmental Technologies (Qinzhou) Co.	Guangxi Tianyi Environmental Technology Ltd.	Vubo (Qinzhou) Terminal Ltd.
Current assets	20,254,181.75	184,810,715.30	160,509,470.56	714,792,702.60	491,946,958.04	26,039,519.63	137,734,963.54	158,027,434.85
Non-current assets	272,262,111.49	1,037,045,971.33	1,249,758,636.24	604,426,735.87	107,646,209.92	292,169,716.35	859,436,277.72	1,231,059,353.74
Total assets	292,516,293.24	1,221,856,686.63	1,410,268,106.80	1,319,219,438.47	599,593,167.96	318,209,235.98	997,171,241.26	1,389,086,788.59
Current liabilities	21,323,295.13	46,922,458.50	47,434,123.40	664,872,574.02	183,286,776.96	8,180,867.46	161,712,080.95	45,950,627.84
Non-current liabilities	233,063,823.47	801,106,188.09	871,789,173.90	6,561,101.77		229,755,783.64	488,690,000.00	915,539,173.90
Total liabilities	254,387,118.60	848,028,646.59	919,223,297.30	671,433,675.79	183,286,776.96	237,936,651.10	650,402,080.95	961,489,801.74
Minority interests								
Equity attributable to shareholders of the parent company	38,129,174.64	373,828,040.04	491,044,809.50	647,785,762.68	416,306,391.00	80,272,584.88	346,769,160.31	427,596,986.85
Share of net assets based on percentage of shareholding	18,683,295.57	149,531,216.02	171,865,683.33	129,557,152.54	124,891,917.30	39,333,566.59	138,707,664.12	149,658,945.40
Adjustment matters								
--Goodwill								
- - Unrealized profit on internal transactions								
--Other								
Carrying value of equity investments in associates	18,683,295.57	149,531,216.02	171,865,683.33	129,557,152.54	124,891,917.30	39,333,566.59	137,501,505.70	156,166,155.58
Existence of publicly quoted equity investments in affiliates								
Fair value of capital								
Operating income	6,557,479.73	301,747,882.75	217,550,441.28	719,010,612.90	368,887,655.77	11,320.75	130,624,039.44	141,467,173.73
Net Profit	-42,143,410.23	30,074,275.78	83,625,794.29	31,398,751.57	6,947,198.88	-23,801,530.08	170,920.59	48,624,779.54
Net profit from discontinued operations								
Other comprehensive income								
Total comprehensive income	-42,143,410.23	30,074,275.78	83,625,794.29	31,398,751.57	6,947,198.88	-23,801,530.08	170,920.59	48,624,779.54

Dividends received from associates during the year			13,569,500.00		4,000,000.00			

**(5) Shanghai Tianyuan (Group) Co.**

	Closing balance / current period's occurrence	Opening balance/previous period's occurrence
	Shanghai Huayi Tianyuan Chemical Logistics Ltd.	Shanghai Huayi Tianyuan Chemical Logistics Ltd.
Current assets	164,899,572.10	114,178,298.81
Non-current assets	482,996,891.75	483,613,737.20
Total assets	647,896,463.85	597,792,036.01
Current liabilities	60,949,176.80	57,415,343.34
Non-current liabilities	2,849,060.39	5,567,328.08
Total liabilities	63,798,237.19	62,982,671.42
Minority interests		
Equity attributable to shareholders of the parent company	584,098,226.66	534,809,364.59
Share of net assets based on percentage of shareholding	194,855,168.41	178,412,404.03
Adjustment matters		
--Goodwill		
- - Unrealized profit on internal transactions		
--Other		
Carrying value of equity investments in associates	201,243,138.56	185,109,747.41
Fairness of equity investments in associates where publicly quoted prices exist Value		
Operating income	281,656,982.02	256,576,745.22
Net Profit	25,629,504.07	29,998,758.95
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	25,629,504.07	29,998,758.95
Dividends received from associates during the year	4,503,414.00	4,066,700.00

**(6) Huayi Group (Hong Kong) Limited**

	Closing balance / current period's occurrence		Opening balance/previous period's occurrence	
	Shanghai Huayi Group Financing Leasing Co.	Edoko China Ltd.	Shanghai Huayi Group Financing Leasing Co.	Edoko China Ltd.
Current assets	663,182,862.89	651,973,276.23	924,623,907.79	695,406,078.68
Non-current assets	567,529,063.57	534,290,730.67	752,695,331.36	535,540,540.00
Total assets	1,230,711,926.46	1,186,264,006.91	1,677,319,239.15	1,230,946,618.68
Current liabilities	133,340,667.01	243,201,011.34	282,137,643.03	327,108,387.09
Non-current liabilities		17,639,764.77	321,318,000.00	18,761,606.62
Total liabilities	133,340,667.01	260,840,776.10	603,455,643.03	345,869,993.71
Minority interests				
Attributable to shareholders of the parent company Rights and Benefits	1,097,371,259.45	925,423,230.80	1,073,863,596.12	885,076,624.97
Based on percentage of shareholding Share of net assets	274,342,814.86	231,355,807.70	268,465,899.03	221,269,156.24
Adjustment matters				
--Goodwill				
-- Internal transactions not realized Profits				
--Other				
Investment in equity in associates Carrying value of capital	274,342,814.86	231,355,807.70	268,465,899.03	221,269,156.24
The existence of publicly quoted				

**(7) Shanghai Huayi New Material Co.**

	Closing balance / current period's occurrence	Opening balance/previous period's occurrence
	Zhejiang Huahong New Material Co.	Zhejiang Huahong New Material Co.
Current assets	842,721,195.19	1,228,703,464.51
Non-current assets	2,690,215,382.90	1,896,154,604.52
Total assets	3,532,936,578.09	3,124,858,069.03
Current liabilities	876,778,591.39	586,807,891.55
Non-current liabilities	1,293,090,254.11	992,153,159.75
Total liabilities	2,169,868,845.50	1,578,961,051.30
Minority interests		
Equity attributable to shareholders of the parent company	1,363,067,732.59	1,545,897,017.73
Share of net assets based on percentage of shareholding	477,073,706.41	541,059,947.19
Adjustment matters		
--Goodwill		
- - Unrealized profit on internal transactions		
--Other		
Carrying value of equity investments in associates	477,073,706.41	541,059,947.19
Fairness of equity investments in associates where publicly quoted prices exist Value		
Operating income	3,177,739,512.68	2,892,049,840.52

**4. Summary financial information of immaterial joint ventures and associates**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

	Closing balance / current period's occurrence	Opening balance/previous period's occurrence
Joint ventures:		
Total carrying value of investments	9,534,912.59	11,023,787.82
Total of the following in proportion to shareholdings		
-Net profit	1,754,951.44	-4,293,856.15
--Other comprehensive income	-1,488,875.23	-453,838.13
--Total comprehensive income	266,076.21	-4,747,694.28
Affiliates:		
Total carrying value of investments	315,866,239.43	367,962,231.23
Total of the following in proportion to shareholdings		
-Net profit	-2,116,672.63	-18,826,923.47



## 5. Description of significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

☐Applicable ☒Not applicable

## 6. Excess losses incurred by joint ventures or associates

☒Applicable ☐Not applicable

Joint ventures or associates Industry Name	Accumulated unrecognized prior period accumulated Losses	Unrecognized loss for the period (or net profit shared in the period)	Unit:
			RMB Yuan Currency: Accumulated unrecognized at the end of the period Losses

## 7. Unrecognized commitments related to investments in joint ventures

☐Applicable ☒Not applicable

## 8. Contingent liabilities related to investments in joint ventures or associates

☐Applicable ☒Not applicable

### (iv) Significant co-management

☐Applicable ☒Not applicable

(v) **Interests in** structured entities not included in the scope of the consolidated financial statements Notes relating to structured entities not included in the scope of the consolidated financial statements:

☐Applicable ☒Not applicable

### (F) Other

☐Applicable ☒Not applicable

## VIII. Risks associated with financial instruments

☐Applicable ☒Not applicable

## IX. Fair value disclosures

The inputs used in fair value measurements are divided into three levels:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date. Level 2 inputs are inputs other than Level 1 inputs that are directly or indirectly observable for the related asset or liability. Level 3 inputs are unobservable inputs for the relevant asset or liability.

The level to which the fair value measurement results belong is determined by the lowest level to which the inputs that are significant to the fair value measurement as a whole belong.

**(i) Closing fair value of assets and liabilities measured at fair value**

√Applicable □ Not applicable

Unit:Yuan Currency:RMB

Proj ects	Fair value at end of period			
	Level 1 Fair value Measurement	Second level of public Fair value measureme nt	Level 3 fair value Measurement	Total
<b>I. Ongoing fair value measurement</b>				
(i) Financial assets held for trading	1,368,465,133.72			1,368,465,133.72
1. Measured at fair value through profit or loss Financial Assets	1,368,465,133.72			1,368,465,133.72
(1) Investment in debt instruments				
(2) Investments in equity instruments	205,403,066.47			205,403,066.47
(3) Derivative financial assets				
(4) Fund Investment	1,163,062,067.25			1,163,062,067.25
2. Designated at fair value through profit or loss Financial assets with gains or losses				
(1) Investment in debt instruments				
(2) Investments in equity instruments				
(ii) Other debt investments				
(iii) Investments in other equity instruments				
(iv) Investment properties				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use rights held and ready to be transferred after appreciation				
(V) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
(vi) Receivables financing			1,752,114,845.63	1,752,114,845.63
(vii) Other non-current financial assets			744,077,373.15	744,077,373.15
1. Measured at fair value through profit or loss of financial assets			744,077,373.15	744,077,373.15
(1) Investments in equity instruments			526,964,339.89	526,964,339.89
(2) Fund Investment			217,113,033.26	217,113,033.26
<b>Total assets measured at fair value on an ongoing basis</b>	1,368,465,133.72		2,496,192,218.78	3,864,657,352.50
(vi) Financial liabilities held for trading				
1. Measured at fair value through profit or loss Financial liabilities				
Of which: Trading bonds issued				
Derivative financial liabilities				

**(ii) The basis for determining the market value of ongoing and discontinued Level 1 fair value measurement items**

√Applicable □Not applicable

For listed equity instruments, debt equity instruments and fund investments, the Company uses the closing price on the stock exchange on the trading day closest to the balance sheet as the basis for determining fair value.

**(iii) ongoing and discontinued Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques and important parameters used**

□Applicable    ✓/Not applicable

**(iv) ongoing and discontinued Level 3 fair value measurement items, qualitative and quantitative information on the valuation techniques and important parameters used**

✓/Applicable    □Not applicable

(1) The financing of receivables are bankers' acceptances and commercial acceptances held by the Company. Given that their maturity does not exceed one year, the time value of money factor does not have a significant impact on their fair value, and therefore the fair value at the end of the period can be approximated to be equal to the face value.

