

Company Code: 600623

900909

Company abbreviation:

Huayi Group

Huayi B Shares

# Ltd. 2022 Annual Report

## Important Notes

**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 that they shall bear individual and joint legal liabilities.**

**II. All directors of the Company attended the meeting of the Board of Directors.**

**C. Lixin Certified Public Accountants (Special General Partnership) has issued a standard unqualified audit report for the Company.**

**Fourth, the company's head of Liu Xunfeng, responsible for accounting work Xu Liheng and head of the accounting organisation (accounting supervisor) Guo Mu statement: to ensure that the annual report of the financial report is true, accurate and complete.**

**V. Proposals for profit distribution or capitalisation of provident fund for the reporting period adopted by resolution of the Board of Directors**

The Company will distribute profits on the basis of the total share capital registered on the date of share registration for the implementation of the profit distribution, and pay all shareholders a cash dividend of RMB1.9 per 10 shares (including tax), with the B-share dividend converted into US dollars. As of the date when the Board of Directors resolved on the profit distribution plan, the total share capital of the Company was as follows  
2,131,449,598.00 shares as the basis for calculating the total proposed cash dividend of RMB404,975,423.62 (including tax).

In the event of any change in the total share capital of the Company prior to the share registration date for the implementation of the equity distribution, it is proposed that the total amount of the distribution will remain unchanged and the dividend per share ratio will be adjusted accordingly, and a separate announcement will be made to specify the adjustment.

**vi. risk statements for forward-looking statements**

☒Applicable ☐Not applicable

Forward-looking statements such as future plans, development strategies and other forward-looking statements contained in this report do not constitute a material commitment by the Company to investors, and investors are advised to be aware of the investment risks.

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

**VIII. Whether there is any violation of the prescribed decision-making procedures for the provision of external guarantees** No

**IX. Whether more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the Company** No

**X. Significant Risk Warning**

The Company has described in detail in this report the existence of risky matters, please refer to Section III Management's Discussion and Analysis of the risks that may be faced, among others.

**XI. Other**

☐Applicable ☒Not Applicable

## directory (on computer hard drive)

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Catalogue of documents available for review	Annual report document containing the signature of the Chairman of the Board of Directors;
	Accounting statements containing the signatures and seals of the head of the company, the person in charge of accounting and the head of the accounting organ;
	Original audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant;
	The originals of all corporate documents and original announcements that have been publicly disclosed in newspapers designated by the China Securities Regulatory Commission during the reporting period;
	The original copies of the above pro forma documents are available in their entirety at the office of the Secretary of the Board of Directors of the Company.

## Section I. Interpretation

### I. Interpretation

In this report, unless the context otherwise requires, the following terms have the meanings set out

Interpretation of commonly used words below:		
firms	depend on	Shanghai Huayi Group Co.
Controlling Shareholder, Shanghai Huayi	depend on	Shanghai Huayi Holding Group Company Limited (formerly Shanghai Huayi (Group) Company)
NEC	depend on	Shanghai Huayi Energy Chemical Co.
Double Coin	depend on	Double Coin Tyre Group Limited
New Materials Corporation	depend on	Shanghai Huayi New Material Co.
Refining Company	depend on	Shanghai Huayi Fine Chemical Co.
investment company	depend on	Shanghai Huayi Group Investment Co.
Tenkara	depend on	Shanghai Tianyuan (Group) Co.
information company	depend on	Shanghai Huayi Information Technology Co.
finance company	depend on	Shanghai Huayi Group Finance Co.
Huayi Hong Kong (Chinese company)	depend on	Huayi Group (Hong Kong) Limited
Methanol, acetic acid and esters	depend on	Including methanol, acetic acid, ethyl acetate, etc.; methanol is a kind of alcohol compounds, usually by the reaction of carbon monoxide and hydrogen, mainly used in the manufacture of olefins, formaldehyde, methyl tert-butyl ether, acetic acid, methyl methacrylate, chloromethane and other organic products, and used as a solvent and antifreeze, fuel, etc.; acetic acid is mainly used for vinyl acetate, acetic anhydride, acetic acid fibre and metal acetate, and so on, is also used as a solvent and raw material in the industries of pesticides, pharmaceuticals and dyes, in the manufacture of pharmaceuticals, fabric dyeing and rubber. Acetic acid is mainly used for vinyl acetate, acetic anhydride, fibre acetate and metal acetates, etc. It is also used as a solvent and raw material for pesticides, pharmaceuticals, dyestuffs and other industries. Wide range of uses in industry
industrial gas	depend on	Gaseous products at room temperature and pressure, including air gases, synthetic gases and special gases, of which air gases are gases separated from air, including nitrogen, oxygen, etc.; synthetic gases, including carbon monoxide, hydrogen and other gases obtained by chemical synthesis; special gases, including high-purity gases, standard gases, electronic special gases. Numerous gases for special applications such as gases
Acrylic acid and esters	depend on	Including acrylic monomer and acrylic ester compounds such as methyl acrylate, ethyl acrylate, butyl acrylate, etc., which are used in highly absorbent resins, coatings, inks, adhesives, textiles and leather, plastic auxiliaries, detergent auxiliaries, papermaking, building materials and packaging materials

## 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 name of the company	shanghai huayi group corporation limited
Legal representative of the company	Liu Xunfeng (1936-), second governor of Hainan

### II. Contact person and contact information

	secretary to the board	Securities Representative
name and surname	Xu Li Honing	Yuan Dinghua (1542-1610), Ming dynasty poet and dramatist
Contacts	809 Changde Road, Shanghai	809 Changde Road, Shanghai
telephones	021-23530152	021-23530152
telex	021-64456042-880152	021-64456042-880152
electronic mailbox	IR@shhuayi.com	yuandinghua@shhuayi.com

### III. Basic Fact Sheet

Company registered address	809 Changde Road, Jing'an District, Shanghai, China
Historical changes in the company's registered address	1. 63 Middle Sichuan Road, Huangpu District, Shanghai 1991.12.14; 2. Building 2, Lane 2178, Pudong South Road, Shanghai, 1996.05.08; 3. 63 Middle Sichuan Road, Huangpu District, Shanghai 1999.08.09; 4. Room 605, 1251 Jiangchuan Road, Minhang District, Shanghai 2003.08.28; 5. 63 Middle Sichuan Road, Huangpu District, Shanghai 2008.06.10; 6. No. 809 Changde Road, Jing'an District, Shanghai 29.06.2017
Company Office Address	809 Changde Road, Jing'an District, Shanghai, China
Postal code of the company's office address	200040
electronic mailbox	IR@shhuayi.com

### IV. Disclosure of information and place of availability

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
Place where the company's annual report is filed	809 Changde Road, Jing'an District, Shanghai, China

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

Company
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stock profile				
Stock Type	stock exchange	stock short name	stock code (computing)	Stock name before change
A-share	Shanghai Stock Exchange (SSE)	Huayi Group	600623	Double Coin, Tyre & Rubber
B Shares	Shanghai Stock Exchange (SSE)	Huayi B shares	900909	Double Coin B shares, Tyre B shares

## VI. Other relevant information

Accounting firm engaged by the company (in-country)	name (of a thing)	Lixin Accounting Firm (Special General Partnership)
	business address	4/F, New Huangpu Finance Building, No. 61 Nanjing Road East, Shanghai, China
	Name of signatory accountant	Xu Liqun, Lv Jie
Financial advisers who performed continuous supervisory duties during the reporting period	name (of a thing)	Haitong Securities Co.
	business address	888 Zhongshan South Road, Huangpu District, Shanghai, China
	Name of Financial Adviser Sponsor who signed	Zhu Shunyu, Xu Xinyao

**VII. MAJOR ACCOUNTING  
DATA AND FINANCIAL  
INDICATORS FOR THE RECENT  
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/decrease (per cent)	2020
revenue	38,511,107,497.47	39,691,837,446.67	-2.97	28,126,764,594.66
Attributable to shares of listed companies East's net profit	1,281,211,494.32	2,967,726,756.48	-56.83	423,442,095.21
Attributable to shareholders of the listed company net of non-recurring	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 attributable to shareholders of the listed company after extraordinary gains and losses were mainly attributable to the significant decrease in the sales prices of the Company's major products as a result of the impact of the market environment in the chemical industry.				
cash flows from operating activities	7,458,931,769.22	5,869,294,773.56	27.08	1,110,731,824.71
Net cash flow				

**(1) Key financial indicators**

Main financial indicators	late 2022	2022	End 2021	2021	Current period end compared to the same period in the previous year Increase/decrease for the period over the same period of the previous year (%)	end 2020	2020
Basic earnings per share (\$/share)		0.60	1.39	1.39	-56.83	0.20	0.20
Diluted earnings per share (\$/share)		0.60	1.39	1.39	-56.83	0.20	0.20
Attributable to shares of listed companies extraordinary gains and losses	24,766,484.87	21,468,365.98	27.27	1.23	1.39	18,592,066.70	25.03
Benefits (\$/share)					-66.67		
Net assets of the East		5.93	14.82		Decrease of 8.89 percentage points		2.29
Weighted average return on net assets (%)	59,200,891,382.84	52,623,928,353.38			12.50	45,592,772,067.97	
total assets		4.04	13.10		Decrease of 9.06 percentage points		0.31
Weighted average net income after extraordinary gains and losses							
Return on assets (per cent)							

The year-on-year decrease in basic earnings per share, diluted earnings per share and basic earnings per share after extraordinary gains and losses was mainly attributable to the significant decrease in the sales prices of the Company's major products due to the market environment in the chemical industry.



Description of the Company's principal accounting data and financial indicators 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) Difference between net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with both IAS and PRC accounting standards**

☐Applicable ☒Not Applicable

**(ii) Difference between net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with overseas accounting standards and in accordance with PRC accounting standards at the same time**

☐Applicable ☒Not Applicable

**(iii) A description of the differences between domestic and foreign accounting standards:**

☐Applicable ☒Not Applicable

**IX. Key Financial Data by Quarter 2022**

Unit: Yuan Currency: RMB

	first quarter (of financial year) (January- March)	second quarter (of financial year) (April-June)	third quarter (of financial year) (July-September)	fourth quarter (of financial year) (October- December)
revenue	9,567,597,373.04	9,936,406,320.39	9,850,870,429.68	9,156,233,374.36
Attributable to shares of listed companies	671,413,343.23	358,692,912.61	107,569,908.90	143,535,329.58
East's net profit				
Attributable to shareholders of the listed company	548,381,367.01	496,802,712.29	187,650,634.00	1,472,782.73
Explanation of differences between quarterly data and data from disclosed periodic reports	<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable			
net of non- recurring items	<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable			
Net profit after profit and losses	<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable			

**X. Items and amounts of non-recurring gains and losses**

	2022 Amount	2021 Amount	2020 Amount
cash flows from	701,747,663.39	3,202,654,458.83	1,877,289,310.70
operating activities	701,747,663.39	3,202,654,458.83	1,877,289,310.70
Net cash flow			
loss			
Gains and losses on disposal of non-current assets	141,787,830.52		227,268,153.07
Excessive approval, or no official approval documents, or occasional tax Returns, reductions			
Government grants recognised as current profit or loss, but closely related to the Company's normal business operations, in line with national policies and in accordance with certain standards. Except for government grants of a fixed or quantitative nature on a continuing basis.	760,843,708.32		90,766,584.38
Occupancy fees charged to non-financial corporations included in profit or loss for the period			
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its equity in the net identifiable assets of the investee at the time of acquisition.			
Gain arising from fair value of property			
Gains and losses on exchange of non-monetary assets			
Gains and losses on entrusted investments or management of assets			
Provisions for force majeure factors, such as natural disasters			
Provision for impairment of assets			
Debt restructuring gains and losses			

Gains and losses on disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments				
Investment income earned				
Impairment of receivables and contract assets tested separately for impairment reversal				
Gains and losses on external entrusted loans				
Investment property subsequently measured using the fair value model				
Gains and losses arising from changes in fair value				
Profit and loss for the period in accordance with tax, accounting and other laws and regulations				
Effect of making a one-time adjustment on profit or loss for the period				
Custodian fee income earned on trusteeship				
Non-operating income and expenses other than those listed above	72,578,101.00		14,667,448.27	-1,070,567.17
Other items of profit or loss 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	214,501,346.01		20,415,430.17	9,673,016.08
Effect of minority interests (after tax)	205,749,965.24		32,486,940.08	-65,391,631.40
add up the total	407,204,666.29		343,620,453.35	366,587,605.64

For the Company's non-recurring as defined in "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities - Non-Recurring Gains and Losses

Items of profit and loss, as well as items of non-recurring profit and loss defined as recurring profit and loss as listed in "Interpretative Announcement No. 1 on Information Disclosure of Companies Issuing Public Securities - Non-recurring Profit and Loss", shall be explained.

☐Applicable ☒Not Applicable

## XI. Items measured using fair value

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Project name	Opening balance	Closing balance	Current period's change	Impact on current profit amount that rings a bell
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	3,392,623,821.76	1,752,114,845.63	-1,640,508,976.13	
Other non-current financial assets	886,768,617.52	744,077,373.15	-142,691,244.37	-42,470,822.35
add up the total	5,712,971,396.43	3,864,657,352.50	-1,848,324,043.93	-69,670,337.32

## Section III. Management discussion and analysis

### I. Discussion and analysis of operations

The 20th CPC National Congress was held in 2022, which is also the key year for the Group to start and finish the "14th Five-Year Plan". Under the leadership of the Party Committee and the Board of Directors of the Company, the management team of the Company led all the cadres and employees to tightly focus on the work objectives set at the beginning of the year, seize the opportunity of industry development, benchmark the first-class, deepen the transformation, and take practical actions to implement the report of the Twentieth National Congress of the CPC, which pointed out that "deepening the reform of state-owned enterprises, accelerating the optimisation of the state-owned economic structure and structural adjustment, and promoting the state-owned capital and state-owned enterprises and promote state-owned capital and state-owned enterprises to become stronger, better and larger, and enhance the core competitiveness of enterprises."

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

As at the end of the reporting period, the Company had total assets of RMB59.20 billion and net assets attributable to the parent company of RMB21.77 billion. As at the end of the reporting period, the Company had total assets of RMB59.20 billion, net assets attributable to the parent company of RMB21.77 billion, and a return on net assets of 5.93%.

In 2022, the Company fully implemented the five major tasks of "strengthening safety foundation, continuously reducing costs and increasing efficiency, promoting major projects, expanding opening-up and innovation, and promoting management change", and achieved remarkable results in operation and management.

Firstly, we will strengthen the safety foundation and enhance the HSE capability. 2022, the Company's production safety will be under control in general. The company implemented the general requirement of "economic stability and development safety", insisted on production and operation, and the daily production and operation were stable and orderly. Implement safety responsibilities and enhance system capability. Enhancement of intrinsic safety through the use of digital means. Continuously conduct safety audits and create safety star factories. Strengthen team building, and promote the safety culture in people's mind. Practice green development and fulfil social responsibility.

Secondly, we continued to reduce costs and increase efficiency to enhance profitability. We have continuously carried out cost reduction and efficiency enhancement, continued to promote lean production, and the overall operation of the plant has been stable. We strengthened the centralised management of funds, continued to promote financial sharing on line, promoted the value-added efficiency of stock assets, continued to optimise budget control, and actively sought support from financial and tax policies. All the work has achieved obvious results, and the company's operational efficiency has been steadily improved.

Thirdly, we promote major projects to create new core competitive advantages. Guangxi Qinzhou base accelerated the construction, Guangxi new materials project successfully handed over, the core device has entered the production stage one after another, the base downstream projects to speed up the government approval, and continue to promote the integration of the base construction.

Fourthly, we promoted digital Huayi and expanded openness and innovation. The digital benchmarking project continued to advance, and the results of digital transformation continued to be promoted. The Group's digital transformation diagnostic score ranked among the top in the national industry, and Huayi New Material Company became the first global digital "lighthouse factory" in China's process chemical industry. The Group continued to promote open innovation, accelerate the industrialisation of R&D results, strengthen intellectual property management, and promote the construction of 1+3 scientific and technological innovation carriers.

Fifthly, we continued to innovate mechanisms and promote management changes. We fully completed the tasks of the three-year action for comprehensive reform of state-owned enterprises, continued to optimise the assessment mechanism, promoted the integration and reform of similar businesses, held a conference on talent, and strengthened

talent training and selection. Carry out research on carbon peak carbon neutral strategy and formulate the company's dual-carbon strategy. We strengthened audit management, prevented and resolved major risks, strengthened compliance management, initiated vertical management of finance, strengthened empowerment of competence centre, deepened the work-efficiency linkage mechanism, improved the procurement management system, strengthened the Group's branding, sustained the key work mechanism, and cared for the staff.

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

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

During the reporting period, the global economy slowed down significantly under the impact of the Russian-Ukrainian conflict, high inflation, continuous interest rate hike by the Federal Reserve and rising energy prices; the domestic economy withstood the impact of multiple unfavourable factors and continued to develop; the chemical industry remained stable in general, with capacity utilisation higher than the average of the domestic industry, good growth in investment and export, and continued improvement in trade structure, but also faced major chemical price ups and downs, especially in the second half of the year, as crude oil prices fell and downstream demand weakened, profit levels narrowed significantly. Since the second half of the year, with the decline in crude oil prices and weak downstream demand, profit level has narrowed significantly, and the performance of industry enterprises has been differentiated. Meanwhile, domestic chemical enterprises actively responded to the challenges, strengthened upstream and downstream integrated development, promoted digital transformation, accelerated the layout of new business around green low-carbon and new energy, and continuously improved the quality of development.

## **III. Businesses in which the Company was engaged during the reporting period**

The company is a large state-owned listed company, mainly engaged in five core businesses: energy chemical, green tyre, advanced materials, fine chemical and chemical services, and has basically formed a "manufacturing + service" dual-core driven business development model, as well as upstream and downstream industry chain integration development system. The main products of energy chemical business include methanol, acetic acid, ethyl acetate, syngas and other basic chemicals and clean energy products, which are widely used in the fields of medicine, agriculture, construction, textile and new energy vehicles, and it is the leading company in the comprehensive utilization of clean coal in China; the main products of green tyre business include heavy-duty tyres, passenger tyres, engineering tyres, etc., which are widely used in the fields of trucks, buses, passenger cars, mining and agricultural vehicles, and are also widely used in the fields of mining and agricultural vehicles, as well as in the fields of mining and agriculture. Its products are widely used in trucks, buses, passenger cars, mining and agricultural vehicles, etc., and provides original equipment for many automobile manufacturers; the main products of advanced materials business include acrylic acid and esters, acrylic acid catalysts, and highly absorbent resins, etc., which are widely used in the fields of coatings, adhesives, synthetic rubbers, water treatment, and sanitary products, etc.; the main products of fine chemical industry business include industrial coatings, pigments, printing ink, and daily-use chemicals, etc., which are widely used in the fields of household appliances, automobiles, high-speed railways, and other industries, automobiles and high-speed railways,

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

#### **IV. Analysis of core competencies 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 centre, municipal enterprise technology centre, Shanghai high-tech enterprises, national testing laboratories, as well as postdoctoral research station, academician expert workstation, constructed industrial catalysis, new chemical materials, fine chemicals, process development, analysis and testing of technology research platform for new products, new processes, new technology development and industrialization of achievements provide good conditions. It provides good conditions for the development of new products, new processes, new technologies and industrialisation of achievements. The company continues to increase investment in technological innovation, promote the integration of R & D resources sharing and clustering, and enhance the efficiency of R & D. The company has constructed a gateway management system to comprehensively enhance the excellent R & D capability oriented by market demand, and carried out R & D of key projects, forming a series of new products and technologies with independent intellectual property rights.

##### **(ii) Industry-leading core products**

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

##### **(iii) Core product brand influence**

The company owns a series of famous trademarks such as China Famous Brand, China Old Brand, Shanghai Old Brand and Shanghai Famous Brand. Among them, Chinese Famous Brand and Shanghai Famous Brand products are Double Coin Tyre, Eye Brand Paint, Bright Brand Paint, Flying Tiger Brand Paint, One Brand Pigment, White Elephant Battery, Peony Ink, Jai Li Brand Sports Shoes and Bee Flower Brand Soap; the company continues to expand its brand awareness and influence by strengthening the market promotion of its product brands and enhancing its market recognition and reputation.

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

The company has initially formed a national development business pattern, with a number of chemical production bases with international advanced level and strong comprehensiveness, distributed in Shanghai, Anhui, Jiangsu, Chongqing, Xinjiang, Zhejiang and other regions; Guangxi Qinzhou integrated new chemical materials production base is being put into operation; and a large-scale intelligent tyre production plant has been built in Thailand. Through the rational layout of domestic bases and the construction of overseas bases, the company is effectively close to the market, implements the mode of production and sales, expands overseas business, provides customers with efficient and fast product services, and

enhances the company's ability to participate in market competition.

#### **(v) Capacity for integrated development**

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 utilisation, reduce the emission of pollutants, reduce the cost of logistics and warehousing in the production and operation, and enhance the advantages in production and operation, logistics and safety, etc. The Company has strengthened the integrated operation and control, promoted centralised purchasing, centralised sales, and the mutual supply of products upstream and downstream, and improved its ability to resist the risk of price fluctuations of raw materials and product sales. The ability to resist the risk of price fluctuations in the raw material market is constantly improved, the bargaining power of raw material procurement and product sales and the overall stability of production operations are enhanced, and the production scheduling and utility synergies between the production bases of the same business segment and between different business segments within the same base are promoted to reduce costs and enhance competitiveness; the dual-core drive model of **"Manufacturing + Service"** is brought into play to build the Group's services and services. The Group has built a service sharing centre to integrate professional resources, provide efficient services and promote the overall upgrading of the industry by playing the "manufacturing + service" dual-core driving mode.

#### **(vi) Co-operative development capacity**

The company is one of the few enterprises in China's local chemical industry to have multi-faceted co-operation and joint ventures with globally renowned chemical enterprises, and has become one of the preferred partners of globally renowned chemical enterprises to enter the Chinese market. At present, we have set up a number of Sino-foreign joint ventures with multinational companies such as BASF, Arkema, Linde, Cabot, etc. Meanwhile, we have established good business relationships with many well-known domestic enterprises such as Baowu, Sinopec, National Energy Group, CIMC and so on.

**(vii) Business management capacity**

The Company has a group of experienced senior management personnel with strong knowledge and management skills in their specialised fields. The company's management team has continued to enhance the management level in lean production and operation, and transformed from production management to "production + operation" management, continuously improving the operation quality of the plant, promoting process optimisation, and promoting a significant decrease in the unit consumption of the main products and energy consumption; in digitalisation, the company has pushed forward the digital empowerment, and has created a number of national "intelligent manufacturing benchmark enterprises", as well as the first "lighthouse factory" in China's process chemical industry. In terms of digitalisation, the Company has further promoted digital empowerment, created a number of national-level "intelligent manufacturing benchmark enterprises" and the first "lighthouse factory" in China's process chemical industry, strengthened the synergy of the supply chain of the manufacturing chain in the areas of capital, logistics, supply and production, and continued to enhance its profitability.

**(viii) HSE control capacity**

Safety and environmental protection is the lifeline of an enterprise, and 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 upgrading of process technology, emission reduction at source, promotion of comprehensive treatment, and implementation of whole-process monitoring of "three wastes" emission of enterprises along the rivers and streams, the company has introduced third-party assessment and other measures to maintain the HSE system continuously and effectively. The company introduces third-party assessment and other measures to maintain the continuous and effective operation of the HSE system to ensure the stable development of the company, and at the same time, through the establishment of the enterprise open day, actively accepting social supervision, and actively promoting the harmonious development of the enterprise and the community.

**V. Main operations during the reporting period**

During the reporting period, the company's main products, methanol, acetic acid and ester production of 2,542,600 tonnes, operating income of 604,886.29 million yuan; industrial gases Production of 1,242,400 thousand cubic metres, operating income of 1,659,421,500 Yuan, production of 811,000 tonnes of acrylic acid and esters, operating income of 499,761,820 Yuan. million; production of paints and resins 34,700 tonnes, operating income of 968,590,000 yuan; production of tyres 12,945,700 units, operating income 1,001,989.83 million.

**(i) Main business analysis****1. Analysis of changes in the income statement and related accounts in the cash flow statement**

Unit: Yuan Currency: RMB

subjects	Curren t period	Same period last year	Percentage change (%)
revenue	38,511,107,497.47	39,691,837,446.67	-2.97
business costs	35,106,492,888.38	32,785,757,598.25	7.08
sales expense	508,169,812.13	520,064,680.32	-2.29
overheads	1,075,505,368.08	1,259,779,930.20	-14.63
financial cost	196,522,088.63	300,137,658.28	-34.52
R&D costs	697,544,527.05	782,223,562.36	-10.83
Net cash flows from operating activities	7,458,931,769.22 16/361	5,869,294,773.56	27.08
Net cash flows from investing activities	-4,840,678,854.44	-3,886,365,997.26	inapplicable
Net cash flows from financing	3,628,657,673.98	-219,488,699.15	inapplicable



Explanation of the change in finance costs: Mainly due to the decrease in foreign exchange losses during the period;

Reasons for the change in net cash flows from financing activities: Mainly due to the increase in loans for the Guangxi Qinzhou project;

Detailed description 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, product, region and sales model

Unit:Yuan Currency:RMB

Main business by industry						
subsector	revenue	business costs	gross margin (per cent)	Increase in operating income over the previous year Less (%)	Increase in operating costs over prior year Less (%)	Increase or decrease in gross profit margin over previous year (%)
Energy & Chemicals	9,315,441,004.94	9,020,154,778.62	3.17	-22.30	4.94	Decrease of 25.13 percentage points
advanced material	4,997,618,241.44	4,255,691,699.96	14.85	-24.68	-13.22	Decrease of 11.25 percentage points
fine chemicals	6,560,524,218.25	5,501,558,456.89	16.14	11.71	10.75	Increase of 0.73 percentage points
Green tyres	10,019,898,331.49	9,190,275,645.21	8.28	6.62	5.89	Increase of 0.64 percentage points
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						
by product	revenue	business costs	gross margin (per cent)	Increase in operating income over the previous year Less (%)	Increase in operating costs over prior year Less (%)	Increase or decrease in gross profit margin over previous year (%)
Methanol, acetic acid and esters	6,048,862,870.23	6,312,576,144.65	-4.36	-32.82	3.17	Decrease of 36.40 percentage points
industrial gas	1,659,421,457.26	1,498,141,689.24	9.72	17.51	19.30	Decrease of 1.35 percentage points
Acrylic acid and esters	4,997,618,241.44	4,255,691,699.96	14.85	-24.68	-13.22	Decrease of 11.25 percentage points
Coatings and resins	968,909,021.01	830,691,210.69	14.23	3.82	9.21	Increase of 0.93 percentage points
Green tyres	10,019,898,331.49	9,190,275,645.21	8.28	6.62	5.89	Increase of 0.64 percentage points
Acetic acid and esters together						

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

### (2) Analysis of production and sales Main business by region

√Applicable □Not applicable									
subregion	revenue	business costs	gross margin (per cent)	Increase in operating income over the previous year Less (%)	Increase in operating costs over prior year Less (%)	Increase or decrease in gross profit margin over previous year (%)	Increase or decrease in sales volume over previous year (%)	Increase or decrease in inventory over previous year (%)	Increase or decrease in sales volume over previous year (%)
Main products	unit (of measure)	production volume	sales volume						
sino	33,474,243,548.26	31,590,238,129.38	5.63	-8.24	5.02	Decrease of 11.91 percentage points	Decrease of 11.91 percentage points	Decrease of 11.91 percentage points	Decrease of 11.91 percentage points
Other countries	4,700,873,088.98	3,429,395,648.95	27.05	59.12	33.98	Increase of 13.69 percentage points	Increase of 13.69 percentage points	Increase of 13.69 percentage points	Increase of 13.69 percentage points

Main business by sales						
Methanol, acetic acid and esters	ton	2,542,558.30	1,852,098.71	55,583.16	-10.52	-11.43 11.93
industrial gas	thousand cubic metres	1,242,383.97	1,242,383.97	18/361	20.24	20.24
Acrylic acid and esters	ton	810,967.10	495,702.91	12,597.97	1.65	-0.26 -22.81

☐Applicable ☒Not Applicable

## Unit: Yuan

Sub-industry situation							
subsector	Cost component items	Amount for the period	Percentage of total costs for the period (%)	Amount for the same period of the previous year	Percentage of total costs for the same period of the previous year Example (%)	Change in amount for the period over the same period of the previous year than Example (%)	information note
Energy & Chemicals	Material, labour and costs	9,020,154,778.62	25.76	8,595,607,326.49	26.33	4.94	
advanced material	Material, labour and costs	4,255,691,699.96	12.15	4,903,872,489.99	15.02	-13.22	
fine chemicals	Material, labour and costs	5,501,558,456.89	15.71	4,967,663,135.54	15.22	10.75	
(5) Changes in the scope of consolidation due to changes in the shareholdings of major subsidiaries during the reporting period							
Green tyres	Material, labour and costs	9,190,275,645.21	26.24	8,679,042,531.17	26.59	5.89	
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not Applicable							
(6) Information on significant changes or adjustments in the company's business products or services during the reporting period							
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable							
By product							
(7) Major sales customers and major suppliers							
A. The company's main sales customers							
The sales of the top five customers amounted for RMB 3,515,423,600, accounting for 9.13% of the total annual sales; among the sales of the top five customers, the sales of related parties amounted to RMB 0,000,000, accounting for 0% of the total annual sales.							
Unit: RMB 10,000 of the currency: RMB							
serial number	Client Name	sum of money	percentage of total sales	previous year	percentage of total sales	change in amount	information note
1	Client 1	108,793.51					2.82
Methanol, acetic acid and esters	Client 2	6,312,576,144.65	18.03	6,118,735,083.28	18.75	3.17	1.69
	Client 3	64,908.17					1.69
	Client 4	58,572.46					1.52
industrial gas	Client 5	1,498,141,689.24	4.28	1,255,761,128.85	3.85	19.30	1.41
Acrylic acid and esters	Material, labour and costs	4,255,691,699.96	12.15	4,903,872,489.99	15.02	-13.22	

The proportion of sales to a single customer exceeds 50 per cent of the total, there are new customers in the top five customers, or there is heavy reliance on a few customers during the reporting period.

☐Applicable ☒Not Applicable

**B. Major suppliers of the company**

√Applicable □Not applicable

Purchases from the top five suppliers amounted to RMB 11,379,339,700, accounting for 27.49 per cent of the total annual purchases; among the purchases from the top five suppliers, purchases from related parties amounted to RMB 6,477,580,400, accounting for 15.65 per cent of the total annual purchases.

		Unit: RMB 10,000	Currency: RMB
serial number	Supplier Name	sum of money	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	Supplier 3	137,560.19	3.32
4	Shanghai Huayi Engineering Co.	124,551.02	3.01
5	Suppliers 5	119,074.79	2.88

Procurement from a single supplier exceeding 50 per cent of the total during the reporting period, the presence of new suppliers in the top five suppliers or heavy reliance on a small number of suppliers

□Applicable √Not Applicable

**3. cost**

√Applicable □Not applicable

Unit: Yuan			
sport s even t	the current period	same period last year	Year-on-year increase/decrease (+-%)
sales expense	508,169,812.13	520,064,680.32	-2.29
overheads	1,075,505,368.08	1,259,779,930.20	-14.63
R&D costs	697,544,527.05	782,223,562.36	-10.83
financial cost	196,522,088.63	300,137,658.28	-34.52
tax assets	415,881,119.54	918,883,249.03	-54.74

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

**4. R&D investment****(1) Table of R&D investment**

√Applicable Not applicable

Unit: Yuan	
Expensed research and development investment for the period	697,544,527.05
Capitalised research and development 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 inputs capitalised (%)	

**(2) R&D Staff Fact Sheet**

√Applicable □Not applicable

Number of R&D staff in the company	817
Number of R&D personnel as a percentage of total company headcount (%)	6.99
Educational structure of R&D staff	
Type of academic structure	21 / 361
Number of persons with academic structure	
PhD student	28
Master's degree student	116
Undergraduate student (bachelor's degree)	127

Age structure of R&D staff	
Age structure categories	Age structure
Under 30 years of age (not including 30 years of age)	197
30-40 years old (including 30 years old, not including 40 years old)	342
40-50 years old (including 40 years old and excluding 50 years old)	154
50-60 years old (including 50 years old, not including 60 years old)	124
60 years and over	0

### (3) information note

√Applicable □Not applicable

The company focuses on the strategic layout of "One Huayi, National Business, Overseas Development", adheres to the five development concepts of "Green Development, Innovation Development, High-end Development, Cross-city Development and Integration Development", and focuses on four strategic fields of "New Energy, New Materials, New Environmental Protection and New Biology", New materials, new environmental protection, new biological four strategic areas, continue to increase R & D investment, focusing on key core products, key core technology research and development, to build a leading "Huayi Technology Solutions (HTS)" platform, integration of internal and external R & D resources to form an integrated R & D capability, promote R & D digital transformation, the implementation of scientific and technological incentives and incentives. Digital transformation, the implementation of scientific and technological incentives to stimulate the kinetic energy of innovation, major projects as an engine to promote the company's core industry chain complementary extension, accelerate the industrialisation of scientific research results and the technological upgrading of existing products, reduce costs and increase efficiency, and continue to enhance the company's overall strength and core competitiveness.

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

□Applicable √Not Applicable

### 5. cash flows

√Applicable □Not applicable

Unit: Yuan

event	the current period	same period last year	Year-on-year increase/decrease (+-%)
Net cash flows from operating activities	7,458,931,769.22	5,869,294,773.56	27.08
Net cash flows from investing activities	4,840,678,854.44	-3,886,365,997.26	inapplicable
Net cash flows from financing activities	3,628,657,673.98	-219,488,699.15	inapplicable

√Applicable □Not applicable

1. The Twelfth Meeting of the Tenth Session of the Board of Directors of the Company and the First Extraordinary General Meeting of 2021 considered and passed the "Report on Wholly-owned Subsidiaries".

The Motion on the Expropriation of Publicly-owned Non-residential Houses", in order to cooperate with the reconstruction work of the 203 Neighbourhood of Jinling East Road in the old urban area of Huangpu

District of Shanghai, Double Coin

Nine publicly-owned non-residential buildings and related assets at Lane 1-3 Yong'an Road, Huangpu District, Shanghai, which were leased to the Company, were included in the scope of the expropriation.

Expropriated

Compensation for the value of publicly-owned non-residential buildings and related assets owned by the Company and other kinds of subsidies totalled RMB252.13 million. In accordance with the agreement on land requisition and delivery, Double Coin transferred the requisitioned publicly-owned non-residential buildings and related assets owned by it to the Huangpu District Housing Bureau in batches and received the requisition compensation payments one after another. As at 27 January 2022, Double Coin had received an aggregate amount of RMB252.13 million, and the expropriated publicly-owned non-residential buildings and related assets owned by Double Coin were transferred to the Huangpu District Housing Bureau in batches.

Compensation for housing value of related assets and other subsidies have been received in full. This matter will increase the total profit of the Company in 2022.

14,222.34 million. (Temporary Bulletin Nos. 2021-026, 2022-006)

2. The Nineteenth Meeting of the Tenth Board of Directors of the Company considered and passed the Motion on Signing the Supplementary Contract on the Acquisition Contract of State-owned Land Use Right of Industrial System in Yangpu District, Shanghai. In order to fulfil its corporate social responsibility, Shanghai Soap Manufacturing Co., Ltd. invested a lot of manpower and material resources in the work of employee streaming, personnel resettlement, and the settlement of former tenants. In this regard, Shanghai Yangpu District Land Development Centre, in accordance with the principle of seeking truth from facts, entered into the "Supplementary Contract for the Acquisition Contract of the Right to Use State-owned Land in the Industrial System of Yangpu District of Shanghai" (hereinafter referred to as **the "Supplementary Contract"**) with Shanghai Soap Manufacturing Company Limited on 26 August 2022, whereby Shanghai Yangpu District Land Reserve Centre agreed to pay RMB60,000,000 (the **"Supplementary Contract"**) to Shanghai Soap Manufacturing Company Limited. Ltd. to pay RMB60,556.48 million as a one-off payment from the Government for the settlement of the original tenants and the streaming and resettlement of the employees of Shanghai Soap Factory Co. Compensation. As of 22 September 2022, Shanghai Soap Manufacturing Co., Ltd. has received RMB605,564,800, and the payment for this supplemental contract has been fully paid.

The above government subsidies will increase the total profit of the Company in 2022 by RMB 60,556.48 million. The aforesaid government subsidies will increase the total profit of the Company in 2022 by RMB60,556.48 million. (Provisional Announcement Nos. 2022-030, 2022-033, 2022-037)

### (iii) Analysis of assets and liabilities

√Applicable Not applicable

#### 1. Assets and liabilities

Unit: Yuan

Project name	Closing balance of the period	Percentage of total assets at the end of the period (per cent)	Closing balance of the previous period	Percentage of total assets at the end of the previous period (per cent)	Percentage change in amount at the end of the period over the end of the previous period (per cent)	information note
money funds	16,569,813,702.27	27.99	9,907,109,351.70	18.83	67.25	Mainly due to the increase in deposits taken by finance companies outside the scope of consolidation and the decrease in the issuance of loans outside the scope of consolidation be caused by
Receivables financing	1,752,114,845.63	2.96	3,392,623,821.76	6.45	-48.36	Mainly due to maturity of the current note and Due to discounting
Other receivables	135,330,248.63	0.23	80,036,865.58	0.15	69.08	Mainly due to export tax refunds Due to increase
Dividends receivable	12,916,000.00	0.02	30,263,328.95	0.06	-57.32	Mainly due from investees Due to decrease in corporate dividends
Bought and sold financial assets	500,449,178.06	0.85	800,585,322.92	1.52	-37.49	Mainly attributable to finance companies at the end of the period Decrease in purchased securities resulted in
Release of loans and advances	3,828,223,090.02	6.47	5,626,682,318.54	10.69	-31.96	Mainly due to loans and advances from finance companies to related parties during the period Due to decrease
construction in progress	8,887,732,859.11	15.01	2,901,640,430.73	5.51	206.3	Mainly Qinzhou New Chemical Materials Due to increased investment in project construction
Other non-current assets	113,110,555.97	0.19	2,249,762,544.19	4.28	-94.97	Mainly attributable to the transfer of prepaid works for the Qinzhou New Chemical Materials Project to construction in progress. Due to engineering
short term loan	2,388,461,568.72	4.03	1,414,264,686.75	2.69	68.88	Mainly due to increase in liquidity during the

#### 2. Foreign assets

√Applicable □Not applicable

##### (1) asset size

Of which: foreign assets 390,768.72 (in RMB), accounting for 6.60% of total assets.



## **(2) Explanation of the high proportion of offshore assets**

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not applicable

## **4. Other notes**

☐Applicable ☒Not applicable

## **(iv) Analysis of industry business information**

☐Applicable ☒Not applicable

### **Analysis of operating information in the chemical industry**

#### **1 Industry basics**

##### **(1) Industry policies and their changes**

☒Applicable ☐Not applicable

2022, in the face of the complex and volatile global economy and the domestic situation, the state coordinates the prevention and control and economic and social development, continues to adjust and optimise the industrial structure, and launched a series of guiding policies to guide the high-quality development of the chemical industry. Mainly include:

Promoting high-end upgrading of industries. The Outline for the Construction of a Quality State proposes to shift the foothold of development to improving quality and efficiency, cultivate new advantages in economic development centred on technology, standards, brands, quality and services, and promote the research and development of design and manufacturing technologies for special materials, functional materials, and composite materials, as well as the research and development of technologies for precise quality control in respect of key basic materials. The "Guiding Opinions on Promoting High-Quality Development of Petrochemical and Chemical Industry in the 14th Five-Year Plan" proposes to accelerate the transformation and upgrading of traditional industries, and vigorously develop new chemical materials and fine chemicals, so that the petrochemical and chemical industry will basically form a pattern of high-quality development, the ability to guarantee high-end products will be greatly improved, and the core competitiveness of the industry will be significantly strengthened by 2025. By 2025, the petrochemical and chemical industry will basically form a pattern of high-quality development, the guarantee ability of high-end products will be greatly improved, and the core competitive ability will be significantly enhanced. The "Three Products" Implementation Plan for Raw Material Industry proposes to continuously optimise the development environment, reduce low-end and ineffective supply, create products with high technological content, high quality satisfaction and high brand recognition, and promote the raw material industry to increase varieties, improve quality and create brands.

Enhance the level of digital development. The Implementation Guide for Digitalisation of Quality Management in Manufacturing (Trial) requires companies to strengthen digital thinking to Digital empowered quality management, promote quality management activities digital, networked, intelligent upgrading, enhance the whole life cycle of the product, the whole value chain, the whole industry chain quality management capabilities, improve the quality of products and services, and promote the high-quality development of the manufacturing industry.

Promoting green and low-carbon transformation. The Implementation Programme for Carbon Peak Achievement in the Industrial Sector proposes to build an industrial layout conducive to carbon emission reduction, resolutely curb the blind development of high-energy-consumption, high-emission and low-level projects, and actively promote green manufacturing. The Opinions on Improving the Institutional Mechanisms and Policy Measures for Green and Low-Carbon Transformation of Energy require the strengthening of the management of binding targets for reducing energy intensity, the effective

enhancement of the flexibility of the management of the total amount of energy consumption, the exclusion of the use of new renewable energy sources and raw materials from the control of the total amount of energy consumption, and the enhancement of the interface of the "dual-control" policy on energy consumption and the target tasks of carbon peaking and carbon neutrality. The "dual-control" policy on energy consumption and the target tasks of carbon peaking and carbon neutralisation were strengthened. The Guiding Opinions on Energy Work in 2022 call for the vigorous development of wind power and photovoltaic, and efforts to cultivate new energy industries and new modes. 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 the chemical industry, so as to contribute to the goal of 'carbon peak 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 the key development direction of the future industry, strengthens the construction of hydrogen energy industry innovation system, accelerates the breakthrough of the core technology of hydrogen energy and the bottleneck of the key materials, accelerates the industrial upgrading and growth, and realises the benign cycle of the industrial chain and the innovative development.

Strengthening safety and environmental protection governance. The 14th Five-Year Plan for Safe Production of Hazardous Chemicals places greater emphasis on building a safety governance system, and more

It also pays more attention to enhancing intrinsic safety, paying more attention to digital transformation of management tools, strengthening source management, treating both symptoms and root causes, and promoting systematic promotion, so as to improve the level of systematic, precise and intelligent safety management. The Circular on the Issuance of Dual Control Targets for Total Water Consumption and Intensity in the 14th Five-Year Plan proposes 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 in 2020, so as to promote the chemical industry to enhance its awareness of water conservation and improve its water consumption efficiency.

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

√Applicable □Not applicable

In 2022, the supply and demand relationship of acetic acid industry gradually shifted to supply and demand balance from the previous tight supply and demand balance. Acetic acid production capacity expanded significantly during the year, and the large device capacity accounted for a large proportion of high start-up rate, the supply is more adequate, while the downstream by the macroeconomic downturn, demand growth is relatively slow, the market is slightly greater than the state of the market, part of the acetic acid enterprises to take the initiative to increase the export operation, promote the acetic acid industry total exports to a new record high. Acetic acid enterprises

The cost gap between the larger, with the intensification of competition in the industry, the cost competitiveness of enterprises with technical and scale advantages gradually appeared. The company's acetic acid production capacity ranks the top three in the domestic industry. China's methanol industry operating pressure increases. On the one hand, under the influence of global energy supply tension caused by the Russian-Ukrainian war, coal price is at a high level, and methanol cost remains high; on the other hand, the overall economic situation at home and abroad is weak, and the growth of downstream demand has slowed down, so that methanol's high raw material cost pressure can't be transmitted to the downstream, and at the same time, methanol imports have shown a trend of increase, and imports are close to the historical high level. The overall production and operation pressure of methanol enterprises is greater, coupled with environmental protection constraints, to promote the methanol industry 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 a "Leader" in energy efficiency in key energy-using industries in 2022.

Acrylic acid and esters maintain a loose pattern of supply and demand. On the supply side, acrylic acid and ester production capacity continued to grow, while the scale of the development trend is further significant, industry concentration is further enhanced; demand, by the real estate downturn and the overall demand for sluggish impact of downstream consumption as a whole has fallen. Industry enterprises to increase the core competitiveness of the competition, leading technology and upstream and downstream integration of industry chain enterprises can greatly improve the competitive advantage. The company's total production capacity of acrylic acid and esters ranks among the top three in the domestic industry.

Tyre industry overall weak operation but there is still a strong export resilience support. Domestic market by the slowdown in demand growth, tyre companies production constraints, the total supply of tyres as a whole was a slight downward trend. Among them, semi-steel tyres, in the replacement of the weak market dragged under the poor demand, the enterprise start rate has declined; all-steel tyres, by the slowdown in the national infrastructure projects and logistics and transportation weakened the impact of the demand for the overall situation showed a decline. However, supported by the gap between overseas supply and demand, domestic tyre exports still show resilience, the annual export volume and export value have achieved growth. The company's all-steel tyre output ranks among the top in China, and it actively participates in the expansion of domestic and overseas markets through the collaboration of domestic and overseas bases and the combination of brand advantages.

## 2 Products & Production

### (1) Main business model

√Applicable Not applicable

The operation of the company's main products adheres to the principle of market, according to the market changes in the reasonable arrangement of plant opening and stopping, production based on sales, and reasonable control of inventory; adhere to the principle of efficiency, optimise the mode of operation of the plant, and implement the reduction or shutdown of the plant that does not have a marginal contribution; adhere to the principle of production capacity, according to the actual production capacity of the plant running at full capacity production, and the production of promotions. Especially in tyre production, we have strong product development capability in design, good flexibility in manufacturing, and a unique marketing system in sales by combining automobile company's support and retailing; some of our products, such as paints, are produced in order mode.

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

□Applicable √Not applicable

### (2) Main products

√Applicable Not applicable

offerings	Industry Segment	Main upstream raw materials	Main downstream applications	Main effects of price considerations
Methanol,	Energy &	raw	Fine chemicals, fuels, formaldehyde, MTO, etc.	downstream

### (3) Research and Development Innovation

√Applicable Not applicable

The company attaches importance to technology research and development innovation, constantly improve and optimise the technology innovation system, continuously increase the investment in research and development innovation, adhere to open innovation, collaborative innovation, integrated innovation, take the core business drive as the main body, take industrialisation as the goal, take key projects as the key, accelerate the transformation of technological innovation results, and persistently improve the company's core competitiveness.

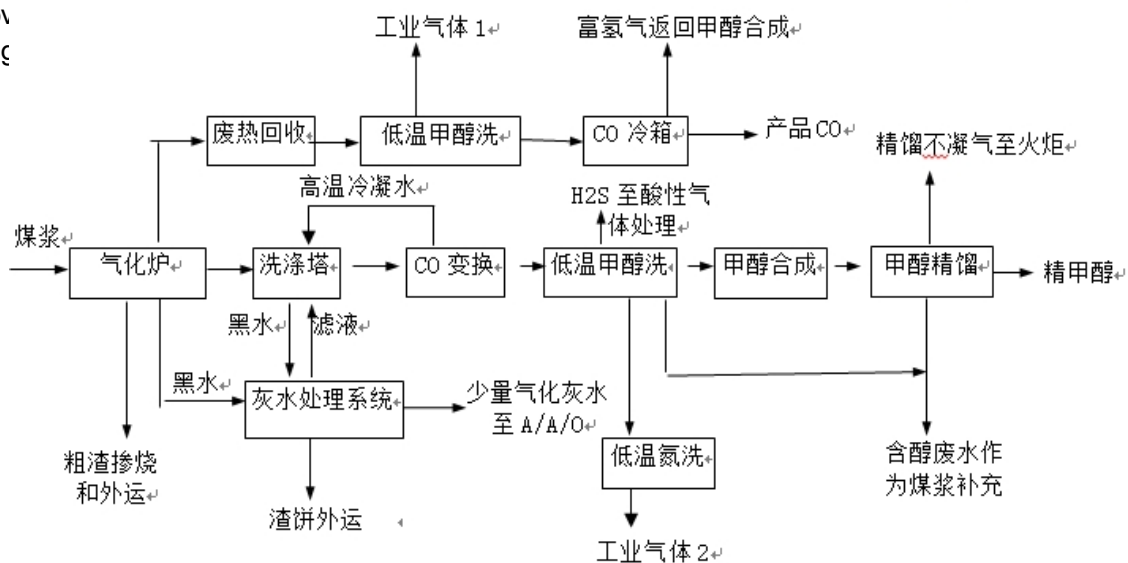
In 2022, the company introduced and implemented the "Group's major scientific and technological research project management measures", promoted the establishment and implementation of major scientific and technological research projects, and implemented the innovation management of scientific research projects; carried out the key core technology research of new products in core business, accelerated the industrialization of scientific research results and the technological upgrading of existing products, reduced costs and increased efficiency, and successfully transformed a number of key scientific and technological achievements such as the new catalyst system of acetic acid and the series products of truck tyres for mining. Scientific and technological achievements have been successfully transformed, promoting the company's core industry chain to make up for the extension; the establishment of a sound technological innovation system, and continue to promote the construction of Huayi technology solutions platform.

It highlights open innovation, collaborates with upstream, midstream and downstream enterprises in related fields, universities, research institutes and other innovation and R&D resources to form an innovation synergy, strengthens the functions of new business incubation and technology radiation, and applies the new mode of digital R&D to enhance the kinetic energy of innovation and R&D; optimises the structure of scientific and technological talents, improves the mechanism of scientific and technological talents evaluation, mobility and incentives, and upgrades the scale and quality of innovative talents to achieve high-quality talent team construction; Attaching importance to the construction of R&D bases, promoting the construction of 1+3+X innovation and 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, as well as a number of enterprise technology centres and innovation and practice centres; creating an open innovation system with special characteristics, actively buttressing the strategic needs of the state and Shanghai, and focusing on the new chemical materials, integrated circuits, energy-saving and environmental protection, Focusing on new chemical materials, integrated circuits, energy-saving and environmental protection, new energy, biomedicine and other strategic emerging fields, the company undertook and implemented 35 government scientific and technological special projects, including 3 national projects. During the year, 114 patents were applied for and 78 patents were granted.

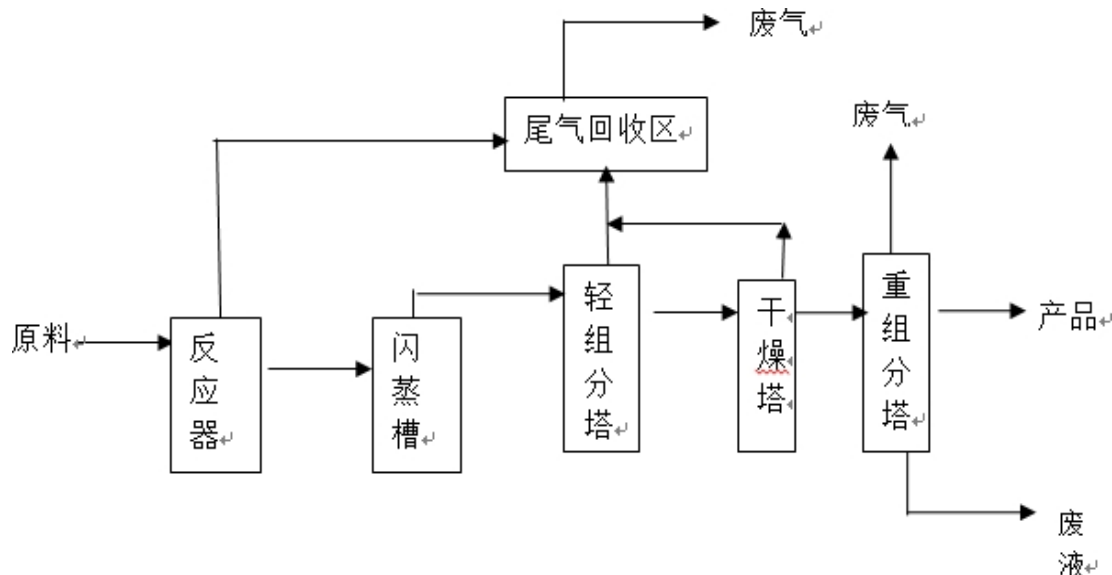
#### (4) Production process and flow

✓Applicable Not applicable

① Methanol and industrial gas products process is briefly described: the main raw materials for the production of methanol are gasified coal and oxygen, after incomplete combustion of the mixture after removal through

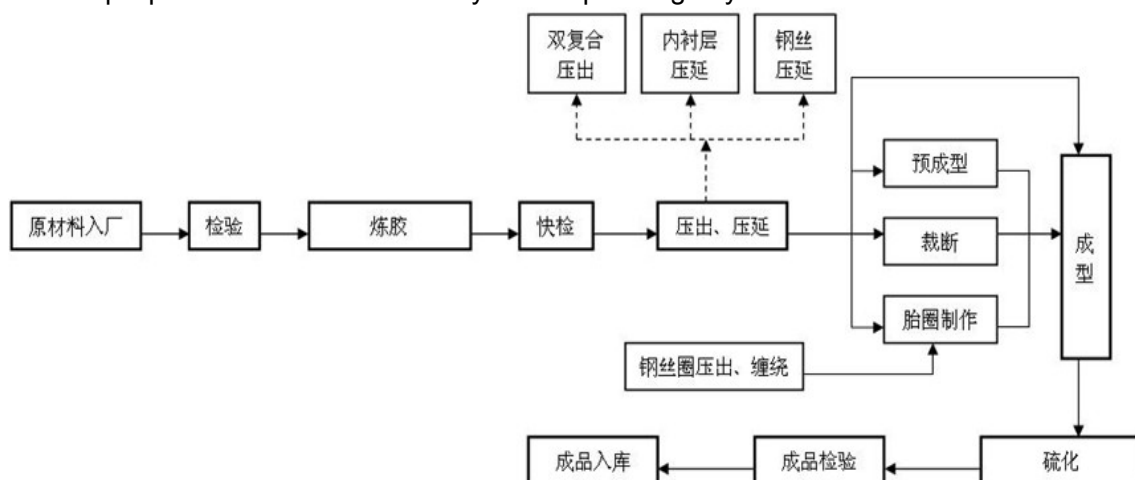


② acetic acid product process description: acetic acid production using methanol low-pressure carbonyl synthesis process production route, methanol and CO as raw materials, in the catalyst and co-catalyst under the joint catalyst for continuous reaction to generate acetic acid. After flash separation and distillation, the qualified acetic acid product is obtained, and the simple flow chart is as follows:



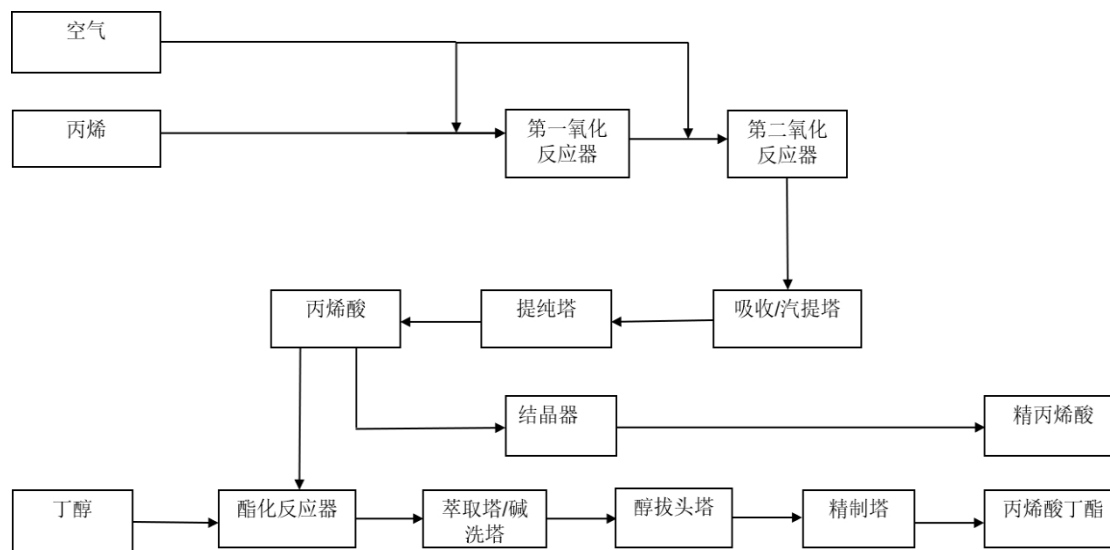
③ Brief description of tyre production process: tyre production process is mainly divided into six major processes: rubber refining, pressing out, calendering, semi-product production, forming, curing. Rubber refining process is in accordance with the requirements of the process after refining to become qualified rubber, into the press out calendering process will be processed into different sizes and shapes of rubber semi-products, press out the calendered semi-products and then through the pre-compound, steel cord cutting, bead shaping and other further processing to enter the molding process, molding area will be composite parts, cord fabric, belt bundled layer, wrapping cloth and so on into the production of raw tyres, the raw tyres into the vulcanization process after loading into the curing machine with steam The raw tyre enters the curing process and is loaded into the curing machine and cured with steam heating until the tyre matures and enters the final inspection stage.

The simple process for all-steel radial tyres and passenger tyres is as follows:

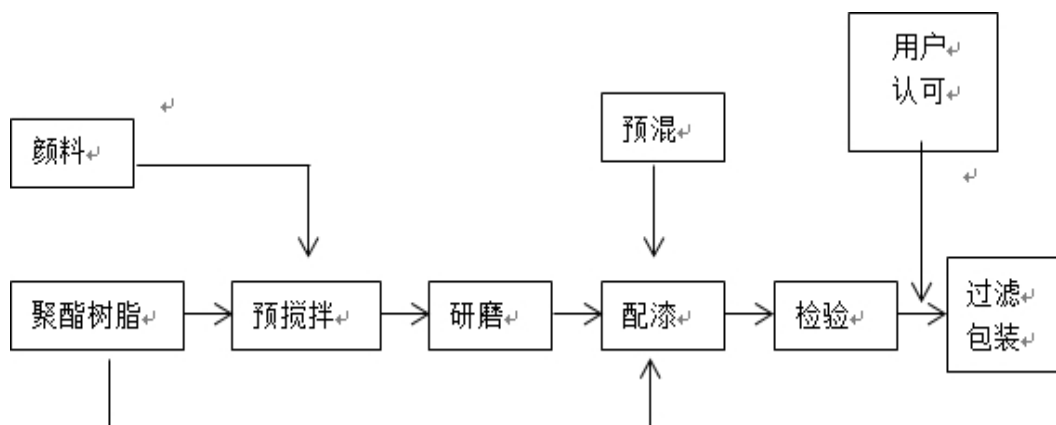


The process of acrylic acid and butyl acrylate is briefly described: propylene, air and water vapour are passed through the catalyst bed according to a certain ratio, propylene is oxidized to acrolein in the first oxidation reactor, acrolein is further oxidized to acrylic acid in the second oxidation reactor, and the oxidized products are separated and purified by distillation to obtain acrylic acid products. Acrylic acid and n-butanol under the action of catalyst PTSA (p-toluenesulfonic acid), the reaction generates acrylic acid butyl ester and water, and then use the principle of distillation through the de-alcoholisation, de-grouping can be obtained by the butyl ester of high purity acrylic acid.

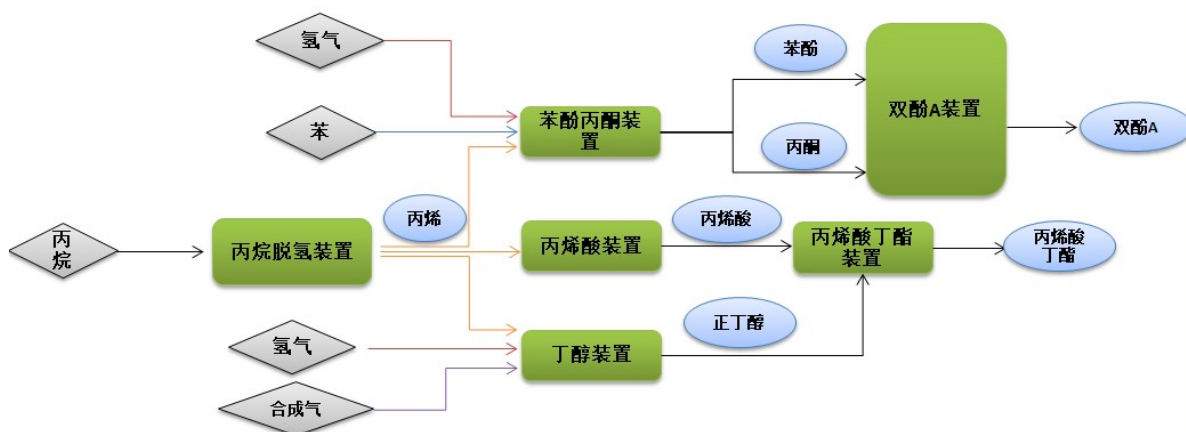
A simple flow chart is shown below:



⑤ Coating product configuration process:



⑥ Guangxi New Materials Company product chain process is briefly described: propane as raw material, through the dehydrogenation process to produce propylene products, the reaction of propylene and syngas to generate n-butyraldehyde, n-butyraldehyde and hydrogen reaction to produce butanol; the other way propylene through the catalytic oxidation process to produce acrylic acid, acrylic acid and butanol to produce acrylic acid butyl ester; the third way propylene and benzene to react to produce isopropylbenzene, isopropylbenzene hydrogenation to produce phenol and acetone, phenol and acetone are hydrogenated to produce phenol and acetone, and phenol and acetone are catalytically condensed to produce bisphenol A.



