



Guizhou Tyre Co. 2021 Annual Report

March 2022

Section I. Important notes, table of contents and interpretation

The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that the contents of the annual report are true, accurate and complete, and that there are no false records, misleading statements or material omissions, and that they shall bear individual and joint legal liabilities.

The head of the company Huang Gegege, the person in charge of accounting work Xiong Chaoyang and the person in charge of the accounting organisation (accounting supervisor) Zhang Yanjun statement: to ensure the truth, accuracy and completeness of the financial report in this annual report.

All Directors have attended the Board meeting at which this report was considered.

This annual report involves forward-looking statements such as the Company's business plans, which do not constitute substantive commitments by the Company to investors, and investors and related persons should maintain sufficient risk awareness and should understand the differences between plans, forecasts and commitments.

The Company has described in detail the risk factors that may adversely affect the achievement of the Company's future

development strategies and business objectives and the countermeasures to be taken in Section III of this report under the heading of "XI. Prospects for the future development of the Company", and invites investors to pay attention to them.

Securities Times, China Securities Journal, Shanghai Securities News, and Juchao Information Website.

(<http://www.cninfo.com.cn>) is the information disclosure media selected by the Company. All information of the Company is subject to the information published in the above designated media. Investors are advised to invest rationally and pay attention to risks.

The Company's profit distribution proposal, which was considered and approved by the Board of Directors, is as follows: net of the repurchase and cancellation of the 2019 limited

Total share capital after partial restricted shares under the Restricted Share Incentive Scheme (79,000 shares in total) 956,240,462

A cash dividend of RMB1.00 (including tax) for every 10 shares will be paid to all shareholders on the basis of the number of shares, and 0 bonus shares will be distributed (including tax).

(tax) 2 shares for every 10 shares were transferred to all shareholders from the capital reserve.

directory (on computer hard drive)

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Catalogue of documents available for review

- I. A copy of the annual report containing the handwritten signature of the Chairman of the Board of Directors and legal representative of the Company;
- II. Accounting statements containing the signatures and seals of the company's legal representative, the person in charge of accounting work and the head of the accounting organisation; III. The original audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant;
- IV. The originals of all company documents and announcements that have been publicly disclosed in the newspapers designated by the China Securities Regulatory Commission during the reporting period. V. Place where the above documents are available for inspection: Secretariat of the Board of Directors of the Company

an explanation of the meaning of words or phrases

definitive items	depend on	Interpretation content
China securities regulatory commission CSRC	depend on	China Securities Regulatory Commission (CSRC)
Shenzhen Stock Exchange (SZSE)	depend on	Shenzhen Stock Exchange (SZSE)
company law	depend on	Company Law of the People's Republic of China
securities law	depend on	Securities Law of the People's Republic of China
Company, the Company	depend on	Guizhou Tyre Co.
general shareholders' meeting	depend on	General Meeting of Guizhou Tyre Co.
board of directors	depend on	Board of Directors of Guizhou Tyre Co.
Reporting period, current reporting period, current period	depend on	1 January 2021 to 31 December 2021
the Yuan or Mongol dynasty (1279-1368)	depend on	Renminbi Yuan (RMB), PRC currency unit

Section II. Company profile and key financial indicators

I. Company information

stock short name	Guizhou tyres	stock code (computing)	000589
Stocks listed on stock exchanges	Shenzhen Stock Exchange (SZSE)		
Chinese name of the company	Guizhou Tyre Co.		
Chinese abbreviation of the company	Guizhou tyres		
Foreign name of the company (if any)	GUIZHOU TYRE CO., LTD.		
Abbreviation of the company's foreign name (if any)	GTC		
Legal representative of the company	Huang Gege		
registered address	No. 41, Baihua Avenue, Yunyan District, Guiyang City, Guizhou Province, China		
Postcode of registered address	550008		
Historical changes in the company's registered address	not have		
business address	Qianlun Avenue, Zazuo Industrial Park, Xiwen County, Guiyang City, Guizhou Province, China		
Postal code of office address	550201		
Company Website	https://www.gztyre.com		
electronic mailbox	dmc@gtc.com.cn		

II. Contact person and contact information

	secretary to the board	Securities Representative
name and surname	Jiang Daikun	Chen Yingying
Contacts	Qianlun Avenue, Zazuo Industrial Park, Xiwen County, Guiyang City, Guizhou Province, China	Qianlun Avenue, Zazuo Industrial Park, Xiwen County, Guiyang City, Guizhou Province, China

telephones	0851-84767251	Report 2021 0851-84767826
telex	0851-84764248	0851-84763651
electronic mailbox	jiangdakun@gtc.com.cn	chenyingying@gtc.com.cn

III. Disclosure of information and place of availability

Website of the stock exchange where the company discloses its annual report	Shenzhen Stock Exchange http://www.szse.cn
Name and website of the media in which the company discloses its annual report	Securities Times, China Securities Journal, Shanghai Securities News, Juchao Information Website (http://www.cninfo.com.cn)
Place where the company's annual report is filed	Secretariat of the Board of Trustees

IV. Changes in registration

Organisation code	915200002144305326
Changes in the company's main business since listing (if any)	No change
Changes in controlling shareholders over time (if any)	For details, please refer to "Section X. Financial Reporting III. History of the Company".

V. Other relevant information

Accounting firm engaged by the Company

Name of accounting firm	Zhonghua Accounting Firm (Special General Partnership)
Accounting Firm Office Address	17th - 18th Floor, East Tower, Raffles City North Bund, No. 1089 Dongda Ming Road, Hongkou District, Shanghai, China
Name of signatory accountant	Hao Shiming, Guo Weina

Sponsor engaged by the Company to perform continuous supervision duties during the reporting period

☒ Applicable ☐ Not applicable

Name of Sponsor	Sponsor's office address	Name of Sponsor Representative	Period of continuous supervision
Guosen Securities Co.	35th Floor, Guoxin Financial Building, Fuhua Yi Road, Futian District, Shenzhen, China	Li Dongfang, Liu Ying	29 March 2021 to 2022 31 December

Financial adviser engaged by the Company to perform continuous supervision duties during the reporting period

☐ Applicable ☒ Not applicable

VI. Key accounting data and financial indicators

Whether the company is required to retrospectively adjust or restate prior years' accounting data

☐ Yes ☒ No

	2021	2020	Increase/decrease in the current year over the previous year	2019
Operating income (\$)	7,339,279,211.48	6,808,729,456.34	7.79 per cent	6,458,337,888.66
Net profit attributable to shareholders of listed companies (\$)	369,734,591.17	1,138,469,209.25	-67.52 per cent	135,442,537.61
Net profit attributable to shareholders of listed	263,340,105.46	597,259,830.32	-55.91 per cent	148,502,681.07

companies after extraordinary gains and losses (RMB)			Report 2021	
Net cash flows from operating activities (\$)	285,812,968.69	1,659,357,744.01	-82.78 per cent	1,751,891,889.59
Basic earnings per share (\$/share)	0.40	1.47	-72.79 per cent	0.17
Diluted earnings per share (\$/share)	0.39	1.43	-72.73 per cent	0.17
Weighted average return on net assets	6.46%	27.04 per cent	-20.58 per cent	3.81 per cent
	End of 2021	End of 2020	Increase/decrease at the end of the year over the end of the previous year	End of 2019

Total assets (\$)	12,875,731,596.92	11,516,227,987.83	11.81 per cent	10,521,029,238.76
Net assets attributable to shareholders of listed companies (\$)	5,916,887,663.05	4,870,125,631.95	21.49 per cent	3,711,591,728.97

The lower of the net profit before and after deducting non-recurring gains and losses of the company in the last three financial years is negative, and the audit report of the last year shows that there is uncertainty about the company's ability to continue operation.

☐ Yes ☒ No

Lower of net profit before or after extraordinary gains and losses is negative

☐ Yes ☒ No

VII. Differences in accounting data under domestic and foreign accounting standards

1. Difference between net profit and net assets in financial reports disclosed in accordance with international accounting standards and those disclosed in accordance with Chinese accounting standards at the same time

☐ Applicable ☒ Not applicable

There was no discrepancy between the net profit and net assets in the financial reports disclosed in accordance with IAS and those disclosed in accordance with PRC Accounting Standards during the reporting period.

2. Differences in net profit and net assets between financial reports disclosed in accordance with overseas accounting standards and those disclosed in accordance with Chinese accounting standards at the same time

☐ Applicable ☒ Not applicable

There was no discrepancy between the net profit and net assets in the financial reports disclosed in accordance with overseas accounting standards and those disclosed in accordance with PRC accounting standards during the reporting period.

VIII. Quarterly key financial indicators

Unit: Yuan

	first quarter (of financial year)	second quarter (of financial year)	third quarter (of financial year)	fourth quarter (of financial year)
revenues	1,781,714,369.40	1,708,522,292.90	1,903,620,199.02	1,945,422,350.16
Net profit attributable to	102,415,318.94	94,814,888.40	49,650,369.89	122,854,013.94

shareholders of listed companies			Report 2021	
Net profit attributable to shareholders of the listed company after extraordinary gains and losses	98,034,728.19	91,129,302.10	42,642,965.65	31,533,109.52
Net cash flows from operating activities	120,483,420.05	79,129,188.00	213,497,419.67	-127,297,059.03

Whether the above financial indicators or their sums are materially different from the relevant financial indicators in the Company's disclosed quarterly reports and half-yearly reports

☐ Yes ☒ No

IX. Items and amounts of non-recurring gains and losses

☒ Applicable ☐

Not applicable

Unit: Yuan

Non-recurring gains and losses	2021 Amount	2020 Amount	2019 Amount	Instructions

Gains and losses on disposal of non-current assets (including elimination of provision for impairment of assets)	95,706,755.08	692,902,640.08		
Government grants recognised in the current period's profit or loss (except for government grants closely related to the Company's normal operating business, in line with national policies and in accordance with certain standards of fixed or quantitative continuous enjoyment)	30,950,545.73	15,896,320.72	15,893,207.63	
Business restructuring costs, e.g., expenses for relocating employees, integration costs, etc.		-59,570,988.17		
Except for the effective hedging business related to the Company's normal operations, gains and losses from changes in fair value of financial assets and liabilities held for trading and investment gains from the disposal of financial assets for trading, financial liabilities for trading and available-for-sale financial assets	12,957,000.00	13,873,393.15	2,340,000.00	
Non-operating income and expenses other than those listed above	-2,573,215.11	-25,584,450.52	-30,070,173.87	
Less: income tax effect	30,646,599.99	96,307,536.33	1,223,177.22	
add up the total	106,394,485.71	541,209,378.93	-13,060,143.46	—

Specifics of other items of profit or loss that meet the definition of non-recurring profit or loss:

☐ Applicable ☒ Not applicable

The company does not have specific information on other profit and loss items that meet the definition of non-recurring profit and loss.

Definition of non-recurring profit and loss items listed in "Interpretative Announcement No. 1 on Information Disclosure of Companies Issuing Public Securities - Non-recurring Profit and Loss" as recurring profit and loss items

☐ Applicable ☒ Not applicable

There are no instances where the Company defines items of non-recurring gains and losses listed in "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities - Non-recurring Gains and Losses" as items of recurring gains and losses.

Section III. Management discussion and analysis

I. Industry in which the company operated during the reporting period

The Company is required to comply with the disclosure requirements of the chemical industry in the "No. 3 Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange - Disclosure of Industry Information".

The global tyre market continued to rebound in 2021, and the demand for major products has recovered or even exceeded the pre-epidemic level in 2019, driven by which the production and sales volume of the domestic tyre industry continued to increase. According to the data released by the National Bureau of Statistics, the output of domestic rubber tyre outer tyres in 2021 was 899,108,000, representing an increase of 10.8% from the previous year. Compared with the production of 818,477,000 tyres in 2020, an increase of 1.7% from 2019, tyre production in 2021 is growing rapidly, far exceeding the pre-epidemic level in 2019. In terms of overseas markets, tyre exports have also grown significantly, with China exporting a total of 7.3 million tonnes of tyres in 2021, up 16.2% year-on-year, and the value of exported tyres totalling 113.27 billion yuan, up 17.4% year-on-year, according to China's General Administration of Customs.

However, at the same time as the production and sales data are good, the tyre industry is also facing the impact of many unfavourable factors in the upstream and downstream aspects, resulting in a more complex business situation. On the upstream side, the prices of raw materials such as rubber, carbon black, auxiliaries, and cord all continued to rise at different rates in 2021, and the prices of energy such as coal also increased. Downstream, heavy trucks and construction machinery and other industries experienced a historic rapid development in 2020, coupled with the "chip shortage" in 2021, resulting in commercial vehicles and construction machinery and other growth rate or even sales decline year-on-year; due to the impact of the epidemic, the efficiency of maritime logistics is reduced in the overseas tyre market demand is strong. In the case of 2021, continued to appear "a cabinet is difficult to find" situation, resulting in a substantial increase in shipping costs, rising export costs, making the domestic tyre exports blocked. Under the influence of multiple unfavourable factors, the profitability of the tyre industry has been greatly compressed.

In the face of the increasingly complex market and business situation, domestic tyre companies have taken a variety of measures to actively respond to, such as factory price adjustments of different magnitudes, speed up the pace of overseas plant layout, accelerate the adjustment of product structure, accelerate the realization of intelligent and digital transformation and so on.

With the in-depth implementation of the dual-carbon strategy, high-end, green will become the tyre industry has always been the direction of development. At the same time, with the rapid integration of a new generation of information technology and manufacturing technology, the domestic tyre industry will usher in a wave of intelligent, automated transformation and upgrading. It is believed that under the impetus of intelligent manufacturing, the product structure of domestic tyre enterprises will be further optimized, cost control ability and market competitiveness will be further enhanced.

During the reporting period, there were no significant changes in domestic tyre industry policies.

II. Major businesses in which the Company was engaged during the reporting

period

The Company is required to comply with the disclosure requirements of the chemical industry in the "No. 3 Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange - Disclosure of Industry Information".

The company is mainly engaged in the research and development, production and sales of commercial tyres, the main products are "forward", "Hercules", "Dolithon", "Jinhu". The main products are "Advance", "Hercules", "Doritong", "Jinhu", "King Kong" and other brands of truck tyres, construction machinery tyres, agricultural machinery tyres, industrial vehicles (including solid) tyres and special tyres (such as heavy-duty off-road tyres, light rail tyres, desert transport tyres, etc.), is one of the tyre manufacturers with a more complete specification of commercial tyres in China. It is one of the domestic manufacturers of commercial tyres with a complete range of specifications. The market mainly includes replacement market, supporting market and group customers, etc. The company has set up agents (or distributors) in various provinces and cities in China and more than 130 countries and regions abroad, and has established supporting relationships with many famous enterprises at home and abroad. The Company's main business revenue was ranked 9th in the "2021 China Rubber Industry Association Top 100 Enterprises in Tyre Category" released by China Rubber Industry Association in April 2021. According to the revenue and profit of 34 tyre enterprises in 2020, the company was ranked 28th in the list of top 34 global tyre enterprises in 2021 released by Tyrepress magazine of the United Kingdom.

1、The main business model of the company

During the reporting period, there were no significant changes in the Company's main business model.

(1) Procurement model:

The company's raw materials for production mainly include natural rubber, synthetic rubber, steel cord, nylon cord fabric and carbon black, etc., mainly through the offline inquiry and price comparison, and suppliers to build

The Company has established strategic partnerships, tendered on a state-certified third-party Internet procurement platform, adhered to the principles of price priority and local and nearby procurement, strictly implemented the procurement approval process, and comprehensively implemented "zero" inventory management for raw materials.

In terms of price, the Company adopts various flexible pricing strategies such as bidding and purchasing pricing, strategic co-operation pricing and pricing based on open market price according to the market characteristics of different types of raw materials, so as to effectively control the purchasing cost.

(2) Production model:

The company adopts the mode of production based on sales. At the end of each year, according to the company's planning, the sales company is organised by each sales area manager to carry out market research in the area under his jurisdiction, and at the same time, combined with the sales data of the region in previous years and the actual needs of customers, as well as the company's promotion of new products, to put forward the sales plan of the region for the following year. Production department according to the sales plan, considering a reasonable inventory, develop the company's annual production plan, and then according to customer demand and market changes, the formation of the monthly production plan or temporary additional plan, to maximise market demand.

The company's current level of intelligence, automation and informationisation is at a relatively advanced level in China. With years of accumulated production experience in the tyre industry, the company carries out in-depth research and comprehensive promotion in intelligent manufacturing, etc. In February 2021, the company and China Unicom jointly built a customized "5G fully-connected factory" project to complete acceptance, becoming the first 5G fully-connected factory in Guizhou Province. Meanwhile, GTPS (lean management) system was established and fully implemented to promote the improvement of lean management level, and to improve production management, quality control and cost control level in all aspects.

(3) Sales model:

Adhering to the corporate mission of "creating value and contributing to the society", the company continuously meets the market and customer needs through product and channel diversification, actively cultivates the brand and product promotion and service system, and enhances the market image and core competitiveness of the company and its products.

In the replacement market, the company's sales network throughout the country in all provinces, municipalities and autonomous regions, in each region to set up provincial distributors of the brand. The company has established a strict dealer development system, focusing on the development of the region's top-ranking dealer customers, while the existing dealer customers for continuous optimisation and upgrading. Most of the company's dealers are ranked among the top tyre distributors in their respective regions, with perfect sales outlets and service capabilities.

In the group customer market, the company actively develops and expands ports, mines and other group users who have a large demand for replacement tyres, and effectively reduces the cost of tyre use of group customers by virtue of its excellent performance.

In the OEM market, the Company has signed sales contracts directly with OEMs. The Company has launched in-depth cooperation with OEMs to develop customised new products to fully meet customer needs. The sustained and stable growth of the supporting market has effectively enhanced the brand influence of the Company's products in the industry as well as end customers.

2. The stage of development of the industry to which the company belongs

The tyre industry has the characteristics of capital-intensive, technology-intensive, labour-intensive and more obvious economies of scale. With years of development, China has become the first big country of tyre production, the tyre industry has built a variety of specifications, series, a complete range of products of the complete industrial system. Domestic tyre industry after rapid development and fierce market competition, has been in a relatively mature stage of development. On the whole, the domestic tyre industry presents the following characteristics: (1) rapid growth in industrial scale and increasing industry concentration; (2) increasing competitiveness in the international tyre market; (3) structural overcapacity and fierce competition between low-end and middle-end products; (4) there is still a gap between scientific and technological progress, branding and innovation of business concepts and international tyre giants.

3. The cyclical characteristics of the industry to which the company belongs

Tyre downstream market is mainly divided into supporting market and replacement market, which supporting market and automotive, construction machinery, agricultural machinery and other production and sales directly related to macroeconomic fluctuations have a high degree of consistency; replacement market and automotive, construction machinery, agricultural machinery and other directly related to ownership, given the huge domestic and foreign ownership, tyre demand has a strong rigidity, so the replacement of the market cyclical characteristics are not significant.

4. Key performance drivers of the industry to which the company belongs

The main performance drivers for the tyre industry exist in the following areas:

- (1) Downstream market demand. Tyres, as supporting products for automobiles, construction machinery, agricultural machinery and other industries, are subject to economic restructuring and the impact of the above downstream industries

Larger, if the downstream industry product production and sales increase or domestic infrastructure construction investment progress accelerated, road cargo transportation increased, ports, mines and other industries start rate is at a high level, it will drive tyre production and sales, thus laying a good market foundation for tyre sales. On the contrary, if the downstream industry continues to be in the doldrums, it will directly lead to the tyre industry's insufficient start-up rate, fierce price competition and declining profitability.

(2) Raw material price situation. The main raw materials for tyres are natural rubber and synthetic rubber, both of which account for about 50 per cent of production costs. As commodity futures trading varieties, natural rubber is affected by both the traditional supply and demand structure, but also by the capital market funds to promote the impact; synthetic rubber is mainly driven by crude oil prices and natural rubber. Lower raw material purchase prices are conducive to cost control in the tyre industry. Conversely, it will lead to higher tyre production costs and a decline in gross margins.

(3) Internal management. After years of development, the automation and intelligence level of the tyre industry has achieved a relatively large increase, but still belongs to the relatively labour-intensive manufacturing industry, the operating skills of the staff and process execution rate will have an impact on product quality, labour productivity, quality costs and internal costs and expenses, but also on the company's performance will have a certain impact.

5、 The company's main products and use

(1) Truck and bus tyres: tyres used for commercial vehicles, including trucks and buses, of which trucks include light trucks, medium and heavy trucks, and buses include light buses (including modified ones) and medium and large buses (including modified ones). Typical models mainly include light trucks, microbus, trucks, tractors, trailers, special purpose vehicles, etc., which are the main transport vehicles of road transport at present.

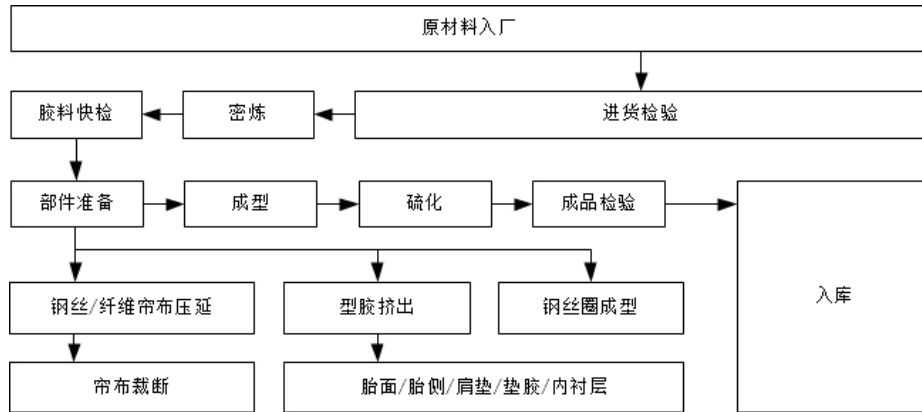
(2) Construction machinery tyres: an important means of production and spare parts for the infrastructure and equipment industry. Broadly speaking, all earthmoving construction projects, road construction and maintenance, mining operations, mobile lifting and loading operations and a variety of construction projects required by the comprehensive mechanization of the construction project necessary mechanical transport equipment, including excavating machinery, earth-moving machinery, engineering lifting machinery, industrial vehicles, compaction machinery, engineering transport machinery, engineering loading and transporting machinery, such as the use of tyres. Typical models used include bulldozers, excavators, scrapers, loaders, graders, transporters, flatbed trucks and heavy-duty dump trucks.

(3) Agricultural machinery tyres: this is an important product line for market segmentation, and is an important component and means of production for agricultural production. According to the characteristics of agriculture and the special requirements of various operations and specially designed and manufactured tyres, such as soil tillage machinery tyres, planting and fertilizer machinery tyres, plant protection machinery tyres, crop harvesting machinery tyres, animal husbandry machinery tyres, etc., the classification of products have ordinary bias tyres and agricultural radial tyres.

(4) Industrial vehicle tyres: one of the important product series in the tyre segment, industrial vehicles generally refer to the general application of ports, stations, freight yards, workshops, warehouses, oil fields and airports, etc., and can be entered into ships and containers for operation, but also widely used for special explosion-proof and cross-country operations. With the continuous development of logistics technology promotion and application, as well as the continuous improvement of the country's level of industrialisation, the use of industrial vehicle tyres is also increasingly expanding the scope of use, and has become a kind of production and specification of one of the largest product series.

(5) Special tyres: Special vehicles refer to vehicles whose external dimensions, weight, etc. exceed the limits of ordinary design vehicles and vehicles for special purposes, specially designed or specially adapted, equipped with fixed devices for transport vehicles or equipment. Typical use of vehicles or equipment are heavy off-road vehicles, special transport vehicles, urban light rail, desert transport vehicles and so on.

6, the company's products production process



Procurement pattern of
major raw materials

Unit: Yuan/Kg (tax included)

Main raw materials	Procurement modalities	Procurement as a percentage of total procurement	Whether there has been a significant change in the method of settlement	Average price for the first half of the year	Average price for the second half of the year
natural rubber	Long-term contractual purchases versus spot online competitive purchases	31.38 per cent	clogged	12.53	12.70
synthetic rubber	Long-term contractual purchases versus spot online competitive purchases	15.28 per cent	clogged	13.07	13.25
soot	Spot online competitive procurement	17.34 per cent	clogged	8.37	8.50
steel cord	Spot online competitive procurement	11.01 per cent	clogged	11.28	12.05

Reasons for significant changes in raw material prices compared with the previous reporting period

1. In 2021, synthetic rubber was affected by the increase in international crude oil prices and the shutdown of two major domestic suppliers in unexpected accidents, resulting in tight supply and strong downstream demand, leading to price increases.

2, 2021 carbon black by its upstream material coal tar prices rose sharply (coal tar is a by-product of coke, 2021 due to coal, iron ore prices drastic changes in coke prices plummeted, coking plants have shut down production limitations, so that coal tar production decreased), and excessive demand, resulting in a sharp rise in prices.

For details of the impact of raw materials on operating costs, please refer to "This Section IV.2(5) Operating Cost Composition".

Energy purchase prices accounted for more than 30% of total production costs.

☐ Applicable ☒ Not applicable

Reasons for significant changes in major energy types

☐ Applicable ☒ Not applicable

Production technology of main products

Main products	Stage of production technology	Core technical staff	patented technology	Product R&D Advantage
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Guizhou Tyre Company Limited Full Annual Report 2021				
tyres	large-scale production	Core technical staff are all employees of our company	A total of 136 technology patents are in force. (including 8 invention patents, utility model patents) (46 patents and 82 design patents).	See section III, "Management discussion and analysis", "III. Analysis of core competencies" for details

Production capacity of major products

Main products	Designed capacity	Capacity utilisation	Capacity under construction	Investment in construction
tyres	7,302,200 (average annual capacity)	98.27 per cent	Vietnam 1.2 million radial tyres	2021 Allsteel Phase III relocation project will be gradually formed. incremental, and reached production in September 2021; agricultural radial tyres, small and medium-sized engineering tyres, solid tyres and other filler projects have been put into production one after another, and the company's production capacity has been gradually increased, reaching 7,886,300 at the end of the reporting period.

Product categories in major chemical parks

Major chemical parks	product category
The company is not in the chemical park	

EIA approvals being applied for or newly obtained during the reporting period

√ Applicable □ Not applicable

In 2021, we have newly acquired the Phase I Agricultural Radial Tire Intelligent Manufacturing Project, Recycling Project of Recycled Rubber, Comprehensive Utilisation Project of 40-ton Tail Gas Boiler, Relocation Project of Dangerous Goods Depot of Petrol Filling Station, Phase I and Phase II Sulphurising Smoke Treatment Project of Zazo Factory, X-ray Detection Machine Application Project (additional project) and 50,000-tonne Annual Capacity of Carbon Black Project,

EIA approvals for the "Annual Output of 3 Million Sets of High Performance All-steel Radial Tyre Project (Zazo IV) "Intelligent Manufacturing Project for Agricultural Radial Tyres, Small and Medium-sized Engineering Tyres, and Large-sized Engineering Tyres", and "Solid Tyre Expansion Project".

Irregular production stoppage of listed companies during the reporting period

☐ Applicable ☒ Not applicable

Status of relevant approvals, licences, qualifications and validity periods

☒ Applicable ☐ Not applicable

1、 It has passed ISO9001:2015 certification (Certificate No. 0112Q35940R2L/5200, valid until 6 July 2024)

2. Passed the certification of IATF16949:2016 management system (design and manufacture of radial tyres) (Certificate No.: 44111210166, valid until 2024).

(20 March)

3. Passed ISO14001:2015 environmental management system certification (Certificate No. 00121E3261R4L/5200, valid until 6 August 2024)

4. Passed ISO45001:2018 Occupational Health and Safety Management System Certification (Certificate No. 00119S31714R0L/5200, valid until 11 August 2022)

5, through the measurement management system certification (Certificate No.: CMS 贵 [2020] AAA209, valid until 10 November 2025)

6, through the energy management system certification (certificate number: 07520En100004R0L, valid until 5 January 2023)

7, the company's technology centre laboratory through the China National Accreditation Service for Conformity Assessment laboratory accreditation (registration number: CNAS L4699, valid until July 2022)

(3 days)

8. Sewage Discharge Permit, Certificate No. 915200002144305326001V, valid until 1 July 2023.

9. Sewage Discharge Permit, Certificate No. 915200002144305326002R, valid until 24 February 2026.

10. High-tech enterprises (valid from 2021-2023)

Engaged in oil processing and oil trading industry

☐ Yes ☒ No

Fertiliser industry

☐ Yes ☒ No

Pesticide industry

☐ Yes ☒ No

Engaged in chlor-alkali and soda ash industry

☐ Yes ☒ No

Chemical fibre industry

☐ Yes ☒ No

Engaged in the plastics and rubber industry

☒ Yes ☐ No

The Company is mainly engaged in the research and development, production and sales of commercial tyres. During the reporting period, the Company's sales pattern, product varieties and application areas, scale of import and export trade and tax policy

No significant changes have occurred, etc.

III. Analysis of core competencies

1、Leading product research and development capability

The company has the first approved national enterprise technology centre in the tyre industry, a postdoctoral research station, a provincial green tyre engineering technology research centre and a provincial high-performance tyre engineering research centre, and a group of senior technicians specializing in tyre research and development and related technology research, and all the product research and development processes are completed using computer CAD, CAE and FEM simulation design.

The company has mastered the key technologies of tyre research and development, design and production at the domestic advanced level, and has presided over and participated in the formulation of 13 national standards in the past three years.

There are 136 technical patents (including 8 invention patents, 46 utility model patents and 82 design patents) in force. The key technology mastery rate of the leading products has reached 100%, and the products are completely produced by self-developed technology. Relying on the company's strong R & D, technical strength, in recent years the company's main products in the industry in a leading position, some of the main performance indicators of the product reached the international advanced level.

2、Differentiated product structure advantages

By building a differentiated product structure, the Company has achieved full coverage of the mainstream commercial tyre market and comprehensively enhanced its product and service advantages. The company for different customer groups, the development of different price, different performance and other diversified products, the current product coverage of truck tyres, construction machinery tyres, agricultural machinery tyres, industrial vehicle tyres, special vehicle tyres, a total of more than 3,000 varieties of the five major areas, with high quality, cost-effective and stable to meet the needs of different regions, different levels, different nature of the customer groups of the differentiated needs, is one of the more complete specification varieties of commercial tyres tyre manufacturers. It is one of the tyre manufacturing enterprises with more complete specifications of commercial tyres in China.

Over the years, the company has continued to develop a series of domestically unique technologies and products, such as high-end load-bearing tubeless tyres, green fuel-saving and safe wide-base tubeless tyres, high-performance agricultural radial tyres, sand buoyancy tyres, light rail train tyres, rigid tipper tyres, etc. Some of these series of products are exclusive or the first to be developed domestically, and their performance is ahead of that of the domestic branded products, close to or even surpassing the international branded products, which have been widely recognised in the domestic and overseas markets. Widely recognised by domestic and international markets.

3、Perfect lean management system

Based on the strategic development positioning of "internationalisation, intelligence, greening, and being a global leader in commercial tyres", the company has comprehensively built a lean management system (GTPS) for the purpose of management modernisation and connotative development. In order to achieve modernisation of management and internal

development, the company has established a comprehensive lean management system (GTPS). The GTPS aims to meet the target of international first-class lean management level, comprehensively establish, implement and maintain lean work standards and lean capability evaluation standards, systematically promote and apply lean production tools and methods, and effectively reveal the potential space for improvement of quality, cost and efficiency.

Our GTPS is deeply integrated with information technology and intelligence, and we have established MES (Manufacturing Execution System) system and APS (Advanced Planning and Scheduling System) and other information technology systems, and increased the input of automation equipment, such as manufacturing robots, fully automated vulcanising machines, automated guided vehicles, guided vehicles, stacking three-dimensional warehouse, etc., so as to realise the full automation management of the whole process, from small materials, film to large parts, moulding, vulcanising, testing and warehousing. This will further enhance and optimise staffing, operating costs and production efficiency. In February 2021, the Company completed the acceptance of the "5G Fully Connected Factory" project, becoming the first 5G Fully Connected Factory in Guizhou Province.

According to the "14th Five-Year Plan" and the three-year action plan formulated by the company, through industry benchmarking, supply chain integration, process re-engineering, process changes and a series of measures, we will realise the halving of material and energy consumption and the overall improvement of product quality consistency.

During the reporting period, there was no change in the core management team and key technical personnel of the Company.

IV. Main business analysis

1. Overview

2021 The continued rebound of the epidemic has brought serious impact and severe challenges to economic and social development. The tyre industry was affected by factors such as persistently high raw material prices.

Operating costs remained high. While shipping costs rose exponentially, competition in the domestic market further intensified, the impact of rising raw material prices could not be fully transmitted to the downstream in a timely manner, profit margins were squeezed, profitability levels were limited, and the operating results of enterprises were affected.