(2) For equity investments in unlisted companies and fund investments, the Company uses valuation techniques to determine their fair value, including net asset value and market comparable methods. Its fair value is measured using significant unobservable parameters, such as liquidity discount, volatility, risk-adjusted discount and market multiplier. The fair value of equity investments in unlisted companies and fund investments is not materially sensitive to reasonable changes in these unobservable inputs.

**(v) Ongoing Level 3 fair value measurement items, reconciliation information between opening and closing book values and sensitivity analysis of unobservable parameters**

□Applicable    ✓/Not applicable

**(vi) Ongoing fair value measurement items, the reasons for conversion and the policy for determining the point of conversion if conversion between levels occurred during the period**

□Applicable    ✓/Not applicable

**(vii) Changes in valuation techniques that occurred during the period and the reasons for such changes**

□Applicable    ✓/Not applicable

**(H) Fair value of financial assets and financial liabilities not measured at fair value**

□Applicable    ✓/Not applicable

**(ix) Other**

□Applicable    ✓/Not applicable

**X. Related parties and related transactions****(I) Information on the parent company of the Company**

✓/Applicable    □Not applicable

Unit: RMB million    Currency:

Parent Company Name	Place of registration	Business Nature	Registered Capital	Parent company's shareholding in the Company (%)	Parent company's proportion of voting rights in the Company (%)

The ultimate controlling party of this enterprise is: Shanghai Huayi Holding Group Co.

**(II) The situation of the Company's subsidiaries**

For details of the Company's subsidiaries, see Note

☒Applicable   ☐Not applicable

"VII. Interests in other subjects".

**(C) the enterprise joint ventures and associates**

For details of the Company's significant joint ventures or associates, please refer to the notes

√Applicable ☐ Not applicable

"VII. Interests in other subjects".

Other joint ventures or associates with which the Company had related party transactions during the period, or with which the Company had related party transactions in the prior period that resulted in balances, are as follows

√Applicable ☐ Not applicable

Name of joint venture or associate	Relationship with our company
Shanghai Huayi Group Financial Leasing Co.	Affiliates
Shanghai Shuangqian Tire Sales (Jordan) Co.	Joint ventures of subsidiaries
Shanghai Troy Chemicals Co.	Joint ventures of subsidiaries
Shanghai Hualin Industrial Gases Co.	Joint ventures of subsidiaries
Shanghai Minhang Huayi Microfinance Co.	Affiliates of subsidiaries
Shanghai Huayi Tianyuan Chemical Logistics Co.	Affiliates of subsidiaries
Shanghai Tianyuan Resources Trading Co.	Affiliates of subsidiaries
BASF Shanghai Coatings Co.	Affiliates of subsidiaries
Shanghai International Paint Co.	Affiliates of subsidiaries
Shanghai Runhong Industrial Co.	Affiliates of subsidiaries
Shanghai Fujikura Kasei Paint Co.	Affiliates of subsidiaries
Fujikura Kasei Paint (Tianjin) Co.	Affiliates of subsidiaries
Fujikura Kasei (Foshan) Coating Co.	Affiliates of subsidiaries
Shanghai Arkema Hydrogen Peroxide Co.	Affiliates of subsidiaries
Shanghai Cabot Chemical Co.	Affiliates of subsidiaries
Cabot Chemical (Tianjin) Co.	Affiliates of subsidiaries
Shanghai Linde Carbon Dioxide Co.	Affiliates of subsidiaries
Linde CO2 (Wuhu) Co.	Affiliates of subsidiaries
Shanghai Jingxing Chemical Co.	Affiliates of

Other notes

☐Applicable √Not applicable

**(IV) Other related parties**

√Applicable □ Not applicable

Name of other related parties	Relationship between other related parties and the enterprise
Shanghai Baosteel Gas Co.	Investors in subsidiaries
China Salt Kunshan Co.	Investors in subsidiaries
Petrochemical Yingke Information Technology Co.	Investors in subsidiaries
Jiangsu Yuxing Industry and Trade Co.	Investors in subsidiaries
Zhejiang Zhenyu Water Absorbing Material Technology Co.	Investors in subsidiaries
Shanghai New Shanghai Chemical Polymer Material Co.	Affiliates of controlling shareholders
Shanghai Jing'an Huayi Microfinance Co.	Affiliates of controlling shareholders
Changshu San Aifu Zhen Fluorine New Material Co.	Affiliates of controlling shareholders
Shanghai Jingqi Polymer Material Co.	Affiliates of controlling shareholders
Shanghai CNPC Wuhua Bunkering Co.	Affiliates of controlling shareholders
Sinochem Huayi Equipment Technology (Shanghai) Co.	Affiliates of controlling shareholders
Dalian New Sunshine Material Technology Co.	Affiliates of controlling shareholders
Shanghai Chlor-Alkali Chemical Co.	Ultimately controlled by the same controlling party
Shanghai Pacific Chemical Equipment Engineering Co.	Ultimately controlled by the same controlling party
Changshu Sanfu Zhonghao New Chemical Materials Co.	Ultimately controlled by the same controlling party
Inner Mongolia San Aifu Wanhao Fluorine Chemical Co.	Ultimately controlled by the same controlling party
Shanghai Dakai Plastics Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Engineering Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Group Real Estate Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Group Chemical Industry Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Group Real Estate Co.	Ultimately controlled by the same controlling party

Shanghai Chlorware Plastics Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Environmental Protection Technology Co.	Ultimately controlled by the same controlling party
Shanghai Chlor-Alkali New Material Trading Co.	Ultimately controlled by the same controlling party
Changshu San Aifu Fluorine Source New Material Co.	Ultimately controlled by the same controlling party
Dongming Huayi Yuhuang New Material Co.	Ultimately controlled by the same controlling party
Guangxi Huayi Energy Chemical Co.	Ultimately controlled by the same controlling party
Shanghai Tire & Rubber (Group) Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Group Asset Management Co.	Ultimately controlled by the same controlling party
Shanghai Jingdi Chemical Co.	Ultimately controlled by the same controlling party
Shanghai Dyestuff Chemical Sales Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Construction Co.	Ultimately controlled by the same controlling party
Guangxi Huayi Chlor-alkali Chemical Co.	Ultimately controlled by the same controlling party
Inner Mongolia Yili Chemical Industry Co.	Ultimately controlled by the same controlling party
Shanghai Huayi San Aifu Chemical Sales Co.	Ultimately controlled by the same controlling party
Shanghai Medifin Instruments Manufacturing Co.	Ultimately controlled by the same controlling party
Shanghai Shuangli Property Management Co.	Ultimately controlled by the same controlling party
Shanghai Shuangqian Hotel Co.	Ultimately controlled by the same controlling party
Shanghai Research Institute of Chemical Industry Co.	Ultimately controlled by the same controlling party
Shanghai Xinzheng Real Estate Development &	Ultimately controlled by

Operation Co.	the same controlling party
Shanghai Yizhi Enterprise Development Co.	Ultimately controlled by the same controlling party
Shanghai Chemical Institute Testing Co.	Ultimately controlled by the same controlling party
Shanghai Huayi San Aifu New Material Co.	Ultimately controlled by the same controlling party
Shanghai Lianle Chemical Technology Co.	Ultimately controlled by the same controlling party
Huayi Hefeng Special Chemical Zibo Co.	Ultimately controlled by the same controlling party
Shanghai Jingkang Printing Co.	Ultimately controlled by the same controlling party
Shanghai Institute of Chemical Science and Technology Information	Ultimately controlled by the same controlling party
Shanghai Shuangqian Enterprise Management Co.	Ultimately controlled by the same controlling party
Shanghai Lianju Industrial Co.	Ultimately controlled by the same controlling party
Suzhou Lianqing Biotechnology Co.	Ultimately controlled by the same controlling party
Shanghai Yimoufang Apartment Management Co.	Ultimately controlled by the same controlling party
Anhui Haisu New Material Technology Co.	Ultimately controlled by the same controlling party
Fujian Huayi San'aifu Fuyou New Material Co.	Ultimately controlled by the same controlling party
Henan Watson Ultra High Chemical Technology Co.	Ultimately controlled by the same controlling party
Sanfu Solvay (Changshu) High Performance Polymers Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Industrial Gas Co.	Ultimately controlled by the same controlling party
Shanghai Research Institute of Chemical Technology Tiandi Science and Technology Development Co.	Ultimately controlled by the same controlling party
Shanghai Chemical Institute Environmental Engineering Co.	Ultimately controlled by the same controlling



	party
Shanghai Lian Ying New Material Technology Co.	Ultimately controlled by the same controlling party
Shanghai SCCI Tianle Industrial Co.	Ultimately controlled by the same controlling party
Shanghai Tian Ju Enterprise Management Consulting Co.	Ultimately controlled by the same controlling party
Shanghai Lvqiang New Material Co.	Ultimately controlled by the same controlling party

**(V) Related transactions****1. Related transactions of purchase and sale of goods, provision and receipt of services**

Schedule of purchase of

goods/acceptance of services

√/Applicable □ Not applicable

Unit: Yuan Currency: RMB

Related Parties	Content of connected transactions	Current Period Incurred	Amount of approved transactions (if applicable)	Is the transaction amount exceeded (if applicable)	Prior Period Incurrence
East China University of Science and Technology Huachang Polymer Co.	Purchase of goods	160,176.98			6,390,302.55
Shanghai Huayi Holding Group Co.	Purchase of goods	583,028.30			4,013,368.12
Shanghai Huayi Holding Group Co.	Acceptance of labor services	37,709,739.48			42,901,446.51
Shanghai Huayi Engineering Co.	Purchase of goods				3,742,283.56
Shanghai Huayi Engineering Co.	Acceptance of labor services	1,245,510,197.39			680,034,182.54
Shanghai Huayi Environmental Protection Technology Co.	Purchase of goods	192,823,736.71			57,716,014.58
Shanghai Huayi Group Real Estate Co.	Purchase of goods	101,886.79			199.00
Shanghai Huayi Group Real Estate Co.	Acceptance of labor services	924,453.20			1,253,212.08
Shanghai Huayi Construction Co.	Purchase of goods	2,080,535.04			311,825.46
Shanghai Huayi Construction Co.	Acceptance of labor services	705,045.88			
Shanghai Huayi Qifa Labor Service Co.	Acceptance of labor services	4,971,104.91			4,813,211.93
Shanghai Huayi Tianyuan Chemical Logistics Co.	Acceptance of labor services	48,744,568.48			1,578,317.78
Shanghai Jinghua Chemical Plant Co.	Purchase of goods	3,112,502.34			3,056,713.35
Shanghai Chlor-Alkali Venture Co.	Acceptance of labor services	103,636.55			34,802.87
Shanghai Chlor-Alkali Chemical Co.	Purchase of goods	25,762,233.27			2,716,822.13
Shanghai Dyestuff Chemical Sales Co.	Purchase of goods	12,118,106.93			1,071,681.42
Shanghai Dye Research Institute Co.	Purchase of goods	223 / 355			69,924.79