### (5) Production capacity and start-ups

✓Applicable Not applicable

Unit: billion yuan Currency:

Main plant or project	Designed capacity	Capacity utilisation Rate (per cent)	under construction production capacities	Capacity under construction invested	Capacity under construction is expected to Completion time
Methanol, Energy and Chemical Headquarters (million tonnes)	95	68			
Acetic acid at Nengchem headquarters (10,000 tonnes)	70	79			
Anhui Huayi Methanol (10,000 tonnes)	66	97			
Anhui Huayi acetic acid (10,000 tonnes)	60	108			
Double Coin Jiangsu load tyres (10,000)	360	86			
Double Coin Chongqing load tyres (10,000)	250	73			
Double Coin Xinjiang load tyres (10,000)	193	99			
Double money Anhui passenger car load tyres (10,000)	600	76			
Double money Anhui passenger car load tyres (10,000)	120	116			
Caojing New Materials Acrylic Acid (10,000 tonnes)	32	99			
Industrial gases (million M3)	120,000	100			
Guangxi Huayi New Material Propylene (10,000 tonnes)	75		75	91	Expected to commence



**Unusual shutdowns**

☐Applicable    ☒Not applicable

### 3 Procurement of raw materials

#### (1) Basic information on major raw materials

√Applicable Not applicable

raw materials	Procurement modalities	settlement terms (accountancy, law)	Year-on-year price changes Ratio (%)	procurement volume	consumption
chemical fertiliser	Direct procurement, trader procurement	cash on delivery (COD)	23.03	2,592,657 tonnes	2,625,104 tonnes
o-phenyl (chemistry)	Direct purchases predominate and traders assist	Cash on Delivery and Goods disbursement	22.91	10,903 tonnes	10,832 tonnes
ethanol	Direct purchases predominate and traders assist	cash on delivery (COD)	4.39	96,052 tonnes	95,282 tonnes
natural rubber	Direct procurement, trader procurement	cash on delivery (COD)	32.2	184,880 tonnes	184,880 tonnes
synthetic rubber	Direct procurement, trader procurement	cash on delivery (COD)	73.5	30,014 tonnes	30,014 tonnes
propylene	Direct purchases, trader purchases, inlet	settlement terms (accountancy, law)	Year-on-year price change ratio (%)	procurement volume	consumption
energy sources	Changes in major energy prices have a significant impact on the company's operating costs	Cash on Delivery Payments and Letters of credit	18.64	236,559 tonnes	225,654 tonnes
butanol	Direct procurement, trader procurement	cash on delivery (COD)	-31.27	174,693 tonnes	177,270 tonnes
power	State Grid Direct	month-	6.75	141,472.32 million kWh	141,472.32 million kWh

#### (4) Basic information on the use of other modalities, such as phased stockpiling

√Applicable Not applicable

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

### 4 Product sales

#### (1) Basic information on the main business of the company by segmented industry

√Applicable Not applicable

Unit: Yuan Currency: RMB

niche industry	revenue	business costs	Gross margin (%)	Increase/decrease in operating income over the previous	Increase/decrease in operating costs over the previous	Increase or decrease in gross profit margin over the previous year (per cent)	Gross margins of products in the same field in the same industry
			34 / 361				

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

## (2) Basic information on the Company's main business by sales channel

√Applicable Not applicable

Unit: Yuan Currency: RMB

sales channel	revenue	Increase or decrease in operating income over previous year (%)
indirect channel of distribution	3,568,141,709.67	7.82
Direct sales channels	34,606,974,927.56	-4.21

## Statement of accounting policies

□Applicable √Not applicable

## 5 Environmental and safety situation

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

□Applicable √Not applicable

### (2) Significant environmental violations

□Applicable √Not applicable

### (v) Analysis of the investment situation

#### Overall analysis of outward equity investments

√Applicable □Not applicable

At the end of the reporting period, the balance of external long-term equity investment was RMB 473,341.25 million, an increase of 302,307.4 million from RMB 4,431,105 million in the previous year.

The percentage of increase was 6.82 per cent, of which 26,397.53 per cent was due to the increase in investment during the period and 38,048 per cent was due to the increase in profitability of equity-method subsidiaries.

In addition, there was a decrease of \$30,108.42 million in dividend payments.

### 1. Significant equity investments

□Applicable √Not applicable

### 2. Significant non-equity investments

√Applicable Not applicable

① Double Coin Group (Jiangsu) Tyre Co., Ltd. has an annual output of 1.8 million high-performance all-wire radial load tyres expansion project, with a total investment of RMB 1.526 billion, the project is being promoted in phases, and 67% of the production capacity has been achieved.

② The annual output of 15 million high-performance semi-wire radial tyres project of Double Coin Group (Anhui) Hui Li Tyre Co., Ltd. with a total investment of 3.183 billion yuan, the project is being promoted in phases, and 40% of the production capacity has been achieved.

- ③ Guangxi Huayi New Material has an annual output of 750,000 tonnes of propylene and downstream deep processing project, with a total investment of RMB 9,090 million, and the project has been intermediately handed over.
- ④ Guangxi Huayi New Material has an annual output of 200,000 tonnes of bisphenol A project, with a total investment of RMB 3,267 million, and the project has been handed over in the middle.
- ⑤ Guangxi Huayi new material polymerisation inhibitor project, with a total investment of RMB 570 million, has carried out design and other work.

### 3. Financial assets at fair value

Unit: Yuan Currency: RMB

Applicable liabilities form	Not applicable beginning of period		Change in fair value during the period increase and decrease		Accumulated in equity Fair value changes		Provision for the current period impairments		Amount purchased during the period		Current sale/redemption sum of money		Other changes		closing figure	
stock (market investment in fund securities)	257,295,537.75		-52,025,068.08						132,596.80		952,596,947.01				205,403,066.47	
the rest of securities total	1,510,641,240.94		-74,303,907.15						896,434,713.73		952,596,947.01				1,380,175,100.51	
Applicable rest of securities total	552,420,795.98		19,218,295.67										-44,674,751.75		Unit: Yuan	
Not applicable rest of securities total	stock code	short form	initial investment cost	Source of funds	Closing book value	Gains and losses on fair value changes during the period	Cumulative fair value included in equity change in value	Amount purchased during the period					Gains and losses on investments for the period	Closing book value	Accounting subjects	
	2,320,357,574.67		107,110,679.58				896,434,713.73	896,434,713.73	952,596,947.01				-44,674,751.75	146,771,888.82	petty cash financing assets	
stock (market)	000166	Shen Wan (1905-1972), Chinese communist leader, a martyr of the anti-Qing revolution	26,983,236.00	possess capital	188,812,078.08	-42,040,189.26		-	-			3,687,735.90		146,771,888.82	petty cash financing assets	

				capital								kinetic financing estate
add up the 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

name (of a thing)	Source of funds	Opening book value	Fair value for the period Change in profit and loss	Amount purchased during the period	Amount sold during the period	Closing book value	Accounting subjects
Shanghai M&A Equity Investment Fund Partnership (Limited Partnership) Applicable √ Not Applicable	own funds	76,340,621.30	-7,217,354.44		51,576,772.51	17,546,494.35	Other non-current financial assets
Shanghai Huacan Equity Investment Fund Partnership (Limited Partnership) Applicable √ Not Applicable	own funds	163,532,377.01	-85,799,753.92	1,454,213.73		79,186,836.82	Other non-current financial assets
Shanghai Huaduo Equity Investment Fund Partnership (Limited Partnership) Applicable √ Not Applicable	own funds	74,578,336.60	24,822,698.92			99,399,035.52	Other non-current financial assets
Shanghai Yashang Huayi Investment Centre (Limited Partnership) (vi) Significant asset and equity sales	own funds	19,898,486.63	1,082,179.94			20,980,666.57	Other non-current financial assets

□Applicable √Not applicable

**(vii) Analysis of major holding and participating companies**

√Applicable Not applicable

company identificat ion	Nature of business	Main products	registered capital	asset size	Unit: RMB 10,000	
					Per cent of Currency: RMB equity	net profit
Shanghai Huayi Energy Chemical Co.	Manufacturing, services, trade	Methanol, acetic acid	404,887.00	1,056,676.55	100.00	20,981.99
Shanghai Huayi Fine Chemical Co.	Manufacturing, wholesale, transport	Coatings, paints, resins	72,555.95	343,008.80	100.00	27,755.15
Shanghai Huayi Group Investment Co.	Investment, trade, services, fabrication	Plastics, resins	123,500.00	411,229.29	100.00	35,265.81
Shanghai Tianyuan (Group) Co.	Industrial investments, manufacturing, freight forwarding, domestic international trade	Plastic parts, resins, 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.	service industry	Acrylic acid, acrylate	226,834.00	525,796.99	100.00	37,258.68
Guangxi Huayi New Material Co.	service industry	Acrylic acid, acrylate	392,344.00	1,042,382.34	60.00	-3,475.18
Shanghai Huayi Group Finance Co. department (under a ministry)	financial sector	financial service	100,000.00	2,356,687.98	64.00	21,855.94
Shanghai Soap Making (Group) Co.	fabrication	Soap, ink, batteries	16,069.03	138,290.32	60.00	44,479.89
Double Coin Tyre Group Limited	fabrication	tyres	345,000.00	880,702.42	100.00	-2,643.18
Huayi Group (Hong Kong) Limited	Manufacturing, investment and financing Resources, trade	tyres	66,742.47	320,983.73	51.00	17,219.13
Formosa (Shanghai) Agricultural Technology Co. department (under a ministry)	fabrication	pesticides	\$11.56 million	146,036.68	20.00	29,887.58
Shanghai Cabot Chemical Co.	fabrication	Various types of carbon black for rubber	\$43.78 million	69,495.47	30.00	2,959.28

**(viii) Information on structured subjects controlled by the company**

☐Applicable ☒Not Applicable

**VI. DISCUSSION AND ANALYSIS OF  
THE FUTURE DEVELOPMENT OF  
THE COMPANY (i) Industry  
landscape and trends**

☒Applicable ☐Not applicable

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

First, the external environment remains complex. Under the influence of global inflation, Russia-Ukraine conflict and other factors, the global economy is under greater downward pressure, the United States, the European Union and other developed economies will significantly weaken the momentum of growth, and some emerging markets may even erupt in a crisis; but the emerging markets and developing economies as a whole will gradually show the bottom of the stabilisation of emerging markets and developing countries will take the lead in the recovery of emerging markets and developing countries in Asia, led by domestic demand will be the world's economy most dynamic locomotive. The foundation of China's economic recovery is not yet solid, but the economy has strong resilience, great potential and sufficient vitality, and the effects of various policies will continue to be seen. Under the policy guidance of "steady as you go" and "seeking progress while maintaining stability", China will better coordinate the supply-side structural reforms and the expansion of domestic demand, create effective demand through high-quality supply, and accelerate the construction of a modernised industrial system.

Second, fossil energy prices will remain medium-high and volatile in a multi-factor game of supply and demand. Restricted by the low level of investment, the Russian supply risk, the end of the release of the U.S. Strategic Petroleum Reserve and the slowdown in shale oil production, oil supply growth is limited, and the supply elasticity is low; Demand, the global recession is expected to drag down the demand for oil products, but China and India and other emerging economies are still resilient to growth, to promote the global demand for oil to maintain growth momentum.

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

From the point of view of  
the company's industry  
segments: 1) Energy and  
Chemical Sector

Methanol industry will strengthen the green industry chain extension 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 conglomeration will be further highlighted; in terms of demand, under the guidance of green and low-carbon, degradable materials and new energy vehicles will drive the growth of methanol demand, and photovoltaic industry will drive the growth of acetic acid and other products, and at the same time, there are opportunities in the export market of acetic acid and



other products. The company will make full use of product scale and technical advantages, and actively extend the downstream industry chain.

#### 2 ) Green Tyre Sector

The tyre industry will continue to promote structural optimisation and product upgrading. It is expected that in 2023, leading tyre companies will still increase their expansion efforts, promote industry consolidation, accelerate the elimination of outdated production capacity, and seize the opportunities in overseas markets to enhance overseas production capacity. Along with the significant growth in demand for new energy vehicles, new energy vehicles special tyres will usher in new opportunities; under the background of accelerated investment in energy and new infrastructure, the demand for special tyres, such as mining truck tyres and engineering giant tyres, will also be significantly increased; and under the leadership of dual-carbon, the market for green tyres will also grow rapidly. With multiple production bases in China and Thailand, the Company will actively optimise its production capacity layout and follow the growth of various market segments in the tyre industry to further develop mid-to-high-end and differentiated tyre products.

#### 3 ) Advanced Materials Sector

Acrylic acid and ester industry will continue to develop in the direction of supply pattern centralisation and industry chain integration. It is expected that in 2023, the acrylic acid production capacity will still grow further, the downstream demand will recover slightly, the overall supply and demand will maintain a loose pattern, and the enterprises with raw material cost advantage and production technology advantage will further highlight their competitiveness, and promote the industry concentration to further improve. The scale of acrylic acid and ester products of the company is at the forefront of the industry, and continuously improve the upstream and downstream industry chain.

#### 4 ) Fine Chemicals Sector

The domestic coating industry will actively promote high-end upgrading of the industry. It is expected that the coating market will continue to grow in 2023 with the rebound of downstream consumption and investment. At the same time, the industry will develop in the direction of intensification and specialisation, pay more attention to the development of specialised and specialised new products, and strengthen low-carbon and environmental protection innovation. The company's coatings business is accelerating the development of high solid, water-based and other environmentally friendly coatings, and actively making breakthroughs into the green, low-carbon and high-end coatings market; at the same time, it is continuously enriching its speciality chemicals business to promote the development of downstream business.

#### 5 ) Chemical Services Sector

Driven by high-quality development, the chemical manufacturing industry and the chemical service industry will further deepen their integration and synergistic development. 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.

We will develop the investment business and actively cultivate emerging businesses; develop chemical application services, stay close to users and customers, and build an industrial ecosystem; strengthen the construction of endogenous digitalisation capacity, promote the improvement of digitalisation level, and enhance the competitiveness of the Company's manufacturing business.

Into the new year of recovery, the company's board of directors and management team will forge ahead, build a strong foundation, continue to change, actively respond to difficulties and challenges, firmly grasp the opportunity to firmly promote the company's innovation and transformation, high-quality development, to ensure the successful completion of the economic goals.

## (ii) Corporate development strategy

√Applicable □Not applicable

公司的发展仍处于良好的发展机遇期：亚太地区将成为全球经济复苏的火车头，RCEP 协议正式生效后持续释放红利，将有效促进化工贸易发展；国内消费需求持续恢复，利好经济措施逐步出台，经济增长动力显著增强；新能源、电子信息、生物技术等战略新兴产业加速发展，推动化工新业务 The accelerated 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 impetus of the dual-carbon strategy, the chemical industry will accelerate the elimination of low-efficiency production capacity and bring huge growth space in the fields of clean energy, carbon sequestration and carbon reduction; the further in-depth fusion of the digital economy with the industry will create new opportunities for enterprises in the chemical industry in terms of quality enhancement, energy saving and carbon reduction, and new product development.

Meanwhile, facing the complex external environment, the company's development will also face a series of challenges. The downward trend of the global economy is still severe, and chemical products are facing greater export contraction pressure; the chemical industry, after the rapid expansion of production capacity in the early stage, the market competition is fierce, and the industrial structure adjustment and value chain enhancement is still a huge challenge; the energy market is expected to be fluctuating in the middle and high, and the pressure on the cost of raw materials will continue; the task of dual-carbon transformation is urgent and arduous, and the pressure of green and low-carbon upgrading 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 socially desirable and respected company", and adheres to the development concept of "Green Chemical Industry, Better Life", and will continue to optimise its business portfolio and business layout. We will continue to optimise our business portfolio and business layout, give full play to our technological advantages, brand advantages, location advantages, industrial foundation advantages and customer resources advantages, and accelerate our high-quality development in accordance with the principles of "digital upgrading, high-end manufacturing, technology-driven and overseas development".

companies in developing specific strategic initiatives:

First, optimise business portfolio and strengthen high-end manufacturing. The company implements complementary chain and strong chain around the integration of industrial chain, improves the richness of the Group's products and the level of integration and synergy, and enhances the resilience of the industrial chain. Enlarge and improve the middle and upper reaches of the industrial layout, and further expand the business support and development barriers of high-end chemical raw materials; accelerate the extension of business to the downstream, actively develop new materials business, and promote high-end manufacturing; continue to open up new business growth points with scale advantages and leading level, cultivate emerging businesses, and build new growth momentum; build an open and cooperative ecosystem, and establish mutually beneficial win-win situation with customers "united front", strengthen brand image and cultural connotation, improve brand influence and market reputation, and achieve long-term win-win situation.

Secondly, we will optimise the business layout and accelerate overseas development. Promote the intensive and large-scale development of the main production bases, focusing on accelerating the

construction of integrated bases, integrating into the Yangtze River Delta integration, and enhancing the competitive advantages of integration; seize the opportunities for overseas development in due course, strengthen domestic and international production capacity co-operation, actively expand overseas sales, and steadily implement overseas development.

Thirdly, we will promote digital upgrading and build digital Huayi. Vigorously implement the digital Huayi strategy, implement digital 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 organisational mechanism, establish a digital way of working, and build a digital cooperation ecosystem.

Fourth, promote technology-driven, enhance innovation advantages. We will 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 trend of industry development and grasp the dynamics of professional frontiers, and seize a number of high point technologies; closely follow the upstream and downstream industrial chains, build common technology R&D platforms, and construct a multi-party, open and shared industrial We will also build a common technology R&D platform close to the upstream and downstream industry chain, construct a multi-party, open and shared industrial ecosystem, and accelerate the development of new businesses and new modes of operation with technology empowerment.

Fifthly, we will implement dual-carbon actions and promote green transformation. Grasp the development trend of efficient operation, cleaner energy and low-carbon raw materials, and strengthen energy-saving and carbon reduction initiatives. Establish a business system to support the dual-carbon strategy, practice the new green and low-carbon development model 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 organisation.

Sixth, deepen the mechanism of change, stimulate the vitality of talents. We will make new breakthroughs in operation power and vitality by targeting world-class and continuous change; strengthen the construction of talent team, optimize the talent discovery mechanism, management policy and incentive mechanism, and make new breakthroughs in the use of talents; strengthen the overall leadership of the Party, enhance the construction of "Sunny Huayi" family culture, unify the ideals, and stimulate the autonomy, motivation and creativity of our workforce. We will strengthen the overall leadership of the Party, strengthen the construction of "Sunny Huayi" family culture, unify the ideals and beliefs, stimulate the staff's autonomy, enthusiasm and creativity, and jointly promote the Group's development.

### (iii) Business plans

√Applicable □Not applicable

In 2023, the Board of Directors and the management team of the Company together, under the guidance of the development strategy, will strengthen the research on the trend of changes in the industry, focus on the long term, look for opportunities, accelerate the innovation and development, build the core competitiveness of the Company around safe production, operational excellence, open innovation and management change, actively respond to the uncertainties in the external environment and the downward pressure of the industry, and push forward the high-quality development of the Company.

First, we should implement our work responsibilities to ensure safe production. Actively co-ordinate development and safety, and accelerate the green transformation of development mode. We will fully implement HSE responsibilities, continuously strengthen the main responsibility for corporate safety, and enhance safety leadership; continuously improve intrinsic safety, promote the application and upgrading of intelligent equipment, and strengthen emergency management; adhere to green development, increase environmental protection investment, and push forward the creation of green factories; strengthen dual-carbon management, push forward the construction of the carbon management system, and promote the landing of carbon-reducing initiatives.

Second, deepen digital empowerment and promote operational excellence. Deepen digital empowerment, continue to promote the benchmarking project, summarise the best practices of lighthouse factories and promote them, and continue to improve profitability; continue to promote cost reduction and efficiency, formulate differentiated and targeted measures, establish a long-term incentive mechanism, and assess 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 the Group's innovation system that closely combines experimental research, process development, engineering development and product application, accelerate the construction of the Group's scientific and technological innovation carriers, focus on the industrial chain to attack key projects and major technologies, and accelerate the industrialisation of technologies; accelerate the construction of major projects, strengthen the coordination between base enterprises, and enhance the core competitiveness of the base industry chain.

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

#### **(iv) Possible risk exposure**

✓Applicable □Not applicable

Looking ahead to 2023, the global macro-economy will face greater downward pressure in the face of the adverse impacts of high inflation, tightening of the currency, and superimposed geopolitical conflicts; China's economy will recover at a fast pace, but the triple pressures of demand contraction, supply shocks, and weakening of expectations will still be greater, in particular, the weakening of the global economic growth will lead to a decline in external demand, and China's economic work will be carried out under the policy of "steady as the head, seeking progress amidst stability". China's economic work will implement the policy of "steady, steady progress", focus on expanding domestic demand, accelerate the construction of a modernised industrial system, promote a high level of opening up to the outside world, and jointly promote high-quality development.

The Company will continue to carry out tracking and analysis of the national macro-environment and industrial policies, adjust and optimise 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.

**(v) Other**

☐Applicable ☒Not Applicable

**VII. Circumstances in which and reasons why the company has not disclosed in accordance with the Guidelines due to non-application of the provisions of the Guidelines or for special reasons such as state secrets or commercial secrets**

☐Applicable ☒Not Applicable

## Section IV. Corporate governance

### I. Information note on corporate governance

√Applicable Not applicable

The Company continuously improves its corporate governance structure and standardises its operation 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 China Securities Regulatory Commission.

1. Regarding shareholders and the general meeting: the Company has formulated the Rules of Procedure for the General Meeting of Shareholders in accordance with the Normative Opinions on General Meetings of Shareholders of Listed Companies and the Articles of Association of the Company to maximise the protection of shareholders' rights and interests; to treat all shareholders on an equal footing, small and medium-sized shareholders enjoying equal status and being able to exercise their rights to the fullest extent, and to encourage shareholders to participate in the governance of the Company and be able to express their opinions and suggestions and exercise their voting rights at the General Meeting.

2. Regarding the controlling shareholders and the listed company: the controlling shareholders exercise the rights of capitalists through the general meeting of shareholders in accordance with the law, and have not interfered directly or indirectly in the company's decision-making and operation activities beyond the general meeting of shareholders; the company and the controlling shareholders are independent of each other in terms of personnel, assets, finances, organisations and business, and the company's board of directors, supervisory boards and internal organisations have sound functioning and independent operation.

3. About Directors and Board of Directors: The number and composition of the Board of Directors of the Company are in compliance with the requirements of relevant laws and regulations and the Articles of Association; 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 and shareholders' meetings or authorise to delegate to attend the Board of Directors and shareholders' meetings in a conscientious and responsible manner, and actively exercise their own rights and perform the corresponding obligations; the Company currently has 3 independent Directors, accounting for more than one-third of the total number of Board of Directors. The Company currently has 3 independent directors, accounting for more than one-third of the total number of board members, and has set up four specialised committees, namely strategy, audit, nomination, remuneration and appraisal, which make 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 are in compliance with relevant laws and regulations; members of the Supervisory Committee are capable of attending the Supervisory Committee and the general meetings and attending the Board of Directors in a serious and responsible manner; the Supervisory Committee is capable of conscientiously discharging its duties and supervising, in a responsible attitude towards all shareholders, the finances of the Company as well as the directors, The Supervisory Committee was able to conscientiously perform its duties, and in a responsible attitude towards all shareholders, it supervised the Company's finances and the legality and compliance of the performance of duties by the Company's directors, managers and other senior executives and independently expressed its opinions.

5. Regarding performance evaluation and incentive and constraint mechanism: the Company has established a performance appraisal system, which directly links the Company's business performance with the economic interests of individuals, and has implemented open recruitment for the appointment of employees, which is fair, just, open, efficient and transparent, and 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 to jointly promote the company's sustained and healthy development in the course of economic interactions.

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 laws, regulations and the Articles of Association of the Company; the Company has established the Management System for Information Disclosure Matters; the Company has set up a secretary's office to be responsible for information disclosure and to receive investor visits and enquiries; the Company is able to disclose in a timely manner, in accordance with the relevant regulations, relevant information on the major shareholders or de facto controllers of the Company and changes in shares.

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

During the reporting period, the Company was guided by the principle of seeking truth from facts, the Company continued to promote corporate governance, continuously improved the system of corporate governance system, strengthened and improved the construction of the Company's internal control system, and enhanced the level of standardised operation of the Company.

Whether there are significant differences between corporate governance and the laws, administrative regulations and CSRC's regulations on governance of listed companies; if there are significant differences, the reasons should be stated

☐Applicable ☒Not Applicable

## **II. Specific measures taken by the controlling shareholders and de facto controllers of the Company to ensure the independence of the Company's assets, personnel, finances, organisations and business, as well as the solutions adopted to affect the independence of the Company, the progress of work and the follow-up work plan**

☐Applicable ☒Not applicable

The situation of controlling shareholders, de facto controllers and other units under their control engaging in the same or similar business as the Company, as well as the impact on the Company of competition in the same industry or significant changes in the situation of competition in the same industry, the measures taken to resolve the situation, the progress of the resolution, and the subsequent resolution plan

☒Applicable ☐Not applicable

The Ninth Session of the Board of Directors of the Company considered and passed the "Report on the Relationship between the Company and its Wholly-owned Subsidiary, Shanghai Huayi Energy Chemical Co. (Group) Company on the signing of an agreement on non-competition in the same industry in relation to the Qinzhou Project". (hereinafter referred to as "Guangxi Huayi Energy Chemical Co., Ltd.") (hereinafter referred to as "Guangxi Qinzhou Co., Ltd.") was registered in Qinzhou City, a wholly-owned subsidiary of the Company, with a registered capital of RMB10 million. In view of the huge investment in the project and the high risk at the initial stage of investment, in order to alleviate the capital pressure of the company and the energy and chemical company and enable the project to be completed and put into operation as soon as possible, the controlling shareholders of the company will acquire 100% of the wholly-owned subsidiary of the energy and chemical company, Guangxi Qinzhou Company, with an upfront capital of RMB 4,888,300 according to the appraisal price.

The registered capital of Guangxi Qinzhou Company was increased to RMB3,688 million in accordance with the progress of the project. Guangxi Qinzhou Company has completed the formalities for industrial and commercial change of registered capital in August 2017. In order to avoid the problem of inter-industry competition with the listed company after Guangxi Qinzhou Company has been put into operation and commenced sales, the following terms have been agreed upon after consultation between the parties:

I. It is agreed that after the completion of the Qinzhou Project and Guangxi Qinzhou Company has achieved profitability, 100% equity interest in Guangxi Qinzhou Company shall be transferred to the listed company or its designated body according to the appraisal and confirmation value, and the specific mode of transfer shall be decided by the listed company itself. Shanghai Huayi shall not sell the Qinzhou Project to any third party without the consent of the listed company, and if Shanghai Huayi adjusts the shareholding structure of Guangxi Qinzhou Company for the purpose of financing, it shall ensure that the other shareholders agree to the aforesaid repurchase arrangement of the listed company by way of agreement.

Secondly, it has agreed to entrust the project management and operation management of Guangxi Qinzhou Company during the entire process from the construction of the subsequent plants, completion and commencement of production, specific operation until the completion of the acquisition of the entire equity interest in Guangxi Qinzhou Company by the listed company in accordance with Article 1 to the team of the Enabling Company for specific implementation, as stipulated in the Entrusted Management Agreement to be signed between the Enabling Company and Guangxi Qinzhou Company.

Thirdly, the products of Guangxi Qinzhou Company after the commencement of production can only be sold through Nengchem Company, which shall be agreed by the two parties by signing a separate agreement to ensure that it will not affect Nengchem Company's existing market share and will not have 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 "Motion on the 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 passed the "Motion on the signing of an agreement on non-competition between the Company and its wholly-owned



subsidiary Shanghai Huayi Energy Chemical Co(hereinafter referred to as "**Guangxi Nengchem**") to Shanghai Huayi Energy and Chemical Co. In view of the fact that Guangxi Energised has been put into operation and upgraded to a second-tier company, in order to rationalise the management relationship, the Company has transferred Guangxi Energised, which was originally under the trusteeship of Shanghai Energised, to the direct trusteeship of the Company, and the relevant agreements of the original non-competition agreement will continue to be performed.

The 19th Session of the Board of Directors of the Company considered and passed the "Proposal on the signing of an agreement on the avoidance of inter-trade competition and an equity entrustment and management agreement with Shanghai Huayi in respect of the syngas supply and ancillary projects". In order to meet the objective of industrial layout adjustment of Wujing Base in the future, after consultation with all parties, Shanghai Huayi, the controlling shareholder of the Company, proposes to select the site in Shanghai Chemical Industry Zone and construct the syngas supply and ancillary project (hereinafter referred to as the "**Syngas Project**") with the right holder of the project site, Shanghai Huayi Industrial Gases Company Limited (which is a wholly-owned subsidiary of the controlling shareholder of the Company, hereinafter referred to as "**the Company**") as the main project body. Ltd. (a wholly-owned subsidiary of the Company's controlling shareholder, hereinafter referred to as "**Gas Company**") as the project subject for the construction of syngas supply and ancillary projects (hereinafter referred to as the "**Syngas Project**"). Given that the Gas Company is a wholly-owned subsidiary of the Controlling Shareholder of the Company and the planned main products of the Syngas Project include 800,000 tonnes/year of acetic acid, in order to avoid competition in the same industry with the Listed Company after the completion, commissioning and commencement of sales of the Syngas Supply and Supporting Project of the Gas Company, the Company will commence the acquisition of a controlling stake of 51% or more 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 syngas supply and ancillary projects of the gas company have been put into operation and sales have commenced, the following terms have been agreed upon by the parties:

I. At the same time as the construction of the syngas supply and ancillary 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 entities based on the assessed and confirmed value, and the specific manner of the transfer will be decided by the listed company itself. 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 ancillary projects. Shanghai Huayi shall not sell the equity interest in the Gas Company to any third party without the consent of the Company.

II. Starting from the establishment of the feasibility study report of the syngas supply and ancillary projects of the Gas Company, Shanghai Huayi will sign an equity custodian agreement of the Gas Company with the Company and entrust the management of its equity interest in the Gas Company to the Company at a fair market price until the completion of the acquisition of equity interest in the Gas Company by the Company in accordance with the agreement in Article 1.

Third, before the completion of the acquisition of equity interests in the Gas Company, the acetic acid and ammonia products after the commissioning of the syngas supply and ancillary projects of the Gas Company can only be distributed exclusively through the Company, which will be agreed by both parties through a separate agreement, so as to avoid any competition with the listed company.

### III. Briefing on the General Meeting of Shareholders

Session of the Conference	Date of convening	Designation of publication of resolutions Query indexing of the site	Resolutions published Date of disclosure	Conference resolutions
2021 Annual General Meeting	2022 2 June	www.sse.com.cn	2022 3 June	<p>The Meeting considered and approved the "Work of the Board of Directors of the Company for the Year 2021".</p> <p>Report on the Work of the Supervisory Board of the Company for 2021</p> <p>Report and Report on the Duties of the Independent Directors of the Company for the Year 2021",</p> <p>Annual Report of the Company for the year 2021, Company 2021</p> <p>Report on Annual Financial Accounts", "Proposal on the Company's Daily Connected Transactions in 2022", "Proposal on the Amount of External Guarantees of the Company", "The Company's Profit for FY 2021</p> <p>The "Programme for the Distribution of Winnings", "The Accountants' Workshop for the Year 2021", "The Programme for the Distribution of Winnings</p> <p>Audit Fees and Renewal of Accounting Firm for 2022</p> <p>The Company's Board of Directors will be appointed by the Board of Directors of the Company in 2021, and the Board of Directors will be appointed by the Board of Directors of the Company in 2021.</p> <p>Total Remuneration for Supervisors and Senior Management Personnel and Determination of Total Remuneration for Directors, Supervisors and Senior Management Personnel of the Company for the Year 2022", "Motion on the Signing of the Financial Service Agreement between the Finance Company and Shanghai Huayi and Connected Transaction", "Motion on the Increase of Capital for Polymerisation Retardant Project and Investment Entity and Connected Transaction of Guangxi Huayi New Materials Company Limited", "Motion on the Election of Supervisors" and other thirteen motions. Thirteen motions. Ltd.</p> <p>2021 Annual General Meeting Resolution</p>

				Announcement" disclosed by the Company, provisional Bulletin No. 2022-028.
First Extraordinary General Meeting 2022	2022 22 November date	www.sse.com.cn	2022 23 November	The Meeting considered and passed two motions, including the "Motion to Amend the Articles of Association of the Company" and the "Motion 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, the Extraordinary Public Announcement. Report No. 2022-045.

Preference shareholders whose voting rights have been restored request the convening of an extraordinary general meeting of shareholders

☐Applicable ☒Not Applicable

Information note on the general meeting of shareholders

☐Applicable ☒Not Applicable

## IV. Directors, Supervisors and Senior Managers

## (i) Changes in shareholdings and remuneration of incumbent and outgoing Directors, Supervisors and senior management during the reporting period

√Applicable □Not applicable

Unit: shares											Whether or not acquired at a related party of the company rewards
name and surname	Position (note)	distinction between the sexes	(age)	Date of commencement of term of office	Termination 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 the number of shares during the year	Reasons for changes	Total pre-tax compensation received from the company during the reporting period (\$ million)	
Liu Xunfeng (1936-), second governor of Hainan	chairman of the board	male	57	2020-6-23	2023-6-23					155.40	clogged
Wang Xia (1973-), Chinese long-distance runner	Director, President	women	59	2020-6-23	2023-6-23	632,800	632,800			170.70	clogged
Gu Lili (1914-1993), noted scholar and author of the UNESCO	board member	male	50	2020-6-23	2023-6-23	52 / 361				121.09	clogged

name and surname	Main work experience
Liu Xunfeng (1936-), second governor of Hainan	Male, born in May 1965, with postgraduate education, Master of Engineering, Doctor of Management, professorate senior engineer, member of CPC. He was deputy chief engineer of ethylene plant of refining department, deputy chief engineer of aromatics plant of refining department, deputy director of investment engineering department, assistant to general manager and deputy general manager of Shanghai Petrochemical Company, director and deputy general manager of Shanghai SECCO Petrochemical Company, director and deputy general manager of Shanghai Chemical Industry Zone Development Company Limited, chairman of the board of directors of Shuangqian Group Company Limited, chairman of the board of directors of Shanghai Chlor-alkali Chemical Company Limited, chairman of the board of directors of Shanghai Huayi Group Finance Co. Ltd., Chairman of Shanghai Huayi Group Finance Company, Deputy Secretary of the Party Committee of Shanghai Huayi (Group) Company, Director, President and Secretary of the Party Committee. Ltd., Chairman of Shanghai Huayi Holding Group Co. ice-Chairman, Chemical Industry Zone Development Co.
Wang Xia (1973-), Chinese long-distance runner	Female, born in April 1963, with a university degree, Bachelor of Engineering, professor-level senior engineer. She has served as Deputy Manager and Manager of Development Department of Shanghai Coking & Chemical Co., Ltd, Assistant General Manager and Deputy General Manager of Shanghai Coking & Chemical Co. Now he is the director and general manager of Shanghai Huayi Group Co. Ltd., Vice Chairman of the Board.
Gu Lili (1914-1993), noted scholar and author of the UNESCO World Heritage	Male, born in May 1972, university degree, MBA, political engineer, senior economist, CPC member. He was deputy director of Shanghai Sulphuric Acid Plant, deputy director of Economic and Trade Commission of Rikaze District, Tibet Autonomous Region, deputy secretary of Party Committee and secretary of Discipline Inspection Committee of Shanghai Chlor-Alkali Chemical Corporation, deputy secretary of Party Committee and general manager of Shanghai COSCO Chemical Corporation, financial director and executive deputy general manager of Shanghai Jing'an Huayi Microfinance Corporation, general manager of Shanghai Minhang Huayi Microfinance Corporation, chairman of Supervisory Board of Shanghai Huayi (Group) Co. Ltd, Chairman of the Supervisory Board of Shuangqian Group, Deputy Secretary of the Discipline Inspection Committee and General Manager of the Supervision and Audit Department of Shanghai Huayi Group, Chairman of the Supervisory Board of Shanghai Chlor-Alkali Chemical Co. Ltd., Deputy Secretary of the Party Committee, Chairman of the Labour Union and Director, Director and General Manager of Shanghai Huayi Holding Group Co. Long.

Tentative List	
Chen Qi	Male, born in April 1956, with postgraduate degree, master's degree, professorate senior economist, member of CPC. He was the deputy director of the Development Planning Department of China Petroleum & Chemical Corporation and the director of the Foreign Cooperation Office of SINOPEC, and also served as the director of Yangzi BASF Co. and Shanghai SECCO, and the vice chairman of Sino-Saudi (Tianjin) Petrochemical Company. Currently, he is an external member of Shanghai Huayi Group Co. Director.
Guan Yimin (1919-), Taiwanese politician	Male, born in April 1950, university degree, professor of accounting, CPC member. He was a professor of Shanghai National Accounting Institute, an independent director of China Shipping Container Lines, an independent director of Bank of Shanghai, an independent director of Chongqing Boteng Pharmaceutical Technology Company Limited, and an independent director of Shanghai Jahwa Union Co. He is currently an independent director of Shanghai Huayi Group Co., Ltd, an external supervisor of Shanghai Fosun Pharmaceutical Co., Ltd, an independent director of Yihai Jiali Jinlongyu Co., Ltd, an independent director of Huaxin Securities Co., Ltd (a non-listed company), an independent director of Greenland Holdings Group Co. (a proposed listed company), an independent director of Shanghai Jinjiang Shipping (Group) Co. The Director of the Standing Committee.
Li Waki	Male, born in October 1961, with postgraduate qualification, doctoral degree, professor, member of CPC. He was the Dean of the School of Management of Fudan 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" under the Ministry of Education of China, and a recipient of the National Natural Science Foundation of China's Outstanding Youth Programme. He is the deputy director of the Teaching Guidance Committee of Management Science and Engineering of the Ministry of Education of China, the deputy director of the Chinese Society for Science and Technology Policy, and the director of the Special Committee on Technology and Innovation Management of the Chinese Society for Management Modernisation. He is currently the director of Shanghai Huayi Group Co. He is an independent director of the Company and a professor at Shanghai Jiaotong University.
Gong Xiaohang	Male, born in October 1956, with a postgraduate degree. He was a researcher of the Hong Kong Branch of Xinhua News Agency and Director of the Hong Kong, Macao and Taiwan Law Research Centre of the East China University of Political Science and Law. He is now a member of the Shanghai Bar Association and a member of the Hong Kong Bar Association. He is a member of Shanghai Huayi Group Company Limited and the Chairman of the Global Board of Duan & Duan Law Firm. He is currently an independent director of Shanghai Huayi Group Corporation, Chairman of the Global Board of Directors of Shanghai Duan & Duan Law Firm, and a part-time professor at East China University of Political Science and Law.

<p>Zhang Renliang (1944-), Taiwanese politician</p>	<p>Male, born in February 1961, university degree, Bachelor of Engineering, Senior Political Engineer, CPC member. He has served as deputy minister, minister, office director, deputy secretary and secretary of the Youth and Technology Department of the Youth League Committee of Baoshan Iron and Steel General Factory, deputy secretary of the Party Committee of the Ironmaking Factory, deputy secretary of the Shanghai Municipal Committee of the Communist Youth League, head of the Party Discipline Inspection Group, deputy director and member of the Party Group of the Municipal Tourism Administration Commission, deputy secretary of the Jing'an District Committee, deputy, acting and district mayor of the district, executive deputy commander-in-chief, deputy secretary of the Party Committee of the Municipal Counterpart Support Forward Command of the Work in injiang (the seventh batch). General Director and Party Secretary of the Municipal Forward Command for Counterpart Support Work in injiang (the eighth batch).</p> <p>Secretary, Deputy Secretary of Xinjiang Kashgar Prefecture Party Committee, President and Deputy Secretary of the Party Committee of Shanghai Tongsheng (Investment) Group Co., Ltd, Deputy General Director of the Municipal Deepwater Harbour Project Construction Command, Shanghai Jiaotong Group Co.</p>
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	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 Holding Group Co.
Zhang Hu	Male, born in February 1970, postgraduate degree, Master of Accounting, Senior Accountant, CPC member. He has been the supervisor of Assets Department and manager of Finance Department of Shanghai Coatings Co., Ltd, the financial director of Shanghai Zhenhua Paint Factory, the financial director of Shanghai Yipin Pigment Co., Ltd, the assistant manager of Finance Department, the deputy general manager, the deputy general manager of Assets and Finance Department of Shanghai Huayi (Group) Company, and the deputy general manager of Shanghai Huayi Acrylics Co. Director of Finance. Ltd. is now a supervisor and deputy general manager of the Finance Department of Shanghai Huayi Group Co.
Li Aimin (1913-1995), female revolutionary and martyr	Female, born in August 1968, postgraduate degree, senior political engineer, CPC member. She used to be Secretary of Party Committee, Secretary of Discipline Inspection Committee and Chairman of Labour Union of Shanghai Huayi Group Shangshi Sulphur Chemical Co., Ltd, Deputy Secretary of Party Committee, Secretary of Discipline Inspection Committee and Chairman of Labour Union of Shanghai Paint Co. Currently, he is the employee of Shanghai Huayi Group Co. Supervisor, Director of the Department of Elderly Cadres, Vice Chairman of the Labour Union, Supervisor of Shanghai Huayi Holding Group Co.
Li Yuhong	Female, born in September 1979, postgraduate degree, doctorate degree, CPC member. D., CPC member. She has served as assistant director of the legal counselling office, deputy manager and manager of the legal affairs 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. Currently, he is the staff supervisor and legal affairs department deputy general manager of Shanghai Huayi Group Co. General Manager of the Department, Supervisor of Shanghai Huayi Holding Group Co.
Li Liangjun (1944-), PRC politician, prime minister 1996-1998	Male, born in October 1966, with a university degree, Bachelor of Science, Master of Business Administration, professorate senior engineer, member of CPC. He has served as Deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Committee, Chairman of the Labour Union and President of Shanghai Research Institute of Chemical Industry (SRICI), Deputy Secretary of the Party Committee, General Manager and Executive Director of Shanghai Research Institute of Chemical Industry (SRICI). Ltd. Deputy Secretary of the Party Committee and Vice President, Shanghai Chemical Industry Co. Chairman, Industrial Research Institute Ltd.
display	Male, born in March 1964, postgraduate degree, doctor of management, professorial senior engineer, member of CPC. He has served as deputy general manager of Shanghai Coating Co., Ltd, deputy general manager of Shanghai Coating Co., Ltd, secretary and director of Xinhua Resin Plant, deputy general manager of Shanghai International Paint Co. Vice President of Shanghai Huayi (Group) Company. Ltd. ice President.



Gu Chunlin (1938-), Taiwanese poet	Male, born in October 1966, postgraduate degree, doctor of economics, senior economist, member of CPC. He was the executive deputy director of Shanghai iangyang Chemical Factory, deputy general manager of Shanghai COSCO Chemical Co., Ltd, general manager of Shanghai Peony Ink Co., Ltd, general manager and deputy secretary of the Party Committee of Double Coin Group Greater China Astronergy Tyre Branch, secretary of the Party Committee and executive director of Shanghai Huaxiang Rubber Products Co, General Manager of Human Resources Department, Secretary of the Board of Directors, etc. Currently, he is the secretary of the Party Committee of Shanghai Huayi Group. ice President of the Group Co.
Benny Chan (Hong Kong film director)	Male, born in October 1971, university degree, master's degree, professorate senior engineer, CPC member. He has served as Chief Engineer, Executive Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of Shanghai Wujing Chemical Industry Co., Ltd, Deputy Chief Engineer and General Manager of the 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. ice President.
Xu Li Honing	Male, born in October 1976, university degree, senior economist, CPC member. He has served as Deputy General Manager of the Supervision and Audit Department of Shanghai Huayi (Group) Company (presiding over the work), Deputy General Manager (presiding over the work) and General Manager of the Finance Department of Shanghai Huayi Group Corporation, Financial Controller of Shanghai Huayi New Materials Co. Ltd. Chief Financial Officer and Secretary of the Board of Directors of Hai Huayi Group Co.
Duan Qihua	Male, born in February 1956, Master, member of Zhigong Party. He is currently an independent director of ZD Netnew Technology Company Limited, an independent director of Shanghai Aijian Group Company Limited, and a member of Shanghai Duan and Duan Law Firm. He is a member of the 11th and 12th National Committee of the Chinese People's Political Consultative Conference (CPPCC), a member of the Chairman's Advisory Committee of the Shanghai Federation of Industry and Commerce, and a member of the Washington State Council on China Relations.
Zhang Jianxin	Male, born in August 1962, university degree, Bachelor of Engineering, Assistant Engineer, CPC member. He was the secretary of the Youth League Committee of Shanghai Petrochemical General Factory and the deputy secretary of the Party Committee of Sinopec Shanghai Jinshan Industrial Company, Chairman of Labour Union and Secretary of Party Committee of Shanghai Petrochemical Machinery Manufacturing Company, Deputy Secretary of Shanghai Jinshan District Committee, Vice President of Shanghai Lansen (Group) Co.

	Chairman of the Board and Supervisor, Vice President of Shanghai Donghao Lansheng International Service Trading (Group) Co. ice-Chairman of the Board of Directors, etc.
Shen Guoping (1952-), foreign affairs official (PRC)	Male, born in September 1961, university degree, senior engineer, CPC member. He has served as 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 Company Limited, Deputy Secretary of the Party Committee and General Manager of Shanghai Huayi Chemical Industry Company Limited, Secretary of the Party Committee and Executive Director of Shanghai Huayi Engineering Company Limited, Secretary of the Party Committee and Executive Director of Shanghai Huayi Group Co. Supervisor, head of party inspection team, supervisor of Shanghai Huayi (Group) Co.
Ma Xiaobin (1952-), PRC film director	Male, born in August 1978, university degree, master's degree, senior economist, CPC member. He has served as Deputy General Manager of Foreign Co-operation Department of Shanghai Huayi (Group) Company, Deputy General Manager of Double Coin Group Co. Ltd. and Vice President of Shanghai Huayi Group Co.
Wei Jianhua (1965-), PRC politician, prime minister 1997-1998, vice-president from 2008	Male, born in November 1961, postgraduate degree, master's degree, professorial senior engineer, CPC member. He has served as deputy director, director, assistant director, deputy director and party committee member of Shanghai Research Institute of Chemical Industry (SRICI) Filler Centre, chairman of Shanghai San Aifu New Materials Company, president of Shanghai Huayi Group Technology Research Institute, vice president of Shanghai Huayi (Group) Co. Division Vice President, among others.

## Other information notes

√Applicable □Not applicable

On 24 January 2022, the Company held the Sixteenth Meeting of the Tenth Session of the Board of Directors, at which it considered and passed 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 Appointment of the Secretary of the Board of Directors", at which the Vice President of the Company, Mr. Wei Jianhua retired due to old age, and Mr. Ma Xiaobin ceased to be the Vice President of the Company due to change of work, and appointed Mr Xu Liheng as the Secretary of the Board of Directors of the Company.

On 2 June 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 3 June 2022 on the website of the Shanghai Stock Exchange.

On 22 November 2022, the first extraordinary general meeting of 2022 was held to elect Mr. Gong Xiaohang as an independent director of the Company, and the relevant

announcement was disclosed on 23 November 2022 on the website of Shanghai Stock Exchange.

## (ii) Appointment of current and outgoing directors, supervisors and senior management during the reporting period

### 1. Employment in shareholders' organisations

√Applicable □Not applicable

Name of incumbent	Name of shareholder unit	In the shareholders' unit Positions held by the Office of the United Nations High Commissioner for Human Rights	Date of commencement of term of office	Termination date
Liu Xunfeng (1936-), second governor of Hainan	Shanghai Huayi Holding Group Co.	chairman of the board	July 2013	
Wang Xia (1973-), Chinese long-distance runner	Shanghai Huayi Holding Group Co.	vice-chairman	April 2017	
Gu Lili (1914-1993), noted scholar and author of the UNESCO World Heritage Tentative List	Shanghai Huayi Holding Group Co.	deputy director	March 2020	
	Name of other units	Served in other units positions	Date of commencement of term of office	Termination date
Zhang Renliang (1944), Taiwanese politician	Shanghai Huayi Holding Group Co.	Chairman of the Supervisory Board	August 2020	
Liu Xunfeng (1936-), second governor of Hainan	Shanghai Chemical Industry Zone Development Co.	vice-chairman	October 2007	
Zhang Jianxin	Shanghai Huayi Holding Group Co.	Vice-Chairman of the Supervisory Board	October 2014	
Gu Lili (1914-1993), noted scholar and author of the UNESCO World Heritage Tentative List	Shanghai Chlor-alkali Chemical Co.	chairman of the board	March 2020	
Shen Guoping (1952-), foreign affairs official (PRC)	Shanghai Huayi Holding Group Co.	supervisor	June 2020	February 2022
Li Aimin (1913-1995), female revolutionary and martyr	Shanghai Huayi Holding Group Co.	supervisor	March 2019	
Guan Yimin (1919-), Taiwanese politician	Shanghai Fosun Pharmaceutical Co.	External supervisors	June 2014	
Li Yunhong	Shanghai Huayi Holding Group Co.	supervisor	June 2020	
Guan Yimin (1919-), Taiwanese politician	Yihai Kerry Golden Dragon Fish Co.	independent supervisor	March 2019	
Zhang Hu (1919-), Taiwanese politician	Shanghai Huayi Holding Group Co.	supervisor	February 2022	
Employment in shareholders' organisations of the situation				
Guan Yimin (1919-), Taiwanese politician	Hefei Jieshijie New Material Co.	independent director	December 2020	March 2022
Guan Yimin (1919-), Taiwanese politician	Huaxin Securities Co.	independent director	December 2020	
Guan Yimin (1919-), Taiwanese politician	Rongke Technology Co.	independent director	April 2019	December 2021

**(iii) Remuneration of Directors, Supervisors and Senior Management**

√Applicable □Not applicable

Compensation of directors, supervisors and senior management decision-making process	Remuneration of Directors, Supervisors and Senior Management to be determined by the General Meeting of Shareholders		
Compensation of directors, supervisors and senior management Basis of determination	Based on the achievement of annual business targets, as well as the Company's business performance and year-end evaluation results grant		
Remuneration of directors, supervisors and senior management	During the reporting period, the Company paid a total of 1,673.52 million (before tax), of which allowances paid to independent directors totalled \$450,000 (before tax)		
Actual disbursements	Positions held	Scenario	Season
All directors, supervisors and senior management at the end of the reporting period		change	
Total compensation actually received by managers			

**(iv) Changes in directors, supervisors and senior management of the Company**

√Applicable □Not applicable

Gong Xiaohang	independent director	elections	On 22 November 2022, Mr. Gong Xiaohang was elected as an independent director of the Company by a vote 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	supervisor	elections	On 2 June 2022, Mr. Zhang Hu was elected as a Supervisor of the Company by a vote at the 2021 annual general meeting of the Company and the 17th meeting of the 10th Supervisory Committee. For details, please refer to the "Announcement of Resolutions of the Seventeenth Meeting of the Tenth Supervisory Committee" and "Resolutions of the 2021 Annual General Meeting of Shareholders" disclosed by the Company, and the Interim Announcement Nos. 2022-016 and 2022-028.

**(E) Description of penalties imposed by securities regulators in the past three years**

□Applicable √Not Applicable

**(vi) Other**

√Applicable □Not applicable

Honing	the board secretary	appoint (to a position)	On 24 January 2022, Mr. Xu Liheng was appointed as the Secretary of the Board of Directors of the Company by a vote of the 16th session of the Board of Directors of the Company, Interim Announcement no: 2022-004, 2022-005. Conferen
Duan Qihua	independent director	leave office	Expiration of continuous service resolutio
Zhang Jianxin	Vice-Chairman of the Supervisory Board	leave office	retirement at age n
Sheri Guoping	supervisor	leave office	The Meeting considered and passed three motions, namely the "Motion on Mr Wei Jianhua ceasing to be the Vice President of the Company", the "Motion on Mr Ma Xiaobin ceasing to be the Vice President of the Company" and the "Motion on the retirement at age

(1952-), foreign affairs official (PRC)

Trustees		refer to the "Announcement of Resolutions of the Sixteenth Meeting of the Tenth Session of the Board of Directors" disclosed in the Company, interim announcement no: 2022-004.
Tenth session of the Board of Trustees Seventeenth meeting	25 March 2022	The Meeting considered and adopted the "Management of the Company in 2021 and Management of the Company in 2022". The Company's Annual Report on the Work of the Board of Directors for the Year 2021, and the 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" and "Report on the Duties of the Independent Directors of the Company for the Year 2021",</p> <p>Report on the Performance of the Audit Committee of the Company for the Year 2021, and the Report on the Performance of the Audit Committee of the Company for the Year 2021.</p> <p>The Company has submitted 20 motions, including the "Annual Social Responsibility Report", the "Annual Report of the Company for the year 2021" and the "Report on the Financial Accounts of the Company for the year 2021". For details, please refer to the "Announcement of Resolutions of the Seventeenth Meeting of the Tenth Board of Directors" disclosed by the Company, provisional announcement no: 2022-009.</p>
Eighteenth meeting of the Tenth Board of Trustees	26 April 2022	<p>The meeting considered and approved the "First Quarterly Report of the Company for 2022", the "Report on New Materials", and the "Report on the New Material".</p> <p>The Company's proposal to provide financial assistance to Zhejiang Huahong", "Proposal to convene the 2021 Annual General Meeting of Shareholders" and three other proposals. For details, please refer to the "Announcement of Resolutions of the 18th Meeting of the 10th Board of Directors" disclosed by the Company, provisional announcement no: 2022-023.</p>
Nineteenth meeting of the Tenth Board of Trustees	26 August 2022	<p>The meeting considered and passed five motions, including the "Half-yearly Report of the Company for the year 2022", "Special Report on the Deposit and Actual Use of the Company's Proceeds" and "Risk Continuous Assessment Report on 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 by the Company, provisional announcement no: 2022-030.</p>
Twentieth meeting of the Tenth Board of Trustees	27 October 2022	<p>The Meeting considered and approved the Third Quarterly Report of the Company for the year 2022, the Proposal on the Amendment of the Articles of Association of the Company, and the Proposal on the Nomination of Candidates for Independent Directors of the Company,</p> <p>Four motions, including the "Motion on Convening the First Extraordinary General Meeting of 2022". For details, please refer to the "Announcement of Resolutions of the Twentieth Meeting of the Tenth Board of Directors" disclosed by the Company.</p> <p>Notice, Interim Notice No. 2022-039.</p>
Twenty-first meeting of the Tenth Board of Trustees	9 December 2022	<p>The Meeting considered and passed one motion, including the "Motion to Adjust the Membership of the Specialised 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.</p> <p>Announcement of Resolution of the Meeting, Temporary Announcement No. 2022-047.</p>

## vi. fulfilment of directors' duties

## (i) Participation of Directors in the Board of Directors' and Shareholders' Meetings

Name of Director	Independent or not	Participation in the Board of Trustees						Participation in the General Meeting of Shareholders status of meetings
		Attendance at the Board of Trustees is due in the current year number of times	Number of in-person appearances	participate by correspondence addition	Attendance by proxy	Number of absences	Have there been two consecutive instances of non-participation in person? additional meeting	Attendance at General Meetings of Shareholders
Liu Xunfeng (1936-), second governor of Hainan	clogged	6	6	5	0	0	clogged	2
Wang Xia (1973-), Chinese long-distance runner	clogged	6	6	5	0	0	clogged	1
Gu Lili (1914-1993), noted scholar and author of the UNESCO World Heritage Tentative List	clogged	6	6	5	0	0	clogged	1
Chen Qi	clogged	6	6	5	0	0	clogged	1
Guan Yimin (1919-), Taiwanese politician	be	6	6	5	0	0	clogged	2



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Li Yuan	be	6	6	5	0	0	clogged	2
Gong Xiaohang	be	1	1	1	0	0	clogged	1
Duan Qihua	be	5	5	4	0	0	clogged	1

Note on failure to attend in person two consecutive meetings of the Board of Trustees

☐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 correspondence	5
Number of meetings held on-site in conjunction with communications	0

**(ii) Directors' objections to matters relating to the Company**

□Applicable ✓/Not Applicable

**(iii) Other**

□Applicable ✓/Not applicable

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

✓Applicable □Not applicable

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

Category of specialised committees	Name of member
Board of Auditors	Guan Yimin, Li Gaki, Wang Xia
nominating committee	Liu Xunfeng, Wang Xia, Guan Yimin, Li Yuan, Gong Xiaohang
Remuneration and Appraisal Committee	Gong Xiaohang, Li Yuan, Chen Qi

**(2) The Audit Committee met five times during the reporting period**

Date of convening	Content of the meeting	Critical observations and recommendations	Other performance of duties
2022 12 January	Audit Committee convening plan for 2022, 2021 Financial forecast, pre-review of 2021 annual report	Establishes the annual audit of the company programme	Pre-audit of annual reports and annual The financial situation was communicated
2022 8 March	2021 Internal Audit Debriefing, 2021 Financial Snapshot, 2021 Preliminary Financial Reports	communicated the status of the preliminary annual report, key accounting and auditing matters, and the Audit progress	Listened to the annual internal audit and internal control work report
2022 8 March	Separate communication between independent directors and accounting firm	The CPA firm made enquiries on the issues of concern and the CPA firm made a presentation	

**(3) The Nominations Committee met twice during the reporting period**

Date of convening	Content of the meeting	Key observations and recommendations	Other performance of duties
2022 24 25 March	Accounts report proposal on daily connected transactions, proposal on external Board of Directors of the Company, the Company's profit distribution plan, the Company's write-off of assets, and the Company's internal control self-evaluation report of the reporting period	Discussed and approved the appointment of the Secretary of the Board of Directors of the Company to submit the above matters to the Board of Directors for consideration. The appointment will be submitted to the Board of Directors for consideration.	

**(4) The Remuneration and Evaluation Committee met twice during the reporting period**

Date of convening	Content of the meeting	Key observations and recommendations	Other performance of duties
2022 30 September	Appointment of independent directors	Discussed and approved the Proposal of Appointment of Independent Director of the Company	
2022 25 March	Remuneration Report 2022, Special Report on the Dependence of Senior Management on the Company, and the Company's needs for the Half Yearly Supervision of the Company for 2022	Confirmed the "Confirmation of the Total Compensation of the 2022 Board of Directors, Senior Management and Supervisors of the Company" and the "Confirmation of the Total Compensation of the 2022 Board of Directors, Senior Management and Supervisors of the Company" for 2022	Listened to the situation of internal audit and internal control work in the first half of the year and the work in the second half of the year.
2022 26 August	First Half of 2022 Supervision of Directors, Senior Management and Supervisors of the Company for 2022 Motion on Total Management Compensation	2021 and determination of the Total Compensation of Directors, Senior Management and Supervisors of the Company for 2022 Total Compensation of Rank and File Executives	Programme reporting

9 September	Company Leadership 2021 Annual Performance Review Approved and 2019-2021 Term Incentive Receipts Ltd. performance appraisal and remuneration of professional managers for the year 2021. Minutes of the Meeting on Encashment Matters	Leadership of the Company Limited 2021 Performance Review and 2019-2021 Term Incentive Income Settlement>", "Performance Assessment and Remuneration Realisation for Professional Managers of Shanghai Huayi Group Co. Minutes of the meeting on matters arising from the meeting	
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**(5) The Strategy Committee met twice during the reporting period**

Date of convening	Content of the meeting	Key observations and recommendations	Other performance of duties
2022 25 March	Circular on the Revision of the Compilation of Company Management Systems	Having heard the above briefing	
2022 26 August <input type="checkbox"/> Applicable	Circular on Syngas Project of Gas Company, Circular on Revision of the Rules of Procedure of the Office of the President, Revision of the Group's System	Having heard the above briefing	

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

☐ Applicable ☒ Not Applicable

The Supervisory Board has no objections to the supervisory matters in 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 employees on board of major subsidiaries	11,556
Total number of active employees	11,691
Number of retired employees whose costs are to be borne by the parent company and major subsidiaries	10,282
Professional composition	
Professional composition category	Professional composition
production staff	8,917
sales person	752
technical staff	817
treasurer	243
administrative staff	962
add up the total	11,691
educatio	

nal attainme nt	
Type of educational attainment	Number (persons)
College and above	5,959
Below post- secondary	5,732
add up the total	11,691

**(ii) Remuneration policy**

√Applicable Not applicable

The Company has established a salary management system based on the value of positions, combined with the assessment of employees' work performance and the Company's operating conditions, and the principle of salary distribution is "setting salary based on post, matching salary with post, and changing salary with changing post".

### (iii) Training programmes

√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 be based on the "YHA" talent "zigzag" cultivation plan, with the improvement of job qualifications and performance ability as the cornerstone, and "four keys" as the engine for thematic training around the Group's key, difficult and blocked issues. The "Four Keys" is the engine, and thematic training is conducted around the Group's key, difficult and blocked issues, so as to build an integrated training system of the Group that attaches importance to practicality, operability and pertinence. We endeavour to cultivate a cadre and staff team that is consistent with the Group's values and compatible with its strategic objectives, and provide talent support for the Group's construction of a world-class enterprise with core competitiveness.

### (iv) Outsourcing of labour services

√Applicable □Not applicable

Total number of hours worked by labour outsourcing	1,104,048 hours
Total remuneration paid for labour outsourcing	65.78 million

## X. Proposals for profit distribution or capitalisation of capital reserves

### (i) Formulation, implementation or adjustment of cash dividend policy

√Applicable □Not applicable

According to the profit distribution plan for 2021 adopted at the 2021 Annual General Meeting held on 2

June 2022, the Company will implement the profit distribution plan for 2021 by implementing the Equity

Based on the total share capital of 2,131,449,598 shares registered on the record date for the distribution, RMB4.2 (including tax) will be distributed to all shareholders for every 10 shares, making a total distribution of RMB895,208,831.16 (with B-share dividends converted into US dollars).

Audited undistributed profit of the Company at the end of 2022 10,052,103,193.44 Yuan, of which: 1) Undistributed profit at the beginning of 2022

9,816,118,454.74; 2) According to the profit distribution plan for the year 2021, a dividend of 895,208,831.16 yuan will be distributed to all shareholders in the

has been honoured during the year 2022; 3) the audited net profit attributable to the parent company in the Company's consolidated statement for the year 2022 of \$1,281,211,494.32.

The statutory provident fund is required to be withdrawn in accordance with the law, amounting to \$150,017,924.46.

The Company will distribute profits on the basis of the total share capital registered on the date of share registration for the implementation of the equity distribution, and distribute a cash dividend for every 10 shares to all shareholders.

RMB 1.9 (including tax), B-share dividend converted into US dollars. As at the date of the Board of Directors' resolution on the profit distribution plan, the total share capital of the Company was as follows 2,131,449,598.00 shares, and the total amount of cash dividend to be paid on this basis is RMB404,975,423.62 (including tax).

In the event of any change in the total share capital of the Company prior to the share registration date for the implementation of the equity distribution, it is proposed that the total amount of the distribution will remain unchanged and the dividend per share ratio will be adjusted accordingly, and a separate announcement will be made to specify the adjustment.