In the face of unfavorable challenges, the company insisted on the goals and countermeasures established at the beginning of the year, and at the same time, while doing a good job in epidemic prevention and control, accelerated the product structure adjustment, Zazuo three old factory capacity relocation and other work, and tried every possible way to find shipping positions through multiple channels, through the concerted efforts of all the staff, the company completed the tyre production of 7,175.6 thousand tyres in 2021, an increase of 9.06% compared with the previous year, and completed the tyre sales of 6,981.6 thousand tyres, an increase of 5.05% compared with the previous year. 6,986,600 tyres, an increase of 5.05% over the previous year; net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses of RMB 26,334.01 million, a decrease of 55.91% over the previous year.

The main reason for the decrease in net profit attributable to shareholders of the listed company after extraordinary gains and losses in 2021 as compared with that of the previous year was that the prices of major raw materials for tyres, such as rubber, carbon black and cord, continued to rise in the current period, and the price of rubber fluctuated substantially, resulting in greater difficulty in controlling the cost of raw materials for the Company, a substantial increase in the cost of raw materials, and a decrease in profit.

2. Revenue and costs

(1) Composition of operating income

Unit: Yuan

	2021		2020		Year-on-year increase/decrease
	sum of money	Share of operating revenue	sum of money	Share of operating revenue	
Total operating income	7,339,279,211.48	100%	6,808,729,456.34	100%	7.79 per cent
subsector					
Main business	7,273,373,083.40	99.10%	6,763,369,576.11	99.33 per cent	7.54 per cent
Other business	65,906,128.08	0.90 per cent	45,359,880.23	0.67 per cent	45.30 per cent
by product					
tyres	7,231,497,557.51	98.53 per cent	6,715,594,643.62	98.63 per cent	7.68 per cent
kneaded rubber	41,875,525.89	0.57 per cent	47,774,932.49	0.70 per cent	-12.35 per cent
Other business	65,906,128.08	0.90 per cent	45,359,880.23	0.67 per cent	45.30 per cent
subregion					
internal (a country)	5,334,211,288.30	72.68 per cent	5,495,739,122.49	80.72 per cent	-2.94 per cent
external (affairs)	2,005,067,923.18	27.32 per cent	1,312,990,333.85	19.28 per cent	52.71 per cent

subsales model					
form a complete set	1,598,201,269.96	21.78 per cent	1,334,373,115.83	19.60 per cent	19.77 per cent
the rest	5,741,077,941.52	78.22 per cent	5,474,356,340.51	80.40 per cent	4.87 per cent

(2) Industries, products, regions and sales patterns that account for more than 10% of the Company's operating revenue or operating profit

√ Applicable ☐ Not applicable

The Company is required to comply with the disclosure requirements of the chemical industry in the "No. 3 Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange - Disclosure of Industry Information".

Unit: Yuan

	revenue	business costs	gross margin	Operating income over prior year	Operating costs compared to the previous year	Gross profit margin compared to the same period last year

				Increase/decrease over the same period	Increase/decrease over the same period	Increase/decrease during the period
subsector						
Main business	7,273,373,083.40	6,142,256,219.92	15.55 per cent	7.54 per cent	18.39 per cent	-7.74 per cent
by product						
tyres	7,231,497,557.51	6,106,098,284.51	15.56 per cent	7.68 per cent	18.70 per cent	-7.84 per cent
kneaded rubber	41,875,525.89	36,157,935.41	13.65 per cent	-12.35 per cent	-17.84 per cent	5.77 per cent
subregion						
internal (a country)	5,268,305,160.22	4,451,470,982.74	15.50 per cent	-3.34 per cent	7.19 per cent	-8.30 per cent
external (affairs)	2,005,067,923.18	1,690,785,237.18	15.67 per cent	52.71 per cent	63.32 per cent	-5.48 per cent

In the event that the statistical calibre of the Company's main business data is adjusted during the reporting period, the Company's main business data for the most recent year adjusted to the calibre at the end of the reporting period

☐ Applicable ☒ Not applicable

Not applicable

Unit: Yuan

Diethylamm onium chloride	yield	sale s volu me	Revenue realisation	Average selling price of products in the first half of the year	Average selling price of products in the second half of the year	Year-on-year change	Reason for change
tyres	7,175,571	6,981,589 Articles	7,273,373,083. 40	1,011.59	1,058.88	4.68 per cent	Raw material prices continued to rise and the company appropriately adjusted the unit price of tyre sales.

Operating revenue or net profit generated from overseas operations accounted for more than 10% of the company's audited operating revenue or net profit for the most recent fiscal year.

☒ Yes ☐ No

Overseas Business Name	Specific situations in which it has been carried out	Impact of tax policies on overseas operations during	Corporate response
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		the reporting period	
Tyre exports	In 2021, the export business will achieve greater improvement. Export revenue increased by 52.71 per cent over the previous year, accounting for 27.32 per cent of the company's total revenue.	There were no changes in tax policy during the reporting period.	Not applicable.

(3) Whether the company's revenue from in-kind sales is greater than its revenue from labour

√ Yes ☐ No

Industry Classification	sports event	unit (of measure)	2021	2020	Year-on-year increase/decrease
tyres	sales volume	clause (of law or treaty)	6,981,589	6,645,729	5.05 per cent
	production volume	clause (of law or treaty)	7,175,571	6,579,615	9.06 per cent
	stockpile	clause (of law or treaty)	632,402	474,117	33.39 per cent

Explanation of reasons for changes of more than 30 per cent in relevant data year-on-year

√ Applicable ☐ Not applicable

Inventory at the end of the period increased by 33.39 per cent as compared to the end of the previous year due to the increase in production capacity as a result of the project reaching production.

(4) Performance of material sales contracts and material purchase contracts entered into by the Company up to the reporting period

☐ Applicable ☒ Not applicable

(5) Operating cost components

Industry Classification

Industry Classification

Unit: Yuan

Industry Classification	sports event	2021		2020		Year-on-year increase/decrease
		sum of money	As a percentage of operating costs	sum of money	As a percentage of operating costs	
tyres	makings	4,787,505,738.49	78.41 per cent	3,812,728,894.05	74.12 per cent	25.57 per cent
	propulsion	218,113,578.60	3.57 per cent	188,641,776.32	3.67 per cent	15.62 per cent
	manually	455,984,915.98	7.47 per cent	450,233,353.51	8.75 per cent	1.28 per cent
	depreciation	225,880,023.95	3.70 per cent	215,023,010.62	4.18 per cent	5.05 per cent
	manufacturing cost	203,507,412.13	3.33 per cent	267,123,237.70	5.19 per cent	-23.82 per cent
	freight fee	215,106,615.35	3.52 per cent	210,188,982.90	4.09 per cent	2.34 per cent

(6) Changes in the scope of consolidation during the reporting period

☒ Yes ☐ No

Explanation of changes in the scope of consolidation

Name of Subsidiary	2021-12-31	2020-12-31	note
Guizhou Qianjin New Material Co.	consolidation	unestablished	Newly established for the current period
Advance Holdings (Group) International Limited	consolidation	unestablished	Newly established for the current period

(7) Information on significant changes or adjustments in the company's business, products or services during the reporting period

☐ Applicable ☒ Not applicable

(8) Major sales customers and major suppliers

The company's main sales customers

Total sales to top five customers (\$)	778,084,844.11
Proportion of total sales to total annual sales of the top five customers in aggregate	10.60 per cent
Ratio of related party sales to total annual sales among sales to top five customers	0.00 per cent

precedent	
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Information on the company's top 5 customers

serial number	Client Name	Sales (\$)	Percentage of total annual sales
1	Client 1	284,495,063.02	3.88 per cent
2	Client 2	176,906,511.44	2.41 per cent
3	Client 3	117,525,979.78	1.60 per cent
4	Client IV	100,829,893.83	1.37 per cent
5	Client 5	98,327,396.04	1.34 per cent
add up the total	—	778,084,844.11	10.60 per cent

Other notes on major clients

☐ Applicable ☒ Not applicable

Major suppliers of the company

Total purchase amount from the top five vendors (\$)	2,223,321,741.07
Percentage of total annual purchases by the top five vendors combined	39.66 per cent
Proportion of purchases from related parties in purchases from the top five suppliers to total annual purchases	0.00 per cent

Information on the company's top 5 suppliers

serial number	Supplier Name	Purchase amount (\$)	Percentage of total annual procurement
1	Supplier 1	944,380,527.80	16.85 per cent
2	Supplier 2	479,576,014.76	8.56 per cent
3	Supplier 3	333,635,287.16	5.95 per cent
4	Suppliers 4	237,949,959.43	4.25 per cent
5	Suppliers 5	227,779,951.93	4.06 per cent
add up the total	—	2,223,321,741.07	39.66 per cent

Other information notes for major vendors

☐ Applicable ☒ Not applicable

3. Costs

Unit: Yuan

	2021	2020	Year-on-year increase/decrease	Description of significant changes
sales expense	250,728,847.76	224,026,867.62	11.92 per cent	
overheads	360,333,583.82	395,729,268.50	-8.94 per cent	
financial cost	33,186,633.95	110,689,162.85	-70.02 per cent	Interest-bearing liabilities, lower interest rates on borrowings compared to the previous year, lower interest expense; 2021 non-public stock offering

				Interest income increased with the arrival of funds raised.
R&D costs	205,912,473.70	202,292,814.41	1.79 per cent	

4. Investment in research and development

√ Applicable □ Not applicable

Name of major R&D projects	Purpose of the project	Project progress	Objectives to be achieved	Expected impact on the company's future development
Research on new tyre product development based on finite element simulation technology	Development of new products using new technologies	Ongoing	Evaluate different design options and existing product design defects using finite element analysis methods to guide new product development and product improvement.	Enhancing market competitiveness
All-steel giant engineering tyre technology research and product development	Development of new processes and products	fulfil	Research and development of all-steel giant engineering tyre series of product design, construction technology, experimental testing, physical properties analysis, material analysis and application of a full set of independent technology and products.	Enhancing market competitiveness
High-performance all-steel heavy truck tyre technology research and product development	Development of new products	fulfil	Research and development of all-steel heavy truck products that adapt to changes in the wide-body dump truck market and satisfy changes in long haulage distance, high speed, heavy load and high air pressure	Enhancing market competitiveness
High-performance all-steel special engineering tyre technology research and product development	Development of new products	fulfil	Research and development of special engineering transport tyre series adapted to the operating conditions of large open pit mines and used by large rigid dump trucks below 110t.	Enhancing market competitiveness

Research on the development of high performance agricultural radial tyres	Development of new products	Ongoing	Research and development of high-performance agricultural radial tyres that can be used for large and medium-sized tractors and combine harvesters, meeting the requirements of the EU REACH regulation.	Enhancing market competitiveness
Aerial Work Platform Vehicle Tyre Development Study	Development of new products	Ongoing	Development of a range of tyres for aerial lifts that meet high environmental requirements and high wear and cut resistance.	Enhancing market competitiveness
Research on the development of high-performance downhole tread tyres	Development of new products	Ongoing	Research and development of long-life, highly wear-resistant and puncture-resistant downhole tread tyre series adapted to severe working conditions.	Enhancing market competitiveness
Research on testing technology and methods for key performance indicators of tyre products	Research and application of new detection technologies	fulfil	Research and application of new detection methods such as atomic absorption method for zinc oxide, and revision of national standards in related fields.	Enhancing market competitiveness
Heavy duty tyre bead performance research and product development	Enhancement of key product performance and development of new products	fulfil	Improved load carrying performance and durability of heavy-duty tyre beads through new bead structure design	Enhancing market competitiveness
High-speed tyre shoulder performance research and product development	Enhancement of key product performance and development of new products	fulfil	Adoption of new crown belt winding technology, low heat generation formula, etc. improves the performance of high-speed tyres in terms of speed and durability.	Enhancing market competitiveness
Research and Product Development on Puncture and Blast Properties of Mixed Road Tire Crowns	Enhancement of key product performance and development of new products	fulfil	To meet the needs of special equipment, research and develop anti-puncture and anti-detonation technology and products for the crown of mixed-road tyres.	Enhancing market competitiveness
Hard Mineral Tread Formulation Research	Development of new formulations	fulfil	Development of tyres for extreme downhole conditions	Enhancing market competitiveness

after all			Surface formulations for improved overall service life	
Adhesion Study of Compound Adhesives	Enhanced process performance studies	fulfil	Research on the process factors affecting the adhesion of the mixing rubber, optimise the process	Enhancing market competitiveness
Research on the formulation of abrasion-resistant tread with high resistance to puncture and low heat generation	Development of new formulations	fulfil	Development of engineering tyre tread compounds with high puncture resistance, low heat generation and abrasion resistance	Enhancing market competitiveness
Research on low hysteresis and high tear-resistant abrasion-resistant tread formulations	Development of new formulations	Ongoing	Research and development of tread compounds with long running time, low hysteresis loss and high tearing resistance, adapted to the new working conditions of solid tyres	Enhancing market competitiveness
Research on the development of high-performance pneumatic industrial tyres	Development of new products	Ongoing	Research and development of pneumatic industrial tyres with long service life, puncture and tear resistance, not easy to shoulder empty.	Enhancing market competitiveness
Research on the development of high-performance solid tyres	Development of new products	Ongoing	Research and development of solid tyre products with high wear resistance, low heat generation and puncture resistance to adapt to severe working conditions.	Enhancing market competitiveness
Research on the development of high load high-speed mining dump truck tyres	Development of new products	Ongoing	Research and development of mine dump truck tyre series products with high load and low heat generation to adapt to harsh working conditions.	Enhancing market competitiveness
Research on the development of cost-effective engineering tyres	Development of new products	Ongoing	Solve the problem of early damage to engineering tyres by optimising contours, adjusting materials and construction design, and develop cost-effective and durable series of products.	Enhancing market competitiveness

High-performance semi-steel radial tyre development research	Development of new products	Ongoing	Research and development of semi-steel radial tyres for use in harsh conditions and agricultural engineering equipment.	Enhancing market competitiveness
Analytical study of automatic sulphur change and measurement system for rubber compounding	Research and application of new detection technologies	fulfil	Analytical study of automatic sulphur change and measurement system for rubber mixing to improve the quality of process testing	Enhancing market competitiveness

Company's R&D staff

	2021	2020	Percentage of change
Number of R&D staff (persons)	680	629	8.11 per cent
Number of R&D staff as a percentage	11.01 per cent	11.41 per cent	-0.40 per cent
Educational structure of R&D staff	--	--	--
undergraduate (adjective)	392	385	1.82 per cent
bachelor's degree	36	35	2.86 per cent
the rest	252	209	20.57 per cent
Age composition of R&D staff	--	--	--
Under 30 years of age	57	9	533.33 per cent

30~40 years old	21	11	90.91 per cent
40 years and over	602	609	-1.15 per cent

Company's investment in research and development

	2021	2020	Percentage of change
Amount invested in research and development (yuan)	205,912,473.70	202,292,814.41	1.79 per cent
R&D investment as a percentage of operating revenue	2.81 per cent	2.97 per cent	-0.16 per cent
Amount of R&D inputs capitalised (\$)	0.00	0.00	
Capitalised R&D investment as a percentage of R&D investment	0.00 per cent	0.00 per cent	

Reasons for and effects of significant changes in the composition of the Company's research and development personnel

☐ Applicable ☒ Not applicable

Reasons for the significant change in total R&D investment as a percentage of operating revenue from the previous year

☐ Applicable ☒ Not applicable

Reasons for the significant change in the capitalisation rate of R&D inputs and its justification

☐ Applicable ☒ Not applicable**5. Cash flow**

Unit: Yuan

sports event	2021	2020	Year-on-year increase/decrease
Subtotal cash inflow from operating activities	8,588,160,276.22	8,174,957,050.26	5.05 per cent
Subtotal cash outflows from operating activities	8,302,347,307.53	6,515,599,306.25	27.42 per cent
Net cash flows from operating activities	285,812,968.69	1,659,357,744.01	-82.78 per cent
Subtotal cash inflow from investing activities	410,807,211.98	1,181,748,087.74	-65.24 per cent
Subtotal cash outflows from investing activities	1,197,097,588.98	1,535,249,669.87	-22.03 per cent

Net cash flows from investing activities	-786,290,377.00	Report 2021 -353,501,582.13	-122.43 per cent
Subtotal cash inflow from financing activities	2,677,315,571.61	3,100,301,869.26	-13.64 per cent
Subtotal cash outflows from financing activities	2,031,282,108.65	4,177,356,510.54	-51.37 per cent
Net cash flows from financing activities	646,033,462.96	-1,077,054,641.28	159.98 per cent
Net increase in cash and cash equivalents	141,157,358.11	172,260,017.05	-18.06 per cent

Explanation of the main factors affecting significant year-on-year changes in relevant data

√ Applicable □ Not applicable

- (1) The net cash flow from operating activities plus a decrease of 82.78 per cent in the current year was attributable to the increase in expenditures due to a significant increase in the price of raw materials in the current year as compared to the previous year;
- (2) The subtotal of cash inflow from investing activities decreased by 65.24 per cent as compared to the previous year due to the decrease in relocation compensation received in the current year as compared to the previous year;
- (3) Net cash flows from investing activities decreased by 122.43 per cent compared with the previous year due to a decrease in relocation compensation received in the current year compared with the previous year;
- (4) The subtotal of cash outflows from financing activities decreased by 51.37 per cent compared with the previous year due to a decrease in the repayment of maturing loans in the current year compared with the previous year;
- (5) Net cash flows from financing activities increased by 159.98 per cent compared with the previous year, due to a decrease in the return of maturing borrowings in the current year compared with the previous year and the receipt of financing proceeds from the non-public offering.

Explanation of the reasons for the material difference between the net cash flow from operating activities of the Company during the reporting period and the net profit for the current year

☐ Applicable ☒ Not applicable

V. Analysis of non-primary business

☐ Applicable ☒ Not applicable

VI. Analysis of assets and liabilities

1. Significant changes in the composition of assets

Unit: Yuan

	End of 2021		Early 2021		increase or decrease in specific gravity	Description of significant changes
	sum of money	Percentage of total assets	sum of money	Percentage of total assets		
money funds	2,112,878,391.11	16.41 per cent	1,904,769,573.24	16.54 per cent	-0.13 per cent	
accounts receivable	972,970,207.89	7.56 per cent	728,946,633.72	6.33 per cent	1.23 per cent	
Contractual assets	15,140,510.54	0.12 per cent	21,132,701.64	0.18 per cent	-0.06 per cent	
inventory (of material)	952,857,660.71	7.40 per cent	606,427,949.09	5.27 per cent	2.13 per cent	
investment		0.00 per cent		0.00 per cent	0.00 per	

property					Report 2021	
Long-term equity investments		0.00 per cent		0.00 per cent	0.00 per cent	
fixed assets	4,619,084,104.97	35.87 per cent	3,762,789,749.95	32.67 per cent	3.20 per cent	
construction in progress	743,472,714.84	5.77 per cent	914,999,790.82	7.95 per cent	-2.18 per cent	
usufructuary assets		0.00 per cent		0.00 per cent	0.00 per cent	
short term loan	1,668,957,746.71	12.96 per cent	1,730,759,529.42	15.03 per cent	-2.07 per cent	
Contractual liabilities	128,734,570.05	1.00 per cent	203,853,034.20	1.77 per cent	-0.77 per cent	

long term loan	734,581,729.05	5.71 per cent	769,805,496.18	6.68 per cent	-0.97 per cent	
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Higher proportion of offshore assets

√ Applicable □ Not applicable

Specifics of assets	Reasons for formation	asset size	site	operating model	Controls to safeguard the security of assets	earnings position	Foreign assets as a percentage of the company's net assets	Whether there is a significant risk of impairment
money funds	Investing in Vietnamese companies	104,671,238.16	Vietnam	production and business	company-governed	construction period	1.77 per cent	clogged
fixed assets	1.2 million all-steel radial tyre project inputs	639,511,317.94	Vietnam	production and business	company-governed	construction period	10.81 per cent	clogged
construction in progress	1.2 million all-steel radial tyre project inputs	402,605,848.77	Vietnam	production and business	company-governed	construction period	6.80 per cent	clogged
intangible asset	land rent	112,065,247.95	Vietnam	production and business	company-governed	construction period	1.89 per cent	clogged

2. Assets and liabilities measured at fair value

√ Applicable □

Not applicable

Unit: Yuan

sports event	beginning of period	Gains and losses on fair value changes during the period	Accumulated fair value changes included in equity	Impairment provided for during the period	Amount purchased during the period	Amount sold during the period	Other changes	closing figure
financial asset								

Guizhou Tyre Company Limited Full Annual Report 2021							
4. Investments in other equity instruments	865,338,755.52		-199,745,629.20				665,593,126.32
Total above	865,338,755.52		-199,745,629.20				665,593,126.32
financial liability	0.00						0.00

Other changes

Whether there were significant changes in the measurement attributes of the Company's major assets during the reporting period

☐ Yes ☒ No

3. Restricted rights to assets as at the end of the reporting period

Assets with restrictions on ownership or use

sports event	Closing balance	Opening balance	Reason for restriction
money funds	358,078,723.53	291,127,263.77	margin (in derivative trading)
notes receivable	524,867,835.64	864,790,270.43	loan on pledge
Receivables financing	297,160,033.17	-	loan on pledge
fixed assets	736,060,706.08	1,021,845,689.46	secured loan
intangible asset	138,087,508.80	141,132,036.75	secured loan
add up the total	2,054,254,807.22	2,318,895,260.41	

VII. Analysis of the investment situation

1. General

☒ Applicable ☐ Not applicable

Amount invested during the reporting period (\$)	Amount invested in the same period of the previous year (\$)	Magnitude of change
1,403,476,381.54	1,479,046,011.16	-5.11 per cent

2. Significant equity investments acquired during the reporting period

☐ Applicable ☒ Not applicable

3. Significant ongoing non-equity investments during the reporting period

☒ Applicable ☐ Not applicable

Not applicable

Unit: Yuan

Project name	Invest ment Approach	Whether invest ment in fixed	Sector s covered by invest	Amount invested during	Cumul ative actual inputs as at the	Source of fund s	Project progress	project ed return	Cumul ative realised gains to the end of	Reasons for not meeting planne	Date of disclosure (if any)	Disclo sure index (if any)
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		assets	ment project s	the reporti ng period	end of the reporti ng period				the reporti ng period	d progre ss and project ed benefit s		
All-steel radial tyre 3 million relocatio n project (i.e. Zazo all-steel) phase III	self-built	be	tyres	404, 402. 355.13	1,178,07 9,099.84	self- finance	98.52 per cent	337,031. 800.00	0.00	Not applicabl e, still under construct ion	2019 Septem ber 10 date	Annou nceme nt of Resolu tions of the Sixth Meetin g of the Sevent h Board of Directo rs

(Cheng)												
Vietnam Annual Output of 1.2 Million All-steel Radial Tyres Project	self- built	be	tyres	607,023. 133.70	1,143,45 6,405.84	Self- financing, fund- raising	79.73 per cent	145,210. 100.00	0.00	Not applicabl e, still under construct ion	2017 April 25 date	Annou nceme nt of Resolu tions of the Thirty- fourth Meetin g of the Sixth Board of Directo rs
add up the total	—	—	—	1,011,42 5,488.83	2,321,53 5,505.68	—	—	482,241. 900.00	0.00	—	—	—

4. Investment in financial assets

(1) Investment in securities

☐ Applicable ☒ Not applicable

The company had no investments in securities during the reporting period.

(2) Derivatives investments

☐ Applicable ☒ Not applicable

The company had no derivative investments during the reporting period.

5. Use of funds raised

☒ Applicable ☐ Not applicable

(1) Overall Use of Proceeds

☒ Applicable ☐ Not applicable

Not applicable

Unit: \$ million

Year of collection	Collectio n	Total funds raised	Total proceeds utilised	Cumulati ve total amount	Total amount of proceeds	Cumulati ve total amount of proceeds	Proportio n of total amount of	Total unused proceeds	Use and destinatio n of unused	Amount of funds raised
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	Methods		during the period	of proceeds utilised	from change of use during the reporting period	from change of use	proceeds from cumulati ve change of use		proceeds	that have been idle for more than two years
2021	private equity offering	98,435.78	74,163.26	74,163.26	0	0	0.00 per cent	24,272.52	Continui ng to be used for the constructi on of fund- raising projects	0
add up the total	—	98,435.78	74,163.26	74,163.26	0	0	0.00 per cent	24,272.52	—	0
Explanation of the overall use of the proceeds										
Pursuant to the resolutions adopted at the 16th meeting of the 7th session of the Board of Directors of the Company on 04 September 2020 and the 2nd Extraordinary General Meeting of 2020 on 30 September 2020 The "Proposal on the Company's plan for non-public offering of shares" and the "Proposal on Guizhou Tire Stocks" adopted at the 18th meeting of the 7th session of the Board of Directors on 18 November 2020										

Ltd. and the "Proposal on Approval of Guizhou Tire Stocks (Revised Draft)" issued by the China Securities Regulatory Commission on 05 January 2021, and the "Proposal on Approval of Guizhou Tire Stocks (Revised Draft)" issued by the China Securities Regulatory Commission on 26 March 2012

Ltd. to privately issue shares (Securities and Regulatory Commission Permit [2021] No. 15) approved, the company on March 8, 2021 at a price of 6.30 yuan per share of non-public development of the company's shares.

A total of 158,730,158 ordinary shares of RMB were issued. The total proceeds raised from the private share issue amounted to RMB999,999,995.40, less the amount raised by the underwriters in the PRC.

The actual proceeds raised amounted to RMB984,357,824.90 after RMB15,642,170.50 was spent on listing fees and other related listing expenses. The aforesaid funds have been applied for on 9 March 2021, and have been used for the following purposes

All the funds were in place on 31 December 2012 and verified by Zhonghua Accounting Firm (Special General Partnership) Zhonghui Zi (2021) No. 01730 "Capital Verification Report".

On 12 April 2021, the Twentieth Meeting of the Seventh Session of the Board of Directors of the Company considered and passed the "Proposal on the replacement of pre-investment in fund-raising projects with fund-raising funds and the payment of the issue price", which was approved by the Board of Directors of the Company.

It was agreed to use the proceeds to replace RMB485,879,800 of self-financing funds that had been invested in the fund-raising projects and paid for the issuance expenses, and to replace the RMB485,879,800 of self-financing funds that had been invested in the fund-raising projects and paid for the issuance expenses.

The total amount of funds was RMB485,879,800. Zhonghua Accounting Firm (Special Ordinary Partnership) issued the "Guizhou Tyre Co.

The verification report of the special explanation on the investment projects and payment of issuance expenses (Zhonghui Zi [2021] No. 03573) Guosen Securities Co., Ltd., the sponsor, expressed its verification opinion and agreed that the Company should replace the self-financing funds that had been invested in the fund-raising projects and paid the issuance expenses in advance with the fund-raising funds.

As at 31 December 2021, the Company has invested RMB74,163.26 million in the project of annual production capacity of 1.2 million all-steel radial tyres in Vietnam with the proceeds, and the unused proceeds will be used for the construction of the project in accordance with the investment plan.

(2) Status of fund-raising commitment projects

√ Applicable □

Not applicable

Unit: \$ million

Commitment to investment projects and investment of over-raised funds	Whether the project has been changed (including partial changes)	Total committed investment of proceeds	Total adjusted investments (1)	Amount invested during the reporting period	Cumulative amount invested as at the end of the period (2)	Progress of investments as at end of period (3) = (2)/(1)	Date on which the project reaches its intended useable condition	Benefits realised during the reporting period	Achievement of projected benefits	Whether there has been a significant change in the feasibility of the project

Committed investment projects										
Vietnam Annual Production Capacity of 1.2 Million All-steel Radial Tyres Project	clogged	100,000	98,435.78	74,163.26	74,163.26	75.35 per cent	2022 30 June date	0	inapplicable	clogged
Subtotal committed investment projects	–	100,000	98,435.78	74,163.26	74,163.26	–	–		–	–
where the over-raised funds are invested										
inapplicable										
add up the total	–	100,000	98,435.78	74,163.26	74,163.26	–	–	0	–	–
Circumstances and reasons for non-achievement of planned progress or projected benefits (broken down into specific projects)	Due to the impact of the epidemic in Vietnam, the fund raising project could not be completed according to the planned schedule. The Company held the Twenty-ninth Meeting of the Seventh Session of the Board of Directors and the Twenty-second Meeting of the Seventh Session of the Board of Supervisors on 23 December 2021 and considered and passed the "Proposal on the Extension of the Fund Raising Investment Project", agreeing to extend the completion time of the fund raising project "Vietnam Annual Output of 1.2 Million All-steel Radial Tyres Project" to 6 June 2022 and to extend the completion time of the fund raising project to 6 June 2022. 6 30th of January.									
Description of significant changes in project feasibility	inapplicable									
Amount, purpose and progress of utilisation of over-provisioned funds	inapplicable									
Changes in the location of implementation of fund-raising investment projects	inapplicable									

Adjustment of the implementation mode of fund-raising investment projects	inapplicable
Advance Investment and Replacement of Proceeds Investment Projects	<p>applicability</p> <p>On 12 April 2021, the Twentieth Meeting of the Seventh Board of Directors of the Company considered and passed the "Proposal on the Replacement of Self-financing Funds Pre-invested in Fundraising Projects and Paid for Issue Expenses with Proceeds", agreeing to replace self-financing funds pre-invested in fundraising projects and paid for issue expenses with proceeds in the amount of RMB 485,879,800, with the total amount of funds to be replaced in the amount of RMB 485,879,800. Zhonghua Accounting Firm Zhonghua Accounting Firm (Special Ordinary Partnership) issued the "Assurance Report on the Special Explanation of Guizhou Tyre Company Limited on Pre-investment of Self-financing Funds in Fund-raising Projects and Payment of Issue Expenses" (Zhonghui Zi [2021] No. 03573) Guosen Securities Co., Ltd., the sponsor, issued a verification opinion agreeing that the Company should replace the self-financing funds that have been invested in the fund-raising projects and paid the issuance expenses in advance with the fund-raising funds.</p>
Temporary replenishment of working capital with idle proceeds	inapplicable
Amount of and reasons for fund-raising balances arising from project implementation	inapplicable
Use and destination of unused proceeds	<p>As at 31 December 2021, the unused proceeds (including the net amount of accumulated interest received on bank deposits less bank charges, etc.) were deposited in the special account for proceeds, which will be subsequently used in full for the construction of the fund raising projects in accordance with the investment plan.</p>
Problems or other situations in the use and disclosure of funds raised	inapplicable

(3) Changes in the project status of the fund-raising

☐ Applicable ☒ Not applicable

The Company did not have any fund-raising to change projects during the reporting period.