Shanghai Meiyu Pharmaceutical Co.	Acceptance of labor services	33,264.43			
Shanghai Pharmaceutical Industry Co.	Acceptance of labor services	53,097.34			
Suzhou Lianqing Biotechnology Co.	Acceptance of labor services	24,353.99			
Shanghai Chemical Institute Testing Co.	Acceptance of labor services	58,037.74			206,194.69
Shanghai Yimoufang Apartment Management Co.	Acceptance of labor services	33,486.43			
Zhejiang Huahong New Material Co.	Purchase of goods	1,040,424,855.77			766,517,351.41
Inner Mongolia Yili Chemical Industry Co.	Purchase of goods				137,565,531.00

Sale of goods/provision of services

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Related Parties	Connected Transactions Content	Current Period Incurred	Prior Period Incurrence
BASF Shanghai Coatings Co.	Provision of labor services	15,561.22	
BASF Shanghai Coatings Co.	Sales of goods	5,423,327.03	29,654,903.56
Changshu San Aifu Fluorine Chemical Co.	Sales of goods	10,796.46	293,615.22
Changshu San Aifu Fluorine Source New Material Co.	Provision of labor services	1,456,228.06	
Changshu San Aifu Fluorine Source New Material Co.	Sales of goods	68,929.74	4,095,582.62
Changshu San Aifu Zhen Fluorine New Material Co.	Sales of goods		1,979,367.31
Changshu Sanfu Zhonghao New Chemical Materials Co.	Provision of labor services	1,784,471.08	
Dongming Huayi Yuhuang New Material Co.	Provision of labor services	3,073,381.64	2,338,552.32
Dongming Huayi Yuhuang New Material Co.	Sales of goods	53,312,844.80	4,039,533.59
Guangxi Huayi Chlor-alkali Chemical Co.	Provision of labor services	4,126,941.30	
Guangxi Huayi Energy Chemical Co.	Provision of labor services	56,168,396.23	13,680,313.08
Guangxi Huayi Energy Chemical Co.	Sales of goods	33,141,874.42	67,412,728.48

Shanghai Huayi Group Real Estate Co.	Provision of labor services	154,871.91	112,891.08
Shanghai Huayi Group Real Estate Co.	Sales of goods	1,549,372.34	1,216,693.69
Sinochem Huayi Equipment Technology (Shanghai) Co.	Sales of goods	509,433.96	3,637.17
Shanghai Huayi Group Asset Management Co.	Sales of goods	3,923,337.61	2,872,374.02
Shanghai Huayi Qifa Economic and Trade Co.	Sales of goods	169,162,908.09	68,719,814.14
Shanghai Huayi San Aifu Chemical Sales Co.	Provision of labor services	126,642.54	
Shanghai Huayi Tianyuan Chemical Logistics Co.	Provision of labor services	3,302,865.19	
Shanghai Huayi Tianyuan Chemical Logistics Co.	Sales of goods	316,411.49	
Shanghai Research Institute of Chemical Industry Co.	Sales of goods	2,661.95	250,008.41
Shanghai Coking & Chemical Storage & Transportation Port Area Co.	Provision of labor services	69,498.11	
Shanghai Coking & Chemical Storage & Transportation Port Area Co.	Sales of goods		3,962.26
Shanghai Coking Chemical Development Corporation	Sales of goods	2,757,544.71	2,909,144.42
Shanghai Jingdi Chemical Co.	Sales of goods		35,377.36
Shanghai Jinghua Chemical Plant Co.	Provision of labor services	180,248.11	
Shanghai Jinghua Chemical Plant Co.	Sales of goods	4,166,714.13	4,485,647.24
Shanghai Jingqi Polymer Material Co.	Sales of goods	62,495.59	3,469.68
Shanghai Jingxing Chemical Co.	Sales of goods	92,792,844.96	78,833,507.99
Shanghai Jing'an Huayi Microfinance Co.	Provision of labor services	566,037.74	
Shanghai Cabot Chemical Co.	Provision of labor services	353,589.53	1,889,528.52
Shanghai Cabot Chemical Co.	Sales of goods	10,631,193.45	8,348,552.71
Shanghai Linde Carbon Dioxide Co.	Provision of labor services	1,223,207.04	1,929.62
Shanghai Linde Carbon Dioxide Co.	Sales of goods	15,099,655.27	18,323,815.84
Shanghai Tire & Rubber (Group) Co.	Sales of goods	569,915.09	322,267.89
Shanghai Chlor-Alkali Chemical Co.	Sales of	109,493,900.00	112,152,052.65

	goods		
Shanghai Chlor-Alkali New Material Trading Co.	Sales of goods	54,432.05	38,566.52
Shanghai Meiyu Pharmaceutical Co.	Provision of labor services	367,360.38	
Shanghai Dyestuff Chemical Sales Co.	Sales of goods	64,356.60	133,275.47
Shanghai Dye Research Institute Co.	Provision of labor services	895,976.60	1,037,299.18
Shanghai Dyestuff Co.	Sales of goods	78,837.73	4,056.60
Shanghai Sanex Reagent Co.	Provision of labor services	193,111.89	
Shanghai Sanex Reagent Co.	Sales of goods	10,619.47	228,714.78
Petrochemical Yingke Information Technology Co.	Sales of goods		2,938,983.08
Shanghai Shenxing Chemical Co.	Provision of labor services	1,887,455.46	300,000.00
Shanghai Shenxing Chemical Co.	Sales of goods	353,819,001.52	379,708,507.64
Shanghai Shuangli Property Management Co.	Provision of labor services	7,415.09	7,415.09
Shanghai Shuangqian Tire Sales (Jordan) Co.	Sales of goods		USD117,351.9
Shanghai Pacific Chemical Equipment Engineering Co.	Provision of labor services		1,124,964.66
Shanghai Pacific Chemical Equipment Engineering Co.	Sales of goods	114,818.14	83,126.42
Shanghai Troy Chemicals Co.	Sales of goods	655,115.05	2,448,084.96
Shanghai Fujikura Kasei Paint Co.	Sales of goods	5,342,408.03	6,237,389.85
Shanghai Wujing Chemical Co.	Provision of labor services	817,171.58	
Shanghai Wujing Chemical Co.	Sales of goods	128,773.32	471,573.57
Shanghai Xinzheng Real Estate Development & Operation Co.	Provision of labor services	1,348,913.30	
Shanghai New Shanghai Chemical Polymer Material Co.	Sales of goods		18,102.83
Shanghai Pharmaceutical Industry Co.	Sales of goods	436,923.61	124,138.02
Shanghai CNPC Wuhua Bunkering Co.	Sales of goods	25,498.88	19,501.29
Shanghai COSCO Chemical Co.	Provision of labor	5,580.00	5,471.70

	services		
Anhui Haisu New Material Technology Co.	Provision of labor services	19,033.96	
Fujian Huayi San'aifu Fuyou New Material Co.	Provision of labor services	1,292,154.31	

Henan Watson Ultra High Chemical Technology Co.	Provision of labor services	70,316.98	
Sanfu Solvay (Changshu) High Performance Polymers Co.	Provision of labor services	19,033.96	
Shanghai Dakai Plastics Co.	Provision of labor services	52,462.45	
Shanghai Huayi Industrial Gas Co.	Provision of labor services	550,849.06	
Shanghai Huayi Construction Co.	Provision of labor services	118,780.00	
Shanghai Huayi San Aifu New Material Co.	Provision of labor services	2,108,635.88	
Shanghai Research Institute of Chemical Technology Tiandi Science and Technology Development Co.	Provision of labor services	41,298.12	
Shanghai Chemical Institute Environmental Engineering Co.	Provision of labor services	50,920.75	
Shanghai Chemical Institute Testing Co.	Provision of labor services	351,817.62	
Shanghai Jinyuan Water Co.	Provision of labor services	5,400.00	
Shanghai Jingkang Printing Co.	Provision of labor services	1,903,681.40	
Shanghai Lianle Chemical Technology Co.	Provision of labor services	96,894.38	
Shanghai Lian Ying New Material Technology Co.	Provision of labor services	71,946.30	
Shanghai Lvqiang New Material Co.	Provision of labor services	109,033.96	
Shanghai Chlor-Alkali Venture Co.	Provision of labor services	77,358.49	
Shanghai Dye Chemical Factory Co.	Provision of labor services	1,440.00	
Shanghai SCCI Tianle Industrial Co.	Provision of labor services	60,467.92	
Shanghai Shuangqian Hotel Co.	Provision of labor services	2,886.79	2,886.79
Shanghai Shuangqian Enterprise Management	Provision	13,207.55	

Co.	of labor services		
Shanghai Tian Ju Enterprise Management Consulting Co.	Provision of labor services	50,920.75	
Shanghai Yicheng Real Estate Co.	Sales of goods	5,522,773.85	
Suzhou Lianqing Biotechnology Co.	Provision of labor services	50,920.75	
Changshu San Aifu Fluorine Chemical Co.	Provision of labor services	2,176,781.24	
Changshu San Aifu Zhen Fluorine New Material Co.	Provision of labor services	2,335,794.33	
Shanghai International Paint Co.	Provision of labor services	12,264.15	
Shanghai Huayi Group Asset Management Co.	Provision of labor services	504,570.08	
Shanghai Huayi Qifa Economic and Trade Co.	Provision of labor services	63,837.74	
Shanghai Research Institute of Chemical Industry Co.	Provision of labor services	881,826.36	
Shanghai Coking Chemical Development Corporation	Provision of labor services	3,755.28	
Shanghai Jingxing Chemical Co.	Provision of labor services	3,867.92	
Shanghai New Shanghai Chemical Polymer Material Co.	Provision of labor services	10,920.75	
Fujikura Kasei (Foshan) Coating Co.	Sales of goods	152,830.19	95,575.22
Fujikura Kasei Paint (Tianjin) Co.	Sales of goods	152,830.19	95,575.22
Zhejiang Huahong New Material Co.	Provision of labor services		603,773.59
Zhejiang Huahong New Material Co.	Sales of goods	1,099,056.61	223,726.42
Vopo (Qinzhou) Terminal Co.	Provision of labor services		1,037,735.85
Linde Gas (Guangxi) Co.	Provision of labor services		943,396.23
Veolia Environmental Technologies (Qinzhou) Co.	Provision of labor services		1,415,094.34