### (ii) Special explanation of cash dividend policy

√Applicable □Not applicable

Compliance with the provisions of the articles of association or resolutions of the general meeting of shareholders	√Yes □No
Whether the criteria and percentage of dividends are clear and unambiguous	√Yes □No
Adequacy of relevant decision-making procedures and mechanisms	√Yes □No
Whether the independent directors have fulfilled their duties and responsibilities and played their roles properly	√Yes □No
Whether small and medium-sized shareholders have adequate opportunities to express their views and demands, and whether their legitimate rights and interests	√Yes □No

**(iii) If the reporting period is profitable and the parent company has positive profit available for distribution to shareholders but has not put forward a proposal for a cash profit distribution plan, the company shall disclose in detail the reasons for this, as well as the use of the undistributed profit and the plan for its use**

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not applicable

Unit:Yuan Currency:RMB

Number of bonus shares per 10 shares (shares)	
Dividend per 10 shares (RMB) (tax included)	1.9
Number of shares transferred per 10 shares (shares)	
Cash dividend amount (including tax)	404,975,423.62

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

**XI. Status of the Company's share incentive scheme, employee share ownership scheme or other employee incentives and their impact (i)**  
**Where the relevant incentive matters have been disclosed in the Interim Announcement and there is no progress or change in their subsequent implementation**

√Applicable □Not applicable

Overview of matters	Query Index
<p>On 24 November 2020, the Company held the Sixth Meeting of the Tenth Session of the Board of Directors, at which it considered and passed the "Motion on the &lt;Draft A-share Restricted Stock Incentive Plan of Shanghai Huayi Group Stock Co. &lt;Methods for Implementation and Assessment&gt; and &lt;Methods for Implementation and Management&gt; and &lt;Motion to Request the General Meeting of the Company to Authorise the Board of Directors to Handle Matters Relating to the A Shares Restricted Share Incentive Scheme&gt;, and the Independent Directors of the Company expressed their independent opinions on the relevant motions in respect of the A Shares Restricted Share Incentive Scheme. On the same day, the Company convened the Sixth Meeting of the Tenth Session of the Supervisory Committee, at which it considered and passed the "Proposal on the A Share Restricted Share Incentive Scheme (Draft) and its Summary", the "Proposal on the Formulation of the A Share Restricted Share Incentive Scheme &lt;Implementation Method&gt;", the "Proposal on the Formulation of the A Share Restricted Share Incentive Scheme &lt;Implementation Method&gt; The Motion on the Measures for Assessment &gt; and the Measures for Implementation and Management.</p>	<p>Provisional Announcement Nos. 2020-039, 2020-042 and 2020-043, 2020-044 www.sse.com.cn</p>
<p>On 8 December 2020, the Company disclosed the Announcement on the Approval of Shanghai State-owned Assets Supervision and Administration Commission for the A-share Restricted Share Incentive Plan, and Shanghai State-owned Assets Supervision and Administration Commission issued the Approval of Consent to the Implementation of the A-share Restricted Share Incentive Plan of Shanghai Huayi Group Corporation Limited (SHANGHAI STATE-owned Assets Supervision and Administration Commission Allocation [2020] No. 405), the Agree in principle that the Company should implement the Incentive Scheme.</p>	<p>Provisional bulletin number: 2020-045 www.sse.com.cn</p>
<p>On 10 December 2020, the Company disclosed the "Supervisory Committee's Verification Opinion on the List of Incentive Recipients under the A-share Restricted Share Incentive Plan and Explanation on the Public Announcement" and the "A-share Restricted Share List of Incentive Recipients under the Ticket Incentive Scheme.</p>	<p>Provisional bulletin number: 2020-046 www.sse.com.cn</p>
<p>On 16 December 2020, the Company convened the Third</p>	

On 21 January 2022, the Company disclosed the "Announcement on the Results of the Reserved Grant under the A Shares Restricted Share Incentive Scheme". A total of 1,068,235 restricted shares reserved for grant under the Share Incentive Scheme were registered on 19 January 2022 at the China Securities Depository and Clearing Corporation Ltd. Shanghai Branch to complete the registration procedures.

Provisional bulletin  
number: 2022-003  
www.sse.com.cn

**(ii) Incentive situations not disclosed in the interim announcement or with subsequent developments Equity**

incentive situations

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not applicable

Employee Share Ownership Plan Status

☐Applicable ☒Not applicable

Other incentives

☐Applicable ☒Not Applicable

**(iii) Share incentives granted to directors and senior management during the reporting period**

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not applicable

The assessment and evaluation of the Company's legal representatives is implemented by the Shanghai Municipal State-owned Assets Supervision and Administration Commission (SASAC), and is mainly based on the "Municipal State-owned Assets Supervision and Administration Commission (SASAC) Business Performance Assessment and Evaluation Programme for the Term of Office of the Legal Representatives of Enterprises in the Market Competition Category".

The appraisals, rewards and punishments of the other senior management of the Company are implemented by the Board of Directors of the Company and are mainly based on the "Remuneration Allocation Plan for Other Leadership Personnel of the Company", the "Business Performance Appraisal Plan for Other Leadership Personnel of the Company" and the "Administrative Measures for Remuneration and Business Performance Appraisal of Professional Managers of Huayi Group" approved by the Board of Directors.

**XII. Construction and implementation of the 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 the Company's important business areas and key control activities in accordance with the "Basic Standard for Internal Control" and other requirements,



effectively identified the categories of deficiencies, and proactively implemented corrective measures to ensure the effective implementation of internal control.

Description of significant deficiencies in internal control during the reporting period

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not applicable

The Company has established a complete set of management and control systems for all its subsidiaries, and its subsidiaries' assets, business and strategic planning are all controlled within the Company. After the Company determines the strategic objectives and budgets, it will disassemble them to the subsidiaries. The selection, appointment, dismissal and assessment of key personnel in each subsidiary are subject to the control and supervision of the Company. In addition, the Company also strengthens its internal management control over its subsidiaries through financial systems, OA systems and other management system software, which improves the level of operation and management of its subsidiaries.

**XIV. Information note on internal control audit reports**

☒Applicable   ☐Not applicable

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

Disclosure of internal control audit reports: Yes

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

**XV. Self-inspection and rectification of problems in the special operation on governance of listed companies**

In accordance with the requirements of the State Council's Opinions on Further Improving the Quality of Listed Companies (Guo Fa [2020] No. 14), the CSRC's Announcement on Special Action on Governance of Listed Companies (CSRC Announcement [2020] No. 69) and other documents, the Company has conducted a special self-inspection on corporate governance in accordance with the laws and regulations and the Company's Articles of Association and other internal systems. Through the self-inspection, the Company basically meets the requirements, and has completed the rectification of the problems found.

**XVI. Other**

☐Applicable   ☒Not applicable

## Section V. Environmental and social responsibility

### I. Status of environmental information

Whether mechanisms related to environmental protection have been established	be
Invested in environmental protection during the reporting period (unit: RMB 10,000)	50,622

#### (i) A description of the environmental protection situation of the Company and its principal subsidiaries that are key emission units announced by the environmental protection authorities

✓Applicable □Not applicable

##### 1. sewage information

✓Applicable □Not applicable

The key emission units of the company are Shanghai Huayi Energy Chemical Co., Ltd, Anhui Huayi Chemical Co., Ltd, Shuangqian Group (Anhui) Hui Li Tyre Co. Ltd, Yixing Huayi Yipin Colouring Science and Technology Co.

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

During the reporting period, there were 21 wastewater outfalls, 30 rainwater outfalls, 130 waste gas outfalls, 43 general solid waste storage sites, and 43 hazardous waste storage sites.

There are 21 waste warehouses. The key emission units discharged 5,949,000 tonnes of wastewater, 281.4 tonnes of COD<sub>Cr</sub>, 8.1 tonnes of ammonia nitrogen, and 26,490 million standard M<sup>3</sup> of exhaust gases.

Sulphur dioxide is 211.4 tonnes, nitrogen oxides is 261 tonnes, soot is 31.1 tonnes, non-methane hydrocarbons is 1010.3 tonnes, the amount of hazardous waste generated is 42,200 tonnes, the amount of general solid waste generated is 408,000 tonnes, the rate of harmless disposal of general solid waste and hazardous waste is 100%, the disposal of hazardous waste is strictly enforced by the system of transferring hazardous waste, and the noise of plant boundaries is up to standard.

##### 2. Construction and operation of pollution prevention and control facilities

✓Applicable □Not applicable

During the reporting period, the pollution prevention and control facilities of key emission units involved wastewater treatment facilities such as sewage pre-treatment 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 desulphurisation, denitrification and dedusting facilities; hazardous waste incineration and treatment facilities; noise abatement facilities, etc. All the pollution prevention and control facilities were operating stably and effectively.

During the reporting period, the project of upgrading the quality of integrated wastewater treatment device and the transformation project of water reuse was completed and put into operation; the project of absorbing and transforming the exhaust gas of chemical vehicle loading and unloading station was completed and put into operation; and the project of comprehensively treating the exhaust gas of volatile organic compounds (VOCs) of the press-out area of Shuangqian Group (Jiangsu) Tyre Company Limited was commenced.

During the reporting period, key emission units strengthened the management of pollution prevention and control facilities and ensured 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 hydrocarbons, sulphur dioxide, nitrogen oxides and soot respectively in accordance with the requirements of the emission licences, and the data were networked with the monitoring equipment of the competent ecological and environmental authorities.

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

√Applicable □Not applicable

During the reporting period, all key emission units with in-service installations were implemented in accordance with EIA reports and EIA approvals, and the task of upgrading and rectifying their construction was completed on time in accordance with existing laws and regulations. New projects were declared for EIA in accordance with regulations, and the construction of environmental protection measures and the completion and acceptance of environmental protection facilities were implemented. Anhui Huayi Chemical Co., Ltd. chemical vehicle loading and unloading station exhaust gas absorption renovation project, Xinjiang Kunlun Engineering Tire Co., Ltd. sulfur warehouse, hazardous waste warehouse, internal fuel supply station technical reform project, double money Group (Chongqing) Tire Co., Ltd. annual output of 2.5 million sets of high-performance all-wire radial load carrying tyre technical reform project, Shanghai test four Chemicals Co. Ltd. added 100 tonnes of NC34, 150 tonnes of VA086, 150 tonnes of M3 products and capacity expansion and renovation project of existing products to carry out environmental impact assessment work. According to the requirements of "Management Measures for Discharge Permit", all key discharge units have applied for discharge permits in accordance with the regulations, complied with the provisions of the discharge permits and discharged water according to the permits. Guangxi Huayi New Material Co., Ltd. has obtained the sewage discharge permit for its new project in accordance with the regulations.

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

#### **4. Emergency Response Plan for Environmental Emergencies**

✓Applicable ☐Not applicable

During the reporting period, all key sewage disposal units carried out corporate environmental risk assessment, prepared emergency response plans for environmental emergencies and filed them with the local environmental protection departments in accordance with the Environmental Protection Law of the People's Republic of China, Measures for the Emergency Management of Environmental Emergencies and other relevant requirements for the filing of environmental emergency response plans at the national and local levels. At the same time sound emergency organisational structure, the implementation of emergency measures, emergency rescue material reserves are complete, and regularly held emergency drills. Guangxi Huayi New Material Co., Ltd. new project in accordance with environmental laws and regulations, to carry out the assessment of corporate environmental risks, the preparation of emergency response plan 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 contingency measures for heavily polluted weather in accordance with various management requirements of national and local people's governments.

#### **5. Environmental self-monitoring programme**

✓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", the "General Principles of Technical Guidelines for Self-monitoring by Emission Units" and the "Technical Specifications for the Application and Issuance of Emission Permits for the Rubber and Plastic Products Industry". Self-monitoring programmes for environmental factors such as wastewater, waste gas, boiler flue gas, unorganized emission of waste gas and noise at plant boundaries are formulated, monitoring factors and monitoring frequency requirements are determined, including self-monitoring of key pollution factors such as CODcr, ammonia nitrogen, sulfur dioxide, nitrogen oxides, non-methane hydrocarbons, soot and other key pollutants, and regular and timed monitoring is implemented. The monitoring programme and monitoring data are publicly announced in each province, city or place on the "Platform for the Release of Information on Monitoring of Pollution Sources of Key Monitoring Enterprises" or the "Platform for the Disclosure of Environmental Information of Enterprises and Public Institutions" or on the websites of enterprises.

During the reporting period, sewage disposal units involving volatile organic compounds regularly carried out leakage detection and repair of VOCs at equipment sealing points in accordance with the requirements of the Technical Guidelines on Equipment Leakage Detection and Repair. Ltd., Anhui Huayi Chemical Co., Ltd., Shanghai Huayi New Materials Co., Ltd., Shanghai Huayi Coatings Co., Ltd. and Shanghai Resin Factory Co., Ltd. and other key sewage discharge units carried out soil and groundwater hazard investigation during the reporting period.

#### **6. Administrative penalties imposed on environmental issues during the reporting period**

✓Applicable ☐Not applicable

During the reporting period, the Company's subsidiaries were subject to administrative penalties totalling RMB750,000 for violation of environmental protection laws, and rectification has been completed.

#### **7. Other environmental information that should be made public**

☐Applicable ✓Not Applicable

#### **(ii) Description of the environmental protection situation of companies other than key**

**emission units**√Applicable ☐Not applicable

During the reporting period, companies other than key emission units, Shanghai Huayi Group Investment Co., Ltd, Shanghai Huayi Information Technology Co., Ltd, Shanghai Huayi Group Finance Co., Ltd and Huayi Group (Hong Kong) Co., Ltd. were not involved in pollutant emission and monitoring.

During the reporting period, companies other than key emission units, Kunshan Baoyan Gas Co., Ltd, Zhejiang Huayu Absorbent Materials Co., Ltd, Shanghai Kailin Paint Manufacturing Factory, Shanghai Trial 4 Hervey Chemical Co. Ltd. and Shanghai Plastics Research Institute, etc., all of which have obtained discharge permits or completed discharge registration according to the "Management Measures for Discharge Permits" and the implementation of simplified management and discharge registration management. All of them complied with the laws and regulations on environmental protection and discharged pollutants in compliance with the standards and met the total amount requirements. Huayi Thailand is an overseas enterprise and complies with all local laws and regulations in Thailand.

8 wastewater outfalls, 22 rainwater outfalls, 32 exhaust gas outfalls, and 14 general solid waste storage sites for companies other than the priority sewage disposal units.

There are 16 hazardous waste warehouses. During the reporting period, 649,000 tonnes of wastewater were discharged, with 6.87 tonnes of CODcr, 1.12 tonnes of ammonia nitrogen, and 1.92 billion tonnes of exhaust gas.

M3, 3.7 tonnes of sulphur dioxide, 18.5 tonnes of nitrogen oxides, 19.8 tonnes of soot and 6.4 tonnes of non-methane hydrocarbons. Hazardous waste generation

218 tonnes, 100 per cent harmless disposal rate. The noise level at the plant boundary has fully met the standards.

**1. Administrative penalties imposed on environmental issues**☐Applicable ☒Not Applicable

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

✓Applicable □Not applicable

During the reporting period, companies other than the key emission units improved the environmental protection responsibility system, established environmental management accounts, strengthened the operation, maintenance and management of pollution prevention and control facilities, and the pollution prevention and control facilities were all operating stably and effectively. Anhui Huayi Rixin Technology Co., Ltd. completed and put into use the second phase of the renovation project of waste gas treatment facilities for connecting materials, and the VOCs control project of Zhejiang Tianyuan Medical Materials Co.

During the reporting period, new projects such as the technological reform project of Shanghai Kailin Paint-making Plant of Shanghai Huayi Fine Chemical Co., Ltd, the technical centre construction project of Anhui Huayi Rixin Technology Co., Ltd, and the small pilot project of annual production capacity of 300 tons of environmentally friendly medical granule products of Zhejiang Tianyuan Medical Materials Co., Ltd, etc, carried out environmental impact assessment according to the requirements. Companies other than the key sewage unit in accordance with the requirements of self-monitoring, the preparation of contingency plans for environmental emergencies. There were no major environmental incidents.

## 3. Reasons for non-disclosure of other environmental information

□Applicable ✓Not Applicable

### (iii) Relevant information conducive to the protection of ecology, prevention of pollution and fulfilment of environmental responsibility

✓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 Industry, Better Life! The company actively implements the concept of "Green Chemical Industry, Better Life!", continuously enhances the harmonious interaction with nature and society, gives full play to its professional advantages, and endeavours to promote the creation of green factories. During the reporting period, Shanghai Huayi Coating Co., Ltd. and Shanghai Plastics Research Institute Co., Ltd. were awarded "Three Stars" of Shanghai Green Factory Demonstration, Double Coin Group (Anhui) Rebound Tire Co. Ltd. was awarded the title of Green Factory of Petrochemical Federation, Fujian Huayi Shengde Material Technology Co.

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

Whether or not carbon reduction measures have been taken	be
Reduction of carbon dioxide equivalent emissions (in tonnes)	31,000
Types of carbon reduction measures (e.g. use of clean energy for electricity generation, use of carbon dioxide in production processes) (e) Use of carbon-reducing technologies, development and production of new products that contribute to carbon reduction, etc.)	Use of clean energy for power generation, use of carbon-reducing technologies in production processes

explicit explanation

✓Applicable □Not applicable

During the reporting period, the Company continued to explore the path of realising the dual-carbon target, actively carried out research on the topics of carbon peaking and carbon neutrality, and steadily pushed forward the implementation of related work. Taking energy cleanliness, operation efficiency and low-carbon raw materials as the working handles, the Company vigorously promoted the application of new green and low-carbon technologies, processes, equipments and materials, strengthened the dynamic monitoring of internal energy operation, and promoted the monitoring of energy consumption in the production process and refined management.

During the reporting period, the Company took measures to promote energy saving and emission reduction by using carbon reduction technology and clean energy in the production process. The recycling of nitrogen compressor and modification of L5 compactor drive system of Double Coin Group (Jiangsu) Tyre Co., Ltd; coal-to-gas conversion project of Double Coin Group (Chongqing) Tyre Co., Ltd; and energy-saving technological modification of temperature control in the office area of Double Coin Group (Xinjiang) Kunlun Tyre Co., Ltd, effectively reduced the carbon dioxide emissions by about 31,000 tonnes of CO<sub>2</sub> equivalent.

## **II. Status of work on social responsibility**

### **(i) Whether a separate social responsibility report, sustainability report or ESG report is disclosed**

☒Applicable ☐Not applicable

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

### **(ii) Specifics of social responsibility work**

☐Applicable ☒Not Applicable



explicit explanation

☐Applicable ☒Not applicable

**III. Consolidation and expansion of the results of poverty eradication, rural revitalisation and other specifics**

☐Applicable

☒Not Applicable

Specify

☐Applicable ☒Not Applicable

## Section VI. Important matters

### I. Implementation of commitments

(i) Commitments of the Company's de facto controllers, shareholders, connected parties, acquirers and the Company and other parties related to the commitments during the reporting period or continuing into the reporting period

√Applicable □Not applicable

Background to the commitments	Type of commitment	Commitment party	Content of the commitment	Commitment time and duration	Availability of a period of performance set a limit (on)	Timeline and rigorous honour	Failure to perform in a timely manner should be accompanied by an explanation of the specific circumstances in which the performance was not completed. rationale	Failure to comply in a timely manner should result in an explanation of the next steps
Commitments relating to material assets	Resolution of competition in the same industry	Shanghai Huayi (Group) Co.	1、After the completion of this transaction, Shanghai Huayi (Group) Company will continue to exercise its shareholders' rights or urge its directors to exercise their rights as directors in accordance with the Company Law and other laws, regulations, rules and other normative documents as well as the relevant provisions of the Articles of Association of the listed company, and fulfil its obligations to abstain from voting in the shareholders' general meeting and the board of directors' meeting on the voting of the connected transactions relating to the 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 minimised as far as possible. When conducting connected transactions that are really necessary and cannot be circumvented, it is guaranteed to operate fairly in accordance with the market-based principle and fair price, and to perform the transaction procedures and information disclosure obligations in accordance with the provisions of relevant laws, regulations, rules and other normative documents. Ensure that the legitimate rights and interests of the listed company and other shareholders will not be harmed through connected transactions. Any agreement and arrangement made by Shanghai Huayi (Group) Company and the listed company in relation to the connected matters and transactions between them shall not hinder each other from Conduct business dealings or transactions with any third party for its own benefit	Commitment: 23 March 2015 Duration of commitment: Long-term	clogged	be		

			<p>The board of directors and general meeting of the listed company shall exercise their powers to make decisions on the appointment and removal of personnel. Guaranteeing the independence and integrity of the listed company's assets 1. Guaranteeing that the listed company has a business system and independent and complete assets related to its operation; 2. Guaranteeing that the listed company does not have any situation in which its funds and assets are occupied by Shanghai Huayi (Group) Company and its related parties; 3. Guaranteeing that the listed company's domicile is independent of Shanghai Huayi (Group) Company and its related parties. 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 with a standardised and independent financial accounting system; 2. Guarantee that the listed company opens a bank account independently, and does not share the bank account with Shanghai Huayi (Group) Company and its related parties; 3. (Group) Company and its related parties on a part-time basis; 4, to ensure that the listed company is independent in paying taxes in accordance with the law; 5, to ensure that the listed company is able to make financial decisions independently, and that Shanghai Huayi (Group) Company and its related parties do not intervene in the use of the listed company's funds. IV. Ensure the institutional independence of the listed company 1. Ensure that the listed company establishes a sound corporate governance structure with independent and complete organisational structure; 2. Ensure that the shareholders' general meeting, the board of directors, independent directors, the supervisory board and the general manager of the listed company independently exercise their powers and functions in accordance with the laws, regulations and the articles of association of Double Coin. V. Guaranteeing the business independence of the listed company 1. Guaranteeing that the listed company has the assets, personnel, qualification and ability to carry out business activities independently, and has the ability to face the market independently and autonomously and continuously; 2. Guaranteeing that Shanghai Huayi (Group) Company will not intervene in the business activities of the listed company inappropriately; 3. Guaranteeing that Shanghai Huayi (Group) Company and its affiliates will avoid engaging in business that is in substantial competition with the listed company; 4. business; 4. to ensure that Shanghai Huayi (Group) Company and its connected parties will minimise and avoid connected transactions with the listed company; and in the event of connected transactions which are necessary and unavoidable, to ensure that they will be operated fairly in accordance with the market-based principle and fair price, and in accordance with the relevant laws and regulations as well as regulatory documents and the provisions of the Articles of Association</p>					
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			of the listed company to fulfil the transaction procedures and information disclosure obligations.					
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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 explains whether the assets or projects have met the original profit forecast and the reasons for that**

☐ Achieved ☐ Not Achieved ☒ Not Applicable

**(iii) Fulfilment of performance commitments and their impact on goodwill impairment testing**

☐ Applicable ☒ Not Applicable

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

☐Applicable ☒Not Applicable

## **III. Guarantee violations**

☐Applicable ☒Not Applicable

## **IV. Explanation of the Board of Directors of the Company on the "Non-standard Opinion Audit Report" of the Accounting Firm**

☐Applicable ☒Not Applicable

## **V. Explanation of the Company's analysis of the reasons for and impact of changes in accounting policies, accounting estimates or correction of material accounting errors (1) Explanation of the Company's analysis of the reasons for and impact 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 held on 31 March 2023, the "Proposal on Changes in Accounting Policies" (Interim Announcement No. 2023-014) was considered and approved.

The Ministry of Finance (MOF) issued the "Interpretation of Enterprise Accounting Standards No. 15" (Caijing [2021] No. 35) on 30 December 2021, 2022 Notice on Issues Related to the Application of the Provisions on Accounting Treatment of Rental Concessions Related to the New Crown Pneumonia Epidemic (Caijing [2022]) was issued on 19 May. No. 13) and Interpretation of Accounting Standards for Business Enterprises No. 16 (Caijing [2022] No. 31) issued on 30 November 2022.

Pursuant to the "Notice on Issues Related to the Application of the Provisions on Accounting Treatment of Rental Concessions Related to the New Crown Pneumonia Epidemic", the Company has elected to adopt the simplified method of accounting treatment for all eligible leasing contracts prior to the adjustment of the scope of application, and to adopt the simplified method of accounting treatment for all eligible similar leasing contracts after the adjustment of the scope of application, and to make retrospective adjustments to the relevant leasing contracts for which accounting treatment had already been applied to the lease modification prior to the issuance of the notice. The Company will make retrospective adjustments to the relevant lease contracts for which accounting treatment has been adopted prior to the issuance of the Circular, but will not adjust the data in the comparative financial statements of the previous period; and will make adjustments in accordance with the Circular to the relevant rental concessions occurring between 1 January 2022 and the effective date of the Circular that have not been subject to the accounting treatment in accordance with the provisions of the Circular.

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

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

☐Applicable ☒Not applicable

**(iii) Communication with previous accounting firms**

□Applicable    √Not applicable

**(iv) Other notes**

□Applicable    √Not applicable

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

Unit: RMB 10,000      Currency: RMB

		current appointment
Name of domestic accounting firm	Lixin Accounting Firm (Special General Partnership)	
Remuneration of domestic accounting firms	547.86	
Years of audit experience of domestic accounting firms	21	
Name of Certified Public Accountant of Domestic Accounting Firm	Xu Liqun, Lv Jie	
Number of consecutive years of auditing services by certified public accountants of domestic accounting firms	Xu Liqun (2 years), Lv Jie (3 years)	
Internal control audit accounting firm	Lixin Accounting Firm (Special General Partnership)	rewards 190.14

#### Appointment and dismissal of accounting firms

✓Applicable □Not applicable

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

Pursuant to the deliberations at the Twenty-second Meeting of the Tenth Session of the Board of Directors of the Company, the Company agreed to continue to appoint Lixin Certified Public Accountants (Special General Partnership) as the accounting firm for the annual report and internal control audit of the Company for 2023. Subject to the approval of the shareholders at the general meeting.

#### Explanation of the change of accounting firm during the audit period

□Applicable ✓Not applicable

### VII. Situations at risk of delisting

#### (i) Reasons leading to the delisting risk warning

□Applicable ✓Not applicable

#### (ii) Response measures to be taken by the Company

□Applicable ✓Not Applicable

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

□Applicable ✓Not applicable

### VIII. Matters relating to insolvency reorganisation

□Applicable ✓Not Applicable

### IX. Significant litigation and arbitration matters

□ The Company has significant litigation and arbitration matters during the current year ✓ The Company has no significant litigation and arbitration matters during the current year

### X. Suspected violations of laws and regulations by listed companies, their directors, supervisors, senior management, controlling shareholders and de facto controllers, penalties imposed on them and their rectification

□Applicable ✓Not Applicable

### XI. Explanation of the integrity status of the Company and its controlling shareholders and de facto controllers during the reporting period

✓Applicable Not applicable

During the reporting period, the Company and its controlling shareholders and de facto controllers were in good standing in terms of integrity, and there were no cases of failure to honour court judgments in force, or debts incurred in larger amounts not being settled when due.

### XII. Significant connected transactions

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

#### 1. Matters that have been disclosed in an interim announcement and for which there has been no progress or change in subsequent implementation

✓Applicable □Not applicable

Overview of matters	Query Index
Seventeenth session of the Board of Directors of the Company on 25 March 2022 and the Board of Directors of the Company on 2 June 2022 The 2021 Annual General Meeting considered and passed the	Approved by the 17th Board of Directors and the 2021 Annual General Meeting of the

The 2021 Annual General Meeting considered and passed the "Proposal on the Signing of <Financial Service Agreement> and Connected Transaction between 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 there is no damage to the Company. and the interests of its shareholders, particularly small and medium-sized shareholders.	Annual General Meeting of Shareholders to consider and approve. www.sse.com.cn
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## 2. Matters that have been disclosed in an interim announcement but with subsequent progress or changes in implementation

☐Applicable ☒Not applicable

## 3. Matters not disclosed in the interim announcement

☐Applicable ☒Not applicable

### (ii) Connected transactions arising from acquisitions or disposals of assets or shareholdings

#### 1. Matters that have been disclosed in an interim announcement and for which there has been no progress or change in subsequent implementation

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

#### 4. Where performance covenants are involved, the performance realisation for the reporting period should be disclosed

☐Applicable ☒Not applicable

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

#### 1. Matters that have been disclosed in an interim announcement and for which there has been no progress or change in subsequent implementation

☒Applicable ☐Not applicable

Overview of matters	Query Index
The 17th Board of Directors and the 2021 Annual General Meeting of the Company considered and passed the "Proposal on the Polymerisation Resist Project of Guangxi Huayi New Material Co. Ltd. as the main body to invest in the construction of polymerisation inhibitor project, the total investment amount of the project is 573,240,000 yuan, the investment body Guangxi New Material capital increase amount of RMB 171.97 million (including the capital increase of RMB 103.18 million by the Company and the capital increase of Shanghai Huayi) (RMB68.79 million). As of the end of the reporting period, the Company	Provisional bulletin number: 2022-018 www.sse.com.cn



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

☐Applicable   ☒Not applicable

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

☐Applicable ☒Not Applicable

**(iv) Related debt transactions**

**1. Matters that have been disclosed in an interim announcement and for which there has been no progress or change in subsequent implementation**

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not Applicable

(v) Financial business between the Company and finance companies with which it has a connected relationship, and between the Company's holding finance companies and related parties

√Applicable □Not applicable

Unit: RMB 10,000

1. Deposit operations √Applicable □Not applicable related party	affiliate relationship	Maximum Daily Deposit Limit	Interest rate range for deposits	Opening balance	Current period's incidence Currency: RMB		Closing balance
					Total for the period Amount deposited	Total for the period withdrawal amount	
Shanghai Huayi Holding Group Co.	controlling shareholder	not have	0.42 per cent to 3.85 per cent	327,906.00	3,008,389.45	3,059,871.05	276,424.39
Shanghai Chlor-alkali Chemical Corporation and its subsidiaries	Subsidiaries of controlling shareholders	80,000.00	0.42 per cent to 3.85 per cent	80,716.51	2,939,562.94	2,945,222.90	75,056.55
Shanghai San Aifu New Material Technology Co., Ltd. and its subsidiaries	Subsidiaries of controlling shareholders	not have	0.42 per cent to 3.85 per cent	28,084.03	2,042,440.20	1,954,293.25	116,230.98
Shanghai Huayi Engineering Company Limited and its subsidiaries	Subsidiaries of controlling shareholders	not have	0.42 per cent to 3.85 per cent	26,030.16	375,595.62	357,761.68	43,864.10
2. Loan Operations Shanghai Huayi Group Asset Management Company Limited and its subsidiaries √Applicable □Not applicable related party	Subsidiaries of controlling shareholders	not have	0.42 per cent to 3.85 per cent	109,373.39	1,280,410.02	1,248,100.08	141,683.33
Unit: RMB 10,000							
Shanghai Research Institute of Chemical Industry Limited and its subsidiaries □Not applicable related party	Subsidiaries of controlling shareholders	not have loan size	0.42 per cent to 3.85 per cent	40,717.24	Current period's incidence Currency: RMB		Closing balance
					Total for the period loan amount	Total for the period repayment amount	
Shanghai Huayi Acrylics Co.	Subsidiaries of controlling shareholders	not have	0.42 per cent to 3.85 per cent	148,267.59	94,969.53	87,428.57	155,808.55
Shanghai Huayi Holding Group Co.	controlling shareholder	400,000.00	2.5000 per cent to 3.0450 per cent	235,169.17	814,020.45	905,169.17	144,020.45
Guangxi Huayi Energy Chemical Co.	Subsidiaries of controlling shareholders	not have	0.42 per cent to 3.85 per cent	53,053.79	1,089,020.66	1,054,096.05	87,978.40
Shanghai Research Institute of Chemical Industry Limited and its subsidiaries	Subsidiaries of controlling shareholders	53,000.00	1.58 per cent to 3.263 per cent	16,152.46	11,615.90	14,334.63	13,433.73
Shanghai Huayi Group Financial Leasing Co.	Subsidiaries of controlling shareholders	not have	0.42 per cent to 3.85 per cent	28,945.25	103,911.33	131,300.15	1,556.42
Shanghai Chlor-alkali Chemical Corporation and its subsidiaries	Subsidiaries of controlling shareholders	150,000.00	1.32 per cent to 3.87 per cent	114,185.57	66,104.74	114,395.54	65,894.78
the rest	Subsidiaries of controlling shareholders	not have	0.42 per cent to 3.85 per cent	97,531.81	901,574.54	877,986.39	121,119.98

**3. Credit operations or other financial operations**

☐Applicable ☒Not Applicable

**4. Other notes**

☐Applicable ☒Not Applicable

**(vi) Other**

☐Applicable ☒Not applicable

**XIII. Significant contracts**

**and their fulfilment (i)**

**Trusteeship, contracting**

**and leasing matters 1.**

☐Applicable ☒Not Applicable

**2. Contracting**

☐Applicable ☒Not Applicable

**3. Leasehold status**

☐Applicable ☒Not Applicable

## (ii) Status of guarantees

√Applicable □Not applicable

Unit:Yuan

Company's external guarantees (excluding guarantees to subsidiaries)														Currency:RMB
secured party	Relationship between the secured party and the listed company tie up	secured party	Amount of guarantee	Date of guarantee (date of agreement)	Guarantee start date	warranty expiry date	Type of guarantee	collateral (if any)	Whether the guarantee has been honoured	Whether the guarantee is overdue	Amount overdue on guarantees	Counter-guarantee situation moreover	Whether guarantee for related parties	affiliate relationship
Shanghai Huayi Group Co. limited company	Corporate Headquarters	Shanghai Huayi Holding Group corporation	US\$ 178,500,000.00	2019/10/30	2019/10/30	2024/10/30	joint liability (law) guarantee	not have	clogged	clogged	0	not have	be	own a controlling number of shares in a company stakeholder
Shanghai Huayi Group Co. limited company	Corporate Headquarters	Guangxi Hongyi New Material limited company	20,000,000.00	2021/9/27	2021/9/29	2029/9/29	joint liability (law) guarantee	not have	clogged	clogged	0	not have	be	under joint management firms
Shanghai Huayi Group Co. limited company	Corporate Headquarters	Guangxi Hongyi New Material limited company	42,500,000.00	2021/9/27	2021/11/15 59 / 361	2029/9/29	joint liability (law) guarantee	not have	clogged	clogged	0	not have	be	under joint management firms

## Annual Report

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Guarantees given by the Company and its subsidiaries to subsidiaries	
Total amount of guarantee incurred for 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 corporate guarantees (including guarantees to subsidiaries)	
Total guarantees (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 in favour of shareholders, de facto controllers and their related parties (C)	1,243,181,100.00
Amount of debt guaranteed, directly or indirectly, to secured parties with gearing ratios exceeding 70 per cent (D)	14,364,795.40
Amount by which total guarantees exceed 50 per cent of net assets (E)	14,364,795.40
Total amount of the above three guarantees (C+D+E)	1,271,910,690.80
Explanation of possible joint and several liability for outstanding guarantees	
Statement of guarantees	<p>The US dollar amount is converted at the mid-rate of the exchange rate of RMB against the US dollar as at 31 December 2022; of which the amount of debt guarantees provided directly or indirectly for the guaranteed objects with a gearing ratio of more than 70% (D), and the amount of the total amount of guarantees in excess of the portion of 50% of the net assets (E), all of which are the shares of our wholly-owned subsidiary, Shanghai Tianyuan (Group) Company Limited, to our wholly-owned subsidiary, Fujian Huayi Shengde Materials Co.</p> <p>(b) The guarantee is due to Material Technology Ltd.</p>

(iii) Delegation of cash asset management

1. Entrusted financial management

(1) Overall commissioned finance

☐ Applicable  
☒ Not applicable  
 Other cases

☐ Applicable ☒ Not applicable

(2) Individual entrustment of financial management

☐ Applicable  
☒ Not applicable  
 Other cases

☐ Applicable ☒ Not applicable

(3) Provision for impairment of entrusted finance

☐ Applicable ☒ Not applicable

2. Status of entrusted loans

(1) Overall situation of entrusted loans

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

typology	Source of funds	incidence	Outstanding balance	Amounts overdue for recovery
Equity participation through banks on a pro	own funds		30,000,000	
Other situations				
Enterprises provide entrusted loans				

(2) Status of individual entrusted loans

☐ Applicable  
☒ Not applicable  
 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 materially affect investors' value judgements

**and investment decisions**

☐Applicable ☒Not Applicable



## Section VII. Changes in shares and shareholders

### I. Changes in share capital

#### (i) Statement of Changes in Shares

1.

Unit: shares

	Before this change		Increase/decrease (+, -) in current changes					After this change	
	quantities	proportions (%)	issue new shares	see off this	provident fund transfer stock	it (referred to the preceding item) (used for either sex work)	Subtotal	quantities	proportions (%)
<b>2. Description of changes in shares</b> <input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable On 6 December 2021, the Company held the 14th meeting of the 10th session of the Board of Directors and the 14th meeting of the 10th session of the Supervisory Committee and considered and passed the "Proposal on the Granting of Reserved Restricted Shares to the Incentive Participants of the Company's Restricted Share Incentive Plan for A Shares". 19 January 2022, the Company completed the registration of the reserved grant of the A Shares and the registration date of the A Shares was 19 January 2022, and the number of A Shares registered was 106.8235 million shares. On 19 January 2022, the Company completed the registration of A-share restricted shares reserved for grant, and the registration date of A-share restricted shares was 19 January 2022, and the number of A-share restricted shares registered was 1,068,235 thousand shares. For details, please refer to 2022-003 "Announcement of the Results of the Reserved Grant of A Shares under the A Shares Restricted Share Incentive Scheme" disclosed on 21 January 2022 by the Company.									
<b>3. Impact of the change in shares on financial indicators such as earnings per share and net assets per share for the latest year and the latest period (if any)</b>									
I. Assets per share							1,068,235	26,152,835	1.23
1. State shareholding									
2. Shareholding by State-owned legal persons									
3. Other contents that the company deems necessary or the securities regulator requires to be disclosed									
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									
Of which: shares held by overseas natural person shareholding									
Overseas natural person shareholding									
II. Unlimited shares outstanding	2,105,296,763	98.82						2,105,296,763	98.77
1. RMB ordinary shares	1,862,196,763	87.41						1,862,196,763	87.37

A-share Restricted Stock Incentive Plan" was considered and approved, and 1,068,235,000 A-share restricted shares were granted to the eligible 16 incentive participants. Ltd. issued the "Capital Verification Report of Shanghai Huayi Group Co., Ltd." (信會師報字[2021]第 ZA15969 號) on 21 December 2021, which verified the receipt of the subscription funds for the A-share Restricted Share Incentive Scheme reserved for the Company as at 17 December 2021. As at 17 December 2021

As at 31 December 2012, the Company had received actual subscription proceeds totalling RMB6,195,763.00 from the 16 incentive recipients. As the source of the restricted shares granted this time was the Company's directed issue of RMB A ordinary shares to the incentive recipients, the reserved grant under the Restricted Share Incentive Scheme increased the registered capital of the Company by RMB1,068,235.00. On 19 January 2022, the Company completed the registration of the reserved grant of A shares, and the registration date of the A shares was 19 January 2022 and the number of A shares registered was 1,068,235,000 shares. On 19 January 2022, the Company completed the registration of the reserved grant of A-share restricted stock, and the registration date of A-share restricted stock was 19 January 2022, and the number of A-share restricted stock registered was 1,068,235,000 shares. For details, please refer to 2022-003 "Announcement on the Results of the Reserved Grant of A Shares under the A Shares Restricted Share Incentive Scheme" disclosed on 21 January 2022 by the Company.

## (ii) Changes in restricted shares

Unit: Unit

√Applicable □Not applicable		Unit: Unit				
Name of Shareholder	Restricted shares at the beginning of the year frequently	Discharged during the year restricted shares	Limit of increase for the year Number of shares sold	Restricted shares at year-end frequently	sales restriction reason	Release date
A Shares Restricted Share Incentive Scheme Grantees	25,084,600	0	1,068,235	26,152,835	Share Incentive Restricted Period	Restricted Shares granted under the Plan shall be subject to a 36-month restriction period from the date of registration of the grant. The period of 36 months after the expiry of the restriction period is the release period, and the Company will release the restricted shares in three batches during the release period. For details, please refer to the 'Announcement on the
II. Issuance and listing of securities						
(i) Issuance of securities up to the reporting period						
Equities and their derivatives	√Applicable □Not applicable	Issue date	issue price (or interest rate)	Number of issues	hit the market (of a new product)	Results of Reserved under the Restricted Stock Incentive Scheme (II) Number of Sales transaction dates
Types of securities						Transaction Grants on Shares termination dates
Description of securities issued as of the reporting period (for bonds with different interest rates during the period, please explain separately):						
Ordinary shares	See the description of share movements in Section VII of this report under Shareholders.	16 January 2022	5.80	1,068,235		Unrestricted Sales under the Incentive Scheme", tentative announcement ed. No. 2022-003.
RMB Ordinary shares	25,084,600	0	1,068,235	26,152,835	/	/
(ii) Changes in the total number of shares and shareholder structure of the Company and						

## (ii) Changes in the total number of shares and shareholder structure of the Company and

### changes in the Company's asset and liability structure

√Applicable □Not applicable

For the total number of changes in the Company's shares, see the description of changes in shares in Section VII of this report under Changes in Shares and Shareholders.

As a result of the completion of the registration of the reserved grant of restricted shares of A shares, the shares of the Company have increased, resulting in a decrease in the percentage of shares held by the controlling shareholders and de facto controllers of the Company. The restricted share grant will not result in any change of control of the controlling shareholders of the Company.

**(iii) Existing internal employee shares**

☐Applicable ☒Not Applicable

**III. SHAREHOLDERS****AND ACTUAL****CONTROLLERS (i) Total****number of****shareholders**

Total number of ordinary shareholders as at the end of the reporting period (households)	70,764
Total number of ordinary shareholders at the end of the previous month before the annual report disclosure date (households)	69,852
Total number of preference shareholders with voting rights restored as at the end of the reporting period (households)	0
Total number of preference shareholders with voting rights restored at the end of the previous month before the annual report disclosure date (households)	0

**(ii) Table showing the shareholdings of the top ten shareholders and the top ten outstanding shareholders (or shareholders with unlimited conditions to sell) as at the end of the reporting period**

Shareholding of top ten shareholders							
Name of Shareholder (full name)	Increase/decrease during the reporting period	Number of shares held at the end of the period	Proportion (%)	Share s held with limited selling restrictions quantities	Pledge, mark or Freeze situation		Unit: Unit Nature of shareholders
					holder s state of affairs	fre qu ent ly measure word	
Shanghai Huayi Holding Group Co.	0	894,949,825	41.99	0	not have		State-owned legal person
Shanghai Guosheng (Group) Co.	-42,628,900	366,845,496	17.21	0	not have		State-owned legal person
Shanghai Guosheng Group Investment Co.	0	29,230,769	1.37	0	not have		State-owned legal persons
Liu Weiwei	0	21,216,230	1.00	0	uncharted		uncharted
Industrial and Commercial Bank of China Limited CSI Shanghai State-owned Enterprises Traded Open Indexed Securities Investment Fund	2,737,200	10,372,113	0.49	0	uncharted		uncharted
Agricultural Bank of China Limited CSI 500 Traded Open-ended Index Number of securities investment funds	3,122,200	6,467,459	0.30	0	uncharted		uncharted
CHUNG MAN KIU	4,677,116	5,049,916	0.24	0	uncharted		uncharted
vanguard total international stock index FUND	0	4,479,735	0.21	0	uncharted		uncharted
VANGUARD EMERGING MARKETS STOCK INDEX FUND	-640,600	3,631,343 67 / 361	0.17	0	uncharted		uncharted
Li Xuefeng (1901-1982), communist politician	610,000	3,460,000	0.16	0	uncharted		uncharted

Number of shares held by the top ten shareholders with limited selling conditions and the conditions under which they are subject to selling restrictions

√Applicable □Not applicable

Unit: shares

serial number	Name of restricted shareholders	Number of shares held under limited selling conditions	Availability of limited shares for listing and trading		conditions for selling restriction
			Available for trading	New listable shares Number of copies	
1	Wang Xia (1973-), Chinese long-distance runner	632,800			see note
2	Li Liangjun (1944-), PRC politician, prime minister 1996-1998	324,800			see note
3	display	569,500			see note
4	Peter Chang Tat-kwong (1928-), Hong Kong politician, prime minister 1996-1998	544,200			see note
<b>(iii) Strategic investors or general corporations becoming the top 10 shareholders as a result of the placing of new shares</b>					
5	Gu Chunlin (1964-), Taiwanese poet	556,800			see note
<b>IV. CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS (I)</b>					
<b>Controlling shareholders</b>					
<b>1 legal personality</b>					
6	Benny Chan (director)	418,700			see note
7	Ma Xiaohui (1952-), PRC film director	403,900			see note
8	Xu Li Hong (Not applicable)	244,906			see note
9	Shanghai Huayi Holding Group Co.				see note
10	Liu Wenjie	207,700			see note
<b>Main business operations of the above shareholders' affiliation or concerted action</b>					
All of the above shareholders are subject to the Company's Restricted Share Incentive Scheme. For details of the listing and trading status and conditions of restriction on sale, please refer to the "A pharmaceutical products, engaged in chemical and pharmaceutical equipment engineering installation, maintenance and contracting services, contracting overseas chemical projects and domestic international bidding projects, the equipment and materials required for the above overseas projects, export, foreign dispatch of labour personnel required for the implementation of the above overseas projects, engaged in the import and export of goods and technology. Exporting, dispatching labourers required for the implementation of the above overseas projects, and engaging in the import and export business of goods and technology. (Except for the projects that need to be approved according to the law, with the certificate of (Business licence to operate independently in accordance with the law).					

**2 natural person (law)**

☐Applicable ☒Not Applicable

**3 Special note on the absence of controlling shareholders in the Company**

□Applicable √Not applicable

**4 Explanation of changes in controlling shareholders during the reporting period**

□Applicable √Not applicable

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

√Applicable Not applicable

**(ii) Situation of de facto controllers****1 legal personality**

√Applicable □Not applicable

name (of a thing)	Shanghai State-owned Assets Supervision and Administration Commission (SASAC)
-------------------	---

**2 natural person (law)**

□Applicable √Not Applicable

**3 Special note on the absence of de facto control of the company**

□Applicable √Not applicable

**4 Explanation of changes 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 de facto controller**

√Applicable Not applicable





## 6 Control of the company by the beneficial owner through trusts or other means of asset management

☐Applicable ☒Not applicable

### (iii) Other information on controlling shareholders and de facto controllers

☐Applicable ☒Not applicable

### (v) The ratio of the cumulative number of shares pledged by the controlling shareholder or the first largest shareholder of the Company and persons acting in concert with him to the number of shares held by him reaches 80 per cent or more.

☐Applicable ☒Not Applicable

## VI. Other legal shareholders holding more than 10 per cent of the shares

☒Applicable ☐Not applicable

Unit: RMB 10,000 Currency:

Name of corporate shareholder	Head of Unit or Legal Representative	Date of Establishment	Organisation code	registered capital	Main business operations or management activities, etc.
Shanghai Guosheng (Holdings) Limited	Shou Weiguang (1952-), Hong Kong actor	2007-09-26	91310000667805050M	2,006,600	Carry out non-financial-based, financial-assisted investment, capital operation and asset management, industrial research, socio-economic consulting. [Projects subject to approval in accordance with the law, only after approval by the relevant departments can Conducting business activities]
<b>VII. Explanation of restrictions on the reduction of shareholdings</b>					
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable					
<b>VIII. Specific implementation of share repurchases during the reporting period</b>					
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable	As at the end of the reporting period, Shanghai Guosheng (Group) Co., Ltd. held 366,845,496 shares of the Company, accounting for 3% of the total share capital of the Company. 17.21 per cent, and its subsidiary Shanghai Guosheng Group Investment Co. 1.37%, holding a total of 396,076,265 shares of the Company, representing 18.58% of the total share capital of the Company.				

## **Section VIII. Information on preference shares**

☐Applicable ☒Not Applicable

## **Section IX. Bond-related information**

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

☐Applicable ☒Not Applicable

### **II. Convertible corporate bonds**

☐Applicable ☒Not Applicable

## Section X. Financial reporting

### Audit

√Applicable □Not applicable

### reports

Xinhuihui Shi Zi [2023] No.

All shareholders of Shanghai Huayi

ZA10672

Group Co:

### I. Audit opinion

(hereinafter referred to as Huayi Group), which comprise the consolidated and parent company balance sheets as at 31 December 2022, the consolidated and parent company income statements, the consolidated and parent company statements of cash flows, 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 31 December 2022 and the consolidated and parent company results of its operations and its cash flows for the year ended 31 December 2022 in conformity with accounting principles generally accepted in the Republic of China.

### II. Basis for forming an audit opinion

We conducted our audit in accordance with the provisions of the Chinese Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the section of the audit report **entitled** "Responsibilities of Certified Public Accountants for the Audit of Financial Statements". In accordance with the Code of Ethics for Certified Public Accountants in China, we are independent of Huayi Group and have fulfilled our other responsibilities in respect of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### iii. key audit issues

Key audit matters are those matters that, in our professional judgement, are of most significance to the audit of the current financial statements. These matters are addressed in the context of the audit of the financial statements as a whole and in forming our opinion, and we do not express an opinion on them individually.

The key audit matters identified in our audit are summarised below:

Key audit matters	How the matter was addressed in the audit
<b>(i) Recoverability of accounts receivable</b>	
<p>Please refer to the accounting policies described in note III, (x) and note V, (v) of the financial statements.</p> <p>As at 31 December 2022, the original value of Huayi Group's accounts receivable was RMB2,055,685,260.46, and the bad debt allowance was RMB458,817,383.85.</p> <p>Because the management of Huayi Group is required to apply significant accounting estimates and judgements in determining the expected recoverable amount of accounts receivable and the impact is material, we have determined the recoverability of accounts receivable to be a key audit matter for this purpose.</p>	<p>The main audit procedures we performed to address the collectability of accounts receivable were:</p> <p>① Evaluate the reasonableness of the expected credit loss model adopted and the parameters used (including forward-looking information) by management in assessing the provision for bad debts through discussions with management and review of historical data;</p> <p>② Correspondence procedures were performed and the results of the correspondence were reconciled to the amounts recorded by management;</p> <p>(iii) Evaluate the reasonableness of management's provision for projected credit losses in conjunction with post-period checking of returns;</p> <p>④ Based on the information obtained from the above procedures, the allowance for bad debts</p>

#### **IV. Other information**

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

Our audit opinion on the financial statements does not cover other information, and we do not express any form of assurance conclusion on that other information. In conjunction 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 circumstances known to us in the course of our audit.

Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. In this regard, we have nothing to report.

#### **V. Management and governance responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that present fairly, in accordance with enterprise accounting standards, 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 Group's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and applying the going concern assumptions unless liquidation is planned, operations are terminated or there is no realistic alternative.

Governance is responsible for overseeing the financial reporting process of HWG.

#### **VI. Responsibilities of certified public accountants 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 it exists. Misstatements may result from fraud or error and are generally considered to be material if they could reasonably be expected, individually or in the aggregate, to affect the economic decisions of users of financial statements based on the financial statements.

In performing the audit in accordance with auditing standards, we use professional judgement and maintain professional scepticism. We also perform the following:

(i) Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures to address those risks, and obtaining audit evidence that is sufficient and appropriate to form the basis of an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk of not detecting material misstatements due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or overriding internal controls.

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

(iii) Evaluate the appropriateness of accounting policies selected and the reasonableness of accounting estimates and related disclosures made by management.

(iv) Conclude on the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, we conclude whether there is a material uncertainty about the existence of matters or circumstances that may give rise to significant doubt about Huayi Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of the users of the statements to the relevant disclosures in the financial statements in our audit report; if the disclosures are not adequate, we should express a non-qualified opinion. Our conclusions are based on the information available as at the date of the audit report. However, it is possible that future events or circumstances may cause the Wah Yee

Group to be unable to continue as a going concern.

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

(vi) Obtaining 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 audit of the Group and we accept full responsibility for the audit opinion.

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

We also provide a statement to governance that we have complied with ethical requirements related to independence and communicate with governance 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 to governance, we determined which matters were most significant to the audit of the current financial statements and, therefore, constituted key audit matters. We describe these matters in our audit report except where public disclosure of the matters is prohibited by law or regulation or, in rare instances, we determine that a matter should not be communicated in the audit report if it is reasonably anticipated that the negative consequences of communicating the matter in the audit report would outweigh the benefits to the public interest.

**Lixin CPA Firm**  
**Xu Liqun**  
**(special general partnership)**

**Chinese Certified Public Accountant:**  
**(project partner)**

**Chinese Certified Public Accountant: Lv**  
**Jie**

**China - Shanghai**

**31st March 2003**

## financial statement

Consolidated  
balance sheet 31Prepared by: Shanghai Huayi Group  
Co.

December 2022

Unit: Yuan Currency:

	Note 5	31 December 2022	31 December 2021 RMB
<b>Liquid assets:</b>			
money funds	(i)	16,569,813,702.27	9,907,109,351.70
Provision for settlement			
invested sum that can be cashed			
Financial assets held for trading	(ii)	1,368,465,133.72	1,433,588,957.15
derivative financial asset			
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			
Receivables from reinsurance			
Reserve for reinsurance contracts receivable			
Other receivables	(viii)	135,330,248.63	80,036,865.58
Of which: Interest receivable			
Dividends receivable		12,916,000.00	30,263,328.95
Bought and sold financial assets	(ix)	500,449,178.06	800,585,322.92
inventory (of material)	(x)	4,766,323,504.75	4,664,128,459.27
Contractual 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>			
Release of loans and advances	(xv)	3,828,223,090.02	5,626,682,318.54
debenture 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 property	(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	78 / 361		
usufructuary assets	(xxvii)	301,899,289.66	298,916,362.79
intangible asset	(xxviii)	1,555,220,408.05	1,643,566,288.03
development expenditure			



reputation of a firm's product	(xxx)	62,546,981.26	62,546,981.26
Long-term amortised expenses	(xxxi)	143,718,603.75	155,830,526.07
Deferred 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 loan	(xxxiv)	2,388,461,568.72	1,414,264,686.75
Borrowing from the Central Bank			
funds on call			
Trading financial liabilities			
Derivative financial liabilities			
banknote payable	(XXXVII)	941,811,369.27	1,143,373,149.07
accounts payable	(xxxviii)	4,760,669,421.75	3,822,501,674.78
Advance receipts	(XXXIX)	696,896.60	324,821.57
Contractual liabilities	(xl)	842,747,711.44	924,388,342.13
Sales of repurchased financial assets			
Deposit-taking and interbank deposits	(XLI)	10,986,404,988.70	9,680,048,282.55
Securities brokerage			
Underwriting of securities			
Employee remuneration payable	(XLII)	279,664,298.01	288,225,200.42
Taxes payable	(XLIII)	302,189,707.43	807,155,248.97
Other accounts payable	(xliv)	2,766,339,021.69	2,641,422,588.58
Of which: Interest payable			
dividend payable		16,253,625.24	5,965,668.99
Fees and commissions payable			
Accounts payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	(xlv)	519,886,541.83	948,060,966.86
Other current liabilities	(XLVII)	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>			
Reserves for insurance contracts			
long term loan	(xlviii)	5,513,436,957.44	2,418,236,360.52
bonds payable	(XLIX)	2,428,204,356.45	2,218,326,429.49
Of which: preference shares			
perpetual bond			
leasehold liability	(Fifty)	262,673,490.96	241,014,580.56
Long-term accounts payable	(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 liability	(fifty-three)	14,139,400.00	12,961,400.00
Deferred income	(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

Annual Report

2022

Total liabilities		33,150,811,222.77	27,793,819,103.07
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<b>Owners' 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: preference shares			
perpetual bond			
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	(xx)	-152,098,992.47	-100,567,360.32
earmark	(xxxi)	116,892.37	2,761,493.48
surplus surplus	(xxxii)	739,507,943.80	589,490,019.34
General risk provision			
unallocated profit	(xxxiii)	10,052,103,193.44	9,816,118,454.74
Owners' equity (or shareholders' equity) attributable to the parent company		21,766,484,870.48	21,468,365,987.27
Total (benefits)			
Minority interests		4,283,595,289.59	3,361,743,263.04
Total owners' equity (or shareholders' equity)		26,050,080,160.07	24,830,109,250.31
Liabilities and owners' equity (or shareholders' rights)		59,200,891,382.84	52,623,928,353.38
Total (benefits)			

Person in charge of the company: Liu Xunfeng

Responsible for accounting

work: Xu Liheng

Head of Accounting Organisation: Guo Mu

**Parent company****balance sheet 31**

Prepared by: Shanghai Huayi Group

December 2022

Co.

Unit: Yuan Currency:

	<b>spor ts eve nt</b>	<b>Note 15</b>	<b>31 December 2022</b>	<b>31 December 2021</b> RMB
<b>Liquid assets:</b>				
money funds			419,234,464.83	606,028,842.10
Financial assets held for trading			128,696,206.40	161,643,081.40
derivative financial asset				
notes receivable				
accounts receivable	(i)			58,756,489.02
Receivables financing				
Prepayments				8,685.81
Other receivables	(ii)		946,386,521.05	1,546,797,993.20
Of which: Interest receivable				
Dividends receivable				
inventory (of material)				
Contractual assets				
Assets held for sale				
Non-current assets due within one year				
Other current assets	81 / 361		6,240,792.51	25,317,957.96
Total current assets			1,500,557,984.79	2,398,553,049.49
<b>Non-current assets:</b>				
debenture investment				
Other non-current assets				

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 property		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			
usufructuary assets		20,310,228.77	2,518,792.75
intangible asset		19,012,861.01	25,311,262.57
development expenditure			
reputation of a firm's product			
Long-term amortised expenses			
Deferred 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 loan		1,751,491,187.50	700,451,750.52
Trading financial liabilities			
Derivative financial liabilities			
banknote payable			
accounts payable		3,806,369.22	5,621,658.00
Advance receipts			
Contractual liabilities			
Employee remuneration payable		2,601,677.04	15,464,404.75
Taxes payable		11,645,170.68	1,099,429.86
Other accounts payable		181,655,884.61	781,646,320.95
Of which: Interest payable			
dividend 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 loan		677,400,000.00	1,410,600,000.00
bonds payable			
Of which: preference shares			
perpetual bond			
Lease liabilities		16,304,766.72	
Long-term accounts payable			
Long-term employee compensation payable			
projected liability			
Deferred income		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

Annual Report

2022

Total liabilities		2,701,217,233.98	2,978,835,291.22
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<b>Owners' 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: preference shares			
perpetual bond			
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
earmark			
surplus surplus		739,507,943.80	589,490,019.34
unallocated profit		3,603,684,430.98	3,148,731,942.03
Total owners' equity (or shareholders' equity)		18,560,340,969.57	17,940,302,280.45
Liabilities and owners' equity (or shareholders' equity)		21,261,558,203.55	20,919,137,571.67
(grand) total			

Person in charge of the company: Liu Xunfeng

Responsible for accounting

work: Xu Liheng

Head of Accounting Organisation: Guo Mu

**Consolidated****Income****Statement**

January-

December 2022

Unit: Yuan Currency: RMB

<b>sports event</b>	<b>Note 5</b>	<b>2022</b>	<b>2021</b>
I. Gross operating income		38,937,467,427.09	40,034,470,765.16
Of which: Operating income	(64)	38,511,107,497.47	39,691,837,446.67
Interest income	(sixty-five)	426,359,929.62	342,633,318.49
Earned premiums			
Fee and commission income			
II. Total operating costs		37,950,629,485.51	36,023,401,369.01
Of which: Operating costs	(64)	35,106,492,888.38	32,785,757,598.25
interest expense	(sixty-five)	186,638,271.09	175,635,019.23
Handling fee and commission expenses	(xlvi)	737,104.96	780,995.37
surrender charge			
Net claims expenditure			
Net withdrawal of reserve for insurance liabilities			
Policy dividend expenses			
Reinsurance costs			
Taxes and surcharges	(xxviii)	179,019,425.19	199,021,925.00
sales expense	(sixty-eight)	508,169,812.13	520,064,680.32
overheads	(sixty-nine)	1,075,505,368.08	1,259,779,930.20
R&D costs	(seventy)	697,544,527.05	782,223,562.36
financial cost	(xxxi)	196,522,088.63	300,137,658.28
Of which: interest costs	<b>84 / 361</b>	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
Investment income (loss is	(seventy-	419,168,612.89	530,348,686.97

Exchange gains (losses are represented by a "-" sign)		4,173,899.34	-978,148.01
Net open hedge gains (losses are represented by "-") (No.)			
Gain (loss of "-") on change in fair value (No.)	(seventy-five)	-107,110,679.56	47,108,997.02
Credit impairment losses (losses marked with a "-") (fill in the blanks)	(viii)	478,751.93	-19,309,740.40
Impairment losses on assets (losses are marked with a "-") (fill in the blanks)	(viii)	-173,703,226.63	-454,020,751.73
Gain (loss marked with a "-") on disposal of assets (fill in the blanks)	(78)	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	(79)	77,779,194.78	27,993,086.10
Less: Non-operating expenses	(80)	9,668,378.08	16,163,118.23
IV. Total profit (total loss is filled in with a "-" sign) (columns)		2,108,459,352.59	4,449,603,325.25
Less: Income tax expense	(81)	415,881,119.54	918,883,249.03
V. Net profit (net loss is represented by a "-" sign)		1,692,578,233.05	3,530,720,076.22
(i) Classification by continuity of operations			
1. Net profit from continuing operations (net loss to "-" sign)		1,692,578,233.05	3,530,720,076.22
2. Net profit from discontinued operations (net loss to "-" sign)			
(ii) Classification by ownership			
1. Net income 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 gains and losses (net loss is represented by "-") (No.)		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 proceeds after tax		-51,531,632.15	13,978,799.34
1. Other comprehensive income that cannot be reclassified to profit or loss proceed		-3,114,399.60	1,092,964.00

(1) Remeasurement of changes in defined benefit plans		-3,114,399.60	1,092,964.00
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method combined income			
(3) Changes in fair value of investments in other equity instruments act			
(4) Changes in fair value of the enterprise's own credit risk act			
2. Other comprehensive income reclassified to profit or loss all the more		-48,417,232.55	12,885,835.34
(1) Other comprehensive income available for transfer to profit or loss under the equity method proceed		1,754,951.44	-453,838.13
(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) Other			
(ii) Other comprehensive income attributable to minority shareholders Net benefit after tax		-39,978,611.39	-2,200,381.31
VII. Total comprehensive income		1,601,067,989.51	3,542,498,494.25
(i) Comprehensive income attributable to owners of the parent company Total benefits		1,229,679,862.17	2,981,705,555.82
(ii) Total comprehensive income attributable to minority shareholders horizontal tablet or inscribed board		371,388,127.34	560,792,938.43
VIII. Earnings per share:			
(i) Basic earnings per share (yuan/share)	(83)	0.60	1.39
(ii) Diluted earnings per share (\$/share)	(83)	0.60	1.39

In the case of a business combination under the same control during the current period, the net profit realised by the party to be merged before the merger was: NT\$0, **and** the net profit realised by the party to be merged during the previous period was: NT\$0.