VIII. Significant asset and equity sales

1. Sale of significant assets

√ Applicable □ Not applicable

counter party	Assets sold	sunrise	transaction price (\$ million)	Net profit contributed by the asset to the listed company from the beginning of the period to the date of disposal (RMB)	Effect of disposal on the Company (Note 3)	Proportion of net profit contributed by asset sales to total net profit of listed companies	Assessment of sale price	Whether it is a connected transaction	Relationship with counterparty (in the case of connected transactions)	Whether title to the assets involved has been transferred in full	Whether the claims and debts involved have been transferred in full	Whether it has been implemented as planned and on schedule, and if not, the reasons and the measures taken by the company.	Date of disclosure	Disclosure Index
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												initiati ve		
Yun yan Distr ict Hou sing on Stat e- own ed Lan d Acq uisiti on Man age ment Bure au	The company's old factory, namely No. 41, Baihua Avenue, Yunyan District, Guiyang City, and No. 5, Jijie Road, Guiyang City, China. Off road except 2016 In March 2019, due to the implementati on of the constructio n of Road 1#, all the production buildings outside the expropriate d portion and all the production buildings of the subsidiary Guizhou Hercules Tire Company Limited.On 14 October 2019, the Company and	2019 Year 10 Month 14 date	149,41 1.19	0	Based on the source of funds for the expropri ation compen sation, the recogniti on of the expropri ation compen sation for Hercule s during the reportin g period had a positive impact on the Compa ny's results The net book value of building s (houses) and land on the ground, the net value of machine	25.64 per cent	Tyre Fact ory (C omp ens ation Plan for the Expr opri ation of Hou ses on Stat e- own ed Lan d for the Lan d Lev el Dev	clog ged	inapplic able	clogge d	clogge d	Adjust ed scope phase I The Agree ment on Moneta ry Compe nsation for Housin g Exprop riation was signed on 2020 as agreed in the Supple mentar y Agree ment. The annual fulfilme nt of this require ment has been com plet ed; the monet	2019 Septem ber 10 days	Annou nceme nt on the Signin g of the Agree ment on Monet ary Comp ensatio n for Housin g Expro priatio n

	Hercules formally entered into the "Monetary Compensation Agreement for Housing Expropriation" (a total of 3 copies) with the Administration of Housing Expropriation on State-owned Land of Yunyan District, with the total compensation amount of 248,552.88 RMB 10,000,000 (of which the compensation amount of the "Housing Acquisition Monetary Compensation Agreement" for the first phase of the Jin Guan factory) 104,457.85 million,				ry and equipment that could not be relocated, and relocation costs incurred in connection with the expropriation compensation for Hercules' houses totalled 17,982.2 20,000 for an agreed compensation amount of 27,650.7 per cent. \$40,000 , Hercules House Acquisition		elopment Project of the Plot (Plant Area)		Report 2021		ary compensation for the expropriation of Hercules' houses has been recognised during the reporting period, and there are still some outstanding cases to be resolved. 650.74 million in compensation has not been received. Phase II The main reason		
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	phase II Amount of compensati on under the Agreement on Monetary Compensa tion for Housing Expropriati on 116,444.29 million, Hercules Corporatio n, The House								Report 2021		s for the non- fulfilme nt of the Agree ment on Monet ary Comp ensati on for the Expro priatio n of House s: first, due to the impact of the new crown epide mic, all- steel radial tyres relocat e		
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Compensation amount under the Agreement on Monetary Compensation for House Expropriation 27,650.74 million (\$)	2020, Phase of the Housing Acquisition Monetary Compensation Agreement (Less compensation for transferring out of the scope of expropriation: 53,116.16 thousand)	The actual amount of compensation is 99,141.69 million yuan. (\$)	has been fulfilled, with Phase II of the Housing Acquisition Monetary Compensation Agreement	Compensation will increase the company 2021 Net profit for the year 9,480.42 \$10,000 .								relocation project (i.e. Zazo III), resulting in the plant involved not being able to be completed by 2020 as agreed. December Deliver ed by 31 (see 2020 for details) November 12 The second is that the real estate regulation and control policies changed		
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	<p>remaining, Hercules, Inc. Agreement on Monetary Compensation for Housing Expropriation and the portion transferred out of the scope of the first phase of the expropriation and the unfulfilled portion (Total compensation amount 149,411.19) (RMB million)</p> <p>During the reporting period, the Company received compensation for expropriation from Hercules 27,000 million, or 97.65 per cent of the compensation receivable from Hercules, a</p>									Report 2021			significantly during the reporting period, resulting in the progress of the relevant land auction and listing being affected.	Blocking.	Table of Contents	
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	large Compensa tion for the expropriati on of houses of Rex Corporatio n was confirmed during the reporting period. Recognition . As of this date												
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At the end of the reporting period, the monetary compensation for this housing expropriation matter still has 122,411.19 Compensation not received (of which all the compensation for the second phase of the Agreement on Monetary Compensation for the Expropriation of Housing 116,444.29 per cent) million, and compensation for transferring out of the first phase of the expropriation area 53.11616 million. RMB, the remaining											The Company is still in the process of negotiating with the Yunyan District State-owned Housing Expropriation Administration on the compensation for the second phase of housing expropriation, the compensation for transferring out of the		
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	compensati on from Hercules 650.74 (\$10,000)									Report 2021		scope of the first phase of exprop riation and the remain ing compe nsatio n for Hercul es (in aggreg ate). 122,411 .19 million (\$) Comm unicati on on payme nt matter s.		
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2. Sale of significant equity interests

☐ Applicable ☒ Not applicable

IX. Analysis of major holdings and participations

☒ Applicable ☐ Not applicable

Major Subsidiaries and Participating Companies Affecting 10%
or More of the Company's Net Profit

Unit: Yuan

company identification	Type of company	Main business	registered capital	total assets	net assets	revenue	business profit	net profit
Guizhou Tyre Import & Export Co.	associated company	Import and export agent	20,000,000.0 0	288,336,468. 00	83,630,736.1 5	441,958,506. 47	57,666,174.2 3	48,380,248.8 2

Guizhou Tyre Company Limited Full Annual Report 2021								
Guizhou Advance Tyre Sales Co.	associated company	Tyre sales	20,000,000.00	298,675,429.37	155,231,520.40	3,343,515.31	8,347,906.50	7,612,486.67

Guizhou Hercules Tyre Co.	associated company	tenancy	240,000,000.00	282,487,980.91	280,571,679.81	0.00	96,337,309.46	94,456,239.50
Guizhou Advance Tyre Investment Co.	associated company	Investment Management	500,000,000.00	1,451,162,315.57	376,151,968.29	243,892,569.71	-48,016,567.39	-48,063,895.01

Acquisition and disposal of subsidiaries during the reporting period

√ Applicable □ Not applicable

company identification	Mode of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production operations and performance
Guizhou Advance New Material Co.	Investment in new	There is no significant impact on the Company's overall production, operation and performance.
Advance Holdings (Group) International Limited	Investment in new	There is no significant impact on the Company's overall production, operation and performance.

Description of major holdings and participations

1. The net profit of wholly-owned subsidiary Guizhou Hercules Tyre Co., Ltd. for the reporting period was RMB94,456,239.50, which was mainly attributable to the recognition of the net gain arising from the monetary compensation for housing expropriation of the company during the reporting period, which was a non-recurring gain, please refer to the section "VIII.1, Sale of significant assets" for details.

2. The net profit of wholly-owned subsidiary Guizhou Tyre Import & Export Co., Ltd. for the reporting period increased by RMB98,590,449.43 compared with that of the previous year, which was mainly due to the fact that (1) the increase in the business volume of the North American company led to the rise in profit, and (2) the provision of PMB INTERNATIONAL TRADING LIMITED for the previous year amounted to RMB48,069,631.24, which was recovered by RMB21,260,325.14 in the current period, resulting in the decrease of credit impairment loss. 260,325.14 in the previous year and recovered 21,069,631.24 in the current period, which reduced the credit impairment loss.

3. Guizhou Advance Tyre Investment Limited Liability Company, a wholly-owned subsidiary, reported a loss of RMB48,063,895.01 for the reporting period, mainly due to the fact that the project with an annual output of 1.2 million all-steel radial tyres in Vietnam had not yet reached the designed capacity, resulting in the loss.

X. Structured subjects controlled by the company

□ Applicable √ Not applicable

XI. Prospects for the future development of the Company

1. Corporate development strategy

以新型工业化建设为方向，持续推进公司数字化、智能化升级改造，打造国内领先的5G全连接工厂和“黑灯”车间；持续开展各系列拳头产品研发，致力于成为全球高端商用轮胎的引领者；坚持绿色发展，通过优化绿色产品设计、深化绿色 We are committed to green development, through optimising green product design, deepening the whole process of green manufacturing, and achieving synergy in reducing pollution and carbon emission; we are also pushing forward lean production, optimising resource allocation, improving on-site production efficiency, and effectively reducing production costs; we are steadily pushing forward the implementation of the projects planned in the 14th Five-Year Plan, and actively laying out the Zazo IV project, We will steadily push forward the implementation of the "14th Five-Year Plan" projects, actively lay out "Zazo IV", "Vietnam II" and carbon black projects, accelerate the construction progress of the projects of filling in the gap of advantageous products such as off-highway tyres, consolidate the three major competitiveness of the company's products, costs and services, and promote the company's internationalisation, intelligence and green high-quality development to a new level.

2. 2022 Company Business Plan

The plan is to complete the production of 8.5 million tyres, an increase of 18.46 per cent over the previous year; the plan is to complete the sales of 8.5 million tyres, an increase of 21.75 per cent over the previous year.

The above business plan and business objectives do not represent the Company's profit forecast for FY2022, and whether they can be realised depends on a variety of factors such as changes in market development and the degree of effort made by the management team, which are subject to great uncertainty, and investors are advised to pay particular attention to them.

3. Achievement of the company's business plan of capital needs and sources

All the additional funds for the Company to realise the above business plan will be raised through multiple channels and methods, such as self-financing and bank loans, in addition to the use of its own funds.

4. Risk factors that may adversely affect the realisation of the Company's future development strategies and business objectives

(1) Market competition risk:

Overseas head enterprises are fully recovering their operations and their production capacity has increased significantly, while the tyre industry will continue to face fierce market competition in view of the complex and volatile economic situation at home and abroad.

(2) Business operations risk:

Rubber, carbon black, cord and other major tyre raw material prices and coal, electricity prices are still at a high level, the recent Russian-Ukrainian conflict has led to sustained high international crude oil prices, will drive the synthetic rubber, chemical auxiliaries and other raw material prices continue to rise, the company's operations are facing greater cost pressures, and the difficulty of cost control.

The construction of the Company's production base in Vietnam can effectively expand the overseas market, enhance efficiency and promote the implementation of the Company's international development strategy. Although the management of the Company has conducted several field visits and fully demonstrated the local policies and investment environment, due to the differences between the legal and policy systems as well as the political and business environments outside the country and China, if the Company is unable to effectively respond to the complex environment of overseas investment in a timely manner or if there are any changes in the investment environment outside the country, the Company's operation will be subject to a certain degree of risk.

(3) Technology risk:

The company's tyre products have entered a critical period of upgrading and improving technology content, and the company faces the risk of technology development and market promotion.

(4) Financial risk:

The Company has continued to implement technological transformation projects to expand its production and operation scale, with a high demand for capital. As at 31 December 2021, the Company's gearing ratio was 53.86%, which remained high.

About 27% of the company's tyre products are exported to the international market, while natural rubber is mainly imported from Southeast Asia, the company's sales and exports and raw material imports are mainly settled in U.S. dollars, so the fluctuations in the exchange rate between the RMB and the U.S. dollar will have a direct impact on the company's export sales revenues and raw material purchasing costs, and will cause foreign-currency assets and foreign-currency liabilities to generate exchange gains and losses, which will affect the company's level of profit to a certain extent. Therefore, the company faces certain exchange rate fluctuation risk.

(5) Epidemic rebound risk:

The new crown strain is constantly mutating and spreading both at home and abroad, and the various types of derivative risks resulting from the impact of the rebound of the epidemic should not be ignored.

5. Countermeasures to be taken by the company

In order to effectively mitigate the above risks and endeavour to improve the quality of its operations, the Company

intends to take the following countermeasures:

- (1) Continue to adhere to the idea that sales is the main battlefield of the operation, strengthen channel construction and quality customer development, effectively expanding the market capacity for the "Zazo III", "Vietnam project" and other fill-in projects to strengthen the market foundation for new production capacity.
- (2) Taking the green and intelligent high-level capacity enhancement project and the safe and intensive supply chain optimisation project as the key, we will accelerate the construction of the planned projects and the planning of the proposed projects, so as to consolidate the foundation of the company's "14th Five-Year Plan" strategic development and promote the company's high-quality development.
- (3) Continuing to focus on "design every product, manufacture every product" and "one to do fine, two to make up", based on strengthening the company's fist products, the implementation of green product development strategy to enhance product competitiveness.
- (4) Taking the three-year action plan of "cost reduction and efficiency enhancement" as the general outline, on the basis of continuing to do a good job in controlling the traditional explicit costs, we will continue to promote lean production, adopt intelligent automation technology, optimise the layout of the industrial chain and other means to dig into the potential hidden costs, so as to comprehensively enhance our cost competitiveness.
- (5) Innovative after-sales and delivery service ideas, all internal resources to fully serve the market, make up for the short board of market services, effectively enhance customer consumption experience, and continue to enhance the competitiveness of services.
- (6) With quality improvement, cost reduction, efficiency, safety and environmental protection as the guide, we comprehensively promote the construction of information technology and intelligence, assess the adequacy and effectiveness of each information technology system against the maturity model of intelligent manufacturing capability, make up for the short-board gaps, and promote the digital transformation of the company to enter a new stage.
- (7) Further strengthen the company's internal basic management, vigorously implement the lean production system, systematically strengthen the enterprise's internal control and risk-resistant capacity building, and comprehensively enhance the public

Modernisation of the Division's management level.

XII. Reception of research, communications, interviews and other activities during the reporting period

√ Applicable □ Not applicable

Reception time	Location of reception	Reception	Type of recipient	Target audience	Main points of discussion and information provided	Index of basic information of the research
25 March 2021 date	Company meeting room	field research	mechanism	Yihe Yinfeng Investment Management Company Limited; Liu Xiyu Song Siyan, Tang Changfu	Introduction to the company's operations	000589 Information on tyre research activities in Guizhou 20210326
11 May 2021 date	Panorama "Investor Relations Interactive Platform"	the rest	the rest	Investors participating in the online presentation of the Company's 2020 Annual Results	Introduction to the company's operations	000589 Guizhou Tyre Results Presentation, Roadshow Activity Information 20210511
21 May 2021 date	Company meeting room	field research	mechanism	Cinda Securities; Zhang Yansheng Hong Yingdong; CICC Xu Yichen; Huaxi Securities Yang Wei; Yihe Yinfeng Song Siyan	Introduction to the company's operations	000589 Information on tyre research activities in Guizhou 20210521
27 May 2021 date	Company meeting room	field research	the rest	Haitong Securities "5.15 Investment Education Activity" into listed companies Organised by investors	Introduction to the company's operations	000589 Record of Investor Relations Activities of Guizhou Tyre 20210527

28 September 2021 date	Company meeting room	field research	mechanism	Report 2021 Centaline Securities Company Limited: Hu Huimin	Introduction to the company's operations	Record of investor relations activities of Guizhou Tyre Company Limited 20210928
27 October 2021 date	Company meeting room	field research	mechanism	New Silk Road Investment Pte Ltd: Feng Xin	Introduction to the company's operations	Record of Investor Activity Form 20211027-1 of Guizhou Tyre Co.
27 October 2021 date	Company meeting room	field research	mechanism	Dacheng Fund Management Company Limited: Huang Haixin	Introduction to the company's operations	Record of Investor Relations Activities of Guizhou Tyre Company Limited 20211027-2
09 December 2021 date	Company meeting room	field research	mechanism	Cinda Securities: Zhang Yansheng, Hong Yingdong and Li Yingrui; PBoC Ansheng: Dai Chenyang, Gathering Investment: Zheng Hui, Hengyue Fund: Chen Cathy, Dongcheng Asset Management: Song Tianyi, Baoying Fund: Wang Hao.	Introduction to the company's operations	Record of investor relations activities of Guizhou Tyre Company Limited 20211209
15 December 2021 date	Company meeting room	field research	mechanism	Huatai Securities: Zhuang Tingzhou	Introduction to the company's operations	Guizhou Tyre Company Limited 15 December 2021

						Record Sheet of Investor Relations Activities of the Company
28 December 2021 date	Company meeting room	field research	mechanism	CICC: Wu Di and Kingland Fu	Introduction to the company's operations	Record of investor relations activities of Guizhou Tyre Company Limited on 28 December 2021

Section IV. Corporate governance

I. Basic state of corporate governance

The Company, in strict accordance with the requirements of the Company Law, the Securities Law, the Guidelines for the Governance of Listed Companies and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and other relevant regulations, will continue to make continuous improvements to its corporate governance structure, internal control status and other aspects, to improve the operational decision-making and management system structured on the basis of the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the management, to consolidate the results of the special activities on corporate governance and to enhance the Company's Standardised operation level. The perfect corporate governance structure and standardised internal control system provide organisational safeguards for the Company to carry out business activities in accordance with laws and regulations, strengthen production and operation management, and promote corporate governance and standardised operation.

The actual situation of corporate governance is in line with the requirements of the relevant regulatory documents on governance of listed companies:

1. About shareholders and general meetings

The convening and holding of the Company's previous general meetings of shareholders were lawful and compliant, and on the premise of ensuring that the general meetings of shareholders were lawful and effective, the Company was able to ensure that shareholders, in particular small and medium-sized shareholders, enjoyed equal status and that all shareholders were able to fully express their views at the Company's general meetings of shareholders. An internet voting platform is provided for shareholders to ensure that shareholders, especially small and medium-sized shareholders, fully exercise their rights in accordance with their shareholdings.

2. About the Company and the Controlling Shareholder

The controlling shareholders of the Company have been able to strictly regulate their own behaviour and have not violated the relevant laws and regulations and the provisions of the Articles of Association of the Company. It has not directly or indirectly interfered in the Company's decision-making and production and operation activities, nor has it occupied the Company's funds, nor has the Company provided any form of guarantee to the controlling shareholder.

3. About Directors and the Board of Directors

The Company elects and employs directors in strict accordance with the provisions of the Articles of Association, and the number and composition of directors are in compliance with relevant laws and regulations. The directors are able to perform their duties conscientiously and diligently, actively participate in the relevant business training, and study the relevant laws and regulations, and the directors of the Company have clear rights, obligations and responsibilities, and have the ability to perform their duties and have done so diligently and conscientiously. The meetings held by the Board of Directors of the Company were in compliance with the requirements of relevant laws and regulations, and the Board of Directors of the Company played its due role in the decision-making of major issues of the Company.

4. About the Supervisors and the Supervisory Board

The number and composition of the Supervisory Committee of the Company are in compliance with the relevant laws and regulations, and the Supervisors of the Company are capable of performing their duties and have been diligent in doing so. The Supervisors of the Company have attended all the shareholders' meetings and board meetings of the Company. The Supervisory Committee of the Company performs its duties in strict accordance with the relevant laws and regulations and the relevant provisions of the Articles of Association of the Company, and diligently performs its supervisory functions to supervise the operation of the Company in accordance with the law, including supervising the exercise of powers by the Board of Directors and the senior management of the Company, and supervising the Company's connected transactions, financial status and preparation of periodic reports.

5. On performance evaluation and incentive and constraint mechanisms

The Company, in conjunction with the actual situation of the enterprise, has established a better mechanism for employee performance evaluation and incentives and constraints, and the appointment of senior management personnel is open and transparent, in compliance with the relevant laws and regulations and the Articles of Association of the Company.

6. On relevant stakeholders

The Company fully respects the legitimate rights of customers, employees, suppliers and partners, the public and other stakeholders, and endeavours to actively cooperate with stakeholders to jointly promote the sustainable and healthy development of the Company, taking into account the simultaneous enhancement of the economic and social benefits of the enterprise.

7. On information disclosure

The Company has formulated the "Information Disclosure Management System" and other regulations in accordance with the law, clarified the person responsible for information disclosure, fulfilled the information disclosure obligations in a truthful, accurate, complete and timely manner, and disclosed the latest information of the Company in the newspapers and magazines and websites designated by the CSRC, so as to enable all the shareholders to enjoy the equal right to know. The Company has also formulated the "Registration Management for Informants of Insider Information".

The Company has implemented the "Management System" to safeguard the openness, justice and fairness of the Company's information disclosure in accordance with the law. During the reporting period, the Company strictly complied with the provisions of the System to manage the registration and filing of persons in the know of insider information relating to the Company's periodic reports and material matters, so as to prevent and put an end to illegal acts such as insider trading, increase the transparency of the Company, and practically safeguard the lawful rights and interests of shareholders.

In the future, the Company will continue to actively take effective measures to enhance corporate governance innovation, safeguard the rights and interests of all shareholders, especially small and medium-sized shareholders, as well as other stakeholders, and promote the standardised and sustainable development of the Company.

Whether there are any material differences between the actual state of corporate governance and the laws, administrative regulations and the regulations issued by the CSRC on the governance of listed companies

☐ Yes ☒ No

There are no material differences between the actual state of corporate governance and the laws, administrative regulations and the regulations issued by the CSRC on the governance of listed companies.

II. Independence of the Company vis-à-vis controlling shareholders and de facto controllers in ensuring the Company's assets, personnel, finances, organisations, business, etc.

The Company strictly complies with the relevant provisions of the "Code of Governance for Listed Companies" and "Opinions on Further Improving the Quality of Listed Companies", and is completely separate from its controlling shareholder, Guiyang City Industrial and Commercial Industrial Investment Group Co. Ltd. in terms of personnel, assets and finances, and has independent organisations and independent business. The controlling shareholder exercises shareholders' rights in strict accordance with laws and regulations.

1. Operational independence:

The Company does not have any competition in the same industry with the controlling shareholders, actual controllers and other enterprises under their control. The Company has the ability to conduct business independently for the market, and has an independent and complete business system and the ability to operate independently for the market.

2. The independence and integrity of assets:

The asset relationship between the Company and the controlling shareholders is clear, and there is no property rights dispute. The company has complete and independent legal person property, the company has full control over all assets, there is no asset or fund occupied by controlling shareholders to the detriment of the company's interests.

3. Independence of personnel:

The Company is independent of the controlling shareholder in all aspects of labour, personnel and payroll management. The senior management of the Company are all remunerated by the Company and do not hold any positions in the controlling shareholder or the shareholder's affiliates. The financial personnel of the Company also do not hold part-time jobs in the controlling shareholders, actual controllers and other enterprises under their control.

4. Independence of the institution:

The Company has set up a sound organisational structure system and operates independently. The Company's production, operation and office premises are strictly separated from those of the controlling shareholders and the de facto controller, and there is no mixing of business with the controlling shareholders and the de facto controller.

5. Financial independence:

The company has set up an independent financial department, equipped with specialised financial personnel, and has established and improved an independent financial accounting system, formulated a sound financial accounting system and financial management system, made financial decisions independently, opened bank accounts independently and paid taxes independently in accordance with the law.

III. Competition in the same industry

☐ Applicable ☒ Not applicable

IV. Information on annual general meetings and extraordinary general meetings held during the reporting period

1. General meeting of shareholders during the reporting period

Session of the Conference	Type of meeting	Percentage of investor participation	Date of convening	Date of disclosure	Conference resolution
2020 Annual General Meeting	annual shareholders' meeting	34.56 per cent	17 May 2021	18 May 2021	See "Announcement of Resolutions of the 2020 Annual General Meeting of Shareholders".
2021 First Extraordinary General Meeting	extraordinary general meeting (EGM)	29.78 per cent	25 June 2021	26 June 2021	For details, please refer to the Announcement of Resolutions of the First Extraordinary General Meeting of 2021
2021 Second Extraordinary General Meeting	extraordinary general meeting (EGM)	32.88 per cent	25 August 2021	26 August 2021	For details, please refer to the Announcement of Resolutions of the Second Extraordinary General Meeting of 2021

2. Preferred shareholders whose voting rights have been restored request the convening of an extraordinary general meeting of shareholders

☐ Applicable ☒ Not applicable

V. Directors, supervisors and senior management personnel

1. Basic information

name and surname	duties	tenure status	distinctive sign	(a person's) age	Date of commencement of	Termination date	Number of shares held	share option	Number of restricted shares	Number of additional shares	Number of shares reduced	Other increases/decrease	Number of shares held	Reasons for increase or decrease
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			between the sexes		term of office		at the begin ning of the period (Unit)		granted (Unit)	held during the period (Unit)	during the period (Unit)	s (Unit)	at the end of the period (Unit)	decrease in shares
Huang Gege	chairman of the board	hold an office	male	51	2019 03 20 June	2022 03 19th of March	300,000						300,000	
He Yuping	Director, General Manager	hold an office	male	63	2005 11 10th day of the month	2022 03 19th of March	300,000						300,000	
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	Vice Chairman, Chief Financial Officer	hold an office	male	54	2005 11 10th day of the month	2022 03 19th of March	240,000						240,000	
Liu Xiandong (1941-), Chinese businessman and politician, prime minister 1990-1998	board member	hold an office	male	56	2019 03 20 June	2022 03 19th of March								

Shen Shui (1952-), foreign affairs official	board member	hold an office	male	60	2021 06 25th of January	2022 03 19th of March			Report 2021					
Pu Xiaobo (1944-), PRC politician	employee director	hold an office	male	50	2019 03 20 June	2022 03 19th of March	240,000						240,000	
Tum KWAI SANG	independent director	hold an office	male	64	2015 07	2022 03								

	affair				16th of January	19th of March								
Amazing	independent director	hold an office	women	55	2015 07 16th of March	2022 03 19th of March								
Huang Yuegang (1907-1982), Chinese-American physicist, astronomer and mathematician	independent director	hold an office	male	63	2019 03 20 June	2022 03 19th of March								
Yang Daiga	independent director	hold an office	male	50	2019 03 20 June	2022 03 19th of March								
CHOW YIP CHUN	Chairman of the Supervisory Board	hold an office	male	51	2019 03 20 June	2022 03 19th of March								
Luo Yan (1938-), famous scholar and writer, author of the	supervisor	hold an office	women	52	2019 03 20 June	2022 03 19th of March								

Harry Potter series of novels									Report 2021				
Xiang Qunying	employee supervisor	hold an office	women	53	2019 03 20 June	2022 03 19th of March							
Wang Hai (1916-1997), one of the pioneers of modern Chinese linguistics	chief engineer	hold an office	male	53	12 December 2001 13th of March	2019 03 20 June	240,000					240,000	
mythical monstrous bird, cf Sinbad's roc	deputy general manager	hold an office	male	49	2019 03 20 June	2022 03 19th of March	240,000					240,000	
Zhou Chichijun	deputy general manager	hold an office	male	49	2019 03 20 June	2022 03 19th of March	240,000					240,000	
Jiang Daikun	Deputy General Manager, Secretary of the Board	hold an office	male	48	2019 03 20 June	2022 03 19th of March	240,000					240,000	

	of Direct ors								Report 2021					
add up the total	–	–	–	–	–	–	2,040,000	0	0	0	0	0	2,040,000	–

Whether there was any departure of directors and supervisors and dismissal of senior management during the term of office during the reporting period

☐ Yes ☒ No

Changes in Directors, Supervisors and Senior Management of the Company

☒ Applicable ☐ Not applicable

nam e and sum ame	Positions held	typol ogy	date s	ratio nale
Shen Shui (1902-1997), Chinese novelist	board member	elected	25 June 2021	co-opt

2. Tenure

Professional background, major work experience and current major duties of the Company's current directors, supervisors and senior management

Huang Gege: graduated from Wuhan University of Technology, majoring in engineering mechanics, bachelor degree, engineering technology application researcher. He has served as technical management director, chief engineer, general manager of the Company's load radial tyre branch and deputy general manager and executive deputy general manager of the Company, etc. He has been a director of the Company since November 2005, secretary of the Party Committee of the Company since December 2013, and legal representative, chairman and general manager of Guizhou Advance Tyre Investment Limited Liability Company, a wholly-owned subsidiary of the Company, concurrently since April 2018, and has been appointed as legal representative, chairman and general manager of Guizhou Advance Tyre Investment Limited Liability Company from March 2019 20 onwards as a public

Chairman of the Division.

He Yuping: college degree, majoring in party and government management, senior political engineer. He has served as deputy general manager, general manager, general manager of the former Guizhou Advance Rubber Company Limited, general manager of the load radial tyre branch and assistant to the general manager of the company, deputy general manager and executive deputy general manager, etc. He has been the deputy secretary of the party committee, director and general manager of the company since 2006, and has been concurrently the director of the wholly-owned subsidiary of the company, Guizhou Advance Tyre Investment Limited Liability Company, since April 2018.

Xiong Chaoyang: graduated from the North University of Technology, majoring in accounting, bachelor degree, accountant, senior economist. He has served as manager of the company's finance department, deputy chief accountant, assistant to the general manager and chief accountant, etc. Since 2005, he has been the director and chief financial officer of the company, and since March 2009, he has been the vice chairman and chief financial officer of the company, and since December 2011, he has also been the director of Guiyang Rural Commercial Bank Co.

Xiandong Liu: graduated from Jilin University of Technology in July 1986, majoring in automotive engineering; graduated from Jilin University of Technology in June 1989, majoring in computational mechanics; graduated from Beijing University of Aeronautics and Astronautics in July 1999, majoring in aeronautical and astronautical propulsion theory and engineering; Doctor of Engineering, professor, doctoral supervisor. He has published more than 150 papers in academic journals and conferences at home and abroad, and has co-published one monograph in Elsevier; he has obtained 8 national invention patents, one second prize of National Scientific and Technological Progress, and one first, second and third prizes of Provincial and Ministerial Scientific and Technological Progress. He was the deputy director of the Department of Automotive Engineering, Beijing University of Aeronautics and Astronautics (2003-2007), and the director of the Department of Automotive Engineering, School of Transportation Science and Engineering (2007-2016). Vibration Engineering Society. From 20 March 2019, he has been appointed as an external director of the Company.

Shen Rui: Participated in the work in November 1980, master's degree, senior economist. He has served as assistant president and deputy president of Yunnan Branch of Agricultural Bank of China, general manager of Yunnan Hongta Fangxin Capital Management Co. He is currently the general manager of Yunnan Energy Capital Investment Company Limited (which holds 2.49% of the Company's shares), the legal representative, general manager and executive director of Yunnan Energy Capital Investment Company Limited (a wholly-owned subsidiary of Yunnan Energy Capital Investment Company Limited), a director of SINOPEC Capital Holdings Limited, a director of State Nuclear Capital Holding Company, a director of Inner Mongolia Power Investment Energy Company Limited, a director of China Power Investment Group Oriental New Energy Company Limited, a director of Sanjiu Energy Company Limited, a director of China Power Investment Group Oriental New Energy Company Limited, and a director of China Power Investment Group Oriental Energy Company Limited. Ltd. and Three Gorges Capital Holding Co., Ltd. and from 25 June 2021, an external director of the Company.

Pu Xiaobo: Graduated from Kunming University, majoring in rubber process, college degree, assistant engineer. He has served as the assistant to the head of the Quality Inspection Division, the head of the Division, the head of the Human Resources Department and the chairman of the Supervisory Committee of the Company (from February 2005 to March 2019), as well as the legal representative and chairman of the board of Guizhou Advance Rubber Inner Tube Company and the legal representative and factory director of Guizhou Tyre Factory, etc. He has been appointed as the deputy secretary of the

Party Committee of the Company since February 2008, and has been appointed as an employee director of the Company from 20 March 2019 onwards.

Qin Guisheng: He graduated from the Northwest Institute of Political Science and Law in 1983 with a Bachelor's degree in Law, and graduated from the Graduate School of China University of Political Science and Law in 1986 with a Master's degree in Jurisprudence. After graduation, he worked in the General Office of the Ministry of Justice of the People's Republic of China, engaging in research and secretarial work, etc. In February 1996, he joined Beijing Zhongkai Law Firm, where he served as the director of Zhongkai Law Firm and an independent director of Wangfujing. Currently, he is a partner lawyer of Beijing Zhongkai Law Firm and an independent director of Beijing Urban Construction Design and Development Group Co. He has been an independent director of the Company since 16 July 2015.

Yan Bi: graduated from Jilin College of Finance and Trade, majoring in accounting, bachelor degree, certified public accountant, senior accountant. He was engaged in auditing and internal review work in Jilin Accounting Firm, Jilin Jianyuan Accounting Firm, Zhonghongxin Jianyuan Accounting Firm, Zhongjun Accounting Firm and Jilin Xinyuan Accounting Firm, and was the deputy chief accountant of Zhonghongxin Jianyuan Accounting Firm, deputy chief accountant of Zhongjun Accounting Firm and an independent director of JTV Media. Ltd. and an independent director of JTV Media. Currently, he is the chairman of Jilin Xinyuan Accounting Firm Co., Ltd. and an independent director of Jilin Aodong, Yisheng Pharmaceutical and Tonghua Dongbao, and has been an independent director of the Company since 16 July 2015.

Huang Yuegang: graduated from Jilin University of Finance and Economics, majoring in accounting, with a bachelor's degree, senior accountant. He has served as deputy director of the Party Committee Propaganda Department of Jilin University of Finance and Economics, financial director of Shenzhen Far East Hotel Co., Ltd, president of Zhenhua Road Sub-branch of Guangfa Bank Shenzhen Branch, executive president of Shenzhen Golden Lighting Co., Ltd, deputy general manager of Tianjin Guangsha Real Estate Development Co., Ltd, deputy general manager of Shenzhen Zhongnan Hotel Management Co. Currently, he is an independent director of Shenzhen Topband Co. He has been an independent director of the Company since 20 March 2019.

Yang Dahe: graduated from Liaoning Higher Traffic College with a college degree, certified public accountant and auditor. He has worked in Shenzhen Accounting Firm and Shenzhen Huapeng Accounting Firm.

Ltd, Zhonghua Financial Consulting Company Limited, Beijing Lixin Accounting Firm Limited, Zhongqin Wanshin Accounting Firm (Special Ordinary Partnership) engaged in auditing, enterprise management consulting work, was a senior manager of Zhonghua Financial Consulting Company, deputy manager of the audit department of Beijing Lixin Accounting Firm, and is now the manager of the audit department of Zhongqin Wanshin Accounting Firm (Special Ordinary Partnership) and the independent director of Huijin Science and Technology, Guangdong Lingxiao Pump Industry Co., Ltd. and Zhuhai Huijin Technology Co. Ltd. He has been an independent director of the Company since 20 March 2019.

Zhou Yejun: graduated from Guizhou Commercial College, majoring in commercial finance and accounting, on-the-job bachelor's degree, accountant. He has served as financial section chief and deputy factory director of Guiyang Medical Instrument Factory, project manager of Guiyang Boyuan Zhongneng Industrial Investment Company Limited, deputy manager of the finance department of Guizhou HaoTian Optoelectronics Technology Company Limited, director of the finance department and assistant to the general manager of Guizhou Mechanical and Electrical (Group) Company Limited, deputy chief accountant of Guiyang City Industrial Investment (Group) Company Limited, executive director, general manager, legal representative of Guiyang City Industry and Commerce Investment Company Limited, and is now Assistant General Manager, Staff Director, Chairman of Trade Union of Guiyang City Industrial and Commercial Industry Investment Group Company Limited and Chairman and Legal Representative of Guiyang City Cross-border E-commerce Platform Operation Company. From 20 March 2019, he has been appointed as the Chairman of the Supervisory Committee of the Company.