Guangxi Hualin Terminal Co.	Sales of goods	622,641.50	
Huayi Hefeng Special Chemical Zibo Co.	Sales of goods	9,393,644.25	10,795,239.83
Jiangsu Yuxing Industry and Trade Co.	Sales of goods		3,284,743.49
Shanghai Dakai Plastics Co.	Sales of goods		136,717.42
Shanghai Jingkang Printing Co.	Sales of goods	143,349.54	106,611.58
Shanghai Dye Chemical Factory Co.	Sales of goods		4,528.30
Guangxi Hongyi New Material Co.	Sales of goods	1,938,761.16	
Changshu Sanfu Zhonghao New Chemical Materials Co.	Sales of goods		673,413.21
Dalian New Sunshine Material Technology Co.	Sales of goods	896,226.42	2,251.33
Guangxi Huayi Chlor-alkali Chemical Co.	Sales of goods	148,115.92	3,852,697.19
Guangxi Tianyi Environmental Technology Co.	Sales of goods	1,433,104.59	4,275,213.25

Shanghai Huayi Acrylic Co.	Sales of goods	69,807.55	194,896.50
Shanghai Huayi Group Chemical Industry Co.	Sales of goods	654,779.72	714,268.33
Shanghai Huayi Group Financial Leasing Co.	Sales of goods		98,524.69
Shanghai Huayi Construction Co.	Sales of goods		355,082.92
Shanghai Huayi Qifa Labor Service Co.	Sales of goods	164,410.53	51,465.63
Shanghai Huayi San Aifu Chemical Sales Co.	Sales of goods	549,885.25	103,930.36
Shanghai Jing'an Huayi Microfinance Co.	Sales of goods		283,018.86
Vopo (Qinzhou) Terminal Co.	Sales of goods	415,094.34	
Linde Gas (Guangxi) Co.	Sales of goods	943,396.22	
Shanghai Huayi San Aifu New Material Co.	Sales of goods	1,276,375.38	
Shanghai Lianle Chemical Technology Co.	Sales of goods	1,208,299.29	
Veolia Environmental Technologies (Qinzhou) Co.	Sales of goods	1,415,094.34	
Zhejiang Zhenyu Water Absorbing Material Technology Co.	Sales of goods	2,122,990.22	
Shanghai Chlor-Alkali Venture Co.	Sales of goods		205,030.98
Shanghai Meiyu Pharmaceutical Co.	Sales of goods		91,238.13
Shanghai Minhang Huayi Microfinance Co.	Sales of goods	43,498.11	76,258.61
Shanghai Medifin Instruments Manufacturing Co.	Sales of goods	31,950.94	19,323.77

Description of related transactions for the purchase and sale of goods, provision and receipt of services

☐Applicable ☒Not applicable

## 2. Affiliated management/contracting and entrusted management/contracting

The Company is entrusted with the management/contracting table:

☐Applicable ☒Not applicable

Description of affiliated hosting/contracting

☐Applicable ☒Not applicable

Table of our entrusted management/contracting

☐Applicable ☒Not applicable

Affiliate management/out-sourcing description

☐Applicable ☒Not applicable

Other Related Transactions

√Applicable 3.

**Interest income  
from loans**

Unit: Yuan Currency: RMB

Related Parties	Amount for the period	Amount of previous period
Shanghai Huayi Holding Group Co.	80,808,163.27	78,016,155.81
Shanghai Huayi Group Asset Management Company Limited and its subsidiaries		68,312.37
Shanghai Huayi San Aifu New Materials Co. and its subsidiaries	3,425,350.16	13,076,936.85
Shanghai Research Institute of Chemical Industry Ltd. and its subsidiaries	4,098,936.54	1,827,528.00

#### 4. Interest expenses on deposits

Unit: Yuan Currency: RMB

Related Parties	Current Period Incurred	Prior Period Incurrence
Shanghai Huayi Holding Group Co.	54,790,454.98	60,093,380.33
Shanghai Huayi Acrylic Acid Co. and its subsidiaries	46,634,682.14	40,518,388.64
Shanghai Huayi Engineering Co., Ltd. and its subsidiaries	9,705,097.98	8,550,595.67
Shanghai Huayi Group Financial Leasing Co. and its subsidiaries	2,801,825.10	1,860,087.68
Shanghai Huayi Group Asset Management Company Limited and its subsidiaries	18,687,721.41	14,886,388.09
Shanghai Huayi San Aifu New Materials Co. and its	5,490,306.37	1,492,796.46

#### 5. Associated

##### leases The

Company as lessor:

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of lessee	Types of leased assets	Lease income recognized during the period	Lease income recognized in the prior period
Shanghai Huayi Holding Group Co.	Vehicles		107,278.46
Shanghai Huayi Holding Group Co.	Vehicles		35,398.23
Shanghai Huayi San Aifu Chemical Sales Co.	Real Estate	547,108.26	547,108.26
Shanghai Huayi Group Chemical Industry Co.	Real Estate	13,095,128.54	13,095,128.54
Shanghai Huayi San Aifu New Material Co.	Real Estate	573,530.28	573,530.28
Shanghai Research Institute of Chemical Industry Co.	Vehicles		94,395.58
Shanghai Huayi Group Real Estate Co.	Real Estate	4,807,362.50	4,418,348.62
Shanghai Huayi Group Chemical Industry Co.	Real Estate		13,302,279.98
Shanghai Huayi Group Asset	Real Estate	5,746,532.52	1,322,057.14

The Company as lessee:

√Applicable □ Not applicable

Unit: Yuan Currency:

Name of lessor	Types of leased assets	Simplified treatment of short-term leases and leases of low-value assets Rental fee (if applicable)		Variable leases not included in the measurement of lease liabilities Payment amount (if applicable)		Rent paid		Interest expense on lease liabilities assumed		RMB Increased right-to-use assets	
		Occurred during the period forehead	Occurred in the previous period forehead	Issued in this issue Raw amount	Previous Issue Raw amount	Current Period Incurred	Prior Period Incurrence	Current Period Incurred	Prior Period Incurrence	Current Period Incurred	Prior Period Incurrence
Shanghai Huayi Holding Group Co.	Real Estate					23,828,697.70	29,158,041.33	8,729,210.59	9,077,052.66	33,227,073.06	2,481,337.72
Shanghai Huayi Group Real Estate Co.	Real Estate					188,003.64	175,779.58	2,751.37	3,151.62	0.00	
Shanghai Huayi Group Asset	Real					2,434,844.09	2,275,349.98	174,912.55	125,839.01	4,142,148.08	

Description of affiliated leases

☐Applicable ☒Not applicable**6. Associated****Guarantees**

The Company as the

Unit: Yuan Currency: RMB

guarantor

☒Applicable ☐Not applicable  
Secured party

	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been Fulfilled
Shanghai International Paint Co.	34,000,000.00	2022/6/1	2023/5/31	No
Dalian New Sunshine Material Technology Co.	75,358,250.00	2021/2/9	2033/12/29	No
Linde Gas (Guangxi) Co.	363,464,000.00	2019/10/28	2030/10/28	No
Guangxi Tianyi Environmental Technology Co.	317,502,200.00	2022/1/14	2025/1/14	No
Guangxi Hongyi New Material Co.	20,000,000.00	2021/9/29	2029/9/29	No
Guangxi Hongyi New Material Co.	42,500,000.00	2021/11/15	2029/9/29	No
Guangxi Hongyi New Material Co.	20,675,000.00	2022/4/29	2029/9/29	No
Zhejiang Huahong New Material Co.	42,538,300.00	2019/8/7	2025/12/25	No
Zhejiang Huahong New Material Co.	85,076,600.00	2019/2/26	2025/12/25	No
Zhejiang Huahong New Material Co.	37,051,000.00	2019/8/8	2025/12/25	No

The Company as the

guaranteed party

Unit: Yuan Currency: RMB

☒Applicable ☐Not applicable

Guarantor

	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been Fulfilled
Shanghai Huayi Holding	EUR1.029.217.74	2017/4/20	2023/5/31	No

Description of related guarantees

☐Applicable ☒Not applicable**7. Related party funds borrowing and lending**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Related Parties	Amount of loan	Start date	Expiration date	Description
Split into				
Shanghai Huayi Group Financial Leasing Co.	100,000,000.00	2019/8/6	2024/8/5	Intra-group borrowings
Shanghai Huayi Group Financial Leasing Co.	80,000,000.00	2019/8/30	2024/8/29	Intra-group borrowings
Shanghai Huayi Group Financial Leasing Co.	100,000,000.00	2021/12/4	2022/10/25	Intra-group borrowings

Shanghai Huayi Group Financial Leasing Co.	10,000,000.00	2022/12/15	2023/12/14	Intra-group borrowings
Shanghai Huayi Holding Group Co.	55,000,000.00	2022/5/27	2023/5/27	Intra-group borrowings
Shanghai Huayi Holding Group Co.	25,000,000.00	2022/5/27	2022/9/29	Intra-group borrowings
Shanghai Huayi Holding Group Co.	80,000,000.00	2022/5/27	2022/10/31	Intra-group borrowings
Shanghai Huayi Holding Group Co.	100,000,000.00	2021/8/18	2022/5/30	Intra-group borrowings
Shanghai Huayi Holding Group Co.	150,000,000.00	2021/8/20	2024/8/13	Intra-group borrowings
Shanghai Huayi Acrylic Co.	5,400,000.00	2021/3/20	2022/3/19	Entrusted Loan
Shanghai Huayi Holding Group Co.	500,000,000.00	2021/8/19	2022/8/20	Intra-group borrowings
Shanghai Huayi Holding Group Co.	500,000,000.00	2022/8/21	2023/8/17	Intra-group borrowings
Shanghai Huayi Holding Group Co.	500,000,000.00	2022/5/25	2023/5/25	Intra-group borrowings

## 8. Transfer of assets and debt restructuring of related parties

√Applicable □ Not applicable

Related Parties	Content of connected transactions	Unit: Yuan Currency: RMB	
		Current Period Incurred	Prior Period Incurrence

## 9. Key management compensation

□Applicable √Not applicable

### (vi) Receivables and payables from related parties

#### 1. Items receivable

√Applicable □Not applicable

Project Name	Related Parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts Receivable	BASF Shanghai Coatings Co.			2,289.00	114.45
Accounts Receivable	Changshu San Aifu Fluorine Chemical Co.	435,037.60	21,751.88	18,267.20	913.36
Accounts Receivable	Changshu San Aifu Fluorine Source New Material Co.	187,500.00	56,250.00	886,072.00	44,303.60
Accounts Receivable	Changshu Sanfu Zhonghao New Chemical Materials Co. Division	2,403,632.10	120,181.61	571,035.00	28,551.75
Accounts Receivable	Dongming Huayi Yuhuang New Material Co.	52,043,420.85	26,021,710.43	5,056,595.08	235,737.85
Accounts Receivable	Guangxi Huayi Energy Chemical Co.	6,446,568.30	322,328.42	11,627,842.80	1,536,602.71
Accounts Receivable	East China University of Science and Technology Huachang Polymer Co.	51,026.00	2,551.30	19,345.00	967.25
Accounts Receivable	Inner Mongolia San Aifu Wanhao Fluorine Chemical Co.	2,095,766.10	124,788.31	713,048.00	35,652.40