Person in charge of the company: Liu Xunfeng

Responsible for accounting

work: Xu Liheng

Head of Accounting Organisation: Guo Mu

**Parent  
Company  
Income  
Statement**

January-  
December 2022

Unit: Yuan Currency: RMB

<b>spor ts eve nt</b>	<b>Note 15</b>	<b>2022</b>	<b>2021</b>
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
sales expense			
overheads		143,545,328.22	181,490,867.36
R&D costs			
financial cost		47,477,268.77	50,544,088.80
Of which: interest costs		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 represented by a "-" sign)	(v)	1,675,451,377.44	673,273,851.69
Of which: Investment income from associates and joint ventures all the more	87 / 361	8,906,559.19	7,254,909.05
Termination of financial assets measured at amortised cost			

(i) Net profit from continuing operations (net loss is marked with a "-") (fill in the blanks)		1,500,179,244.57	496,882,700.41
(ii) Net profit from discontinued operations (net loss is marked with a "-") (fill in the blanks)			
V. Other comprehensive income, net of tax			
(i) Other comprehensive income not reclassifiable 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 horizontal tablet or inscribed board			
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 (\$/share)		0.70	0.23

Person in charge of the company: Liu Xunfeng

Responsible for accounting

work: Xu Liheng

Head of Accounting Organisation: Guo Mu

**Consolidated  
Cash Flow  
Statement**

January-  
December 2022

Unit: Yuan Currency: RMB

spor ts eve nt	Note 5	2022	2021
<b>i. Cash flows from operating activities:</b>			
Cash received from sales of goods and services	88 / 361	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

Cash payments for original insurance contract claims			
Net increase in funds disbursed			
Cash paid for interest, fees and commissions		161,795,728.08	252,971,635.69
Cash for payment of policy dividends			
Cash paid to and for employees		2,455,623,973.75	2,286,526,814.10
Taxes paid		1,801,580,704.86	1,433,589,553.11
Payments of other cash related to operating activities	(85)	1,156,365,044.29	1,200,645,388.60
Subtotal cash outflows 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 recovery of investments		1,001,254,328.80	1,369,365,465.20
Cash received from 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 on disposal of subsidiaries and other operating units net amount			
Other cash received relating to 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 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 amount			
Payments of other cash related to investing activities	(85)		30,000,000.00
Subtotal cash outflows 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 by subsidiaries from absorption of minority investments		772,732,500.00	335,016,000.00
generic term for lustrous and ductile metals			
Cash received for borrowings		8,415,467,770.62	3,600,298,345.03
Other cash received related to financing	(85)		

activities			
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 and profits paid by subsidiaries to minority shareholders		87,435,978.97	48,694,830.70
Other cash payments related to financing activities	(85)	53,345,223.12	38,439,218.20
Subtotal cash outflows 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. Impact 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 beginning of period		9,665,113,659.26	7,918,310,235.27
<b>VI. Cash and cash equivalents balance at end of period</b>		15,943,328,225.67	9,665,113,659.26

Person in charge of the company: Liu Xunfeng

Responsible for accounting

work: Xu Liheng

Head of Accounting Organisation: Guo Mu

**Parent  
Company Cash  
Flow Statement**

sports event	January December 2022	2022	2021
			Unit: Yuan Currency: RMB
<b>i. Cash flows from operating activities:</b>			
Cash received from sales of goods and services		93,190,042.49	17,610,487.89
Tax refunds received		17,282,116.80	35,211,882.18
Other cash received in relation to 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 goods and services			4,195,294.05
Cash paid to and for employees		124,180,138.78	124,691,020.67
Taxes paid		3,248,556.19	3,151,941.40
Payments of other cash related to operating activities		19,759,559.26	38,212,341.98
Subtotal cash outflows 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 recovery of investments			
Cash received from 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 on disposal of subsidiaries and other operating units net amount			
Other cash received related to investing activities		615,648,639.94	
Subtotal cash inflow from investing activities		2,285,458,178.19	764,039,839.64
Acquisition 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 amount			
Payments of other cash related to investing activities			
Subtotal cash outflows from investing activities		1,224,304,458.54	1,515,133,947.55
Net cash flows from investing activities		1,061,153,719.65	-751,094,107.91
<b>III. Cash flows from financing activities:</b>			
Cash received from absorption of investments	91 / 361		18,830,308.00
Cash received for borrowings		2,650,000,000.00	2,452,776,954.58
Other cash received related to financing activities			
Subtotal cash inflow from financing		2,650,000,000.00	2,471,607,262.58

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

Responsible for accounting  
Head of Accounting Organisation: Guo Mu



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

Unit: Yuan Currency:

sports events	2022													RMB	
	Equity attributable to owners of the parent company													Minority interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			capital surplus	Less: Treasury stock	Other comprehensive income	earmark	surplus surplus	General risk provision	unallocated profit	the rest	Subtotal		
		preferential shares	perpetual bond	the rest											
I. Prior year-end balance	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															
Same-control business combinations															
the rest															
II. Opening balance for 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. Changes during the period (decreases are represented by "-") (No.)					-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) Owners' inputs and reductions in 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 by holders of other equity instruments															
3. Amount of share-based payments credited to 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) Distribution of profits									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 carry-forward of owners' equity															
1. Transfer of capital surplus to capital (or share capital)															
2. Transfer of surplus to capital (or share capital)															
3. Surplus surpluses to cover losses															
4. Transfer of changes in defined benefit plans to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Other															
(v) Earmarked reserves								-2,644,601.11					-2,644,601.11	20,802.02	-2,623,799.09
1. Withdrawals during the period								13,985,380.21					13,985,380.21	4,624,202.46	18,609,582.67



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2022

Report even t	2021														Minority interests	Total owners' 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	earnmark	surplus surplus	Gener al risk provisi on	unallocated profit	the rest	Subt otal			
		preferen tial shares	perpetu al bond	(sth. or sb) else												
I. Prior year-end balance	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																
Same-control business combinations																
(sth. or sb) else																
II. Opening balance for 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. Changes during the period (decreases are represented by "-") (No.)	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) Owners' inputs and reductions in 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 by holders of other equity instruments																
3. Amount of share-based payments credited to 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) Distribution of profits									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 carry-forward of owners' equity																
1. Transfer of capital surplus to capital (or share capital)																
2. Transfer of surplus to capital (or share capital)																
3. Surplus surpluses to cover losses																
4. Transfer of changes in defined benefit plans to retained earnings																
5. Other comprehensive income carried forward to retained earnings																
6. Other																
(v) Earmarked reserves								-3,692,839.27					-3,692,839.27	-1,312,726.24	-5,005,565.51	
1. Withdrawals during the period								13,247,049.53					13,247,049.53	2,510,112.50	15,757,162.03	

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2022

2. Use during the period							16,939,888.80					16,939,888.80	3,822,838.74	20,762,727.54	
(vi) Other															
IV. Closing balance for 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

Responsible for accounting work: Xu Liheng

Head of Accounting

Organisation: Guo Mu

**Statement of changes  
in equity of the parent  
company January-  
December 2022**

Unit: Yuan Currency: RMB

sports event	2022										
	Paid-in capital (or share capital)	Other equity instruments			capital surplus	Less: Treasury stock	Other comprehensive income	earmark	surplus surplus	unallocated profit	Total owners' equity
		preferre d share	perpetu al bond	the rest							
I. Prior year-end balance	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											
the rest											
II. Opening balance for 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
III. Amount of increase or decrease during the period (decreases are indicated by 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) Owners' inputs and reductions in capital					15,068,275.71						15,068,275.71
1. Ordinary shares invested by owners											
2. Capital contributions by holders of other equity instruments											
3. Amount of share-based payments credited to owners' equity					15,068,275.71						15,068,275.71
4. Other											
(iii) Distribution of profits									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 carry-forward of owners' equity											
1. Transfer of capital surplus to capital (or share capital)											
2. Transfer of surplus to capital (or share capital)											
3. Surplus surpluses to cover losses											
4. Carry-over of changes in defined benefit plans to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(v) Earmarked reserves											
1. Withdrawals during the period											
2. Use during the period					97 / 361						
(vi) Other											
IV. Closing balance for the period	2,131,449,598.00				12,204,654,710.99	102,771,473.00	-16,184,241.20		739,507,943.80	3,603,684,430.98	18,560,340,969.57

## Annual Report

2022

sport s even t	2021										
	Paid-in capital (or share capital)	Other equity instruments			capital surplus	Less: Treasury stock	Other comprehensive income	earmark	surplus surplus	unallocated profit	Total owners' equity
		prefere ntial shares	perpetu al bond	the rest							
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											
the rest											
II. Opening balance for 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
III. Amount of increase or decrease during the period (decreases are indicated by 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) Owners' inputs and reductions in 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 by holders of other equity instruments											
3. Amount of share-based payments credited to owners' equity	26,152,835.00				90,679,170.03	102,771,473.00					14,060,532.03
4. Other											
(iii) Distribution of profits									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 carry-forward of owners' equity											
1. Transfer of capital surplus to capital (or share capital)											
2. Transfer of surplus to capital (or share capital)											
3. Surplus surpluses to cover losses											
4. Carry-over of changes in defined benefit plans to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(v) Earmarked reserves											
1. Withdrawals during the period											
2. Use during the period											
(vi) Other											
IV. Closing balance for 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  
Organisation: Guo Mu

Responsible for accounting work: Xu Liheng

Head of Accounting

## I. Basic information of the Company (I) Overview of the Company

√Applicable Not applicable

Ltd. (formerly known as Shanghai Tyre & Rubber (Group) Co., Ltd. and Double Coin Group Co., Ltd., hereinafter referred to as "the Company" or "the Company") was formerly known as Shanghai Tyre & Rubber (Group) Co. In May 1992, it was approved to be restructured into a sino-foreign joint stock company, and in December 1992, it was listed on the Shanghai Stock Exchange.

According to the resolution of the shareholders' meeting related to the A-share market of the Company's shareholding reform on 10 April 2006, the shareholders of the non-circulating shares will be entitled to receive a share of the Company's shares in the form of a shareholding reform certificate. On the basis of 18 May 2006, the date of registration of A shares, 7 shares for every 10 A shares will be given to the shareholders of the outstanding A shares, and the total payment will be as follows 16,016,000 shares as consideration for the acquisition of circulation rights for the non-circulating shares, whereby the non-circulating shareholders were granted circulation rights for the non-circulating shares held by them.

The listing date of the Consideration Shares is 22 May 2006. Following the implementation of the Share Reform Plan, as of 5 January 2011, the Company's shares have been listed on the Stock Exchange on 22 May 2006, the date of listing of the Consideration Shares.

The 889,467,722 Shares are unlimited shares.

Pursuant to the resolution of the First Extraordinary General Meeting of 2015 of the Company, the Securities Supervision and Administration Commission of China issued the Securities and Futures Commission Licence [2015] 1721

Ltd. in August 2015 to purchase equity interests in 7 companies including Shanghai Huayi Energy Chemical Co., Ltd. held by Shanghai Huayi Holding Group Co. Ltd. and increased the registered capital by RMB940,784,985.00, and increased the registered capital by RMB287,178,206.00 by privately issuing 287,178,206 RMB ordinary shares (A shares) with a par value of RMB1 each to specific investors in November 2015. The changed registered capital is RMB2,117,430,913.00.

Pursuant to the resolution of the First Extraordinary General Meeting of 2018 of the Company, the Company repurchased 12,134,150 ordinary shares (A shares) of the Company held by Shanghai Huayi Holding Group Co. at an aggregate price of RMB1 in March 2019 and cancelled them. The changed registered capital is RMB2,105,296,763.00.

Pursuant to the resolution of the Third Extraordinary General Meeting of the Company in 2020 and the resolution of the Seventh Meeting of the Tenth Session of the Board of Directors, the Company determines that in 2020

On 16 December, the first grant date was set for the grant of 25,084,600 A-share restricted shares to 278 eligible incentive recipients, and the first grant was made on 16 December. The grant price was RMB3.85 per share. As at 6 January 2021, the Company had received actual subscription proceeds totalling RMB96,575,710.00 from 278 incentive recipients. The source of restricted shares granted this time was the Company's direct issue of RMB A ordinary shares to the incentive recipients, and the first grant under the Restricted Share Incentive Scheme increased the registered capital of the Company by RMB25,084,600.00.

Pursuant to 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 of the Company, the Company determined that 2021

On 6 December 2012, the date set aside for the grant of shares, 1,068,235,000 A-share restricted shares were granted to 16 eligible incentive recipients.

The price of the first grant was RMB5.80 per share. As at 21 December 2021, the Company had received actual subscription proceeds totalling RMB6,195,763.00 from the 16 incentive recipients. The source of restricted shares granted this time was the Company's directed issue of RMBA ordinary shares to the

incentive recipients, and the first grant of the Restricted Share Incentive Scheme increased the registered capital of the Company by RMB1,068,235.00.

As of 31 December 2022, the accumulated total issued share capital of the Company is 2,131,449,598 shares, with a registered capital of 2,131,449,598.00 yuan. Business scope: wholesale, import and export, commission agency (except auction) and related business of chemical products (dangerous chemicals according to the scope of the permit) plastics, paints, pigments, dyestuffs and other related products; research and development, production of tyres, tyres, rubber shoes and other rubber products and the accessories of the foregoing products, rubber raw and auxiliary materials, rubber machinery, moulds, tyre and rubber products steel wire (limited to branches); sales of self-produced products. (limited to branches) sales of self-produced products. [does not involve state trade management commodities, involving quotas, licences management commodities, in accordance with relevant state regulations for the application; projects subject to approval in accordance with the law, approved by the relevant departments before carrying out business 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 have been approved for reporting by the Company's Board of Directors on 31 March 2023

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

✓/Applicable Not applicable

For details of our 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, see “VI. Changes in the scope of consolidation” in this note.

## **II. Basis of preparation of the financial statements (i)**

### **Basis of preparation**

本财务报表按照财政部颁布的《企业会计准则——基本准则》和各项具体会计准则、企业会计准则应用指南、企业会计准则解释及其他相关规定（以下合称“企业会计准则”），以及中国证券监督管理委员会《公开发行证券的公司信息披露编报规则第15号——财务报告的一般规定》的相关规定编制。

### **(ii) Going concern**

√Applicable Not applicable

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

There are no material doubts about the company's ability to continue as a going concern for the 12 months from the end of the reporting period.

### **Critical Accounting Policies and Accounting Estimates**

Specific Accounting Policies and Accounting Estimates

Reminder:

□Applicable √Not Applicable

### **(i) Statement of compliance with enterprise accounting standards**

The financial statements comply with the requirements of the Enterprise Accounting Standards issued by the Ministry of Finance, and give a true and complete account of the Company's financial position as at 31 December 2022, and of the Company's results of operations for the year then ended.

Consolidated and Parent Company Financial Condition as of December 31, 2012 and Consolidated and Parent Company Results of Operations and Cash Flows for Fiscal Year 2022

### **(ii) Accounting period**

A fiscal year begins on 1 January and ends on 31 December of the Gregorian calendar.

### **(iii) Business cycle**

√Applicable Not applicable

The Company's operating cycle is 12 months.

### **(iv) Currency of account**

The Company adopts Renminbi (RMB) as its local currency of account. The subsidiaries of the Company determine their local currency of account in accordance with the major economic environments in which they operate. The financial statements are presented in RMB.

### **(v) Accounting treatment of business combinations under common control and non-common control**

√Applicable □Not applicable

Business combinations under the same control: Assets and liabilities acquired by the combining parties in a business combination (including goodwill resulting from the acquisition of the consolidated party by the ultimate controlling party) are measured on the basis of the carrying value of the assets and



liabilities of the consolidated party in the consolidated financial statements of the ultimate controlling party at the date of the combination. The difference between the book value of net assets acquired in the merger and the book value of the merger consideration paid (or the total nominal value of the shares issued) is adjusted to the equity premium in capital surplus, and the retained earnings is adjusted to the extent that the equity premium in capital surplus is not sufficient to eliminate the difference.

Business combination not under common control: The cost of combination is the fair value of assets given, liabilities incurred or assumed, and equity securities issued by the purchaser at the date of purchase in order to obtain control of the purchased party. The difference between the cost of the combination and the fair value of the share of the acquiree's identifiable net assets acquired in the combination is recognised as goodwill; the difference between the cost of the combination and the fair value of the share of the acquiree's identifiable net assets acquired in the combination is recognised in profit or loss for the current period. Each of the identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a combination that meets the conditions for recognition is measured at fair value at the date of purchase.

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

## **(vi) Method of preparation of consolidated financial statements**

√Applicable □Not

applicable 1.

### **Scope of consolidation**

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

## **2. Consolidation process**

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 between the Company and its subsidiaries and between subsidiaries are eliminated. If an internal transaction indicates that an impairment loss on the related asset has been incurred, the full amount of such loss is recognised. If the accounting policies and accounting periods adopted by subsidiaries are not consistent with those of the Company, necessary adjustments are made to the consolidated financial statements in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements.

The share of minority shareholders in the subsidiary's ownership interest, net profit or loss for the period and comprehensive income for the period are shown 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 income statement under the item of total comprehensive income, respectively. The balance resulting from the excess of the minority shareholders' share of a subsidiary's loss for the period over the minority shareholders' share of the subsidiary's equity at the beginning of the period is eliminated to reduce the minority 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 results of operations and cash flows from the beginning to the end of the period in which the subsidiary or business is combined are included in the consolidated financial statements, and adjustments are also made to the opening balance of the consolidated financial statements and the related items in the comparative statements, and the consolidated reporting entity is deemed to have existed from the point at which the party ultimately controlling the subsidiary or business began to control the subsidiary or business.

If an investee under the same control is able to exercise control over the investee as a result of additional investment, etc., equity investments held prior to the acquisition of control over the consolidated entity are eliminated from the beginning of the comparative period by reducing the opening retained earnings or current profit or loss of the comparative period, respectively, if the equity investment was held before the acquisition of the control over the consolidated entity, from the later of the date of acquisition of the original equity interest and the date on which the consolidating entity and the consolidated entity are under the same control to the date of the consolidation.

During the reporting period, the addition of subsidiaries or businesses as a result of a business combination not under the same control is included in the consolidated financial statements from the date of purchase on the basis of 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 in the investee held prior to the date of purchase is remeasured at the fair value of the equity in the investee at the date of purchase, and the difference between the fair value and its carrying amount is included in investment income for the current period. Other comprehensive income that can be reclassified to profit

or loss and other changes in equity under the equity method in respect of the equity interest in the acquiree held prior to the date of purchase are transferred to investment income for the period in which the purchase is made.

( 2 ) Disposal of subsidiaries

① General treatment

When control over an investee is lost as a result of the disposal of a portion of an 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 obtained from the disposal and the fair value of the remaining equity interest, less the sum of the share of the original subsidiary's net assets continuously measured from the date of purchase or the date of consolidation based on the original shareholding ratio and goodwill, is included in investment income in the period in which control is lost. Other comprehensive income that can be reclassified to profit or loss in the future and other changes in owners' equity under the equity method of accounting related to equity investments in the original subsidiaries are transferred to investment income in the current period when control is lost.

② Step-by-step disposal of subsidiaries

If the equity investment in a subsidiary is disposed of in stages through multiple transactions until the loss of control, the terms, conditions, and economic effects of each transaction to dispose of the equity investment in the subsidiary meet one or more of the following conditions, which generally indicates that the multiple transactions are a package deal:

- i. These transactions are entered into simultaneously or with consideration of the effects of each other;
- ii. It is the totality of these transactions that will lead to a complete business result;
- iii. The occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- iv. A transaction is uneconomical when viewed in isolation, but economical when considered in conjunction 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 investment disposed of in each disposal prior to the loss of control is recognised in the consolidated financial statements as other comprehensive income, and is transferred to profit or loss for the period in which the loss of control occurs when the loss of control occurs.

If each transaction is not a package deal, prior to the loss of control, it is accounted for as a partial disposal of an equity investment in a subsidiary without the loss of control, and upon the loss of control, it is accounted for as a disposal of a subsidiary under the general treatment of disposal of subsidiaries.

( 3 ) Purchase of minority interests in subsidiaries

The difference between the newly acquired long-term equity investment as a result of the purchase of a minority interest and the share of the subsidiary's net assets calculated on the basis of the newly acquired shareholding on an ongoing basis from the date of purchase or the date of consolidation is adjusted to the equity premium in capital surplus in the consolidated balance sheet, and the retained earnings are adjusted to the extent that equity premium in capital surplus is not sufficient to offset the difference.

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

The difference between the disposal price and the corresponding share of the disposal long-term equity investment in the net assets of the subsidiary calculated on a continuous basis from the date of purchase or the date of consolidation is adjusted to the equity premium in capital surplus in the consolidated balance sheet, and the retained earnings are adjusted to the extent that equity premium in capital surplus is not sufficient to eliminate the difference.

**(vii) Classification of joint arrangements and accounting treatment of joint operations**

√Applicable Not applicable

Joint venture arrangements are classified as joint operations and joint ventures.

A joint operation is a joint arrangement in which the parties to the arrangement are entitled to the assets and are liable for the liabilities associated with the arrangement. The Company recognises the following items relating to the share of interest in joint operations:

- (1) Recognition of assets held individually by the Company and of assets held jointly in the Company's share;
- (2) Recognition of liabilities borne individually by the Company and recognition of liabilities borne jointly in the Company's share;
- (3) Recognise revenue from the sale of the Company's share of common operating output;
- (4) Revenue from joint operations arising from the sale of output is recognised at the Company's share;
- (5) Recognition of 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 using the equity method, as described in "V. (XIX) Long-term equity investments" in this note.

**(viii) Criteria for determining cash and cash equivalents**

Cash refers to the Company's cash on hand and deposits that are readily available for disbursement. Cash equivalents are investments held by the Company that have short maturities, are highly liquid, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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

√Applicable ☐

Not applicable 1.

**Foreign  
currency  
operations**

Foreign currency operations are recorded using the spot exchange rate at the date of the transaction as the conversion rate to translate foreign currency amounts into RMB.

Balances of monetary items denominated in foreign currencies at the balance sheet date are translated at the spot exchange rate at the balance sheet date, and the resulting exchange differences are included in profit or loss for the current period, except for exchange differences arising from specialised borrowings in foreign currencies relating to the acquisition and construction of assets eligible

for capitalisation, which are dealt with in accordance with the principle of capitalisation of borrowing costs.

## **2. Translation of foreign currency financial statements**

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

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

### **(x) Financial instruments**

✓Applicable ☐Not applicable

The Company recognises a financial asset, a financial liability or an equity instrument when it becomes a party to the contract for the financial instrument. **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 on initial recognition as follows: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The Company classifies financial assets at amortised cost that meet both of the following conditions and are not designated as at fair value through profit or loss:

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

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

- 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 amount of principal outstanding.

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

Except for the above financial assets measured at amortised cost and 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 at amortised cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss if the accounting mismatch can be eliminated or significantly reduced.

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

## **2. Basis of recognition and measurement of financial instruments**

### **( 1 ) Financial assets measured at amortised cost**

Financial assets carried at amortised cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, with the related transaction costs included in the amount initially recognised; accounts receivable that do not contain a significant financing component and those for which the Company has decided to disregard a financing component of no more than one year are initially measured at the contractual transaction price.

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

Upon recovery or disposal, the difference between the price obtained and the carrying amount of the financial asset is recognised in profit or loss.

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

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

On derecognition, the cumulative gain or loss previously included in other comprehensive income is transferred out of other comprehensive income and recognised in profit or loss for the period.

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

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

On derecognition, the cumulative gain or loss previously included in other comprehensive income is transferred from other comprehensive income to retained earnings.

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

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

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

( 6 ) Financial liabilities measured at amortised cost

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

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

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

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

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

- The contractual right to receive cash flows from a financial asset is terminated;
- The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferor;
- Financial assets have been transferred, although the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets, but has not retained control of the financial assets.

When a transfer of a financial asset occurs, the financial asset is not derecognised if substantially all the risks and rewards of ownership of the financial asset are retained.

The principle of substance over form is applied in determining whether a transfer of a financial asset satisfies the conditions for derecognition of a financial asset described above.

The Company distinguishes between transfers of financial assets as a whole and partial transfers of financial assets. If the overall transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts is recognised in profit or loss for the current period:

- (1) Carrying value of financial assets transferred;
- (2) The sum of the consideration received as a result of the transfer and the cumulative amount of changes in fair value that would have been recognised directly in owners' equity (in cases where the financial assets transferred are financial assets (debt instruments) 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 transferred financial asset as a whole is apportioned between the derecognised portion and the non-derecognised portion in accordance with their respective relative fair values, and the difference between the two amounts listed below is recognised in profit or loss for the current period:

- (1) Carrying value of the derecognition component;
- (2) The sum of the derecognition portion of the consideration and the amount corresponding to the derecognition portion of the cumulative amount of changes in fair value that would have been recognised directly in owner's equity (in the case where the financial asset transferred is a financial asset at fair value through other comprehensive income (debt instrument)).

If the transfer of a financial asset does not satisfy the conditions for derecognition, the financial asset continues to be recognised and the consideration received is recognised as a financial liability.

### 4. Derecognition of financial liabilities

A financial liability or a portion of a financial liability is derecognised 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 substantially different from those of the existing financial liability, the Company derecognises the existing financial liability and recognises the new financial liability at the same time.

A material modification of all or part of the contractual terms of an existing financial liability derecognises the existing financial liability or a portion of it and recognises the modified terms as a new financial liability.

When a financial liability is derecognised in whole or in part, the difference between the carrying amount of the financial liability derecognised and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognised 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 recognised and the portion that is derecognised. The difference between the carrying amount allocated to the derecognised portion and the consideration paid, including the non-cash assets transferred



or new financial liabilities assumed, is recognized in profit or loss.

## **5. Methods of determining the fair value of financial assets and financial liabilities**

The fair value of financial instruments for which an active market exists is determined using quoted prices in an active market. For financial instruments for which no active market exists, valuation techniques are used to determine fair value. At the time of valuation, the Company selects inputs that are consistent with the characteristics of the asset or liability that would be considered by a market participant in a transaction for the underlying asset or liability, using valuation techniques that are appropriate in the circumstances and are supported by sufficient available data and other information, and gives preference to the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are not available or practicable to obtain.

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

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

The Company recognises expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable on a contract and the cash flows expected to be received, taking into account information that is reasonable and supportable in light of relevant past events, current conditions and projections of future economic conditions, weighted by the risk of default occurring.

If the credit risk of a 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 entire life of the financial instrument; if the credit risk of a 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. The resulting increase or reversal of the allowance for losses is recognised 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 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. Generally, the Company considers that the credit risk of a financial instrument has increased significantly when it is past due for more than 30 days, 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 for credit purposes, the Company makes a provision for impairment of that financial asset on an individual basis.

For receivables and contract assets resulting from transactions regulated by ASBE No. 14 - Revenue (2017), regardless of 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 losses over the entire duration.

For lease receivables, the Company has elected to always measure its allowance for losses at an amount equal to the expected credit losses over the entire duration. If the Company no longer has a reasonable expectation that the contractual cash flows from a financial asset will be recovered in whole or in part, it directly writes down the carrying amount of the financial asset.

Amount.

Methods of determining credit losses for each type of financial asset:

(1) notes receivable

For notes 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 losses over the entire duration.

Notes receivable are classified into different portfolios based on their credit risk characteristics:

Portfolio Name	Basis for determining the portfolio
Notes receivable portfolio 1	banker's acceptance
Notes receivable portfolio 2	commercial promissory note
(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 losses over the entire duration.

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

Portfolio Name	Basis for determining the portfolio
Accounts receivable portfolio 1	Credit risk characteristics

(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 losses within the next 12 months, or over the entire duration.

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

Portfolio Name	Basis for determining the portfolio
Other receivables portfolio 1	External receivables
Other receivables portfolio 2	Transactions within the scope of the consolidated statements

**(xi) Notes receivable**

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

✓Applicable ☐Not applicable

See annex III. (x) Financial instruments for details.

**(xii) Accounts receivable**

**Methods of determining and accounting for expected credit losses on accounts receivable**

✓Applicable ☐Not applicable

See annex III. (x) Financial instruments for details.

**(xiii) Receivables financing**

✓Applicable ☐Not applicable

See annex III. (x) Financial instruments for details.

**(xiv) Other receivables**

**Method of determining and accounting for expected credit losses on other receivables**

✓Applicable ☐Not applicable

See annex III. (x) Financial instruments for details.

**(xv) Inventories**

✓Applicable ☐Not applicable

**1. Classification and cost of inventories**

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

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

**2. Method of valuation of inventories issued**

Inventories are valued on a weighted average basis when issued.

**3. Basis for determining the net realisable value of different categories of inventories**

At the balance sheet date, inventories should be measured at the lower of cost or net realisable value. When the cost of inventories is higher than their net realisable value, a provision for decline in the value of inventories should be made. Net realisable 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 realisable value of inventories of goods directly for sale, such as finished goods, goods in stock and materials for sale, is determined in the normal course of production and operation by the estimated selling price of the inventories, less estimated selling expenses and related taxes; inventories of materials to be processed are determined in the normal course of production and operation by the estimated selling price of the finished goods produced, less estimated costs to be incurred up to the time of completion. The net realisable value of inventories held for the purpose of executing a sales contract or a labour contract is calculated on the basis of the contract price. If the quantity of inventories held exceeds the quantity ordered under the sales contract, the net realisable value of the excess inventory is calculated on the basis of the normal selling price.

If the factors affecting the previous write-down of the value of inventories have disappeared after the provision for decline in value of inventories has been made, resulting in the net realisable value of inventories being higher than their book value, the provision for decline in value of inventories is reversed to the extent of the original provision for decline in value of inventories made, and the amount of the reversal is recognised in profit or loss for the current period.

**4. Inventory system**

A perpetual  
inventory system  
is used.

**5. Amortisation method for low value consumables and packaging**

- ( 1 ) The lump sum write-off method is used for low value consumables;
- ( 2 ) Packaging is done using 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 fulfilment of performance obligations and payments from customers. The right to receive consideration for goods or services that the Company has transferred to a customer and for which the right is contingent on factors other than the passage of time is presented as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company's unconditional right (which depends only on the passage of time) to receive consideration from customers is presented separately as receivables.

### **2. Methods of determining and accounting for expected credit losses on contract assets**

✓Applicable ☐Not applicable

For details of the method of determining expected credit losses on contract assets and the accounting treatment, please refer to **Note "III (X) 6. Methods of testing and accounting for impairment of financial assets"**.

## **(xvii) Assets held for sale**

✓Applicable ☐Not applicable

Recovery of the carrying amount of a non-current asset or disposal group primarily through sale (including non-monetary asset exchanges 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 simultaneously meet the following conditions:

- (1) In accordance with the practice for the sale of such assets or disposal groups in similar transactions, immediate sale is possible in the current situation;
- (2) It is highly probable that a sale will occur, i.e., the Company has resolved on a plan of sale and obtained a firm commitment to purchase, and the sale is expected to be completed within one year. Where the relevant regulations require the approval of the Company's relevant authority or regulator before the sale can take place, such approval has been obtained.

Non-current assets classified as held for sale (excluding financial assets, deferred income tax assets and assets arising from employee compensation) or disposal groups with carrying values higher than fair value less costs to sell are written down to fair value less costs to sell, and the amount of the write-down is recognised as an impairment loss on the asset, which is recognised in profit or loss for the current period, and a provision for impairment of the asset held for sale is also made.

## **(xviii) Debt investments**

### **1. Methods of determining and accounting for expected credit losses on debt investments**

☐Applicable ✓Not Applicable

## **(xix) Other debt investments**

### **1. Method of determining expected credit losses and accounting treatment of other debt investments**

☐Applicable ✓Not Applicable

## **(xx) Long-term receivables**

### **1. Method of determining and accounting for expected credit losses on long-term receivables**

☐Applicable ✓Not Applicable

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

√/Applicable Not applicable

**1. Criteria for determining joint control and significant influence**

Joint control is control that is shared over an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement must be agreed upon by the participants sharing control before decisions can be made. Where the Company, together with other joint venturers, exercises joint control over an investee and has rights to the net assets of the investee, the investee is a joint venture of the Company.

Significant influence means having the power to participate in decision-making with respect to the financial and operating decisions of an investee, but not having the ability to control, or to join with others in controlling, the formulation of those 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 a business combination under the same control, the initial investment cost of the long-term equity investment is based on the acquisition of the share of the book value of the equity interests of the parties to be combined in the consolidated financial statements of the party ultimately in control at the date of the combination. The difference between the initial investment cost of the long-term equity investment and the carrying value of the consideration paid is adjusted to the equity premium in capital surplus; if the equity premium in capital surplus is insufficient for offsetting, it is adjusted to retained earnings. If the investee unit under the same control can be controlled due to additional investment, etc., the difference between the initial investment cost of the long-term equity investment recognised in accordance with the above principles and the sum of the book value of the long-term equity investment before the merger and the book value of the new consideration paid for the acquisition of further shares at the date of the merger shall be adjusted to the equity premium, and the equity premium, if insufficient to be eliminated, shall be adjusted to the retained earnings.

For long-term equity investments in subsidiaries resulting from business combinations not under the same 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 control over an investee that is not under the same control can be exercised due to additional investment, the initial investment cost shall be the sum of the book value of the original equity investment plus the cost of the additional investment.

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

Long-term equity investments acquired with cash payments are recognised at initial investment cost based on the actual purchase price paid.

Long-term equity investments acquired through the issuance of equity securities are initially recognised at the fair value of the equity securities issued.

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

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

The Company's long-term equity investments in subsidiaries are accounted for using the cost method unless the investment qualifies as held for sale. The Company recognises current investment income based on its entitlement to cash dividends or profits declared by the investee, except for cash dividends or profits declared but not yet paid that are included in the price or consideration actually paid when the investment is acquired.

### (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 recognised in profit or loss for the current period, and at the same time, the cost of the long-term equity investment is adjusted.

The Company recognises investment income and other comprehensive income in accordance with its share of net profit or loss and other comprehensive income of the investee, respectively, and adjusts the carrying value of the long-term equity investment; the carrying value of the long-term equity investment is reduced accordingly by the portion of profit or cash dividends declared by the investee; and other changes in the equity of the investee other than net profit or loss, other comprehensive income and profit distribution ("other changes in equity") are adjusted and included in owners' equity. For other changes in equity of the investee other than net profit or loss, other comprehensive income and profit distribution ("other changes in equity"), the carrying value of the long-term equity investment shall be adjusted and credited to equity.

In recognising the share of net profit or loss, other comprehensive income and other changes in



owners' equity of an investee, the fair value of the identifiable net assets of the investee at the time of acquisition of the investment is used as the basis for recognising the share of net profit or loss, other comprehensive income and other changes in owners' equity of the investee, after adjustments are made to the net profit or loss of the investee and other changes in owners' equity of the investee, in accordance with the Company's accounting policies and the accounting period.

Unrealised internal transaction gains or losses incurred between the Company and its associates or joint ventures are eliminated to the extent that they are attributable to the Company in proportion to its entitlement, and investment income is recognised on this basis, unless the assets invested or sold constitute a business. Unrealised losses on internal transactions with investees are recognised in full if they are attributable to impairment losses on assets.

The company's share of net losses incurred by a joint venture or associate, other than its obligation to assume additional losses, is limited to the extent that the carrying amount of the long-term equity investment and other long-term interests that in substance constitute a net investment in the joint venture or associate are written down to zero. If the joint venture or associate subsequently achieves a net profit, the company resumes recognising the gain-sharing amount after the gain-sharing amount compensates for the unrecognised loss-sharing amount.

(3) Disposal of long-term equity investments

On disposal of long-term equity investments, the difference between the carrying amount and the actual acquisition price is recognised in profit or loss for the 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 recognised under the original equity method is carried forward on a proportionate basis using the same basis as that used for the direct disposal of the relevant assets or liabilities by the investee, and other changes in equity are carried forward on a proportionate basis to the current period's profit or loss.

If the common control or significant influence over an investee is lost due to the disposal of an equity investment, etc., other comprehensive income recognised in respect of the original equity investment as a result of the adoption of the equity method of accounting is accounted for using the same basis as that for direct disposal of the relevant assets or liabilities by the investee upon termination of the adoption of the equity method of accounting, and all other changes in equity are transferred to the current period's profit or loss upon termination of the adoption of the equity method of accounting.

If an investee loses control over the investee due to the disposal of part of its equity investment, the remaining equity interest shall be accounted for under the equity method if it is capable of exercising joint control or significant influence over the investee at the time of preparation of the individual financial statements and the remaining equity interest shall be adjusted as if it were accounted for under the equity method from the time of its acquisition, and other comprehensive income recognised prior to the acquisition of control over the investee shall be accounted for under the equity method in a manner similar to that of the investee directly. Disposal-related

Assets or liabilities are carried forward on a pro rata basis, and other changes in owners' equity recognised as a result of the adoption of the equity method are carried forward to profit or loss on a pro rata basis; if the remaining equity interest does not enable the Company to exercise joint control or significant influence over the investee unit, it is recognised as a financial asset, and the difference between the fair value and the carrying amount at the date when control is lost is recognised in profit or loss, and other comprehensive income and other changes in owners' equity recognised prior to the date when the Company obtains control of the investee unit are carried forward in full. For other comprehensive income and other changes in equity recognised prior to the acquisition of control over the investee unit, all of them are carried forward.

If the disposal of equity investments in subsidiaries through multiple transactions until the loss of control is a package transaction, each transaction is accounted for as a disposal of equity investments in subsidiaries and the loss of control; the difference between the disposal price and the carrying value of long-term equity investments corresponding to the equity interests disposed of in each disposal prior to the loss of control is recognised in the individual financial statements as other comprehensive income and transferred to profit or loss for the period of the loss of control when the loss of control occurs. The difference between the disposal price and the carrying value of the long-term equity investment before the loss of control is recognised as other comprehensive income in the individual financial statements and transferred to profit or loss for the period in which the control is lost. If the transaction is not a package deal, each transaction is accounted for separately.

## **(xxii) Investment property**

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

Method of depreciation or amortisation

Investment property is property held to earn rentals or for capital appreciation, or both, and includes land use rights that are leased out, land use rights that are held with the intention of transferring them after they have increased in value, and buildings that are leased out (including those that are leased out after completion of self-construction or development activities, and those that are to be leased out in the course of construction or development).

Subsequent expenditures relating to investment properties are included in the cost of investment properties when it is probable that the related economic benefits will flow and the cost can be measured reliably; otherwise, they are charged to current profit or loss as incurred.

The Company measures its existing investment properties using the cost model. Investment properties measured under the cost model - buildings for rental use - are subject to the same depreciation policy as the Company's fixed assets, and land use rights for rental use are subject to the same amortisation policy as intangible assets.

## **(xxiii) Fixed**

### **assets 1.**

### **Conditions of recognition**

☒Applicable ☐Not applicable

Fixed assets are tangible assets that are held for use in the production of goods, the provision of services, rental or management and have a useful life of more than one fiscal year. Fixed assets are recognised when the following conditions are simultaneously 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 the expected abandonment cost factor).

Subsequent expenditures relating to fixed assets are added to 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; the carrying amount is derecognised in respect of replaced parts; and all other subsequent

expenditures are charged to current profit or loss as incurred.

## 2. Depreciation methods

Depreciation of fixed assets is provided on a classified basis using the average annual depreciation method, with depreciation rates determined on the basis of the category of fixed assets, their estimated useful lives and 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 on the basis of the remaining useful life. If each component of a fixed asset has a different useful life or provides economic benefits to the enterprise in different ways, different depreciation rates or methods are selected and depreciation is provided separately.

The depreciation methods, depreciable lives, residual values and annual depreciation rates for each class of fixed assets are as follows:

✓Applicable □Not applicable

form	Depreciation method	Depreciable life (years)	salvage rate	Annual depreciation rate
Houses and buildings	life-cycle averaging (LCA)	10-50	3-10 per cent	9.70 per cent-1.80 per cent
Specialised equipment	life-cycle averaging (LCA)	10-20	3-10 per cent	9.70 per cent-4.50 per cent
General equipment	life-cycle averaging (LCA)	5-15	3-10 per cent	19.40 per cent-6.00 per cent
Transport equipment	life-cycle averaging (LCA)	5-10	3-10 per cent	19.40 per cent-9.00 per cent
Other equipment	life-cycle averaging (LCA)	5	3-10 per cent	19.40 per cent-18.00 per cent

Fixed assets are derecognised when they are disposed of or when no economic benefits are expected to arise from their use or disposal. Proceeds from the disposal of fixed assets sold, transferred, retired or destroyed, net of their carrying amounts and related taxes, are included in profit or loss for the current period.

#### **4. Basis of recognition, valuation and depreciation of fixed assets under finance leases**

☐Applicable    ☒Not applicable

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

☒Applicable    ☐Not applicable

Construction in progress is measured at actual costs incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalisation and other necessary expenditures incurred before construction in progress reaches its intended state of use. 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. Principles for recognition of capitalisation of borrowing costs**

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets eligible for capitalisation are capitalised and included in the cost of the relevant assets; other borrowing costs are recognised as an expense when incurred, based on the amount incurred, and are included in profit or loss for the current period.

Assets eligible for capitalisation are fixed assets, investment properties and inventories that require a significant period of time to complete before they reach their intended use or saleable condition, such as construction or production activities.

#### **2. Period in which borrowing costs are capitalised**

Capitalisation period means the period from the point at which capitalisation of borrowing costs commences to the point at which capitalisation ceases, excluding the period during which capitalisation of borrowing costs is suspended.

Capitalisation of borrowing costs begins when the following conditions are simultaneously met:

- ( 1 ) Expenditure on assets has been incurred and expenditure on assets includes expenditure incurred in the form of cash payments, transfer of non-cash assets or assumption of interest-bearing liabilities for the purpose of acquiring or producing assets that qualify for capitalisation;
- ( 2 ) Borrowing costs have been incurred;
- ( 3 ) Acquisition or production activities necessary to bring the asset to its intended use or marketable condition have begun.

Capitalisation of borrowing costs ceases when the acquisition or production of assets eligible for capitalisation reaches their intended use or saleable condition.

#### **3. Period of suspension of capitalisation**

Capitalisation of borrowing costs is suspended when there is an abnormal interruption in the acquisition or production of assets eligible for capitalisation for more than three consecutive months; borrowing costs continue to be capitalised if the interruption is necessary for the acquisition or production of assets eligible for capitalisation to reach their intended useable or saleable condition. Borrowing costs incurred during the interruption period are recognised in profit or loss for the current period until the acquisition or production of the asset recommences, at which time the borrowing costs continue to be capitalised.

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

For specialised borrowings for the purpose of purchasing, constructing or producing assets eligible for capitalisation, the amount of borrowing costs capitalised is determined by the actual borrowing costs

incurred during the period of the specialised borrowings, less the amount of interest income earned on the unused borrowed funds deposited in the bank or the amount of investment income earned on the temporary investment.

For general borrowings taken up for the acquisition or production of assets eligible for capitalisation, the amount of borrowing costs to be capitalised for general borrowings is calculated on the basis of the weighted average number of asset expenditures in excess of the portion of cumulative asset expenditures in excess of the specialised borrowings multiplied by the capitalisation rate of the general borrowings taken up. The capitalisation rate is determined on the basis of the weighted average effective interest rate on general borrowings.

Exchange differences arising from the principal of and interest on foreign-currency specialised borrowings are capitalised in the period in which they are capitalised and included in the cost of the assets eligible for capitalisation. Exchange differences arising from the principal and interest on foreign-currency borrowings other than specialised foreign-currency borrowings are included in profit or loss for the period.

**(xxvi) Biological assets**

☐Applicable    ☒Not applicable

**(xxvii) Oil and gas assets**

☐Applicable ☒Not applicable

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

☒Applicable ☐Not applicable

See Note 3, (42) Leases for details.

**(xxix) Intangible assets**

**Valuation method, useful life, impairment testing**

☒Applicable ☐Not applicable

**1. Method of valuation of intangible assets**

(1) Intangible assets are initially measured at cost when acquired by the Company; The cost of an acquired intangible asset consists of the purchase price, related taxes and other expenses directly attributable to bringing the asset to its intended use.

(2) Follow-up measurement

Intangible assets are analysed at the time of acquisition to determine their useful lives.

For intangible assets with finite useful lives, they are amortised over the period over which they will bring economic benefits to the enterprise; if the period over which the intangible asset will bring economic benefits to the enterprise is not foreseeable, it is regarded as an intangible asset with an indefinite useful life and is not amortised.

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

sports event	Expected service life	gauge
land use right	50-60 years	Years indicated on land certificates
trademark right	10-20 years	benefit period
Financial software, specialised technology, etc.	5 years	benefit period
industrial property	10 years	benefit period

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

☒Applicable ☐Not applicable

Specific criteria for delineating the research and development phases

Expenditure on in-house research and development projects is categorised into research phase expenditure and development phase expenditure.

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

The stage of an activity in which a new or substantially improved material, device, product, etc. is created.

**4. Specific conditions for capitalisation of development phase expenditure**

Research expenditures are recognised in profit or loss when incurred. Expenditure in the development phase is recognised as an intangible asset if it meets the following conditions. Expenditure in the development phase that does not meet the following conditions is included in profit or loss for the current period:

(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 or sell it;

(3) The manner in which an intangible asset generates 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 usefulness of the intangible asset if it is to be used internally;

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

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

If it is not possible to distinguish between research-phase and development-phase expenditures, all research and development expenditures incurred are recognised in the current period's profit or loss.

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

√/Applicable Not applicable

Long-term equity investments, investment properties measured using the cost model, property, plant and equipment, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets and other long-lived assets are tested for impairment if there is any 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 and an impairment loss is recognised for the difference. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. Provision for asset impairment is calculated and recognised 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 group of assets that can generate cash inflows independently.

Goodwill arising from business combinations, intangible assets with an indefinite useful life, and intangible assets that have not yet reached a useable condition are tested for impairment at least annually at the end of each year, irrespective of whether or not there is any indication of impairment.

The Company performs a goodwill impairment test in which the carrying value of goodwill arising from a business combination is allocated to the relevant asset group in a reasonable manner from the date of purchase; if it is difficult to allocate the goodwill to the relevant asset group, the goodwill is allocated to the relevant combination of asset groups. The relevant asset group or combination of asset groups is the asset group or combination of asset groups that can benefit from the synergies of the business combination.

During the impairment test of the relevant asset group or combination of asset groups containing goodwill, if there is an indication of impairment for the asset group or combination of asset groups related to goodwill, the asset group or combination of asset groups that does not contain goodwill is first tested for impairment, the recoverable amount is calculated and compared with the relevant carrying amount, and the corresponding impairment loss is recognised. The impairment test is then performed on the asset group or combination of asset groups containing goodwill by comparing the carrying value with the recoverable amount. If the recoverable amount is lower than the carrying value, the amount of the impairment loss is first set off against the carrying value of goodwill apportioned to the asset group or combination of asset groups, and then set off against the carrying value of the other assets in the asset group or combination of asset groups in accordance with the weighting of the carrying value of the other assets in the asset group or combination of assets other than goodwill, and then set off against the carrying value of the other assets on a pro rata basis. The carrying value of other assets will be offset proportionally according to the proportion of the carrying value of each asset other than goodwill in the asset group or portfolio. Once recognised, the above impairment losses will not be reversed in subsequent accounting periods.

### **(xxxi) Long-term amortised expenses**

✓Applicable    Not applicable

Long-term amortised expenses are expenses that have been incurred but are to be borne by the current and future periods and are spread over a period of more than one year. **1.**

#### **Method of amortisation**

Long-term amortised expenses are amortised equally over the period of benefit

### **2. Amortisation period**

The amortisation period is based on the period of benefit if there is a defined benefit period, and is spread over five years if there is no defined benefit period.

### **(xxxii) Contractual 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 fulfilment of performance obligations and payments from customers. 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 presented on a net basis.

### **(xxxiii) Employee remuneration**

#### **1. Accounting treatment of short-term remuneration**

☒Applicable   ☐Not applicable

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

The Company contributes to the social insurance premiums and housing fund for employees, as well as the trade union fund and employee education fund as required, and calculates and determines the corresponding amount of employee remuneration in accordance with the prescribed accrual basis and accrual rate during the accounting period in which the employees render services to the Company.

Employee benefit expenses incurred by the Company are recognised in profit or loss or in the cost of the related assets on the basis of the actual amounts incurred when they are incurred, of which non-monetary benefits are measured at fair value.

#### **2. Accounting treatment of post-employment benefits**

☒Applicable   ☐Not applicable

( 1 ) Setting 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. During the accounting period in which the employees provide services to the Company, the amount payable is calculated based on the contribution base and ratio stipulated by the local government, and is recognised as a liability and recognized as profit or loss or cost of the related assets for the current period. In addition, the Company participates in an enterprise pension plan/supplementary pension fund approved by the relevant state authorities. The Company contributes a certain percentage of the employees' gross salaries to the annuity plans/local social insurance institutions, and the corresponding expenses are charged to current profit or loss or the cost of related assets.

( 2 ) Setting up a benefit plan

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

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 recognised as a net defined benefit plan liability or net asset. If the defined benefit plan has a surplus, the Company measures the net assets of the defined benefit plan at the lower of the surplus of the defined benefit plan or the asset limit.

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

The service costs incurred for the defined benefit plan and the net interest on the net liability or net asset of the defined benefit plan are recognised in profit or loss or in the cost of the related assets; the changes arising from the remeasurement of the net liability or net asset of the defined benefit plan are recognised in other comprehensive income and are not reversed to profit or loss in the subsequent accounting periods, and the portion previously recognised in other comprehensive income is fully transferred to unappropriated earnings within equity on the termination of the original defined benefit plan. (c) The changes in other comprehensive income are recognised in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods.

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

### 3. Accounting treatment of termination benefits

☒Applicable ☐Not applicable

When the Company provides termination benefits to employees, the Company recognises an employee compensation liability arising from the termination benefits and recognises it in profit or loss at the earlier of: when the Company is unable to unilaterally withdraw the termination benefits provided as a result of a plan to terminate employment or a proposal for a reduction in workforce; and when the Company recognises costs or expenses related to a restructuring that involves 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, (42) Leases for details.

### **(xxxv) Projected liabilities**

√/Applicable Not applicable

The Company recognises an obligation related to a contingent event as an estimated liability when the following conditions are simultaneously met:

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

Projected liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation.

In determining the best estimate, a combination of factors such as the risks and uncertainties associated with the contingency and the time value of money are considered. Where the effect of the time value of money is material, best estimates are determined by discounting the related future cash outflows.

Where there is a continuous range of expenditure requirements and the likelihood of each outcome within that range is equal, the best estimate is based on the middle of the range; in other cases, the best estimate is treated as follows:

- Where a contingency relates to a single item, it is determined on the basis of the most likely amount to occur.
- Contingencies involving more than one item are determined on the basis of various possible outcomes and associated probabilities.

Where the expenditure required to settle a projected liability is expected to be reimbursed, in whole or in part, by a third party, the amount of the reimbursement is recognised separately as an asset when it is virtually certain that the reimbursement will be received, and the amount of reimbursement recognised does not exceed the carrying amount of the projected liability.

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

#### **(xxxvi) Share-based payments**

√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 for the purpose of obtaining services from 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 the employees. For share-based payment transactions in which rights are exercisable immediately after the grant, the related costs or expenses are recognised at the grant date based on the fair value of the equity instruments, with a corresponding increase in capital surplus. For share-based payment transactions in which rights are exercisable only after the completion of services within a waiting period or the fulfilment of specified performance conditions after the grant, at each balance sheet date during the waiting period, the Company, based on its best estimate of the number of equity instruments that will become exercisable, records the services acquired in the current period as the relevant cost or expense at the fair value at the date of the grant, with a corresponding increase in capital surplus.

If the terms of an equity-settled share-based payment are modified, acquired services are recognised at least as if the terms had not been modified. In addition, any modification that increases the fair value of the equity instrument granted, or a change in favour of the employee at the date of modification, is recognised as an increase in services acquired.

If, during the waiting period, the granted equity instrument is cancelled, the Company treats the cancelled granted equity instrument as an accelerated exercise and recognises the amount to be recognised during the remaining waiting period immediately in profit or loss and recognises capital surplus. However, if a new equity instrument is granted and it is determined on the date of grant 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 if the modification of the terms and conditions of the original equity instrument had been treated.

#### **(xxxvii) Preference shares, perpetual bonds and other financial instruments**

□Applicable   √Not applicable

#### **(xxxviii) Income**

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

√Applicable   □Not applicable

The Company recognises revenue when it has fulfilled its performance obligations under a contract, i.e. when the customer obtains control of the related goods or services. Acquiring control of the underlying good or service means being able to dominate the use of the good or service and derive substantially all of the economic benefits therefrom.

Where a contract contains two or more performance obligations, the Company apportions the transaction price to each individual performance obligation at the inception date of the contract based on the relative proportion of the individual selling price of the goods or services promised under each individual performance obligation. The Company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled 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 and in conjunction with its past customary practices. In determining the transaction price, the Company takes into account the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to the customer. The Company determines the transaction price that includes variable consideration at an amount that does not exceed the amount by which it is highly probable that the cumulative revenue recognised will not materially reverse when the related uncertainty is removed. Where there is a significant financing element in a contract, the Company determines the transaction price based on the amount payable that is assumed to be paid in cash by the customer at the time the customer obtains control of the goods or services, and amortises the difference between that transaction price and the contractual consideration over the term of the contract using the effective interest method.

If one of the following conditions is met, the performance obligation is fulfilled within a certain period of time; otherwise, the performance obligation is 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.
- Commodities produced in the course of the Company's performance are irreplaceable and the Company is entitled to receive payment for the portion of performance that has been completed to date, cumulatively, throughout the term of the contract.

For performance obligations that are to be fulfilled within a certain period of time, the Company recognises revenue in accordance with the progress of performance over that period of time, unless the progress of performance is not reasonably determinable. The Company determines the progress of performance using either the output method or the input method, taking into account the nature of the goods or services. When the progress of performance is not reasonably determinable, the Company recognises revenue based on the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred are expected to be reimbursed.

For performance obligations that are satisfied at a point in time, the Company recognises revenue at the point at which the customer obtains control of the related goods or services. In determining whether a customer has obtained control of goods or services, the Company considers the following indications:

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

## **2. Differences in accounting policies for revenue recognition due to the adoption of different operating models for similar businesses**

☐Applicable ☒Not Applicable

### **(xxxix) Contract costs**

☒Applicable ☐Not applicable

Contract costs include contract performance costs and contract acquisition costs.

Costs incurred by the Company for the performance of a contract that do not fall within the scope of regulation of relevant standards such as inventories, property, plant and equipment or intangible assets are recognised as an asset as contract performance costs when the following conditions are met:

- The 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.
- The cost is expected to be recovered.

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

Assets related to contract costs are amortised using the same basis as revenue recognition for the goods or services to which the asset relates; however, if the amortisation period for contract acquisition costs does not exceed one year, the Company recognises the costs in profit or loss as incurred.

If the carrying amount of an asset related to the cost of a contract is greater than the difference between the following two items, the Company makes a provision for impairment of the excess and recognises an asset impairment loss:

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 factors that impaired the asset in a previous period that causes the aforementioned difference to be greater than the carrying amount of the asset, the Company reverses the provision for impairment and recognises 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 that would have been determined as at the date of the reversal assuming that no provision for impairment had been made.

### **(xl) Government grants**

☒Applicable

☐Not Applicable

#### **1. Type**

Government grants, which are monetary or non-monetary assets acquired by the Company from the government at no cost, are classified as asset-related government grants and revenue-related government grants.

Asset-related government grants are government grants obtained by the Company for the purpose of acquiring, constructing or otherwise forming long-term assets. Government grants related to revenue are government grants other than those related to assets.

## **2. Confirmation of the point of time**

For asset-related government grants received, the amortisation point for deferred income is when the related assets are available for use; for long-lived assets that are subject to depreciation or amortisation, this is the point at which depreciation or amortisation of the asset commences;

Government grants related to income received are recognised in profit or loss in the period in which the related costs or losses for which they compensate are incurred, with those used to compensate for related costs or losses already incurred (including those incurred in previous periods) being recognised directly in the period in which they are obtained, and those used to compensate for related costs or losses in subsequent periods being recognised in the period in which the related costs or losses are recognised.

If there is conclusive evidence that a government grant project has been approved and the expected collection point and specific amount are clear, it is recognised in the period in which it is approved with reference to the above principles.

### 3. Accounting treatment

Government grants related to assets are either offset against the carrying amount of the related assets or recognised as deferred income. If deferred revenue is recognised, it is charged to current profit or loss in a reasonable and systematic manner over the useful life of the related assets (if it is related to the Company's ordinary activities, it is included in other revenues; if it is not related to the Company's ordinary activities, it is included in non-operating income);

Government grants related to income that are used to compensate the Company for costs or losses incurred in future periods are recognised as deferred income and are credited or charged to profit or loss in the period in which the related costs or losses are recognised (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); those used to compensate the Company for costs or losses incurred are directly credited or charged to profit or loss in the period in which they are recognised; and those used to compensate the Company for costs or losses incurred are directly credited or charged to profit or loss in the period in which they are recognised. For the purpose of compensating the Company for the costs or losses incurred, the costs or losses incurred are recognised directly in profit or loss for the current period (other income if they are related to the Company's daily activities; non-operating income if they are not related to the Company's daily activities) or are offset against the costs or losses incurred.

The Company obtains policy preferential loan subsidies and distinguishes between the following two scenarios, which are accounted for separately:

( 1 ) If the treasury allocates the subsidised interest rate funds to a lending bank, and the lending bank provides loans to the Company at a 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 such policy preferential interest rate.

( 2 ) If the subsidy funds are directly allocated to the Company from the treasury, the Company will offset the corresponding subsidy against the related borrowing costs.

#### (XLI) Deferred tax assets/deferred tax liabilities

√/Applicable Not applicable

Income taxes consist of current and deferred income taxes. The Company recognises current and deferred income taxes in profit or loss, except for income taxes arising from business combinations and transactions or events that are directly attributable to owners' equity (including other comprehensive income).

Deferred tax assets and deferred tax liabilities are recognised for differences between the tax bases of assets and liabilities and their carrying amounts (temporary differences).

Deferred tax assets are recognised 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 utilised. For deductible losses and tax credits that can be carried forward to future years, a corresponding deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be utilised.

Deferred income tax liabilities are recognised for taxable temporary differences, except in special cases. The special circumstances under which deferred tax assets or deferred tax liabilities are not recognised include:

- Initial recognition of goodwill;
- Transactions or events that are neither business combinations nor affect accounting profit and taxable income (or deductible losses) when they occur. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures unless the Company

The Group is able to control the timing of the reversal of such temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for



deductible temporary differences associated with investments in subsidiaries, associates and joint ventures when it is probable that the temporary difference will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and deferred tax liabilities at the balance sheet date are measured at the tax rates that are expected to apply in the period in which the related assets are recovered or the related liabilities are settled, in accordance with tax law.

The carrying value of deferred tax assets is reviewed at the balance sheet date. 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 to offset the benefit of the deferred tax assets in future periods. The amount of the write-down is reversed when it is more likely than not that sufficient taxable income will be available.

When there is a legal right to settle on a net basis and there is an intention to settle on a net basis or to acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are presented on a net basis after offsetting.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented net of offset when the following conditions are simultaneously met:

- Taxable entities have a legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred tax assets and deferred 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 significant deferred tax assets and liabilities are reversed, the taxable entities involved intend to settle the current income tax assets and liabilities on a net basis or to acquire the assets and settle the liabilities simultaneously.

### **(xliii) Leasing**

#### **Accounting for operating leases**

☐Applicable    ☒Not applicable

## Accounting for finance leases

☐Applicable ☒Not applicable

### Methods of determining leases under the new leasing standards and accounting treatment

☒Applicable ☐Not applicable

A lease is a contract in which the lessor cedes the right to use an asset to the lessee for a specified period of time in return for consideration. At the inception date of a 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 of the parties to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

If a contract contains multiple individual leases, the Company splits the contract and accounts for each individual lease separately. If a contract contains both lease and non-lease components, the lessee and lessor split the lease and non-lease components.

For rent reductions, such as rent abatements and deferred payments, agreed upon in connection with existing leases that are directly triggered by the New Crown Pneumonia outbreak, the Company applies a simplified approach to all lease options and does not assess whether a lease change has occurred or reevaluate the classification of the lease if the following conditions are also met:

- The lease consideration after the reduction is reduced or substantially unchanged from the pre-reduction period, where the lease consideration is either undiscounted or discounted at the pre-reduction discount rate

May;

- A combination of qualitative and quantitative factors determined that there were no material changes to the other terms and conditions of the lease.

## 1. The Company as lessee

### (1) usufructuary assets

On the commencement date of the lease term, the Company recognises 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 amount of the initial measurement of the lease liability;
- Lease payments made on or before the commencement date of the lease term for which a lease incentive exists, net of the amount relating to the lease incentive already taken;
- Initial direct costs incurred by the Company;
- Costs that the Company expects to incur to dismantle and remove a leased asset, to rehabilitate the site on which the leased asset is located, or to restore the leased asset to the condition agreed upon in the terms of the lease, excluding costs attributable to the production of inventory.

The Company subsequently depreciates right-of-use assets on a straight-line basis. Depreciation is provided over the remaining useful life of the leased asset if ownership of the leased asset can be reasonably determined at the end of the lease term; 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 right-of-use assets are impaired in accordance with the principles described in "III. (XXX) Impairment of long-lived assets" in this note and accounts for identified impairment losses.

### (2) Lease liabilities

On the commencement date of the lease term, the Company recognises a lease liability for leases other than short-term leases and leases of low-value assets. Lease liabilities are initially measured at the present value of the outstanding lease payments. Lease payments include:

- 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 ratio;

- Payments expected to be made based on the residual value of the guarantee provided by the company;
- The exercise price of a purchase option, provided that the company is reasonably certain that it will exercise the option;
- Payments required to exercise the option to terminate the lease, provided the lease term reflects 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; however, 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 interest expense on lease liabilities at a fixed periodic rate for each period during the lease term and records it in profit or loss or in the cost of the related asset.

Variable lease payments that are not included in the measurement of the lease liability are charged to current profit or loss or to the cost of the related asset when they are actually incurred.

If any of the following circumstances occur after the commencement date of the lease term, the Company re-measures the lease liability and adjusts the corresponding right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the difference is recognised in profit or loss for the current period:

- When there is a change in the appraisal of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is inconsistent with the original appraisal, the Company re-measures the lease liability based on the present value of the lease payments after the change and the revised discount rate;
- When there is a change in the substantive fixed payments, a change in the amount expected to be payable for the residual value of the guarantee, or a change in the index used to determine the amount of the lease payment

If there is a change in the lease payments or rate, the Company remeasures the lease liability based on the present value of the lease payments after the change and the original discount rate. However, if the change in lease payments results from a change in the floating rate, the present value is calculated using the revised discount rate.