Luo Yan: graduated from Guizhou Radio and TV University, majoring in accounting, bachelor degree, accountant. She was the accountant of Guizhou Rubber Industry Company and former Guizhou Tire Factory, the deputy director of sales and finance department of the Company and staff supervisor (from 27 December 2012 to 20 March 2019), and is currently the deputy director of the finance department of the Company, the director of the sales and finance department of the Company and the manager of the sales and finance department of the wholly-owned subsidiary of the Company, Guizhou Advance Tire Sales Company Limited, and the supervisor of Guizhou Advance Tire Investment Limited Liability Company. From 20 March 2019, she has been a supervisor of the Company. 20 onwards as a supervisor of the Company.

Xiang Qunying: graduated from Guizhou Industrial Management School majoring in accounting, college degree, accountant. He was the accountant of the former Guizhou Tyre Factory and the accountant of the Finance Department of the Company, and is currently the assistant to the head of the Audit Department of the Company. From 20 March 2019, he has been appointed as an employee supervisor of the Company.

Wang Hai: graduated from Qingdao Institute of Chemical Technology, majoring in rubber engineering, bachelor degree, senior engineer. He has served as an engineer in the Tyre Research Institute of the former Guizhou Tyre Factory, director of the Technical Management Department of the Company, deputy chief engineer, assistant to the general manager, etc. Since December 2001, he has been the chief engineer of the Company.

Zhou Chichijun: graduated from Wuhan Textile Engineering Institute, majoring in industrial automation, on-the-job engineering master degree, engineer. He has served as the assistant factory director, deputy factory director, factory director, general manager of the engineering tyre branch and assistant general manager of the Company in the former three factories of the Company. Since September 2018, he has concurrently served as the legal representative, executive director and general manager of Guizhou Advance Tyre Sales Company Limited, a wholly-owned subsidiary of the Company, and

since 20 March 2019, he has served as the deputy general manager of the Company.

Wang kun: graduated from Hangzhou Electronic Industry Institute, majoring in electronic precision machinery, on-the-job business master degree, engineer. He has served as the assistant to the director of the company's former four-branch plant, deputy director and director of the equipment and power department, director of the storage and transportation department and assistant to the company's general manager, etc. He has been appointed as the director of the company's production department since May 2014, and has been appointed as the company's deputy general manager from 20 March 2019 onwards.

Jiang Dakun: graduated from Shenyang University of Technology, majoring in management engineering, bachelor degree, economist. He has served as assistant to the director of the office of the Company, deputy director (presiding over the work), assistant to the general manager of the Company and securities affairs representative. Since August 2007, he has served as the director of the office of the Company, and since 20 March 2019, he has served as the deputy general manager and secretary of the Board of Directors of the Company.

Employment in shareholders' organisations

√ Applicable ☐ Not applicable

Name of incumbent	Name of shareholder unit	Positions held in shareholders' organisations	Date of commencement of term of office	Termination date	Whether or not remuneration allowance is received at the shareholders' unit
CHOW YIP CHUN	Guiyang City Industry and Commerce Industry Investment Group Co.	Employee Director, Labour Union Chairman, Assistant General Manager	December 2020 18th		be
Statement of employment with shareholders	<p>Mr Zhou Yejun is nominated by Guiyang City Industry and Commerce Industry Investment Group Company Limited, the controlling shareholder of the Company, and was elected by the First Extraordinary General Meeting of 2019 of the Company.</p> <p>Elected as a non-employee supervisor. On 20 March 2019, the first meeting of the seventh session of the Supervisory Committee of the Company was held and Mr. Zhou Yejun was elected as the Chairman of the Supervisory Committee.</p>				

Employment in other units

√ Applicable ☐ Not applicable

Name of incumbent	Name of other units	Positions held in other organisations	Date of commencement of term of office	Termination date	Receipt of remuneration allowances in other establishments

Xiong Chaoyang (1907-1989), Mao Zedong's second wife	Guiyang Rural Commercial Bank Co.	board member	23 December 2011		clogged
Liu Xiandong (1941-), Chinese businessman and politician, prime minister 1990-1998	Beijing University of Aeronautics and Astronautics	lecture on	30 December 2001		be
Tum KWAI SANG	Beijing Zhongkai Law Firm	associate	27 April 2019		be
	Beijing Urban Design and Development Group Co.	independent director	15 August 2018		be
	Beijing Fenghuixin Information Technology Co.	supervisor	02 June 2015		clogged
Amazing	Jilin Xinyuan Accounting Firm Co.	chairman of the board	01/02/2006		be
	Jilin Ji'an Yisheng Pharmaceutical Co.	independent director	08 May 2019		be
	Jilin Aodong Pharmaceutical Group Co.	independent director	24 June 2020		be
	Tonghua Dongbao Pharmaceutical Co.	independent director	28 September 2020		be
Yang Daiga	Zhong Qin Wanxin Accounting Firm (Special General Partnership)	Manager, Audit Department	10 January 2008		be
	Zhuhai Huijin Technology Co.	independent director	28 May 2020		be
	Guangdong Lingxiao Pump Industry Co.	independent director	03 December 2019		be
	Guangzhou Henlong Intelligent Equipment Co.	board member	07 November 2018		be
Huang Yuegang (1907-1982), Chinese-American physicist, astronomer	Shenzhen Topband Co.	independent director	15 September 2020		be
	Shenzhen Aoya Design Co.	independent director	21 July 2021		be

and mathematician			Report 2021		
Shen Shui (1952-), foreign affairs official	Yunnan Nengjiu Capital Investment Co.	deputy director	03 April 2019		be
	NDT Group Capital Holdings Limited	board member	06 February 2019		clogged
	National Nuclear Capital Holdings Limited	board member	14th February 2019		clogged
	Inner Mongolia Power Investment Energy Co.	board member	09 October 2019		clogged
	Yunnan Nengtou Nenghe Economic and Trade Co.	General Manager, Executive Director	08 November 2019		clogged
	Three Gorges Capital Holdings Limited Liability Company	board member	12 March 2021		clogged
CHOW YIP CHUN	Guiyang Cross-border E-commerce Platform Operation Co.	chairman of the board	17 June 2021		clogged
Description of employment in other offices	In 2011, the Company invested RMB187.2 million to subscribe for 144 million shares of Guiyang Rural Commercial Bank Co., Ltd. (see Announcement 2011-048), accounting for 8% of the total number of shares issued. 23 December 2011, Guiyang Rural Commercial Bank Co., Ltd. was formally listed on the stock exchange, and Mr. Xiong Zhaoyang, Vice Chairman and Chief Financial Officer of the Company, was appointed as a director of the company.				

Penalties imposed by securities regulatory authorities in the past three years on the Company's current and outgoing directors, supervisors and senior management during the reporting period

☐ Applicable ☒ Not applicable

3. Remuneration of Directors, Supervisors and Senior Managers

Decision-making process, basis of determination and actual payment
of remuneration of directors, supervisors and senior management
personnel

1. Decision-making procedures and basis for determining the
remuneration of directors, supervisors and senior management:

- (1) Internal directors and senior management: refer to the implementation of the Interim Measures for the Operational Performance Assessment of Persons in Charge of State-owned and State-controlled Enterprises in Guiyang City.
- (2) Independent Directors: Proposed by the Remuneration and Evaluation Committee of the Board of Directors, considered and approved by the Board of Directors and submitted to the General Meeting of Shareholders for voting, and implemented after the vote of the General Meeting of Shareholders.

As considered and approved at the Eleventh Meeting of the Fifth Session of the Board of Directors on 27 March 2010 and the First Extraordinary General Meeting of 2010 on 15 April 2010, the annual remuneration of the independent directors of the Company is RMB60,000 (including tax).

(3) Supervisors: Proposed by the Remuneration and Evaluation Committee of the Board of Directors, considered and approved by the Board of Directors and submitted to the General Meeting of Shareholders for voting, and implemented after being voted on and approved by the General Meeting of Shareholders. As considered and approved at the sixteenth meeting of the third session of the Board of Directors on 28 September 2005 and the 2005 annual extraordinary general meeting of shareholders on 10 November 2005, the risk allowance of the Company's supervisors is RMB2,000 per month in addition to the salary income received according to the job or position held by the supervisors.

2. Actual payment of remuneration to directors, supervisors and senior management:

Allowances for independent directors were paid in a lump sum at the end of the year, and remuneration for internal directors, supervisors and senior management was paid on a monthly basis and settled at the end of the year. The actual remuneration paid to the Company's directors, supervisors and senior management during the year totalled RMB5,881,600.

Remuneration of directors, supervisors and senior management of the Company during the reporting period

Unit: \$ million

name and surname	duties	distinguishing between the sexes	(a person's age)	tenure status	Total pre-tax compensation received from the company	Whether or not remuneration is received at a related party of the company
Huang Gege	chairman of the board	male	51	hold an office	71.01	clogged
He Yuping	Director, General Manager	male	63	hold an office	71.01	clogged
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	Vice Chairman, Chief Financial Officer	male	54	hold an office	60.41	clogged
Liu Xiandong (1941-), Chinese businessman and politician, prime minister 1990-1998	board member	male	56	hold an office	6	clogged
Shen Shui (1952-), foreign affairs official	board member	male	60	hold an office	0	clogged

Pu Xiaobo (1944-), PRC politician	employee director	male	50	Report 2021 hold an office	60.41	clogged
Tum KWAI SANG	independent director	male	64	hold an office	6	clogged
Amazing	independent director	daughter	55	hold an office	6	clogged
Huang Yuegang (1907-1982), Chinese- American physicist, astronomer and mathematician	independent director	male	63	hold an office	6	clogged
Yang Daiga	independent director	male	50	hold an office	6	clogged
CHOW YIP CHUN	Chairman of the Supervisory Board	male	51	hold an office	0	be
Luo Yan (1938-), famous scholar and writer, author of the Harry Potter series of novels	supervisor	women	52	hold an office	34.46	clogged
Xiang Qunying	employee supervisor	women	53	hold an office	19.22	clogged
Wang Hai (1958-), PRC film director	chief engineer	male	53	hold an office	60.41	clogged
mythical monstrous bird, cf Sinbad's roc	deputy general manager	male	49	hold an office	60.41	clogged
Zhou Chichijun	deputy general manager	male	49	hold an office	60.41	clogged
Jiang Daikun	Deputy General Manager, Secretary of the Board of Directors	male	48	hold an office	60.41	clogged
add up the total	—	—	—	—	588.16	—

VI. Fulfilment of duties by directors during the reporting period

1. Status of the Board of Trustees during the reporting period

Session of the Conferen	Date of convening	Date of disclosure	Conferen ce resolutio
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Nineteenth meeting of the Seventh Board of Trustees	08 March 2021	09 March 2021	For details, see the announcement of the 19th meeting of the 7th Board of Directors
Twentieth meeting of the Seventh Board of Directors	12 April 2021	13 April 2021	For details, please refer to the Announcement of the Twentieth Meeting of the Seventh Board of Directors
Twenty-first meeting of the Seventh Board of Trustees	23 April 2021	27 April 2021	For details, please refer to the Announcement of the Twenty-first Meeting of the Seventh Board of Directors
Twenty-second meeting of the Seventh Board of Directors	29 April 2021	30 April 2021	For details, please refer to the Announcement of the Twenty-second Meeting of the Seventh Board of Directors
Twenty-third meeting of the Seventh Board of Directors	09 June 2021	10 June 2021	For details, please refer to the Announcement of the Twenty-third Meeting of the Seventh Board of Directors
Twenty-fourth meeting of the Seventh Board of Directors	30 July 2021	31 July 2021	For details, please refer to the Announcement of the Twenty-fourth Meeting of the Seventh Board of Directors
Twenty-fifth meeting of the Seventh Board of Directors	19 August 2021	21 August 2021	For details, please refer to the Announcement of the Twenty-fifth Meeting of the Seventh Board of Directors
Twenty-sixth meeting of the Seventh Board of Directors	25 October 2021	26 October 2021	For details, please refer to the Announcement of the Twenty-sixth Meeting of the Seventh Board of Directors
Twenty-seventh meeting of the Seventh Board of Directors	05 November 2021	2021 06 November	For details, please refer to the Announcement of the Twenty-seventh Meeting of the Seventh Board of Directors
Twenty-eighth meeting of the Seventh Board of Directors	17 December 2021	18 December 2021	For details, please refer to the Announcement of the Twenty-eighth Meeting of the Seventh Board of Directors
Twenty-ninth meeting of the Seventh Board of Directors	23 December 2021	24 December 2021	For details, please refer to the Announcement of the Twenty-ninth Meeting of the Seventh Board of Directors

2. Attendance of Directors at the Board of Directors' and Shareholders' Meetings

Attendance of Directors at Board and General Meetings							
Name of Director	Number of Board meetings to be attended	Number of board meetings attended	Participation in the Board of Trustees by	Number of proxy attendances at the	Number of absences from the	Failure to attend two consecutive Board meetings in	Attendance at general meetings

	during the reporting period	on site	correspondence	Board of Directors	Board	person	
Huang Gege	11	11	0	0	0	clogged	3
He Yuping	11	11	0	0	0	clogged	3
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	11	11	0	0	0	clogged	3
Liu Xiandong (1941-), Chinese businessman and politician, prime minister 1990-1998	11	1	10	0	0	clogged	3
Pu Xiaobo (1944-), PRC politician	11	11	0	0	0	clogged	3
Tum KWAI SANG	11	1	10	0	0	clogged	3
Amazing	11	1	10	0	0	clogged	3
Huang Yuegang (1907-1982), Chinese-American physicist, astronomer and mathematician	11	1	10	0	0	clogged	3
Yang Daiga	11	0	11	0	0	clogged	3
Shen Shui (1902-1997), Chinese novelist	6	0	6	0	0	clogged	1

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

☐ Applicable ☒ Not applicable

3. Directors' objections to matters relating to the Company

Whether the directors have raised any objections to the matters relating to the Company

☐ Yes ☒ No

The Directors did not raise any objection to the Company's matters in this regard during the reporting period.

4. Other explanations of the directors' fulfilment of their duties

Whether the Directors' recommendations to the Company are adopted

☒ Yes ☐ No

Director's statement on the adoption or non-adoption of the relevant recommendations of the Company

During the reporting period, the Directors of the Company actively attended the Board of Directors' and shareholders' meetings and diligently performed their duties in strict accordance with the Articles of Association, the Rules of Procedure of the Board of Directors of the Company and relevant laws and regulations and other relevant provisions and requirements. According to the actual situation of the Company, they put forward relevant opinions on the Company's major governance and operational decisions, and formed a unified opinion after full communication and discussion, resolutely supervised and promoted the implementation of the resolutions of the Board of Directors to ensure that the decisions were made in a scientific, timely and efficient manner, and safeguarded the legitimate rights and interests of the Company and all shareholders.

VII. Specialised committees under the Board of Directors during the reporting period

Name of the Committee	Memberships	Number of meetings held	Date of convening	Content of the meeting	Important observations and recommendations made	Other performance of duties	Specifics of the objection (if any)
Commission on Strategy and Development	Huang Gege, He Yuping, Xiong Chaoyang, Liu Xiantong, Bi Yan, Qin Guisheng, Huang Yuegang, Yang Daga	1	2021 07 30th day of the month	Consideration of the Company's "Proposal on the implementation of the project on the annual production capacity of 950,000 high-performance all-steel radial tyres in Vietnam" "Proposal on the implementation of the project on the intelligent manufacturing of high-performance all-steel radial	Agreed to be submitted to the Board for consideration.	To study and make recommendations on the company's long-term development strategic planning; to study and make recommendations on the company's major investment	

				tyres with an annual production capacity of 3 million sets Resolution on the Proposal for Public Issue of Convertible Bonds by the Company, etc.	Report 2021	decisions.	
nominating committee	Qin Guisheng, Bi Yan, Huang Yuegang, Yang Dahe, Huang Gegege, He Yuping		1 2021 06 04th of March	Consideration of the Report on the Nomination of Candidates for Election as Directors of the Seventh Session of the Board of Directors of the Company	The qualifications of the co-opted directors were verified and agreed to be submitted to the Board of Directors for consideration.		
Remuneration and Appraisal Committee	Huang Yuegang, Qin Guisheng, Bi Yan, Liu Xiantong, Yang Daga						
Board of Auditors	Bi Yan, Qin Guisheng, Yang Dahe, Huang Yuegang, Huang Gegege, Xiong Chaoyang	7	2021 01 21st of January	Consideration of the Company 2020 Annual Results Announcement	Consent to submit disclosures		
			2021 04 13th of March	Consideration of the Company 2020 Annual Results Update "First Quarter 2021 Results Announcement"		Board of Auditors Board of Auditors in accordance with Details of the work of the	

				"Public Division 2020 annual financial statements	Report 2021	Audit Committee of the Board of Directors Rules, the provisions of the	
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				Resolution on the Renewal of the Appointment of Zhonghua Certified Public Accountants (Special General Partnership) as the Company's Audit Institution for the Year 2021 and Payment of Remuneration". Motion on the Change of Accounting Policies, etc.		To follow the principle of diligence and due diligence in s u p e r v i s i n g t h e internal audit of the Company; and to communicate with the certified public accountants for the audit of the 2020 annual report of the Company in a timely manner in respect of the arrangement of the audit work, the progress and problems, etc. According to the audit plan of the 2020 annual report of the Company.	
			2021 04 23rd of January	Consideration of the Company's 2021 First Quarterly Report of the Year			

			2021 08 09 September	Consideration of the Half-Yearly Report 2021 "Special Report on the Deposit and Use of the Company's Proceeds for the Half-Yearly Period 2021	Report 2021		
			2021 10 19th of March	Consideration of the Third Quarterly Report 2021			
			2021 11 05th of May	Consideration of the Report on the Use of Previously Raised Funds (as at 30 September 2021)			
			2021 12 23rd of January	Consideration of the Motion on the Extension of the Fund Raising Investment Project			

VIII. Work of the Supervisory Board

Whether the Supervisory Board has identified any risks to the Company in its supervisory activities during the reporting period

☐ Yes ☒ No

The Supervisory Board has no objections to the supervisory matters in the reporting period.

IX. Employees of the Company

1. Number of employees, professional composition and education level

Number of employees employed by the parent company at the end of the reporting period (persons)	5,714
Number of employees on board of major subsidiaries at the end of the reporting period (persons)	460
Total number of employees on board at the end of the reporting period (persons)	6,174
Total number of employees receiving remuneration during the period (persons)	6,174
Number of retired employees of the parent company and major subsidiaries required to bear the costs (persons)	2,618
Professional composition	
Professional composition category	Number of professional components (persons)
production staff	4,690
sales person	215
technical staff	680
treasurer	41
administrative staff	548
add up the total	6,174
educational attainment	
Type of educational attainment	Number (persons)
Master's degree or above	52
undergraduate (adjecive)	670
three-year college	983
vocational secondary school	1,762
congrats! (on passing an exam)	913
(sth. or sb) else	1,794
add up the total	6,174

2. Remuneration policy

The company adheres to the principles of distribution based on labour, priority of efficiency and fairness, and the growth of employees' wages is in line with the company's business development and efficiency improvement, and establishes a mechanism for the company and its employees to reasonably share the fruits of the company's development, so as to

promote the company's achievement of its development goals; it regulates the management of employees' payroll budgets, payments and other management work, and the wage accounts are subject to budgetary management, process control and collective decision-making, while the wages tilt towards the front-line production employees and pay attention to special groups. Pay attention to special groups.

Income distribution to achieve tilted to the core positions, key positions, reflecting the company's talent competition strategy; the implementation of innovative management mechanisms, through the vocational skills wage system, standardised career planning, so that the standardisation of payroll management; engineering and technical personnel to implement the special post allowance and project benefits commission incentive policy and so on.

3. Training programmes

In order to strengthen the relevance and effectiveness of staff skills training, innovative training methods, improve incentives, and constantly create good conditions for the growth of highly skilled personnel, through skills upgrading and other targeted training to improve the level of operation, through the key process positions of the staff of the lean production training, standardisation, standardisation of production operations and so on.

The company formulates annual training plan, conducts on-line and off-line training during the epidemic, invites in and sends out training; completes the annual plan of quarterly class of Chongqing Lean Dojo backbone training, etc. By continuously improving the vocational and technical level of the workers to adapt to the requirements of automation, intelligence and leaning for industrial workers and middle and senior managers.

4. Outsourcing of labour services

√ Applicable □ Not applicable

Total number of man-hours of labour outsourcing (hours)	1,969,177
Total remuneration paid for labour outsourcing (\$)	58,594,842.00

X. Distribution of profits and capitalisation of capital reserve of the Company

Formulation, implementation or adjustment of profit distribution policy, especially cash dividend policy, during the reporting period

√ Applicable □ Not applicable

In accordance with the relevant requirements of the Circular on Further Implementation of Matters Relating to Cash Dividends for Listed Companies issued by CSRC on 4 May 2012, the Articles of Association of the Company and the Working System of Independent Directors were amended accordingly after being considered and approved by the Twenty-ninth Meeting of the Fifth Session of the Board of Directors of the Company held on 6 July 2012 and the First Extraordinary Shareholders' General Meeting of the Company held on 23 July 2012, and the Second Extraordinary Shareholders' General Meeting of the Company held on 30 September 2020. On 30 September 2020, the Company convened the Second Extraordinary General Meeting of 2020 to supplement and improve Article 164(3) "Conditions and Ratio of Profit Distribution" of the Articles of Association; and on 25 August 2021, the Company convened the Second Extraordinary General Meeting of 2021 to consider and adopt

The Company's Shareholder Return Plan for the Next Three Years (2021-2023). Articles 164 and 78 of the revised Articles of Association of the Company, Article 6 of the Working System of Independent Directors and the Shareholders' Return Plan for the Next Three Years (2021-2023) of the Company have set out detailed provisions on the Company's profit distribution principles, form of profit distribution, profit distribution conditions and ratios, decision-making procedures and mechanism of profit distribution, intervals between periods of profit distribution, conditions for adjusting the dividend policy, decision-making mechanism for adjusting the dividend policy, and protection of shareholders' interests. The "Profit Distribution Plan" has

Special note on cash dividend policy	
Whether it complies with the provisions of the Articles of Association or the requirements of the resolutions of the general meeting of shareholders:	be 96
Whether the criteria and percentage of dividends are clear	be

conditions for adjusting the dividend policy, decision-making mechanism for adjusting the dividend policy, protection of shareholders' interests, etc. It has further clarified the conditions and proportion of the Company's cash distribution as well as the conditions for adjusting the dividend policy and decision-making mechanism, and has made the relevant decision-making procedures and mechanisms more complete, so as to provide conditions for the Independent Directors to perform their duties and responsibilities and to play their proper roles, and to provide opportunities and platforms for the small and medium-sized shareholders to fully express their opinions and demands, and to fully The legitimate rights and interests of small and medium-sized shareholders have been safeguarded to a greater extent.

The Company was profitable during the reporting period and the Parent Company's profit available for distribution to shareholders was positive but no cash dividend distribution proposal was made.

☐ Applicable ☒ Not applicable

Distribution of profit and capitalisation of capital reserve for the reporting period

☒ Applicable ☐ Not applicable

Number of bonus shares per 10 shares (shares)	0
Dividend per 10 shares (RMB) (tax included)	1.00
Number of shares transferred per 10 shares (shares)	2
Share capital base for the distribution proposal (shares)	956,240,462
Cash dividend amount (RMB) (including tax)	95,624,046.20
Amount of cash dividends in other ways (e.g. share buybacks) (\$)	0.00
Total cash dividends (including other means) (\$)	95,624,046.20
Distributable profit (\$)	1,671,266,968.80
Total cash dividends (including other methods) as a percentage of total profit distribution	100%
The current cash dividend	
If the company's development stage is in the growth period and there are arrangements for significant capital expenditure, when profit distribution is made, the proportion of cash dividends in the profit distribution shall be at least 20%.	
Detailed description of the proposed distribution of profits or capitalisation of capital reserves	
<p>Audited by Zhonghua Accounting Firm (Special General Partnership), the net profit attributable to owners of the parent company in the consolidated statement of income for the year of 2021 is 369,734,591.17</p> <p>The net profit of the parent company was RMB287,189,220.24, plus the undistributed profit of RMB1,556,244,607.90 at the beginning of the period, which was withdrawn during the year in accordance with the provisions of the Articles of Incorporation.</p> <p>Surplus reserves of RMB28,718,922.02, dividends paid under the previous year's profit distribution plan of RMB143,447,937.32, profit available for distribution to shareholders at the end of 2021</p> <p>The profit was \$1,671,266,968.80.</p> <p>It is proposed that, on the basis of a total share capital of 956,240,462 shares, less the repurchase and cancellation of certain restricted shares under the 2019 Restricted Share Incentive Plan (79,000 shares in total), the</p> <p>A cash dividend of RMB1.00 (including tax) for every 10 shares was paid to all shareholders, totalling RMB95,624,046.20; no bonus shares were distributed; and a capital reserve fund was distributed to all shareholders.</p> <p>Shareholders are entitled to 2 shares for every 10 shares.</p> <p>The amount of this transfer does not exceed the balance of "capital surplus - capital premium" at the end of the reporting period. If the total share capital of the Company changes due to the repurchase and cancellation of restricted shares after the announcement of the distribution plan and before its implementation, it will be adjusted accordingly in accordance with the principle of "no change in the distribution ratio".</p>	

The distribution proposal is in compliance with the relevant provisions on profit distribution in the Notice on Further Implementation of Matters Relating to Cash Dividends of Listed Companies of China Securities Regulatory Commission (CSRC), Supervisory Guideline for Listed Companies No. 3 - Cash Dividends of Listed Companies, and the Articles of Association of the Company and the Shareholders' Return Plan of the Company for the next three years (2021-2023), and has given due consideration to the comprehensive factors such as the profit situation of the Company for the year 2021, the capital demand for future development and the investment return of shareholders. It is in the interests of the Company and all shareholders, taking into full consideration of the Company's profitability in 2021, the capital requirements for future development and the return on shareholders' investment, and other comprehensive factors.

This distribution proposal is yet to be submitted to the general meeting of the Company for consideration.

XI. Implementation of the Company's Share Incentive Scheme, Employee Share Ownership Scheme or other employee incentives

√ Applicable ☐ Not applicable

1. Equity incentives

After consideration by the Ninth Meeting of the Seventh Session of the Board of Directors and the Sixth Meeting of the Seventh Session of the Supervisory Committee of the Company, approval by the Guiyang Municipal State-owned Assets Supervision and Administration Commission and voting at the Fourth Extraordinary General Meeting of 2019

By way of adoption, the Company implemented the 2019 Restricted Share Plan. In February 2020, the Company completed the registration of the grant of the 2019 Restricted Share Incentive Plan. For details, please refer to the "Announcement on the Completion of Registration of Grant under the 2019 Restricted Share Incentive Plan" published on 10 February 2020 in the Securities Times, China Securities Journal, Shanghai Securities News and Juchao Information Network. During this reporting period, the Restricted Share Incentive Scheme of the Company is still under lock-up.

Share incentives granted to directors and senior management of the Company

√ Applicable □

Not applicable

Unit: shares

name and surname	duties	Number of shares exercisable during the reporting period	Number of shares exercised during the reporting period	Number of shares exercised during the reporting period Exercise price (RMB/share)	Market price at the end of the reporting period (yuan/share)	Number of restricted shares held at the beginning of the period	Number of shares unlocked during the period	Number of new restricted shares granted during the reporting period	Restricted stock grant price (\$/share)	Number of restricted shares held at the end of the period
Huang Gege	chairman of the board	0	0		6.15	300,000	0	0	2.15	300,000
He Yuping	Director, General Manager	0	0		6.15	300,000	0	0	2.15	300,000
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	Vice Chairman Chief Financial Officer	0	0		6.15	240,000	0	0	2.15	240,000
Pu Xiaobo (1944-), PRC politician	employee director	0	0		6.15	240,000	0	0	2.15	240,000
Wang Hai (1958-), PRC film director	chief engineer	0	0		6.15	240,000	0	0	2.15	240,000
mythical	deputy	0	0		6.15	240,000	0	0	2.15	240,000

Guizhou Tyre Company Limited Full Annual Report 2021										
monstrous bird, cf Sinbad's roc	general manager									
Zhou Chichijun	deputy general manager	0	0		6.15	240,000	0	0	2.15	240,000
Jiang Daikun	Deputy General Manager Board Secretary 'a	0	0		6.15	240,000	0	0	2.15	240,000
add up the total	—	0	0	—	—	2,040,000	0	0	—	2,040,000
Remarks (if any)		All A-share restricted shares granted to directors and senior management of the Company remained unlocked during the reporting period								

Appraisal mechanisms and incentives for senior managers

The annual assessment of the operating performance of the senior management of the Company, with reference to the Interim Measures for the Assessment of the Operating Performance of Persons in Charge of State-owned and State-controlled Enterprises in Guiyang City, takes the Company's operating performance during the reporting period as the main indicator, and conducts a comprehensive assessment according to the actual performance of the Company, and provides appropriate incentives.

2. Implementation of the Employee Share Ownership Plan

☐ Applicable ☒ Not applicable

3. Other staff incentives

☐ Applicable ☒ Not applicable

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

1. Construction and implementation of internal controls

In accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, the Company follows the basic principles of internal control, updates and improves the internal control system in a timely manner in light of the changes in the internal and external environments, internal organisations and management requirements, and comprehensively sorts out and revises the business processes and internal control systems of the Company's various divisions and business sectors, so as to establish a set of internal control systems that are scientifically designed, concise and applicable, and effective in operation. system.

The Company's internal control is able to cover the major aspects of the Company's operation and management, and there are no material omissions; the units, operations and matters included in the scope of evaluation and the high-risk areas cover the major aspects of the Company's operation and management, and there are no material omissions; the Company's internal control is soundly and reasonably designed, and the implementation of the internal control is basically effective, and there are no material omissions. The Company has effectively prevented risks in its operation and management and promoted the achievement of its internal control objectives based on the operation, analysis and evaluation of its internal control system.

2. Details of significant deficiencies in internal control identified during the reporting period

☐ Yes ☒ No

XIII. Management control of subsidiaries by the Company during the reporting period

☐ Applicable ☒ Not applicable

XIV. Internal control self-evaluation reports or internal control audit reports

1. Internal control self-evaluation report

Date of disclosure of full internal control evaluation report	08 March 2022
Index of full text disclosure of internal control evaluation reports	Juchao Information Network (http://www.cninfo.com.cn)
Total assets of units included in the evaluation scope as a percentage of total assets of the company's consolidated financial statements	100.00 per cent

Operating income of units included in the scope of evaluation as a percentage of operating income of the company's consolidated financial statements		Report 2021		100.00 per cent
Criteria for determining deficiencies				
form		financial report		Non-financial reporting
Qualitative standards		Deficiencies with the following characteristics should be identified as significant deficiencies: Deficiencies with one or a combination of control deficiencies that could result in a significant deviation from the control objectives of the business, deficiencies that create a risk of impact at the corporate level. Deficiencies with the following characteristics should be considered significant deficiencies: deficiencies that create a risk at the business unit or framework process level. Deficiencies that are lower than the risk arising from significant deficiencies are considered to be general deficiencies.		Deficiencies with the following characteristics shall be deemed to be significant deficiencies: (1) Lack of democratic decision-making procedures, such as the lack of decision-making on major issues, appointment and dismissal of personnel in important positions, investment decisions on major projects, and the use of large sums of money (triple major) decision-making procedures; (2) unscientific decision-making procedures, such as major decision-making errors, causing major property losses to the Company; (3) serious violations of national laws and regulations; (4) a large number of key management personnel or important talent loss; (5) frequent negative news in the media; and (6) Significant deficiencies in internal control evaluations were not rectified;

		<p>(7) Lack of institutional control over significant operations or systemic failure of the system, resulting in a material loss to the company as determined by the quantitative criteria below. A significant deficiency in internal control over non-financial reporting shall be deemed to exist if any of the following deficiencies are identified: (1) The Company incurred a significant property loss based on the quantitative criteria listed above as a result of a management error, and the control activities failed to prevent the error;</p> <p>(2) Losses of property, although not reaching and exceeding this level of materiality, are still of such a nature as to warrant the attention of the Board of Directors and management.</p>
quantitative standard	<p>In terms of quantitative criteria, the Company is an enterprise with stable growth in earnings, and using profit before tax as a quantitative indicator, if the amount of misstatement in financial reporting that may result from the deficiency, alone or together with other deficiencies, is less than 3 per cent of profit before tax, the deficiency shall be deemed to be immaterial; if it is more than 3 per cent, it shall be deemed to be less than 5 per cent, which is considered to be material; if it is more than 5 per cent, it shall be deemed to be significant. A deficiency in internal control over financial reporting shall be deemed to be a material weakness if any of the following deficiencies are identified: (1) There is a material misstatement in the current period's financial reporting based on the above determination, and the control activity fails to identify the misstatement. (2) Misstatements that do not meet or exceed the materiality level, but are of a nature that should be brought to the attention of the Board of Directors and management Other than material</p>	<p>In terms of quantitative criteria, a deficiency is considered to be immaterial if, alone or in combination with other deficiencies, it could result in the loss of property of the company in an amount of less than 1 per cent of pre-tax profit; if it exceeds 1 per cent, it is considered to be a material property loss if it is less than 3 per cent; and if it exceeds 3 per cent it is considered to be a significant property loss. Non-financial reporting internal control deficiencies other than significant deficiencies and material deficiencies should be identified as general deficiencies.</p>

	Report 2021	weaknesses and significant deficiencies, deficiencies in internal control over financial reporting other than those identified above should be identified as general deficiencies.
Number of significant deficiencies in financial reporting (number)		0
Number of non-financial reporting material weaknesses (number)		0
Number of significant deficiencies in financial reporting (number)		0
Number of non-financial reporting material weaknesses (number)		0

2. Internal control audit reports

√ Applicable □ Not applicable

Consideration paragraph in internal control audit reports	
In our opinion, Guizhou Tyre maintained, in all material respects, effective internal control over financial reporting as of 31 December 2021 in accordance with the "Basic Standard for Enterprise Internal Control" and related regulations.	
Disclosure of internal control audit reports	disclosures
Date of disclosure of full internal control audit report	08 March 2022
Index of full disclosure of internal control audit reports	Juchao Information Network (http://www.cninfo.com.cn)
Type of opinion on internal control audit reports	Standard unqualified opinion
Whether there are significant deficiencies in non-financial reporting	clogged

Whether accounting firms issued internal control audit reports with non-standard opinions

☐ Yes ☒ No

Consistency between the internal control audit report issued by the accounting firm and the opinion of the board of directors' self-evaluation report

☒ Yes ☐ No

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

The Company, in accordance with the relevant arrangements of the CSRC and under the guidance of the Guizhou Securities Regulatory Bureau and the Guizhou Securities Association, completed the self-inspection of the special action on governance of listed companies and completed the rectification of the existing problems. The details are as follows:

1. Whether the listed company has a board of directors that is due for renewal in a timely manner.

Problems and rectification: The sixth session of the Board of Directors of the Company failed to obtain timely approval for the application for the renewal of its term of office due to personnel changes of the actual controller and other reasons, resulting in the expiry of the term of office not being renewed in a timely manner. The new session of the Board of Directors was completed on 20 March 2019 for the change of term.