Accounts Receivable	Shanghai Huayi Tianyuan Chemical Logistics Co.	1,301,728.50	65,086.43	64,464.40	3,223.22
Accounts Receivable	Shanghai Huifeng Resin Co.	4,800,001.23	2,955,851.23	5,415,001.23	2,944,351.23
Accounts Receivable	Shanghai Jinghua Chemical Plant Co.	352,306.14	17,615.31	50,262.00	2,513.10
Accounts Receivable	Shanghai Cabot Chemical Co.	1,159,120.56	57,956.03	740,733.11	37,036.66
Accounts Receivable	Shanghai Linde Carbon Dioxide Co.	2,948,713.02	147,435.65	1,290,887.02	64,544.35
Accounts Receivable	Shanghai Tire & Rubber (Group) Co.	130,000.00	6,500.00	51,000.00	2,550.00
Accounts Receivable	Shanghai Chlor-Alkali Chemical Co.	50,523,715.57	2,680,183.41	19,955,996.15	1,083,354.05
Accounts Receivable	Zhejiang Huahong New Material Co.			220,000.00	
Accounts Receivable	Shanghai Huayi San Aifu New Material Co.	1,152,309.00	95,523.45	84,240.00	25,272.00
Accounts Receivable	Shanghai Sanex Reagent Co.	9,285.60	464.28	11,467.00	573.35
Accounts Receivable	Shanghai Shuangqian Tire Sales (Jordan) Co.	38,605.54	11,581.66	35,341.21	1,767.06
Accounts Receivable	Shanghai Fujikura Kasei Paint Co.	365,051.90	18,252.60	767,818.71	38,390.94
Accounts Receivable	Shanghai Wujing Chemical Co.	162,204.84	8,110.24	9,197.93	459.90
Accounts Receivable	Shanghai Dye Research Institute Co.	943,932.54	73,806.51	419,480.54	20,974.03
Accounts Receivable	Shanghai Pharmaceutical Industry Co.	307,500.00	15,375.00		
Accounts Receivable	Zhong'an Huayi New Material Co.	171,100.00	171,100.00	171,100.00	171,100.00
Accounts Receivable	China Salt Kunshan Co.	82,952,034.63	4,147,601.73	93,693,728.20	4,684,686.41
Accounts Receivable	Inner Mongolia Yili Chemical Industry Co.	5,900.00	2,950.00	5,900.00	1,770.00
Accounts Receivable	Changshu San Aifu Zhen Fluorine New Material Co.	418,000.00	32,650.00	489,827.50	24,491.38
Accounts Receivable	Guangxi Huayi Chlor-alkali Chemical Co.	59,504.00	2,975.20	238,371.70	11,918.59
Accounts Receivable	Shanghai Huayi Qifa Labor Service Co.			4,804.00	240.20
Accounts Receivable	Shanghai Research Institute of Chemical Industry Co.	368,766.00	18,438.30	64,000.00	3,200.00
Accounts Receivable	Shanghai Chemical Institute Testing Co.			31,600.00	1,580.00
Accounts Receivable	Shanghai Chlor-Alkali Venture Co.			64,931.38	3,246.57
Accounts Receivable	Shanghai Xuyihui Culture Development Co.	28,381,255.18	4,679,821.55	13,043,035.18	652,151.76
Accounts Receivable	Dalian New Sunshine Material Technology Co.	0.10	0.01		
Accounts Receivable	Fujian Huayi San'aifu Fuyou New Material Co. Division	370,431.90	18,521.60		
Accounts Receivable	Guangxi Hongyi New Material Co.	117,330.00	5,866.50		
Accounts Receivable	Guangxi Tianyi Environmental Technology Co.	156,000.00	7,800.00		
Accounts Receivable	Shanghai Dakai Plastics Co.	9,756.57	487.83		
Accounts Receivable	Shanghai Huayi Industrial Gas Co.	291,950.00	14,597.50		
Accounts	Shanghai Huayi Construction Co.	47,784.80	2,389.24		



Receivable					
Accounts Receivable	Shanghai Coking & Chemical Storage & Transportation Port Area Co.	31,734.00	1,586.70		
Accounts Receivable	Shanghai Coking Chemical Development Corporation	208,556.35	10,427.82		
Accounts Receivable	Shanghai Meiyu Pharmaceutical Co.	307,500.00	15,375.00		
Accounts Receivable	Shanghai Pacific Chemical Equipment Engineering Co.	62,601.45	3,130.07		
Accounts Receivable	Shanghai Yicheng Real Estate Co.	5,647,192.90	282,359.65		
Accounts Receivable	Fujikura Kasei (Foshan) Coating Co.	15,000.00	750.00		
Accounts Receivable	Fujikura Kasei Paint (Tianjin) Co.	54,000.00	2,700.00		
Prepayments	Shanghai Chlor-Alkali Chemical Co.	4,449,120.00		386.00	
Prepayments	Inner Mongolia San Aifu Wanhao Fluorine Chemical Co.			3,440.00	
Prepayments	East China University of Science and Technology Huachang Polymer Co.			6,171,720.55	
Prepayments	Shanghai Huayi Construction Co.	281,200.00			
Prepayments	Inner Mongolia Yili Chemical Industry Co.			658,662.50	
Prepayments	Shanghai Huayi Environmental Protection Technology Co.			2,754,000.00	
Prepayments	Shanghai Chemical Institute Testing Co.	86,420.00		34,920.00	
Prepayments	Changshu San Aifu Fluorine Source New Material Co.			38,200.00	
Prepayments	Shanghai Research Institute of Chemical Industry Co.	2,500.00		120.00	
Prepayments	Huayi Hefeng Special Chemical Zibo Co.			443,751.23	
Prepayments	Shanghai Huayi Engineering Co.	7,990,767.60			
Prepayments	Shanghai Huayi Qifa Labor Service Co.	205,382.00			
Prepayments	Shanghai Huayi Tianyuan Chemical Logistics Co.	139,194.15			
Prepayments	Shanghai Meiyu Pharmaceutical Co.	20,712.00			
Prepayments	Shanghai Xuyihui Culture Development Co.	936,638.34			
Prepayments	Zhejiang Huahong New Material Co.	26,319,912.79			

Other receivables	Dongming Huayi Yuhuang New Material Co.	25,800.00	25,800.00	26,800.00	26,700.00
Other receivables	Xiamen Hui Li Industry and Trade Company	3,688.30	3,688.30	3,688.30	3,688.30
Other receivables	Shanghai Arkema Hydrogen Peroxide Co.	800,000.00	240,000.00	800,000.00	40,000.00
Other receivables	Shanghai Huayi Engineering Co.	1,114,286.00	1,114,286.00	1,114,286.00	1,114,286.00
Other receivables	Shanghai Huayi Group Real Estate Co.	312,863.81	295,786.61	16,178.00	8,089.00
Other receivables	Sinochem Huayi Equipment Technology (Shanghai) Co. Division			86,636.40	4,331.82
Other receivables	Shanghai Huayi Qifa Labor Service Co.	60,252.00	60,252.00	60,252.00	60,252.00
Other receivables	Shanghai Huifeng Resin Co.	1,319,411.61	1,319,411.61	1,319,411.61	1,319,411.61
Other receivables	Shanghai Coking Chemical Development Corporation	32,708.43	9,812.53	32,708.43	1,635.42
Other receivables	Shanghai Tire & Rubber (Group) Co.			30,000.00	30,000.00
Other receivables	Shanghai Chlor-Alkali Chemical Co.	11,456.00	11,456.00	11,456.00	11,456.00
Other receivables	Shanghai Shenxing Chemical Co.	15,120.00	4,536.00	15,120.00	756.00
Other receivables	Shanghai Shenma Curtain Fabric Co.	128,599.50	128,599.50	128,599.50	128,599.50
Other receivables	Shanghai Tianyuan Resources Trading Co.	21,880,237.72	21,880,237.72	21,880,237.72	21,880,237.72
Other receivables	Guangxi Tianyi Environmental Technology Co.	5,000.00	1,500.00	5,000.00	250.00
Other receivables	Shanghai Hualin Industrial Gases Co.			421,777.91	21,088.90
Other receivables	Shanghai Huayi San Aifu Chemical Sales Co.			96,348.00	4,817.40
Other receivables	Shanghai Yimoufang Apartment Management Co.	10,020.00	501.00	7,530.00	376.50
Other receivables	Shanghai Huayi Qifa Economic and Trade Co.	194,875.00	9,743.75		
Other receivables	Shanghai Huayi San Aifu New Material Co.	312,574.00	15,628.70		
Other receivables	Shanghai Wujing Chemical Co.	75,610.00	70,280.50		
Other receivables	Shanghai Xuyihui Culture Development Co.	2,809,918.00	140,495.90		
Disbursement of loans and Advances	Shanghai Huayi Holding Group Co.	1,440,204,469.44	37,701,800.00	2,351,691,666.65	61,464,860.10
Disbursement of loans and Advances	Shanghai Chlor-Alkali Chemical Corporation and its subsidiaries Company	658,947,768.99	17,252,887.07	1,141,855,740.16	29,842,506.73
Disbursement of loans and Advances	Shanghai Research Institute of Chemical Industry Ltd. and its subsidiary companies Division	134,337,265.59	3,516,963.35	161,524,593.45	4,220,656.00
Disbursement of loans and Advances	Shanghai Huayi San Aifu New Material Co. Its subsidiaries	194,751,458.24	5,101,331.77	154,174,314.86	4,027,909.98
Disbursement of loans and Advances	Guangxi Huayi Energy Chemical Co. Company	1,107,379,384.57	28,981,685.43	978,147,008.41	25,554,738.25
Disbursement of loans and Advances	Shanghai Huayi Engineering Co.,	24,927,047.06	653,088.63		

Advances	Ltd. and its subsidiaries				
Disbursement of loans and Advances	Other joint ventures	364,008,186.38	9,522,756.80	984,620,781.40	25,714,648.11
Dividend receivable	Edoko China Ltd.			19,127,100.00	
Dividend receivable	Shanghai International Paint Co.			10,560,228.95	
Dividend receivable	Shanghai Runhong Industrial Co.			576,000.00	
Dividend receivable	Shanghai Coking Chemical Development Corporation	2,340,000.00			
Dividend receivable	Shanghai Global Molecular Sieve Co.	10,000,000.00			
Other non-current Assets	Guangxi Tianyi Environmental Technology Co.				
Other non-current Assets	Shanghai Huayi Environmental Protection Technology Co.			81,250.00	
Other non-current Assets	Linde Gas (Guangxi) Co.			20,203,815.00	
Other non-current Assets	Shanghai Huayi Engineering Co.			511,713,479.70	