( 3 ) Short-term leases and leases of low-value assets

The Company has elected not to recognise 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 profit or loss or in the cost of the related assets on a straight-line basis over the lease term in each period. Short-term leases are leases with a term of 12 months or less at the inception date of the lease term and do not include an option to purchase. Low-value asset leases are leases that have a lower value when the individual leased asset is a brand-new asset. If the Company subleases or expects to sublease a leased asset, the original lease is not a low-value asset lease.

( 4 ) Change of Lease

The Company accounts for a lease modification as a separate lease if the lease modification occurs and the following conditions are also met:

- This lease modification expands the scope of the lease by adding the right to use one or more of the leased assets;
- The increased consideration is comparable to the separate price of the expanded portion of the lease adjusted for the circumstances of that contract.

Where a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Company reapportions the consideration of the modified contract, re-determines the lease term and re-measures the lease liability based on the present value of the modified lease payments and a revised discount rate.

If a lease modification 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 recognises the gain or loss associated with a partial termination or complete termination of the lease in profit or loss for the current period. If other lease modifications result in a remeasurement of the lease liability, the Company adjusts the carrying value of the right-of-use asset accordingly.

( 5 ) Rental concessions associated with the new Crown Pneumonia outbreak

For the simplified method of rent abatement related to the New Crown Pneumonia outbreak, the Company does not assess whether a lease modification has occurred, continues to calculate the interest expense on the lease liability and recognises it in profit or loss at a discount rate consistent with that used prior to the abatement, and continues to depreciate the right-of-use asset at a rate consistent with that used prior to the abatement. In the event of a rent abatement, the Company treats the abated rent as a variable lease payment, and when the original rent payment obligation is discharged by entering into an abatement agreement, etc., the Company reduces the cost or expense of the related asset by the amount discounted at the undiscounted or pre-abatement discount rate, and adjusts the lease liability accordingly; in the event of a deferred rent payment, the Company reduces the lease liability recognised in prior periods when the actual payment is made.

For short-term leases and leases of low-value assets, the Company continues to record the original contractual rentals in the cost or expense of the related assets in a manner consistent with that used prior to the abatement. When a rental abatement occurs, the Company recognises the abated rental as a variable lease payment and reduces the related cost of the asset or expense over the period of the abatement; when a rental payment is deferred, the Company recognises the rental payable as a payable in the period in which it was originally paid, and reduces the payable recognised in prior periods when the payment is actually made.

## 2. The Company as lessor

At the inception date of a lease, the Company classifies leases as finance leases and operating leases. A finance lease is a lease that transfers substantially all of the risks and rewards associated with ownership of the leased asset,

whether or not ownership is ultimately transferred. Operating leases are leases other than finance leases. When the Company acts as a sublease lessor, it classifies the sublease based on the right-of-use asset arising from the original lease.

( 1 ) Accounting for operating leases

Lease receipts under operating leases are recognised as rental income on a straight-line basis in each period during the lease term. The Company capitalises the initial direct costs incurred in relation to operating leases and apportions them over the lease term to current profit or loss on the same basis as rental income is recognised. Variable lease payments that are not included in lease receipts are charged to current profit or loss when they are actually incurred. When an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the lease receipts received in advance or receivable relating to the lease before the change are regarded as receipts under the new lease.

( 2 ) Accounting for finance leases

At the inception date of a lease, the Company recognises a finance lease receivable for a finance lease and derecognises the finance lease asset. When the Company initially measures a finance lease receivable, the net investment in the lease is taken as the recorded value of the finance lease receivable. The net investment in the lease 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 recognises interest income at a fixed periodic rate for each period during the lease term. The derecognition and impairment of finance lease receivables are accounted for in accordance with "III. (J) Financial instruments" in this note.

Variable lease payments that are not included in the measurement of the net investment in leases are recognised in profit or loss when they are actually incurred.

If there is a change in a finance lease and both of the following conditions are met, the Company accounts for the change as a separate lease:

- The change expands the scope of the lease by adding the right to use one or more of the leased assets;
- The increased consideration is comparable to the separate price of the expanded portion of the lease adjusted for the circumstances of that contract.

If a modification of a finance lease is not accounted for as a separate lease, the Company treats the modified lease under the following circumstances, respectively:

- If the change is effective on the commencement date of the lease and the lease would have been classified as an operating lease, the Company accounts for the lease 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 is effective on the commencement date of the lease and the lease would be classified as a finance lease, the Company accounts for the change in accordance with the policy on modification or renegotiation of contracts in "(J) Financial instruments" in this note.

(3) Rental concessions associated with the new Crown Pneumonia outbreak

- For operating leases that use the simplified method of rent abatement related to the New Crown Pneumonia outbreak, the Company continues to recognise the original contractual rent as lease revenue in a manner consistent with the method used prior to the abatement; where rent abatement occurs, the Company treats the abatement as a variable lease payment, which is offset against lease revenue during the period of the abatement; and where there is a deferral of rental receipts, the Company recognises the rental receivable as a receivable in the period of the original receipt, which is offset against receivable when it is the receivable recognised in the previous period when it is actually received.

- For finance leases that use the simplified method of rent abatement related to the New Crown Pneumonia outbreak, the Company continues to calculate interest at a discount rate consistent with that used before the abatement and recognises it as lease income. In the event of a rent abatement, the Company treats the abated rent as a variable lease payment, and when the right to receive the original rent is waived by entering into an abatement agreement, etc., the originally recognised lease income is reduced by the amount of the undiscounted amount or the discount rate prior to the abatement, and the portion of the shortfall is credited to investment income, while adjusting the amount of the finance lease receivable accordingly; in the event of a delay in the collection of the rent, the Company reduces the amount of the finance lease receivable recognised in prior periods at the time of actual receipt. (ii) In the event of deferred rentals, the Company will reduce the finance lease receivables recognised in prior periods when they are actually received.

### 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 "III.(38)Revenue" in this note.

(1) as lessee

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 leasing it back and recognises the related gain or loss only for the right transferred to the lessor; if the transfer of an asset in a sale and leaseback transaction is not a sale, the Company, as the lessee, continues to recognise the transferred asset and at the same time recognises a financial liability equal to the revenue from the transfer. The Company, as the lessee, continues to recognise the transferred asset and at the same time recognises a financial liability equal to the transfer proceeds. For details of the accounting treatment of financial liabilities, please refer to "III. (J) Financial instruments" in this note.

(2) lessor

If the transfer of an asset in a sale and leaseback transaction is a sale, the Company, as lessor, accounts for the purchase of the asset and accounts for the lease of the asset in accordance with the policy of "2. The Company, as Lessor" as described above; if the transfer of an asset in a sale and leaseback transaction is not a sale, the Company, as lessor, does not recognise the transferred asset, but The Company, as the lessor, does not recognise the transferred assets, but recognises a financial asset equal to the transfer proceeds. For details of accounting treatment of financial assets, please refer to "III. (J) Financial instruments" in this note.

Other significant accounting policies and accounting estimates

√Applicable

□Not applicable

**(XLIII)**

**Fiduciary  
business**

The Company generally acts as an agent, a trustee in a fiduciary capacity 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 engages in entrusted loan business. Entrusted loan business refers to a loan where the principal provides funds and the Company issues, supervises the use of, and recovers the loan on behalf of the borrower, for the purpose, in the amount, in the currency, for the term, and at the interest rate determined by the principal. The risk is borne by the principal and the Company only receives the relevant handling fee. 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 that has been disposed of by the Company or classified by the Company as held for sale:

- ( 1 ) The component represents a separate principal business or a separate principal 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 ) The component is a subsidiary acquired exclusively for resale.

Gains and losses from continuing operations and gains and losses from discontinued operations are presented separately in the income statement. Operating gains and losses, such as impairment losses and reversal amounts for discontinued operations, and gains and losses on disposals are presented as gains and losses from discontinued operations. For discontinued operations reported in the current period, the Company restates the information originally reported as profit or loss from continuing operations as profit or loss from discontinued operations for the comparable accounting period in the current financial statements.

## **(xlv) Segment reporting**

The Company determines its operating segments on the basis of its internal organisational structure, management requirements and internal reporting system, and determines its reportable segments and discloses segment information on the basis of its operating segments.

An operating segment is a component of the Company that simultaneously meets the following conditions: (1) the component is capable of generating revenues and incurring expenses in its day-to-day activities; (2) the Company's management is able to evaluate the operating results of the component on a regular basis in order to decide on the allocation of resources to the component and to evaluate its performance; and (3) the Company is able to obtain the component's financial position, results of operations, and cash flows and other relevant accounting information. Two or more operating segments may be consolidated into one operating segment if they have similar economic characteristics and meet certain conditions.

## **(XLVI) Changes in significant accounting policies and accounting estimates**

### **1. Changes in significant accounting policies**

✓Applicable

□Not applicable

Other notes

(1) Implementation of Accounting Standard Interpretation No. 15

The Ministry of Finance (MOF) issued the "Interpretation of Enterprise Accounting Standards No.15"(Caijing [2021] No. 35, hereinafter referred to as "Interpretation No. 15")

① Accounting treatment for trial sales

Interpretation No. 15 stipulates the accounting treatment and presentation of the sale of products or by-products produced before a fixed asset reaches its intended useable state or in the course of research and development, and stipulates that the cost of fixed assets or research and development expenditures shall not be reduced by the net amount of the revenues related to the sales of the trial run after offsetting the costs. This provision is effective from 1 January 2022 and retroactive adjustments should be made for trial sales occurring between the beginning of the period and 1 January 2022, the earliest period for which the financial statements are presented. The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

② Judgement on loss-making contracts

Interpretation No. 15 clarifies that the "cost of performing the contract", which an enterprise takes into account when determining whether a contract constitutes a loss-making contract, should also include

This includes the apportionment of incremental costs of performing the contract and other costs directly related to the performance of the contract. This provision will come into force on 1 January 2022

In order to implement this provision, enterprises should implement this provision for contracts that have not yet fulfilled all obligations as of 1 January 2022, and the cumulative effect will be adjusted to retained earnings and other related financial statement items as of the beginning of the year of the implementation date, but not to the comparative financial statement data of the previous period. The implementation of this provision did not have a significant impact on the Company's financial position and results of operations.

(2) Implementation of the Circular on Issues Related to the Application of the Provisions on Accounting for Rental Concessions Associated with the New Crown Pneumonia Epidemic

On 19 May 2022, the Ministry of Finance ("MOF") issued the "Notice on Issues Related to the Application of the Provisions on Accounting Treatment of Rental Concessions Related to the New Crown Pneumonia Epidemic" (Caihui [2022] No. 13) which once again adjusted the scope of



application of the Simplified Approach to the New Crown Pneumonia Epidemic-related Rental Concessions and cancelled the previous rule that the **Simplified Approach could be applied only** "to the amount of lease payments payable before 30 June 2022". The scope of application of the simplified method has been adjusted again, cancelling the previous rule that the simplified method can only be applied to "concessions on lease payments payable before 30 June 2022".

Limitation. For concessions on lease payments payable after 30 June 2022 that are directly attributable to the New Crown Pneumonia Outbreak, lessees and lessors may continue to elect to account for them using the simplified method regulated by the "Provisions on Accounting for Rental Concessions Associated with the New Crown Pneumonia Outbreak", with all other conditions of application remaining unchanged.

The Company has elected to adopt the simplified method of accounting for all eligible lease contracts before the scope of application adjustment, and to adopt the simplified method of accounting for all eligible similar lease contracts after the scope of application adjustment, and to make retrospective adjustments to the relevant lease contracts for which lease modifications had been adopted for accounting treatment prior to the issuance of the notice, without adjusting the data of the comparative financial statements of the previous period; and to make adjustments to the relevant rental concessions that had not been subject to accounting treatment in accordance with the notice and that had taken place between 1 January 2022 and the effective date of the notice. The related rental concessions that occurred between 1 January 2022 and the effective date of the Circular that were not subject to accounting treatment in accordance with the provisions of the Circular were adjusted in accordance with the Circular.

(3) Implementation of Accounting Standard Interpretation No. 16

The Ministry of Finance (MOF) issued ASBE Interpretation No. 16 on 30 November 2022 (Caixin [2022] No. 31, hereinafter referred to as the "ASBE Interpretation").

"Interpretation No. 16"

① Accounting for the income tax effects of dividends related to financial instruments classified by the issuer as equity instruments

Interpretation No. 16 stipulates that for financial instruments classified as equity instruments by an enterprise, if the related dividend expenses are deductible before enterprise income tax in accordance with the relevant provisions of the tax policy, the income tax effect related to the dividends should be recognised when the dividends payable are recognised and the income tax effect of the dividends should be included in the current profit or loss or in the current period, in a manner that is consistent with the accounting treatment adopted for the past transactions or events that resulted in profits available for distribution. owner's equity items (including other comprehensive income items)

This provision is effective from the date of publication and will apply to dividends payable between 1 January 2022 and the date of implementation.

Adjustments should be made if they occur before 1 January 2022 and the financial instruments have not been derecognised on 1 January 2022

Retroactive adjustments. The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

②Accounting treatment of an enterprise's modification of cash-settled share-based payment to equity-settled share-based payment

Interpretation No. 16 clarifies that if an enterprise modifies the terms and conditions of a cash-settled share-based payment agreement to make it an equity-settled share-based payment, at the date of modification (whether it occurs within the waiting period or after the end of the waiting period) it shall measure the equity-settled share-based payment at the fair value of the equity instrument granted on the date of modification, record the services acquired in capital surplus, and derecognise the cash-settled share-based payment liabilities recognised at the date of modification, with the difference between the two being recognised in profit or loss.

This provision shall come into force on the date of its publication and shall be adjusted in accordance with the provisions of this provision for transactions added between 1 January 2022 and the date of its implementation; 2022 Transactions that occurred prior to 1 January 2012 that were not treated in accordance with this provision should be retrospectively adjusted by adjusting the cumulative effect of 2022

Retained earnings and other related items as at 1 January 2011 are not adjusted to prior period comparative financial statements. The implementation of this provision did not have a significant impact on the Company's financial position and results of operations.

## 2. Changes in critical accounting estimates

☐Applicable ☒Not Applicable

## 3. Adjustments to the financial statements at the beginning of the year of first-time implementation, such as the first-time implementation of new accounting standards or interpretations of accounting standards starting from 2022

☐Applicable ☒Not Applicable

### (xlvii) Other

☐Applicable ☒Not applicable

## IV. Taxes

### (i) Major tax types

#### and tax rates Major

tax types and tax

rates

☒Applicable ☐Not applicable

tax type s	taxable basis	duty rate
value-added tax (VAT)	Calculate output tax 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 allowable for deduction in the current period	5 per cent, 6 per cent, 9 per cent, 13 per cent
The tax entities where different corporate income tax rates exist are as follows:		
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		
sales tax	Based on taxable sales revenue	4 per cent
Urban maintenance and construction tax	Based on actual VAT and excise tax paid	1 per cent, 5 per cent, 7 per cent
Huatai Rubber Co.,	Based on taxable income	20
China North American Tyre Joint Sales Corporation	100/361	U.S. federal tax rate, U.S. California tax rate
Huayi Group (Hong Kong) Limited		16.5
HUAYIFINANCEILTD.		16.5
Huayi Group (Thailand) Co.		20

Shanghai Plastic Research Institute Co.	15
Shanghai Resin Factory Co.	15
Shanghai Tianyuan Group Shengde Plastic Co.	15
Shanghai Huayi Information Technology Co.	15
Shanghai Huayi New Material Co.	15
Shanghai Huayi Resin Co.	15
Shanghai Huayi Inspection and Testing Technology Co.	15
Zhejiang Tianyuan Medical Material Co.	15

## (ii) Tax incentives

✓Applicable Not applicable

On 12 October 2022, Double Coin Group (Xinjiang) Kunlun Tire Co., Ltd. was granted the Certificate of High and New Technology Enterprise No. GR202265000248, which is valid for a period of three years, and the actual enterprise income tax rate for the year 2022 is 15%;

2. Anhui Huayi Rising Technology Co., Ltd. obtained the "High and New Technology Enterprise Certificate" with the number GR202034002519 on 17 August 2020, which is valid for three years, and the actual implementation of the enterprise income tax rate in 2022 is 15%;

3. Shanghai Coating Research Institute Co., Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202031004740 on 12 November 2020, which is valid for three years, and the actual enterprise income tax rate for the year 2022 is 15%;

Ltd. obtained the "High and New Technology Enterprise Certificate" with the number of GR202031000849 on 12 November 2020, which is valid for three years, and the actual enterprise income tax rate in 2022 is 15%;

5. Shanghai Chemical Reagent Research Institute Co., Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202031003375 on 12 November 2020, which is valid for three years, and the actual enterprise income tax rate for the year 2022 is 15%;

Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202031003387 on 12 November 2020, which is valid for three years, and the actual enterprise income tax rate in 2022 is 15%;

7. Shanghai Synthetic Resin Research Institute Co., Ltd. was awarded the Certificate of High and New Technology Enterprise No. GR202031002621 on 12 November 2020, which is valid for three years, and the actual enterprise income tax rate for the year 2022 is 15%;

8. Shanghai Plastics Research Institute Co., Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202031003642 on 12 November 2020, which is valid for three years, and the actual enterprise income tax rate for the year 2022 is 15%;

9. Shanghai Resin Plant Co., Ltd. was awarded the Certificate of High and New Technology Enterprise No. GR202231001541 on 15 November 2022, which is valid for three years, and the actual enterprise income tax rate for the year 2022 is 15%;

10. Shanghai Tianyuan Group Shengde Plastic Co., Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202031006055 on 18 November 2020, which is valid for three years, and the actual enterprise income tax rate for the year 2022 is 15%;

Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202231004438 on 14 December 2022, which is valid for three years, and the actual enterprise income tax rate for the year 2022 is 15%;

Ltd. has obtained the Certificate of High and New Technology Enterprise No. GR202131003178 since 18 November 2021, which is valid for three years, and the actual enterprise income tax rate in 2022 is 15%;

Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202131005439 on 23 December 2021, which is valid for three years, and the actual enterprise income tax rate in 2022 is 15%;

14. Shanghai Huayi Inspection and Testing Technology Co., Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202031002646 on 12 November 2020, which is valid for three years, and the actual implementation of enterprise income tax rate in 2022 is 15%;

15. Zhejiang Tianyuan Medical Materials Co., Ltd. obtained the Certificate of High and New Technology Enterprise No. GR202233007891 on 4 December 2022, which is valid for three years, and the actual enterprise income tax rate in 2022 is 15%.

**(iii) Other**

☐Applicable ☒Not applicable

**V. Notes to the  
consolidated financial  
statements (i)**

**Currency funds**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sport s even t	Closing balance	Opening balance
(accountancy)	46,988.55	35,493.35
a bank account	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 the Central Bank	1,027,140,957.42	858,166,211.76
Of which: Deposits with the 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
add up the total	16,569,813,702.27	9,907,109,351.70
Of which: total deposits abroad	298,562,191.30	999,147,684.94
Deposits with finance companies		

#### Other notes

Of these, the following is a breakdown of currency funds with restrictions on their use due to collateral, pledges or freezing, restrictions on withdrawals due to centralised management of funds and restrictions on repatriation of funds placed outside the country:

Unit: Yuan Currency: RMB

sport s even t	Closing balance	Prior year-end balance
Banker's acceptance deposit	50,063,510.20	136,483,238.84
Letter of Credit Deposit		1,116,507.00
Bond Deposit	20,853,174.91	20,000,000.00
performance bond (international trade)		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 legal reserve with the Central Bank (note)	1,027,140,957.42	858,166,211.76
add up the total	1,126,485,476.60	1,041,998,692.44

Note: Shanghai Huayi Group Finance Co., Ltd, a subsidiary of the Company, paid RMB and foreign currency reserve deposits in accordance with the regulations of the People's Bank of China, which could not be used for day-to-day operations. 31 December 2022, the ratio of RMB reserve deposits paid was 5% and the ratio of foreign currency reserve deposits paid was 6%.

**(ii) Financial assets held for trading**

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

sport s even t	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 Investments	1,163,062,067.25	1,176,293,419.40
Financial assets designated at fair value through profit or loss	1,177,361	
add up the total	1,368,465,133.72	1,433,588,957.15

Other notes:

☐Applicable ☒Not Applicable

**(iii) Derivative financial assets**

☐Applicable ☒Not Applicable

#### (iv) Notes receivable

##### 1. Classification of notes receivable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
banker's acceptance	1,520,000.00	8,313,915.97
commercial promissory note	127,340,938.69	124,870,423.59
Less: provision for bad debts	-6,367,046.93	-6,243,521.18
add up the total	122,493,891.76	126,940,818.38

##### 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 at the end of the period and not yet due at the balance sheet date

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Amounts derecognised at the end of the period	Amounts not derecognised at the end of the period
banker's acceptance		
commercial promissory note		10,561,393.69
add up the total		10,561,393.69

##### 4. Notes converted to accounts receivable by the company at the end of the period due to non-performance by the issuer

☐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 bad debt provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:

☐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 balance
Within 1 year		
Of which: within 1 year		
Within 1 year	1,627,236,205.75	1,575,630,527.09
Subtotal less than 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		
add up the total	2,055,685,260.46	1,983,118,748.33



## 2. Disclosure by bad debt provisioning method

√Applicable □Not applicable

Unit: Yuan Currency: RMB

form	Closing balance					Opening balance				
	Carrying amount		provision for bad debts		book value	Carrying amount		provision for bad debts		book value
	sum of money	proportions (%)	sum of money	accruals ratio Example (%)		sum of money	proportions (%)	sum of money	accruals ratio Example (%)	
Based on 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:										
Based on 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	
By portfolio provision for bad debts	1,926,510,038.32	93.72	355,663,872.13	18.46	1,570,846,166.19	1,901,936,904.84	95.91	346,988,670.56	18.24	1,554,948,234.28
Among them:										
Accounts receivable group Hop 1	1,926,510,038.32	93.72	355,663,872.13	18.46	1,570,846,166.19	1,901,936,904.84	95.91	346,988,670.56	18.24	1,554,948,234.28
add up the total	2,055,685,260.46	/	458,817,383.85		1,596,867,876.61	1,983,118,748.33	/	428,170,514.05	/	1,554,948,234.28

Provision for bad debts is made on an individual basis:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

name (of a thing)	Closing balance			
	Carrying amount	provision for bad debts	Accrual ratio (%)	Reasons for the provision
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 Juntong 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
A description of the provision for bad debts on an individual basis: Wu Chuan Nan Lun Trading Co. □Applicable √Not Applicable	1,546,977.30	1,546,977.30	100.00	Not expected to be recovered
Provision for bad debts is made on a portfolio basis: Baoding Chuang Trading Co. √Applicable □Not applicable Portfolio accruals: accounts receivable portfolio 1	1,244,480.00	1,244,480.00	100.00	Not expected to be recovered
Wuxi Fushang Tyre & Rubber Co.	1,199,168.39	1,199,168.39	Unit: 100.00	Not expected to be recovered

name			Closing balance			to be recovered
Nantong diao Chemical Co.	accounts receivable	1,169,068.00	1,169,068.00	bad debts	100.00	Not expected to be recovered
Baoding Chuang Trading Co.		994,525.00	994,525.00		100.00	Not expected to be recovered
Criteria and description of recognition of bad debts by portfolio:						
□Applicable √Not Applicable						
Accounts receivable	1,926,510,038.32		355,663,872.13			18.46
Hebei Chenyang Industry and Trade Group Co.	600,680.00		600,680.00		100.00	Not expected to be recovered
Provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:	1,926,510,038.32		355,663,872.13			
Jiangsu New Zhongtai Bridge Steel Structure Engineering Co.	586,094.51		586,094.51		100.00	Not expected to be recovered
add up the total						

### 3. Provision for bad debts

Beijing Jinghai Futong Trading Co.  
√Applicable □Not applicable

Unit: Yuan Currency: RMB

Henan Speed Electric Vehicle Technology Co.	Opening balance	159,651.85	Amount of change during the period	159,651.85	100.00	Not expected to be recovered
Dongming Huayi Yuhuang New Material Co.	make provision for (capital	52,043,420.85	Recovery or reversal	26,021,710.43	50.00	It is not expected that all retake
	add	requirement	129,135,222.14	103,153,511.72	79.86	
accounts receivable	428,170,514.05	41,038,022.81	42.20	10,391,110.81		458,817,383.85

of which the amount of bad debt provisions recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

#### 4. Accounts receivable actually written off during the period

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Amount written off
Of which significant accounts receivable actually written off	10,391,110.81

receivable write-offs

Unit: Yuan Currency: RMB

Unit	Nature of accounts receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the payment is made by a related party susceptible
Zhejiang Dongyue Chemical limited company	payment for goods	4,050,000.00	The amount is recognised as nil law repossession	board resolution	clogged
Hengzhuo receivable write-off instructions: Fuyang Yufeng Chemistry Ltd.	payment for goods	2,650,000.00	The amount is recognised as nil law repossession	board resolution	clogged
add up the total		6,700,000.00			

#### 5. Top five accounts receivable by party owed at the end of the period

Unit: Yuan Currency: RMB

Name of unit	Closing balance	Percentage of closing balance of accounts receivable Proportion of total (%)	provision for bad debts Closing balance
China Salt Kunshan Co.	82,952,034.63	4.04	4,147,601.73
Shanghai Hualin Industrial Gases Co.	52,751,196.92	2.57	2,637,559.85
Dongming Huayi Yuhuang New Material Co.	52,043,420.85	2.53	26,021,710.43
Shanghai Chongli Chemical Co.	30,923,713.51	2.46	2,680,183.41
Suzhou Baxter Medical Supplies Co.	43,742,701.12	2.13	2,187,135.06
add up the total	282,013,069.09	13.73	37,674,190.48

#### 7. Amount of assets and liabilities resulting from the transfer of receivables and their continued involvement

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

**(vi) Receivables financing**

√Applicable □Not applicable

**1. Receivables financing**

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
notes receivable	1,752,114,845.63	3,392,623,821.76
accounts receivable		
add up the total	1,752,114,845.63	3,392,623,821.76

Changes in receivables financing during the period and changes in fair value:

□Applicable √Not Applicable

If bad debt provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:

□Applicable √Not Applicable

Other notes:

√Applicable □Not applicable

**2. Classification of**

Unit: Yuan Currency: RMB

sports event	Closing balance	Prior year-end balance
notes receivable		
banker's acceptance	1,752,114,845.63	3,392,623,821.76
commercial promissory note		
add up the 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

sports event	Amount pledged at the end of the period
banker's acceptance	92,766,557.48
commercial promissory note	
add up the total	92,766,557.48

**4. Notes receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date**

Unit: Yuan Currency: RMB

sports event	Amounts derecognised at the end of the period	Amounts not derecognised at the end of the period
banker's acceptance	3,534,339,052.50	92,766,557.48
commercial promissory note		
add up the total	3,534,339,052.50	92,766,557.48

(vii) Prepayments

1. Prepayments by age

√Applicable Not applicable

Unit: Yuan Currency: RMB

age of acco unts	Closing balance		Opening balance	
	sum of mon ey	Proportion (%)	sum of mon ey	Proportion (%)
Within 1 year	587,495,064.11	98.23	586,808,046.20	97.61
1 to 2	8,612,259.71	1.44	7,107,171.65	1.18
2 to 3 years	1,045,374.55	0.17	5,258,419.55	0.87
More than 3 years	None	0.16	2,105,675.63	0.34
add up the total	598,114,667.60	100.00	601,228,313.03	100.00
National 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
PetroChina Company Limited East China Chemical Sales Branch			49,405,372.62	8.26
China National Offshore Oil (East China) Marketing Co.			48,404,684.30	8.09
add up the total			324,181,553.30	54.20

(viii) Other

receivables 1.

Item

presentation

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Interest receivable		
Dividends receivable	12,916,000.00	30,263,328.95
Other receivables	122,414,248.63	49,773,536.63
add up the total	135,330,248.63	80,036,865.58

Other notes:

□Applicable √Not Applicable

2. Interest receivable

(1) Classification of interest receivable

□Applicable √Not Applicable

(2) Significant overdue 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)	Closing balance	Opening balance
Shanghai Runhong Industrial Co.	576,000.00	576,000.00
Etco 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.	10,000,000.00	
add up the total	12,916,000.00	30,263,328.95
<b>(1) Significant dividend receivables aged over 1 year</b>		
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> 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 balance
Within 1 year		
Of which: within 1 year		
Within 1 year	125,271,178.12	56,556,779.23
Subtotal less than 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		
add up the total	323,512,904.54	250,676,507.29

## (2) Disclosure by bad debt accrual method

Unit: Yuan Currency: RMB

form	Closing balance					Prior year-end balance				
	Carrying amount		provision for bad debts		book value	Carrying amount		provision for bad debts		book value
	sum of money	proportions (per cent)	sum of money	Percentage of accruals (per cent)		sum of money	proportions (per cent)	sum of money	accruals ratio Cases (%)	
Based on 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	
By portfolio provision for bad debts	228,032,666.82	70.49	105,618,418.19	46.32	122,414,248.63	155,196,269.57	61.91	105,422,732.94	67.93	49,773,536.63
Among them:										
Other receivables Combination 1	228,032,666.82	70.49	105,618,418.19	46.32	122,414,248.63	155,196,269.57	61.91	105,422,732.94	67.93	49,773,536.63
add up the total	323,512,904.54	100.00	201,098,655.91		122,414,248.63	250,676,507.29	100.00	200,902,970.66		49,773,536.63

Provision for bad debts is made on an individual basis:

Unit: Yuan Currency: RMB

Name (of a thing)	Closing balance			
	Carrying amount	provision for bad debts	Percentage of accruals (per cent)	Reasons for the provision
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 Tianyuan Resources Trading Co., Ltd.	21,880,237.72	21,880,237.72	100.00	Not expected to be recovered
Shanghai Baoshan District Housing Security and Housing Management	3,000,000.00	3,000,000.00	100.00	Not expected to be recovered
Other receivables	228,032,666.82	105,618,418.19	46.32	Not expected to be recovered
Hainan Airlines Group Limited	17,000,000.00	17,000,000.00	100.00	Not expected to be recovered
Applicable	Phase I	Phase II	Phase III	
provision for bad debts add up the total	Expected credit losses for the next 12 months	Expected credit losses over the life of the programme (unissued) (credit impairment)	Expected credit losses (incurred) for the entire life cycle Credit impairment	
Balance at 1 January 2022	49,425,870.12		151,477,100.54	200,902,970.66
Balance at 1 January 2022 in the present period	49,425,870.12		151,477,100.54	200,902,970.66
--Transfer to Phase II				
--Transferred to phase III				
--Transfer back to phase II				
--Return to phase I				
Provision for the current period	423,095.03		5,119,986.09	5,543,081.12
A description of significant changes in the carrying amount of other receivables for which a change in the provision for losses has occurred during the period:				
Write-offs during the period	Applicable	Not Applicable		
Write-offs during the period			5,347,395.87	5,347,395.87
The amount of provision for bad debts in the current period and the basis used to assess whether there is				
Other changes		122 / 361		
Balance at 31 December 2022	49,848,965.15		151,249,690.76	201,098,655.91



a significant increase in the credit risk of a financial instrument:

☐Applicable ☒Not Applicable

**(4) Provision for bad debts**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	Write-offs or cancellations	the rest flux	
Of these, the amount of provision for bad debts reversed or recovered during the period is significant: <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable						
(5) Other receivables actually written off during the period	201,098,655.91	5,543,081.12		5,347,395.87		201,098,655.91
add	200,902,970.66	5,543,081.12		5,347,395.87	Unit: Yuan	201,098,655.91
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	the total			Amount written off	Currency: RMB	
t						
Other receivables actually written off			5,347,395.87			

Unit: Yuan Currency: RMB

Name of unit	Other receivables characteristic	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether or not the amount was paid by the associated come about
Shanghai Hongfa Electronics Co. limited company	payment for goods	4,625,063.87	The amount is recognised Unrecoverable	board resolution	clogged
(6) Breakdown by nature of funds					
add up		4,625,063.87			
√Applicable □Not applicable					

Unit: Yuan Currency: RMB

Nature of payment	Closing book balance	Opening balance
Payment for land resumption	43,493,000.00	43,493,000.00
current account	151,116,889.55	138,667,126.90
Deposits and Guarantees	12,145,756.66	10,478,275.99
reserve fund	3,863,932.85	2,812,785.13
export tax rebate	95,881,078.47	41,064,740.30
the rest	17,012,247.01	14,160,578.97
add up the total	323,512,904.54	250,676,507.29

## (7) Top five other receivables with closing balances, by party owed to them

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of payments	Closing balance	age of accounts	Total of closing balance of other receivables Proportion (%)	Closing balance of provision for bad debts
Zhabei District Land Development Centre	Payment for land resumption	25,737,800.00	More than 3 years	7.96	25,737,800.00
Shanghai Qianli Industry (Group) limited company	current account	25,200,000.00	More than 3 years	7.79	25,200,000.00
Shanghai Tianyuan Resources Trading Co. limited company	current account	21,880,237.72	More than 3 years	6.76	21,880,237.72
<b>(8) Receivables relating to government grants</b>					
□Applicable √Not applicable					
Hainan Airlines Group Limited	current account	17,000,000.00	1-2 years	5.25	17,000,000.00
<b>(9) Derecognition of other receivables due to transfer of financial assets</b>					
□Applicable √Not applicable					
Resources Group has limited company	current account	14,200,000.00	More than 3 years	4.39	14,200,000.00
<b>(10) Amounts transferred from other receivables that continue to be involved in the formation of assets and liabilities</b>					
□Applicable √Not applicable					
Shanghai Ushi Industry Co. department (under a ministry)	current account	14,200,000.00	More than 3 years	4.39	14,200,000.00
□Applicable √Not applicable					
add up the total		118,218,037.72		36.54	118,218,037.72
<b>(ix) Buy-sell-back financial assets</b>					

Unit: Yuan Currency: RMB

total				Unit: Yuan Currency: RMB	
sport s even t		Closing balance		Prior year-end balance	
certificate		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					
Carrying amount of financial		500,449,178.06		800,585,322.92	
assets bought and sold back				Unit: Yuan Currency:	
Phase I		Phase II		Phase III RMB	
provision for bad debts	Expected credit losses for the next 12 months	Expected credit losses for the entire life of the credit facility (no credit losses) Impairment)		Expected credit losses over lifetime (issued) (credit impairment)	add  up  the  total
Carrying amount	500,449,178.06				500,449,178.06
Provision for losses		125 / 361			
book value	500,449,178.06				500,449,178.06

**(x) Inventories****1. Classification of inventories**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sport s even t	Closing balance			Opening balance		
	Carrying amount	Provision for inventory write- downs/contracts Provision for impairment of performance costs	book value	Carrying amount	Provision for inventory write- downs/contracts Provision for impairment of performance costs	book 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
Goods in transit				1,016,714.07		1,016,714.07
swing space	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 product	156,295,096.60	826,657.42	155,468,439.18	151,736,907.49	830,658.88	150,906,248.61
merchandise in stock	2,846,779,872.16	137,512,575.05	2,709,267,297.11	2,927,466,914.83	132,996,403.84	2,794,470,510.99
Contract performance costs	10,589,345.90	5,050,000.00	5,539,345.90	10,601,145.35	5,050,000.00	5,551,145.35
Issuance of goods	63,240,039.55		63,240,039.55	82,199,922.49		82,199,922.49
Expendable biological assets						
add up the total	5,061,354,174.72	295,030,669.97	4,766,323,504.75	4,934,411,274.02	270,282,814.75	4,664,128,459.27

## 2. Provision for decline in value of inventories and impairment of contractual performance costs

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sport s even t	Opening balance	Increase during the period		Decrease during the period		Closing balance
		mak e provi sion for (capi tal requi rem ents)	the rest	Reversal or cancellation	the rest	
3. Explanation of the closing balance of inventories containing amounts capitalised for						
borrowing costs	130,953,775.73	52,981,935.60		32,746,250.13		151,189,461.20
swinging space	151,976.30					451,976.30
Applicable <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/>						
in product	830,658.88			4,001.46		826,657.42
merchandise in stock	132,996,403.84	117,838,084.88		113,321,913.67		137,512,575.05
4. Explanation of the current period's amortisation of contract performance costs						
Contract performance costs	8,050,000.00					5,050,000.00
Applicable <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/>						
Other notes						
biological assets						
(xi) Contract assets	170,282,814.75	170,820,020.48		146,072,165.26		295,030,669.97
1. Status of contract assets						
Applicable <input type="checkbox"/> Not applicable <input checked="" type="checkbox"/>						

## 2. Amounts and reasons for significant changes in book value during the reporting period

☐Applicable ☒Not Applicable

## 3. Provision for impairment of contract assets during the period

☐Applicable ☒Not Applicable

If bad debt provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:

☐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

**current assets**

☒ Applicable ☐ Not applicable

(xv) ~~Granting of loans and advances~~<sup>total</sup>

## Unit: Yuan    Currency: RMB

## advances by mode of measurement

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## 2. Distribution of loans and advances by individuals and enterprises

Unit: Yuan Currency: RMB

sport s even t	Closing balance	Prior year-end balance
Business loans and advances		
-Loan	3,443,995,666.99	5,433,809,149.80
-Discount	484,473,114.86	338,370,717.82
-Other		
<b>3. Distribution of loans disbursed by industry</b>		
Total loans and advances	3,928,468,781.85	5,772,179,867.62

Unit: Yuan Currency: RMB

Industry Distributi on	Closing balance	Proportion (%)	Prior year-end balance	Proportion (%)
service industry	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 services	24,927,047.05	0.63	70,225,000.00	1.22
<b>4. Distribution of loans and advances by region</b>				
Information services and software			714,048.83	0.01

Unit: Yuan Currency: RMB

regional distribution	Closing balance	Proportion (%)	Prior year-end balance	Proportion (%)
Total loans and advances	3,928,468,781.85	100.00	5,772,179,867.62	100.00
Eastern China	1,976,697,809.75	50.32	2,896,778,270.62	50.19
Northwest Territories	9,949,696.12	0.25		
Southern 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
Total loans and advances	3,928,468,781.85	100.00	5,772,179,867.62	100.00

## 5. Distribution of loans and advances by type of security

Unit: Yuan Currency: RMB

sport s even t	Closing balance	Prior year-end balance
credit loan	1,489,338,106.32	3,362,268,949.22
guarantee loan	1,954,657,560.67	1,359,850,200.58
collateralised loan		711,690,000.00
Of which: mortgages		
mortgage loan		711,690,000.00
bill discounting	484,473,114.86	338,370,717.82
the rest		
Total loans and advances	3,928,468,781.85	5,772,179,867.62

## 6. No overdue loans at the end of the period



## 7. Provision for loan losses

## (1) Provision for loan losses

Unit: Yuan Currency: RMB

analysed by sports event	Closing balance			Prior year-end balance		
	single-item	combinatorial	add up the total	single-item	combinatorial	add up the total
Loss on loans and advances issued measured at amortised cost unpreparedness		103,789,323.57	103,789,323.57		150,972,862.98	150,972,862.98
Originated loans measured at fair value through other						

## (2) Movement in the allowance for loan losses

Unit: Yuan Currency: RMB

comprehensive income sport and provision for loss of advances even add up the total	Amount for the period			Prior period amount		
	single-item	combinatorial	add up the total	single-item	combinatorial	add up the total
	103,789,323.57	103,789,323.57		150,972,862.98	150,972,862.98	

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
Provision for the current period		-47,183,539.41	-47,183,539.41		36,979,575.14	36,979,575.14
Transfers during the period						
Write-offs during the period						
Reversed during the period:						
-- Recovery of loans and advances originally written off						
Reversal of credit risk and expected credit losses on loans and advances						
-- loans and advances due						

Unit: Yuan Currency: RMB

to discounted value Rise leads to reversal	Phase I	Phase II	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (not incurred) Credit impairment)	Expected credit losses (incurred) for the entire life cycle Credit impairment)	
--Returns due to other factors				
Closing balance	103,789,323.57	103,789,323.57	150,972,862.98	150,972,862.98
Carrying amount	3,928,468,781.85			3,928,468,781.85
Provision for losses	103,789,323.57			103,789,323.57
Statement of changes in the allowance for expected credit losses on loans and advances	3,824,679,458.28			3,824,679,458.28

Unit: Yuan Currency: RMB

at amortised cost Carrying value of payments and advances losses	Phase I	Phase II	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (unissued) (credit impairment)	Expected credit losses (incurred) for the entire life cycle Credit impairment)	
Prior year-end balance	150,972,862.98			150,972,862.98
Balance at the beginning of the year	150,972,862.98			150,972,862.98
Balance at the beginning of the year in the current period				
--Transfer to Phase II				

--Transferred to phase III				
--Transfer back to phase II				
--Return to phase I				
Provision for the current period	-47,183,539.41			-47,183,539.41
Reversal during the period				
Write-offs during the period				
Write-offs during the period				
Other changes				
Closing balance	103,789,323.57			103,789,323.57

## 8. Classification of loans into five levels and provision for loan losses

Unit: Yuan Currency: RMB

five-tier classification	2022/12/31				2021/12/31			
	Amount of loans and advances	Percentage of total (per cent)	Allowance for loan losses ratio (per cent)	Amount of provision for loan losses	Amount of loans and advances	Percentage of total (per cent)	Allowance for loan losses ratio (per cent)	Amount of provision for loan losses
normalcy	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								
secondary								
doubtful								
damaged								
(xvi) Debt investments								
Investments in debt								
Subtotal	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
Applicable	✓	Not Applicable						

### 2. Significant debt investments at period end

☐Applicable ☒Not Applicable

### 3. Provision for impairment

☐Applicable ☒Not Applicable

The amount of the provision for impairment for the period and the basis used to assess whether there has been 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 the provision for impairment for the period and the basis used to assess whether there has been 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 provision for bad debts for the period and the basis used to assess whether there has been a significant increase in the credit risk of a financial instrument

☐Applicable ☒Not Applicable

**3. Long-term receivables derecognised due to transfer of financial assets**

☐Applicable ☒Not applicable

**4. Amount of assets and liabilities resulting from the transfer of long-term receivables and their continued involvement**

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not Applicable

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

√Applicable □Not applicable

Unit: Yuan Currency:

investee (in finance)	Ope ning bala nce	Increase/decr ease during the period								RMB	Clos ing bala nce	Closin g balanc e of provisi on for impair ment
		Additional investments	Red uce d inve stm ent	Gains and losses on investments recognised under the equity method	Adjustm ents to other compreh ensive income	Other changes in equity	Declaration of cash dividends or profits	mak e provi sion for imp airm ent intend	the rest			
I. Joint ventures												
Shanghai Troy Chemical Co. department (under a ministry)	2,649,850.17			328,897.53						2,978,747.70		
Shanghai Hualin Industrial Gas Co. department (under a ministry)	310,637,278.52			119,525,600.21			106,546,284.35			323,616,594.38		
Shanghai Double Coin Tyre Sales (Jordan) limited company	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. Associated enterprises												
Shanghai Huayi Group Financial Leasing Co. limited company	526,193,162.10			18,184,225.03			6,665,470.00			537,711,917.13		
Huayi Tianyuan Chemical Logistics Co. department (under a ministry)	185,109,747.41	12,396,175.69		8,240,629.46			4,503,414.00			201,243,138.56		
BASF (Shanghai) Coatings Co. firms	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	134 / 361					75,072,319.41		
Shanghai Runhong Industrial Co.	6,793,367.14			-1,341,879.08						5,451,488.06		
Shanghai Fujikura Kasei Coatings Co.	19,091,040.65			58,037.84						19,149,078.49		

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Shanghai Coking & Chemical Development Corporation	14,734,296.93			-88,014.69			2,340,000.00			12,306,282.24	
Linde Carbon Dioxide (Wuhu) 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	
Formosa (Shanghai) Agricultural Technology limited company	116,088,326.26			59,775,169.89			3,141,349.60			172,722,146.55	
Shanghai Yashang Huayi Equity Investment Management management company	1,174,949.46			-928,573.70						246,375.76	
Shanghai Xingyihui Culture Development Co. firms	30,071,217.70			-5,665,625.90						24,405,591.80	
Huachang Polymer, East China University of Science and Technology limited company	107,203,644.13			4,335,139.86						111,538,783.99	
Linde Gas (Guangxi) Co. department (under a ministry)	195,108,585.43			33,498,922.09		-1,242,243.04				227,365,264.48	
Veolia Environmental Technology (Qinzhou) limited company	39,333,566.59			-20,650,271.02						18,683,295.57	
Guangxi Tianyi Environmental Technology Co. department (under a ministry)	137,501,505.70			12,029,710.32						149,531,216.02	
Vopo (Qinzhou) Terminal Co. department (under a ministry)	156,166,155.58			29,269,027.75			13,569,500.00			171,865,683.33	

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Dalian New Sunshine Material Technology Co. firms	50,880,266.47			-79,036.65		383,817.10				51,185,046.92	
Jiaxing Zhijun Junyi Phase III Investment Co. Partnership (Limited Partnership)	32,445,022.47			-16,360.48						32,428,661.99	
Guangxi Hualing Terminal Co.	64,327,355.92			2,528,713.64						66,856,069.56	
Shanghai Minhang Huayi Microfinance Unit limited company	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 Shoes Co.	936,064.71								-936,064.71		
Guangxi Free Trade Zone Huaqin Wisdom 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		
Etco China Ltd.	221,269,156.24			16,330,536.62			8,357,520.00			229,242,172.86	
Shanghai Jinfeng Oleochemical Industry Co.	1,381,502.98			260,024.59			336,496.86			1,305,030.71	

department (under a ministry)											
Shanghai Shenma Cordage Fabrics 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	
add up the 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

Financial assets at fair value through profit or loss	Closing balance	Opening balance
Of which: Investments in equity instruments	744,077,373.15	886,768,617.52
Fund Investments	526,964,339.89	552,420,795.98
Other notes:	217,113,033.26	334,347,821.54
□Applicable √Not Applicable	744,077,373.15	886,768,617.52
<b>(xxii) Investment</b>		

**property Investment**

property measurement

model

**1. Investment property using the cost measurement model**

Unit: Yuan Currency: RMB

Investment property	Houses, buildings	land use right	add up the total
<b>I. Original book value</b>			
1. Opening balance	451,174,700.99	38,042,708.93	489,217,409.92
2. Increase during the period			
(1) Outsourcing			
(2) Transfer of inventories\fixed assets\construction in progress			
(3) Increase in business combinations			
3. Decrease during the 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 amortisation</b>			
1. Opening balance	224,077,475.60	11,725,839.84	235,803,315.44
2. Increase during the period	12,841,520.49	750,021.65	13,591,542.14
(1) Accrual or amortisation	12,841,520.49	750,021.65	13,591,542.14
3. Decrease during the 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 during the period			
(1) Provision			
3. Decrease during the period			
(1) Disposal			
(2) Other transfers out			
4. Closing balance	<b>138 / 361</b>		
<b>IV. Carrying value</b>			
1. Closing book value	198,708,295.12	25,566,847.44	224,275,142.56
2. Opening book value	227,097,225.39	26,316,869.09	253,414,094.48

**2. Status of investment property for which certificates of title have not been issued**

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

**(xxiii) Fixed  
assets 1. Item  
presentation**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
fixed assets	10,714,896,025.90	10,973,135,321.91
Fixed assets liquidation		
add up the total	10,714,896,025.90	10,973,135,321.91

Other notes:

☐Applicable ☒Not Applicable

## 2. Fixed assets

### (1) Fixed assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sport s even t	Houses and buildings	Specialised equipment	carrier	General equipment	the rest	add up the 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 during the 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) Acquisitions	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 from 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) Foreign currency statement translation differences	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 during the 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 during the 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) Provision	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 properties	15,236,417.19					15,236,417.19
3. Decrease during the period	351,558.62	38,970,808.49	2,093,476.62	3,146,256.68	14,864,294.56	59,426,394.97
(1) Disposal or scrapping	351,558.62	38,970,808.49	2,093,476.62	3,146,256.68	14,864,294.56	59,426,394.97
4. Closing balance	3,377,629,641.74	11,227,289,902.45	61,664,686.43	1,078,760,454.02	587,288,989.95	16,332,633,674.59
III. Provision for impairment						
1. Opening balance	43,137,609.46	413,299,664.44	586,144.51	9,035,349.81	7,108,288.67	473,167,056.89
2. Increase during the period	262,077.81	2,611,858.62		9,269.72		2,883,206.15

(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. Carrying 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) Status of 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 for which certificates of title have not been issued**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	book value	Reasons for non-completion of title deeds
Shanghai Yipin Pigment Co.	11,254,746.95	Not yet processed
Shanghai Trial 4 Hervey Chemical Co.	4,923,519.19	Not yet processed
Building (No. 1100 Kunming Road, Yangpu District, Shanghai)	275,502.56	The owner of the house is Shanghai Huayi Holding Group Limited
Double Coin Headquarter Plant	324,692.09	No title deeds will be issued
Heavy Duty Plant	392,448.74	No title deeds will be issued
Donghai Tyre Plant and Office	1,794,495.78	unclear ownership
Sinkun housing Other notes:	222,481.39	No title deeds will be issued
Xinkun plant □Applicable √Not Applicable	13,356,098.55	No title deeds will be issued
Xinjiang Engineering Housing <b>4. Liquidation of fixed assets</b>	51,860,056.51	In process
New material plant □Applicable √Not Applicable	26,323,020.21	Still in process
New Material Nitrogen and Oxygen Station	109,176.15	Still in process
New Material Warehouse (xxiv)	1,216,124.17	Still in process

**Construction in****progress 1.****Presentation of items**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	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
add up the total	8,887,732,859.11	2,901,640,430.73

Other notes:

□Applicable √Not Applicable

## 2. Construction

## in progress

## (1) Status of

Unit: Yuan Currency: RMB

construction in progress √Applicable even □Not applicable	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
equipment assembly line	8,271,077,685.01	10,613,002.43	8,260,464,682.58	2,329,824,818.61	10,613,002.43	2,319,211,816.18
add up the total	8,271,077,685.01	10,613,002.43	8,260,464,682.58	2,329,824,818.61	10,613,002.43	2,319,211,816.18

## (2) Changes in significant

## construction-in-progress

Unit: Yuan Currency: RMB

projects during the period √Applicable □Not applicable		Opening balance	Increase during the period	Amounts transferred to fixed assets during the period	Other decreases during the period sum of money	Closing balance	Cumulative investment in works as a percentage of budget (%)	project progress	Accumulated amount of interest capitalised	Of which: Amount of interest capitalised during the period	Current interest capitalisation rate (%)	Source of funds
Project name	budgeted number											
11131A1802 Shanghai Chemical Industry Zone 2000 tonnes /New Energy Anode Material Project (Phase I) (Cheng)	18,168.00 million	95,236,771.66	18,715,666.55	113,952,438.21			62.72	100.00 per cent				self-finance
Guangxi Huayi Qinzhou new chemical materials integration Base project	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 per cent	224,884,959.09	188,361,971.13	3.64	own resources Funds, borrowings
11131A2001 1200 tonnes/year catalyst project Programme (Phase II)	89.99 million	54,782,357.68	4,882,657.63	59,665,015.31	140 / 249		66.30	100.00 per cent				self-finance
Increase the annual production capacity of 10,000 tonnes (50,000 pieces) of all-steel Engineering Load Tyre Project	45.9862 million	40,720,690.44	1,099,640.91	41,820,331.35			90.94	100.00 per cent				self-finance

### 3. Provision for impairment of construction in progress during the period

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

### 4. Engineering materials

#### (1) Status of engineering materials

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
Specialised materials	626,686,386.28		626,686,386.28	582,158,590.61		582,158,590.61
<b>(xxv) Productive biological assets</b>						
<b>1. Produced biological assets subject to the cost measurement model</b>						
Specialised equipment	581,790.25		581,790.25	270,023.94		270,023.94
<b>2. Produced biological assets using the fair value measurement model</b>						
add up the total	627,268,176.53		627,268,176.53	582,428,614.55		582,428,614.55

Other notes

☐Applicable ☒Not Applicable

#### (xxvi) Oil and gas assets

☐Applicable ☒Not Applicable

#### (xxvii) Right-of-use assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Houses and buildings	Specialised equipment	add up the total
I. Original book value			
1. Opening balance	291,111,279.22	69,595,848.26	360,707,127.48
2. Increase during the period	96,211,273.96	119,711.27	96,330,985.23
(1) New leases	96,211,273.96	119,711.27	96,330,985.23
3. Decrease during the 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 during the period	58,957,039.68	17,755,636.41	76,712,676.09
(1) Provision	58,957,039.68	17,755,636.41	76,712,676.09
3. Decrease during the period	22,538,403.60		22,538,403.60

(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 during the period			
(1) Provision			
3. Decrease during the period			
(1) Disposal			
4. Closing balance			
IV. Carrying 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.  
Intangible  
assets**

√Applicable Not applicable

Unit: Yuan Currency: RMB

sport s even t	land use right	franchises	Non-patented technology	hardwa re	trademark right	add up the 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 during the period			6,692.07	6,057,533.64		6,064,225.71
(1) Acquisition			6,692.07	600,834.87		607,526.94
(2) In-house R&D						
(3) Increase in business combinations						
(4) Transfer from construction in progress				5,456,698.77		5,456,698.77
3. Decrease during the 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 amortisation						
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 during the 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) Provision	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 during the 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 balances		1,338,329.07				1,338,329.07
2. Increase during the period			143 / 249			
(1) Provision						
3. Decrease during the period						

**2. Status of land use rights for which title deeds have not been issued**

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

**(xxix) Development expenditure**

☐Applicable ☒Not Applicable

**(xxx) Goodwill****1. Original****carrying**

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill <input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Opening balance	Increase during the period	Decrease during the period	Closing balance
		resulting from a business combination	take care of	
Double Coin Group (Xinjiang) Kunlun Tyre Co.	128,065,581.26			128,065,581.26
add up the total	128,065,581.26			128,065,581.26

**2. Provision for impairment of goodwill**

Unit: Yuan Currency: RMB

Name or formation of investee or matters <input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Opening balance	Increase during the period	Decrease during the period	Closing balance
		make provision for (capital requirements)	take care of	
Double Coin Group (Xinjiang) Kunlun Tyre Co.	65,518,600.00			65,518,600.00
add up the total	65,518,600.00			65,518,600.00

**3. Information about the asset group or combination of asset groups in which the goodwill is located****4. Describe the process of goodwill impairment testing, key parameters (e.g. growth rate over the forecast period when the present value of future cash flows is expected, growth rate over the stabilisation period, profit margin, discount rate, forecast period, etc., as applicable) and the method of recognising goodwill impairment losses**

☒Applicable ☐Not applicable

Note: In March 2014, the Company subscribed for 51% equity interest in Double Coin Group (Xinjiang) Kunlun Tire Company Limited (hereinafter referred to as "Xinkun Tire") at a

consideration of RMB572,000,000.00, and the fair value of the identifiable net assets of Xinkun Tire as at the date of purchase was RMB443,934,418.74, and the difference of the cost of the merger over the share of identifiable net assets acquired in the merger was RMB128,065,581.26, which was recognised as goodwill. The difference between the cost of the merger and the share of the identifiable net assets acquired in the merger, amounting to RMB128,065,581.26, was recognised as goodwill. On the date of purchase, the all-steel radial tyre and bias tyre production line of XinQun Tyre was 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 from the asset group. The projected future cash flows based on the financial budgets approved by management for the five-year period for the above asset groups are based on an annualised growth rate of operating income of 3.9% over the next five years. The perpetual cash flows beyond the five-year period are determined at the level of the last year of the detailed forecast period, taking into account factors such as industry trends. The forecast perpetual growth rate is 2 per cent. The discount rate used to calculate the present value is 12.11 per cent, which is a pre-tax rate reflecting the risks specific to the relevant asset group. After testing, as at 31 December 2022, the Company's goodwill was impaired by RMB65,518,600.00.