2. The listed company's system regarding the solicitation of votes does not comply with laws and regulations.

Problems and rectification: Article 90 of the new Securities Law changed the subject of the collection of voting rights to "the board of directors of a listed company, independent directors, shareholders holding more than one per cent of the voting shares, or investor protection institutions established in accordance with the laws, administrative regulations or the provisions of the securities regulatory authorities of the State Council", and the Articles of Association were not updated in a timely manner. The subject of solicitation in the Articles of Association was not updated in a timely manner. On 17 May 2021, the Company held the 2020 Annual General Meeting and considered and passed the "Proposal on the Amendment of the <Articles of Association>", completing the amendment of the relevant chapters of the Articles of Association.

3. Independent directors work on-site for less than 10 working days.

Existing problems and rectification situation: Due to the continuous recurrence of the epidemic there were difficulties in the on-site work of the independent directors, and the on-site work time was less than 10 working days. The independent directors have overcome the difficulties and completed the on-site work time.

4. The listed company has not established a mechanism for holding related persons accountable for the occupation or transfer of company funds, assets or other resources by related persons that cause losses or may cause losses to the listed company.

Problems and corrective actions: The company has not established a mechanism of accountability for the personnel involved in the formation of illegal fund appropriation in the relevant system. The Company has issued the "Management System for Preventing Controlling Shareholders and Affiliated Parties from Expropriating Funds", established a mechanism for holding relevant personnel accountable, and further strengthened internal control.

Section V. Environmental and social responsibility

I. Significant environmental issues

Whether the listed company and its subsidiaries are key emission units announced by the environmental protection department

√ Yes □ No

Name of company or subsidiary	Name of major pollutants and characteristic pollutants	Emission method	Number of outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards implemented	Total emissions	Total approved emissions	Excessive emissions
Guizhou Tyre Co. (Jin Guan old factory site)	COD, NH3-N	continuous emission	1	Installation of a total factory outlet	COD: 8.8 mg/l; NH3-N: 1.24 mg/l, Q1 2021 mg/l. In the second quarter of 2021, COD: 18.3 mg/l. g/l; NH3-N 0.114 mg/l 1 June 2021 Permanent shutdown from	Comprehensive Sewage Discharge Standard GB8978-1996 Secondary standards (including primary standards for ammonia)	2021 emissions, COD: 0.606 tonnes; NH3-N 0.0396 tonnes.	According to the current discharge permit specification, the total wastewater discharge outlet of the plant is a general discharge outlet, which only needs to be permitted to discharge the concentration of	not have
					First quarter of 2021 Degree, COD:			According	

Guizhou Tyre Company Limited (Zazuo Plant)	COD, NH3-N, Dioxin, NH3-N and NH3-N. Sulphur oxide, nitrogen oxides	continuous emission	1	Wastewater and boiler flue gas are each provided with a total discharge from the plant. mouth	3.4 mg/l; NH3-N: 0.082 mg/l. 2021 Second quarter of the year. COD: 3.2 mg /litre; NH3-N: 0.315 mg/l for three quarters, COD 11.3 mg/l; NH3-N: 0.16 mg/l. 2021 Fourth quarter of the year. COD: 3.3 mg /litre; NH3-N: 0.24 mg/l.	Emission Standards for Air Pollutants from Boilers GB13271-2014, Standard for Emission of Pollutants from Rubber Products Industry GB27632-2011	2021 emissions, COD: 0.1878 tonnes; NH3-N: 0.00897 tonnes Sulphur dioxide: 315.98 tonnes; Nitrogen oxides: 84.72 tonnes.	to the current discharge permit specification, the total wastewater discharge outlet of the plant is a general discharge outlet, which only needs to be permitted to discharge the concentration of sulphur dioxide (SO2): 1443.9569 tonnes/year; NOx: 1104.9045 tonnes/year.	not have
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Construction and operation of pollution prevention and control facilities

Jin Guan plant production water for equipment indirect cooling water, most of the recycling is not discharged, recycling rate of 95%, only a small amount of production wastewater and domestic sewage discharged into the

The "east diversion tunnel" enters into the municipal change of tea ditch, and finally discharged into the second bridge sewage treatment plant. The total discharge outlet installed wastewater online monitoring system, and environmental protection departments and networking, real-time data uploading. 1 June 2021, Jinguan plant permanently shut down.

Wastewater from the Zazo plant is treated by the plant's wastewater treatment system and reused, and a small amount is discharged to the outside in compliance with the standards. Boiler flue gas is treated by dust removal and desulphurisation facilities and then discharged to the standard. Gum refining flue gas is treated by thermal storage combustion furnace or injected plasma and then discharged to meet the standard. The total wastewater discharge, the total boiler discharge and the RTO discharge of rubber refining A area are installed with online monitoring system and networked with environmental protection department, and the data are uploaded in real time.

Environmental impact assessment of construction projects and other administrative licences for environmental protection

All the construction projects in Jinguan and Zazuo plants strictly implement the environmental impact assessment system and the "three simultaneous" system, and the environmental protection procedures are complete. 2021, we have newly acquired the "Phase I Agricultural Radial Tyre Intelligent Manufacturing Project", "Recycling Project of Recycled Rubber", "Comprehensive Utilisation Project of 40-tonne Tailgas Boiler", "Petrol Filling Station Hazardous Goods Depot Relocation Project The EIA approvals for "Zazo Plant Phase I and Phase II Curing Fume Treatment Project", "X-ray Flaw Detection Machine Application Project (Addendum)", "50,000 tonnes of Carbon Black Project per year", "3 million sets of high-performance all-steel radial tyres per year", "Agricultural Radial Tire, Small and Medium-sized Engineering Tire and Large-sized Engineering Tire Intelligent Manufacturing Project", "Solid Tire Expansion Project" were obtained.

The Jinguan and Zazo plants have received new discharge permits in accordance with the new technical specifications for the application and issuance of discharge permits.

The Golden Pass plant will be

permanently shut down on 1 June 2021

Emergency Response Plan for

Environmental Emergencies

Both Jinguan plant and Zazuo plant have revised the "Emergency Response Plan for Environmental Emergencies" in accordance with the environmental protection requirements, passed the expert review and reported to Guiyang City Environmental Emergencies Emergency Response Centre for the record.

Environmental self-monitoring programme

The Jinguan plant and the Zazo plant have prepared self-monitoring programmes in accordance with the requirements of the EIA and the discharge permit, and have implemented them in strict accordance with the self-monitoring programmes. Administrative penalties imposed on environmental issues during the reporting period

☐ Applicable ☒ Not applicable

Other environmental information that should be made public

Jinguan and Zazuo plants regularly commission qualified monitoring units to carry out self-monitoring of pollutants in

accordance with the self-monitoring programme, and the basic situation of the plants, self-monitoring programme, self-monitoring results and annual reports on self-monitoring are published on the company's official website.

Measures taken to reduce its carbon emissions during the reporting period and their effects

☐ Applicable ☒ Not Applicable

Not Applicable

Other

Environment-

related

Information

The company actively responds to the national environmental protection policy, carries out enterprise self-examination work, and strictly abides by the laws and regulations promulgated by the state and relevant industry norms. The Company always follows the concept of green development, earnestly implements various environmental protection management systems, and continuously promotes energy conservation, emission reduction and environmental protection. In 2020, the Company was evaluated by the Guizhou Provincial Department of Ecology and Environment as an "environmentally friendly and honest enterprise" (2021 is yet to be evaluated).

II. Situation of social responsibility

公司始终秉持“承担维持主营业务和国有资产保值增值任务，回馈股东；坚持以质量和效益为中心，为消费者提供绿色、安全、优质的产品和优良服务；坚持保护环境、安全生产，促进人与自然和谐；坚持以人为本，维护员工合法权益，促进员工与企业共同发展；坚持 The responsibility concept of "operating in accordance with the law, operating in good faith, and contributing to society", adhere to scientific development, increase scientific and technological R & D and innovation, strengthen internal management, improve product quality, fulfil tax obligations in accordance with the law, standardise financial management, carry out energy saving and emission reduction, effectively protect the environment, improve and perfect the system of production safety, and enhance

production safety management, strict contract management, effective protection of consumer rights and interests, active poverty alleviation and social welfare undertakings, and conscientiously fulfilling various social responsibilities. The Company is required to comply with the disclosure requirements of the chemical industry in the "No. 3 Self-disciplinary Supervision Guidelines for Listed Companies of the Shenzhen Stock Exchange - Disclosure of Information on Industries".

The company has set up a production safety committee to provide unified leadership and coordination of the company's safety work, with a safety committee office under it. The company set up the safety and environmental protection department as the company's safety management organisation, responsible for the company's safety production daily affairs management, guidance and supervision of the company's departments to carry out safety business; the company's subsidiaries set up safety and environmental protection department, responsible for the branch's safety production business management, equipped with a full-time safety management personnel; team is equipped with a part-time safety officer.

The company has established and perfected the production safety responsibility system and the production safety management system, and formulated and revised the production safety operation procedures for relevant production positions. From the general manager, deputy general manager to the department leaders, from the safety officer, team leader to the post operator, the production safety responsibility system has been formulated at all levels, so that everyone has the responsibility and the post has the rules and regulations, and at the same time, the production safety management system has also been formulated. At the same time in the establishment of sound rules and regulations, we seriously organise all units of the company to study and firmly implement, pay close attention to the implementation of the system, and strive to form a long-term safety mechanism.

1. Responsibility for production safety

The company strictly implements the system of production safety responsibility of all staff, and signs production safety responsibility letters at all levels. Firstly, the general manager of the company and the first person responsible for the production safety of each department signed the production safety responsibility letter; secondly, the first person responsible for the production safety of each department signed the production safety responsibility letter with the team leader of the department; finally, the team leader signed the production safety responsibility letter with the team members. It forms a strong, effective, all-round production safety responsibility system, which has played a positive role in promoting and facilitating the in-depth implementation of various production safety work.

2. Security management system

The company has formulated the Compendium of Safety Management System, which includes the setup of safety production management institutions, safety team construction, safety management network diagram, safety production responsibility system, duties of all levels of the safety committee, commitment to safety production responsibility, safety responsibility system for all levels of personnel and assessment and management methods, management regulations on the investigation and management of hidden dangers, management measures on safety education and training, regulations on reporting hidden dangers, management system on the identification and evaluation of dangerous and harmful factors, and the assessment and management system on the dual control system, etc. 43 of them form a better management system. The company has 43 management systems, including the management system for identification and evaluation of

hazardous and harmful factors, and the management system for assessment of the dual-control system, forming a more complete management system.

3. Job operation rules

The company has prepared safety operation procedures covering all process operations, which are updated and revised in a timely manner.

4. Security education

According to the company's "annual training plan", special operators are trained and certified to ensure that the rate of certified personnel is 100%. For new employees who join the factory or transfer to new jobs, the company has carried out three-level safety training, and signed labour contracts only after they have passed the examination; it has entrusted qualified units to carry out qualification training for safety management personnel, qualification training for occupational hygiene management personnel, health training for operators to obtain certificates, and organised and carried out vocational skills training for operators, and various branches and departments have carried out a variety of forms of safety training.

5. Emergency response plan for security incidents

The company has prepared the Emergency Response Plan for Production Safety Accidents and invited experts to review it, which includes comprehensive plan, special plan and on-site disposal plan. The company is equipped with professionally trained emergency rescue personnel to cope with the occurrence of unexpected accidents, and at the same time, it has made reasonable arrangements for the people, machines, materials and materials at the production site, and formulated a site management system to ensure a safe and orderly working environment, with spacious safety passages at the production site, and safety exits in many places, which are clearly marked, and evacuation of the people in case of unexpected accidents is taken care of by the leaders of each unit and the team leaders, so as to ensure the safety of the workers. The evacuation of people in case of an accident is the responsibility of leaders and team leaders of each unit to ensure the safety of workers. The company in the factory according to the fire requirements configured a large number of fire extinguishers, developed a fire safety management system, clear responsibilities, to ensure that the performance of emergency equipment is good.

6. The use, maintenance and inspection of the company's main safety facilities and safety facilities

The company's safety facilities mainly include guardrails, guards, safety brake pull ropes (rods), level gauges, pressure gauges, monitors, safety valves, pressure switches, fire trucks and so on.

- (1) The company has established measurement accounts such as pressure gauges and liquid level meters; lifting equipment, pressure vessels and other special equipment accounts; and entrusted qualified units to test regularly.
- (2) All kinds of safety devices have a person in charge, frequent inspection tours, maintenance and management;
- (3) A safety device equipment ledger was established, compiled into an equipment overhaul plan, and overhauled and maintained;
- (4) Regularly check the integrity of the fire protection system, electrical system and other safety devices and facilities, and report or deal with any problems promptly.

(5) Lightning and anti-static facilities are regularly monitored annually to ensure that the grounding resistance meets the requirements of the standard specifications.

(6) Routine maintenance and repair of surveillance facilities to ensure normal and effective use.

(7) Work safety standardisation

The company has obtained the second level certificate of safety production standardisation for many years, and at this stage in the second level enterprise re-assessment of safety production standardisation, the company has completed the self-assessment report and declared in the enterprise information management system of safety production standardisation, and completed the assessment of the safety production standardisation experts and qualification units, waiting for the issuance of certificates.

(8) Administrative penalties for work safety accidents

During the reporting period, the Company did not have any major production safety accidents, nor was it subject to administrative penalties for violation of production safety laws and regulations.

III. Consolidation and expansion of poverty eradication and rural revitalisation

In 2021, one middle-level cadre was assigned to Shuitou Village, Shidong Township, Xifeng County, to continue to do a good job of looking back at poverty eradication and seeking practical results in rural revitalisation. The company's team exchanged visits with the teams of Shizui Town and Shuitou Village to study the rural revitalisation plan, and invested RMB 80,000 to support Shuitou Village in the rectification of the village appearance. During the "two festivals", members of the Company's team visited 6 households in Shuitou Village and sent them condolence money of RMB 3,000 and rice, oil and other condolence goods.

Section VI. Important matters

I. Implementation of commitments

1. Matters in respect of which the Company's de facto controllers, shareholders, connected parties, acquirers and the Company and other parties related to the undertakings have fulfilled their undertakings during the reporting period and have not yet fulfilled their undertakings as at the end of the reporting period

√ Applicable □ Not applicable

Subject matter of the commitment	committed party	Type of commitment	Content of the commitment	Commitment time	Commitment period	Fulfillment
Commitment to Stock Reform						
Commitments made in the acquisition report or the report on changes in equity						
Commitments made at the time of the reorganisation of assets						
			<p>1. I undertake not to transfer benefits to other units or individuals without compensation or on unfair terms, nor to</p> <p>No other means are used to the detriment of the company's interests.</p> <p>2, (b) To exercise discipline over his or her spending behaviour in the performance of his or her duties.</p> <p>3. Not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of my duties. 4.</p> <p>Directors</p> <p>The Board of Directors or its Remuneration and Evaluation Committee determines the remuneration of the staff of the</p>			

Commitments made at the time of initial public offering or refinancing	Directors and senior management of the Company member	Other commitments	Company. Report 2021	2021 07 30th day of the month	Under normal fulfilment
			<p>Propose (if entitled to) and support a remuneration system when Remuneration system and implementation of corporate reward measures</p> <p>The performance is linked to the Board of Directors, Shareholders</p> <p>The General Meeting voted (if entitled to vote) in favour of remuneration</p> <p>Implementation of the system and the company's measures to fill the return</p> <p>The relevant motion linked to the situation. 5. If the company implements the share incentive programme in the future, the commitment to future share</p> <p>The exercise conditions of the Option Incentive Scheme will be the same as those of the Company's fill-in period.</p> <p>The implementation of compensatory return measures is linked.6,</p> <p>From the date of issuance of this undertaking to the date of the Company's public offering.</p> <p>Before the implementation of the convertible bonds is completed, if the China Securities Regulatory Commission</p> <p>Will make a commitment on measures to fill the return and its commitment</p> <p>of other new regulatory requirements, and the above commitment</p> <p>Novo is unable to satisfy such requirements of the CSRC</p> <p>When the time comes, it will then be in accordance with the latest CSRC's</p> <p>Provides for the issuance of supplementary commitments. 7.</p> <p>If you are one of the responsible</p>		

		<p>parties for the reporting measures, you will be liable for any violation of the the above undertakings or refuses to fulfil the above undertakings, this The person agrees to accept the China Securities Regulatory Commission and Shenzhen Securities Securities regulators, such as exchanges, in accordance with their</p>	Report 2021		
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			<p>or the relevant regulations or rules issued, to my</p> <p>Impose relevant penalties or take relevant management measures (m at implementation, causing losses to h the company or investors) g e n u</p> <p>I am willing to assume the responsibility for the company or investment in accordance with the law</p> <p>The Government of the Republic of Korea shall not be liable to any person for any offence committed by any person under the law.</p>			
	<p>Guiyang City Industry and Commerce Industry</p>	<p>Other commitments</p>	<p>1. In accordance with relevant laws and regulations and the Articles of Association of the Company. and not to intervene ultra vires in the exercise of their rights.</p> <p>The Company's business management activities, and does not encroach on the Company's profits.</p> <p>The Company shall effectively fulfil its obligations with respect to the filling of the following documents and the Company's measures to make up for such returns.</p> <p>Any commitments made in relation to measures to fill the return</p> <p>If the Company breaches any of these undertakings and gives rise to a public liability, the Company shall not be liable for any loss or damage arising out of such breach.</p> <p>If the Company or the investor causes any loss, the Company is willing to</p> <p>Intends to be legally liable to indemnify the company or investors</p> <p>Liability. 3. From the issuance of this commitment letter to the completion of the implementation of this public offering of convertible bonds, if the China Securities Regulatory Commission (CSRC) makes a decision on measures to</p>	<p>2021 07 30th day of the month</p>		<p>Under normal fulfilment</p>

	Investment Group Co.		<p>fill the return and its Report 2021</p> <p>other new regulatory requirements, and that this commitment</p> <p>The relevant contents of the Promise Letter cannot satisfy the China Securities Regulatory Commission</p> <p>In the event of such a provision, the Company undertakes at that time to comply with the Issuance of supplementary undertakings in accordance with the latest regulations of the China Securities Regulatory Commission (CSRC)</p> <p>No. 4, Responsibility as a filler for returns</p> <p>One of the subjects, if it violates the above commitment or refuses to</p> <p>Fulfilment of the above undertakings, the Company agrees to accept the China</p> <p>The State Securities Regulatory Commission and the Shenzhen Stock Exchange and other securities</p> <p>Regulators, in accordance with the relevant regulations they have developed or issued on</p> <p>The Company is subject to the relevant regulations and rules.</p> <p>Penalties or related management measures.</p>			
			<p>(hereinafter referred to as the "Company"), the Company undertakes to subscribe for the convertible bonds to be issued by Guizhou Tyre Company Limited (hereinafter referred to as the "Company"), and the specific amount of subscription will be determined in accordance with the terms of the agreement.</p> <p>Convertible bond market conditions, this convertible bond issue</p> <p>Specific programmes, the financial</p>			

Report 2021					
	Guizhou Tyre Company Limited	Subscription commitment	<p>situation of the enterprise and the Securities Law and Administrative Measures for Convertible Corporate Bonds</p> <p>Within 6 months prior to the issuance date of this commitment letter (inclusive), this enterprise does not have the right to reduce its holdings of the Company's shares or other shares of an equity nature. of the securities of the Company, there is no plan to reduce its holdings or an</p> <p>Within 6 months from the issuance of this commitment letter to the subscription of the convertible bonds (inclusive), the Company will not be liable for any loss or damage arising from the subscription of the convertible bonds.</p> <p>will not reduce their holdings of the Company's shares or other shares with a securities in the nature of rights and there is no reduction of any Company shares or other certificates in the nature of an equity interest</p> <p>The Company has voluntarily made the above mentioned plans for the securities.</p>	2021 12 14th of January	Under normal fulfillment

		<p>commitment and voluntarily accept. to be bound by this letter of commitment</p> <p>In the event of a breach of the above undertakings by the Company, a reduction of the public shareholding</p> <p>Company's shares, the Company has reduced its shareholding in the Company as a result of</p> <p>The proceeds from the shares shall belong entirely to the Company and</p> <p>bear the legal responsibility arising therefrom according to the law. If causing losses to the company and other investors.</p> <p>The enterprise will be liable for compensation in accordance with the law.5. If the</p> <p>Relevant laws applicable after the issuance of this commitment letter(</p> <p>Laws, regulations, normative m documents, policies and a certificates h) In the event of changes in the g requirements of the securities e regulator, this n The enterprise undertakes to u automatically apply the changed s relevant</p> <p>Laws, regulations, normative documents, policies and Requirements of securities , regulators. a</p>			
		<p>(hereinafter referred to as the "Company"), I will decide whether or not to participate in the subscription of the convertible bonds, depending on the circumstances.</p> <p>this convertible bond. If the company initiates this convertible Debt issue date with myself and my spouse and parents,</p> <p>Children and other close family members last reduced their shareholding in the company</p> <p>The interval between the dates of</p>			

	Directors, senior management involved as appropriate	Other commitments	<p>the tickets is less than six months (inclusive)</p> <p>The person himself/herself and close relatives such as spouse, parents, children, etc.</p> <p>Will not participate in the subscription of the Company's current issue of convertible</p> <p>2. If I participate in the subscription of the Company's current issue of Convertible Bonds issued, I undertake that I and my spouse Parents, children and other close family members will strictly observe the Certificate Securities Law and Administrative Measures for Convertible Corporate Bonds Stock trading in accordance with the relevant laws and regulations</p> <p>I will not reduce my holdings of the Company's shares or other securities of an equity nature within six months before or after subscribing for the convertible bonds. 3. I voluntarily make a the foregoing commitment and voluntarily accepts this letter of commitment as Binding. If I and my spouse, parents, children</p> <p>In the event of a breach of the above undertakings by a close family member of the Company, the Company's shareholding will be reduced.</p> <p>Shares of the Company or other securities in the nature of equity and his or her spouse, parents and children and other close family members of the Company as a result of a reduction in their holdings of the Company's shares or other activities with</p> <p>Proceeds from securities with an equity nature are fully attributable to owned by the company and is legally liable for the resulting</p>	Report 2021 2021 12 14th of January		Under normal fulfilment
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			<p>Legal Liability. If you give the company and other investors I shall be liable to pay compensation in accordance with the law for any damage caused Responsibility. 4. If applicable after the issuance of this Letter of Undertaking</p> <p>The relevant laws, regulations and normative documents, Changes in policies and requirements of securities regulators</p> <p>In the event of a change, I undertake to automatically apply the change</p>	Report 2021			
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			The relevant laws, regulations and normative documents, policies and requirements of securities regulators.			
	Directors and supervisors of the Company not participating in the subscription of convertible bonds	Other commitments	<p>1. I undertake not to participate in the subscription of Guizhou tyre shares (hereinafter referred to as the "Company") this time convertible bonds and will not entrust other entities to participate in the This convertible bond subscription.</p> <p>2. I undertake that I and my spouse, parents, children and other close relatives will strictly observe the relevant provisions of short-term trading and bear the legal responsibility arising therefrom in accordance with the law. 3. I undertake to strictly observe the Securities Law, the Convertible Measures for the Administration of Exchanging Corporate Bonds and Other Relevant Laws</p> <p>regulations, if I violate the relevant regulations or this Commitment to cause losses to the company and other investors I will be responsible for any legal consequences arising therefrom in accordance with the law.</p> <p>Legal responsibility.</p>	2021 12 14th of January		Under normal fulfilment
			<p>1. Participate in the subscription with legitimate own or self-financed funds</p> <p>This non-public offering of shares, the subscription ratio is not Lower than the finalised issue price of the private offering</p> <p>43.50 per cent of the number of shares to be issued and completion of the issue</p> <p>After Party B and parties acting in concert with it have cumulative holdings of A</p>			

	Guiyang City Industry and Commerce Industry Investment Group Co.	Subscription commitment	<p>The proportion of shares of the party shall not exceed 30%. 2. From the date of this announcement, the shareholding of the party shall not exceed 30%.</p> <p>Not to transfer the shares subscribed in this subscription within 18 months from the date of closure of the private offering.3. Not to participate in the market quotation process of this private offering, but to</p> <p>Commitment to Accept Other Issuing Parties Subscription Auction Settlement and subscribe at the same price as the other issuers.</p> <p>purchase the shares in this private offering. If this</p> <p>No subscription offer or no valid offer for the issue</p> <p>In the event that the price of the Bonds is lower than the price of the Bonds, Guiyang AIC will issue the Bonds at the price of the Bonds.</p> <p>The Company subscribed for the Private Offering at the Offering Floor Price of the Bank</p> <p>The stock.</p>	Report 2021 2020 09 05th of May		Under normal fulfillment
	Guiyang City Industry and Commerce Industry Investment	Other commitments	<p>1. In accordance with relevant laws and regulations and the Articles of Association of the Company.</p> <p>and not to intervene ultra vires in the exercise of their rights.</p> <p>The Company's business management activities, and does not encroach on the Company's profits.</p> <p>The Company shall effectively fulfil its obligations with respect to the filling of the following documents</p> <p>The Company shall not be liable for any loss or damage arising from any breach by the Company of any of the undertakings given by the Company to the Company in respect of the relevant measures for the purpose of</p>	2020 09 05th of May		Under normal fulfillment

	Group Co.	Report 2021	making up the return and any undertaking given by the Company in respect of such measures for the purpose of making up the return. If the Company or the investor causes any loss, the Company is willing to Intends to be legally liable to indemnify the company or investors Responsibility. 3. The period from the issuance of this letter of commitment to the date of this non Prior to the completion of the implementation of the public offering, if China The SFC made a decision on the measures to fill the return and its			
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			<p>In the event that there are other new regulatory requirements in relation to the undertakings and the relevant contents of this Undertaking cannot satisfy such requirements of the CSRC, the Company undertakes to issue supplementary undertakings in accordance with the latest requirements of the CSRC at that time. 4. As one of the parties responsible for the measures to fill in the returns, if it violates the aforesaid undertakings or refuses to fulfil the aforesaid undertakings, the Company agrees to accept relevant penalties or take relevant administrative measures against the Company by the CSRC, the Shenzhen Stock Exchange and other securities regulatory bodies in accordance with relevant regulations or rules formulated or issued by them. The Company agrees to accept the relevant penalties or management measures imposed by the CSRC, the Shenzhen Stock Exchange and other securities regulatory authorities in accordance with the relevant regulations and rules formulated or issued by them.</p>			
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	Directors and senior management of the Company	Other commitments	<p>I undertake not to transfer benefits to other units or individuals without compensation or on unfair terms, or to use other means to harm the interests of the Company.2 I shall impose restrictions on the consumption behaviour of the Directors and senior management, including myself, in their official capacity.3 I shall not use the Company's assets to engage in investment or consumption activities unrelated to the performance of my duties.4 I shall, when the Board of Directors or its Remuneration and Evaluation Committee formulates the remuneration system, propose (if entitled) and support the linkage between the remuneration system and the implementation of the Company's measures to fill in the returns, and vote (if entitled to vote) in favour of the relevant motions in the Board of Directors' and Shareholders' General Meetings on the linkage between the remuneration system and the implementation of the Company's measures to fill in the returns.5. In the event that the Company implements the equity incentive scheme in the future, it is committed that the terms of the exercise of the equity incentive scheme in the future will be linked to the implementation of the Company's measures to fill in the returns.6, From the issuance of this undertaking to the completion of the implementation of the Company's non-public offering of A shares, if the China Securities Regulatory Commission (CSRC) makes other new regulatory provisions on the measures to fill in</p>	2020 09 05th of May	Under normal fulfilment
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			<p>the returns and its undertakings, and the above undertakings do not satisfy such provisions of the CSRC, additional undertakings will be issued in accordance with the latest provisions of the CSRC at that time. 7. As one of the main parties responsible for the filling in of the returns, I agree to be a party to the above undertakings in case of any breach of the undertakings or refusal to fulfil the above undertakings. If I refuse to fulfil the above undertakings, I agree to accept the relevant penalties or management measures to be imposed on me by the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange (SZSE) in accordance with the relevant regulations and rules formulated or issued by the CSRC and SZSE.</p> <p>Sch.</p>	Report 2021		
	Guiyang City Industry and Commerce Industry Investment Group	Avoidance of interbank	1. Neither the Company nor any enterprise controlled by the Company produces or develops any products or services related to the Issuer and its subsidiaries.	2020 09		normal fulfilment

	Ltd. , Guiyang Industrial Development Holding Group Co.	Competiti on commitme nts	subsidiaries that compete or may compete with the products produced by the Issuer and its subsidiaries, and does not directly or indirectly operate any business that competes or may compete with the business operated by the Issuer and its subsidiaries, and does not participate in investing in any other enterprise that competes or may compete with the products produced or business operated by the Issuer and its subsidiaries.2. The Company and the enterprises controlled by the Company will not produce, develop any product that competes or may compete with the products manufactured by the Issuer and its subsidiaries, and will not directly or indirectly operate any business that competes or may compete with the business operated by the Issuer and its subsidiaries, and will not participate in any investment in any other enterprise that competes or may compete with the products manufactured or business operated by the Issuer and its subsidiaries. 3. If the Issuer and its subsidiaries further expand their products and business scope, the Company and the enterprises under the Company's control will not compete with the expanded products or businesses of the Issuer and its subsidiaries; if there is competition with the expanded products or businesses of the Issuer and its subsidiaries, the Company and the enterprises under the Company's control will cease to produce or operate the competing businesses or products in the same manner, or will incorporate the competing	28th of March		middle
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			business into the operations of the the issuer, or transfer the competing business to an unrelated third party. 4. This commitment letter is valid during the period in which the Company and the enterprises controlled by the Company are in a connected relationship with the issuer. The undertakings and promises made by the Company in this commitment letter are on behalf of the Company and other enterprises controlled by the Company.			
	Guiyang City Industrial and Commercial Industry Investment Group Co.	Commitment to Regulate Connected Transactions	During the period in which the Company is the (indirect) controlling shareholder of the Issuer, the Company and other enterprises controlled by the Company will endeavour to minimise and avoid connected transactions with the Issuer. If it is difficult to avoid connected transactions due to objective circumstances, the Company and other enterprises under the	2020 09 28th of March		Under normal fulfilment

		<p>Company's control will strictly follow normal commercial standards, enter into standardised connected transaction agreements with the issuer in accordance with the law, and determine the connected transactions on the basis of the prices at which they would have been determined if they had entered into the same or similar transactions with independent third parties with whom they have no connection.</p>			
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			prices and to fulfil the approval procedures in accordance with the relevant provisions of the laws, regulations and regulatory documents as well as the Articles of Association of the Company in order to ensure the fairness of the prices and conditions of the connected transactions. During the period in which the Company is the (indirect) controlling shareholder of the Issuer, the Company undertakes not to seek any special benefits through connected transactions with the Issuer, nor to enter into any connected transactions which may prejudice the legitimate rights and interests of the Issuer and other shareholders.			
	Guiyang City Industry and Commerce Industry Investment Group Co.	Commitment of source of funds for subscription of non-publicly issued shares	The Company will participate in the subscription of the shares of Guizhou Tyre Company Limited in this non-public offering with its lawful own or self-financed funds, and there is no external fund-raising, nominee holding, structured arrangement or direct or indirect use of funds of Guizhou Tyre and its related parties for the purpose of this subscription, nor is there any case in which Guizhou Tyre, either directly or through its related parties in interest, has provided the Company with financial assistance, compensation, commitment of income or other agreement arrangements.	2020 09 28th of March		Completed

Complete
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			<p>parties acting in concert with the Company or the related parties with control relationship violate the provisions of Article 44 of the Securities Law of the People's Republic of China. 5. The Company, its concert parties and related parties with control relationship do not violate the provisions of Article 44 of the Securities Law of the People's Republic of China. 5. In the event that the Company, its concert parties and related parties with control relationship violate the above undertakings and reduce the holdings of Guizhou Tyre, the Company, its concert parties and related parties with control relationship shall not be liable for any loss or damage arising from the reduction of its holdings of Guizhou Tyre.</p> <p>Allied parties are willing to bear the corresponding legal responsibility to reduce the shareholding</p>			
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			All proceeds will go to Guizhou Tyre.			
	Guiyang Industrial Development Holding Group Co.	undertaking not to reduce holdings	<p>1. Within six months prior to the date of this commitment letter, the Company, its concert parties and related parties with control relationship have not reduced their holdings of Guizhou Tyre's shares or other securities of equity nature, directly or indirectly. 2. From the date of this commitment letter to the date of Guizhou Tyre's 2020 non-public development plan, the Company and its concert parties have not reduced their holdings of Guizhou Tyre's shares. 3. The Company and its concert parties have not reduced their holdings of Guizhou Tyre's shares.</p> <p>Within 6 months after the completion of the share issue, the Company and persons acting in concert with the Company and connected parties with control relationship will not directly or indirectly reduce their holdings of Guizhou Tyre's shares or other securities of an equity nature, and there is no plan to directly or indirectly reduce their holdings of Guizhou Tyre's shares or other securities of an equity nature, including shares generated from the conversion of Guizhou Tyre's capital surplus to share capital, distribution of stock dividends, share allotment, etc., during the commitment period. 3. The Company, parties acting in concert with the Company and connected parties with control relationship do not violate the provisions of Article 44 of the Securities Law of the People's Republic of China. 4. In the event</p>	2020 11 18th of January		Completed

			that the Company, parties acting in concert with the Company and connected parties with control relationship violate the above undertakings and reduce the holdings of Guizhou Tyre's shares directly or indirectly, the Company, parties acting in concert with the Company and connected parties with control relationship are willing to bear the corresponding legal responsibilities. 5. related parties with control relationship are willing to bear the corresponding legal responsibility, and all proceeds from the reduction of shareholding will go to Guizhou Tyre. Fetus all.			
Share Incentive Commitments						
Other commitments to small and medium-sized shareholders of the company	Guiyang City Industry and Commerce Industry Investment Group Co.	Other commitments	In the future, if it plans to reduce its shareholdings through centralised bidding transactions on the Stock Exchange, it will strictly comply with the requirements of the CSRC's "Certain Provisions on the Reduction of Shareholdings by Major Shareholders, Directors, Supervisors and Senior Executives of Listed Companies" (Announcement of the Securities and Futures Commission [2016] No. 1) and the SZSE's "Circular on Matters Concerning the Implementation of Certain Provisions on Certain Commitments on the Reduction of Shareholdings by Major	2017 04 14th of January		Under normal fulfilment

			Shareholders, Directors, Supervisors and Senior Executives of Listed Companies "and will sell its shares within 15 trading days after the date of the first 15 trading days The total number of shares to be reduced within 3 months will not exceed 1% of the total number of shares of Qian Tire.	Report 2021			
Whether commitments are honoured on time	be						
If the commitment has not been fulfilled over time, it should detail the specific reasons for not completing the fulfilment and the next step in the work plan.	Not applicable.						