## 2、Payable items

√Applicable    □Not applicable

Unit:			
Project Name	Related Parties	Closing book balance	Opening book balance
		RMB	Yuan
Accounts Payable	East China University of Science and Technology Huachang Polymer Co.	1,164,946.19	2,932,688.35
Accounts Payable	Shanghai Sanex Reagent Co.	358,993.72	
Accounts Payable	Shanghai Huayi Holding Group Co.	13,792,518.87	17,800,111.81
Accounts Payable	Shanghai Huayi Engineering Co.	93,917,629.04	28,102,463.69
Accounts Payable	Shanghai Huayi Environmental Protection Technology Co.	14,364,016.24	17,075,061.05
Accounts Payable	Shanghai Huayi Group Real Estate Co.	219,466.97	226,987.72
Accounts Payable	Shanghai Huayi Qifa Labor Service Co.	20,229,521.70	4,539,357.53
Accounts Payable	Shanghai Huayi Construction Co.	3,298,455.75	6,050,434.14
Accounts Payable	Shanghai Huayi Tianyuan Chemical Logistics Co.	1,280,431.48	498,419.04
Accounts Payable	Shanghai Coking Chemical Development Corporation	20,000.00	40,000.00
Accounts Payable	Shanghai Jinghua Chemical Plant Co.		804,566.34
Accounts Payable	Shanghai Cabot Chemical Co.	7,660,628.17	6,077,187.96
Accounts Payable	Shanghai Dyestuff Chemical Sales Co.	13,073,460.91	120,000.00
Accounts Payable	Shanghai Pacific Chemical Equipment Engineering Co.	280,844.71	8,762,949.50
Accounts Payable	Shanghai Wujing Chemical Co.		11,220.00
Accounts Payable	Shanghai Xintiangyuan Chemical Transportation Co.	2,025.00	
Accounts Payable	Shanghai Titan Auxiliary Co.		19,380.00
Accounts Payable	Zhejiang Huahong New Material Co.		562,800.00
Accounts Payable	Shanghai COSCO Chemical Co.	22,499.10	22,499.10
Accounts Payable	Shanghai Shuangqian Enterprise Management Co.		3,938,578.60
Accounts Payable	Guangxi Huayi Energy Chemical Co.	436,464,493.22	160,031,346.83
Accounts Payable	Shanghai Research Institute of Chemical Industry Co.	1,453,100.02	368,975.02
Accounts Payable	Shanghai Lianju Industrial Co.		88,633.60
Accounts Payable	Shanghai Shenxing Chemical Co.		126,429.10

Other payables	Shanghai Huayi Construction Co.	212,115.00	197,115.00
Other payables	Shanghai Pacific Chemical Equipment Engineering Co.	5,260.00	5,260.00
Other payables	Shanghai Huayi Group Financial Leasing Co.	291,432,055.56	340,066,000.00
Other payables	Shanghai Huayi Group Asset Management Co.	1,981,730.00	
Other payables	Shanghai Minhang Huayi Microfinance Co.		273,063.32
Other payables	Shanghai Dye Research Institute Co.		36,183.40
Other payables	Shanghai Xuyihui Culture Development Co.	3,500,000.00	3,500,000.00
Other payables	Shanghai Pharmaceutical Industry Co.		787,888.06
Other payables	Shanghai Tire & Rubber (Group) Co.	26,750,561.77	
Contractual Liabilities	Guangxi Tianyi Environmental Technology Co.		13,472.92
Contractual Liabilities	East China University of Science and Technology Huachang Polymer Co.	29,726.78	25,513.29
Contractual Liabilities	Inner Mongolia San Aifu Wanhao Fluorine Chemical Co.		78.00
Contractual Liabilities	Shanghai Huayi Holding Group Co.	35,398.23	35,398.23
Contractual Liabilities	Shanghai Huayi Engineering Co.		133,860.53
Contractual Liabilities	Shanghai Huayi Construction Co.	35,811.02	35,811.02
Contractual Liabilities	Shanghai Research Institute of Chemical Industry Co.		2,042.62
Contractual Liabilities	Shanghai Coking Chemical Development Corporation		83,507.95
Contractual Liabilities	Shanghai Jinghua Chemical Plant Co.	53,610.00	47,442.48
Contractual Liabilities	Shanghai Jingxing Chemical Co.	110,862.11	121,504.00
Contractual Liabilities	Shanghai Pacific Chemical Equipment Engineering Co.	20,000.00	36,737.59
Contractual Liabilities	Shanghai CNPC Wuhua Bunkering Co.	6,472.00	5,727.43
Contractual Liabilities	Changshu San Aifu Fluorine Chemical Co.		157,433.63
Contractual Liabilities	Guangxi Tianyi Environmental Technology Co.		13,472.92
Contractual Liabilities	Shanghai Huayi Qifa Economic and Trade Co.	738.00	494,011.67
Contractual Liabilities	Shanghai Jingqi Polymer Material Co.	2,321.71	2,603.29
Contractual Liabilities	Shanghai Sanex Reagent Co.	12,000.00	10,619.47
Contractual Liabilities	Shanghai Pacific Chemical Equipment Engineering Co.	20,000.00	36,737.59

Contractual Liabilities	Shanghai CNPC Wuhua Bunkering Co.	6,472.00	5,727.43
Contractual Liabilities	Dongming Huayi Yuhuang New Material Co.	360,456.85	
Contractual Liabilities	Guangxi Hongyi New Material Co.	12,380,676.54	
Contractual Liabilities	Huayi Hefeng Special Chemical Zibo Co.	11,912.94	
Contractual Liabilities	Shanghai Jingkang Printing Co.	22,000.00	
Contractual Liabilities	Shanghai Lianle Chemical Technology Co.	137,614.59	
Contractual Liabilities	Shanghai Chlorware Plastics Co.	150.44	
Contractual Liabilities	Shanghai Pacific Chemical (Group) Huaian Yuanming Powder Co.	250,000.00	
Deposit-taking (including Accrued interest)	Shanghai Huayi Holding Group Co.	2,764,243,916.00	3,279,059,950.86
Deposit-taking (including Accrued interest)	Shanghai Chlor-Alkali Chemical Co., Ltd. and its subsidiaries	750,565,472.74	807,165,083.83
Deposit-taking (including Accrued interest)	Shanghai Research Institute of Chemical Industry Ltd. and its subsidiaries	494,558,222.37	407,172,369.23
Deposit-taking (including Accrued interest)	Shanghai Huayi San Aifu New Materials Co. and its subsidiaries	1,162,309,809.72	280,840,262.48
Deposit-taking (including Accrued interest)	Shanghai Huayi Group Asset Management Company Limited and its subsidiaries	1,416,833,284.69	1,093,733,895.39
Deposit-taking (including Accrued interest)	Shanghai Huayi Engineering Co., Ltd. and its subsidiaries	438,640,952.95	260,301,574.25
Deposit-taking (including Accrued interest)	Shanghai Huayi Acrylic Acid Co. and its subsidiaries	1,558,085,450.51	1,482,675,893.97

Deposit-taking (including (Accrued interest)	Guangxi Huayi Energy Chemical Co., Ltd. and its subsidiaries	879,783,983.71	530,537,927.28
Deposit-taking (including (Accrued interest)	Shanghai Huayi Group Financial Leasing Co. and its subsidiaries	15,564,176.54	289,452,450.31
Deposit-taking (including (Accrued interest)	Other subsidiaries controlled by controlling shareholders	1,211,199,803.48	975,318,319.94
Deposit-taking (including (Accrued interest)	Other joint ventures	63,440,369.24	36,553,687.40
Dividends payable	Shanghai Heteng High-Tech Co.	8,148,750.00	5,432,500.00
Dividends payable	Shanghai Trial 4 Trial China Investment Management Center (Limited Partnership)	7,604,460.57	32,754.32
Long-term payables	Shanghai Huayi Holding Group Co.	10,266,457.06	10,266,457.06
Lease liabilities	Shanghai Huayi Holding Group Co.	175,625,385.10	163,613,612.50
Lease liabilities	Shanghai Huayi Group Asset Management Co.	2,959,481.03	
Lease liabilities	Shanghai Research Institute of Chemical Industry Co.	311,838.04	
Lease liabilities	Shanghai Ruisheng Enterprise Co.	886,395.66	
Lease liabilities	Shanghai Wujing Chemical Co.	17,950,909.45	35,109,956.45
Lease liabilities	Shanghai Xuyihui Culture Development Co.	28,290,781.76	
Lease liabilities	Zhejiang Zhenyu Water Absorbing Material Technology Co.	7,550,908.62	
Expires within one year Lease liabilities	Shanghai Huayi Holding Group Co.	25,721,287.83	23,423,924.66
Expires within one year Lease liabilities	Shanghai Huayi Group Asset Management Co.	706,109.97	429,033.03
Expires within one year Lease liabilities	Shanghai Research Institute of Chemical Industry Co.	214,562.85	
Expires within one year Lease liabilities	Shanghai Ruisheng Enterprise Co.	1,440,729.72	
Expires within one year Lease liabilities	Shanghai Sanex Reagent Co.	13,396.83	
Expires within one year Lease liabilities	Shanghai Wujing Chemical Co.	17,691,890.88	17,025,288.16
Expires within one year Lease liabilities	Shanghai Xuyihui Culture Development Co.	8,105,891.43	

Expires within one year Lease liabilities	Zhejiang Zhenyu Water Absorbing Material Technology Co.	466,142.03	
Expires within one year Lease liabilities	Shanghai Huayi Group Real Estate Co.		169,585.33

**(VII) Commitment of related parties**

☐Applicable    ☒Not applicable

**(H) Other**

☐Applicable    ☒Not applicable



**XI. Share-based****payment****(I) Share-based****payments in general**

Unit: Share Currency: RMB

Total amount of each equity instrument granted by the Company during the period	
Total amount of each equity instrument exercised by the Company during the period	
Total amount of equity instruments lapsed by the Company during the period	
Range of exercise prices of stock options issued and outstanding at the end of the period and remaining contractual term of the Company	None

**(II) Equity-settled share-****based payments**

Unit: Yuan Currency: RMB

Method of determining the fair value of equity instruments at the date of grant	Secondary market price on the date of grant
Basis for determining the number of exercisable equity instruments	Number of employees with newly acquired viable rights, etc.
Reasons for significant differences between current and prior period estimates	None

**(III) Cash-settled share-based payments**☐ Applicable ☒ Not applicable**(iv) Modification and termination of share-based payment**☐ Applicable ☒ Not applicable**(E) Other**☐ Applicable ☒ Not applicable**XII. Commitments****and Contingencies****(I) Significant****Commitments**☒ Applicable ☐ Not applicable

Significant external commitments existing at the balance sheet date, nature and amount

Unit: Yuan

Nature of Borrowing	Amount (foreign currency)	Amount (local currency)	Borrowing Date	Repayment date	Remarks
Short-term borrowings		50,045,069.44	2022/5/12	2023/4/20	Collateralized Borrowing
Short-term borrowings		30,124,926.53	2022/5/24	2023/4/20	Collateralized Borrowing
Short-term borrowings		10,711,871.86	2022/5/27	2023/4/20	Collateralized Borrowing
Short-term borrowings		9,208,271.05	2022/6/10	2023/4/20	Collateralized Borrowing
Short-term borrowings		15,015,416.67 237 / 355	2022/6/29	2023/6/20	Collateralized Borrowing
Short-term borrowings		6,806,988.89	2022/7/13	2023/7/13	Collateralized Borrowing
Short-term borrowings		38,182,270.10	2022/7/26	2023/7/25	Collateralized Borrowing