**5. Impact of goodwill impairment test**

□Applicable ✓Not Applicable

Other notes

□Applicable ✓Not Applicable

**(xxxi) Long-term amortised expenses**

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

sport s even t	Opening balance	Increase during the period	Amortisation for the period	Other decreases	Closing balance
mould	64,709,295.17	16,899,218.77	21,569,055.18	4,457,896.74	55,581,562.02
Land lease payments	1,440,000.00		360,000.00		1,080,000.00
renovation cost	48,844,982.79	11,810,091.24	18,326,091.55		42,328,982.48
catalysts	38,831,678.52	32,519,732.44	29,618,615.38		41,732,795.58
Other notes: the rest	2,004,569.59	2,184,492.27	1,193,798.19		2,995,263.67
Other decreases Note: Sale of moulds add up the	155,830,326.07	63,413,534.72	71,067,560.30	4,457,896.74	143,718,603.75

**(xxxi) Deferred income tax assets/deferred income tax liabilities****1. Deferred income tax assets not offset**

□Applicable ✓Not Applicable

**2. Uncredited deferred tax liabilities**

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

sport s even t	Closing balance		Opening balance	
	Taxable temporary discrepancy	Deferred income tax be in debt	Taxable temporary discrepancy	Deferred income tax be in debt
Changes in fair value of other debt investments				
Changes in fair value of investments in other equity instruments				
Appraisal of appreciation of assets in non-same-control business eliminations	32,975,872.43	5,252,224.60	34,675,290.31	5,555,328.35
3. Deferred income tax assets or liabilities, net of eliminations				
Changes in fair value through profit or loss	269,337,855.60	67,334,463.90	388,561,196.21	97,140,299.05
4. Details of unrecognised deferred tax assets				
Changes in fair value of financial assets at fair value through profit or loss				
5. The deductible losses for which no deferred tax assets have been recognised will expire in the following years	302,313,728.03	72,586,688.50	423,236,486.52	102,695,627.40
up the total	146 / 361			

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable**(xxiii) Other non-current assets**

Unit: Yuan Currency: RMB

Applicable <input checked="" type="checkbox"/> Not <input type="checkbox"/>	Closing balance			Opening balance		
	Carrying amount	impairments intended	book value	Carrying amount	impairments intended	book value
Contract acquisition costs						
Contract performance costs						
Returns receivable cost						
Contract actual losses						
Prepayment for works	113,110,555.97		113,110,555.97	2,229,558,729.19		2,229,558,729.19
Current borrowings			Closing balance	20,203,815.00		Opening balance
loan on pledge			92,766,557.48			185,753,153.12
secured loan	113,110,555.97		113,110,555.97	2,249,762,544.19		2,249,762,544.19
Guaranteed Borrowing			5,005,625.00			54,237,323.31
credit loan			1,758,055,297.13			900,438,708.90
Entrusted Borrowing			13,800,000.00			15,000,000.00
add up the total			2,388,461,568.72			1,414,264,686.75

**2. Short-term loans overdue for repayment**☐Applicable ☒Not Applicable

Significant of these overdue short-term borrowings are shown below:

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable**(xxv) Financial liabilities held for trading**☐Applicable ☒Not Applicable**(xxvi) Derivative financial liabilities**

☐Applicable ☒Not Applicable

## (xxxvii) Notes

## payable 1.

Presentation of  
notes payable

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Closing balance	Opening balance
banker's acceptance	894,168,241.67	1,138,373,149.07
commercial promissory note	47,643,127.60	5,000,000.00
add up the total	941,811,369.27	1,143,373,149.07

## (xxxviii)

## Accounts

## payable 1.

## Presentation of

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Closing balance	Opening balance
accounts payable	4,760,669,421.75	3,822,501,674.78
add up the total	4,760,669,421.75	3,822,501,674.78

## 2. Significant accounts payable

## aged over 1 year

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Closing balance	Reasons for non-reimbursement or carry-over
Unilever	24,045,987.52	contacts over the years
Shanghai Huayi Environmental Protection Technology Co.	7,241,514.30	Unsettled balance of works
Zhongji Construction and Survey Group Co.	6,701,588.78	Unsettled balance of works
Shanghai Ruihe Trading Co.	5,700,384.07	Unsettled balance of works
Yixing Ruitai Refractories Co.	5,444,995.12	Outstanding balance of works
Qingdao Hailang Intelligent Equipment Co.	5,435,315.20	Outstanding balance of works
Sinopac Nanjing Chemical Research Institute Co.	5,097,600.00	Unsettled balance of works
add up the total	59,667,384.99	
accounts receivable in advance	696,896.60	324,821.57
add up the total	696,896.60	324,821.57



**2. Significant receipts in advance with an age of more than one year**

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

**(xl) Contract liabilities****1. Contractual liabilities**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Receipts in advance (contractual liabilities)	842,747,711.44	924,388,342.13
add up the total	842,747,711.44	924,388,342.13

Other notes:

□Applicable √Not Applicable

**(XLI) Deposit-taking**

Unit: Yuan Currency: RMB

sports event	Closing balance	Balance at the beginning of the year
demand deposit	7,323,832,068.10	4,467,487,432.52
fixed deposit	3,593,455,926.52	5,162,708,901.27
Accrued interest on deposits taken	69,116,994.08	49,851,948.76
add up the total	10,986,404,988.70	9,680,048,282.55

**Remuneration payable to employees 1.**

Unit: Yuan Currency: RMB

Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term remuneration	246,775,508.68	2,193,642,215.39	2,200,263,348.06
II. Application of Non-qualified deferred contribution account draw (a line)	6,498,240.39	232,867,626.14	233,010,301.57
III. Termination benefits	34,951,451.35	19,790,116.02	21,587,210.33
IV. Other benefits due within one year			
add up the total	288,225,200.42	2,446,299,957.55	2,454,860,859.96

**2. Presentation of short-term remuneration**

Unit: Yuan Currency: RMB

Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and supplements fit snugly	228,920,545.73	1,688,925,386.80	1,702,162,261.30
II. Employee benefit costs	430,503.24	81,642,010.93	80,917,492.09
III. Social security	2,864,186.20	123,662,026.00	118,330,075.07

wasteful				
VI. Short-term paid absences				
VII. Short-term profit-sharing schemes				
VIII. Other short-term remuneration	1,566,304.06	144,054,704.81	143,642,448.97	1,978,559.90
add up the total	246,775,508.68	2,193,642,215.39	2,200,263,348.06	240,154,376.01

### 3. Presentation of the defined contribution plan

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Decrease during 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
3. Other notes: Applicable □Not applicable	445.00	32,777,338.82	32,777,783.82	
add up the total	6,498,240.39	232,867,626.14	233,010,301.57	6,355,564.96

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
□Not applicable		
value-added tax (VAT)	26,930,698.56	159,817,692.45
sales 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
Urban maintenance and construction tax	1,495,898.24	3,636,366.33
property tax	8,111,108.27	7,642,081.08
Education 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
non-residential property	12,915,705.64	14,781,864.39
the rest	1,773,435.10	341,505.02
add up the total	302,189,707.43	807,155,248.97

### (XLIV) Other payables 1. Item presentation

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
interest due		
dividend payable	153 / 361 16,253,625.24	5,965,668.99
Other accounts payable	2,750,085,396.45	2,635,456,919.59
add up the total	2,766,339,021.69	2,641,422,588.58

Other notes:

☐Applicable ☒Not Applicable

**2. Interest payable****(1) Classification presentation**

□Applicable √Not Applicable

**3. Dividends****payable****(1) segmentati**

Unit: Yuan Currency: RMB

on	Closing balance	Opening balance
√Applicable sports event		
on non-share dividend		
Dividends on preference shares/perpetual bonds classified as equity instruments		
Shanghai Hetten High-Tech Co.	8,148,750.00	5,432,500.00
Shanghai Try4TestHua Investment Management Centre (Limited Partnership)	7,604,460.57	32,754.32
Corporate dividends	500,414.67	500,414.67
add up the total	16,253,625.24	5,965,668.99

**4. Other accounts payable****(1) Other accounts payable****by nature of payment**

Unit: Yuan Currency: RMB

√Applicable □Not applicable sports event	Closing balance	Opening balance
Other accounts payable	2,750,085,396.45	2,635,456,919.59
add up the total	2,750,085,396.45	2,635,456,919.59

**(2) Significant other payables****aged over 1 year**

Unit: Yuan Currency: RMB

√Applicable □Not applicable sports event	Closing balance	Reasons for non-reimbursement or carry-over
Shanghai Huayi Group Financial Leasing Co.	180,000,000.00	Related party transactions
Great Wall Asset Management	15,897,703.99	Calendar year transactions
Other payables: Shanghai Huayi Holding Group Co.	150,000,000.00	Related party transactions
add up the total	345,897,703.99	

**(xlv) Liabilities held for sale**

□Applicable √Not Applicable

**(xlv) Non-current liabilities  
due within one year**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable sports event	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 accounts payable due within 1 year		
Other notes:		
1. Long-term borrowings due within one year	519,886,541.83	948,060,966.86
(1) Long-term borrowings due within one year		
add up the total	Closing balance	Balance at the beginning of the year
Guaranteed Borrowing	5,100,113.23	682,768,038.63
credit loan	431,710,750.85	181,601,457.90
secured loan	3,838,365.18	18,787,950.30
add up the total	440,649,229.26	883,157,446.83

Unit: Yuan Currency: RMB

## (2) Long-term borrowings due within one year in the top five amounts

Unit: Yuan

lending unit	Borrowing start date	loan termination date	currency type	Interest rate (per cent)	Closing balance		Balance at the beginning of the year	
					multi-currency sum of money	Amount in local currency	Amount in foreign currency	Amount in local currency
BangkokBankPublicCompanyLimited	2017/7/27	2022/6/27	USD	Libor/Bibor(3M)+1.90 per cent			USD 49,264,238.80	314,094,007.32
BangkokBankPublicCompanyLimited	2017/8/25	2022/6/27	THB	THBFIX(3M)+2 per cent			THB1,281,250,000.00	244,943,412.10
Bank of China (Thai) Public Company Limited	2017/7/25	2022/6/30	USD	Libor/Bibor(3M)+1.90 per cent			USD 11,203,356.89	71,429,242.52
Bank of China (Thai) Public Company Limited	2017/7/24	2022/6/30	THB	Libor/Bibor(3M)+1.90 per cent			thb266,387,687.01	50,926,758.24
Bank of Communications Co. Haibao Shan Sub-branch	2016/3/15	2022/10/11	CNY	4.6500				29,970,663.20
The Export-Import Bank of China, Shanghai Branch	2020/7/30	2023/7/30	CNY	2.9150		400,000,000.00		
China Development Bank	2016/7/28	2023/1/28	CNY	1.2000		7,600,000.00		
China Development Bank	2016/7/28	2023/7/28	CNY	1.2000		7,600,000.00		
China Development Bank	2015/12/30	2023/1/28	CNY	1.2000		3,600,000.00		
China Development Bank	2015/12/30	2023/7/28	CNY	1.2000		3,600,000.00		
Total figure						422,400,000.00		711,364,083.38

**(xlvii) Other current****liabilities Other**

current liabilities

√Applicable Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		
Sales tax to be transferred	181,242,769.95	129,247,433.39
add up the total	181,242,769.95	129,247,433.39

Increase or decrease in short-term bonds payable:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable**(xlviii) Long-****term loans 1.****Classification****of long-term****loans**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
loan on pledge		
secured loan	110,789,924.70	49,228,545.77
Guaranteed Borrowing	4,714,251,858.21	511,049,974.55
credit loan	688,395,174.53	1,852,557,840.20
Entrusted Borrowing		5,400,000.00
add up the total	5,513,436,957.44	2,418,236,360.52



Other notes, including interest rate bands:

√Applicable □Not applicable

## 2. Top five long-term loans

Unit: Yuan

lending unit	Borrowing start date	loan termination date	currency type	Interest rate (per cent)	Closing balance		Balance at the beginning of the year	
					Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
The Export-Import Bank of China, Shanghai Branch	2020/7/30	2023/7/30	CNY	3.00				400,000,000.00
The Export-Import Bank of China, Shanghai Branch	2021/3/17	2023/3/16	CNY	2.70				400,000,000.00
The Export-Import Bank of China, Shanghai Branch	2021/3/17	2023/3/16	CNY	3.40				300,000,000.00
Bank of Communications Co. branch of bank or store	2021/6/28	2024/6/21	CNY	3.30		297,500,000.00		299,500,000.00
Bank of Communications Co. branch of bank or store	2021/5/25	2024/5/24	CNY	3.30		197,500,000.00		199,500,000.00
China Development Bank	2016/7/28	2031/7/27	CNY	1.20		121,400,000.00		144,200,000.00
Agricultural Bank of China Ltd. Haihuangpu Sub-branch	2021.12.17	2031.12.16	CNY	lpr-0.8 per cent		987,500,000.00		
Industrial and Commercial Bank of China Ltd. Hai Shi Bund Sub-branch	2021.12.17	2031.12.16	CNY	lpr-0.8 per cent		3,709,811,000.00		
add up the total						5,313,711,000.00		1,743,200,000.00

(xlix) Bonds  
payable 1.  
Bonds payable

√Applicable

Unit: Yuan Currency: RMB

<input type="checkbox"/> Not applicable	sport s even t	Closing balance	Opening balance
Hua Yi Group (Hong Kong) Limited Bonds		2,428,204,356.45	2,218,326,429.49
	add	2,428,204,356.45	2,218,326,429.49
<b>2. Increase or decrease in bonds payable: (excluding other financial instruments such as preference shares and perpetual bonds classified as financial liabilities)</b>			

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable	<input type="checkbox"/> Not applicable	Bond d mat urity	Issu e amo unt	Ope ning bala nce	C ur re nt Is su e cla ssi fier for obj ect s in ro ws su ch as b onds	Interest at par	Amortisation of premiums and discounts	Curr ent peri od reim burs eme nt	Exchange differences	Clos ing bala nce
<p>Other notes:</p> <p>√Applicable <input type="checkbox"/>Not applicable</p> <p>Note: HUAYI FINANCE I LTD. a subsidiary of the Company, issued a five-year U.S. dollar-denominated debenture with a coupon amount of US\$350 million on 30 October 2019, with interest payable semi-annually at a fixed rate of 3.00% per annum. The five-year U.S. dollar bonds are due for repayment on October 30, 2024, unless the bonds have been repurchased, cancelled or redeemed prior to that date. The effective interest rate on the bonds payable is fixed at 3.25 per cent per annum.</p>										
Debt of Huay Group (Hong Kong) Limited deed (i.e. title deeds)	100.00	30.10.2019	30.10.2019 - 2024.10.30	2,445,208,021.38	2,218,326,429.49	70,036,575.00	4,768,743.58	70,036,575.00	217,297,230.98	2,428,204,356.45

### 3. Description of conversion conditions and conversion time of convertible bonds

☐Applicable ☒Not applicable

### 4. Description of other financial instruments classified as financial liabilities

Basic information on 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 preferred shares, perpetual bonds and other financial instruments issued and outstanding at the end of the period

☐Applicable ☒Not applicable

Description of the basis on which other financial instruments are classified as financial liabilities:

☐Applicable ☒Not applicable

#### (v) Lease

##### liabilities

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Closing balance	Opening balance
Lease payments	401,300,672.10	391,389,485.39
Unrecognised finance costs	-71,577,918.58	-96,628,859.80
Less: Lease liabilities due within one year	-67,049,262.56	-53,746,045.03
<b>(xxxi) Long-term payables 1. Item presentation</b>	262,673,490.96	241,014,580.56

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Closing balance	Opening balance
Long-term accounts payable	45,824,158.17	45,824,158.17
Dedicated accounts payable	99,875,529.07	96,967,006.95
add up the total	145,699,687.24	142,791,165.12

Other notes:

☐Applicable ☒Not applicable

### 2. Long-term accounts payable

#### (1) Long-term accounts payable by nature of payment

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Closing balance	Opening balance
Government of Anhui Chaohu allocated to the project	156 / 3624,413,285.36	24,413,285.36
Payment for land storage	9,256,084.19	9,256,084.19
Shanghai Huayi Holding Group Co.	10,266,457.06	10,266,457.06
Shanghai Aijian Trust & Investment		

### 3. Special accounts payable

#### (1) Special accounts payable by nature of payment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

special accounts payable	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for formation
Special funds for research and development of military industry projects	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
Note: Hazardous chemical special, mainly because according to the "Shanghai hazardous chemical enterprise adjustment special subsidy measures" and by the Shanghai industrial structure adjustment co-ordination to promote the joint conference office issued a document "Shanghai Production Adjustment office [2012] No. 32" agreed to the company's subsidiary Shanghai Zhennida paint factory, subsidiary Shanghai Coating Research Institute Ltd. and subsidiary Shanghai Technical Services Co. Ltd. met the conditions of subsidy and received special subsidies of RMB20,020,000.00, RMB840,000.00 and RMB5,887,000.00 respectively, and after paying the corresponding expenses, the remaining balance in 2022 will be RMB1,020,000.00, RMB1,040,000.00 and RMB1,887,000.00 respectively.					
add up the total	14,342,657.50	96,967,006.95	6,990,000.00	4,081,477.88	99,875,529.07

#### (52) Long-term

#### employee compensation

#### payable

√Applicable □Not applicable

Unit: Yuan Currency: RMB

special accounts payable	Closing balance	Opening balance
1. Statement of long-term employee compensation payable		
I. Post-employment benefits -- net defined benefit plan liability	209,540,000.00	264,480,000.00
II. Termination benefits	43,970,000.00	52,320,000.00
III. Other long-term benefits		
add up the total	253,510,000.00	316,800,000.00

#### 2. Changes in defined

#### benefit plans

#### (1) Present value of

#### defined benefit plan

Unit: Yuan Currency: RMB

special accounts payable	Current period's incidence	Prior period's incidence
defined benefit plan obligations:		
√Applicable □Not applicable		
I. Opening balances	316,800,000.00	336,850,000.00
II. Defined benefit costs charged to current profit or loss	-44,520,000.00	4,980,000.00
1. Current service costs		1,660,000.00
2. Past service costs	-50,190,000.00	-8,850,000.00

**(2) Scheme assets:**

☐Applicable ☒Not applicable

**(3) Net liability (net assets) of defined benefit plans**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

event	Current period's incidence	Prior period's incidence
I. Opening balances	316,800,000.00	336,850,000.00
II. Defined benefit costs 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
A description of the content of the defined benefit plan and the risks associated with it, its impact on the company's future cash flows, timing and uncertainty:	-21,650,000.00	-23,410,000.00
Net liability	253,510,000.00	316,800,000.00

**Statement of significant actuarial assumptions and sensitivity analysis results for defined benefit plans**

☒Applicable ☐Not applicable

Use the following actuarial assumptions:

actuarial assumptions	31 December 2022
Annual discount rate - post-employment benefits	3.00 per cent
Annual discount rate - post-employment benefits	2.50 per cent
mortality rate	China Life Insurance Industry Experience Life Table (2010-2013)-Foster Old category business men's/women's watches
Annual increase in supplementary medical benefits	8.00 per cent
Annual rate of increase in monthly supplementary old-age benefits paid to retirees	8.00 per cent
Annual rate of increase in monthly supplementary old-age benefits paid to expropriated pensioners	10.00 per cent
Cost of living, social security contributions and housing fund contributions for non-service personnel annual growth rate	Impact on the present value of plan benefit obligations (Unit: RMB Yuan)
After-service benefits for all categories of personnel	
Discount rate +1 per cent	-21,300,000.00
Discount rate - 1 per cent	25,800,000.00
Post-employment benefits for all categories of personnel	
Discount rate +1 per cent	-2,010,000.00
Discount rate - 1 per cent	2,180,000.00

☐Applicable ☒Not applicable

**(viii) Projected liabilities**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for formation
Provision of guarantees to external parties					
Pending litigation					
Reorganisation obligations					
Loss-making contracts pending execution					
Returns payable					
the rest					
Other notes, including a description of significant assumptions, estimates related to significant projected liabilities: Note: See Note XII, (ii) Contingencies for details.	12,751,400.00	1,177,800.00		13,929,200.00	anti-dumping investigation
Product Quality Assurance	210,000.00			210,000.00	
(34) Deferred income		200.00		200.00	
Deferred income					
status add	12,961,400.00	1,178,000.00		14,139,400.00	/
√Applicable □Not applicable					
total					
sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for formation
government grant	541,981,144.91	9,392,100.53	60,926,898.65	490,446,346.79	
add up the total	541,981,144.91	9,392,100.53	60,926,898.65	490,446,346.79	

Unit: Yuan Currency: RMB

Projects involving government grants:

√Applicable □Not applicable

Unit: Yuan Currency:  
RMB

Liability items	Opening balance	New grants for the period horizontal tablet or inscribed board	Included in operating expenses for the period Amount of external income	Included in other receipts for the period Amount of benefit	Other changes	Closing balance	Asset-related/revenue-related
Development of high performance speciality 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	revenue-related
Key to Novel Structural Epoxy Resins Based on Material Genome MGI Approach Study of preparation techniques and their application to spacecraft	267,000.00			160,000.00		107,000.00	revenue-related
Procurement of assets for military projects	12,829,223.72			1,086,689.51		11,742,534.21	Asset-related
Technical modification of polyimide moulded parts production line	4,550,580.80			657,915.36		3,892,665.44	Asset-related
Liner project	2,768,566.23			400,274.64		2,368,291.59	Asset-related
Earmarked funds for standardisation and revision	1,160,000.00			95,894.55		1,064,105.45	revenue-related
Shanghai Changning District Finance Bureau Zero Balance Account	950,000.00					950,000.00	revenue-related
Fiscal direct payment clearing account for municipal treasury collection and payment centres	650,000.00					650,000.00	revenue-related
Made in Shanghai Brand Special Funds	5,000,000.00	2,500,000.00		5,000,000.00		2,500,000.00	revenue-related

Scale mass production of PI materials and engineering technology for coated substrate materials (films) Technology development projects		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 Fibre Composites		360,000.00		360,000.00			revenue-related
Eighth batch of special projects for industrial transformation and development in 2020 (Industrial Internet) ZJ	2,050,000.00					2,050,000.00	revenue-related
Retaining wall subsidy	919,787.59			23,035.86		896,751.73	Asset-related
Fujian Ningde Sandou'ao Economic Development Zone Management Committee-Annual output of 500,000 tonnes Equipment subsidy for interior and exterior trim project	1,007,670.21			103,350.79		904,319.42	Asset-related
Subsidies for infrastructure development	18,734,693.88			416,326.53		18,318,367.35	Asset-related
160,000 tonnes/year Acrylic Acid Green New Process Industrialisation Development Project	10,694,444.32			1,458,333.36		9,236,110.96	Asset-related
P&U 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 Systems 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 tonnes of lithium battery conversion 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
Anode materials for high safety power batteries (strong base)	3,800,000.00					3,800,000.00	revenue-related
Chemical Industry Industrial Internet Platform Project	4,800,000.00			1,600,000.00		3,200,000.00	Asset-related
Guangxi New Material Land Compensation	32,856,799.00					32,856,799.00	Asset-related
Jiangsu Province financial allocation 100,000 sets of engineering tyre project government support funds	866,666.70			433,333.32		433,333.38	Asset-related
Rugao 100,000 sets of engineering tyre project local matching funds	259,999.66			130,000.08		129,999.58	Asset-related
Special Funds for the Transformation of Scientific and Technological Achievements in Jiangsu Province	866,666.74			433,333.32		433,333.42	Asset-related
Special Funds Allocation for Independent Innovation in Jiangsu Province	255,555.62			133,333.32		122,222.30	Asset-related
Rugao City Development and Reform Commission Energy Optimisation Project Special Funds	1,649,999.98			300,000.00		1,349,999.98	Asset-related
Major Scientific and Technological Achievements in 2015	6,933,333.39			533,333.28		6,400,000.11	Asset-related
2016 Major Scientific and Technological Achievements Specialised Funding	1,733,333.35			133,333.32		1,600,000.03	Asset-related
900,000 sets of low rolling resistance green tyres special funding	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
Financial earmarking for the purchase of equipment for a double-mode fixed vulcanising machine for Chongqing tyres capital	400,000.40			99,999.96		300,000.44	Asset-related
Special Funds for Industrial Revitalisation in Chongqing, 2016	248,444.46			22,933.32		225,511.14	Asset-related
21 Air Pollution Control Fund Project Subsidy	1,380,000.00					1,380,000.00	Asset-related

Xinjiang annual production capacity of 600,000 all-steel radial tyres project technology change seed money	23,505,323.01			1,415,335.92		22,089,987.09	Asset-related
Fixed Asset Loans Xinjiang Fiscal Discount	24,684,668.66			1,400,000.04		23,284,668.62	Asset-related
Xinjiang Uygur Autonomous Region Department of Finance 150,000 sets of big agricultural machinery and big project wheels Financial subsidies for tyre technology improvement projects	666,666.41			66,666.72		599,999.69	Asset-related
Compensation for relocation of Huoshan Road	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 grant for giant foetuses	40,000,000.00					40,000,000.00	Asset-related
Compensation for relocation from Kunyang Road	52,388,993.23			2,576,815.24		49,812,177.99	Asset-related
Development of tyre force and moment characteristics testing machine for cars and light duty vehicles Project Grant (referred to as: Hexagonal Force Tester Project)	163,682.89			81,841.43		81,841.46	Asset-related
Duplex car and light truck tyres with camber and side deflection for high speed resistance Durability Testing Machine Project Grant (referred to as the High Speed Durability Machine Project)	28,644.51			28,644.51			Asset-related
Rubber Capillary Rheometer Project Grant (referred to as the Rheometer Project)	6,649.65			6,649.65			Asset-related
Project grant for laser holographic phase shear interferometry non-destructive testing of tyres	89,207.21			22,301.78		66,905.43	Asset-related

(referred to as the laser holographic detector project)							
Collaboration with Tongji University on a research platform for tyre noise and vibration project grant help	3,069.02			3,069.02			Asset-related
Cooperation with South China University of Technology in the research and development of powder-filled rubber li Grants for projects	28,644.45			14,322.29		14,322.16	Asset-related
Tyres in cooperation with the Institute of Composite Materials and Structures, Harbin Institute of Technology Grants for the Finite Element Analysis Technology Platform project	3,069.02			3,069.02			Asset-related
Receive special funds for the development of Shanghai's informatisation	1,400,000.00					1,400,000.00	Asset-related
Pilot project grant for winding machines	100,000.00					100,000.00	Asset-related
New radial tyre development project grant	600,000.00					600,000.00	Asset-related
Kai Sing Programme - Radial Tyre R&D Grant	70,000.00					70,000.00	Asset-related
Shanghai Municipal Finance High Performance Tyre Development Project Grant	700,000.00					700,000.00	Asset-related
Yixing Colouring Land Compensation	23,185,305.00			562,068.00		22,623,237.00	Asset-related
Jinshan District Finance Bureau Technical Improvement Project	11,472,500.19			1,764,999.96		9,707,500.23	Asset-related
Research and Evaluation of Continuous Flow Processes for Fine Chemicals and Implementation Plan for Industrial Demonstration outlined	3,245,614.06	3,900,000.00		7,145,614.06			revenue-related
Microchannel reaction system based on ultra-constrained microchemical reaction chip assembly	1,310,000.00					1,310,000.00	revenue-

Performance evaluation and application study of the system							related
VOC Project	1,802,126.60			1,516,887.90		285,238.70	Asset-related
Qcc64 Production unit technical renovation project	845,714.30			422,857.14		422,857.16	Asset-related
Special Funding for Clean Energy Replacement of Boilers	1,030,158.02			150,754.84		879,403.18	Asset-related
Graphene project subsidy from the Science and Technology Commission	537,658.15			537,658.15			Asset-related
Over-representation incentives (employment of disabled persons)	1,014.80			1,014.80			revenue-related
Industrialisation and industry chain expansion of waterborne hydroxy acrylate emulsions		1,339,622.65				1,339,622.65	Asset-related
Pudong New Area Development Support Fund	20,682,000.00			20,682,000.00			revenue-related

Other notes:

☐Applicable ☒Not Applicable

### (v.v.) Other non-current liabilities

☐Applicable ☒Not Applicable

### (Fifty-six) Share capital

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Increase/decrease in current changes (+, i)					Closing balance
		issuance new share	a share grant	provident fund transfer stock	the rest	Subtotal	
<b>(vii) Other equity instruments</b>							
<b>Total</b>	2,131,440,598.06						2,131,440,598.06
<b>Basic information on other financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period</b>							
number of shares							

☐Applicable ☒Not Applicable

## 2. Statement of changes in preferred shares, perpetual bonds and other financial instruments issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Changes in other equity instruments during the period, a description of the reasons for such changes, and the basis for the related accounting treatment:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

### (viii) Capital surplus

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Decrease during 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 capital surplus	1,311,063,157.64	15,871,889.54		1,326,935,047.18
Other explanations, including increases or decreases add up the total	9,131,885,255.03	18,027,410.04	51,734,956.73	9,098,177,708.34

during the period and explanations of the reasons for the changes: Note:

1. The change in capital premium during the period was mainly attributable to the increase in capital surplus due to equity dilution as a result of non-identical capital increase of subsidiaries 2,155,520.50
- (a) Reduction of capital surplus by RMB51,734,956.73 due to the acquisition of minority interests in subsidiaries.

2. Changes in other capital surplus during the period were mainly attributable to the increase of

capital surplus by RMB13,990,616.69 as a result of changes in equity incentives and the increase of capital surplus by RMB13,990,616.69 as a result of changes in associates.  
Other changes in equity increased capital surplus by RMB1,881,272.85.

(xxxix)

## Inventory Unit

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Opening balance	Increase during the period	Decrease during the period	Closing balance
equity incentive	102,771,473.00			102,771,473.00
add up the total	102,771,473.00			102,771,473.00

(xx) Other

## comprehensive

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Opening balance	Amount incurred during the period						Closing balance
		Current incidence before income tax	Less: prior period included in other comprehensive income Transfer to profit or loss for the period	Less: Transfer from prior period to other comprehensive income in the current period Retained earnings	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income not reclassifiable 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 not transferable to profit or loss under the equity method								
Changes in fair value of investments in other equity instruments								
Changes in fair value of an enterprise's own credit risk								
II. Other comprehensive income to be reclassified to profit or loss	20,894,537.41	-88,630,243.54				-48,417,232.55	-40,213,010.99	-27,522,695.14
Of which: Other comprehensive income available for transfer to profit or loss under the equity method	5,253,160.67	1,754,951.44	164 / 249			1,754,951.44		7,008,112.11
Changes in fair value of other debt investments								
Amounts reclassified from financial assets to								

(xxxi)

**Earmarked**

Unit: Yuan Currency: RMB

reserves	Opening balance	Increase during the period	Decrease during the period	Closing balance
√Applicable				
□Not applicable				
sports event safety production costs	2,761,493.48	13,985,380.21	16,629,981.32	116,892.37
add up the total	2,761,493.48	13,985,380.21	16,629,981.32	116,892.37

(xxxii) Surplus

**reserves**

Unit: Yuan Currency: RMB

√Applicable	Prior year-end balance	Opening balance	Increase during the period	Decrease during the period	Closing balance
□Not applicable					
Statutory surplus	589,490,019.34	589,490,019.34	150,017,924.46		739,507,943.80
Arbitrary surplus reserves					
reserve fund					
Enterprise development fund					
Undistributed profit					

Unit: Yuan Currency: RMB

profits	add	589,490,019.34	589,490,019.34	150,017,924.46	739,507,943.80
√Applicable	□Not applicable				
the total	sports event			current period	previous period
Undistributed profit at the end of the previous period before adjustment				9,816,118,454.74	7,025,902,850.08
Adjustments to the total unallocated profits at the beginning of the period (upward +, downward -)					
Adjustments to opening unallocated profit after the period				9,816,118,454.74	7,025,902,850.08
Add: Net profit for the period attributable to owners of the parent company				1,281,211,494.32	2,967,726,756.48
Less: Withdrawal of statutory surplus reserves				150,017,924.46	49,688,270.04
Withdrawal of surplus surplus at will					
Provision for general risks					
Dividends payable on ordinary shares				895,208,831.16	127,822,881.78
Dividends on ordinary shares converted to equity					
Undistributed profit at the end of the period				10,052,103,193.44	9,816,118,454.74

(64) Operating revenues and operating costs 1

**Operating revenues and operating costs**

Unit: Yuan Currency: RMB

√Applicable	□Not applicable	Current period's incidence	Prior period's incidence
sports event			
incomes		(ma	incomes
		nufa	
		cturi	
		ng,	
		prod	
			(ma
			nufa
			cturi
			ng,
			prod



Other notes:

**2. Breakdown of****operating income:**

Unit: Yuan Currency: RMB

operating income:		Current period's incidence		Prior period's incidence	
Industry Name		revenue	business costs	revenues	business costs
1. Revenue and cost of main operations		38,175,116,637.23	35,019,633,778.33	39,435,914,094.57	32,641,259,017.14
(1) Tyre manufacturing		10,019,898,331.49	9,190,275,645.21	9,397,471,217.82	8,679,042,531.17
①All-wire radial tyres for loads		9,238,282,673.06	8,458,253,006.64	8,663,780,332.89	7,965,778,206.50
② Semi-wire radial tyres		781,615,658.43	732,022,638.57	733,690,884.93	713,264,324.67
(2) Energy and Chemicals		9,315,441,004.94	9,020,154,778.62	11,988,525,077.56	8,595,607,326.49
① Methanol, 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
③Other 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
①Paints 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
①Chemical trading		7,018,895,712.19	6,806,996,910.05	5,329,436,560.99	5,286,486,788.29
②Other chemical service business		262,739,128.92	244,956,287.60	212,085,030.91	208,586,745.66
(6) Other		2,707,366,042.71	2,347,942,525.29	2,472,828,656.61	2,235,257,427.66
2. Other operating income		335,990,860.24	86,859,110.05	255,923,102.51	5,581,581.51
3. Operating revenues of the company's top five customers					
Client Name		Total		Unit: Yuan	Currency: RMB
add up the total		38,511,107,497.17	35,106,492,888.38	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	
fifth place		541,798,227.48		1.41	
add up		3,515,423,498.53		9.13	
4. Status of income generated from contracts					
□Applicable √Not Applicable					
total					

A description of the revenue generated by the contract:

☐ Applicable ☒ Not Applicable**5. Description of performance obligations**☐ Applicable ☒ Not Applicable**6. Description of assessment to remaining performance obligations**☐ Applicable ☒ Not Applicable

**(xxv) Net interest income**

Unit: Yuan Currency: RMB

item item	Current period's incidence	Prior period's incidence
Interest income	426,359,929.62	342,633,318.49
-Interbank deposits	244,667,768.68	139,108,539.68
-Deposits with the Central Bank	15,004,625.86	13,704,144.20
-Collateralisation of funds		
-Loans and advances disbursed	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
-Buy-sell-back financial assets	741,704.47	1,067,062.54
-Bond investments		
-Other		
Of which: Interest income on impaired financial assets		
interest expense	186,638,271.09	175,635,019.23
-Interbank deposits		
-Borrowing from the Central Bank		
-Collateralisation of funds		
-Deposit taking	186,508,653.41	175,635,019.23
-Sale and repurchase of financial assets		
-Issues bonds		
<b>(xxvi) Net fee and commission income</b>	129,617.68	
Net interest income	239,721,658.53	Unit: Yuan Currency: RMB 166,998,299.26
item item	Current period's incidence	Prior period's incidence
Fee and commission income		
-Settlement and clearing fees		
-Agency business handling fee		
-Credit Commitment Fees and Commissions		
-Bank card fees		
-Consultancy and advisory fees		
-Commission on custodianship and other fiduciary services		
-Other		
Handling fee and commission expenses	737,104.96	780,995.37
<b>(xxvii) Net fee and commission income</b>	737,104.96	780,995.37
Handling fee and commission expenses		
-Commission expenses		
-Applicable - Not applicable		
Net fee and commission income	-737,104.96	Unit: Yuan Currency: RMB -780,995.37
sports event	Current period's incidence	Prior period's incidence
sales tax	2,273,944.50	3,496,444.66
Urban maintenance and construction tax	31,505,415.24	44,656,414.10
Education surcharge	26,607,104.11	39,288,728.16
property tax	41,203,897.19	40,068,002.63

vehicle usage tax (VUT)	103,877.06	94,357.63
non-residential property	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
the rest	4,121,725.19	4,241,748.86
add up the total	179,019,425.19	199,021,925.00

**(xxviii) Cost of sales**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable sports event <input type="checkbox"/> Not applicable	Current period's incidence	Prior period's incidence
sales expense	508,169,812.13	520,064,680.32
add up the total	508,169,812.13	520,064,680.32

**(xxix)**

**Administrative**

Unit: Yuan Currency: RMB

<b>expenses</b> sports event <input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Current period's incidence	Prior period's incidence
overheads	1,075,505,368.08	1,259,779,930.20
add up the total	1,075,505,368.08	1,259,779,930.20

**(vii) Research and development**

Unit: Yuan Currency: RMB

<b>costs</b> sports event <input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Current period's incidence	Prior period's incidence
R&D costs	697,544,527.05	782,223,562.36
add up the total	697,544,527.05	782,223,562.36

**(viii) Finance costs**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable sport <input type="checkbox"/> Not applicable s even t	Current period's incidence	Prior period's incidence
interest expense	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
Currency exchange gains and losses	168 / 361 -29,708,658.96	50,626,692.82
the rest	13,599,580.99	17,553,972.94
add up the	196,522,088.63	300,137,658.28

**(viii) Other gains**

√/Applicable

Unit: Yuan Currency: RMB

<input type="checkbox"/> Not applicable sports event	Current period's incidence	Prior period's incidence
government grant	760,843,708.32	90,766,584.38
Input tax credits	2,026,152.75	1,731,095.09
Handling fee for withholding personal income tax	1,378,260.45	951,604.44
add up the total	764,248,121.52	93,449,283.91

## Other notes:

Government grants included in other gains

Unit: Yuan Currency: RMB

Subsidised projects	Amount for the period	Prior period amount	Asset-related/revenue-related
160,000 tonnes/year Acrylic Acid Green New Process Industrialisation Development Project	1,458,333.36	1,458,333.36	Asset-related
19sn03 District Science Committee Coating Inspection and Testing Platform	1,000,000.00	609,900.00	revenue-related
Major Scientific and Technological Achievements in 2015	533,333.28	533,333.28	Asset-related
2016 Major Scientific and Technological Achievements Specialised Funding	133,333.32	133,333.32	Asset-related
Special Funds for Industrial Revitalisation in Chongqing, 2016	22,933.32	22,933.32	Asset-related
Second Industrial Strength District Funding Grant 2018		487,000.00	revenue-related
2018 Second Technology Enhancement Grant		100,300.00	revenue-related
High-tech Achievement Subsidy 2019-2020 (2019)		398,000.00	revenue-related
Subsidy for High-Tech Achievements in 2019-2020 (2020)		328,000.00	revenue-related
2019 Municipal Manufacturing Upgrade Policy Funding		50,000.00	revenue-related
Fiscal policy encashment funds for 2020		9,536,129.89	revenue-related
2020 Air Pollution Control Scholarship Fund		100,000.00	revenue-related
Soft Set Design Award 2020 Soft Set Design Award 2020		195,000.00	revenue-related
2020 International Market for Small and Medium-sized Enterprises		394,300.00	revenue-related
2020 Rugao City Economic Work Incentive (Technological Reform Subsidy)		1,851,700.00	revenue-related
2020 Provincial Foreign Trade Policy Funds		5,000.00	revenue-related
Patent Funding (Annual Invention Fee Authorisation) for the second half of 2020		31,600.00	revenue-related
2020 Funding Incentive Fee		57,000.00	revenue-related
2021 Special Award for Energy Saving and Comprehensive Utilisation of Resources		30,000.00	revenue-related
2021 Social security benefits for enterprises in the second quarter		11,834.00	revenue-related
Pre-allocation in the fourth quarter of 2021		120,000.00	revenue-related
Social security benefits for enterprises in the first quarter of 2021		12,825.20	revenue-related
20 Annual Green Manufacturing and Cleaner Production Incentive for Dazhan Industries		50,000.00	revenue-related
20 Annual Dazu Industry Green Manufacturing Energy Saving Product Awards		80,000.00	revenue-related
21 Post-subsidy Funds for Green Manufacturing System Integration for Radial Tyres		5,000,000.00	revenue-related
900,000 sets of low rolling resistance green tyres	133,333.32	133,333.32	Asset

Over-representation bonus	2,611.30	39,731.60	revenue-related
Liner project	400,274.64	400,274.64	Asset-related
Earmarked funds for standardisation and revision	95,894.55		revenue-related
Made in Shanghai Brand Special Funds	5,000,000.00		revenue-related
Scale mass production of PI materials and engineering technology for coated substrate materials (films) Development Projects	32,311.95		Asset-related
Export credit insurance subsidies	287,287.26	313,060.54	revenue-related
Dazu Industry Top 20 Award 2020		50,000.00	revenue-related
Retaining wall subsidy	23,035.86	23,035.86	Asset-related
Leadership in Party Building (funded by the Wakizashi Excellence Programme)		42,000.00	revenue-related
Subsidies from special local funds		3,680.00	revenue-related
Fifth batch of innovation and technology voucher subsidy arrives		48,555.00	revenue-related
First batch of Innovation and Technology Voucher Subsidy arrives		12,175.00	revenue-related
Adjustment of subsidies for R&D and industrialisation of new organosilicon materials		330,000.00	revenue-related
Catalyst for the oxidative dehydrogenation of butene for the preparation of butadiene, its preparation method and use 6 patents		50,000.00	revenue-related
Urban Suratang 2021 2nd quarter support		40,000.00	revenue-related
Financial support for urban Sittang		120,000.06	revenue-related
Urban Suratang First Quarter Support Funding		80,000.00	revenue-related
Property tax rebates		25,797.51	revenue-related
Enabling funds		1,010,000.00	revenue-related
Guiding funds for services		150,000.00	revenue-related
Subsidised by the Management Committee of the Sandou'ao Economic Development Zone, Ningde, Fujian Province	103,350.79	60,287.96	Asset-related
Pre-employment training subsidy		3,600.00	revenue-related
Reimbursement of harbour-front construction costs		5,209.00	revenue-related
Hong Kong Construction Fee		3,196.40	revenue-related
High and low temperature universal material testing machine project grants (referred to as high and low		5,831.25	Asset-

temperature tensile machine) projects)			related
Special Resin Preparation Technology for High Modulus Asphalt-based Carbon Fibre Composites	140,000.00	60,000.00	revenue-related
Application of key technologies for biodegradable industrial wastewater treatment with high concentration of hydrochloric acid and demonstration project		300,000.00	revenue-related
High-tech enterprise incentives		100,000.00	revenue-related
Return of trade union funds		11,222.60	revenue-related
Fixed Asset Loans Xinjiang Fiscal Discount	1,400,000.04	1,400,000.07	Asset-related
Special Funding for Clean Energy Replacement of Boilers	150,754.84	150,754.84	Asset-related
Three batches of SASAC resettlement grants		244,000.00	revenue-related
Management Committee of Hanshan Economic Development Zone - Supporting the development of enterprises		2,231,960.00	revenue-related
Hanshan County Public Employment Service Centre - Unemployment Insurance Rebate	15,670.57	5,365.72	revenue-related
Hanshan Human Resources and Social Security Bureau - Employment Subsidy		5,393.31	revenue-related
Federation of Persons with Disabilities of Lin'an District, Hangzhou City *Enterprise Placement Subsidy, Employer Employment subsidy for persons with disabilities		14,400.00	revenue-related
Special Account for Unemployment Fund Expenditure Account*, Employment Management Service of Lin'an District, Hangzhou City stable employment subsidy		7,185.43	revenue-related
Environmentally friendly subsidies		790,000.00	revenue-related
Compensation for relocation of Huoshan Road	2,387,085.12	2,387,085.12	Asset-related
Subsidies for infrastructure development	416,326.53	416,326.53	Asset-related
A key mechanism for the production of novel structural epoxy resins based on the material genome MGI approach Research on preparation technology and its application on spacecrafts	160,000.00	53,000.00	revenue-related
Laser Holographic Phase Shear Interference Tyre NDT Project Grant (brief)	22,301.78	22,301.78	Asset-related

(Called Laser Holographic Detection Machine Project)			
Chemical Industry Industrial Internet Platform Project	1,600,000.00		Asset-related
Jiangsu Province financial allocation 100,000 sets of engineering tyre project government support funds	433,333.32	433,333.32	Asset-related
Special Funds for the Transformation of Scientific and Technological Achievements in Jiangsu Province	433,333.32	433,333.32	Asset-related
Special Funds Allocation for Independent Innovation in Jiangsu Province	133,333.32	133,333.32	Asset-related
Development of tyre force and moment characteristics testing machine for cars and light duty vehicles Project Grant (referred to as: Hexagonal Force Tester Project)	81,841.43	81,841.43	Asset-related
Overview of the implementation programme for research, evaluation and industrial demonstration of continuous flow processes for fine chemicals narrate	7,145,614.06		revenue-related
Jinshan District Finance Bureau Technical Improvement Project	1,764,999.96	1,765,000.00	Asset-related
Tax rebates for economic parks	70,405.00	273,500.00	revenue-related
employment subsidy	4,000.00	7,000.00	revenue-related
Technical modification of polyimide moulded parts production line	657,915.36	657,915.36	Asset-related
Procurement of assets for military projects	1,086,689.51	1,086,689.51	Asset-related
Development Zone Payment of Enterprise Support Funds - Huayi Gas Adjustment Fee		23,138.00	revenue-related
Science and technology grants (R&D capital grants for high-tech III projects)		16,000.00	revenue-related
Grants for science, technology and innovation projects		70,000.00	revenue-related
Compensation for relocation from Kunyang Road	2,576,815.24	2,576,815.24	Asset-related
Green Finance Award	5,447.60	33,264.00	revenue-related
Development of high performance speciality resin matrix composites for space applications	560,000.00	540,000.00	Asset-related
Development of high-temperature and long-life self-lubricating joint bearing pads (1607-10) (Title)		70,000.00	Asset-related
Southern Border Award Subsidy		40,000.00	revenue-related
Energy Management System		100,000.00	revenue-related
Training subsidies	1,800.00	178,910.00	revenue-related
Over-representation incentives (employment of disabled persons)	1,014.80		revenue-related
Pudong New Area Development Support Fund	20,682,000.00	5,702,000.00	revenue-related
Pudong business incubator subsidy	1,500.00	141,000.00	revenue-related



P&U Switching Station Project Engineering	1,426,254.90	1,426,254.90	Asset-related
2017 Green Manufacturing Systems Integration	1,316,666.65		Asset-related
Enterprise Development Fund		2,787,400.00	revenue-related
Social security subsidies for enterprises		14,344.40	revenue-related
Special District Technology Centres		870,200.00	revenue-related
talent grant		265,200.00	revenue-related
Rugao 100,000 sets of engineering tyre project local matching funds	130,000.08	130,000.08	Asset-related
Rugao City Development and Reform Commission Energy Optimisation Project Special Funds	300,000.00	300,000.00	Asset-related
Commerce Commission subsidy		50,000.00	revenue-related
Shanghai Hangzhou Bay Economic and Technological Development Co. cross-subsidise		56,000.00	revenue-related
Shanghai Fengxian District Finance Bureau zero-balance account specialised in specialised new subsidies		20,000.00	revenue-related
Investment Service Centre, Hangzhou Bay Industrial Base, Fengxian District, Shanghai 2021, China Fengxian District		224,000.00	revenue-related
Shanghai Mechanical and Electrical Products Export Enterprises Market Diversification Funding Support Project		557,646.00	revenue-related
Shanghai Minhang District Market Supervision and Management Standardised Funding		270,000.00	revenue-related
Shanghai Pudong New Area Development and Management Committee of Expo Area Special Funds Household development support funds		318,000.00	revenue-related
Shanghai Zizhu High-tech Industrial Development Zone Special Funds Project		800,000.00	revenue-related
Social security benefits	6,381,030.94	1,390,637.59	revenue-related
Provincial star on the cloud award compensation		28,000.00	revenue-related

Training subsidies from the Unemployment Insurance Fund	1,200.00	10,200.00	revenue-related
Payment of training subsidies from the special account of the Unemployment Insurance Fund	600.00	600.00	revenue-related
Unemployment insurance training subsidy		600.00	revenue-related
Top Ten Enterprise Awards		50,000.00	revenue-related
Graphene project subsidy from the Science and Technology Commission	537,658.15	737,300.00	Asset-related
Municipal Finance, Trade and Industry Department, Consolidated Award		457,000.00	revenue-related
Municipal funds		90,000.00	revenue-related
Market Supervision Bureau Municipal Supervision Bureau 2021 Patent funding in the first half of the year		30,000.00	revenue-related
Subsidies from the Municipal State-owned Assets Supervision and Administration Commission (SASAC)		24,000.00	revenue-related
Over-representation incentives for persons with disabilities		16,392.20	revenue-related
Received 2020 foreign trade promotion policy funds		99,400.00	revenue-related
Receipt of subsidy for VOC flue gas treatment		200,000.00	revenue-related
Illegal claims received		127,000.00	revenue-related
High-speed durability of dual-station car and light truck tyres with camber and side deflection. Sex Tester Project Grant (referred to as the High Speed Endurance Machine Project)	28,644.51	28,644.50	Asset-related
Shuangqiao Economic and Technological Development Zone 20 Years of Industrial Development Special Bonus - Major New Products		100,000.00	revenue-related
Shuangqiao Economic and Technological Development Zone 21 years of industry industrial enterprises 10 strong development special bonus		400,000.00	revenue-related
Tax rebates	233,088.30	351,230.53	revenue-related
tax rebate	337,281.75	745,223.44	revenue-related
Reimbursement of tax processing fees	5,566.24	14,928.15	revenue-related
Land tax refunds		20,010.00	revenue-related
tax rebate or refund	1,947,409.10	1,982.47	revenue-related
Input credits (VAT relief) for veterans etc.		656,700.00	revenue-related
Provision for activities of retired staff		1,346.00	revenue-related
FECO development funds		463,500.00	revenue-related
Transitional finance for foreign trade	21,044.25	8,867.93	revenue-related

stable employment subsidy	1,561,522.38	351,517.24	revenue-related
Subsidy for stable employment		453.60	revenue-related
stable employment rebate		302,924.41	revenue-related
Reimbursement of logistics service fees		550.00	revenue-related
Employment absorption subsidy		2,600.00	revenue-related
Project polymer material genome platform construction	120,000.00	30,000.00	revenue-related
Rubber Capillary Rheometer Project Grant (referred to as the Rheometer Project)	6,649.65	6,649.61	Asset-related
Xinjiang annual production capacity of 600,000 all-steel radial tyre project technology transformation capital generic term for lustrous and ductile metals	1,415,335.92	1,415,335.89	Asset-related
Xinjiang Uygur Autonomous Region Department of Finance 150,000 sets of large agricultural machinery and large engineering tyre technology Financial subsidies for conversion projects	66,666.72	66,666.72	Asset-related
New Apprenticeship Programme Incentive		138,000.00	revenue-related
Information Technology Input Subsidy (Technology Reform Subsidy)		234,900.00	revenue-related
R&D Input Declaration Statistical Costs - District Budget		500.00	revenue-related
Yixing Colouring Land Compensation	562,068.00	562,068.00	Asset-related
Subsidies for work-based training		6,600.00	revenue-related
Work-to-Training Training Subsidy		154,000.00	revenue-related
provide work to relieve poverty		4,000.00	revenue-related
FEMA Overall Award		307,500.00	revenue-related
merit grant		27,000.00	revenue-related
Employers who take on a one-time employee		12,000.00	revenue-related
In cooperation with the Institute of Composite Materials and Structures, Harbin Institute of Technology, tyres have Grants for the limited element analysis technology platform project	3,069.02	3,069.06	Asset-related

Cooperation with South China University of Technology in the research and development and utilisation of powder-filled rubber Project grants	14,322.29	14,322.26	Asset-related
Grant for a research platform project on tyre noise and vibration in collaboration with Tongji University	3,069.02	3,069.06	Asset-related
Project Grant for Rolling Resistance Tester for Duty Vehicle Tyres (referred to as: Rolling) (Resistance Testing Machine Project)		26,598.44	Asset-related
Ready-to-use VAT refund	1,201,709.56	978,666.73	revenue-related
Value-added tax (VAT) levied first and refunded later		784,316.54	revenue-related
Changning District Market Supervision Bureau - Standardised Funding Application		1,429,000.00	revenue-related
Township financial support		864,000.00	revenue-related
Special Funds for the Development of Small and Medium-sized Enterprises		3,200,000.00	revenue-related
Small and medium-sized enterprise funding		30,000.00	revenue-related
Financial resources earmarked for the purchase of equipment for double-mode fixed vulcanising machines for Chongqing tyres generic term for lustrous and ductile metals Chongqing Shuangqiao Finance Bureau	99,999.96	99,999.96	Asset-related
Chongqing Shuangqiao Township Government Land Rebate	2,059,380.96	2,059,380.96	Asset-related
Financial incentives for housing grants		170,000.00	revenue-related
Patent grants	64,000.00	3,000.00	revenue-related
Patent funding		36,000.00	revenue-related
Patent Assistance Fee (2nd instalment of Patent Assistance Fee in 2021)		200,000.00	revenue-related
special allowance		600.00	revenue-related
FTA financial support funds		325,617.00	revenue-related
Wuhu Municipal Bureau of Human Resources and Social Affairs on the subsidy of skill master workshop		100,000.00	revenue-related
Employment Risk Reserve, Social Security Section, Finance Bureau, Qiujiang District, Wuhu City		121,318.86	revenue-related
Wuhu City, Qiujiang District, Finance Bureau, Enterprise Section, stay work stability subsidy		61,000.00	revenue-related
Wuhu City, Qiujiang District Finance Bureau on the 2021 provincial energy saving ecological special		300,000.00	revenue-related
Vocational training subsidies to "non-operating income - subsidy income" account		157,500.00	revenue-related
2020 Air Pollution Control Incentive Funding		400,000.00	revenue-related
Wuhu City, Qiujiang District Emergency Management		100,000.00	revenue-

Bureau on rescue base subsidies			related
2021 Special incentives for energy saving and comprehensive utilisation of resources		100,000.00	revenue-related
Social Security Administration Epidemic Unretired Workers' Benefits		2,000.00	revenue-related
Policy Support for Advanced Manufacturing in Minhang District	200,000.00	50,000.00	revenue-related
High-tech Enterprise Policy Funding		50,000.00	revenue-related
2020 Disability Premium Override Incentive		936.70	revenue-related
Subsidies for the disabled	19,205.50	21,622.06	revenue-related
First Municipal IP Awards 2020	33,000.00		revenue-related
Incentive funds for independent innovation in 2020 (county level)	185,000.00		revenue-related
Science and Technology Innovation Incentive for Development Zones 2020	44,800.00		revenue-related
2020 Market Manufacturing Policy Funding (Municipal)	55,000.00		revenue-related
2020 Municipal STI Policy Cash-in Bonus	165,000.00		revenue-related
2021 Jinshan District Patent Work Demonstration Unit	50,000.00		revenue-related
2021 “Striving for a new start in the first quarter” to promote steady industrial growth if Funds for the award of dry policy measures	200,000.00		revenue-related
2021 Hi-Tech Achievement Subsidy	399,000.00		revenue-related
2021 Special Funds for Transformation of High-tech Achievements	7,496,000.00		revenue-related
2021 Jinshan District Two-chemical Integration Management System Standardisation Award	20,000.00		revenue-related
2021 Municipal Enterprise Technology Centre Recognition and Reward for Enterprises Passing Evaluation capital	100,000.00		revenue-related
2021 First County Intellectual Property Awards	40,000.00		revenue-related
2021 Policy incentives	27,223,886.08		revenue-related

2021 Special Incentive Funds for Talents in Key Industrial Areas	302,000.00		revenue-related
2021 Funding for SMEs to Develop International Markets	286,400.00		revenue-related
Enabling first quarter of 2022	30,000.00		revenue-related
Special subsidy for foreign trade promotion in 2022	6,905.01		revenue-related
2022 Foreign Trade Transformation Promotion Fund	24,336.29		revenue-related
First batch of special funds for brand building in 2022	100,000.00		revenue-related
2022 Special Support for Green Development of Industries in Shanghai Chemical Industry Zone	520,000.00		revenue-related
2022 Shanghai Chemical Industry Park Science and Technology Innovation and Achievement Transformation Specialised Support	20,000.00		revenue-related
2022 Municipal Energy Conservation and Comprehensive Utilisation of Resources Financial Special Funds	771,400.00		revenue-related
2022 Wuhu City Energy Conservation and Comprehensive Utilisation of Resources Financial Special Funds Project	100,000.00		revenue-related
2022 Subsidies for Closure and Control Areas	3,000.00		revenue-related
Industrial enterprises above designated size in 2022	200,000.00		revenue-related
2022 Expansion grant	4,500.00		revenue-related
21 Municipal Foreign Trade Promotion Policy	53,000.00		revenue-related
21 Years Manufacturing Powerhouse National Energy Efficiency Leader Awards	500,000.00		revenue-related
21 Years Manufacturing Powerhouse National Water Efficiency Leader Awards	500,000.00		revenue-related
Financial support for business facilitation	137,900.00		revenue-related
Standardised subsidies	270,000.00		revenue-related
Standard-setting subsidies	100,000.00		revenue-related
Funding for standardisation and revision	200,000.00		revenue-related
financial subsidy	101,386.00		revenue-related
Fiscal Service Enabling Funds	65,727.54		revenue-related
Subsidies for participation in diagnostic services for digital applications and lean manufacturing companies	10,000.00		revenue-related
Disability Insurance Excess Proportionate Incentive	2,695.50		revenue-related
Disability benefits	1,853.20		revenue-related
Disability over-representation allowance	49,821.00		revenue-related

Industry-University-Research Special Incentive	140,000.00		revenue-related
Over-represented disability benefit	40,264.14		revenue-related
Dazu Industry Top 20 Award	50,000.00		revenue-related
Local education surcharge subsidy	36,600.00		revenue-related
The 10th batch of subsidies for job stabilisation - Dazu Finance Bureau	250,026.00		revenue-related
Second instalment of one-off stable employment subsidy	3,000.00		revenue-related
Sixth instalment of one-off grants for employers	4,000.00		revenue-related
Third batch of innovation and technology voucher subsidy arrives	38,082.00		revenue-related
Urban Suribachi Liquidation in the fourth quarter of 2021	70,000.00		revenue-related
Urban Suratang 2022 Second Quarter Enabling	220,000.00		revenue-related
Subsidies for vaccination	21,400.00		revenue-related
Fengxian District Intellectual Property Comprehensive Insurance Funding	4,750.00		revenue-related
Income from subsidies to support the development of production enterprises by the Bureau of Industry and Information Technology	100,000.00		revenue-related
Industrial Internet Special	150,000.00		revenue-related
Special funds for industrial energy conservation and contractual energy management	331,900.00		revenue-related
Industrial Strong Streets First Business Incentive	20,000.00		revenue-related
Carer's allowance	1,500.00		revenue-related
East China Normal University project final payment	240,000.00		revenue-related
Subsidies for environmental pollution liability insurance	7,200.00		revenue-related
Subsidies for technological improvements	800,300.00		revenue-related
Government incentives for technological reform	462,400.00		revenue-related
Technical awards	200,000.00		revenue-related
Jiaxing Gazelle Enterprise Subsidy	100,000.00		revenue-related

Jiaxing Municipal Green Factory Subsidy	100,000.00		revenue-related
Subsidy for Jiaxing Municipal Enterprise Technology Centre	200,000.00		revenue-related
Jinshan Gazelle	300,000.00		revenue-related
Subsidies from the Jinshan District Finance Bureau	540,700.00		revenue-related
Subsidies for the Jinshan District	3,813,000.00		revenue-related
Logistics subsidy for the Economic and Information Technology Bureau	2,961.00		revenue-related
Hatton Expansion Subsidy	10,000.00		revenue-related
Employment Management Service Centre* One-time job retention training grant	25,000.00		revenue-related
Development Zone R&D subsidies for enterprises	5,848.00		revenue-related
Subsidy for job expansion	18,000.00		revenue-related
Training subsidy for job retention	599,000.00		revenue-related
Minhang Economic Commission	100,000.00		revenue-related
Minhang District Special Support Fund	200,000.00		revenue-related
Minhang District Federation of Trade Unions 2021 Local education surcharge subsidy	120,399.50		revenue-related
Labour Subsidy for Southern Border	32,000.00		revenue-related
Training subsidies	197,000.00		revenue-related
Pinghu Zhongdai Street, Pinghu City, Zhejiang Tianyuan Medical Material Co. discretionary bonus	2,679,000.00		revenue-related
Other government grants	11,780.00		revenue-related
Tax deductions for enterprises placing ex-servicemen with them	148,500.00		revenue-related
Construction of basic facilities related to production and business activities of enterprises	5,600,000.00		revenue-related
One-off subsidy payments for employment intake by enterprises	76,500.00		revenue-related
Qingpu Finance Bureau Subsidy	54,300.00		revenue-related
Qingpu District Finance Bureau support funds	1,667,000.00		revenue-related
Special funds for talent incentives	70,000.00		revenue-related
Human Resources and Social Security Bureau 2022 Vocational training subsidy for enterprise workers	12,700.00		revenue-related
Direct subsidies from the Human Resources and Social Security Bureau	469,400.00		revenue-related
Shanghai Baoshan District Finance Bureau Supporting	150,000.00		revenue-



Funds			related
Shanghai Disabled Persons Employment Service Centre Over-representation Award	3,706.30		revenue-related
Financial Support for Market Diversification of Shanghai Mechanical and Electrical Product Export Enterprises	266,193.00		revenue-related
Lump-sum compensation for diversion of soap factory employees, etc.	605,564,838.00		revenue-related
Shanghai Zizhu High-Tech Industrial Development Zone	750,000.00		revenue-related
Municipal Industry and Information Technology Bureau Award - Intelligent Workshop	200,000.00		revenue-related
Municipal speciality subsidies	100,000.00		revenue-related
Municipal Human Resources Master Skill Grant	150,000.00		revenue-related
Municipal Emergency Management Agency Risk Identification and Control Advanced Enterprise Award	13,000.00		revenue-related
2021 Incentive Subsidy for Municipal Entry of Enterprises by the Bureau of Industry and Information Technology	50,000.00		revenue-related
2022 Municipal Energy Conservation and Comprehensive Utilisation of Resources Financial Special Funds	80,913.24		revenue-related
2022 Epidemic Resistance and Growth Stabilisation Grant	100,000.00		revenue-related
2022 Zhong Dai Street Office Enterprise Relief and Development Incentive	5,222.00		revenue-related
Bureau of Industry and Information Technology Incentive Subsidies for Enterprises Entering the Regulatory Framework	50,000.00		revenue-related
Economic Development and Labour Bureau 2021 Business Enterprise Appraisal Award	150,000.00		revenue-related
Special funds for the development of foreign trade and economic cooperation 2.29 million	2,290,000.00		revenue-related
Special Funds for the Foreign Economic and Trade Commission	1,925,000.00		revenue-related
Taopu Township Tax Rebate (Putuo District Government Support Fund)	72,000.00		revenue-related
Subsidy for Sports Industry Demonstration Units	200,000.00		revenue-related
Investment Company Pension Insurance Subsidy Fund	21,486.00		revenue-related
Tax relief for veterans' resettlement	9,000.00		revenue-related
Retirement benefits	23,575.00		revenue-related

Veteran's allowance	494,585.00		revenue-related
Ex-soldier's allowance	33,310.00		revenue-related
Retirement benefits for ex-soldiers	555,941.69		revenue-related
Foreign trade subsidies	2,000,000.00		revenue-related
Special Funds for Stable Growth of Foreign Trade	25,000.00		revenue-related
First instalment of subsidies for job stabilisation 202206	14,374.40		revenue-related
Income from stable employment subsidies	3,036.71		revenue-related
The first batch of Wuhu unemployment insurance stable post rebate in Qiujiang District	634,730.82		revenue-related
Financial employment subsidy for Wuhu City, Qiujiang District	2,000.00		revenue-related
Employment Subsidy for College Graduates (First Batch), Wuhu City Hatsujiang District Finance Bureau	2,000.00		revenue-related
Subsidies for Industrial Enterprises to Stabilise Production and Increase Efficiency, Finance Bureau, Hatjiang District, Wuhu City	83,800.00		revenue-related
Wuhu City, Qiujiang District Finance Bureau to support industrial enterprises to increase production and income subsidies	200,000.00		revenue-related
Wuhu City, Qiujiang District on the provincial R & D investment subsidies	40,000.00		revenue-related
Subsidies for Wujiang Human Resource Bureau	1,549.00		revenue-related
Research and development subsidies	400,000.00		revenue-related
Yangpu District Human Resources and Social Security Bureau	6,000.00		revenue-related
Subsidies for logistics and transport protection during epidemics	149,000.00		revenue-related
Zhangjiang Special Funds	250,000.00		revenue-related
Subsidy for recruitment of veterans	10,500.00		revenue-related
Town-level financial support	946,000.00		revenue-related
Enterprise Development Subsidy for Zhong Dai Street Office, Pinghu City	600,000.00		revenue-related
Subsidies for intellectual property protection	500,000.00		revenue-related
Intellectual property policy funding receipts	6,000.00		revenue-related
Subsidy for the installation of an intelligent forklift management system	8,000.00		revenue-related
Specialist in Expo Management Bureau of China (Shanghai) Pilot Free Trade Zone Administrative Committee	507,000.00		revenue-related
The special account for the development of support			

funds			
SME Relief Fund - Loan Interest Subsidy	25,000.00		revenue-related
Central Funding Assistance	4,160,000.00		revenue-related
Speciality and speciality subsidies	100,000.00		revenue-related
Patent Assistance Fee	4,100.00		revenue-related
Rent Reduction Subsidy	92,700.00		revenue-related

**(viii) Investment income**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Investment income	Current period's incidence	Prior period's incidence
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 during the period in which the financial assets held for trading are held	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 for trading	7,304,622.66	14,003,000.25
Investment gains on disposal of investments in other equity instruments		
Investment income on disposal of debt investments		
Investment gain on disposal of other debt investments		
Gain on debt restructuring		
Investment income on other non-current financial assets during the period in which they are held	19,609,636.23	33,240,855.21

Investment income from disposal of other non-current financial assets	-14,186,524.75	25,941.08
the rest	1,248,231.13	1,699,410.38
add up the total	419,168,612.89	530,348,686.97

**(viii) Net open hedging gains**

☐Applicable ☒Not Applicable

**(75) Gain on change in fair value**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Sources that generate gains from changes in fair value	Current period's incidence	Prior period's incidence
	Financial assets held for trading	-59,216,745.73	-12,852,601.46
	Of which: Gain on change in fair value from derivative financial instruments		
	Trading financial liabilities		
	Investment properties measured at fair value		
	Other non-current financial assets	-47,893,933.83	59,961,598.48
	add up the total	-107,110,679.56	47,108,997.02

**(76) Credit impairment losses**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	sports event	Current period's incidence	Prior period's incidence
	Bad debt losses 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 losses on debt investments		
	Impairment loss on other debt investments		
	Bad debt losses on long-term receivables		
	Impairment losses 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 items	200.00	-1,832,232.02
	add up the total	-478,751.93	19,309,740.40

**(viii) Impairment****losses on assets**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	sport s even t	Current period's incidence	Prior period's incidence
	I. Bad debt losses		
	II. Loss on decline in value of inventories and impairment loss on contract performance costs 185 / 361	170,820,020.48	235,869,064.61
	III. Impairment losses on long-term equity investments		
	IV. Impairment losses on investment properties		
	V. Impairment losses on fixed assets	2,883,206.15	152,633,087.12
	VI. Impairment losses on engineering materials		

XI. Goodwill impairment losses		65,518,600.00
XII. Other		
add up the total	173,703,226.63	454,020,751.73

**(viii) Gain on disposal of assets**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable sports event	Current period's incidence	Prior period's incidence	Amounts included in non-recurring gains and losses 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
Gain on disposal of right-to-use assets	1,474,071.23	19,565.43	1,474,071.23
(79) Non-add up the total	146,255,114.82	230,105,633.47	146,255,114.82

**operating income**

**Non-operating**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable sport event	Current period's incidence	Prior period's incidence	Amounts included in non-recurring gains and losses for the period
Total gain on disposal of non-current assets			
Of which: Gain on disposal of fixed assets			
Gains on disposal of intangible assets			
Gain on exchange of non-monetary assets			
Acceptance of donations			
government grant			
Revenue from liquidated damages, penalties	38,708,141.11	8,529,205.79	38,708,141.11
Government grants recognised in profit or loss, the rest	14,273,362.85	19,463,880.31	14,273,362.85
Revenue from carbon emissions	24,797,690.82		24,797,690.82
Other notes: add up the total	77,779,194.78	27,993,086.10	77,779,194.78

**(viii) Non-operating expenses**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sport event	Current period's incidence	Prior period's incidence	Amounts included in non-recurring gains and losses for the period
Total loss on disposal of non-current assets		186 / 361	
Of which: Loss on disposal of fixed assets			
Loss on disposal of			

the rest	327,433.69	9,884,144.48	327,433.69
add up the total	9,668,378.08	16,163,118.23	9,668,378.08

### (81) Income tax expense 1.

#### Income tax expense table

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Current income tax expense	445,990,058.44	940,045,107.42
Deferred income tax expense	-30,108,938.90	-21,161,858.39
add up the total	415,881,119.54	918,883,249.03

## 2. Process of adjusting accounting profit and income tax expense

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

### (xxxii) Delegated operations

Unit: Yuan Currency: RMB

sport s even t	Current period's incidence	Prior period's incidence
Deposit on commission	33,800,000.00	40,400,000.00
Less: entrusted loans	33,800,000.00	40,400,000.00
Net entrusted deposits		

### (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 company by the weighted average number of ordinary shares of the Company outstanding:

Unit: Yuan Currency: RMB

sport s even t	Amount for the period	Prior period amount
Consolidated net income attributable to ordinary shareholders of the parent company	1,281,211,494.32	2,967,726,756.48
Weighted average number of ordinary shares of the Company in issue	2,131,449,598.00	2,131,449,598.00
<b>Basic earnings per share</b>	<b>0.60</b>	<b>1.39</b>
Of which: Basic earnings per share from continuing operations	0.60	1.39
Basic earnings per share from discontinued operations		

shareholders of the parent company (diluted) by the weighted average number of ordinary shares of the Company outstanding (diluted):

Unit: Yuan Currency: RMB

Item	Amount for the period	Prior period amount
Consolidated net income attributable to ordinary shareholders of the parent company (diluted)	1,281,211,494.32	2,967,726,756.48
Weighted average number of ordinary shares of the Company outstanding (diluted)	2,131,449,598.00	2,128,290,979.67
diluted earnings per share	0.60	1.39
Of which: Diluted earnings per share from continuing operations	0.60	1.39

sports event	Amount for the period	Prior period amount
Diluted earnings per share from discontinued operations		

**(84) Other comprehensive income**

√Applicable □Not applicable

See note V, (60) for details.