2. 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 will explain that the assets or projects have reached the original profit forecast and the reasons for it.

☐ Applicable ☒ Not applicable

II. Non-operational appropriation of funds by controlling shareholders and other connected parties to the listed company

☐ Applicable ☒ Not applicable

There was no non-operational appropriation of funds by controlling shareholders and other related parties to the listed company during the reporting period.

III. Violations of external guarantees

☐ Applicable ☒ Not applicable

There were no irregularities in the Company's external guarantees during the reporting period.

IV. Explanation by the Board of Directors on the situation relating to the latest "non-standard audit report"

☐ Applicable ☒ Not applicable

V. Explanations by the Board of Directors, the Supervisory Committee and the Independent Directors (if any) on the "Non-standard Audit Report" of the Accounting Firm for the Reporting Period

☐ Applicable ☒ Not applicable

VI. Explanation of changes in accounting policies, accounting estimates or corrections of significant accounting errors compared with the previous year's financial report

☒ Applicable ☐ Not applicable

What and why changes in accounting policies	Approval process	note
The Ministry of Finance issued the revised Accounting Standard for Business Enterprises No. 21 - Leases in December 2018 (the "New Leasing Standard"). The Company implemented the aforementioned standard from 1 January 2021 and made corresponding adjustments to its financial statements on 1 January 2021 in accordance with the provisions of the aforementioned	Approval by the Board of Directors of the Company	See other note "3)" for details.

standard on convergence.	Report 2021	
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Other notes:

Under the new leasing standard, for contracts in existence prior to the first performance date (i.e. 1 January 2021), the Company has elected not to reassess whether they are leases or contain leases at the first performance date. For contracts entered into or changed after the initial implementation date, the Company assesses whether the contract is a lease or contains a lease in accordance with the definition of a lease under the new leasing standard.

The Company made the following adjustments in accordance with the relevant provisions of the new leasing standards at the effective date of the standards:

- 1) The Company, as a lessee, has elected to adjust the amounts of retained earnings and other related items in the financial statements at the beginning of the year in which it first implements the new leasing standards based on the cumulative effect of the first-time implementation of the new leasing standards without adjusting the information for comparable periods.
- 2) For operating leases prior to the date of first performance, the Company measures the lease liability at the date of first performance based on the present value of the remaining lease payments discounted at the interest rate of the Company's incremental borrowings at the date of first performance and measures the right-of-use asset at an amount equal to the lease liability for all leases, adjusted to account for prepaid rentals, if necessary.
- 3) For finance leases prior to the date of first execution, the Company measures the finance leased assets and finance leases payable separately at their original carrying amounts at the date of first execution

Right-of-use assets and lease liabilities.

The Company applies the simplified treatment for leased assets that are low-value operating leases prior to the date of first performance or leases that will be completed within 12 months, and does not recognise right-of-use assets and lease liabilities.

At 1 January 2021, the Company did not have any non-low value leases with remaining lease terms in excess of 12 months and therefore the first-time implementation of the new leasing standard did not have a material impact on the Company's financial statements.

VII. Explanation of changes in the scope of consolidation compared with the previous year's financial report

☒ Applicable ☐ Not applicable

Explanation of changes in the scope of consolidation

Name of Subsidiary	2021-12-31	2020-12-31	note
Guizhou Qianjin New Material Co.	consolidation	unestablished	Newly established in the current period
Advance Holdings (Group) International Limited	consolidation	unestablished	Newly established for the current period

VIII. Appointment and dismissal of accounting firms

Accounting firm currently engaged

Name of domestic accounting firm	Zhonghua Accounting Firm (Special General Partnership)
Domestic accounting firm remuneration (\$ million)	100
Number of consecutive years of audit services by domestic accounting firms	10
Name of Certified Public Accountant of Domestic Accounting Firm	Hao Shiming, Guo Weina
Number of consecutive years of auditing services by certified public accountants of domestic accounting firms	1 year (Hao Shiming), 2 years (Guo Weina)

Whether or not the accounting firm was reappointed during the period

☐ Yes ☒ No

Engagement of internal control audit accounting firms, financial advisers or sponsors

☒ Applicable ☐ Not applicable

During the year, the Company engaged Zhonghua Accounting Firm (Special General Partnership) as the internal control auditor and paid an audit fee of RMB500,000 for the audit;

During the year, the Company, in connection with the initiation of the public offering of convertible bonds, engaged Guosen Securities Co., Ltd. as the sponsor, with a sponsorship fee of \$2 million, and paid a sponsorship fee of \$1 million in advance as agreed.

IX. Facing delisting after disclosure of the annual report

☐ Applicable ☒ Not applicable

X. Matters relating to insolvency reorganisation

☐ Applicable ☒ Not applicable

There were no matters related to bankruptcy and reorganisation in the reporting period of the Company.

XI. Significant litigation and arbitration matters

√ Applicable □ Not applicable

Litigation (arbitration)	sum involved	Whether a	Progress in	Outcome and impact of	Enforcement of litigation (arbitration) judgements	Date of disclosure	Disclosur e Index
Wholly owned Company Guizhou limited liability company (hereinafter) referred to as "Ex-Im" Ltd., Heavy Keishosha Ltd. (to (hereinafter referred to as "Chongshang Chemical"), a dispute over a sale and	5,200.08	clogged	During the reporting period, the Import and Export Company received a Notice of Case Closure served by the Chongqing No. 1 Intermediat e People's Court	Judgement: 1. Defendant Pratt & Limited on the date (b) To submit a report to the Secretary- 52,000,765.7 and compensation Reimbursement from (a) the date on which \$52,000,765.7 as a base Loans published by Market quoted Loss of interest; 2. Respondent re Commitment for obligation 1 above , joint and several liability for liquidation; and 3. The obligation to pay People's Republic of Civil Procedure Law Article 53 of the Convention, plus (b) Interest on the debt for the period of delayed fulfilment. Case acceptance (Hong Kong) Shosha Chemical The same burden. If Decision, Plaintiff Export LLC, Defendant Company, third party The tyre company Ten days from the Within five days,	The Chongqing No. 1 Intermediate People's Court (hereinafter referred to as the "Court"), on the basis of the legally effective Civil Judgement No. 1326 (2019 Yu 01 Min Chu 1326) rendered by the Court, has issued the following judgement and the application of the applicant for enforcement, on 2021 (2021) YU 01 dated 13 September 2009 and issued as (2021) Yu 01 The case was filed for execution on 2073, the subject matter of the case. for \$52,000,765.7 and interest, etc. This On 14 September 2021, the Court issued a Notice of Execution to the Executor, ordering the Executor to perform the payment obligation to the Applicant, but the Executor failed to perform the obligation determined by the effective legal instrument. In the course of execution, on 15 September 2021, the Court issued a notice of execution to the executor, ordering the executor to fulfil the payment obligation to the applicant. Notify the third party Guizhou Tyre Company Limited by (2021) Yu 01 Enforcement	11 Novem ber 2019 9 Septembe r Announce ment Regarding Litigation Filed by a Wholly- Owned Subsidiary ,2019 19 Decembe r A n n o u n c e m e n t on Wholly- owned Subsidiar y's Applicatio n for Litigation Property Preservat ion'dated 21 June 2021, "Annou ncement on Wholly-	

				<p>International Trading (Hong Kong) Limited The company may serve the judgement</p> <p>Within thirty days from the date of the This Court filed a brief on appeal and</p> <p>By number of opposing parties Filing a copy of the appeal in the re Qing Higher People's Court.</p> <p>Impact on the company: based on Prudence, the company was 2019filing markers for this case of \$52,000,765.70 vs. The Company is payable to Pratt & Whitney</p> <p>The difference in payment for goods has been fully accrued Provision for bad debts. Less remittances Rate change factor, end of case</p> <p>Conclusion of the present enforcement proceedings against the public The Group's profit for the current and</p>	<p>Subpoenaed, searched for, not declared by the executor property, the Court has made a charge against the executor's bank account Households, houses, vehicles, equity, etc. for A web search was conducted and in addition to the above property The Court has not found that the executor has any other executable property, the applicant also Failure to provide clues as to property available for enforcement. The Court has now restricted the executor from high consumption, and informing the above implementation The applicant for enforcement. The Court is of the opinion that, except for the property mentioned above, the Court has exhausted all the possibilities of enforcing the law against the applicant. The enforcement of measures against the property of the executor is a matter of urgency. A search was made and the executor was not found.</p> <p>Other executable property, application for execution Nor has the person provided any other information about the executor's available execution property and clues, this case meets the final Conditions for the closure of the present enforcement</p>		
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				subsequent periods does not Impact.	proceedings. Closure of the present After the second enforcement proceeding, the executor still There is an obligation to continue to pay the debt.		
Company and Subsidiaries The Division did not meet the heavy Big Litigation Disclosure Standard other Litigation matters	909.49	clogged	Corporation v. Bijou Lifan Stallion Revitalised vehicles have limited company 201.28 million Contractual disputes I Case, judgement delivered The company has applied for Enforcemen t. The (m remaining a cases are h) being g e n u s At trial.	No judgement or execution.	under implementation		

XII. Penalties and rectification

☐ Applicable ☒ Not applicable

There were no penalties or corrective actions taken by the company during the reporting period.

XIII. Integrity of the Company, its controlling shareholders and de facto controllers

☒ Applicable ☐ Not applicable

During the reporting period, the Company, its controlling shareholders and de facto controllers did not fail to honour court judgements in force, or incur debts of a substantial amount that were due and unpaid.

XIV. Significant connected transactions

1. Connected transactions related to daily operations

√ Applicable □ Not applicable

Related parties	affiliate relationship	Type of connected transaction	Contents of connected transactions	Pricing Principles for Connected Transactions	Related Transaction Prices	Amount of connected transactions (\$ million)	Percentage of value of similar transactions	Amount of approved transactions (\$ million)	Whether the approved amount is exceeded	Settlement of Connected Transactions	Market value of comparable transactions available	Date of disclosure	Disclosure Index
Guizhou Advance Rubber Tube Company	Tertiary controlled subsidiaries of controlling shareholders	Procurement of ancillary commodities	Purchase of inner tube cushion belts	Pricing by reference to market agreements	11.39 /kg	6,102.03	32.67 per cent	6,500	clogged	Balance to be paid monthly by hedging the amounts of the two types of transactions	11.39 /kg	2021 April 27 date	2021 Announcement of daily connected transactions
Guizhou Advance Rubber Tube Company	Tertiary controlled subsidiaries of controlling shareholders	Sales of semi-finished products and waste materials to related parties	Sales of rubber mixes and steam (mats) genus	Pricing by reference to cost agreements	8.55 Yuan/kg	3,457.23	100.00 %	3,800	clogged	Balance to be paid monthly by hedging the amounts of the two types of transactions	8.55 Yuan/kg	2021 April 27 date	2021 Announcement of daily connected transactions

Report 2021													
Guizhou tyre factory	Second-tier subsidiaries of controlling shareholders	Sales of semi-finished products and waste materials to related parties	Sale of used tyres and scrap	Pricing by reference to market agreements	waste tyres 82.39 /Article	761.11	100.00 %	1,300	clogged	Monthly reconciliations	waste tyres 82.39 /Article	2021 April 27 date	2021 Announcement of daily connected transactions
Guizhou tyre factory	Second-tier subsidiaries of controlling shareholders	Acceptance of labour from related parties	Acceptance of cargo transport and handling services	Pricing by reference to market agreements	1 yuan/tone. Kilometres	1,602.21	5.88 per cent	2,600	clogged	Monthly reconciliations	1 yuan/tone. Kilometres	2021 April 27 date	2021 Announcement of daily connected transactions
Guizhou tyre factory	Second-tier subsidiaries of controlling shareholders	Acceptance of labour from related parties	zero tolerance Star Construction and Machining Services Procurement Plastics Bags and Matting, etc.	Pricing by reference to market agreements	Bidding and pricing	1,303.99	1.24 per cent	1,850	clogged	Monthly reconciliations	unavailable	2021 April 27 date	2021 Announcement of daily connected transactions
Guizhou tyre factory	Second-tier subsidiaries of	Acceptance of labour from	Acceptance of passenger	Pricing by reference to	400 per trip	235.59	100.00 %	400	clogged	Monthly reconciliations	unavailable	2021 April 27 date	2021 Announcement of daily

Guizhou Tyre Company Limited Full Annual Report 2021													
	control ling shareh olders	related parties	nger service s	market agree ments									conne cted transa ctions
Guizhou tyres	controlli ng stake	accepta nce pass	Accepta nce of meals	market interven tion	226.80	175.12	100.00	226.8	clogged	monthly review of	unavail able	2021	2021

factory	Easter n Subor dinate Subsid iaries	Labour provid ed by associ ates	Logisti cs service s such as drinks	servant	Yuan/ year		%			settle an account t	get	April 27 date	Annou nceme nt of daily conne cted transa ctions
Guiyang Dangero us Peak Logistics Co.	Tertiar y subsidi aries of control ling shareh olders	Accept ance of labour from related parties	Accept ance of cargo transp ort service s	market pricing	1 yuan/to nne. Kilomet res	412.3	1.51 per cent	500	clogged	Monthl y reconc iliation s	1 yuan/to nne. Kilomet res	2021 April 27 date	2021 Annou nceme nt of daily conne cted transa ctions
add up the total				—	—	14,049. 58	—	17,176. 8	—	—	—	—	—
Details of large sales returns				There were no significant sales returns during the reporting period.									
Actual performance during the reporting period, if any, of daily connected transactions expected to occur during the period in total amount by category				In the year 2021, the Company expects to have daily connected transactions with Guizhou Tyre Factory, Guizhou Advance Rubber Inner Tube Company and Guiyang Dangerous Peak Logistics Company Limited, which are subsidiaries of the controlling shareholder Guiyang City Industrial and Commercial Industry Investment Group Co. The actual amount was RMB 140,495,800 out of RMB 17,176,800, which was 18.21 per cent less than the estimated amount. Details are shown in the table above.									
Reasons for large differences between transaction prices and market reference prices (if applicable)				The prices of related transactions do not differ significantly from the market reference prices.									

2. Connected transactions arising from the acquisition or disposal of assets or equity interests

☐ Applicable ☒ Not applicable

The Company did not engage in any connected transactions for the acquisition or disposal of assets or equity interests during the reporting period.

3. Connected transactions for joint foreign investment

☐ Applicable ☒ Not applicable

The Company did not have any connected transactions of joint foreign investment during the reporting period.

4. Related debt transactions

☐ Applicable ☒ Not applicable

The Company had no related debt transactions during the reporting period.

5. Transactions with finance companies with which a relationship exists

☐ Applicable ☒ Not applicable

There are no deposits, loans, credit or other financial operations between the Company and the finance companies with which it has a relationship and the related parties.

6. Transactions between the finance company controlled by the company and related parties

☐ Applicable ☒ Not applicable

There are no deposits, loans, credit facilities or other financial operations between the Company's holding company, the Finance Company, and related parties.

7. Other significant connected transactions

√ Applicable ☐ Not applicable

Connected transaction of a wholly-owned grandson company as a result of a public tender:

The Company's wholly-owned overseas grandson, Advance Tyre (Vietnam) Limited Liability Company, formed a connected transaction with Guiyang Yongqing Instrumental Technology Company Limited, a wholly-owned subsidiary of Guiyang City Industrial and Commercial Industry Investment Group Company Limited, the controlling shareholder of the Company, in March 2020 due to public tender, with a transaction amount of US\$3,110,600 (for details, please refer to the "Announcement on Connected Transaction of the Wholly-owned Grandson Company Due to Public Tender" dated 21 March 2020 disclosed). (Announcement on Connected Transaction Formed by Wholly-owned Grandson Company due to Public Tender). The relevant goods were fully delivered in November 2020 and acceptance has been completed, and as at the end of the reporting period, payment has been completed except for the warranty deposit in accordance with the terms of the contract.

Enquiry relating to the website for disclosure of interim report on material connected transactions

Name of Temporary Announcement	Interim announcement disclosure date	Name of website for disclosure of temporary announcements
Announcement on Connected Transaction of Wholly-owned Grandson Company as a Result of Public Tender	21 March 2020	Juchao information network

XV. Significant contracts and their performance

1. Status of trusteeship, contracting and leasing matters

(1) Hosting situation

☐ Applicable ☒ Not applicable

The company was not in escrow during the reporting period.

(2) Contractual situation

☐ Applicable ☒ Not applicable

There were no contracting situations in the company's reporting period.

(3) Rental situation

☐ Applicable ☒ Not applicable

There were no leases in the company's reporting period.

2. Significant guarantees

☐ Applicable ☒ Not applicable

There were no material guarantees in the company's reporting period.

3. Delegation of cash asset management

(1) Entrusted financial management

☐ Applicable ☒ Not applicable

The Company did not have any entrusted finance during the reporting period.

(2) Status of entrusted loans

☐ Applicable ☒ Not applicable

The Company did not have any entrusted loans during the reporting period.

4. Other major contracts

☐ Applicable ☒ Not applicable

The company had no other significant contracts during the reporting period.

XVI. Description of other significant matters

☒ Applicable ☐ Not applicable

1. Progress in the matter of monetary compensation for the expropriation of houses in the old factory area:

According to the "Decision of the People's Government of Yunyan District on the Expropriation of Houses on State-owned Land within the Planning Red Line of the Tire Factory (Factory) Land Level Development Project", the implementation of the land level development project of the land of Yunzou-2019N-02 required the expropriation of houses within the scope of the land for construction planning, which involved all the production houses of the Company on No. 41 Baihua Avenue and Jinguan Road, and all the production houses of its subsidiary Guizhou Hercules Tire Co. On 14 October 2019, the Company and Hercules Company entered into a formal agreement with the Yunyan District Housing on State-owned Land Expropriation Administration ("Yunyan District Expropriation Bureau") for the expropriation of housing on state-owned land. Expropriation Bureau) formally entered into the "Housing Expropriation Monetary Compensation Agreements" (3 copies in total), with a total compensation amount of RMB2,485,528,815.79, of which the compensation amount of the "Guizhou Tyre Company Limited Jinguan Factory Phase I Housing Expropriation Monetary Compensation Agreement" was RMB1,044,578,557.60, the "Guizhou Tyre Company Limited Jinguan Factory Phase II Housing Expropriation Monetary Compensation Agreement" compensation amounting to RMB1,164,442,862.09, and "Hercules Company" Housing Expropriation Monetary Compensation Agreement" compensation amounting to RMB276,507,396.10. In 2020, Phase I of the "Housing Expropriation Monetary Compensation Agreement" (after deducting the compensation involved in transferring out of the scope of the expropriation, RMB53,161,657.00, the actual compensation amount was 991,416,900.60 yuan) has been fulfilled. For details of the above, please refer to the "Announcement on the Signing of the <Agreement on Monetary Compensation for House Expropriation>", "Announcement on the Progress of Monetary Compensation for House Expropriation", "Announcement on the Adjustment of the Scope of Phase I of the House Expropriation and the Receipt of a Part of the Remaining Amount of the Amount," which were disclosed on 10 September 2019, 15 October 2019, 28 November 2020 and 1 December 2020, respectively and Announcement on Receipt of All Remaining Compensation for Phase I Housing Levy.

During the Reporting Period, the Company received two housing expropriation compensation payments from Hercules Company, totalling RMB270,000,000.00. For details, please refer to the "Announcement on Receipt of Housing

Expropriation Compensation from Hercules Company" disclosed on 1 January 2021.

As at the end of the reporting period, the compensation payment of RMB1,261,416,900.60 has been received in aggregate for this housing expropriation monetary compensation matter, and there is still RMB1,224,111,915.19 of compensation payment (of which the compensation payment for transferring out of the scope of Phase I of the expropriation is RMB53,161,657.00, the entire compensation payment for Phase II of the "Housing Expropriation Monetary Compensation Agreement" is RMB1,164,442, 862.09 yuan, and the remaining compensation payment of 6,507,396.10 yuan from Hercules) has not been received.

The Company will continue to maintain active communication with the Yunyan District Expropriation Bureau in respect of the payment of the unreceived compensation and disclose relevant information in a timely manner in accordance with the progress. As the compensation payment for the housing expropriation was sourced from Guiyang City Urban Construction Investment Group Company Limited, the implementing unit of the primary development of the land, and the allocated funds were sourced from the land bidding unit, the actual progress of the Company's collection is uncertain due to the impact of the land auction and the actual progress of the land bidding unit's payment.

2. Progress of the proposed public offering of convertible corporate bonds:

As considered and approved by the 24th Meeting of the 7th Board of Directors, the 18th Meeting of the 7th Supervisory Committee and the 2nd Extraordinary Shareholders' General Meeting in 2021, the Company intends to raise a total of not more than RMB 1,800,000,000 (including RMB 1,800,000,000) through the issuance of convertible bonds, and after deducting issuance costs, the net proceeds are to be invested in the project of "Annual Production Capacity of 3,000,000 Sets".

High Performance All-steel Radial Tyre Intelligent Manufacturing Project (Zazo IV)" and "1# Intelligent Sorting and Transfer Centre Project". They are still in the review stage.

XVII. Material matters of the Company's subsidiaries

√ Applicable □ Not applicable

Progress of the project to produce 1.2 million all-steel radial tyres per year in Vietnam:

In the second quarter of 2021, the Xin Guan epidemic broke out in Vietnam, resulting in the progress of equipment installation and commissioning and batch trial production of the project with an annual production capacity of 1.2 million all-steel radial tyres in Vietnam being affected. The Company held the Twenty-ninth Meeting of the Seventh Session of the Board of Directors and the Twenty-second Meeting of the Seventh Session of the Board of Supervisors on 23 December 2021, at which it considered and passed the "Proposal on the Extension of the Proceeds Investment Project" and agreed to extend the completion of the project (i.e., the completion of the project conversion) to 30 June 2022. The Company has taken proactive measures, such as sending additional employees in key positions to Vietnam; the Vietnam Company has also accelerated the progress of staff recruitment and training to promote the implementation of the project while earnestly implementing the local epidemic prevention and control policies. Currently, the average daily production of the project has reached over 2,000 bars.

Section VII. Changes in shares and shareholders

I. Changes in shares

1. Changes in shares

Unit: shares

	Before this change		Increase/decrease (+, -) in current changes					After this change	
	quantities	proportions	issue new shares	a share grant	conversion of provident fund	the rest	Subtotal	quantities	proportions
I. Restricted shares	22,125,000	2.77 per cent	69,047,619				69,047,619	91,172,619	9.53 per cent
1. State shareholding									
2. Shareholding by State-owned legal persons			69,047,619				69,047,619	69,047,619	7.22 per cent
3. Other domestic holdings	22,125,000	2.77 per cent						22,125,000	2.31 per cent
Of which: shares held by domestic legal persons									
Domestic natural person shareholding	22,125,000	2.77 per cent						22,125,000	2.31 per cent
4. Foreign shareholding									
Of which: Overseas legal entities holding shares									
Overseas natural person shareholding									
II. Unlimited shares	775,464,304	97.23 per cent	89,682,539				89,682,539	865,146,843	90.47 per cent
1. RMB ordinary shares	775,464,304	97.23 per cent	89,682,539				89,682,539	865,146,843	90.47 per cent
2. Domestically listed foreign shares									
3. Foreign shares listed abroad									

4. Other					Report 2021			
III. Total number of shares	797,589,304	100.00 per cent	158,730,158			158,730,158	956,319,462	100.00 per cent

Reasons for changes in shares

√ Applicable ☐ Not applicable

Approved by the China Securities Regulatory Commission "Securities Regulatory Permit [2021] No. 15", in March 2021, the Company issued 158,730,158 A shares by way of a private stock offering, issuing

The total number of shares of the Company increased from 797,589,304 shares to 956,319,462 shares after the exercise. Approval of share changes

√ Applicable □ Not applicable

(1) Internal decision-making procedures performed:

On 4 September 2020, the Company convened the Sixteenth Meeting of the Seventh Session of the Board of Directors, which considered and passed the "Proposal on the Company's plan for the non-public offering of shares", "Proposal to request the General Meeting of Shareholders to authorise the Board of Directors to deal with matters relating to the non-public offering of shares on an all-embracing basis", and other proposals relating to the listing of the Offering.

On 11 September 2020, the Company received the Approval Response on Matters Relating to the Proposed Private Issue of Shares by Guizhou Tyre Company Limited (关于贵州轮胎股份有限公司拟非公开发行股有有关事宜的批复) (筑产控复[2020]35号) from Guiyang City Industrial Investment Holding Group Company Limited (贵阳市产业投资控股集团有限公司), a state-funded enterprise, which agreed to the issue.

On 30 September 2020, the Company held the Second Extraordinary General Meeting of 2020, which considered and passed the relevant proposals for the non-public offering of shares and authorised the Board of Directors to handle all matters relating to the offering with full powers, and the resolution of this General Meeting was valid until 29 September 2021.

On 18 November 2020, the Company convened the Eighteenth Meeting of the Seventh Session of the Board of Directors and considered and passed the "Proposal on the Non-public Offering of Shares by Guizhou Tyre Company Limited (Revised Draft)" and other relevant proposals.

(2) Regulatory approval process:

On 7 December 2020, the application for the non-public offering was approved by the Issue Review Committee of the CSRC.

On 12 January 2021, the Company received the "Approval of the Approval of the Non-public Offering of Shares by Guizhou Tyre Company Limited" (Securities and Regulatory Commission License [2021] No. 15) issued by the CSRC, approving the Company's non-public offering of not more than 200 million shares.

Transfers of share changes

√ Applicable □ Not applicable

The new shares of the Company in this non-public offering were registered and deposited with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 26 March 2021 and listed on the Shenzhen Stock Exchange on 29 March 2021.

Effect of share changes on financial indicators such as basic and diluted earnings per share and net assets per share attributable to ordinary shareholders of the Company for the latest year and the latest period

√ Applicable □ Not applicable

Project name	After share changes	Before share changes	Amount of impact
Earnings per share in 2021 (\$/share)	0.40	0.46	-0.06

Diluted earnings per share in 2021 (\$/share)	0.39	Report 2021 0.45	-0.06
Net assets per share attributable to the Company's ordinary shareholders at the end of 2021 (\$/share)	6.19	6.18	0.01

Other disclosures deemed necessary by the Company or required by securities regulators

☐ Applicable ☒ Not applicable

2. Changes in restricted shares

☒ Applicable ☐ Not applicable

Not applicable

Unit: shares

Name of Shareholder	Number of restricted shares at the beginning of the period	Increase in the number of restricted shares during the period	Number of shares released from lock-up during the period	Number of restricted shares at the end of the period	Reason for selling restriction	Release Date

Huang Gege	300,000	0	0	300,000	Restricted Share Incentive	From the date of registration of the completion of the equity grant After 24 months, if the conditions for unlocking are met, the incentive recipients can release the restriction on sale in three instalments within the next 36 months in the proportion of 1/3, 1/3 and 1/3.
He Yuping	300,000	0	0	300,000	Restricted Share Incentive	
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	240,000	0	0	240,000	Restricted Share Incentive	
Pu Xiaobo (1944-), PRC politician	240,000	0	0	240,000	Restricted Share Incentive	
Wang Hai (1916-1997), one of the pioneers of modern Chinese linguistics	240,000	0	0	240,000	Restricted Share Incentive	
Jiang Daikun	240,000	0	0	240,000	Restricted Share Incentive	
mythical monstrous bird, cf Sinbad's roc	240,000	0	0	240,000	Restricted Share Incentive	
Zhou Chichijun	240,000	0	0	240,000	Restricted Share Incentive	
Middle management, other core cadres (436)	20,085,000	0	0	20,085,000	Restricted Share Incentive	
Guiyang City Industry and Commerce Industry Investment Group Co.	0	69,047,619	0	69,047,619	restricted sale of shares in a private offering	18 months from the closing date of the issue
Yunnan Nengjiu Capital Investment Co.	0	23,809,523	23,809,523	0	restricted sale of shares in a private offering	29 September 2022 date
Jiangsu Xingda Steel Cord Co.	0	15,873,015	15,873,015	0	restricted sale of shares in a private offering	29 September 2022 date
Beijing Fenghui Investment Management Co.	0	13,968,253	13,968,253	0	restricted sale of shares in a private offering	29 September 2022 date
Jinxiu Zhonghe (Tianjin) Investment	0	6,984,126	6,984,126	0	restricted sale of shares in a private offering	29 September 2022 date

Management Co.				Report 2021		
Cai Tong Fund Management Co.	0	6,507,936	6,507,936	0	restricted sale of shares in a private offering	29 September 2022 date
Dacheng Fund Management Co.	0	5,555,555	5,555,555	0	restricted sale of shares in a private offering	29 September 2022 date
Suzhou Tiankai Huiyun Industrial Investment Partnership (limited partnership)	0	5,079,365	5,079,365	0	restricted sale of shares in a private offering	29 September 2022 date
Xi'an Business Technology Development Company	0	3,650,799	3,650,799	0	restricted sale of shares in a private offering	29 September 2022 date
CITIC Securities Co.	0	3,174,603	3,174,603	0	restricted sale of shares in a private offering	29 September 2022 date
Zhang Jun (1935-1989), military man and politician, president of the PRC from 1989-1990	0	2,539,682	2,539,682	0	restricted sale of shares in a private offering	29 September 2022 date
Lin Hsien-Fa (1901-1984), Taiwanese poet	0	2,539,682	2,539,682	0	restricted sale of shares in a private offering	29 September 2022 date
add up the total	22,125,000	158,730,158	89,682,539	91,172,619	—	—

II. Issuance and listing of securities

1. Issuance of securities (excluding preference shares) during the reporting period

√ Applicable □ Not applicable

Name of stock and its derivative securities	Issue date	Issue price (or interest rate)	Number of issues	Launch date	Number of Approvals for Listing and Trading	Transaction termination date	Disclosure Index	Date of disclosure
share class								
private offering stock (market)	2021 March 02 Day	6.30 per share	158,730,158	2021 March 29th	158,730,158		Guizhou Tyres joint-stock company Division of non-public development Issue of shares status report and Listing Announcement ^{T_h}	2021 March 26th
Convertible corporate bonds, separately traded convertible corporate bonds, corporate bond class								
Other derivative securities category								

Description of securities issued during the reporting period (excluding preference shares)

Pursuant to the resolution of the Second Extraordinary Shareholders' General Meeting of 2020 and the approval of the China Securities Regulatory Commission's "Approval of the Approval of the Non-public Offering of Shares by Guizhou Tyre Company Limited" (Securities Regulatory Commission Permit [2021] No. 15), in March 2021, the Company issued 158,730,158 A shares by way of a private offering of shares at an issue price of RMB6.30 per share. The shares issued were registered at the end of the day on 26 March 2021 and listed on 29 March 2021 on the Shenzhen Stock Exchange. For details, please refer to the disclosure of the "Report on the Issue of Shares in the Private Issue of Guizhou Tyre Company Limited and Listing Announcement" dated 26 March 2021.