Long-term borrowings	USD 15,907,579.00	110,789,924.70			Collateralized Borrowing
Long-term borrowings		6,915,174.53			Overdue, not for exhibition Period Procedure
Total		732,794,611.00			

## (ii) Contingencies

### Significant contingencies existing at the balance sheet date

√Applicable    □Not applicable

#### 1. Contingent liabilities arising from debt guarantees provided to other units and their financial effects

Unit: Yuan    Currency: RMB

Guaranteed unit	Guarantee amount	Debt maturity date	Financial impact on the Company
Within the scope of consolidation:			
Fujian Huayi Shengde Material Technology Co.	9,364,795.40	2025/9/5	Ability to repay when due, no material adverse impact on the company
Fujian Huayi Shengde Material Technology Co.	5,000,000.00	2023/7/4	Ability to repay when due, no material adverse impact on the company
Guangxi Huayi New Material Co.	2,818,386,600.00	2031/12/16	Ability to repay when due, no material adverse impact on the company
Shuangqian Group (Xinjiang) Kunlun Tire Co.	100,000,000.00	2024/8/5	Ability to repay when due, no material adverse impact on the company
Shuangqian Group (Xinjiang) Kunlun Tire Co.	80,000,000.00	2024/8/29	Ability to repay when due, no material adverse impact on the company
Huatai Rubber Co.	80,040,000.00	2023/7/13	Ability to repay when due, no material adverse impact on the company
Subtotal	3,092,791,395.40		
Related parties:			
Shanghai Huayi Holding Group Co.	USD178,500,000.00	2024/10/30	Ability to repay when due, no material adverse impact on the company
Linde Gas (Guangxi) Co.	363,464,000.00	2030/10/28	Ability to repay when due, no material adverse impact on the company
Zhejiang Huahong New Material Co.	37,051,000.00	2025/12/25	Ability to repay when due, no material adverse impact on the company
Zhejiang Huahong New Material Co.	85,076,600.00	2025/12/25	Ability to repay when due, no material adverse impact on the company
Zhejiang Huahong New Material Co.	85,076,600.00	2025/12/25	Ability to repay when due, no material adverse impact on the company
Zhejiang Huahong New Material Co.	42,538,300.00	2025/12/25	Ability to repay when due, no material adverse impact on the company

#### 2. Contingent liabilities arising from pending litigation or arbitration and their financial impact

In 2014, the U.S. Department of Commerce conducted an anti-dumping investigation against China North America Tire United Sales Company ("North America Sales"), a subsidiary of the Company, and proposed to impose anti-dumping duties on its imports of OTR (off-highway tires) from China, and North America Sales reasonably recognized an estimated liability of \$2,000,000.00 for its potential losses. In February 2017, the International Trade Tribunal imposed anti-dumping duties on Chinese load tires. In November 2019, the U.S. Department of Commerce appealed the decision to the Court of Appeals for the Federal Circuit.

In February, the Court of Appeals for the Federal Circuit reversed the February 2017 ITC decision and the case was remanded to the ITC for further proceedings.

As of December 31, 2022, the International Trade Tribunal adjudication process is still ongoing.

**3. There are no material contingencies that the company is required to disclose, which should also be stated:**

☐Applicable    ☒Not applicable

**(C) Other**

☐Applicable    ☒Not applicable

**XIII. Events after the balance sheet date (a)****Significant non-adjusting events**

☐Applicable ☒Not applicable

**(II) Profit distribution**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Profit or dividends to be distributed	404,975,423.62
Profit or dividends declared after	

(hereinafter referred to as the "Company") at the Twenty-second Meeting of the Tenth Session of the Board of Directors of the Company held on March 31, 2023, the undistributed profits of the Company at the end of 2022 amounted to RMB10,052,103,193.44, of which: 1) undistributed profits at the beginning of 2022 amounted to RMB9,816,118,454.74 Yuan; 2) Dividends of \$895,208,831.16 Yuan distributed to all shareholders in accordance with the profit distribution plan for the year 2021. (3) the audited net profit attributable to the parent company in the consolidated statements of the Company for the year 2022 of \$1,281,211,494.32, has been realized in 2022. The Company is required to withdraw \$150,017,924.46 from the legal reserve.

The Company will distribute profits based on the total share capital registered on the date of registration of the equity distribution, and pay a cash dividend of RMB1.9 (including tax) for every 10 shares to all shareholders, with the B share dividends converted into U.S. dollars. As of the date of the resolution of the Board of Directors on the profit distribution plan, the total share capital of the Company was 2,131,449,598.00 shares, based on which a total cash dividend of RMB404,975,423.62 (including tax) was proposed.

In the event of any change in the total share capital of the Company prior to the registration date for the implementation of the equity distribution, it is intended to maintain the total distribution amount unchanged and adjust the dividend per share ratio accordingly, and will separately announce the specific adjustment.

**(C) sales return**

☐Applicable ☒Not applicable

**(iv) Description of other post-balance sheet events**

☐Applicable ☒Not applicable

**XIV. Other important matters**

**(a) Correction of prior period accounting errors 1. retrospective restatement method**

☐Applicable ☒Not applicable

**2、Future application method**

☐Applicable ☒Not applicable

**(ii) Debt restructuring**

☐Applicable ☒Not applicable

**(iii) Asset replacement**

**1. Exchange of non-monetary assets**

☐Applicable ☒Not applicable

**2. Other asset swaps**

☐Applicable ☒Not applicable

**(iv) Annuity plans**

☐Applicable ☒Not applicable

**(E) termination of operations**

☐Applicable ☒Not applicable

**(F) Division information****1. Basis for determining reportable segments and accounting policies**

☒Applicable ☐Not applicable

Each of the Company's reportable segments offers a different business section.

Since various businesses require different technology and market strategies, the Group manages the production and operating activities of each reportable segment separately and evaluates its operating results separately to determine the allocation of resources to them and to evaluate their performance.

The Company has five reportable segments: Energy Chemicals segment, Tire segment, Advanced Materials segment, Fine Chemicals segment, and Management Services segment.

Segment reporting information is disclosed in accordance with the accounting policies and measurement standards adopted by each segment for reporting to management, and these measurement bases are consistent with the accounting and measurement bases used in the preparation of the financial statements.

## 2. Financial information of reportable segments

√Applicable    □Not applicable

Proj ects	Energy Chemicals	Advanced Materials	Green Tire	Fine Chemicals	Othe r	Unit: Yuan    Currency: RMB	
						Intersegment Offset	Total
Revenue from external transactions	15,518,040,046.54	5,525,420,820.25	10,057,717,577.39	7,227,091,764.74	609,197,218.17		38,937,467,427.09
Of which: Total trading revenue	6,111,125,482.80	404,300,522.43	0.00	503,469,706.96			7,018,895,712.19
Inter-segment trading revenue	223,485,423.16	931,417.30	217,698,348.96	84,442,978.59	124,578,788.70	651,136,956.71	0.00
Income from investments in associates and joint ventures	176,782,205.70	-63,998,682.64	22,035,478.25	236,889,127.09	8,771,911.12		380,480,039.52
Net income (net loss)	209,819,921.67	337,834,975.01	263,175,835.15	1,071,907,056.27	1,752,813,611.74	1,942,973,166.79	1,692,578,233.05
Total Assets	10,566,765,521.69	15,619,375,249.79	13,184,282,519.48	10,197,649,895.00	41,941,693,477.28	32,308,875,280.40	59,200,891,382.84
Total liabilities	2,299,292,220.76	8,533,668,221.48	8,514,760,977.78	2,922,786,562.68	23,491,240,249.32	12,610,937,009.25	33,150,811,222.77
Long-term equity investments in associates	1,108,201,400.40	477,073,706.41	510,141,152.61	2,272,021,604.82	264,084,154.18		4,732,412,408.52

3. If the company has no reportable segments or cannot disclose the total assets and total liabilities of each reportable segment, it should state the reasons

□Applicable    √Not applicable

## 4. Other notes

□Applicable    √Not applicable

(vii) Other important transactions and matters that have an impact on investors' decisions

□Applicable    √Not applicable

(H) Other

□Applicable    √Not applicable

**Notes to the Parent Company's  
Financial Statements (a)  
Accounts Receivable**

**1. Disclosure by age**

☐Applicable ☒Not applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing balance	Prior year-end balance
Within 1 year		
1 to 2 years		83,937,841.46
2 to 3 years		
More than 3 years		
Subtotal		83,937,841.46
Less: Provision for bad debts		25,181,352.44



## 2. Disclosure by bad debt accrual method

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Accrual ratio (%)		Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for bad debts is made on an individual basis:										

Provision for bad debts is made on an individual basis:

□Applicable √Not applicable

Provision for bad debts is made on a portfolio basis:

□Applicable √Not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure of other receivables as follows:

□Applicable √Not applicable

**3. Provision for bad debts**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Transfer	Other	

Of which the amount of provision for bad debts recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

**4. Actual write-off of accounts receivable during the period**

☐ Applicable ☒ Not applicable

Of which significant write-offs of accounts receivable

☐ Applicable ☒ Not applicable

**5. The top five accounts receivable with closing balances grouped by party in arrears**

☐ Applicable ☒ Not applicable

**6. Derecognition of receivables due to transfer of financial assets**

☐ Applicable ☒ Not applicable

**7. Transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed**

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**(2) Other receivables 1.**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Interest receivable		
Dividend receivable		
Other receivables	946,386,521.05	1,546,797,993.20

Other notes:

☐ Applicable ☒ Not applicable

**2. Interest receivable****(1) Classification of interest receivable**

☐ Applicable ☒ Not applicable

**(2) Important late interest**

☐Applicable ☒Not applicable

**(3) Provision for bad debts**

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**3. Dividends receivable**

☐Applicable ☒Not applicable

**(1) Significant dividends receivable aged over 1 year**

☐Applicable ☒Not applicable

**(2) Provision for bad debts**

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**4. Other receivables****(1) Disclosure by age**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Age of accounts	Closing book balance	Opening book balance
Within 1 year		
Of which: within 1 year subdivision		
Within 1 year	6,775,208.81	607,243,744.78
Subtotal within 1 year	6,775,208.81	607,243,744.78
1 to 2 years	58,939.00	5,162.66
2 to 3 years	5,162.66	
More than 3 years	939,618,900.00	939,618,900.00
3 to 4 years		
4 to 5 years		
More than 5 years		
Total	946,458,210.47	1,546,867,807.44