**(viii) Cash flow statement items****1. Other cash received relating to operating activities**

Unit: Yuan Currency: RMB

√Applicable □Not applicable sports event	Current period's incidence	Prior period's incidence
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 transactions	134,315,182.23	493,408,255.44
Recovery of deposits	120,288,354.57	198,167,595.29
the rest	72,021,599.99	16,463,070.60
add up the total	1,112,246,779.86	857,332,997.82

**2. Other cash paid in relation to operating activities**

Unit: Yuan Currency: RMB

√Applicable □Not applicable sports event	Current period's incidence	Prior period's incidence
cost	759,046,779.40	761,399,790.14
Refund of deposits	10,995,707.26	183,827,453.08
Corporate transactions	357,802,143.38	251,986,449.46
the rest	28,520,414.25	3,431,695.92
add up the total	1,156,365,044.29	1,200,645,388.60

**3. Other cash received related to investing activities**

Unit: Yuan Currency: RMB

√Applicable □Not applicable sports event	Current period's incidence	Prior period's incidence
loan on commission		30,000,000.00
Interest income on entrusted loans	1,323,125.00	3,693,741.86
add up the total	1,323,125.00	33,693,741.86

**4. Other cash paid in relation to investing activities**

Unit: Yuan Currency: RMB

√Applicable □Not applicable sports event	Current period's incidence	Prior period's incidence
loan on commission		30,000,000.00
add up the total	189 / 361	30,000,000.00



**5. Other cash received related to 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 Sport s even t	Current period's incidence	Prior period's incidence
Amounts paid to repay lease liabilities	53,345,223.12	38,439,218.20
(86) Supplementary information to the statement of cash flows 1. Supplementary	53,345,223.12	38,439,218.20

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable Additional informati on	Amount for the period	Prior period amount
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
net profit	1,692,578,233.05	3,530,720,076.22
Add: Provision for impairment of assets	173,703,226.63	454,020,751.73
Credit impairment losses	-478,751.93	19,309,740.40
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	1,250,071,707.85	1,359,086,211.65
Amortisation of right-of-use assets	76,712,676.09	63,438,609.79
Amortisation of intangible assets	94,401,394.59	93,744,605.57
Amortisation of long-term amortised expenses	71,067,560.30	128,836,427.20
Loss on disposal of fixed assets, intangible assets and other long-term assets (Gains are represented by a "-" sign)	-146,255,114.82	-230,105,633.47
Loss on retirement of fixed assets (gains are recognised with a "-" sign)	4,467,284.30	2,837,480.40
Loss on fair value changes (gains are recognised with a "-" sign)	107,110,679.56	-47,108,997.02
Finance costs (gains are represented by a "-" sign)	201,706,527.35	258,238,639.58
Losses on investments (gains are represented by a "-" sign)	-419,168,612.89	-530,348,686.97
Decrease in deferred income tax assets (increase is represented by a "-" sign)		
Increase (decrease) in deferred income tax liabilities (recorded as a "-")	-30,108,938.90	-21,161,858.39
Decrease in inventories (increase is indicated by a "-")	-273,015,065.96	-680,610,700.80
Decrease in loans (increase is indicated by a "-")	1,843,711,085.77	-1,458,015,513.45
Increase in deposits (decrease is indicated by a "-")	1,287,091,660.83	1,170,672,678.50
Decrease in operating receivables (increase is represented by a "-")	2,706,393,087.86	1,380,452,161.62
Increase (decrease) in operating accounts payable	-1,181,056,870.46	375,288,781.00
the rest		
Net cash flows from operating activities	7,458,931,769.22	5,869,294,773.56
<b>2. Significant investing and financing activities that do not involve cash receipts and payments:</b>		
Debt-to-capital conversion		
Convertible bonds due within one year		
Fixed assets under finance leases		

**2. Net cash paid during the period for acquisition of subsidiaries**☐Applicable ☒Not Applicable**3. Net cash received for disposal of subsidiaries during the period**☐Applicable ☒Not Applicable**4. Composition of cash and cash equivalents**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	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 available for payment	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
Central bank deposits available for payment		
Interbank deposits	9,899,443,252.12	5,944,834,974.60
Interbank placings		
II. Cash equivalents	5,000,000,000.00	1,900,000,000.00
Of which: Investments in bonds maturing within three months		
III. Cash and cash equivalents balance at end of period	15,943,328,225.67	9,665,113,659.26
Other notes:		
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable		
Of which: restricted use by parent company or intra-group subsidiaries		

**(viii) Notes to items in the statement of changes in equity**

Indicate the name of the "other" item and the amount of adjustment to the closing balance of the previous year:

☐Applicable ☒Not Applicable**(viii) Assets subject to restrictions on ownership or right of use**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing book value	Reason for restriction
money funds	1,126,485,476.60	margin (in derivative trading)
notes receivable	92,766,557.48	pledge of notes
inventory (of material)		
fixed assets	642,861,239.01	secured loan
intangible asset		

add up the total	1,862,113,273.09	/
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**(89) Foreign currency****monetary items 1.**√Applicable ☐Not applicable

Unit: Yuan

sports event	Foreign currency balance at end of period	Converted exchange rates	Converted to RMB at the end of the period balances
money funds	-	-	586,941,804.33
Of which: United States dollars	73,895,924.04	6.9646	514,655,552.57
Euro (currency)	423,306.82	7.4229	3,142,164.19
Hong Kong dollar	1,664,526.24	0.8933	1,486,921.29
Thai baht	277,807,758.83	0.2014	55,950,482.63
pound sterling	1,226,313.26	8.3941	10,293,796.14
Canadian dollar	274,961.08	5.1385	1,412,887.51
accounts receivable	-	-	389,483,780.16
Of which: United States dollars	55,419,787.24	6.9646	385,976,650.21
Euro (currency)	18,368.00	7.4229	136,343.83
Hong Kong dollar	2,590,063.92	0.8933	2,313,704.10
pound sterling	125,931.55	8.3941	1,057,082.02
long term loan	-	-	118,353,810.59
Of which: United States dollars	15,907,579.00	6.9646	110,789,924.70
Euro (currency)	1,018,993.37	7.4229	7,563,885.89
Other receivables	-	-	10,051,471.11
Of which: United States dollars	1,443,223.03	6.9646	10,051,471.11
short term loan			346,669,950.23
Of which: Thai baht	655,200,000.00	0.2014	131,957,280.00
American dollar	30,829,146.00	6.9646	214,712,670.23
accounts payable			170,899,841.72
Of which: United States dollars	24,538,357.08	6.9646	170,899,841.72
Other accounts payable			324,110,517.65
Of which: United States dollars	46,536,846.00	6.9646	324,110,517.65
Non-current liabilities due within			12,188,050.00
2. A description of the foreign operating entity, including, in the case of a significant			
foreign operating entity, a disclosure of its principal place of business outside the			
country, the local currency of its accounts and the basis for selection, and the reasons			
for any change in the local currency of its accounts.			

☐Applicable ☒Not Applicable**(ix) Hedging**☐Applicable ☒Not Applicable

## (xxxi) Government grants

## 1. Basic information on government grants

√Applicable Not applicable

Unit: Yuan Currency: RMB

kind	sum of mon ey	Presentation of items	Amounts recognise d in profit or loss for the period	Charge to current profit or loss or offset against related costs and expenses Lost prior period amounts	Charge to current profit or loss or offset against related costs and expenses lost item
<b>1. Asset-related government grants</b>					
160,000 tonnes/year Acrylic Acid Green New Process Industrialisation Development Project	17,500,000.00	Deferred income	1,458,333.36	1,458,333.36	Other gains
Major Scientific and Technological Achievements in 2015	8,000,000.00	Deferred income	533,333.28	533,333.28	Other gains
2016 Major Scientific and Technological Achievements Specialised Funding	2,000,000.00	Deferred income	133,333.32	133,333.32	Other gains
Special Funds for Industrial Revitalisation in Chongqing, 2016	344,000.00	Deferred income	22,933.32	22,933.32	Other gains
900,000 sets of low rolling resistance green tyres special funding	2,000,000.00	Deferred income	133,333.32	133,333.32	Other gains
MDSC Heat Flow Differential Scanning Calorimeter Project Grant	115,089.51	Deferred income		7,672.61	Other gains
Qcc64 Production unit technical renovation project	2,960,000.00	Deferred income	422,857.14	422,857.14	Other gains
VOC Project	6,981,508.26	Deferred income	1,516,887.90	95,079.57	Other gains
Anhui Land Rebate	40,854,366.00	Deferred income	907,874.76	907,874.76	Other gains
Liner project	4,002,746.37	Deferred income	400,274.64	400,274.64	Other gains
Retaining wall subsidy	1,102,060.00	Deferred income	23,035.86	23,035.86	Other gains
High and low temperature universal material testing machine project grant (referred to as the high and low temperature tensile machine project)	87,468.03	Deferred income		5,831.25	Other gains
Fixed Asset Loans Xinjiang Fiscal Discount	41,575,700.00	Deferred income	1,400,000.04	1,400,000.07	Other gains
Special Funding for Clean Energy Replacement of Boilers	1,809,058.03	Deferred income	150,754.84	150,754.84	Other gains
Compensation for relocation of Huoshan Road	71,612,552.71 195 / 361	Deferred income	2,387,085.12	2,387,085.12	Other gains
Subsidies for infrastructure development	20,400,000.00	Deferred income	416,326.53	416,326.53	Other gains
Grant for the Laser Holographic Phase Shear Interference Tyre NDT Project (referred to as the Laser Holographic Tester Project)	334,526.85	Deferred income	22,301.78	22,301.78	Other gains

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Rugao City Development and Reform Commission Energy Optimisation Project Special Funds	4,500,000.00	Deferred income	300,000.00	300,000.00	Other gains
Graphene project subsidy from the Science and Technology Commission	4,900,000.00	Deferred income	537,658.15	737,300.00	Other gains
Subsidy for the project of high-speed durability testing machine for car and light truck tyres with camber and side deflection (High-speed durability testing machine) (Kuji project)	429,667.52	Deferred income	28,644.51	28,644.50	Other gains
Rubber Capillary Rheometer Project Grant (referred to as the Rheometer Project)	99,744.25	Deferred income	6,649.65	6,649.61	Other gains
Xinjiang annual output of 600,000 all-steel radial tyres project technical transformation funds	42,000,000.00	Deferred income	1,415,335.92	1,415,335.89	Other gains
Xinjiang Uygur Autonomous Region Department of Finance Financial subsidy for 150,000 sets of large agricultural machinery and large engineering tyre technology reform project	1,000,000.00	Deferred income	66,666.72	66,666.72	Other gains
Yixing Colouring Land Compensation	28,103,400.00	Deferred income	562,068.00	562,068.00	Other gains
Subsidy for the project on a technological platform for finite element analysis of tyres in cooperation with the Institute of Composite Materials and Structures of the Harbin Institute of Technology	46,035.81	Deferred income	3,069.02	3,069.06	Other gains
Collaboration with South China University of Technology on the research and development of powder-filled rubber utilisation project grants	214,833.76	Deferred income	14,322.29	14,322.26	Other gains
Grant for a research platform project on tyre noise and vibration in collaboration with Tongji University	46,035.81	Deferred income	3,069.02	3,069.06	Other gains
Grant for rolling resistance tester project for loaded vehicle tyres (referred to as: rolling resistance tester project)	398,976.98	Deferred income		26,598.44	Other gains
Financial earmarked funds for Chongqing Tyre for the purchase of dual-mode fixed vulcanising machine equipment	1,500,000.00	Deferred income	99,999.96	99,999.96	Other gains
Chongqing Shuangqiao Township Government Land Rebate	102,969,049.50	Deferred income	2,059,380.96	2,059,380.96	Other gains
Smart Factory Integration and Application Project	9,000,000.00	Deferred income			
Acrylic acid and ester green production technology transformation project	12,300,000.00	Deferred income			
1000 tonnes of lithium battery conversion project	5,000,000.00	Deferred income			
Intelligent Production Safety Control Platform	2,490,000.00	Deferred income			
Guangxi New Material Land Compensation	32,856,799.00	Deferred income			
21 Air Pollution Control Fund Project Subsidy	1,380,000.00	Deferred income			
Special grant for giant foetuses	40,000,000.00	Deferred			

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		income			
Receive special funds for the development of Shanghai's informatisation	1,400,000.00	Deferred income			
Pilot project grant for winding machines	100,000.00	Deferred income			
New radial tyre development project grant	600,000.00	Deferred income			
Kai Sing Programme - Radial Tyre R&D Grant	70,000.00	Deferred income			
Shanghai Municipal Finance High Performance Tyre Development Project Grant	700,000.00	Deferred income			
Industrialisation and industry chain expansion of water-based hydroxy acrylate emulsions	1,339,622.65	Deferred income			
Fujian Ningde Sandu'ao Economic Development Zone Management Committee-Equipment Subsidy for 500,000 Sets of Interior and Exterior Trims per Year Project	1,067,958.17	Deferred income	103,350.79	60,287.96	Other gains
PI material scale mass production and coated substrate material (film) engineering technology development project	1,292,477.88	Deferred income	32,311.95		Other gains
Chemical Industry Industrial Internet Platform Project	4,800,000.00	Deferred income	1,600,000.00		Other gains
2017 Green Manufacturing Systems Integration	7,900,000.00	Deferred income	1,316,666.65		Other gains
<b>2. Government grants related to earnings</b>					
19sn03 District Science Committee Coating Inspection and Testing Platform	1,000,000.00		1,000,000.00	609,900.00	Other gains
Baoshan Financial Support Fund	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
Incentives for disability insurance	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 Centre for Persons with Disabilities	10,529.30		10,529.30	4,527.40	Other gains
Disability Employment Service Centre section	2,260.30		2,260.30	15,299.38	Other gains
Over-representation bonus	2,611.30		2,611.30	39,731.60	Other gains
Earmarked funds for standardisation and revision	1,160,000.00		95,894.55		Other gains
Made in Shanghai Brand Special Funds	7,500,000.00		5,000,000.00		Other gains
Export credit insurance subsidies	287,287.26		287,287.26	313,060.54	Other gains
Special Resin Preparation Technology for High Modulus Asphalt-based Carbon Fibre Composites	140,000.00		140,000.00	60,000.00	Other gains
Hanshan County Public Employment Service Centre - Unemployment Insurance Rebate	15,670.57		15,670.57	5,365.72	Other gains
Key Preparation Technology of Novel Structural Epoxy Resin Based on Material Genome <b>MGI</b> Method and Its Application to Spacecrafts after all	320,000.00		160,000.00	53,000.00	Other gains



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Overview of the implementation programme for research, evaluation and industrial demonstration of continuous flow processes for fine chemicals	7,145,614.06		7,145,614.06		Other gains
Tax rebates for economic parks	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 subsidies	1,800.00		1,800.00	178,910.00	Other gains
Over-representation incentives (employment of disabled persons)	1,014.80		1,014.80		Other gains
Pudong New Area Development Support Fund	26,384,000.00		20,682,000.00	5,702,000.00	Other gains
Pudong business incubator subsidy	1,500.00		1,500.00	141,000.00	Other gains
Social security benefits	6,381,030.94		6,381,030.94	1,390,637.59	Other gains
Training subsidies from the Unemployment Insurance Fund	1,200.00		1,200.00	10,200.00	Other gains
Payment of training subsidies from the special account of the Unemployment Insurance Fund	600.00		600.00	600.00	Other gains
Tax rebates	233,088.30		233,088.30	351,230.53	Other gains
tax rebate	337,281.75		337,281.75	745,223.44	Other gains
Reimbursement of tax processing fees	5,566.24		5,566.24	14,928.15	Other gains
tax rebate or refund	1,947,409.10		1,947,409.10	1,982.47	Other gains
Transitional finance for foreign trade	21,044.25		21,044.25	8,867.93	Other gains
stable employment 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
Ready-to-use VAT refund	1,201,709.56		1,201,709.56	978,666.73	Other gains
Patent grants	64,000.00		64,000.00	3,000.00	Other gains
Policy Support for Advanced Manufacturing in Minhang District	200,000.00		200,000.00	50,000.00	Other gains
Subsidies for the disabled	19,205.50		19,205.50	21,622.06	Other gains
First Municipal IP Awards 2020	33,000.00		33,000.00		Other gains
Incentive funds for independent innovation in 2020 (county level)	185,000.00		185,000.00		Other gains
Science and Technology Innovation Incentive for Development Zones 2020	44,800.00		44,800.00		Other gains
2020 Market Manufacturing Policy Funding (Municipal)	55,000.00		55,000.00		Other gains
2020 Municipal STI Policy Cash-in 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 Award and subsidy funds for certain policy measures to promote stable industrial growth under the "Striving for a new start in the first quarter" programme	200,000.00		200,000.00		Other gains
2021 Hi-Tech Achievement Subsidy	399,000.00		399,000.00		Other gains
2021 Special Funds for Transformation of High-tech Achievements	7,496,000.00		7,496,000.00		Other gains
2021 Jinshan District Two-chemical Integration Management System Standardisation Award	20,000.00		20,000.00		Other gains
2021 Municipal Enterprise Technology Centre Recognition and Reward Funds for Enterprises Passing Evaluation	100,000.00		100,000.00		Other gains

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2021 First County Intellectual Property Awards	40,000.00		40,000.00		Other gains
2021 Policy incentives	27,223,886.08		27,223,886.08		Other gains
2021 Special Incentive Funds for Talents in Key Industrial Areas	302,000.00		302,000.00		Other gains
2021 Funding for SMEs to Develop International Markets	286,400.00		286,400.00		Other gains
Enabling first quarter of 2022	30,000.00		30,000.00		Other gains
Special subsidy 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
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 Shanghai Chemical Industry Park Science and Technology Innovation and Achievement Transformation Specialised Support	20,000.00		20,000.00		Other gains
2022 Municipal Energy Conservation and Comprehensive Utilisation of Resources Financial Special Funds	771,400.00		771,400.00		Other gains
2022 Wuhu City Energy Conservation and Comprehensive Utilisation of Resources Financial Special Funds Project	100,000.00		100,000.00		Other gains
2022 Subsidies for Closure and Control Areas	3,000.00		3,000.00		Other gains
Industrial enterprises above designated size in 2022	200,000.00		200,000.00		Other gains
2022 Expansion grant	4,500.00		4,500.00		Other gains
21 Municipal Foreign Trade Promotion Policy	53,000.00		53,000.00		Other gains
21 Years of Manufacturing Powerhouse National Energy Efficiency Leader Awards	500,000.00		500,000.00		Other gains
21 Years Manufacturing Powerhouse National Water Efficiency Leader Awards	500,000.00		500,000.00		Other gains
Financial support for business facilitation	137,900.00		137,900.00		Other gains
Standardised subsidies	270,000.00		270,000.00		Other gains
Standard-setting subsidies	100,000.00		100,000.00		Other gains
Funding for standardisation and revision	200,000.00		200,000.00		Other gains
financial subsidy	101,386.00		101,386.00		Other gains
Fiscal Service Enabling Funds	65,727.54		65,727.54		Other gains
Subsidies for participation in diagnostic services for digital applications and lean manufacturing companies	10,000.00		10,000.00		Other gains
Disability Insurance Excess Proportionate Incentive	2,695.50		2,695.50		Other gains
Disability benefits	1,853.20		1,853.20		Other gains
Disability over-representation allowance	49,821.00		49,821.00		Other gains
Industry-University-Research Special Incentive	140,000.00		140,000.00		Other gains
Over-represented disability benefit	40,264.14		40,264.14		Other gains
Dazu Industry Top 20 Award	50,000.00		50,000.00		Other gains
Local education surcharge subsidy	36,600.00		36,600.00		Other gains
The 10th batch of stable post return subsidy-Dazu Finance Bureau	250,026.00		250,026.00		Other gains
Second in talment of one off table employment ub idy	3,000.00		3,000.00		Other gain

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Sixth instalment of one-off grants for employers	4,000.00		4,000.00		Other gains
Third batch of innovation and technology voucher subsidy arrives	38,082.00		38,082.00		Other gains
Urban Suribachi Liquidation in the fourth quarter of 2021	70,000.00		70,000.00		Other gains
Urban Suratang 2022 Second Quarter Enabling	220,000.00		220,000.00		Other gains
Subsidies for vaccination	21,400.00		21,400.00		Other gains
Fengxian District Intellectual Property Comprehensive Insurance Funding	4,750.00		4,750.00		Other gains
Income from subsidies to support the development of production enterprises by the Bureau of Industry and Information Technology	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 contractual energy management	331,900.00		331,900.00		Other gains
Industrial Strong Streets First Business Incentive	20,000.00		20,000.00		Other gains
Carer's allowance	1,500.00		1,500.00		Other gains
East China Normal University project final payment	240,000.00		240,000.00		Other gains
Subsidies for environmental pollution liability insurance	7,200.00		7,200.00		Other gains
Subsidies for technological improvements	800,300.00		800,300.00		Other gains
Government incentives for technological reform	462,400.00		462,400.00		Other gains
Technical 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
Subsidy for Jiaxing Municipal Enterprise Technology Centre	200,000.00		200,000.00		Other gains
Jinshan Gazelle	300,000.00		300,000.00		Other gains
Subsidies from the Jinshan District Finance Bureau	540,700.00		540,700.00		Other gains
Subsidies for the Jinshan District	3,813,000.00		3,813,000.00		Other gains
Logistics Subsidy for the Economic and Information Technology Bureau	2,961.00		2,961.00		Other gains
Hatton Expansion Subsidy	10,000.00		1,000.00		Other gains
Employment Management Service Centre* One-time job retention training grant	25,000.00		25,000.00		Other gains
Development Zone R&D subsidies for enterprises	5,848.00		5,848.00		Other gains
Subsidy for job expansion	18,000.00		15,000.00		Other gains
Training subsidy for job retention	599,000.00		599,000.00		Other gains
Minhang Economic Commission	100,000.00		100,000.00		Other gains
Minhang District Special Support Fund	200,000.00		200,000.00		Other gains
Minhang District Federation of Trade Unions 2021 Local education surcharge subsidy	120,399.50		120,399.50		Other gains
Labour Subsidy for Southern Border	32,000.00		32,000.00		Other gains
Training grants	197,000.00		197,000.00		Other gains
Zhongdai Street, Pinghu City, 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
Tax deductions for enterprises placing ex-servicemen with them	148,500.00		148,500.00		Other gains
Construction of basic facilities related to production and business activities of	5,600,000.00		5,600,000.00		Other gains

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enterprises					
One-off subsidy payments for employment intake by 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 incentives	70,000.00		70,000.00		Other gains
Human Resources and Social Security Bureau 2022 Vocational training subsidy for enterprise workers	12,700.00		12,700.00		Other gains
Direct subsidies from the Human Resources and Social Security Bureau	469,400.00		469,400.00		Other gains
Shanghai Baoshan District Finance Bureau support funds	150,000.00		150,000.00		Other gains
Shanghai Disabled Persons Employment Service Centre Over-representation Award	3,706.30		3,706.30		Other gains
Financial Support for Market Diversification of Shanghai Mechanical and Electrical Product Export Enterprises	266,193.00		266,193.00		Other gains
Shanghai Zizhu High-Tech Industrial Development Zone	750,000.00		750,000.00		Other gains
Municipal Industry and Information Technology Bureau Award - Intelligent Workshop	200,000.00		200,000.00		Other gains
Municipal speciality subsidies	100,000.00		100,000.00		Other gains
Municipal Human Resources Master Skill Grant	150,000.00		150,000.00		Other gains
Municipal Emergency Management Agency Risk Identification and Control Advanced Enterprise Award	13,000.00		13,000.00		Other gains
2021 Incentive Subsidy for Municipal Entry of Enterprises by the Bureau of Industry and Information Technology	50,000.00		50,000.00		Other gains
2022 Municipal Energy Conservation and Comprehensive Utilisation of Resources Financial Special Funds	80,913.24		80,913.24		Other gains
2022 Epidemic Resistance and Growth Stabilisation Grant	100,000.00		100,000.00		Other gains
2022 Zhong Dai Street Office Enterprise Relief and Development Incentive	5,222.00		5,222.00		Other gains
Bureau of Industry and Information Technology Incentive Subsidies for Enterprises Entering the Regulatory Framework	50,000.00		50,000.00		Other gains
Economic Development and Labour Bureau 2021 Business Enterprise Appraisal Award	150,000.00		150,000.00		Other gains
Special funds for the development of foreign trade and economic cooperation 2.29 million	2,290,000.00		2,290,000.00		Other gains
Special funds for the Foreign Economic and Trade Commission (389,000)	389,000.00		389,000.00		Other gains
Special funds for the Foreign Economic and Trade Commission (576,000)	576,000.00		576,000.00		Other gains
Special Funds for Foreign Trade and Economic Cooperation Commission (960,000)	960,000.00		960,000.00		Other gains
Taopu Township Tax Rebate (Putuo District Government Support Fund)	72,000.00		72,000.00		Other gains
Subsidy for Sports Industry Demonstration Units	200,000.00		200,000.00		Other gains
Investment Company Pension Insurance Subsidy Fund	21,486.00		21,486.00		Other gains
Tax relief for veterans' resettlement	9,000.00		9,000.00		Other gains
Retirement benefits	23,575.00		23,575.00		Other gains
Veteran's allowance	494,585.00		494,585.00		Other gains
Ex-soldier's allowance	33,310.00		33,310.00		Other gains

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Retirement benefits for ex-soldiers	555,941.69		555,941.69		Other gains
Foreign trade subsidies	2,000,000.00		2,000,000.00		Other gains
Special Funds for Stable Growth of Foreign Trade	25,000.00		25,000.00		Other gains
First instalment of subsidies for job stabilisation 202206	14,374.40		14,374.40		Other gains
Income from stable employment subsidies	3,036.71		3,036.71		Other gains
The first batch of Wuhu unemployment insurance stable post rebate in Qiujiang District	634,730.82		634,730.82		Other gains
Financial employment subsidy for Wuhu City, Qiujiang District	2,000.00		2,000.00		Other gains
Employment Subsidy for College Graduates (First Batch), Wuhu City Hatsujiang District Finance Bureau	2,000.00		2,000.00		Other gains
Subsidies for Industrial Enterprises to Stabilise Production and Increase Efficiency, Finance Bureau, Hatjiang District, Wuhu City	83,800.00		83,800.00		Other gains
Wuhu City, Qiujiang District Finance Bureau to support industrial enterprises to increase production and income subsidies	200,000.00		200,000.00		Other gains
Wuhu City, Qiujiang District on the provincial R & D investment subsidies	40,000.00		40,000.00		Other gains
Subsidies for Wujiang Human Resource Bureau	1,549.00		1,549.00		Other gains
Research and development subsidies	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 protection during epidemics	149,000.00		149,000.00		Other gains
Tax credit for special equipment and technical maintenance for VAT control system	280.00		280.00		Other gains
Zhangjiang Special Funds	250,000.00		250,000.00		Other gains
Subsidy for recruitment of veterans	10,500.00		10,500.00		Other gains
Town-level financial support	946,000.00		946,000.00		Other gains
government grant	600,000.00		600,000.00		Other gains
Subsidies for intellectual property protection	500,000.00		500,000.00		Other gains
Intellectual property policy funding receipts	6,000.00		6,000.00		Other gains
Subsidy for the installation of an intelligent forklift management system	8,000.00		8,000.00		Other gains
Development and Support Funds for Special Funds Account of Expo Administration of China (Shanghai) Pilot Free Trade Zone Administrative Committee	507,000.00		507,000.00		Other gains
SME Relief Fund - Loan Interest Subsidy	25,000.00		25,000.00		Other gains
Central Funding Assistance	4,160,000.00		4,160,000.00		Other gains
Speciality and speciality subsidies	100,000.00		100,000.00		Other gains
Patent Assistance Fee	4,100.00		4,100.00		Other gains
Lump-sum compensation for diversion of soap factory employees, etc.	605,564,838.00		605,564,838.00		Other gains
Rent Reduction Subsidy	92,700.00		92,700.00		Other gains
Second Industrial Strength District Funding Grant 2018				487,000.00	Other gains
2018 Second Technology Enhancement Grant				100,300.00	Other gains
High-tech Achievement Subsidy 2019-2020 (2019)				398,000.00	Other gains
Subsidy for High-Tech Achievements in 2019-2020 (2020)				328,000.00	Other gains

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2019 Municipal Manufacturing Upgrade Policy Funding				50,000.00	Other gains
Fiscal policy encashment funds for 2020				9,536,129.89	Other gains
2020 Air Pollution Control Scholarship Fund				100,000.00	Other gains
Soft Set Design Award 2020 Soft Set Design Award 2020				195,000.00	Other gains
2020 International Market for Small and Medium-sized Enterprises				394,300.00	Other gains
2020 Rugao City Economic Work Incentive (Technological Reform Subsidy)				1,851,700.00	Other gains
2020 Provincial Foreign Trade Policy Funds				5,000.00	Other gains
Patent Funding (Annual Invention Fee Authorisation) for the second half of 2020				31,600.00	Other gains
2020 Funding Incentive Fee				57,000.00	Other gains
2021 Special Award for Energy Saving and Comprehensive Utilisation of Resources				30,000.00	Other gains
2021 Social security benefits for enterprises in the second quarter				11,834.00	Other gains
Pre-allocation in the fourth quarter of 2021				120,000.00	Other gains
Social security benefits for enterprises in the first quarter of 2021				12,825.20	Other gains
20 Annual Green Manufacturing and Cleaner Production Incentive for Dazhan Industries				50,000.00	Other gains
20 Annual Dazhu Industry Green Manufacturing Energy Saving Product Awards				80,000.00	Other gains
21 Post-subsidy Funds for Green Manufacturing System Integration for Radial Tyres				5,000,000.00	Other gains
Placement of ex-servicemen tax deductions				194,530.00	Other gains
Dedicated funds for standardisation				100,000.00	Other gains
Fiscal 2019/21 Recruitment of Military Personnel Discounts				12,000.00	Other gains
financial support				930,000.00	Other gains
Reward for Excess Ratio of Disability Insurance - Shanghai Employment Service Centre for the Disabled				1,561.20	Other gains
Dazu Industry Top 20 Award 2020				50,000.00	Other gains
Leadership in Party Building (funded by the Wakizashi Excellence Programme)				42,000.00	Other gains
Subsidies from special local funds				3,680.00	Other gains
Fifth batch of innovation and technology voucher subsidy arrives				48,555.00	Other gains
First batch of Innovation and Technology Voucher Subsidy arrives				12,175.00	Other gains
Adjustment of subsidies for R&D and industrialisation of new organosilicon materials				330,000.00	Other gains
6 patents for catalysts for the oxidative dehydrogenation of butene for the preparation of butadiene, its preparation method and use, etc.				50,000.00	Other gains
Urban Suratung 2021 2nd quarter support				40,000.00	Other gains
Financial support for urban Sittang				120,000.06	Other gain
Urban Suratung First Quarter Support Funding				80,000.00	Other gains
Property tax rebates				25,797.51	Other gains
Enabling funds				1,010,000.00	Other gains
Guiding funds for services				150,000.00	Other gains
Pre-employment training subsidy				3,600.00	Other gains
Reimbursement of harbour-front construction costs				5,209.00	Other gains

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Hong Kong Construction Fee				3,196.40	Other gains
Key technology application and demonstration project for high concentration hydrochloric acid biodegradable industrial wastewater treatment				300,000.00	Other gains
High-tech enterprise incentives				100,000.00	Other gains
Return of trade union funds				11,222.60	Other gains
Three batches of SASAC resettlement grants				244,000.00	Other gains
Management Committee of Hanshan Economic Development Zone - Supporting the development of enterprises				2,231,960.00	Other gains
Hanshan Human Resources and Social Security Bureau - Employment Subsidy				5,393.31	Other gains
Federation of Persons with Disabilities of Lin'an District, Hangzhou* Subsidies for enterprise placement and employment of persons with disabilities by employers				14,400.00	Other gains
Special account of the Unemployment Fund Expenditure Account of the Employment Management Service of Lin'an District, Hangzhou City* Stabilisation Subsidy				7,185.43	Other gains
Environmentally friendly subsidies				790,000.00	Other gains
Development Zone Payment of Enterprise Support Funds - Huayi Gas Adjustment Fee				23,138.00	Other gains
Science and technology grants (R&D capital grants for high-tech III projects)				16,000.00	Other gains
Grants for science, technology and innovation projects				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
Social security subsidies for enterprises				14,344.40	Other gains
Special District Technology Centres				870,200.00	Other gains
talent grant				265,200.00	Other gains
Commerce Commission subsidy				50,000.00	Other gains
Shanghai Hangzhou Bay Economic and Technological Development Company Limited Intellectual Property Patent Special Subsidy				56,000.00	Other gains
Shanghai Fengxian District Finance Bureau zero-balance account specialised in specialised new subsidies				20,000.00	Other gains
Investment Service Centre of Hangzhou Bay Industrial Base, Fengxian District, Shanghai 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 Standardised Funding				270,000.00	Other gains
Shanghai Pudong New District Expo Area Development Management Committee Special Funds Special Account 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 compensation				28,000.00	Other gains
Unemployment insurance training subsidy				600.00	Other gains

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Top Ten Enterprise Awards				50,000.00	Other gains
Municipal Finance, Trade and Industry Department, Comprehensive Award				457,000.00	Other gains
Municipal funds				90,000.00	Other gains
Market Supervision Bureau Municipal Supervision Bureau 2021 Patent funding in the first half of the year				30,000.00	Other gains
Subsidies from the Municipal State-owned Assets Supervision and Administration Commission (SASAC)				24,000.00	Other gains
Over-representation incentives for persons with disabilities				16,392.20	Other gains
Received 2020 foreign trade promotion policy funds				99,400.00	Other gains
Receipt of subsidy for VOC flue gas treatment				200,000.00	Other gains
Illegal claims received				127,000.00	Other gains
Shuangqiao Economic and Technological Development Zone 20 Years of Industrial Development Special Bonus - Major New Products				100,000.00	Other gains
Shuangqiao Economic and Technological 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 (VAT relief) for veterans etc.				656,700.00	Other gains
Provision for activities of retired staff				1,346.00	Other gains
FECO development funds				463,500.00	Other gains
Subsidy for stable employment				453.60	Other gains
stable employment rebate				302,924.41	Other gains
Reimbursement of logistics service fees				550.00	Other gains
Employment absorption subsidy				2,600.00	Other gains
New Apprenticeship Programme Incentive				138,000.00	Other gains
Information Technology Input Subsidy (Technology Reform Subsidy)				234,900.00	Other gains
R&D Input Declaration Statistical Costs - District Budget				500.00	Other gains
Subsidies for work-based training				6,600.00	Other gains
Work-to-Training Training Subsidy				154,000.00	Other gains
provide work to relieve poverty				4,000.00	Other gains
FEMA Overall Award				307,500.00	Other gains
merit grant				27,000.00	Other gains
Employers who take on a one-time employer				12,000.00	Other gains
Value-added tax (VAT) levied first and refunded later				784,316.54	Other gains
Changning District Market Supervision Bureau - Standardised Funding Application				1,429,000.00	Other gains
Township financial support				864,000.00	Other gains
Special Funds for the Development of Small and Medium-sized Enterprises				3,200,000.00	Other gains
Small and medium-sized enterprise funding				30,000.00	Other gains
Chongqing Shuangqiao Finance Bureau				8,080,000.00	Other gains
Financial incentives for housing grants				170,000.00	Other gains



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Patent funding				36,000.00	Other gains
Patent Assistance Fee (2nd instalment of Patent Assistance Fee in 2021)				200,000.00	Other gains
special allowance				600.00	Other gains
Financial support funds for FTZs				325,617.00	Other gains
Wuhu Municipal Bureau of Human Resources and Social Affairs on the subsidy of skill master workshop				100,000.00	Other gains
Employment Risk Reserve, Social Security Section, Finance Bureau, Qiujiang District, Wuhu City				121,318.86	Other gains
Wuhu City, Qiujiang District, Finance Bureau, Enterprise Section, stay work stability subsidy				61,000.00	Other gains
Wuhu City, Qiujiang 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 Control Incentive Funding				400,000.00	Other gains
Wuhu City, Qiujiang District Emergency Management Bureau on rescue base subsidies				100,000.00	Other gains
2021 Special Award for Energy Saving and Comprehensive Utilisation of Resources				100,000.00	Other gains
Social Security Administration Epidemic Unretired Workers' Benefits				2,000.00	Other gains
High-tech Enterprise Policy Funding				50,000.00	Other gains
2020 Disability Premium Override Incentive				936.70	Other gains
XX-10 Production of polyimide bushings for engines				1,500,000.00	Other gains
Anhui Land Compensation				659,818.52	Other gains
Development of high-temperature-resistant, long-life, self-lubricating plain bearing pads (Topic 1607-10)				70,000.00	Other gains

## 2. Return of government grants

☐Applicable ☒Not Applicable

**(xxxii) Other**

☐Applicable ☒Not Applicable

**VI. Changes in the scope of consolidation****(i) Non-same control business combinations**

☐Applicable ☒Not Applicable

**(ii) Same-control business combinations**

☐Applicable ☒Not Applicable

**(iii) Reverse purchases**

☐Applicable ☒Not Applicable

**(iv) Disposal of subsidiaries**

Whether there is a single disposal of an investment in a subsidiary that results in a loss of control

☐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., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and their related circumstances:

☒Applicable ☐Not applicable

- ( 1 ) Anhui Huayi Shengde Material Technology Co., Ltd. was newly established in the current period and included in the scope of consolidation.
- ( 2 ) Ltd. was absorbed and merged by a subsidiary, Shanghai Huayi Fine Chemical Co.
- ( 3 ) Ltd. was absorbed and merged by a subsidiary, Shanghai Soap Making (Group) Co.
- ( 4 ) During the period, Tiantong Fine Chemical (Nantong) Co., Ltd., a subsidiary of Fine Chemical Company, completed its industrial and commercial cancellation and withdrew from the scope of consolidation.

**(vi) Other**

☐Applicable ☒Not applicable

## VII. Interests in other entities (i) Interests in subsidiaries

### 1. Composition of enterprise groups

√Applicable □Not applicable

associated company name (of a thing)	Principal place of business	registered office	Nature of business	Shareholding (%)		take out way (of life)
				direct	overhead	
Double Coin Tyre Group Limited	Shanghai	Shanghai	service industry	100.00		constitute
Double Coin Group Shanghai Tyre Research Institute Limited (Note 1)	Shanghai	Shanghai	Research, development		100.00	constitute
Double Coin Group (Jiangsu) Tyre Company Limited (Note 1)	Rugao prefecture level city in Shandong	Rugao prefecture level city in Shandong	service industry		76.32	constitute
Double Coin Group Shanghai Supply and Marketing Company Limited (Note 1)	Shanghai	Shanghai	wholesalers		100.00	constitute
Double Coin Group Shanghai Donghai Tyre Company Limited (Note 1)	Shanghai	Shanghai	service industry		65.00	constitute
Shanghai Rubber Machinery No. 1 Factory Limited (Note 1)	Shanghai	Shanghai	service industry		100.00	constitute
Double Coin Group (Anhui) Back Tyre Company Limited (Note 1)	Anhui	Anhui	service industry		66.10	constitute
Shanghai Jinguang Tyre Factory Company Limited (Note 1)	Shanghai	Shanghai	service industry		77.00	constitute
China North American Tyre Joint Sales Corporation (Note 1)	United States of America	United States of America	wholesalers		52.40	constitute
Shanghai Double Coin Tyre Sales Company Limited (Note 1)	Shanghai	Shanghai	wholesalers		35.06	constitute
Double Coin Group (Chongqing) Tyre Company Limited (Note 1)	Chongqing	Chongqing	service industry		65.36	constitute
Huatai Rubber Company Limited (Note 1)	Thailand	Thailand	service industry		83.00	Non-same control business combinations
Double Coin Group (Xinjiang) Kunlun Tyre Company	Xinjiang	Xinjiang	service industry		51.53	Non-same control

Anhui Huayi Chemical Co.	Anhui	Anhui	service industry		94.00	Same-control business combinations
Shanghai Huayi New Energy Chemical Sales Co.	Shanghai	Shanghai	(commercial) trade		100.00	Same-control business combinations
Kunshan Baoyan Gas Co.	Jiangsu	Jiangsu	service industry		40.00	Non-same control business combinations
Shandong Huayi Industrial Gases Company Limited (Note 3)	Shandong	Shandong	service industry		100.00	constitute
Shanghai Huayi Fine Chemical Co.	Shanghai	Shanghai	service industry	100.00		Same-control business combinations
Shanghai Yipin Pigment Company Limited (Note 4)	Shanghai	Shanghai	service industry		97.30	Same-control business combinations
Shanghai Huayi Fine Chemical Sales Company Limited (Note 4)	Shanghai	Shanghai	wholesalers		100.00	Same-control business combinations
Yixing Huayi Yipin Colouring Technology Company Limited (Note 4)	Yixing prefecture level city in Jiangxi	Yixing prefecture level city in Jiangxi	service industry		58.33	Same-control business combinations
Shanghai Trial 4 Chemicals Co.	Shanghai	Shanghai	service industry		78.82	Same-control business combinations
Shanghai Coating Research Institute Limited (Note 4)	Shanghai	Shanghai	service industry		100.00	Same-control business combinations
Shanghai Trial 4 Hervey Chemical Co.	Shanghai	Shanghai	service industry		81.20	Same-control business combinations
Shanghai Research Institute of Chemical Reagents (Note 4)	Shanghai	Shanghai	service industry		78.82	Same-control business combinations
Shanghai Huayi Coating Company Limited (Note 4)	Shanghai	Shanghai	service industry		53.73	Same-control business combinations
Shanghai Huayi Group Investment Co.	Shanghai	Shanghai	investors	100.00		Same-control business combinations
Shanghai Huayi Group International Trade Co.	Shanghai	Shanghai	(commercial) trade		100.00	Same-control business combinations
Shanghai Chemical Industry Inspection and Testing Company Limited (Note 5)	Shanghai	Shanghai	services sector		51.00	Same-control business combinations
Shanghai Chemical Engineering Supervision Company	Shanghai	Shanghai	services sector		100.00	Same-control business

Limited (Note 5)						combinations
Shanghai Plastics Research Institute Limited (Note 5)	Shanghai	Shanghai	service industry		100.00	Same-control business combinations
Shanghai Hui Li Shoes Company Limited (Note 5)	Shanghai	Shanghai	service industry		100.00	Same-control business combinations
Shanghai Rubber Products Research Institute Limited (Note 5)	Shanghai	Shanghai	service industry		100.00	Same-control business combinations
Shanghai Synthetic Resin Research Institute Co.	Shanghai	Shanghai	service industry		100.00	Same-control business combinations
Shanghai Huayi Resin Co.	Shanghai	Shanghai	service industry		51.00	Same-control business combinations
Shanghai Huayi Engineering Services Company Limited (Note 5)	Shanghai	Shanghai	services sector		51.00	Same-control business combinations
Shanghai Huayi Inspection and Testing Technology Company Limited (Note 5)	Shanghai	Shanghai	services sector		100.00	Same-control business combinations
Shanghai Tianyuan (Group) Co.	Shanghai	Shanghai	Industrial investment Domestic trade	100.00		Same-control business combinations
Yantai Tianyuan Shengde Material Technology Company Limited (Note 6)	Shandong	Shandong	Manufacture and sale of plastic products		100.00	Same-control business combinations
Shanghai Huayi Group Trading Company Limited (Note 6)	Shanghai	Shanghai	Domestic international trade		100.00	Same-control business combinations
Shanghai Tianyuan Group Shengde Plastics Company Limited (Note 6)	Shanghai	Shanghai	Production and marketing of plastic products		100.00	Same-control business combinations
Shanghai Chemical Supply and Marketing Company Limited (Note 6)	Shanghai	Shanghai	(commercial) trade		100.00	Same-control business combinations
Shanghai Resin Factory Limited (Note 6)	Shanghai	Shanghai	Resin production and sales		100.00	Same-control business combinations
Suzhou Tianyuan Logistics Company Limited (Note 6)	Jiangsu	Jiangsu	Warehousing services		74.25	Same-control business combinations
Zhejiang Tianyuan Medical Materials Company Limited (Note 6)	Zhejiang	Zhejiang	service industry		100.00	constitute

Fujian Huayi Shengde Material Technology Company Limited (Note 6)	Fujian	Fujian	wholesalers		100.00	constitute
Anhui Huayi Shengde Material Technology Company Limited (Note 6)	Anhui	Anhui	service industry		100.00	constitute
Shanghai Huayi New Material Co.	Shanghai	Shanghai	service industry	100.00		Same-control business combinations
Zhejiang Huayu Absorbent Material Company Limited (Note 7)	Zhejiang	Zhejiang	service industry		51.00	constitute
Shanghai Huayi New Materials Chemical Sales Co.	Shanghai	Shanghai	service industry		100.00	Same-control business combinations
Shanghai Huayi Information Technology Co.	Shanghai	Shanghai	technology development	51.21		Same-control business combinations
Shanghai Huayi Group Finance Co.	Shanghai	Shanghai	financial sector	64.00		Same-control business combinations
Huayi Group (Hong Kong) Limited	Mainland	Mainland	investment holding	51.00		Same-control business combinations
HUAYIFINANCEILTD. (Note 8)	Virgin Islands	Virgin Islands	bonds		51.00	Same-control business combinations
Huayi Group (Thailand) Limited (Note 8)	Thailand	Thailand	service industry		43.35	Same-control business combinations
Huayi Tire Canada LLC (Note 8)	Canadian	Canadian	wholesalers		51.00	Same-control business combinations
Guangxi Huayi New Material Co.	until 1959, Guangxi province	until 1959, Guangxi province	service industry	60.00		constitute

Other notes:

Note 1: Subsidiary of Double Coin Tyre Group Ltd.

Note 2: Subsidiary of Shanghai Soap Making

(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 "Double Coin Tire"; a subsidiary of the Company, holds 35.06% of the shares of Shanghai Double Coin Tire Sales Company Limited (hereinafter referred to as "Double Coin Sales"), and the remaining shares are held by dispersed minority shareholders, none of which individually holds more than 3.47% of the voting shares, and there is no collective decision-making agreement among the other shareholders. The remaining shares are held by dispersed minority shareholders, all of whom individually hold less than 3.47% of the voting shares, and no collective decision-making agreement has been reached among the other shareholders. At the same time, the chairman, general manager and financial controller of Double Coin Sales are all dispatched by Double Coin Tire, which dominates the daily operation activities, financial decision-making and other major matters of Double Coin Sales, and therefore Double Coin Tire controls Double Coin Sales.

Note 10: The Company holds 60% of the shares of its subsidiary Shanghai Soap Making (Group) Co., Ltd. and 70% of the shares of its subsidiary Moltech Holdings Corporation, which holds 100% of the shares of its subsidiary MoltechPowerSystemInc. MoltechHoldingsCorporation holds 100% of the shares of its subsidiary MoltechPowerSystemInc. Therefore, the Company controls MoltechHoldingsCorporation and MoltechPowerSystemInc. and, based on the percentage of shareholding, the Company indirectly holds 42% of the shares of MoltechHoldingsCorporation. Based on the shareholding ratio, the Company indirectly owns 42% of MoltechHoldingsCorporation and 42% of MoltechPowerSystemInc.

Note 11: Shanghai Huayi Energy & Chemical Co., Ltd. (hereinafter referred to as "Energy & Chemical Company"), a subsidiary of the Company, holds 40% of the shares of Kunshan Baoyan Gas Co. (hereinafter referred to as "Kunshan Baoyan"). According to the Articles of Association of Kunshan Baoyan, the Board of Directors consists of 5 directors, of which 3 directors are dispatched by Energetic Chemical Company, and the General Manager and the Treasurer of Kunshan Baoyan are dispatched by Energetic Chemical Company, which dominates the day-to-day operating activities, financial decision-making and other major matters of Kunshan Baoyan, and therefore Energetic Chemical Company controls Kunshan Baoyan.

Note 12: The Company holds 51% equity interest in Huayi Group (Hong Kong) Limited, a subsidiary, and Huayi Group (Hong Kong) Limited holds 85% equity interest in Huayi Group (Thailand) Limited, a subsidiary, so the Company controls Huayi Group (Thailand) Co., Ltd. and based on the percentage of shareholding, the Company indirectly holds 43.35% equity interest in Huayi Group (Thailand) Co.

## 2. Significant non-wholly owned subsidiaries

√Applicable □Not applicable

Name of Subsidiary	Minority shareholding	Gains and losses attributable to minority shareholders for the period	Dividends declared to minority shareholders during the period	Unit: Yuan Currency:
				RMB Balance of minority interests at the end of the period
Double Coin Group (Jiangsu) Tyre Co.	23.68 per cent	256,548.66		80,966,676.53
Double Coin Group (Anhui) Back Tyre Co.	33.90 per cent	-9,733,557.76		203,268,929.39
China North American Tyre Joint Sales Corporation	47.60 per cent	31,550,810.24	9,321,398.41	43,246,666.57
Double Coin Group (Chongqing) Tyre Co.	34.64 per cent	-50,697,293.58		42,230,478.96
Double Coin Group (Xinjiang) Kunlun Tyre Co.	48.47 per cent	-10,334,382.92		463,286,321.61
Shanghai Soap Making (Group) Co.	40.00 per cent	177,919,570.71	7,682,280.00	407,588,472.37
Anhui Huayi Chemical Co.	6.00 per cent	8,931,099.81	29,978,016.29	159,666,874.32
Kunshan Baoyan Gas Co.	60.00 per cent	38,987,809.69		524,786,904.29
Shanghai Try 4 Hervey Chemical Co.	18.80 per cent	28,239,481.06	20,586,000.00	91,692,912.75
Shanghai Huayi Information Technology Co.	48.79 per cent	8,939,904.98	7,444,712.16	50,669,223.52
Shanghai Huayi Group Finance Co.	36.00 per cent	78,681,374.14	20,160,000.00	641,532,306.38
Double Coin Group (Hong Kong) Limited	49.00 per cent	68,056,820.70		90,913,316.89
Guangxi Huayi New Material Co.	40.00 per cent	-13,900,717.49		1,478,181,200.56

Other notes:

□Applicable √Not Applicable



### 3. Key financial information of significant non-wholly owned subsidiaries

√Applicable □Not applicable

Unit:Yuan Currency:RMB

Name of Subsidiary	Closing balance						Opening balance					
	current asset	non-current asset	Total assets	current liability	non-current liability	Total liabilities	current asset	non-current asset	Total assets	current liability	non-current liability	Total liabilities
Double Coin Group (Jiangsu) Wheel Tyre 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
Double Coin Group (Anhui) Power Tyre 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 Tyre 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
Double Coin Group (Chongqing) Wheel Tyre 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
Double Coin Group (Xinjiang) Kun Lun Tyre 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 (Group) Co. 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. department (under a ministry)	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. department (under a ministry)	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 Trial 4 Hervey Chemical Co. limited company	554,404,874.95	282,579,688.53	836,984,563.48	338,294,251.43	10,962,052.74	349,256,304.17	649,652,382.18	266,986,769.05	916,639,151.23	448,856,290.95	21,508,682.89	470,364,973.84
Shanghai Huayi Information Technology Co. limited company	236,547,564.74	20,030,960.13	256,578,524.87	150,465,956.05	2,260,000.00	152,725,956.05	184,816,199.37	19,278,757.52	204,094,956.89	110,484,059.57	2,260,000.00	112,744,059.57
Shanghai Huayi Group Finance Co. limited liability company	17,133,291,362.65	6,433,588,481.06	23,566,879,843.71	21,781,773,196.94	3,072,462.37	21,784,845,659.31	9,882,688,063.86	9,575,066,042.49	19,457,754,106.35	17,814,179,922.05	24,412,679.21	17,838,592,601.26
Huayi Group (Hong Kong) Ltd. limited company	994,406,690.47	2,215,430,613.72	3,209,837,304.19	517,010,757.14	2,428,204,356.45	2,945,215,113.59	1,675,866,670.82	2,064,293,851.29	3,740,160,522.11	1,354,683,035.56	2,218,326,429.49	3,573,009,465.05
Guangxi Huayi New Material Co. firms	1,654,710,511.05	8,769,112,865.60	10,423,823,376.65	1,507,105,576.26	5,221,264,799.00	6,728,370,375.26	205,657,178.73	4,570,199,103.87	4,775,856,282.60	2,429,895,701.45	520,881,992.62	2,950,777,694.07

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Name of Subsidiary	Current period's incidence				Prior period's incidence			
	revenue	net profit	Total comprehensive income	Cash flows from operating activities	revenue	net profit	Total comprehensive income	Cash flows from operating activities
Double Coin Group (Jiangsu) Tyre 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
Double Coin Group (Anhui) Back Tyre 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 American Tyre Joint Sales Corporation	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
Double Coin Group (Chongqing) Tyre 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
Double Coin Group (Xinjiang) Kunlun Tyre 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 Try 4 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 enterprise group assets and the discharge of enterprise group liabilities

☐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 share of ownership interests in subsidiaries

☒Applicable ☐Not applicable

(i) Ltd., a subsidiary of Huayi Group (Hong Kong) Co., Ltd. acquired 20% equity interest in Shuangqian Group (Jiangsu) Tyre Co., Ltd. and the Company's indirect shareholding in Shuangqian Group (Jiangsu) Tyre Co., Ltd. increased from 66.12% to 76.32% after the completion of the transaction.

(ii) Ltd., a subsidiary of the Company, introduced a strategic investor to increase its capital, after which the Company's shareholding in Shanghai Huayi Information Technology Co., Ltd. decreased from 55% to 51.21%.

##### 2. Effect of the transaction on minority interests and equity attributable to the parent company

☒Applicable ☐Not applicable

	Unit: Yuan Currency:	
	Double Coin Group (Jiangsu) Tyre Co.	RMB Shanghai Huayi Information Technology limited company
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 in proportion to equity acquired/disposed of	68,379,108.37	2,155,520.50
discrepancy (in a sum or quota)	101,441,091.63	-2,155,520.50
Effect on equity attributable to owners of the parent company	-51,734,956.73	2,155,520.50
Of which: Adjustments to capital surplus	-51,734,956.73	2,155,520.50
Adjustments to surplus reserves		
Adjustments to unallocated profits		

☐Applicable ☒Not Applicable

**(iii) Interests in joint ventures or associates**

√Applicable □Not applicable

**1. Significant joint ventures or associates**

√Applicable Not applicable

Unit:Yuan Currency:RMB

Name of joint venture or consortium	Principal place of business	registered office	Nature of business	Shareholding (%)		Investments in joint ventures or associates Accounting treatment of
				direct	over head	
(1) Shanghai Huayi Group Co. associated company						
Shanghai Huayi Group Financial Leasing Co.	Shanghai	Shanghai	financial sector	24.00		equity method
(2) Shanghai Huayi Energy & Chemical Co. a joint venture						
Shanghai Hualin Industrial Gases Co.	Shanghai	Shanghai	service industry	50.00		equity method
associated company						
Shanghai Arkema Hydrogen Peroxide Co.	Shanghai	Shanghai	service industry	33.33		equity method
Cabot Chemicals (Tianjin) Co.	Tianjin	Tianjin	service industry	30.00		equity method
Shanghai Cabot Chemical Co.	Shanghai	Shanghai	service industry	30.00		equity method
Shanghai Shenxing Chemical Co.	Shanghai	Shanghai	service industry	37.00		equity method
(3) Shanghai Huayi Fine Chemical Co. associated company						
BASF Shanghai Coatings Co.	Shanghai	Shanghai	service industry	40		equity method
Shanghai International Paint Co.	Shanghai	Shanghai	service industry	34		equity method
(4) Shanghai Huayi Fine Chemical Co. associated company						

Shanghai Global Molecular Sieve Co.	Shanghai	Shanghai	service industry	30		equity method
(5) Shanghai Tianyuan (Group) Co. associated company						
Shanghai Huayi Tianyuan Chemical Logistics Co.	Shanghai	Shanghai	logistics	33.36		equity method
(6) Huayi Group (Hong Kong) Limited associated company						
Shanghai Huayi Group Financial Leasing Co.	Shanghai	Shanghai	financial sector	25.00		equity method
Etco China Ltd.	Mainland	Mainland	service industry	25.00		equity method
(7) Shanghai Huayi New Materials Co. associated company						
Zhejiang Huahong New Material Co.	Jiaxing prefecture level city in Zhejiang	Jiaxing prefecture level city in Zhejiang	Technical Research and Development	35.00		equity method

## 2. Key financial information of significant joint ventures

√/Applicable Not applicable

### (1) Shanghai Huayi Energy Chemical Co.

Unit: Yuan Currency: RMB

	Closing balance/current period's incidence	Opening balance/previous period's incidence
	Shanghai Hualin Industrial Gases Co.	Shanghai Hualin Industrial Gases Co.
current asset	489,376,963.82	426,080,222.22
Of which: cash and cash equivalents		
non-current asset	299,618,461.05	383,439,058.43
Total assets	788,995,424.87	809,519,280.65
current liability	141,762,236.11	188,244,723.61
non-current liability		
Total liabilities	141,762,236.11	188,244,723.61
Minority interests		
Shareholders' equity attributable to the parent company		
net assets	647,233,188.76	621,274,557.04
Share of net assets by shareholding	323,616,594.38	310,637,278.52
Adjustments		
-Goodwill		
-- Unrealised profit on internal transactions		
--Other		
Carrying value of equity investments in joint ventures	323,616,594.38	310,637,278.52
Presence of publicly quoted equity investments in joint ventures fair value		
revenue	1,487,448,398.94	1,324,577,957.30
financial cost		
Income tax expense		
net profit	239,051,200.42	213,281,691.34
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	239,051,200.42	213,281,691.34
Dividends received from joint ventures during the year	106,546,284.35	97,022,946.15

**3. Key financial information of significant associates**

√/Applicable Not applicable

**(1) Shanghai Huayi Group Co.**

Unit: Yuan Currency: RMB

	Closing balance/current period's incidence	Opening balance/previous period's incidence
	Shanghai Huayi Group Financial Leasing limited company	Shanghai Huayi Group Financial Leasing limited company
current asset	663,182,862.89	924,623,907.79
non-current asset	567,529,063.57	752,695,331.36
Total assets	1,230,711,926.46	1,677,319,239.15
current liability	133,340,667.01	282,137,643.03
non-current liability		321,318,000.00
Total liabilities	133,340,667.01	603,455,643.03
Minority interests		
Shareholders' equity attributable to the parent company	1,097,371,259.45	1,073,863,596.12
Share of net assets by shareholding	263,369,102.27	257,727,263.07
Adjustments		
-Goodwill		
-- Unrealised profit on internal transactions		
--Other		
Carrying value of equity investments in associates	263,369,102.27	257,727,263.07
Fairness of investments in interests in associates for which publicly quoted prices exist fig. values (ethical, cultural etc)		
revenues	53,454,801.86	52,848,028.69
net profit	37,110,663.33	30,228,787.69
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	37,110,663.33	30,228,787.69
Dividends received from associates during the year	3,264,720.00	2,692,320.00

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(2) Shanghai Huayi Energy Chemical Co.

	Closing balance/current period's incidence				Opening balance/previous period's incidence			
	Shanghai Arkema Hydrogen Peroxide limited company	Cabot Chemical (Tianjin) limited company	Shanghai Cabot Chemical limited company	Shanghai Shenxing Chemical limited company	Shanghai Arkema Hydrogen Peroxide limited company	Cabot Chemical (Tianjin) limited company	Shanghai Cabot Chemical limited company	Shanghai Shenxing Chemical limited company
current asset	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 asset	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 liability	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 liability	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								
Shareholders' equity attributable to 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 by 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
Adjustments								
-Goodwill								
-- Unrealised 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 investments in interests in associates								
Fair value of capital								
revenues	274,407,348.04	1,991,419,301.81	1,419,992,847.24	732,332,371.23	324,479,638.45	1,611,952,294.82	1,173,430,488.80	646,490,559.74
net profit	14,405,180.20	95,741,368.60	29,592,836.36	47,234,714.92	53,235,099.60	194,303,615.39	78,155,610.74	48,390,042.95
Net profit from discontinued operations			206	361				
Other comprehensive income								
Total comprehensive income	14,405,180.20	95,741,368.60	29,592,836.36	47,234,714.92	53,235,099.60	194,303,615.39	78,155,610.74	48,390,042.95
Shares received from associates								



**(3) Shanghai Huayi Fine Chemical Co.**

	Closing balance/current period's incidence		Opening balance/previous period's incidence	
	BASF Shanghai Coatings Co.	Shanghai International Paint Co.	BASF Shanghai Coatings Co.	Shanghai International Paint Co.
current asset	2,171,320,109.15	543,961,669.61	2,029,964,852.51	609,502,058.29
non-current asset	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 liability	1,306,502,315.94	432,832,069.39	1,247,348,723.41	529,607,473.37
non-current liability	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				
Shareholders' equity attributable to 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 by shareholding	724,111,341.01	75,072,319.41	661,843,009.80	65,356,472.92
Adjustments				
-Goodwill				
-- Unrealised 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				
revenue	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				
Other comprehensive income				
Total comprehensive income	234,870,827.07	28,576,019.08	287,033,646.24	-245,715.18
Dividends received from associates during the year	31,679,999.20	207 / 361	48,826,563.22	

(4) Shanghai Huayi Group Investment Co.