2. Explanation of changes in the total number of shares and shareholder structure of the Company, and changes in the structure of the Company's assets and liabilities

√ Applicable □ Not applicable

Pursuant to the resolution of the Second Extraordinary Shareholders' General Meeting of 2020 and the approval of the

China Securities Regulatory Commission's "Approval of the Approval of the Non-public Offering of Shares by Guizhou Tyre Company Limited" (Securities Regulatory Commission Permit [2021] No. 15), in March 2021, the Company issued 158,730,158 A shares by way of a non-public offering of shares, at an issue price of RMB6.30 per share. The shares issued were registered at the end of the day on 26 March 2021 and listed on 29 March 2021 on the Shenzhen Stock Exchange. For details, please refer to the disclosure of the "Report on the Issue of Shares in the Private Issue of Guizhou Tyre Company Limited and Listing Announcement" dated 26 March 2021.

Ltd., the controlling shareholder, subscribed 69,047,619 shares, accounting for 43.50 per cent of the number of shares issued. After the Issue, the total share capital of the Company increased from 797,589,304 shares to 956,319,462 shares, and the percentage of shares of the Company held by Guiyang City Industrial and Commercial Industry Investment Group Company Limited increased from 24.63% to 27.76%. For details of the shareholdings of other top 10 shareholders, please refer to Section III.1 "Number of shareholders and shareholdings of the Company".

As at the end of the reporting period, the total share capital of the Company was 956,319,462 shares, of which 22,125,000 shares were restricted shares for equity incentives, accounting for 2.31% of the total share capital of the Company; 69,047,619 shares were restricted shares for private offering, accounting for 7.22% of the total share capital of the Company; and 865,146,843 shares were shares with unlimited conditions for sale in circulation, accounting for 90.47% of the total share capital of the Company.

As verified by the Capital Verification Report No. 01730 of Zhonghua Accounting Firm (Special Ordinary Partnership) Zhonghui Zi (2021), the actual gross proceeds raised from the Private Offering amounted to RMB999,999,995.40, and after deducting the issuance expenses of RMB15,642,170.50 (excluding tax), the net proceeds amounted to RMB984,357,824.90. Calculated on the basis of the data as at 31 December 2021, the Private Issue will result in a decrease in the gearing ratio of the Company by approximately 4.46 percentage points.

3. Existing internal employee shares

☐ Applicable ☒ Not applicable

III. Shareholders and de facto controllers

1. Number of shareholders and shareholdings of the Company

Unit: shares

Total number of ordinary shareholders at the end of the reporting period	52,020	Total number of ordinary shareholders at the end of the previous month before the annual report disclosure date	51,885	Total number of preference shareholders with voting rights restored at the end of the reporting period, if any (refer to Note 8)			0	Total number of preference shareholders with voting rights restored at the end of the previous month before the annual report disclosure date, if any (see note 8)	0
Shareholders holding more than 5 per cent of the shares or the top 10 shareholders									
Name of Shareholder	Nature of shareholders	percentage of shareholding	Number of shares held at the end of the reporting period	Changes during the reporting period	Number of shares held under limited selling conditions	Number of shares held under unlimited conditions of sale	Pledged, marked or frozen		
							shareholding	quantities	
Guiyang City Industry and Commerce Industry Investment Group Co.	State-owned legal person	27.76 per cent	265,492,521	69,047,619	69,047,619	196,444,902	pledges		124,930,000
Yunnan Nengjiu Capital Investment Co.	State-owned legal persons	2.49 per cent	23,809,523	23,809,523	0	23,809,523	pledges		11,900,000

Beijing Fenghui Investment Management Co., Ltd - Fenghui Choice Private Equity Fund	the rest	1.46%	13,968,253	13,968,253	0	13,968,253		
Jiangsu Xingda Steel Cord Co.	Domestic non-state legal persons	1.33 per cent	12,720,400	12,720,400	0	12,720,400		
Jinxiu Zhonghe (Tianjin) Investment Management Co. -C&W Capital Cultivation 9 Private Equity Fund	the rest	0.66 per cent	6,357,026	6,357,026	0	6,357,026		
Suzhou Tiankai Huiyun Industrial Investment Partnership (limited partnership)	Domestic non-state legal persons	0.53 per cent	5,079,365	5,079,365	0	5,079,365		
Liu Chang (1938-), second governor of Hainan	Domestic natural persons	0.52 per cent	4,989,829	43,500	0	4,989,829		

Yuan Jianliang (1919-), senior PRC politician	Domestic natural persons	0.51 per cent	4,880,000	4,880,000	0	4,880,000		
Lin Hsien-Fa (1901-1984), Taiwanese poet	Domestic natural persons	0.49 per cent	4,730,000	2,550,000	0	4,730,000		
Joey Ho	Domestic natural persons	0.48 per cent	4,606,700	4,606,700	0	4,606,700		
Strategic investors or general corporations becoming top 10 shareholders as a result of placing of new shares,if any (refer to Note 3)		Ltd., Jiangsu Xingda Steel Cord Co., Ltd. and Suzhou Tiankai Huiyun Industrial Investment Partnership (Limited Partnership) became public due to their participation in the Company's March 2021 non-public offering. For the top 10 shareholders of the Company, the lock-up period for the restricted shares is 6 months from the first day of listing of the new shares (i.e. 29 March 2021) (The period from 1 January 2010 to 28 September 2021)						
Description of the above shareholders' affiliation or concerted action		The Company is not aware of any situation where the above shareholders are related to each other or are parties acting in concert as stipulated in the Administrative Measures for Takeovers of Listed Companies.						
Explanation of the above shareholders involved in proxy/trusted voting rights and waiver of voting rights		not have						
Special note on the existence of repurchase accounts among the top 10 shareholders (if any) (refer to Note 10)		not have						
Shareholdings of the top 10 shareholders with unlimited sales conditions								
Name of Shareholder	Number of unlimited shares held at the end of the reporting period	Type of shares						
		Type of shares	quantities					
Guiyang City Industry and Commerce Industry Investment Group Co.	196,444,902	Renminbi ordinary shares	196,444,902					
Yunnan Nengjiu Capital Investment Co.	23,809,523	Renminbi ordinary shares	23,809,523					
Beijing Fenghui Investment Management Co., Ltd - Fenghui Choice Private Equity Fund	13,968,253	Renminbi ordinary shares	13,968,253					

Jiangsu Xingda Steel Cord Co.	12,720,400	Report 2021 Renminbi ordinary shares	12,720,400
Jinxu Zhonghe (Tianjin) Investment Management Co. -Zhonghe Capital Ploughshares 9 Private Equity Fund	6,357,026	Renminbi ordinary shares	6,357,026
Suzhou Tiankai Huiyun Industrial Investment Partnership (limited partnership)	5,079,365	Renminbi ordinary shares	5,079,365
Liu Chang (1938-), second governor of Hainan	4,989,829	Renminbi ordinary shares	4,989,829
Yuan Jianliang (1919-), senior PRC politician	4,880,000	Renminbi ordinary shares	4,880,000
Lin Hsien-Fa (1901-1984), Taiwanese poet	4,730,000	Renminbi ordinary shares	4,730,000
Joey Ho	4,606,700	Renminbi ordinary shares	4,606,700
among the top 10 shareholders with unlimited outstanding shares to and the top 10 shareholders with unlimited outstanding shares and the top 10 shareholders who are connected or acting in concert with each other	The Company is not aware of any situation where the above shareholders are related to each other or are parties acting in concert as stipulated in the Administrative Measures for Takeovers of Listed Companies.		
Participation of the top 10 ordinary shareholders in the financing and securities financing business	In addition to holding 11,900,000 shares through an ordinary securities account, the shareholder, Yunnan Nengjiu Capital Investment Co.		

Business description (if any) (refer to note 4)	<p>Galaxy Securities Co., Ltd. held 11,909,523 shares in its client credit transaction security securities account, and the total shares actually held by Galaxy Securities Co.</p> <p>There were 23,809,523 Shares. In addition to holding 220,629 Shares through his ordinary securities account, Liu Chang, a shareholder, also holds 23,809,523 Shares through his Founder Securities account.</p> <p>Ltd. held 4,769,200 shares in a client credit transaction security securities account, actually holding 4,989,829 shares in total.</p> <p>Shares. In addition to 400 shares held through an ordinary securities account, the shareholder, He Qiao, also holds 400 shares through a customer account of Huatai Securities Co.</p> <p>4,606,300 shares were held in credit transaction guarantee securities accounts, and the total number of shares actually held was 4,606,700.</p>
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Whether the Company's top 10 ordinary shareholders and top 10 ordinary shareholders with unlimited conditions for sale engaged in agreed repurchase transactions during the reporting period

☐ Yes ☒ No

The Company's top 10 ordinary shareholders and top 10 ordinary shareholders with unlimited conditions of sale did not engage in agreed repurchase transactions during the reporting period.

2. Controlling shareholders of the Company

Nature of controlling

shareholders: local state-

Name of controlling shareholder	Legal representative/head of unit	Date of Establishment	Organisation code	Main business operations
persons Guiyang City Industry and Commerce Industry Investment Group Co.	Mauron (name)	15 May 2009	915201006884093482	Industrial investment and financing, launching and setting up of funds, capital operation, asset management and equity management, mergers and acquisitions, asset management, primary land development, industrial property development, housing leasing, property management, domestic and international trade services, and consulting services.
Equity interests in other domestic and overseas listed companies held and participated in by the controlling shareholder during the reporting period	<p>At the end of the reporting period, it held 25,234,200 shares of Guizhou Guihang Automobile Parts Company Limited (stock code: 600523), accounting for 6.24% of the total number of shares of the company; 15,385,343,000 shares of Bank of Guiyang Company Limited (stock code: 601997), accounting for 4.21% of the total number of shares of the company; 40,909,46 million shares of Guizhou Gas Co. Ltd. (stock code: 600903) 40,909.46 million shares, accounting for 35.94 per cent of the total number of shares of the company; Bank of Guizhou Corporation Limited (stock code: HK06199) 47 million shares, accounting for 0.32 per cent of the total number of shares of the company; Mediator Technology Limited (stock code: 02158.HK) 4,703,500 shares, accounting for 0.42 per cent of the company's shares. (stock code: 02158.HK), accounting for 0.42% of the total shares of the company.</p>			

☐ Applicable ☒ Not applicable

Report 2021

There was no change in the controlling shareholder of the Company during the reporting period.

3. Actual controllers of the Company and their concert parties

Nature of actual controller: local

state-owned management

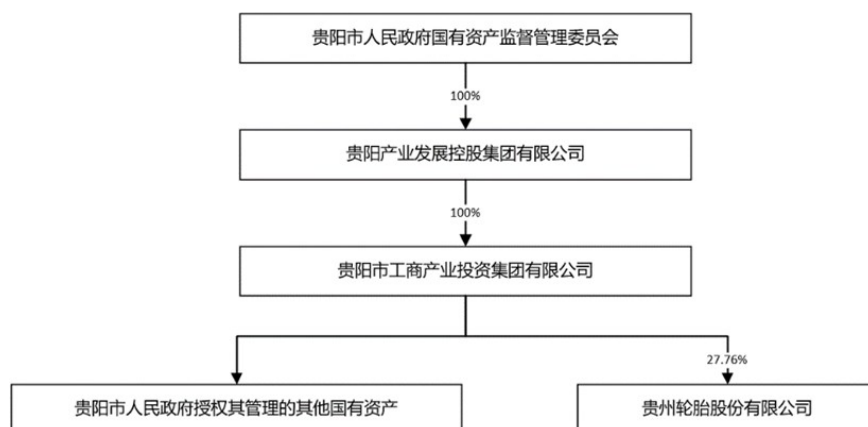
Name of actual controller	Legal representative/head of unit	Date of Establishment	Organisation code	Main business operations
State-owned Assets Supervision and Administration Commission of Guiyang Municipal People's Government	Raymond Wong (1955-), Hong Kong film director		11520100761383050D	Local state management
Shareholdings in other domestic and overseas listed companies controlled by the de facto controller during the reporting period	Not applicable.			

Change in beneficial owner during the reporting period

☐ Applicable ☒ Not applicable

There was no change in the actual controller of the Company during the reporting period.

Block diagram of the ownership and control relationship between the Company and the de facto controller



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

☐ Applicable ☒ Not applicable

(4) The ratio of the number of shares pledged by the controlling shareholder or the first largest shareholder of the company and the persons acting in concert with him to the number of shares held by him reaches 80%.

☐ Applicable ☒ Not applicable

5. Other corporate shareholders holding more than 10 per cent of the shares

☐ Applicable ☒ Not applicable

6. Restrictions on shareholding reductions by controlling shareholders, de facto controllers, restructuring parties and other committed subjects

☐ Applicable ☒ Not applicable

IV. Specific implementation of share repurchases during the reporting period

Progress of implementation of share buybacks

☐ Applicable ☒ Not applicable

Progress in the implementation of share repurchase using centralised bidding to reduce share repurchases

☐ Applicable ☒ Not applicable

Section VIII. Information on preference shares

☐ Applicable ☒ Not applicable

There were no preference shares in the company during the reporting period.

Section IX. Bond-related information

☐ Applicable ☒ Not applicable

Section X. Financial reporting

I. Audit reports

Type of audit opinion	Standard unqualified opinion
Date of signature of the audit report	04 March 2022
Name of auditing body	Zhonghua Accounting Firm (Special General Partnership)
Audit report symbol	Zhonghui Zi (2022) No. 01996
Name of Certified Public Accountant	Hao Shiming, Guo Weina

Body of the audit report

All shareholders of Guizhou

Tyre Company Limited: I.

Audit opinion

We have audited the accompanying financial statements of Guizhou Tire Company Limited ("Guizhou Tire"), which comprise the consolidated and company balance sheets as at 31 December 2021, the consolidated and company statements of income, the consolidated and company statements of cash flows, the consolidated statement of changes in equity and the consolidated statement of changes in equity, and the notes to the financial statements. Statements of Changes in Equity and Notes to the Financial Statements.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with accounting principles generally accepted in the Republic of China (ROC GAAP) and present fairly the consolidated and company financial position of Guizhou Tire Company as at 31 December 2021 and the consolidated and company results of its operations and its consolidated and company cash flows for the year 2021, respectively.

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 "Responsibilities of Certified Public Accountants for the Audit of Financial Statements" section of the audit report. In accordance with the Code of Ethics for Certified Public Accountants in China, we are independent of Guizhou Tyre Company 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 matters

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.

Revenue recognition

1. Description of the matter

As described in Note V.37 to the financial statements, Guizhou Tyre Company's operating revenue for the year 2021 was \$7,339,279,211.48. Guizhou Tyre Company is mainly engaged in the manufacture and sale of tyres, tyre retreading and sale; manufacture and sale of rubber products; and other businesses; as operating revenues are a significant component of the consolidated income statement, there may be an inherent risk that management will achieve specific objectives or expectations through inappropriate revenue recognition. Also, revenue recognition involves significant management judgement. Therefore, we consider the recognition of operating revenue as a key audit matter.

2. Audit response

The audit procedures we performed in response to this matter consisted primarily of:

(1) Understand key internal controls related to revenue recognition, evaluate the design of those controls, determine whether they have been implemented, and test the operating effectiveness of related internal controls;

(2) Examine major sales contracts for key contractual terms or conditions and evaluate the appropriateness of revenue recognition methods;

(3) Substantive analysis procedures are implemented for operating income and gross margins by month, product, customer, etc., to identify any significant or unusual fluctuations and to ascertain the causes of such fluctuations;

(4) For sales revenue, supporting documents related to revenue recognition are examined on a sample basis, including the examination of documents in the course of the transaction, including sales invoices, customer signing receipts, fund receipt and payment vouchers, settlement statements, and correspondence with the customer, to determine whether the transaction is genuine;

(5) A cut-off test is applied to operating income recognised around the balance sheet date to evaluate whether operating income is recognised in the appropriate period;

(6) Check that information relating to operating income has been properly presented in the financial statements. **IV. Other**

information

The management of Guizhou Tyre Company (hereinafter referred to as the management) is responsible for the other information. Other information includes the information covered in Guizhou Tyre Company's 2021 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 other information.

In conjunction with our audit of the financial statements, it is our responsibility to read the other information and, in doing so, to consider whether the other information is materially inconsistent with, or appears to be materially misstated in relation to, the financial statements or the information we have learnt 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

The management of Guizhou Tyre Company (hereinafter referred to as the management) is responsible for the preparation of the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises (ASBEs), for giving a fair view thereof 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 Guizhou Tyre Company's ability to continue as a going concern, disclosing matters related to going concern and applying the going concern assumptions unless management plans to liquidate Guizhou Tyre Company, terminate its operations or has no realistic alternative.

Governance is responsible for overseeing the financial reporting process of Guizhou Tyre

Company. **VI. Responsibility of the certified**

public accountant for the audit of the 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:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain sufficient appropriate audit evidence on which to base 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.

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

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

(4) 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 cast significant doubt about Guizhou Tyre Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require that we draw the attention of 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, future events or circumstances may cause Guizhou Tyre Company to be unable to continue as a going concern.

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

(6) Obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities in Guizhou Tyre Company to express an audit opinion on the financial statements. We are responsible for directing, supervising and performing the Group's audit and we accept full responsibility for the audit opinion.

We communicate with governance on matters such as the scope, timing and significant findings of the planned audit, 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 about all relationships and other matters that could reasonably be perceived to affect our independence and related precautions.

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.

II. Financial statements

The statements in the notes to the financial statements are presented in dollars.

1. Consolidated balance sheet

Prepared by: Guizhou Tyre Co.

Unit: Yuan

sports event	31 December 2021	31 December 2020
Liquid assets:		
money funds	2,112,878,391.11	1,904,769,573.24
Provision for settlement		
invested sum that can be cashed		
Financial assets held for trading		130,834,493.15
derivative financial asset		
notes receivable	877,657,473.40	1,337,946,240.33
accounts receivable	972,970,207.89	728,946,633.72
Receivables financing	369,428,542.13	
Prepayments	168,015,769.70	70,903,386.49
Premiums receivable		
Receivables from reinsurance		

Reserve for reinsurance contracts receivable		Report 2021
Other receivables	40,002,280.08	79,726,198.25
Of which: Interest receivable		
Dividend s receivabl e		
Bought and sold financial assets		

inventory (of material)	952,857,660.71	606,427,949.09
Contractual assets	15,140,510.54	21,132,701.64
Assets held for sale	197,877,212.92	184,277,532.81
Non-current assets due within one year		
Other current assets	239,266,676.67	57,833,944.37
Total current assets	5,946,094,725.15	5,122,798,653.09
Non-current assets:		
Release of loans and advances		
debenture investment		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments	665,593,126.32	865,338,755.52
Other non-current financial assets		
investment property		
fixed assets	4,619,084,104.97	3,762,789,749.95
construction in progress	743,472,714.84	914,999,790.82
Productive biological assets		
oil and gas assets		
usufructuary assets		
intangible asset	365,613,398.31	237,352,995.84
development expenditure		
reputation of a firm's product		
Long-term amortised expenses	76,366,402.89	73,909,042.03
Deferred tax assets	124,365,092.01	124,044,869.49
Other non-current assets	335,142,032.43	414,994,131.09
Total non-current assets	6,929,636,871.77	6,393,429,334.74
Total assets	12,875,731,596.92	11,516,227,987.83
Current liabilities:		
short term loan	1,668,957,746.71	1,730,759,529.42
Borrowing from the Central Bank		
funds on call		
Trading financial liabilities		

Derivative financial liabilities		Report 2021
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banknote payable	2,286,364,308.12	1,953,595,891.68
accounts payable	1,480,555,325.31	1,324,795,271.93
Advance receipts		
Contractual liabilities	128,734,570.05	203,853,034.20
Sales of repurchased financial assets		
Deposit-taking and interbank deposits		
Securities brokerage		
Underwriting of securities		
Employee remuneration payable	150,783,768.84	172,554,089.87
Taxes payable	130,233,899.46	193,490,282.49
Other accounts payable	72,138,693.27	84,843,012.12
Of which: Interest payable		
dividend payable		
Fees and commissions payable		
Accounts payable for reinsurance		
Liabilities held for sale		
Non-current liabilities due within one year		28,057,659.75
Other current liabilities	149,900,700.68	42,872,899.58
Total current liabilities	6,067,669,012.44	5,734,821,671.04
Non-current liabilities:		
Reserves for insurance contracts		
long term loan	734,581,729.05	769,805,496.18
bonds payable		
Of which: preference shares		
perpetual bond		
leasehold liability		
Long-term accounts payable		
Long-term employee compensation payable		
projected liability	4,775,054.52	
Deferred income	103,150,838.16	77,318,785.33

	Report 2021	
Deferred income tax liabilities	24,603,507.06	52,156,403.33
Other non-current liabilities		
Total non-current liabilities	867,111,128.79	899,280,684.84
Total liabilities	6,934,780,141.23	6,634,102,355.88

Ownership Interests:		
share capital	956,319,462.00	797,589,304.00
Other equity instruments		
Of which: preference shares		
perpetual bond		
capital surplus	2,717,444,428.25	1,881,811,932.86
Less: Treasury stock	43,365,000.00	46,683,750.00
Other comprehensive income	103,505,495.93	278,011,522.07
earmark		
surplus surplus	353,888,873.44	325,169,951.42
General risk provision		
unallocated profit	1,829,094,403.43	1,634,226,671.60
Total equity attributable to owners of the parent company	5,916,887,663.05	4,870,125,631.95
Minority interests	24,063,792.64	12,000,000.00
Total owners' equity	5,940,951,455.69	4,882,125,631.95
Total liabilities and owners' equity	12,875,731,596.92	11,516,227,987.83

Legal Representative: Huang Gege

Person in charge of accounting work: Xiong Chaoyang

Head of accounting
organisation: Zhang Yanjun

2. Parent company balance sheet

Unit: Yuan

sports event	31 December 2021	31 December 2020
Liquid assets:		
money funds	1,795,926,419.27	1,663,725,293.61
Financial assets held for trading		
derivative financial asset		
notes receivable	877,657,473.40	1,340,221,315.21
accounts receivable	902,557,322.58	822,718,525.45
Receivables financing	369,428,542.13	
Prepayments	160,445,741.46	73,898,298.19
Other receivables	37,774,123.07	54,532,363.79
Of which: Interest receivable		

Dividends receivable		Report 2021
inventory (of material)	885,172,616.72	588,295,330.93
Contractual assets	14,451,570.54	19,036,765.23

Assets held for sale	197,877,212.92	15,715,509.80
Non-current assets due within one year		
Other current assets	211,948,346.12	51,700,211.60
Total current assets	5,453,239,368.21	4,629,843,613.81
Non-current assets:		
debenture investment		
Other debt investments		
Long-term receivables	756,594,347.00	177,462,352.14
Long-term equity investments	717,286,872.00	638,486,872.00
Investments in other equity instruments	665,593,126.32	865,338,755.52
Other non-current financial assets		
investment property		
fixed assets	3,960,303,112.15	3,745,611,142.22
construction in progress	288,326,921.64	343,989,163.26
Productive biological assets		
oil and gas assets		
usufructuary assets		
intangible asset	253,498,577.66	226,515,072.92
development expenditure		
reputation of a firm's product		
Long-term amortised expenses	76,366,402.89	73,909,042.03
Deferred tax assets	81,907,713.99	78,865,554.33
Other non-current assets	335,142,032.43	363,556,184.30
Total non-current assets	7,135,019,106.08	6,513,734,138.72
Total assets	12,588,258,474.29	11,143,577,752.53
Current liabilities:		
short term loan	1,668,957,746.71	1,730,759,529.42
Trading financial liabilities		
Derivative financial liabilities		
banknote payable	2,277,574,662.52	1,957,470,966.56
accounts payable	1,198,239,323.19	1,119,975,831.66
Advance receipts		
Contractual liabilities	341,967,505.36	155,277,132.89

Report 2021		
Employee remuneration payable	143,616,692.91	164,240,210.22

Taxes payable	124,309,469.22	189,807,597.61
Other accounts payable	60,991,005.79	75,565,344.74
Of which: Interest payable		
dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year		28,057,659.75
Other current liabilities	136,181,561.86	36,558,032.39
Total current liabilities	5,951,837,967.56	5,457,712,305.24
Non-current liabilities:		
long term loan	734,581,729.05	769,805,496.18
bonds payable		
Of which: preference shares		
perpetual bond		
leasehold liability		
Long-term accounts payable		
Long-term employee compensation payable		
projected liability	4,775,054.52	
Deferred income	103,055,596.25	76,937,829.42
Deferred income tax liabilities	24,603,507.06	52,156,403.33
Other non-current liabilities		
Total non-current liabilities	867,015,886.88	898,899,728.93
Total liabilities	6,818,853,854.44	6,356,612,034.17
Ownership Interests:		
share capital	956,319,462.00	797,589,304.00
Other equity instruments		
Of which: preference shares		
perpetual bond		
capital surplus	2,718,230,796.47	1,871,798,301.08
Less: Treasury stock	43,365,000.00	46,683,750.00
Other comprehensive income	125,769,167.37	295,552,952.19
earmark		

	Report 2021	
surplus surplus	341,183,225.21	312,464,303.19
unallocated profit	1,671,266,968.80	1,556,244,607.90
Total owners' equity	5,769,404,619.85	4,786,965,718.36

Total liabilities and owners' equity	12,588,258,474.29	11,143,577,752.53
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3. Consolidated income statement

Unit: Yuan

Item	2021	2020
I. Gross operating income	7,339,279,211.48	6,808,729,456.34
Of which: Operating income	7,339,279,211.48	6,808,729,456.34
Interest income		
Earned premiums		
Fee and commission income		
II. Total operating costs	7,072,770,465.39	6,183,560,363.58
Of which: Operating costs	6,184,851,696.40	5,199,868,045.56
Interest expense		
Handling fee and commission expenses		
surrender charge		
Net claims expenditure		
Withdrawal of contractual reserves for insurance liabilities		
net amount		
Policy dividend expenses		
Reinsurance costs		
Taxes and surcharges	37,757,229.76	50,954,204.64
sales expense	250,728,847.76	224,026,867.62
overheads	360,333,583.82	395,729,268.50
R&D costs	205,912,473.70	202,292,814.41
financial cost	33,186,633.95	110,689,162.85
Of which: interest costs	68,293,215.03	120,687,027.29
Interest income	47,815,864.86	31,266,488.66
Add: other gains	31,072,618.93	15,579,387.92
Investment income (losses are marked with a "-")	12,826,649.49	14,530,023.30

(columns)		Report 2021
Of which: Income from investments in associates and joint ventures		
Gain on derecognition of financial assets measured at amortised cost		
Exchange gains (losses are represented by a "-" sign)		

Net exposure to hedging gains (losses are represented by a "-" sign)		
Gain (loss) on change in fair value at "-" sign)		834,493.15
Credit impairment losses (losses are marked with a "-") (columns)	-10,850,063.90	-22,804,468.24
Impairment losses on assets (losses are marked with a "-") (columns)	-3,022,534.90	29,002,147.14
Gain (loss is represented by a "-") on disposal of assets (columns)	96,685,243.77	691,411,516.78
III. Operating profit (loss is shown with a "-" sign)	393,220,659.48	1,353,722,192.81
Add: Non-operating income	5,694,156.60	744,810.27
Less: Non-operating expenses	9,237,583.09	26,012,327.99
IV. Total profit (total loss is shown with a "-" sign)	389,677,232.99	1,328,454,675.09
Less: Income tax expense	19,878,849.18	189,985,465.84
V. Net profit (net loss is represented by a "-" sign)	369,798,383.81	1,138,469,209.25
(i) Classification by continuity of operations		
1. Net profit from continuing operations (net loss is represented by "-") (No.)	369,798,383.81	1,138,469,209.25
2. Net profit from discontinued operations (net loss is represented by "-") (No.)		
(ii) Classification by ownership		
1. Net profit attributable to shareholders of the parent company	369,734,591.17	1,138,469,209.25
2. Minority gains and losses	63,792.64	
VI. Other comprehensive income, net	-174,506,026.14	32,858,852.37

of tax	Report 2021	
Net other comprehensive income attributable to owners of the parent, after tax	-174,506,026.14	32,858,852.37
(i) Other comprehensive income not reclassifiable to profit or loss	-169,783,784.82	66,371,794.15
1. Remeasurement of changes in defined benefit plans balance (of a loan)		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Fair value of investments in other equity instruments change in value	-169,783,784.82	66,371,794.15
4. Fair value of the enterprise's own credit risk change in value		

5. Other		
(ii) Other comprehensive income to be reclassified to profit or loss	-4,722,241.32	-33,512,941.78
1. Other transferable gains and losses under the equity method Comprehensive income		
2. Changes in fair value of other debt investments act		
3. Amounts reclassified from financial assets to other comprehensive income		
4. Credit impairment of other debt investments provide or equip		
5. Cash flow hedge reserve		
6. Translation differences on foreign currency financial statements	-4,722,241.32	-33,512,941.78
7. Other		
Net other comprehensive income attributable to minority shareholders, after tax		
VII. Total comprehensive income	195,292,357.67	1,171,328,061.62
Total comprehensive income attributable to owners of the parent company	195,228,565.03	1,171,328,061.62
Total comprehensive income attributable to minority shareholders	63,792.64	
VIII. Earnings per share:		
(i) Basic earnings per share	0.40	1.47
(ii) Diluted earnings per share	0.39	1.43

In the event of a business combination under the same control during the current period, the net profit realised by the party to be combined before the combination was: RMB0.00, and the net profit realised by the party to be combined during the previous period was: RMB0.00. Legal representative: Huang Gegege Person in charge of

accounting work: Xiong Chaoyang

Head of accounting organisation: Zhang Yanjun **4. Income statement**

of the parent company

sports event	2021	2020
I. Operating income	6,973,161,123.91	6,497,867,726.19
Less: Operating costs	5,948,317,308.28	5,023,487,687.88
Taxes and surcharges	32,967,109.26	45,092,865.64
sales expense	192,334,654.84	159,585,595.16
overheads	277,432,735.54	352,439,408.91
R&D costs	205,912,473.70	202,292,814.41

financial cost	42,176,072.98	115,102,709.48
Of which: interest costs	68,293,215.03	119,518,729.54
Interest income	44,635,175.36	28,683,995.96
Add: other gains	28,704,104.93	13,398,406.92
Investment income (losses are marked with a "-") (columns)	12,957,000.00	13,038,900.00
Of which: Income from investments in associates and joint ventures		
Derecognition gain (loss recorded as "-") on financial assets carried at amortised cost		
Net open hedging gains (losses) on "- sign)		
Gain (loss) on change in fair value at "- sign)		
Credit impairment losses (losses marked with a "-") (fill in the blanks)	-7,825,615.71	-1,571,758.84
Impairment losses on assets (losses are marked with a "-") (fill in the blanks)	-3,038,738.49	28,748,434.21
Gain (loss marked with a "-") on disposal of assets (fill in the blanks)		691,438,836.68
II. Operating profit (loss is represented by a "- sign)	304,817,520.04	1,344,919,463.68
Add: Non-operating income	3,661,401.13	338,596.78
Less: Non-operating expenses	9,193,857.81	25,971,640.96
III. Total profit (total loss is shown with a "- sign)	299,285,063.36	1,319,286,419.50
Less: Income tax expense	12,095,843.12	181,097,058.05
IV. Net profit (net loss is represented by a "- sign)	287,189,220.24	1,138,189,361.45
(i) Net profit from continuing operations (net loss is represented by a "- sign)	287,189,220.24	1,138,189,361.45