## (2) Disclosure by bad debt accrual method

Unit: Yuan Currency: RMB

Category	Closing balance					Prior year-end balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Accrual rate (%)		Amount	Proportion (%)	Amount	Accrual rate (%)	
Accrual by individual items Provision for bad debts										
Accrual by portfolio Provision for	946,458,210.47	100.00	71,689.42	0.01	946,386,521.05	1,546,867,807.44	100.00	69,814.24		1,546,797,993.20

**(3) Provision for bad debts**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (unissued) (e.g., credit impairment)	Expected credit losses for the entire duration (issued (e.g., credit impairment)	
Balance as of January 1, 2022	69,814.24			69,814.24
Balance at January 1, 2022 in the current period				
--Transfer to Phase II				
--Turning to the third stage				
--Turn back to the second stage				
--Turn back to the first stage				
Current accrual	1,875.18			1,875.18
Current period reversal				
Current period reversal				

A description of significant changes in the carrying amount of other receivables for which changes in the allowance for losses occurred during the period:

☐Applicable ☒Not applicable

The amount of provision for bad debts for the period and the basis used to assess whether there is a significant increase in the credit risk of the financial instruments:

☐Applicable ☒Not applicable

**(4) Provision for bad debts**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Cate gory	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or	Transfer or	Other	

Of which the amount of provision for bad debts reversed or recovered during the period is significant:

☐Applicable ☒Not applicable

**(5) Actual write-off of other receivables during the period**

☐Applicable ☒Not applicable

**(6) Breakdown by nature of payments**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing book balance	Opening book balance
Deposit	64,101.66	64,101.66
Current payments	946,394,108.81	1,546,803,705.78

**(7) Top five other receivables with closing balances grouped by party in arrears**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Unit Name	Nature of the payment	Closing balance	Age of accounts	of the total ending balance of other receivables Proportion (%)	Closing balance of provision for bad debts
Shanghai New Materials Co.	Current payments	939,618,900.00	More than 5 years	99.28	
Shanghai Huayi Energy Chemical Co. Limited company	Current payments	5,001,240.00	Within 1 year	0.53	
Shanghai Penpu	Current	707,268.00	Within 1	0.07	35,363.40

**(8) Receivables involving government grants**☐Applicable √Not applicable**(9) Other receivables derecognized due to transfer of financial assets**☐Applicable √Not applicable**(10) Transfer of other receivables and continued involvement in the amount of assets and liabilities formed**☐Applicable √Not applicable

Other notes:

☐Applicable √Not applicable**(iii) Long-term equity investments**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance			Opening balance		
	Book balance	Impairment Preparation	Carrying value	Book balance	Impairment Preparation	Carrying value

## 1. Investment in subsidiaries

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Investee Units	Opening balance	Increase in the current period	Decrease for the period	Closing balance	Provision for impairment for the period	Closing balance of provision for impairment
Shanghai Huayi Energy Chemical Co.	5,673,433,343.54			5,673,433,343.54		
Shanghai Huayi Fine Chemical Co.	1,852,173,345.30			1,852,173,345.30		
Shanghai Tianyuan (Group) Co.	798,932,140.99			798,932,140.99		
Shanghai Huayi Group Investment Co.	1,699,738,576.32	80,000,000.00		1,779,738,576.32		
Shanghai Huayi Information Technology Co.	20,427,779.64			20,427,779.64		
Shanghai Huayi New Material Co.	2,262,688,453.72			2,262,688,453.72		
Shanghai Huayi Group Finance Co.	746,629,799.83			746,629,799.83		
Shuangqian Tire Group Co.	3,565,219,437.12			3,565,219,437.12		
Shanghai Soap Making (Group) Co.	154,731,014.69			154,731,014.69		
Huayi Group (Hong Kong) Limited	210,370,790.72			210,370,790.72		
Guangxi Huayi New Material Co.	1,144,524,000.00	1,142,718,000.00		2,287,242,000.00		
Huayi Group (Thailand) Co.	54,306.22	52,133.97		106,440.19		
Shanghai Shuangqian Tire Sales Co.	18,102.07	17,377.99		35,480.06		
Shuangqian Group (Anhui) HuiLi Tire Co.	72,408.29	69,511.96		141,920.25		
Shuangqian Group (Jiangsu) Tire Co.	126,714.50	121,645.92		248,360.42		
Shuangqian Group (Xinjiang) Kunlun Tire Co.	18,102.07	17,377.99		35,480.06		
Shuangqian Group (Chongqing) Tire Co.	90,510.35	86,889.94		177,400.29		
Shuangqian Group Shanghai Tire Research Institute Co.	72,408.29	69,511.96		141,920.25		
Double Coin Tire Group Shanghai Import & Export Co.	18,102.07	17,377.99		35,480.06		
Shuangqian Tire Group Co.	991,132.08	1,022,133.90		2,013,265.98		
Shanghai Huayi Energy Chemical Co.	1,213,154.20	1,135,297.19		2,348,451.39		
Anhui Huayi Chemical Co.	90,510.35	86,889.94		177,400.29		
Shanghai Huayi Fine Chemical Co.	915,580.67	878,957.43		1,794,538.10		
Shanghai Huayi Paint Co.	18,102.07	17,377.99		35,480.06		
Shanghai Kailin Paint Factory	36,204.15	34,755.98		70,960.13		

Yixing Huayi Yipin Coloring Technology Co.	18,102.07	17,377.99		35,480.06		
Shanghai Huayi Engineering Services Co.	18,102.07	17,377.99		35,480.06		
Shanghai Huayi Group Investment Co.	767,748.40	672,552.40		1,440,300.80		
Shanghai Huayi Inspection & Testing Technology Co.	18,102.07	17,377.99		35,480.06		
Shanghai Huayi Resin Co.	36,204.15	34,755.98		70,960.13		
Shanghai Chemical Industry Inspection & Testing Co.	36,204.15	34,755.98		70,960.13		
Shanghai Plastics Research Institute Co.	54,306.22	52,133.97		106,440.19		
Shanghai HuiLi Shoes Co.	20,065.25	4,344.50		24,409.75		
Shanghai Resin Factory Co.	90,510.35	69,511.96		160,022.31		
Shanghai Tianyuan (Group) Co.	603,778.93	617,303.94		1,221,082.87		
Shanghai Tianyuan Group Shengde Plastics Co.	72,408.29	69,511.96		141,920.25		
Zhejiang Tianyuan Medical Material Co.	54,306.22	52,133.97		106,440.19		
Shanghai Huayi Group Finance Co.	239,303.57	210,319.30		449,622.87		
Guangxi Huayi New Material Co.	568,148.95	596,206.58		1,164,355.53		
Shanghai Huayi New Material Co.	814,835.58	1,042,689.00		1,857,524.58		
Shanghai New Material Chemical Sales Co.	36,204.15	34,755.98		70,960.13		
Shanghai Huayi Information Technology Co.	382,444.43	626,460.52		1,008,904.95		
Shanghai Soap Making (Group) Co.	500,697.73	620,696.35		1,121,394.08		
Total	18,137,007,900.12	1,231,202,122.14		19,368,210,022.26		

## 2、Investment in associates and joint ventures

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Investment unit	Opening balance	Change in the period								Closing balance	Closing balance of provision for impairment
		Addition of cast Resources	Reduction of investment Resources	Investments recognized under the equity method Profit and loss	Other comprehensive income Benefit adjustment	Other interests Change	Declaration of cash dividends or Profits	Provision for impairment Preparation	its He		

I. Joint ventures

II. Affiliates



**(iv) Operating income and operating costs****1. Operating revenues and operating costs**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Proj ects	Current Period Incurred		Prior Period Incurrence	
	Rev enue	Cost	Revenue	Cost
Main Business				

**2. Information on revenue generated by the contract**☐Applicable √Not applicable**3. Description of performance obligations**☐Applicable √Not applicable**4. Description of the apportionment to the remaining performance obligations**☐Applicable √Not applicable**(V) Investment income**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Current Period Incurred	Prior Period Incurrence
Gain on long-term equity investments accounted for under the cost method	1,662,246,582.45	661,392,520.24
Income from long-term equity investments accounted for by the equity method	8,906,559.19	7,254,909.05
Investment income from disposal of long-term equity investments		
Dividend income earned on investments in other equity instruments during the holding period		
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held for trading		

**(F) Other**☐Applicable √Not applicable

**XVI. Additional information****(I) Breakdown of non-recurring gains and losses for the period**

√Applicable    □Not applicable

Proj ects	Unit: Yuan    Currency: RMB	
	Amo unt	Descrip tion
Gain or loss on disposal of non-current assets	141,787,830.52	
Tax rebates and exemptions that are approved beyond authority or without official approval documents		
Government grants recognized in current profit or loss (closely related to the business of the enterprise, in accordance with national uniform standards) (Except for fixed or quantitative government subsidies)	760,843,708.32	
Charges to non-financial enterprises for capital utilization charged to current profit or loss		
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than the cost that should have been incurred when the investment was acquired. Gain arising from the fair value of the identifiable net assets of the investee		
Gain or loss on exchange of non-monetary assets		
Gains or losses from entrusting others to invest or manage assets		
Provision for impairment of various assets due to force majeure factors, such as natural disasters		
Gain or loss on debt restructuring		
Business restructuring costs, such as expenses for relocating employees, integration costs, etc.		
Gains or losses in excess of fair value arising from transactions where the transaction price is not clearly fair		
Net profit or loss for the period from the beginning of the period to the date of consolidation of a subsidiary resulting from a business combination under common control		
Gains or losses arising from contingencies not related to the Company's normal operating business		
In addition to effective hedging operations related to the Company's normal business operations, gains and losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial	-113,992,581.66	

For non-recurring as defined by the Company in accordance with "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Gains and Losses" items, and those that define non-recurring items listed in "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Gains and Losses" as recurring items, should explain the reasons.

□Applicable    √Not applicable

**(II) Return on net assets and earnings per share**

√Applicable □ Not applicable

Profit for the reporting period	Weighted average net assets Yield (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share

**(iii) Differences in accounting data under domestic and foreign accounting standards**

□Applicable √Not applicable

**(IV) Other**

□Applicable √Not applicable

Chairman: Liu

Xunfeng Board of Directors Approval Date  
of Filing: March 31, 2023**Revision Information**

□Applicable √Not applicable

2022 年年度报告

**(二) 净资产收益率及每股收益**

√适用 □不适用

报告期利润	加权平均净资产 收益率(%)	每股收益	
		基本每股收益	稀释每股收益
归属于公司普通股股东的净利润	5.93	0.60	0.60
扣除非经常性损益后归属于公司普通股股东的净利润	4.04	0.41	0.41

**(三) 境内外会计准则下会计数据差异**

□适用 √不适用

**(四) 其他**

□适用 √不适用

董事长:



董事会批准报送日期: 2023 年 3 月 31 日

修订信息

□适用 √不适用