	Closing balance/current period's incidence			Opening balance/previous period's incidence		
	Formosa (Shanghai) Agricultural Science and Technology Co. Ltd.	Huachang, East China University of Science and Technology Polymers Ltd.	Linde Gas (Guangxi) limited company	Formosa (Shanghai) Agriculture science and technology limited company	Huachang, East China University of Science and Technology Polymers Ltd.	Linde Gas (Guangxi) Co. limited company
current asset	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 asset	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 liability	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 liability	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	
Shareholders' equity attributable to 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 by 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
Adjustments						
-Goodwill						
-- Unrealised 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
Existence of publicly quoted equity investments in associates fair value						
revenue	1,599,873,033.30	529,672,243.72	808,536,871.51	1,676,488,516.50	520,908,375.82	347,777,912.57
net profit	298,875,849.46	14,450,466.26	83,747,305.22	48,866,633.49	22,536,449.45	24,665,855.97
Net profit from discontinued operations						
Other comprehensive income						
Total comprehensive income	298,875,849.46	14,450,466.26	83,747,305.22	48,866,633.49	22,536,449.45	24,665,855.97

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	Closing balance/current period's incidence					Opening balance/previous period's incidence		
	Veolia Environmental Technologies (Qinzhou) Co.	Guangxi Tianyi Environmental Technology limited company	Vopo (Qinzhou) Terminal limited company	Guilin Rubber Design Institute limited company	Shanghai Global Molecular Sieve limited company	Veolia Environmental Technologies (Qinzhou) Co.	Guangxi Tianyi Environmental Technology limited company	Vopo (Qinzhou) Terminal limited company
current asset	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 asset	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 liability	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 liability	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								
Shareholders' equity attributable to 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 by 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
Adjustments								
-Goodwill								
-- Unrealised 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 investments in interests in associates								
Fair value of capital								
revenues	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								

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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 incidence	Opening balance/previous period's incidence
	Shanghai Huayi Tianyuan Chemical Logistics limited company	Shanghai Huayi Tianyuan Chemical Logistics limited company
current asset	164,899,572.10	114,178,298.81
non-current asset	482,996,891.75	483,613,737.20
Total assets	647,896,463.85	597,792,036.01
current liability	60,949,176.80	57,415,343.34
non-current liability	2,849,060.39	5,567,328.08
Total liabilities	63,798,237.19	62,982,671.42
Minority interests		
Shareholders' equity attributable to the parent company	584,098,226.66	534,809,364.59
Share of net assets by shareholding	194,855,168.41	178,412,404.03
Adjustments		
-Goodwill		
-- Unrealised profit on internal transactions		
--Other		
Carrying value of equity investments in associates	201,243,138.56	185,109,747.41
Fairness of investments in interests in associates for which publicly quoted prices exist fig. values (ethical, cultural etc)		
revenue	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 incidence		Opening balance/previous period's incidence	
	Shanghai Huayi Group Financing leasing company limited by guarantee	Edoco China limited company	Shanghai Huayi Group Financing leasing company limited by guarantee	Edoco China limited company
current asset	663,182,862.89	651,973,276.23	924,623,907.79	695,406,078.68
non-current asset	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 liability	133,340,667.01	243,201,011.34	282,137,643.03	327,108,387.09
non-current liability		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
by percentage of shareholding	274,342,814.86	231,355,807.70	268,465,899.03	221,269,156.24
Share of net assets				
Adjustments				
-Goodwill				
-- Internal transactions not realised margins				
--Other				
Investments in interests in associates	274,342,814.86	231,355,807.70	268,465,899.03	221,269,156.24
Carrying value of funds				
Existence of publicly quoted equity investments in associates				
fair value				
revenues	53,454,801.86	942,719,160.23	52,848,028.69	906,328,267.60
net profit	37,110,663.33	65,322,146.49	30,228,787.69	58,990,916.95
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	37,110,663.33	212 / 361 65,322,146.49	30,228,787.69	58,990,916.95

**(7) Shanghai Huayi New Material Co.**

	Closing balance/current period's incidence	Opening balance/previous period's incidence
	Zhejiang Huahong New Material Co.	Zhejiang Huahong New Material Co.
current asset	842,721,195.19	1,228,703,464.51
non-current asset	2,690,215,382.90	1,896,154,604.52
Total assets	3,532,936,578.09	3,124,858,069.03
current liability	876,778,591.39	586,807,891.55
non-current liability	1,293,090,254.11	992,153,159.75
Total liabilities	2,169,868,845.50	1,578,961,051.30
Minority interests		
Shareholders' equity attributable to the parent company	1,363,067,732.59	1,545,897,017.73
Share of net assets by shareholding	477,073,706.41	541,059,947.19
Adjustments		
-Goodwill		
-- Unrealised profit on internal transactions		
-Other		
Carrying value of equity investments in associates	477,073,706.41	541,059,947.19
Fairness of investments in interests in associates for which publicly quoted prices exist fig. values (ethical, cultural etc)		
revenue	3,177,739,512.68	2,892,049,840.52
net profit	-182,853,378.97	156,309,583.82
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	-182,853,378.97	156,309,583.82
Dividends received from associates during the year	9,534,912.59	11,023,787.82
Total of the following by percentage of shareholding		
-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
Associates:		
Total carrying value of investments	315,866,239.43	367,962,231.23
Total of the following by percentage of shareholding		
-Net profit	-2,116,672.63	-18,826,923.47
-- other comprehensive income		
-- total comprehensive income	-2,116,672.63	-18,826,923.47

**5. A statement that there are significant restrictions on the ability of a joint venture or associate to transfer funds to the Company**

☐Applicable ☒Not applicable

**6. Excess losses incurred in joint ventures or associates**

☒Applicable ☐Not applicable

Joint ventures or associates trade name	Cumulative unrecognised prior period cumulative damages	Unrecognised losses for the period (or net profit shared during the period)	Unit: Yuan Currency:
			RMB Cumulative unrecognised at the end of the period damages
Shanghai Shenma Cordage Fabrics Co. limited liability company	-20,775,184.63	-1,840,084.16	-22,615,268.79

**7. Unrecognised commitments relating to investments in joint ventures**

☐Applicable ☒Not applicable

**8. Contingent liabilities relating to investments in joint ventures or associates**

☐Applicable ☒Not applicable

**(iv) Significant joint operations**

☐Applicable ☒Not applicable

**(v) Interests in structured entities not included in the scope of the consolidated financial**

**statements** Relevant notes on structured entities not included in the scope of the consolidated financial statements:

☐Applicable ☒Not Applicable

**(vi) Other**

☐Applicable ☒Not applicable

**VIII. Risks related to financial instruments**

☐Applicable ☒Not Applicable

**IX. Fair value disclosures**

The inputs used in the 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 observable for the underlying asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the underlying asset or liability.

The level within which a fair value measurement result belongs is determined by the lowest level within 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:

sport s even t	Fair value at end of period RMB			
	Level 1 fair value metrological	Second tier public fair value measureme nt	Level 3 fair value metrological	add up the total
<b>I. Ongoing fair value measurements</b>				
(i) Financial assets held for trading	1,368,465,133.72			1,368,465,133.72
1. At fair value through profit or loss financial asset	1,368,465,133.72			1,368,465,133.72
(1) Investments in debt instruments				
(2) Investments in equity instruments	205,403,066.47			205,403,066.47
(3) Derivative financial assets				
(4) Investment of funds	1,163,062,067.25			1,163,062,067.25
2. Designated as at fair value through profit or loss. Financial assets at fair value through profit or loss				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(ii) Other debt investments				
(iii) Investments in other equity instruments				
(iv) Investment property				
1. Land use rights for lease				
2. Rented buildings				
3. Land use rights held and intended to be transferred after appreciation in value				
(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. At fair value through profit or loss financial assets			744,077,373.15	744,077,373.15
(1) Investments in equity instruments			526,964,339.89	526,964,339.89
(2) Investment of funds			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. At fair value through profit or loss financial liability				
Of which: Exchangeable bonds issued				
Derivative financial liabilities				
the rest				
2. Designated as at fair value through profit or loss (FVTPL). Financial liabilities for profit or loss				
<b>Total liabilities measured at fair value on an ongoing basis</b>				
<b>II. Discontinued fair value measurements</b>				
(i) Assets held for sale				
<b>Total assets not measured at fair value on an ongoing basis</b>				
<b>Total liabilities not measured at fair value on an ongoing basis</b>				

(ii) Basis for determining the market value of items measured at fair value in the continuing and discontinued Level 1 fair value hierarchy

For listed equity instruments, debt equity instruments and fund investments, the Company

measured the fair value of the assets based on the closing price of the stock exchange on the trading day closest to the balance sheet date.

**(iii) Continuing and discontinued Level 2 fair value measurements, valuation techniques used and qualitative and quantitative information on significant parameters**

☐Applicable ☒Not applicable

**(iv) Continuing and discontinued Level 3 fair value measurements, valuation techniques used and qualitative and quantitative information on significant parameters**

☒Applicable ☐Not applicable

(1) The receivables facilities are bankers' acceptances and commercial acceptances held by the Company, which can be approximated to have a fair value equal to the nominal value at the end of the period, given that their maturity is not more than one year and the time value of money factor does not have a significant impact on their fair value.

(2) For equity investments in unlisted companies and investments in funds, the Company uses valuation techniques to determine their fair value, including net asset value and market comparable methods. Its fair value measurements use significant unobservable parameters such as liquidity discounts, volatility, risk-adjusted discounts and market multipliers. The fair value of equity investments in unlisted companies and investments in funds is not materially sensitive to reasonable changes in these unobservable inputs.

**(v) Ongoing Level 3 fair value measurements, information on reconciliations between opening and closing book values and sensitivity analysis of unobservable parameters**

☐Applicable ☒Not applicable

**(vi) Ongoing fair value measurement items that were converted between levels during the period, the reason for the conversion and the policy for determining the point of conversion**

☐Applicable ☒Not applicable

**(vii) Changes in valuation techniques that occurred during the period and reasons for the changes**

☐Applicable ☒Not applicable

**(viii) 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 connected transactions**

**(i) Information on the parent company of the enterprise**

☒Applicable ☐Not applicable

Unit: RMB 10,000 Currency:

Parent company name	registered office	Nature of business	registered capital	Parent RMB company's shareholding in the enterprise (%)	Proportion of voting rights of the parent company in the enterprise (%)
Shanghai Huayi Holdings corporation	Shanghai	State-owned asset management and Management, industrial investment	347,630.00 216 / 361	41.99	41.99

The ultimate controlling party of the enterprise is: Shanghai Huayi Holding Group Co.

**(ii) Information on the Company's subsidiaries**

Details of the Company's subsidiaries are set out in the notes

√Applicable Not applicable

"VII. Interests in other subjects".

**(iii) Joint ventures and associates of the enterprise**

Details of significant joint ventures or associates of the enterprise are set out in the notes

√Applicable □Not applicable

"VII. Interests in other subjects".

Other joint ventures or associates that had related party transactions with the Company during the period, or had balances arising from related party transactions with the Company in prior periods, are as follows

√Applicable □Not applicable

Name of joint venture or associate		Relationship with the enterprise
Shanghai Huayi Group Financial Leasing Co.		associated company
Shanghai Double Coin Tyre Sales (Jordan) Co.		Joint ventures of subsidiaries
Shanghai Troy Chemical Co.		Joint ventures of subsidiaries
Shanghai Hualin Industrial Gases Co.		Joint ventures of subsidiaries
Shanghai Minhang Huayi Microfinance Co.		Associates of subsidiaries
Shanghai Huayi Tianyuan Chemical Logistics Co.		Associates of subsidiaries
Shanghai Tianyuan Resources Trading Co.		Associates of subsidiaries
BASF Shanghai Coatings Co.		Associates of subsidiaries
Shanghai International Paint Co.		Associates of subsidiaries
Shanghai Runhong Industrial Co.		Associates of subsidiaries
Shanghai Fujikura Kasei Coating Co.		Associates of subsidiaries
Fujikura Kasei Coatings (Tianjin) Co.		Associates of subsidiaries
Fujikura Kasei (Foshan) Coatings Co.		Associates of subsidiaries
Shanghai Arkema Hydrogen Peroxide Co.		Associates of subsidiaries
Shanghai Cabot Chemical Co.		Associates of subsidiaries
Cabot Chemical (Tianjin) Co.		Associates of subsidiaries
Shanghai Linde Carbon Dioxide Co.		Associates of subsidiaries
Linde Carbon Dioxide (Wuhu) Co.		Associates of subsidiaries
Shanghai Jingxing Chemical Co.		Associates of subsidiaries
Shanghai Shenxing Chemical Co.		Associates of subsidiaries
Shanghai Coking & Chemical Development Corporation		Associates of subsidiaries
Shanghai DuPont Agrochemicals Co.		Associates of subsidiaries
Shanghai Shenma Cordage Fabrics Co.	218 / 361	Associates of subsidiaries
East China University of Science and Technology Huachang Polymer Co.		Associates of subsidiaries
Zhejiang Huahong New Material Co.		Associates 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 Company
Shanghai Baosteel Gas Co.	Investors in subsidiaries
China Salt Kunshan Co.	Investors in subsidiaries
PICC Information Technology Co.	Investors in subsidiaries
Jiangsu Yuxing Industry & Trade Co.	Investors in subsidiaries
Zhejiang Zhenyu Absorbent Material Technology Co.	Investors in subsidiaries
Shanghai Xinshanghua Polymer Material Co.	Associates of controlling shareholders
Shanghai Jing'an Huayi Microfinance Co.	Associates of controlling shareholders
Changshu San'aifu Zhenfu New Material Co.	Associates of controlling shareholders
Shanghai Jingqi Polymer Material Co.	Associates of controlling shareholders
Shanghai CNPC Wuhua Petrol Filling Co.	Associates of controlling shareholders
Sinochem Huayi Equipment Technology (Shanghai) Co.	Associates of controlling shareholders
Dalian New Sunshine Material Technology Co.	Associates 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 San'aifu 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 Plastic 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 Huayi Qifa Economic and Trade Co.	Ultimately controlled by the same controlling party
Shanghai Huifeng Resin Co.	Ultimately controlled by the same controlling party
Shanghai Coking & Chemical Storage &	Ultimately controlled by

Shanghai Clover Plastic 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 Tyre & 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 Medical Branch Instrument Manufacturing Co.	Ultimately controlled by the same controlling party
Shanghai Shuangli Property Management Co.	Ultimately controlled by the same controlling party
Shanghai Double Coin 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

Management Co.	the same controlling party
Shanghai Yizhi Enterprise Development Co.	Ultimately controlled by the same controlling party
Shanghai Chemical Academy 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 Speciality Chemicals Zibo Co.	Ultimately controlled by the same controlling party
Shanghai Jingkang Printing Co.	Ultimately controlled by the same controlling party
Shanghai Research Institute of Chemical Science and Technology	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 Yi Magic 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
Tri-Affinity Solvay (Changshu) High Performance Polymers Co.	Ultimately controlled by the same controlling party
Shanghai Huayi Industrial Gases Co.	Ultimately controlled by the same controlling party
Shanghai Research Institute of Chemical Industry Tiandi Technology Development Co.	Ultimately controlled by the same controlling party
Shanghai Chemical Engineering Institute Environmental Engineering Co.	Ultimately controlled by the same controlling

	party
Shanghai Lianying New Material Technology Co.	Ultimately controlled by the same controlling party
Shanghai SCCI Tianle Industry Co.	Ultimately controlled by the same controlling party
Shanghai Tianjiu Enterprise Management Consulting Co.	Ultimately controlled by the same controlling party
Shanghai Lvqiang New Material Co.	Ultimately controlled by the same controlling party



**(v) Connected transactions****1. Purchase of goods/acceptance of labour in connected transactions of purchase and sale of goods, provision and acceptance of labour**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

related party	Contents of connected transactions	Current period's incidence	Amount of transactions approved (if applicable)	Whether the transaction limit is exceeded (if applicable)	Prior period's incidence
East China University of Science and Technology Huachang Polymer Co.	Procurement of commodities	160,176.98			6,390,302.55
Shanghai Huayi Holding Group Co.	Procurement of commodities	583,028.30			4,013,368.12
Shanghai Huayi Holding Group Co.	Acceptance of labour	37,709,739.48			42,901,446.51
Shanghai Huayi Engineering Co.	Procurement of commodities				3,742,283.56
Shanghai Huayi Engineering Co.	Acceptance of labour	1,245,510,197.39			680,034,182.54
Shanghai Huayi Environmental Protection Technology Co.	Procurement of commodities	192,823,736.71			57,716,014.58
Shanghai Huayi Group Real Estate Co.	Procurement of commodities	101,886.79			199.00
Shanghai Huayi Group Real Estate Co.	Acceptance of labour	924,453.20			1,253,212.08
Shanghai Huayi Construction Co.	Procurement of commodities	2,080,535.04			311,825.46
Shanghai Huayi Construction Co.	Acceptance of labour	705,045.88			
Shanghai Huayi Qifa Labour Service Co.	Acceptance of labour	4,971,104.91			4,813,211.93
Shanghai Huayi Tianyuan Chemical Logistics Co.	Acceptance of labour	48,744,568.48			1,578,317.78
Shanghai Jinghua Chemical Factory Co.	Procurement of commodities	3,112,502.34			3,056,713.35
Shanghai Chlor-Alkali Venture Co.	Acceptance of labour	103,636.55 223 / 361			34,802.87
Shanghai Chlor-alkali Chemical Co.	Procurement of commodities	25,762,233.27			2,716,822.13

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Shanghai Meiyu Pharmaceutical Co.	Acceptance of labour	33,264.43			
Shanghai Pharmaceutical Industry Co.	Acceptance of labour	53,097.34			
Suzhou Lianqing Biotechnology Co.	Acceptance of labour	24,353.99			
Shanghai Chemical Academy Testing Co.	Acceptance of labour	58,037.74			206,194.69
Shanghai Yi Magic Apartment Management Co.	Acceptance of labour	33,486.43			
Zhejiang Huahong New Material Co.	Procurement of commodities	1,040,424,855.77			766,517,351.41
Inner Mongolia Yili Chemical Industry Co.	Procurement of commodities				137,565,531.00

## Statement of sale of goods/provision of labour

√Applicable □Not applicable

Unit: Yuan Currency: RMB

related party	Connected transactions element	Current period's incidence	Prior period's incidence
BASF Shanghai Coatings Co.	labour	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.	labour	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 Zhenfu New Material Co.	Sales of goods		1,979,367.31
Changshu San'aifu Zhonghao New Chemical Materials Co.	labour	1,784,471.08	
Dongming Huayi Yuhuang New Material Co.	labour	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.	labour	4,126,941.30	
Guangxi Huayi Energy Chemical Co.	labour	56,168,396.23	13,680,313.08
Guangxi Huayi Energy Chemical Co.	Sales of goods	33,141,874.42	67,412,728.48
Guangxi Tianyi Environmental Technology Co.	labour	1,506,463.14	1,415,094.34
East China University of Science and Technology Huachang Polymer Co.	labour	10,494,577.76	6,360.02
East China University of Science and Technology Huachang Polymer Co.	Sales of goods	2,285,308.08	262,406.99
Cabot Chemicals (Tianjin) Co.	labour	684,293.39	1,490,403.28
Linde Carbon Dioxide (Wuhu) Co.	Sales of goods		48,134.82
Inner Mongolia San'aifu Wanhao Fluorine Chemical Co.	Sales of goods	10,561,311.40	5,465,340.53

Shanghai Huayi Group Real Estate Co.	labour	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.	labour	126,642.54	
Shanghai Huayi Tianyuan Chemical Logistics Co.	labour	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 Co.	labour	69,498.11	
Shanghai Coking & Chemical Storage & Transportation Port 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 Factory Co.	labour	180,248.11	
Shanghai Jinghua Chemical Factory 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.	labour	566,037.74	
Shanghai Cabot Chemical Co.	labour	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.	labour	1,223,207.04	1,929.62
Shanghai Linde Carbon Dioxide Co.	Sales of goods	15,099,655.27	18,323,815.84
Shanghai Tyre & Rubber (Group) Co.	Sales of goods	569,915.09	322,267.89
Shanghai Chlor-alkali Chemical Co.	Sales of goods	109,493,900.00	112,152,052.65
Shanghai Chlor-Alkali New Material Trading Co.	Sales of goods	54,432.05	38,566.52
Shanghai Meiyu Pharmaceutical Co.	labour	367,360.38	
Shanghai Dyestuff & Chemical Sales Co.	Sales of goods	64,356.60	133,275.47
Shanghai Dyestuff Research Institute Co.	labour	895,976.60	1,037,299.18
Shanghai Dyestuff Co.	Sales of goods	78,837.73	4,056.60
Shanghai San Aisi Reagent Co.	labour	193,111.89	
Shanghai San Aisi Reagent Co.	Sales of goods	10,619.47	228,714.78
PICC Information Technology Co.	Sales of goods		2,938,983.08

Shanghai Shenxing Chemical Co.	labour	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.	labour	7,415.09	7,415.09
Shanghai Double Coin Tyre Sales (Jordan) Co.	Sales of goods		USD 117,351.9
Shanghai Pacific Chemical Equipment Engineering Co.	labour		1,124,964.66
Shanghai Pacific Chemical Equipment Engineering Co.	Sales of goods	114,818.14	83,126.42
Shanghai Troy Chemical Co.	Sales of goods	655,115.05	2,448,084.96
Shanghai Fujikura Kasei Coating Co.	Sales of goods	5,342,408.03	6,237,389.85
Shanghai Wujing Chemical Co.	labour	817,171.58	
Shanghai Wujing Chemical Co.	Sales of goods	128,773.32	471,573.57
Shanghai Xinzheng Real Estate Development & Management Co.	labour	1,348,913.30	
Shanghai Xinshanghua 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 Petrol Filling Co.	Sales of goods	25,498.88	19,501.29
Shanghai COSCO Chemical Co.	labour	5,580.00	5,471.70
Anhui Haisu New Material Technology Co.	labour	19,033.96	
Fujian Huayi San'aifu Fuyou New Material Co.	labour	1,292,154.31	

Henan Watson Ultra High Chemical Technology Co.	labour	70,316.98	
Tri-Affinity Solvay (Changshu) High Performance Polymers Co.	labour	19,033.96	
Shanghai Dakai Plastic Co.	labour	52,462.45	
Shanghai Huayi Industrial Gases Co.	labour	550,849.06	
Shanghai Huayi Construction Co.	labour	118,780.00	
Shanghai Huayi San'aifu New Material Co.	labour	2,108,635.88	
Shanghai Research Institute of Chemical Industry Tiandi Technology Development Co.	labour	41,298.12	
Shanghai Chemical Engineering Institute Environmental Engineering Co.	labour	50,920.75	
Shanghai Chemical Academy Testing Co.	labour	351,817.62	
Shanghai Jinyuan Water Supply Co.	labour	5,400.00	
Shanghai Jingkang Printing Co.	labour	1,903,681.40	
Shanghai Lianle Chemical Technology Co.	labour	96,894.38	
Shanghai Lianying New Material Technology Co.	labour	71,946.30	
Shanghai Lvqiang New Material Co.	labour	109,033.96	
Shanghai Chlor-Alkali Venture Co.	labour	77,358.49	
Shanghai Dyestuff & Chemical Factory Co.	labour	1,440.00	
Shanghai SCCI Tianle Industry Co.	labour	60,467.92	
Shanghai Double Coin Hotel Co.	labour	2,886.79	2,886.79
Shanghai Shuangqian Enterprise Management Co.	labour	13,207.55	
Shanghai Tianjiu Enterprise Management Consulting Co.	labour	50,920.75	
Shanghai Yicheng Real Estate Co.	Sales of goods	5,522,773.85	
Suzhou Lianqing Biotechnology Co.	labour	50,920.75	
Changshu San'aifu Fluorine Chemical Co.	labour	2,176,781.24	
Changshu San'aifu Zhenfu New Material Co.	labour	2,335,794.33	
Shanghai International Paint Co.	labour	12,264.15	
Shanghai Huayi Group Asset Management Co.	labour	504,570.08	
Shanghai Huayi Qifa Economic and Trade Co.	labour	63,837.74	
Shanghai Research Institute of Chemical Industry Co.	labour	881,826.36	
Shanghai Coking & Chemical Development Corporation	labour	3,755.28	
Shanghai Jingxing Chemical Co.	labour	3,867.92	
Shanghai Xinshanghua Polymer Material Co.	labour	10,920.75	
Fujikura Kasei (Foshan) Coatings Co.	Sales of goods	152,830.19	95,575.22
Fujikura Kasei Coatings (Tianjin) Co.	Sales of goods	152,830.19	95,575.22
Zhejiang Huahong New Material Co.	labour		603,773.59
Zhejiang Huahong New Material Co.	Sales of goods	1,099,056.61	223,726.42
Fubo (Qinzhou) Terminal Co.	labour		1,037,735.85
Linde Gas (Guangxi) Co.	labour		943,396.23
Veolia Environmental Technology (Qinzhou) Co.	labour		1,415,094.34
Guangxi Hualing Terminal Co.	Sales of goods	622,641.50	

Huayi Hefeng Speciality Chemicals Zibo Co.	Sales of goods	9,393,644.25	10,795,239.83
Jiangsu Yuxing Industry & Trade Co.	Sales of goods		3,284,743.49
Shanghai Dakai Plastic Co.	Sales of goods		136,717.42
Shanghai Jingkang Printing Co.	Sales of goods	143,349.54	106,611.58
Shanghai Dyestuff & Chemical Factory Co.	Sales of goods		4,528.30
Guangxi Hongyi New Material Co.	Sales of goods	1,938,761.16	
Changshu San'aifu 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 Acrylics 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 Labour 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
Fubo (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 Technology (Qinzhou) Co.	Sales of goods	1,415,094.34	
Zhejiang Zhenyu Absorbent 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 Medical Branch Instrument Manufacturing Co.	Sales of goods	31,950.94	19,323.77

Description of connected transactions for the purchase and sale of goods and the provision and acceptance of services

☐Applicable ☒Not Applicable

## 2. Affiliated fiduciary management/contracting and delegated management/contracting

The Company's

fiduciary management/contracting table:

☐Applicable ☒Not Applicable

Affiliated hosting/contracting statement

☐Applicable ☒Not Applicable

Table of the Company's entrusted management/contracting

☐Applicable ☒Not Applicable

Affiliated management/contracting statement

☐Applicable ☒Not Applicable

Other connected transactions

√/Applicable ☐

Not applicable 3.

**Loan interest income**

Unit: Yuan Currency: RMB

related party	Amount for the period	Prior period amount
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 Material Co., Ltd. and its subsidiaries	3,425,350.16	13,076,936.85
Shanghai Research Institute of Chemical Industry Limited and its subsidiaries	4,098,936.54	1,827,528.00
Shanghai Chlor-alkali Chemical Corporation and its subsidiaries	16,261,513.60	16,183,692.01
Guangxi Huayi Energy Chemical Co., Ltd. and its subsidiaries	41,356,799.03	38,921,406.25
Shanghai Huayi Engineering Company Limited and its subsidiaries	28,496.87	
Other joint ventures	19,751,941.99	40,545,822.81



## 4. Interest expense on deposits

Unit: Yuan Currency: RMB

related party	Current period's incidence	Prior period's incidence
Shanghai Huayi Holding Group Co.	54,790,454.98	60,093,380.33
Shanghai Huayi Acrylics Company Limited and its subsidiaries	46,634,682.14	40,518,388.64
Shanghai Huayi Engineering Company Limited and its subsidiaries	9,705,097.98	8,550,595.67
Shanghai Huayi Group Financial Leasing Company Limited 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 Material Co., Ltd. and its subsidiaries	5,490,306.37	1,492,796.46
Shanghai Research Institute of Chemical Industry Limited and its subsidiaries	4,039,253.98	1,122,105.80
Shanghai Chlor-alkali Chemical Corporation and its subsidiaries	12,212,474.48	14,702,510.42
Shanghai Huayi Energy Chemical Co., Ltd. and its subsidiaries	10,384,825.08	5,501,307.26
Other subsidiaries controlled by controlling shareholders	17,202,506.85	13,961,375.25
Other joint ventures	703,098.69	719,564.57
Other related parties		
Other subsidiaries controlled by controlling shareholders		
Other joint ventures		
Other related parties		
Shanghai Huayi Holding Group Co.	traffic	107,278.46
Shanghai Huayi Holding Group Co.	traffic	35,398.23
Shanghai Huayi San Aifu Chemical Sales Co.	the property market (e.g. houses)	547,108.26
Shanghai Huayi Group Chemical Industry Co.	the property market (e.g. houses)	13,095,128.54
Shanghai Huayi San'aifu New Material Co.	the property market (e.g. houses)	573,530.28
Shanghai Research Institute of Chemical Industry Co.	traffic	94,395.58
Shanghai Huayi Group Real Estate Co.	the property market (e.g. houses)	4,418,348.62
Shanghai Huayi Group Chemical Industry Co.	the property market (e.g. houses)	13,302,279.98
Shanghai Huayi Group Asset Management Co.	the property market (e.g. houses)	1,322,057.14
Shanghai Coking & Chemical Development Corporation	the property market (e.g. houses)	321,467.87
Shanghai Troy Chemical Co.	the property market (e.g. houses)	86,697.25
BASF Shanghai Coatings Co.	the property market (e.g. houses)	3,664,072.18
Fujikura Kasei (Foshan) Coatings Co.	the property market (e.g. houses)	34,285.72

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 costs (if applicable)		Variable leases not included in the measurement of lease liabilities Amount of payment (if applicable)		Rent paid		Interest expense on lease liabilities assumed		RMB Increased right-to-use assets	
		Occurrence during the period horizontal tablet or inscribed board	Prior period occurrences horizontal tablet or inscribed board	Current Issue unfilled places	Last issue unfilled places	Current period's incidence	Prior period's incidence	Current period's incidence	Prior period's incidence	Current period's incidence	Prior period's incidence
Shanghai Huayi Holding Group Co.	the property market (e.g. houses)					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.	the property market (e.g. houses)					188,003.64	175,779.58	2,751.37	3,151.62	0.00	
Shanghai Huayi Group Asset Management Co.	the property market (e.g. houses)					2,434,844.09	2,275,349.98	174,912.55	125,839.01	4,142,148.08	
Shanghai Huifeng Resin Co.	the property market (e.g. houses)					0.00	1,454,555.85	37,807.32	105,444.15	0.00	
Shanghai Ruisheng Enterprise Co.	the property market					1,253,058.00	511,309.14	25,451.46	39,149.58	2,916,183.40	

Description of related leases

☐Applicable ☒Not Applicable**6. Related****guarantees**

The Company as a

Unit: Yuan Currency: RMB

guarantor

☒Applicable secured☐Not applicable party

	Amount of guarantee	Guarantee start date	warranty expiry date	Has the guarantee been Completed
Shanghai International Paint Co.	34,000,000.00	2022/6/1	2023/5/31	clogged
Dalian New Sunshine Material Technology Co.	75,358,250.00	2021/2/9	2033/12/29	clogged
Linde Gas (Guangxi) Co.	363,464,000.00	2019/10/28	2030/10/28	clogged
Guangxi Tianyi Environmental Technology Co.	317,502,200.00	2022/1/14	2025/1/14	clogged
Guangxi Hongyi New Material Co.	20,000,000.00	2021/9/29	2029/9/29	clogged
Guangxi Hongyi New Material Co.	42,500,000.00	2021/11/15	2029/9/29	clogged
Guangxi Hongyi New Material Co.	20,675,000.00	2022/4/29	2029/9/29	clogged
Zhejiang Huahong New Material Co.	42,538,300.00	2019/8/7	2025/12/25	clogged
Zhejiang Huahong New Material Co.	85,076,600.00	2019/2/26	2025/12/25	clogged
Zhejiang Huahong New Material Co.	37,051,000.00	2019/8/8	2025/12/25	clogged
Zhejiang Huahong New Material Co.	85,076,600.00	2019/8/23	2025/12/25	clogged
Zhejiang Huahong New Material Co.	65,007,403.94	2019/2/19	2024/12/31	clogged
Zhejiang Huahong New Material Co.	235,550,000.00	2022/8/16	2031/12/31	clogged
Shanghai Huayi Holding Group Co.	USD 178,500,000.00	2019/10/30	2024/10/30	clogged

The Company as

Guaranteed Party

Unit: Yuan Currency: RMB

☒Applicable ☐Not

applicable secured party

	Amount of guarantee	Guarantee start date	warranty expiry date	Has the guarantee been Completed
Shanghai Huayi Holding Group Co.	EUR 1,029,217.74	2017/4/20	2023/5/31	clogged
Description of related guarantees	USD 350,000,000.00	2019/10/30	2024/10/30	clogged
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable				
Shanghai Huayi Holding Group Co.	2,075,363,200.00	2022/1/1	2031/12/16	clogged

**7. Related party borrowings**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

related party	amount of money on loan	starting date	maturity (of an investment bond)	instructions
tear 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	50,000,000.00	2021/9/10	2022/9/10	Intra-group

Project name	related party	Closing balance		Opening balance	
		Carrying amount	provision for bad debts	Carrying amount	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 San'aifu Zhonghao New Chemical Materials Co. department (under a ministry)	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.	227,786.00	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	Xiamen Huiji Industry & Trade Co.	319,105.60	319,105.60	319,105.60	319,105.60

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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 Factory 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 Tyre & 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 San Aisi Reagent Co.	9,285.60	464.28	11,467.00	573.35
accounts receivable	Shanghai Double Coin Tyre Sales (Jordan) Co.	38,605.54	11,581.66	35,341.21	1,767.06
accounts receivable	Shanghai Fujikura Kasei Coating 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 Dyestuff 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	Zhongan 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 Zhenfu 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 Labour 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 Academy Testing Co.			31,600.00	1,580.00
accounts receivable	Shanghai Chlor-Alkali Venture Co.			64,931.38	3,246.57
accounts receivable	Shanghai Xingyihui 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. department (under a ministry)	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 Plastic Co.	9,756.57	487.83		
accounts receivable	Shanghai Huayi Industrial Gases Co.	291,950.00	14,597.50		
accounts	Shanghai Huayi Construction Co.	47,784.80	2,389.24		

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receivable					
accounts receivable	Shanghai Coking & Chemical Storage & Transportation Port 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) Coatings Co.	15,000.00	750.00		
accounts receivable	Fujikura Kasei Coatings (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 Academy 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 Speciality Chemicals Zibo Co.			443,751.23	
Prepayments	Shanghai Huayi Engineering Co.	7,990,767.60			
Prepayments	Shanghai Huayi Qifa Labour 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 Xingyihui Culture Development Co.	936,638.34			
Prepayments	Zhejiang Huahong New Material Co.	26,319,912.79			

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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 & Trade Co.	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. department (under a ministry)			86,636.40	4,331.82
Other receivables	Shanghai Huayi Qifa Labour 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 Tyre & 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 Cordage Fabrics 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 Yi Magic 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 Xingyihui Culture Development Co.	2,809,918.00	140,495.90		
Issuance 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
Issuance of loans and advances	Shanghai Chlor-alkali Chemical Corporation and its subsidiaries firms	658,947,768.99	17,252,887.07	1,141,855,740.16	29,842,506.73
Issuance of loans and advances	Shanghai Research Institute of Chemical Industry Co. department (under a ministry)	134,337,265.59	3,516,963.35	161,524,593.45	4,220,656.00
Issuance of loans and advances	Shanghai Huayi San'aifu New Material Co. and its subsidiary	194,751,458.24	5,101,331.77	154,174,314.86	4,027,909.98
Issuance of loans and advances	Guangxi Huayi Energy Chemical Co. firms	1,107,379,384.57	28,981,685.43	978,147,008.41	25,554,738.25
Issuance of loans and advances	Shanghai Huayi Engineering Company Limited and its	24,927,047.06	653,088.63		

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	subsidiaries				
Issuance of loans and advances	Other joint ventures	364,008,186.38	9,522,756.80	984,620,781.40	25,714,648.11
Dividends receivable	Etco China Ltd.			19,127,100.00	
Dividends receivable	Shanghai International Paint Co.			10,560,228.95	
Dividends receivable	Shanghai Runhong Industrial Co.			576,000.00	
Dividends receivable	Shanghai Coking & Chemical Development Corporation	2,340,000.00			
Dividends receivable	Shanghai Global Molecular Sieve Co.	10,000,000.00			
Other non-current liabilities	Guangxi Tianyi Environmental Technology Co.				
Other non-current liabilities	Shanghai Huayi Environmental Protection Technology Co.			81,250.00	
Other non-current liabilities	Linde Gas (Guangxi) Co.			20,203,815.00	
Other non-current liabilities	Shanghai Huayi Engineering Co.			511,713,479.70	



## 2. Items payable

√Applicable Not applicable

Project name	related party	Unit: Yuan Currency:	
		Closing book balance RMB	Opening balance
accounts payable	East China University of Science and Technology Huachang Polymer Co.	1,164,946.19	2,932,688.35
accounts payable	Shanghai San Aisi 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 Labour 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 Factory 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 New Tianyuan Chemical Transportation Co.	2,025.00	
accounts payable	Shanghai Tiantan 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
accounts payable	Sinochem Huayi Equipment Technology (Shanghai) Co.	6,691.59	6,691.59
accounts payable	Dongming Huayi Yuhuang New Material Co.	1,617,308.00	
accounts payable	Fubo (Qinzhou) Terminal Co.	1,339,697.14	
accounts payable	Shanghai Huayi Group Asset Management Co.	125,849.99	

Other accounts payable	Shanghai Huayi Construction Co.	212,115.00	197,115.00
Other accounts payable	Shanghai Pacific Chemical Equipment Engineering Co.	5,260.00	5,260.00
Other accounts payable	Shanghai Huayi Group Financial Leasing Co.	291,432,055.56	340,066,000.00
Other accounts payable	Shanghai Huayi Group Asset Management Co.	1,981,730.00	
Other accounts payable	Shanghai Minhang Huayi Microfinance Co.		273,063.32
Other accounts payable	Shanghai Dyestuff Research Institute Co.		36,183.40
Other accounts payable	Shanghai Xingyihui Culture Development Co.	3,500,000.00	3,500,000.00
Other accounts payable	Shanghai Pharmaceutical Industry Co.		787,888.06
Other accounts payable	Shanghai Tyre & 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 Factory 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 Petrol Filling 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 San Aisi 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 Petrol Filling 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 Speciality Chemicals 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 Clover Plastic 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 Corporation and its subsidiaries	750,565,472.74	807,165,083.83
Deposit-taking (including Accrued interest)	Shanghai Research Institute of Chemical Industry Limited and its subsidiaries	494,558,222.37	407,172,369.23
Deposit-taking (including Accrued interest)	Shanghai Huayi San'aifu New Material Co., Ltd. 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 Company Limited and its subsidiaries	438,640,952.95	260,301,574.25
Deposit-taking (including Accrued interest)	Shanghai Huayi Acrylics Company Limited 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 Company Limited 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
dividend payable	Shanghai Hetten High-Tech Co.	8,148,750.00	5,432,500.00
dividend payable	Shanghai Try4TestHua Investment Management Centre (Limited Partnership)	7,604,460.57	32,754.32
Long-term accounts payable	Shanghai Huayi Holding Group Co.	10,266,457.06	10,266,457.06
leasehold liability	Shanghai Huayi Holding Group Co.	175,625,385.10	163,613,612.50
leasehold liability	Shanghai Huayi Group Asset Management Co.	2,959,481.03	
leasehold liability	Shanghai Research Institute of Chemical Industry Co.	311,838.04	
leasehold liability	Shanghai Ruisheng Enterprise Co.	886,395.66	
leasehold liability	Shanghai Wujing Chemical Co.	17,950,909.45	35,109,956.45
leasehold liability	Shanghai Xingyihui Culture Development Co.	28,290,781.76	
leasehold liability	Zhejiang Zhenyu Absorbent Material Technology Co.	7,550,908.62	
Due within one year leasehold liability	Shanghai Huayi Holding Group Co.	25,721,287.83	23,423,924.66
Due within one year leasehold liability	Shanghai Huayi Group Asset Management Co.	706,109.97	429,033.03
Due within one year leasehold liability	Shanghai Research Institute of Chemical Industry Co.	214,562.85	
Due within one year leasehold liability	Shanghai Ruisheng Enterprise Co.	1,440,729.72	

Due within one year leasehold liability	Shanghai San Aisi Reagent Co.	13,396.83	
Due within one year leasehold liability	Shanghai Wujing Chemical Co.	17,691,890.88	17,025,288.16
Due within one year leasehold liability	Shanghai Xingyihui Culture Development Co.	8,105,891.43	
Due within one year leasehold liability	Zhejiang Zhenyu Absorbent Material Technology Co.	466,142.03	
Due within one year leasehold liability	Shanghai Huayi Group Real Estate Co.		169,585.33

**(vii) Related party commitments**

☐Applicable    ☒Not applicable

**(viii) Other**

☐Applicable    ☒Not applicable

**XI. Share-based****payment****(i) Share-based****payment in general**

Unit: Shares Currency:

Total amount of each equity instrument granted by the Company during the period	RMB
Total amount of each equity instrument exercised by the Company during the period	
Total amount of each equity instrument lapsed by the Company during the period	
Range of exercise prices of the Company's stock options issued and outstanding at the end of the period and remaining contractual term	not have
Range of exercise prices of other equity instruments issued and outstanding by the Company at the end of the period and remaining contractual maturities	not have

**(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 at date of grant
Basis for determining the number of equity instruments for which rights are exercisable	Number of employees with latest acquired viable rights, etc.
Reasons for significant differences between current and prior period estimates	not have
Cumulative amount of equity-settled share-based payments credited to capital surplus	27,723,578.03
Total expense recognised for equity-settled share-based payments during the period	15,068,275.73

**(iv) Modification and termination of share-based payment**☐Applicable ☒Not applicable**(v) Other**☐Applicable ☒Not applicable**XII.****COMMITMENTS****AND****CONTINGENCIES (I)****Material****commitments**☒Applicable ☐Not applicable

Existence, nature and amount of significant external commitments at the balance sheet date

Unit: Yuan

Nature of borrowing	Amount (foreign currency)	Amount (local currency)	borrowing date	repayment date	note
short term loan		50,045,069.44	2022/5/12	2023/4/20	secured loan
short term loan		30,124,926.53	2022/5/24	2023/4/20	secured loan
short term loan		10,711,871.86	2022/5/27	2023/4/20	secured loan
short term loan		9,208,271.05	2022/6/10	2023/4/20	secured loan
short term loan		15,015,416.67	2022/6/29	2023/6/20	secured loan
short term loan		6,806,988.89	2022/7/13	2023/7/13	secured loan
short term loan		38,182,270.10	2022/7/26	2023/7/25	secured loan
short term loan		12,069,324.34	2022/8/3	2023/8/3	secured loan
short term loan	USD 30,829,146.00	214,712,670.23			secured loan
short term loan	THB 655,200,000.00	131,957,280.00			secured loan

long term loan	USD 15,907,579.00	110,789,924.70			secured loan
long term loan		6,915,174.53			Late, unprocessed exhibitions paperwork
add up the total		732,794,611.00			

## (ii) Contingencies

### Significant contingencies existing at the balance sheet date

√Applicable Not applicable

### 1. Contingent liabilities arising from guarantees of obligations provided to other units and their financial impact

Unit: Yuan Currency: RMB

secured entity	Amount of guarantee	debt maturity	Financial impact on the Company
Within the scope of the merger:			
Fujian Huayi Shengde Material Technology Co.	9,364,795.40	2025/9/5	Ability to repay when due, no material adverse effect on the Company
Fujian Huayi Shengde Material Technology Co.	5,000,000.00	2023/7/4	Ability to repay when due, no material adverse effect on the Company
Guangxi Huayi New Material Co.	2,818,386,600.00	2031/12/16	Ability to repay when due, no material adverse effect on the Company
Double Coin Group (Xinjiang) Kunlun Tyre Co.	100,000,000.00	2024/8/5	Ability to repay when due, no material adverse effect on the Company
Double Coin Group (Xinjiang) Kunlun Tyre Co.	80,000,000.00	2024/8/29	Ability to repay when due, no material adverse effect on the Company
Huatai Rubber Co.	80,040,000.00	2023/7/13	Ability to repay when due, no material adverse effect on the Company
Subtotal	3,092,791,395.40		
Related parties:			
Shanghai Huayi Holding Group Co.	USD 178,500,000.00	2024/10/30	Ability to repay when due, no material adverse effect on the Company
Linde Gas (Guangxi) Co.	363,464,000.00	2030/10/28	Ability to repay when due, no material adverse effect on the Company
Zhejiang Huahong New Material Co.	37,051,000.00	2025/12/25	Ability to repay when due, no material adverse effect on the Company
Zhejiang Huahong New Material Co.	85,076,600.00	2025/12/25	Ability to repay when due, no material adverse effect on the Company
Zhejiang Huahong New Material Co.	85,076,600.00	2025/12/25	Ability to repay when due, no material adverse effect on the Company
Zhejiang Huahong New Material Co.	42,538,300.00	2025/12/25	Ability to repay when due, no material adverse effect on the Company
Zhejiang Huahong New Material Co.	65,007,403.94	2024/12/31	Ability to repay when due, no material adverse effect on the Company
Zhejiang Huahong New Material Co.	235,550,000.00	2031/12/31	Ability to repay when due, no material adverse effect on the Company
Guangxi Hongyi New Material Co.	20,000,000.00	2029/9/29	Ability to repay when due, no material adverse effect on the Company
<p><b>2. Contingent liabilities arising from pending litigation or arbitration and their financial impact</b></p> <p>In 2014, the U.S. Department of Commerce conducted an anti-dumping investigation against the Company's subsidiary, China North American Tire Sales Corporation (to "North American Sales Corporation"), and proposed to impose anti-dumping duties on its imports of OTR (off-the-road tyres) from China, and North American Sales Corporation reasonably recognised a projected liability of US\$2,000,000.00 for the losses it may incur. 200,000,000.00 US\$</p> <p>In February 2017, the International Trade Tribunal imposed anti-dumping duties on the Chinese load tyre</p> <p>In November 2019, the U.S. Department of Commerce appealed the decision to the Court of Appeals for the Federal Circuit 2021-6</p> <p>In January, the Court of Appeals for the Federal Circuit reversed the February 2017 ruling of the Court of International Trade, and the case was remanded to the Court of International Trade for further proceedings.</p>			
add up the total	5,759,771,238.34	2031/12/31	

As at 31 December 2022, the adjudication process before the International Trade Tribunal was still ongoing.

**3. The company has no material contingencies that need to be disclosed, which should also be stated:**

☐Applicable    ☒Not applicable

**(iii) Other**

☐Applicable    ☒Not applicable



### XIII. Events after the balance sheet date (i)

#### Significant non-adjusting events

☐Applicable ☒Not Applicable

#### (ii) Distribution of profits

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Profit or dividend to be distributed	404,975,423.62
Profits or dividends declared after consideration and approval	

(hereinafter referred to as **the "Company"**) held on 31 March 2023, the Company's undistributed profit at the end of 2022 was RMB10,052,103,193.44, of which: 1) RMB9,816,118,454.74 was undistributed profit at the beginning of 2022; 2) RMB895,208,831.16 was distributed as dividends to all shareholders according to the profit distribution plan for 2021, of which 816,118,454.74 yuan; 2) according to the profit distribution plan for the year 2021, dividends of 895,208,831.16 yuan will be distributed to all shareholders.

has been honoured in 2022; 3) the audited net profit attributable to the parent company in the Company's consolidated statement of income for the year 2022 of RMB 1,281,211,494.32.

The statutory provident fund is required to be withdrawn in accordance with the law, amounting to \$150,017,924.46.

The Company will distribute profits on the basis of the total share capital registered on the date of share registration for the implementation of the profit distribution, and pay all shareholders a cash dividend of RMB1.9 per 10 shares (including tax), with the B-share dividend converted into US dollars. As at the date when the Board of Directors resolved 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 (inclusive of tax) is proposed to be distributed.

In the event of any change in the total share capital of the Company prior to the share registration date for the implementation of the equity distribution, it is proposed that the total amount of the distribution will remain unchanged and the dividend per share ratio will be adjusted accordingly, and a separate announcement will be made to specify the adjustment.

#### (iii) Sales returns

☐Applicable ☒Not Applicable

#### (iv) Description of other post-balance sheet events

☐Applicable ☒Not applicable

### XIV. Other important matters

#### (i) Correction of prior period accounting errors 1. Retrospective restatement method

☐Applicable ☒Not Applicable

## **2. The law of prospective application**

☐Applicable ☒Not Applicable

### **(ii) Debt restructuring**

☐Applicable ☒Not Applicable

### **(iii) Asset replacement**

#### **1. Non-monetary exchange of assets**

☐Applicable ☒Not applicable

#### **2. Other asset replacement**

☐Applicable ☒Not applicable

**(iv) Annuity schemes**

☐Applicable ☒Not Applicable

**(v) Termination of operations**

☐Applicable ☒Not Applicable

**(vi) Divisional information****1. Basis for determining reportable segments and accounting policies**

☒Applicable ☐Not applicable

Each of the Company's reportable segments offers separate business sections.

As the various businesses require different technological and marketing strategies, the Group manages the production operations of each reportable segment separately and independently and evaluates its results of operations separately in order to determine the allocation of resources to it and to evaluate its performance.

The Company has five reportable segments, namely: energy chemicals segment, tyres segment, advanced materials segment, fine chemicals segment and management services segment.

Segment reporting information is disclosed in accordance with the accounting policies and measurement criteria used by the segments in reporting to management, which are consistent with the basis of accounting and measurement used in the preparation of the financial statements.

## 2. Financial information on reportable segments

√Applicable    Not applicable

Reportable segments	Unit: Yuan    Currency:						Inter-segment set-off RMB	add up the total
	Energy & Chemicals	advanced material	Green tyres	fine chemicals	the rest			
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 trade income	6,111,125,482.80	404,300,522.43	0.00	503,469,706.96				7,018,895,712.19
Revenue from inter-segment transactions	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 profit (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	1,108,291,490.49	477,073,706.41	510,141,152.61	2,372,921,694.83	264,984,454.18			4,733,412,498.52
Increase in non-current assets other than long-term equity investments	-384,721,626.29	3,998,572,161.62	98,253,410.41	-198,048,360.51	-2,546,421,586.81	-555,802,845.49		1,523,436,843.91

□Applicable    √Not applicable

## 4. Other notes

□Applicable    √Not applicable

### (vii) Other significant transactions and events that have an impact on investors' decisions

□Applicable    √Not applicable

### (viii) Other

□Applicable    √Not applicable

**NOTES TO MAJOR ITEMS IN  
THE Parent Company's  
FINANCIAL STATEMENTS (i)  
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
add up the total		58,756,489.02

## 2. Disclosure by bad debt provisioning method

√Applicable □Not applicable

Unit: Yuan Currency: RMB

form	Closing balance					Opening balance				
	Carrying amount		provision for bad debts		book value	Carrying amount		provision for bad debts		book value
	sum of money	Proportion (%)	sum of money	Accrual ratio (%)		sum of money	Proportion (%)	sum of money	Accrual ratio (%)	
Provision for bad debts is made on an individual basis:										
□Applicable √Not Applicable										
Provision for bad debts is made on a portfolio basis:						83,937,841.46	100.00	25,181,352.44	30.00	58,756,489.02
□Applicable √Not Applicable										
Among them:										
Accounts receivable						83,937,841.46	100.00	25,181,352.44	30.00	58,756,489.02
Bad debt provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:										
□Applicable √Not Applicable		/		/		83,937,841.46	/	25,181,352.44	/	58,756,489.02
add up the total										

**3. Provision for bad debts**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal or reversed during the period	Write-offs or cancellations	Other changes	
of which the amount of bad debt provisions recovered during the period is significant:						
Accounts receivable	25,181,352.44	-25,181,352.44				
Accounts receivable actually written off during the period						
add up the total	25,181,352.44	-25,181,352.44				
Of which significant accounts receivable write-offs						

**5. Top five accounts receivable by party owed at the end of the period**

□Applicable √Not applicable

**6. Receivables derecognised due to transfer of financial assets**

□Applicable √Not applicable

**7. Amount of assets and liabilities resulting from the transfer of receivables and their continued involvement**

□Applicable √Not applicable

Other notes:

□Applicable √Not Applicable

**(ii) Other receivables 1.****Item****presentation**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	946,386,521.05	1,546,797,993.20
add up the total	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) Significant overdue 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 dividend receivables 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 balance
Within 1 year		
Of which: within 1 year		
Within 1 year	6,775,208.81	607,243,744.78
Subtotal less than 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		
add up the total	946,458,210.47	1,546,867,807.44

## (2) Disclosure by bad debt accrual method

Unit: Yuan Currency: RMB

form	Closing balance					Prior year-end balance				
	Carrying amount		provision for bad debts		book value	Carrying amount		provision for bad debts		book value
	sum of money	Proportion (%)	sum of money	Percentage of accruals (per cent)		sum of money	Proportion (%)	sum of money	Percentage of accruals (per cent)	
Based on individual items provision for bad debts										
By portfolio provision for bad debts	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
Among them:										
Other receivables Combination 1	1,092,629.47	0.12	71,689.42	6.56	1,020,940.05	1,370,471.44	0.09	69,814.24	5.09	1,300,657.20
Other receivables Combination 2	945,365,581.00	99.88			945,365,581.00	1,545,497,336.00	99.91			1,545,497,336.00
add up the total	946,458,210.47	100.00	71,689.42		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	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (unissued) (credit impairment)	Expected credit losses over lifetime (issued) (credit impairment)	
Balance at 1 January 2022	69,814.24			69,814.24
Balance at 1 January 2022 in the current period				
--Transfer to Phase II				
--Transferred to phase III				
--Transfer back to phase II				
--Return to phase I				
Provision for the current period	1,875.18			1,875.18
Reversal during the period				
Write-offs during the period				
Write-offs during the period				
A description of significant changes in the carrying amount of other receivables for which a change in the Other changes provision for losses has occurred during the period:				
Balance at 31 December 2022	71,689.42			71,689.42

□Applicable √Not Applicable

The amount of provision for bad debts in the current period and the basis used to assess whether there is a significant increase in the credit risk of a financial instrument:

□Applicable √Not Applicable

**(4) Provision for bad debts**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Unit: Yuan      Currency: RMB						
form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital require	Recovery or reversal	Write-offs or cancellations	Other changes	
Of these, the amount of provision for bad debts reversed or recovered during the period is significant: <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable						
<b>(5) Other receivables actually written off during the period</b>						
Other receivables portfolio 1	69,814.24	1,875.18				71,689.42
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable						
<b>(6) Breakdown by nature of funds</b>						
add up the total	69,814.24	1,875.18				71,689.42
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable						
Unit: Yuan      Currency: RMB						

Unit: Yuan Currency: RMB

Nature of payment	Closing book balance	Opening balance
deposit	64,101.66	64,101.66
current account	946,394,108.81	1,546,803,705.78
add up the total	243 / 946,458,210.47	1,546,867,807.44

**(7) Top five other receivables with closing balances, by party owed to them**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of payments	Closing balance	age of accounts	Percentage of total closing balance of other receivables Proportion (%)	Closing balance of provision for bad debts
Shanghai New Material Co.	current account	939,618,900.00	More than 5 years	99.28	
Shanghai Huayi Energy Chemical Co. limited company	current account	5,001,240.00	Within 1 year	0.53	
Shanghai Pengpu Industrial Co.	current account	707,268.00	Within 1 year	0.07	35,363.40
(8) Receivables relating to government grants Shanghai Huayi San Aifu New Material Chemical Sales limited company	current account	592,754.00	Within 1 year	0.06	
(9) Derecognition of other receivables due to transfer of financial assets Shanghai Huayi San Aifu New Material Chemical Sales limited company	current account	302,345.00	Within 1 year	0.03	15,628.70
add	/	946,232,736.00	/	99.97	50,992.10
<b>(10) Amounts of assets and liabilities resulting from the transfer of other receivables with the continuing involvement</b>					

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sport s even t	Closing balance			Opening balance		
	Carrying amount	impairments intended	book value	Carrying amount	impairments intended	book value
Investments in subsidiaries	19,368,210,022.26		19,368,210,022.26	18,137,007,900.12		18,137,007,900.12
Investments in associates, joint ventures	263,369,102.26		263,369,102.26	257,727,263.07		257,727,263.07
add up the total	19,631,579,124.52		19,631,579,124.52	18,394,735,163.19		18,394,735,163.19

## 1. Investments in subsidiaries

√Applicable □Not applicable

Unit: Yuan Currency: RMB

investee (in finance)	Opening balance	Increase during the period	Decrease during 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		
Double Coin Tyre Group Limited	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 Double Coin Tyre Sales Co.	18,102.07	17,377.99		35,480.06		
Double Coin Group (Anhui) Back Tyre Co.	72,408.29	69,511.96		141,920.25		
Double Coin Group (Jiangsu) Tyre Co.	126,714.50	121,645.92		248,360.42		
Double Coin Group (Xinjiang) Kunlun Tyre Co.	18,102.07	17,377.99		35,480.06		
Double Coin Group (Chongqing) Tyre Co.	90,510.35	86,889.94		177,400.29		
Double Coin Group Shanghai Tyre Research Institute Co.	72,408.29	69,511.96		141,920.25		
Double Coin Tyre Group Shanghai Import & Export Co.	18,102.07	17,377.99		35,480.06		
Double Coin Tyre Group Limited	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 Coating Co.	18,102.07	17,377.99		35,480.06		
Shanghai Kailin Paint Factory	36,204.15	34,755.98		70,960.13		
Shanghai Try 4 Hervey Chemical Co.	36,204.15	34,755.98		70,960.13		
Shanghai Yipin Pigment Co.	18,102.07	17,377.99		35,480.06		
Shanghai Zhenhua Paint Factory	18,102.07	14,481.66		32,583.73		

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Yixing Huayi Yipin Colouring 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 and 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 Plastic Research Institute Co.	54,306.22	52,133.97		106,440.19		
Shanghai Jai-Li 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 Plastic 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		
add up the total	18,137,007,900.12	1,231,202,122.14		19,368,210,022.26		

## 2. Investments in associates and joint ventures

√Applicable □Not applicable

Unit: Yuan Currency: RMB

invest ment unit	Opening balance	Increase/decrease during the period								Closing balance	Closing balance of provision for impairment
		cast an additional vote supply	Reduced investment supply	Investments recognised under the equity method increase and decrease	Other comprehensive income benefit adjustment	Other interests flux	Declare a cash dividend or margins	make provision for impairment intend	it (refers sth. preceding it) (used for either		
					246 / 361						

**(iv) Operating income and operating costs****1. Operating revenues and operating costs**

√Applicable Not applicable

Unit: Yuan Currency: RMB

sport s even t	Current period's incidence		Prior period's incidence	
	incomes	(manufacturing, production etc) costs	incomes	(manufacturing, production etc) costs
<b>2. Status of income generated from contracts</b>				
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable				
<b>3. Description of performance obligations</b>				
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable				
Main business				
Other business	22,558,493.59	5,648,592.74	22,048,975.43	5,648,909.00
<b>4. Description of assessment to remaining performance obligations</b>				
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable	22,558,493.59	5,648,592.74	22,048,975.43	5,648,909.00
<b>(v) Investment income</b>				

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sport s even t	Current period's incidence	Prior period's incidence
Income from 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		
<b>(vi) Other</b>		
Investment gains on disposal of investments in other equity instruments		
Investment income on disposal of debt investments		
Investment gain on disposal of other debt investments		
Gain on debt restructuring		
Investment income during the period in which the financial assets held for trading are held	4,298,235.80	4,626,422.40
add up the total	1,675,451,377.44	673,273,851.69

## XVI. Additional information

### (i) Breakdown of non-recurring gains and losses for the period

√Applicable Not applicable

	Unit: Yuan	Currency: RMB
Item	sum of money	instructions
Gains and losses on disposal of non-current assets	141,787,830.52	
Tax rebates, exemptions and reductions that exceed the authority to approve or are not accompanied by official approval documents		
Government grants recognised in profit or loss (closely related to the business of the enterprise, in accordance with national unified standards) (except for government grants of a fixed or quantitative nature)	760,843,708.32	
Occupancy fees charged to non-financial corporations included in profit or loss for the period		
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than the amount that would have been payable at the time the investment was acquired. Gain arising from the fair value of the identifiable net assets of the investee		
Gains and losses on exchange of non-monetary assets		
Gains and losses on entrusted investments or management of assets		
Provision for impairment of individual assets due to force majeure factors, such as natural disasters		
Debt restructuring gains and losses		
Business restructuring costs, e.g., expenses for relocating employees, integration costs, etc.		
Gains and losses in excess of fair value arising from transactions where the transaction price is significantly less than fair value		
Net profit or loss for the period from the beginning of the period to the date of consolidation of subsidiaries resulting from business combinations under the same control		
Gains and losses arising from contingencies unrelated to the Company's normal business operations		
Except for the effective hedging business related to the Company's normal business operations, gains and losses arising from changes in the fair value of financial assets for trading, derivative financial assets, the Company's non-recurring profit and loss defined in "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities - Non-recurring Profit and Loss," shall be explained.	-113,992,581.66	
Reversal of provision for impairment of receivables and contract assets individually tested for impairment		
Gains and losses on external entrusted loans		
Changes in fair value of investment properties resulting from subsequent measurement using the fair value model increase and decrease		
One-time adjustments to current profit or loss in accordance with tax, accounting and other laws and regulations are made to current Effect of profit or loss for the period		
Custodian fee income earned on trusteeship		
Non-operating income and expenses other than those listed above	72,578,101.00	
Other items of profit or loss that meet the definition of non-recurring profit or loss	-33,761,080.64	



**(ii) Return on net assets and earnings per share**

√Applicable □Not applicable

Profit for the reporting period	Weighted average net assets Rate of return (per cent)	earnings per share	
		basic earnings per share	diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	5.93	0.60	0.60
Net profit attributable to the Company after extraordinary gains and losses	4.04	0.41	0.41
Net profit for ordinary shareholders			

□Applicable √Not applicable

Chairman: Liu

Xunfeng Board of Directors Approval Date of Submission: 31 March 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