(ii) Net profit from discontinued operations (net loss is represented by a "-" sign)		Report 2021
V. Other comprehensive income, net of tax	-169,783,784.82	66,371,794.15
(i) Other comprehensive income not reclassifiable to profit or loss	-169,783,784.82	66,371,794.15
1. Remeasurement of defined benefit plans change		

2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Fairness of investments in other equity instruments change in value	-169,783,784.82	66,371,794.15
4. Fairness of the enterprise's own credit risk change in value		
5. Other		
(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. Fair value of other debt investments flux		
3. Amounts reclassified from financial assets to other comprehensive income		
4. Credit impairment of other debt investments intend		
5. Cash flow hedge reserve		
6. Translation differences on foreign currency financial statements		
7. Other		
VI. Total comprehensive income	117,405,435.42	1,204,561,155.60
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated statement of cash flows

Unit: Yuan

sports event	2021	2020
i. Cash flows from operating activities:		
Cash received from sales of goods and services	8,480,473,656.03	8,091,179,482.91
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from central banks		
Net increase in remittances to other financial institutions		
Cash received from premiums for original insurance contracts		

Net cash received from reinsurance operations		
Net increase in policyholder deposits and investments		
Cash received for interest, fees and commissions		
Net increase in inward remittances		
Net increase in funding for repurchase operations		
Net cash received from agency trading of securities		
Tax refunds received		
Other cash received in relation to operating activities	107,686,620.19	83,777,567.35
Subtotal cash inflow from operating activities	8,588,160,276.22	8,174,957,050.26
Cash paid for goods and services	6,863,175,958.65	4,892,790,048.31
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbanks		
horizontal tablet or inscribed board		
Cash payments for original insurance contract claims		
Net increase in funds disbursed		
Cash paid for interest, fees and commissions		
Cash for payment of policy dividends		
Cash paid to and for employees	801,375,477.00	710,535,076.88
generic term for lustrous and ductile metals		
Taxes paid	157,726,325.37	367,345,734.99
Payments of other cash related to operating activities	480,069,546.51	544,928,446.07
Subtotal cash outflows from operating activities	8,302,347,307.53	6,515,599,306.25
Net cash flows from operating activities	285,812,968.69	1,659,357,744.01

II. Cash flows from investing activities:		
Cash received from recovery of investments	130,704,142.64	270,000,000.00
Cash received from investment income	12,957,000.00	14,530,023.30
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	267,146,069.34	867,001,575.78
Net cash received on disposal of subsidiaries and other operating units		
Other cash received related to investing activities		30,216,488.66
Subtotal cash inflow from investing activities	410,807,211.98	1,181,748,087.74
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,197,097,588.98	835,249,669.87
Cash paid for investments		700,000,000.00

Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other operating units		
Payments of other cash related to investing activities		
Subtotal cash outflows from investing activities	1,197,097,588.98	1,535,249,669.87
Net cash flows from investing activities	-786,290,377.00	-353,501,582.13
III. Cash flows from financing activities:		
Cash received from absorption of investments	1,008,357,824.90	47,568,750.00
Of which: Cash received by subsidiaries from absorption of minority investments	24,000,000.00	
Cash received for borrowings	1,668,957,746.71	3,052,733,119.26
Other cash received related to financing activities		
Subtotal cash inflow from financing activities	2,677,315,571.61	3,100,301,869.26
Cash paid for debt service	1,794,040,956.30	4,019,894,312.82
Cash paid for distribution of dividends, profits or repayment of interest	214,441,152.35	157,462,197.72
Of which: Dividends and profits paid by subsidiaries to minority shareholders		2,700,000.00
Other cash payments related to financing activities	22,800,000.00	
Subtotal cash outflows from financing activities	2,031,282,108.65	4,177,356,510.54
Net cash flows from financing activities	646,033,462.96	-1,077,054,641.28
IV. Impact of exchange rate changes on cash and cash equivalents	-4,398,696.54	-56,541,503.55
V. Net increase in cash and cash equivalents	141,157,358.11	172,260,017.05
Add: Cash and cash equivalents balance at beginning of period	1,613,642,309.47	1,441,382,292.42

VI. Cash and cash equivalents balance at end of period	1,754,799,667.58	Report 2021	1,613,642,309.47
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6. Parent company statement of cash flows

Unit: Yuan

sports event	2021	2020
i. Cash flows from operating activities:		
Cash received from sales of goods and services	8,049,631,454.52	7,240,118,502.05
Tax refunds received		
Other cash received in relation to operating activities	100,390,375.22	81,498,625.35
Subtotal cash inflow from operating activities	8,150,021,829.74	7,321,617,127.40

Cash paid for goods and services	6,080,913,402.45	4,479,240,431.26
Cash paid to and for employees generic term for lustrous and ductile metals	694,317,238.22	632,838,726.51
Taxes paid	120,235,523.73	344,727,900.72
Payments of other cash related to operating activities	468,350,528.46	390,717,706.93
Subtotal cash outflows from operating activities	7,363,816,692.86	5,847,524,765.42
Net cash flows from operating activities	786,205,136.88	1,474,092,361.98
II. Cash flows from investing activities:		
Cash received from recovery of investments		
Cash received from investment income	12,957,000.00	13,038,900.00
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	3,928,174.51	867,001,575.78
Net cash received on disposal of subsidiaries and other operating units		
Other cash received related to investing activities		27,633,995.96
Subtotal cash inflow from investing activities	16,885,174.51	907,674,471.74
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	743,866,746.60	500,182,727.44
Cash paid for investments		367,821,516.00
Net cash paid for acquisition of subsidiaries and other operating units	78,800,000.00	
Payments of other cash related to investing activities	554,567,209.01	176,572,590.61
Subtotal cash outflows from investing activities	1,377,233,955.61	1,044,576,834.05
Net cash flows from investing activities	-1,360,348,781.10	-136,902,362.31
III. Cash flows from financing		

activities:		
Cash received from absorption of investments	984,357,824.90	47,568,750.00
Cash received for borrowings	1,668,957,746.71	3,052,733,119.26
Other cash received related to financing activities		
Subtotal cash inflow from financing activities	2,653,315,571.61	3,100,301,869.26
Cash paid for debt service	1,794,040,956.30	4,019,894,312.82
Cash paid for distribution of dividends, profits or repayment of interest	211,741,152.35	153,593,899.97
Other cash payments related to financing activities		
Subtotal cash outflows from financing activities	2,005,782,108.65	4,173,488,212.79
Net cash flows from financing activities	647,533,462.96	-1,073,186,343.53
iv. effects of exchange rate changes on cash and cash equivalents	-10,969,001.98	-26,034,544.33

affect (usually adversely)		
V. Net increase in cash and cash equivalents	62,420,816.76	237,969,111.81
Add: Cash and cash equivalents balance at beginning of period	1,417,833,514.78	1,182,723,547.26
VI. Cash and cash equivalents balance at end of period	1,480,254,331.54	1,420,692,659.07

7. Consolidated statement of changes in equity

Amount for the period

Unit: Yuan

sport s even t	2021														
	Equity attributable to owners of the parent company												Min ority inter ests	Total own ers' equit y	
	shar e capit al	Other equity instruments			capit al surpl us	Less: Treas ury stock	Oth er com preh ensi ve inco me	ear mar k	surpl us surpl us	Gen eral risk prov ision	unall ocat ed profit	the rest			Subto tal
		pref ere ntia l sha res	perp etu al bond	the rest											
I. Prior year closing balance	797,5 89,30 4.00				1,881. 811,93 2.86	46,683 ,750.0 0	278,01 1,522. 07		325,16 9,951. 42		1,634. 226,67 1.60		4,870. 125,63 1.95	12,000 ,000.0 0	4,882. 125,63 1.95
Add: change in accounting policy															
Corr ection of prior period errors															
Sa me-control business combinations															
the rest															
II. Opening balance for the	797,5 89,30 4.00				1,881. 811,93 2.86	46,683 ,750.0 0	278,01 1,522. 07		325,16 9,951. 42		1,634. 226,67 1.60		4,870. 125,63 1.95	12,000 ,000.0 0	4,882. 125,63 1.95

Guzhen Tyre Company Limited Full Annual Report 2021															
year															
III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)	158,730,158.00				835,632,495.39	-3,318,750.00	-174,506,026.14		28,718,922.02		194,867,731.83		1,046,762,031.10	12,063,792.64	1,058,825,823.74
(i) Total comprehensive income							-174,506,026.14				369,734,591.17		195,228,565.03	63,792,640.64	195,292,357.67
(ii) Owners' inputs and reductions in capital	158,730,158.00				846,432,495.39								1,005,162,653.39	12,000,000.00	1,017,162,653.39
1. Ordinary shares invested by owners	158,730,158.00				825,627,666.00								984,357,824.00	12,000,000.00	996,357,824.00

	8.00				90								90	0	90
2. Capital contributions by holders of other equity instruments															
3. Amount of share-based payments credited to owners' equity					20,804,828.49								20,804,828.49		20,804,828.49
4. Other															
(iii)Distribution of profits									28,718,922.02		-174,866,859.34		-146,147,937.32		-146,147,937.32
1. Withdrawal of surplus reserves									28,718,922.02		-28,718,922.02				
2. Provision for general risks															
3.Distribution to owners(or shareholders)											-146,147,937.32		-146,147,937.32		-146,147,937.32
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. Carry-over of changes in defined benefit plans to retained earnings										Report 2021					
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					-10,800,000.00	-3,318,750.00							-7,481,250.00	-7,481,250.00	
IV. Closing balance for the period	956,319,462.00				2,717,444,428.25	43,365,000.00	103,505,495.93		353,888,873.44		1,829,094,403.43		5,916,887,663.05	24,063,792.64	5,940,951,455.69

Prior period amount

Unit: Yuan

sport s even t	2020 Annual														
	Equity attributable to owners of the parent company												Minorit y interes ts	Total owners 'equity	
	equit y	Other equity instruments			capit al surp lus	Less: Treas ury stock	Oth er com preh ensi ve inco me	ear mar k	surpl us surp lus	Gen eral risk prov ision	unall ocat ed profit	the rest			Subt otal
		pref ere ntia l sha res	perp etu al bond	the rest											
I. Prior year closing balance	775,464,304.00				1,835,443,769.34		245,152,669.70		211,351,015.27		644,179,970.66		3,711,591,728.97	12,000,000.00	3,723,591,728.97
Add: change in accounting policy															
Corr ection of prior period errors															
Sa me-control business combinations															
the rest															
II. Opening balance for the year	775,464,304.00				1,835,443,769.34		245,152,669.70		211,351,015.27		644,179,970.66		3,711,591,728.97	12,000,000.00	3,723,591,728.97

III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)	Report 2021													
	22,12				46,368	46,683	32,858		113,81		990,04		1,158.	1,158,5
	5,000				,163.5	,750.0	,852.3		8,936.		6,700.		533,90	33,902.
	.00				2	0	7		15		94		2.98	98
(i) Total comprehensive income							32,858				1,138.		1,171.	1,171,3
							,852.3				469,20		328,06	28,061.
							7				9.25		1.62	62
(ii) Owners' inputs and reductions in capital	22,12				46,368								68,493	68,493.
	5,000				,163.5								,163.5	163.52
	.00				2								2	
1. Owner inputs	22,12				25,443								47,568	47,568.

ordinary shares	5,000.00				,750.00							,750.00		750.00
2. Capital contributions by holders of other equity instruments												0.00		
3. Amount of share-based payments credited to owners' equity					20,924,413.52							20,924,413.52		20,924,413.52
4. Other														
(iii) Distribution of profits								113,818,936.15		-148,422,508.31		-34,603,572.16		-34,603,572.16
1. Withdrawal of surplus reserves								113,818,936.15		-113,818,936.15				
2. Provision for general risks														
3. For owners (or shareholders) distribution										-34,603,572.16		-34,603,572.16		-34,603,572.16
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. Carry-over of changes in defined benefit plans to retained earnings										Report 2021				
5. Other comprehensive income carried forward to retained earnings														
6. Other														
(v) Earmarked reserves														

provide or equip															
1. Withdrawals during the period															
2. Use during the period															
(vi) Other						46,683,750.00							-46,683,750.00		-46,683,750.00
IV. Closing balance for the period	797,589,304.00				1,881,811,932.86	46,683,750.00	278,015,220.07		325,169,951.42		1,634,226,671.60		4,870,125,631.95	12,000,000.00	4,882,125,631.95

8. Statement of changes in equity of the parent company

Amount for the period

Unit: Yuan

sport s even t	2021											
	equity	Other equity instruments			capital surpl us	Less: Treas ury stock	Other compr ehensi ve incom e	earnmar k	surpl s surpl us	unalloc ated profit	the rest	Total owners' equity
		prefere ntial shares	perpet ual bond	the rest								
I. Prior year closing balance	797,58 9,304.0 0				1,871,79 8,301.08	46,683,7 50.00	295,552. 952.19		312,464. 303.19	1,556,2 44,607. 90		4,786,965. 718.36
Add: change in accounting policy												
Corr ection of prior period errors												
the rest												
II. Opening balance for the year	797,58 9,304.0 0				1,871,79 8,301.08	46,683,7 50.00	295,552. 952.19		312,464. 303.19	1,556,2 44,607. 90		4,786,965. 718.36

III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)	158,730,158.00				846,432.495.39	-3,318,750.00	-169,783,784.82	Report	2021	115,022,360.90		982,438,901.49
(i) Total comprehensive income							-169,783,784.82			287,189,220.24		117,405,435.42
(ii) Owners' inputs and reductions in capital	158,730,158.00				846,432.495.39							1,005,162.653.39
1. Ordinary shares invested by owners	158,730,158.00				825,627.666.90							984,357,824.90

	0											
2. Capital contributions by holders of other equity instruments												
3. Amount of share-based payments credited to owners' equity					20,804,828.49							20,804,828.49
4. Other												
(iii) Distribution of profits									28,718,922.02	-172,166,859.34		-143,447,937.32
1. Withdrawal of surplus reserves									28,718,922.02	-28,718,922.02		
2. Distribution to owners (or shareholders)										-143,447,937.32		-143,447,937.32
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								Report	2021			
6. Other												
(v) Earmarked reserves												
1. Withdrawals during the period												
2. Use during the period												
(vi) Other						-3,318,750.00						3,318,750.00

IV. Closing balance for the period	956,319,462.00				2,718,230,796.47	43,365,000.00	125,769,167.37		341,183,225.21	1,671,266,968.80		5,769,404,619.85
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Prior period amount

Unit: Yuan

sports event	2020 Annual											
	share capital	Other equity instruments			capital surplus	Less: Treasury stock	Other comprehensive income	earmark	surpluss surplus	unallocated profit	the rest	Total owners' equity
		preferential shares	perpetual bond	the rest								
I. Prior year closing balance	775,464,304.00				1,825,430,137.56		229,181,158.04		198,645,367.04	563,777,754.76		3,592,498,721.40
Add: change in accounting policy												
Correction of prior period errors												
the rest												
II. Opening balance for the year	775,464,304.00				1,825,430,137.56		229,181,158.04		198,645,367.04	563,777,754.76		3,592,498,721.40
III. Amount of increase or decrease during the period (decreases are indicated by a "-" sign)	22,125,000.00				46,368,163.52	46,683,750.00	66,371,794.15		113,818,936.15	992,466,853.14		1,194,466,996.96
(i)Total comprehensive income							66,371,794.15			1,138,189,361.45		1,204,561,155.60
(ii)Owners' inputs and reductions in	22,125,000.00				46,368,163.52							68,493,163.52

capital								Report 2021				
1. Ordinary shares invested by owners	22,125,000.00				25,443,750.00							47,568,750.00
2. Capital contributions by holders of other equity instruments												
3. Amount of share-based payments credited to owners' equity					20,924,413.52							20,924,413.52
4. Other												
(iii) Distribution of profits									113,818	-145,722.		-31,903,572

									,936.15	508.31		.16
1. Withdrawal of surplus reserves									113,818,936.15	-113,818,936.15		
2. Distribution to owners (or shareholders)										-31,903,572.16		-31,903,572.16
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. Transfer 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								Report 2021			
(vi) Other						46,683,750.00					-46,683,750.00
IV. Closing balance for the period	797,589,304.00				1,871,798,301.08	46,683,750.00	295,552,952.19		312,464,303.19	1,556,244,607.90	4,786,965,718.36

III. Basic company information

1. Place of business registration, form of organisation and address of head office

Company name: Guizhou Tyre Company Limited (hereinafter

referred to as the "Company or the Company") Registered

address: No. 41, Baihua Avenue, Yunyan District, Guiyang City,

Guizhou Province, China

Form of organisation: Joint-

stock limited company

Registered capital:

RMB956,319,462.00

Unified Social Credit Code:

915200002144305326 Legal

Representative: Huang Gegege

On 10 October 2019, according to the progress of housing expropriation in the old factory area, the Company has organised and completed the relocation of the administrative office, and the new office address after the change: Qianlun Avenue, Zazuo Industrial Park, Xiwen County, Guiyang City, Guizhou Province. The registered address of the Company remains unchanged.

2. Nature of the company's industry and scope of business

(1) Our company's industry: tyre manufacturing in the rubber manufacturing industry.

(2) The company's business scope: laws, regulations, the State Council decision shall not be prohibited by the provisions of the business; laws, regulations, the State Council decision should be licensed (approval), approved by the approving authority with the permit (approval) documents; laws, regulations, the State Council decision does not require licensing (approval), the market entity independently choose to operate. (Manufacture and sale of tyres; tyre retreading and sale; manufacture and sale of rubber products; manufacture and sale of water, electricity, steam, rubber mixing and other accessories; import and export business of all kinds of commodities and technologies (except for those prohibited by the State), foreign cooperative production and "three to one" business; warehousing; logistics and transportation.)

3. Name of parent company

Guizhou Tyre Co.

4. Approver of the financial report and approver of

the financial report The approver of the

Company's financial report: the Board of Directors

of the Company

Approval date for filing of the Company's financial report: 4 March 2022

5. History

Guizhou Tyre Company Limited (hereinafter referred to as the "Company") was established as a joint stock limited company with the approval of Guizhou Provincial People's Government's Letter [1995] No. 148 by restructuring the assets of the former Guizhou Tyre Factory, with its main production lines and supply and marketing system as the main body. On 22 December 1995, the Company was approved by the China Securities Regulatory Commission under Document No. [1995] 85 of the Securities and Futures Commission, and Guizhou Tyre Factory was the sole promoter to issue 40 million ordinary shares of RMB to the domestic community by way of fund raising, of which 4 million shares were internal shares for employees. The Company's shares were listed and traded on 8 March 1996 on the Shenzhen Stock Exchange. Its registered office and head office are located in Guiyang City, Guizhou Province.

In February 1997, Guiyang Municipal Administration of State-owned Assets was established and the holder of the Company's national shares was changed to Guiyang Municipal Administration of State-owned Assets.

In April 2004, Guiyang Municipal State-owned Assets Investment Management Company acquired the State-owned shares of the Company held by the former Guiyang Municipal State-owned Assets Administration by way of administrative transfer.

12,970.68 million shares, representing 51.00 per cent of the total number of shares of the Company.

On 6 March 2006, the Company's shareholding distribution reform plan was approved by the State-owned Assets Supervision and Administration Commission of the Guizhou Provincial People's Government, and the Company convened a shareholders' meeting in relation to the shareholding distribution reform on 24 March 2006 to consider and approve the shareholding distribution reform plan, whereby Guiyang City State-owned Assets Investment and Management Company, the sole shareholder of the non-circulating shares of the Company, made a distribution of 3.6 shares for every 10 shares to the outstanding shareholders of the Company registered on the 5 April 2006 by way of consideration for the The shareholders of the outstanding shares registered on the implementation share registration date arranged for a consideration of 3.6 shares for every 10 shares to be given away in order to obtain the right of listing and circulation of the non-circulating shares. The total number of consideration shares delivered by the non-circulating shareholders was 44,863,300 shares. Upon completion of the equity distribution reform, the total share capital of the Company remained unchanged, with Guiyang State-owned Assets Investment Management Company holding 84,843,500 shares of the Company, accounting for 33.36 per cent of the total number of shares of the Company.

As approved by the China Securities Regulatory Commission under the Securities and Futures Commission License [2010] No. 1864, the Company placed a total of 71,691,000 shares to all shareholders registered with China Securities Depository & Clearing Company Limited, Shenzhen Branch, after the close of the Shenzhen Stock Exchange in the afternoon of 10 January 2011 (the share registration date) in the ratio of 3 shares for every 10 shares, of which Guiyang City State-owned Assets Investment Management Company, the controlling shareholder, subscribed for 25,453,100 shares to be allotted. After the completion of the placing, Guiyang City State-owned Assets Investment Management Company held 110,296,600 shares of the Company, accounting for 33.84% of the total number of shares of the Company.

In 2011, according to the 2010 annual general meeting of the Company, the Company transferred 6.4078 shares for every 10 shares of capital reserve, totalling 162,968,102 shares, after the completion of the transfer, Guiyang City Industrial Investment (Group) Co., Ltd. held 165,444,000 shares of the Company, accounting for 33.84% of the total number of shares of the Company.

Pursuant to the approval received from the Securities and Futures Commission on 3 December 2013 under the document No. 1518 of the Securities and Futures Commission License [2013], the Company made a private offering of 286,560,000 ordinary shares in March 2014, at an issue price of RMB4.48 per share, with total proceeds of RMB1,283,788,800, and net proceeds of RMB34,539,834.95 after deducting the issue expenses. The net amount of issue proceeds was

RMB1,249,248,965.05, of which RMB286,560,000.00 is the new registered capital and RMB962,688,965.05 is the increase in capital surplus. Upon completion of the issue, the share capital of the Company increased to 775,464,304.00 shares.

On 21 May 2019, the Company received a notice from its controlling shareholder, Guiyang City Industrial Investment (Group) Co. According to the General Office of the People's Government of Guiyang City <Notice on the Formation Programme of Guiyang City Industry and Commerce Industry Investment Group Co. Ltd> (筑府办函 [2018] 223号), it was decided that Guiyang City Industrial Investment (Group) Co. Ltd. would be renamed Guiyang City Industry and Commerce Industry Investment Group Co.

On 16 January 2020, the Tenth Meeting of the Seventh Session of the Board of Directors of the Company considered and passed the "Proposal on the Grant of Restricted Shares to Incentive Recipients", and agreed to grant 24,420,200 restricted shares to 448 incentive recipients who met the grant conditions on 16 January 2020 as the grant date at a grant price of RMB2.15 per share. As of 20 January 2020, the actual number of restricted shares granted was 22,125,500,000 shares, and the Company received new capital contributions of RMB 47,568,750.00 from 444 incentive recipients, increasing the registered capital by RMB 22,125,000.00 and the capital surplus by RMB 25,443,750.00.

The Resolution of the Sixteenth Meeting of the Seventh Session of the Board of Directors dated 4 September 2020, the Resolution of the Second Extraordinary General Meeting of 2020 dated 30 September 2020 and the Resolution of the Eighteenth Meeting of the Seventh Session of the Board of Directors dated 18 November 2020, and the Resolution on the Non-public Offering of Shares by Guizhou Tire Co. The "Proposal on the Non-public Offering of Shares by Guizhou Tyre Company Limited (Revised Draft)" and the "Reply to the Approval of the Non-public Offering of Shares by Guizhou Tyre Company Limited" issued by the China Securities Regulatory Commission (Securities Regulatory Commission License No. 15 of 2021) on 5 January 2021 approved the non-public offering of not more than 200 million new shares by the Company. The number of RMB ordinary shares (A shares) issued by the Company in the non-public offering was 158,730,158 shares (par value of RMB1 per share), and it applied for an increase in registered capital of RMB158,730,158.00, and the registered capital after the change was RMB956,319,462.00. The registered capital of the Company as at 31 December 2021 is RMB956,319,462.00.

6. Scope of consolidated financial statements for the year

The scope of consolidation of the Company includes Guizhou Tyre Company Limited (the Company's head office) and Guizhou Tyre Import/Export Company Limited, GTC NORTH AMERICA INC. ..., Advance Controls Stock (Group) International Limited, Guizhou Advance Tyre Investment Limited Liability Company, ADVANCE TYRE (VIETNAM) COMPANY LIMITED, Guizhou Advance New Material Limited Liability Company, Guizhou Advance Tyre Sales Company Limited, Guizhou Hercules Tyre Limited Liability Company.

Specific subsidiary information is as follows:

Subsidiaries acquired through establishment or investment, etc.

Guizhou Tyre Company Limited Full Annual

Full name of subsidiary	Type of subsidiary	registered office	Main business	registered capital	Scope of business	Report Data 2021	Actual contribution at the end of the period	percentage of shareholding (percent)	proportion of vote (percent)	Consolidated or not	Minority interests	Minority interest used to reduce minority interest in profit or loss sum of money	Elimination from the company's ownership interest of the excess of the minority shareholders' share of the subsidiary's loss for the period over the minority shareholders' share of the subsidiary's ownership interest at the beginning of the period
Guizhou Tyre Import & Export Co. Ltd.		Guiyang prefecture level city in Guizhou	inbound and outbound Agent	2,000,000.00	Laws, regulations, decisions of the State Council shall not be prohibited; laws, regulations decisions of the State Council shall be licensed (approval), approved by the approving authority with the permission (approval) documents; laws regulations, decisions of the State Council without the need for licensing (approval), the market entity independently choose to operate (self-supporting and agent of all kinds of commodities and technology import and export business; sales: chemical products, spinning Textile products, building materials, hardware and electrical appliances, instruments and meters, minerals	2,000,000.00	—	100	100	be	—	—	—

					products, warehousing, logistics and transport.)												
GTC NORTH AMERICA INC.	Ltd.	United States of Ameri ca	Tire sales	\$100 ,000	Tyre sales	\$100 ,000	—	100	100	be	—	—	—	—	—	—	—
northern american conference al TIRE RESOURCE S INC.	Ltd.	United States of Ameri ca	Tire sales	\$100 ,000	Tyre sales	—	—	100	100	be	—	—	—	—	—	—	—
bank of guizhou tre import/export port CO. LTD.	Ltd.	Mosco w	Tire sales	\$100 ,000	Tyre sales	\$100 ,000		100	100	be							
Advance Holdings (Group) International Limited	Ltd.	Mainl and	Tyres, air sprin g sale s make or carry out (a plan or intrig ue etc)	\$300 ,000	Sales of tyres and air springs	\$300 ,000		100	100	be							
Guizhou Advance Tyre Investment Co.	Ltd.	Guiya ng prefec ture level city in Guizh ou	Inve stme nt Mana geme nt	50,00 0.00 \$10, 000, 000	Laws, regulations, the State Council decision shall not be prohibited; laws, regulations, the State Council decision should be license (approval), approved by the approval authority with the permit (approval) documents; laws, regulations, the State Council decision does not require a permit (approval), the market entity independently choose to operate. (Industrial investment; equity investment; tyre, rubber and related products production project construction; tyre, rubber and related products production	42,64 8.69 \$10, 000, 000	—	100	100	be	—	—	—	—	—	—	—

					Report 2021							
					sales; tyre, rubber and related products, technical services, technical consulting; industrial park, Investment, construction and operation of warehousing and logistics projects.)							
advance tyre (vietnam) company LIMITED	Ltd.	Vietnam	tyres production and sales	98,241,000.00 VND	Tyre production and sales	98,241,000.00 VND	100	100	be			
Guizhou Advance New Material Co.	Ltd.	Guizhou	Chemical reagent and assistance in Guizhou Agent Manufacturing	8,000,000.00 VND	Laws, regulations, the State Council decision shall not be prohibited; laws, regulations, the State Council decision should be licensed (approval), approved by the approving authority with the permit (approval) documents; laws regulations, the State Council decision does not require a permit (approval), the market entity independently choose to operate. (Chemical reagents and auxiliaries) Manufacture; chemical products production (excluding licensed chemical products);	8,000,000.00 VND	70	70	be	24,063,792.64		

					Heat production and supply; gas operation; (approval required by law) projects, subject to the approval of the relevant authorities before carrying out business activities))								
Guizhou Advance Tyre Sales Co.	Ltd.	Guiya ng prefec ture level city in Guizh ou	Tire sales	2,000. 00,0 00 .0 00	Laws, regulations, decisions of the State Council shall not be prohibited; laws, regulations, decisions of the State Council shall be licensed (approval), approved by the approving authority with the permit (approval) documents; laws, regulations, decisions of the State Council without the need for permits (approvals), market players choose to operate. (wholesale and retail: tyres, rubber products, chemical products (excluding hazardous chemicals, toxic chemicals), machinery and equipment, instruments and meters, electromechanical products, building materials, hardware and electrical appliances, office supplies, computers and accessories, wine, pre-packaged food; advertising design and production. (Involving licensing) projects, shall obtain the permission of the relevant departments before operating))	2,000. 00,0 00 .0 00	—	100	100	be	—	—	—
Guizhou Hercules Tyre Co.	Ltd.	Guiya ng prefec ture level city in Guizh ou	cease tradin g (temp orarily or perma nently)	24,00 0.00 \$10, 000, 000	Laws, regulations, decisions of the State Council shall not be prohibited; laws, regulations decisions of the State Council shall be licensed (approval), approved by the approving authority with the permit (approval) documents; laws, regulations, decisions of the State Council without the need for licensing (approval), the market entity to choose their own business (Development, production, assembly and sale of high-performance radial tyre products engaged in tyres, raw materials, equipment instruments and production technology procurement business; Lease of fixed assets, lease of land.)	24,00 0.00 \$10, 000, 000	—	100	100	be	—	—	—

IV. Basis of preparation of the financial statements

1. Basis of preparation

The Company prepares its financial statements on a going concern basis, based on the recognition and measurement of transactions and events that actually occur, in accordance with Accounting Standards for Business Enterprises (ASBEs) -

2. Continuous operation

The Company has assessed that its ability to continue as a going concern for the 12 months from the end of the reporting period is good, and there are no factors that give rise to significant doubt about the Company's ability to continue as a going concern.

v. significant accounting policies and accounting estimates

Specific accounting policies and

accounting estimates alert: None

1. Statement of compliance with enterprise accounting standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete picture of the Company's financial position, results of operations, changes in owners' equity and cash flows and other relevant information.

2. Accounting period

A calendar year is used, i.e., a fiscal year from 1 January to 31 December of each year.

3. Business cycle

The Company uses a 12-month period as its operating cycle and as a criterion for classifying the liquidity of its assets and liabilities.

4. Currency of account

The local currency of account is RMB.

5. Accounting treatment of business combinations under the same control and non-same control

(1) Business combinations under the same control

A business combination is considered to be a business combination under the same control if the enterprises involved in the combination are under the ultimate control of the same party or the same number of parties both before and after the combination and the control is not of a temporary nature. If the consolidating party pays cash, transfers non-cash assets or assumes liabilities as consideration for the consolidation, the initial investment cost of a long-term equity investment is determined at the consolidation date as the share of the book value of the equity interest of the party being consolidated in the consolidated financial statements of the party ultimately controlling the consolidated financial statements of the party being consolidated. The difference between the initial investment cost of a long-term equity investment and the carrying value of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital surplus; if capital surplus is not sufficient to offset the difference, retained earnings is adjusted. If a consolidated entity issues equity securities as consideration for a consolidation, the initial investment cost of a long-term equity investment is based on the share of the carrying value of the equity interests of the consolidated entity in the consolidated financial statements of the party ultimately in control at the date of consolidation. The difference between the initial investment cost of the long-term equity investment and the aggregate nominal value of the shares issued is adjusted to capital surplus if the difference between the initial investment cost of the long-term equity investment and the aggregate nominal value of the shares issued is based on the aggregate nominal value of the shares issued as equity; retained earnings are adjusted if the capital surplus is insufficient to cover the difference. Intermediary fees such as auditing, legal services, appraisal and consulting fees and other related administrative expenses incurred by the consolidated party for the business combination are charged to current profit or loss as incurred.

(2) Business combinations not under common control

If the parties involved in a merger are not under the ultimate control of the same party or the same number of parties before and after the merger, the merger is deemed to be a business combination not under the same control. For a business combination achieved by the purchaser through an exchange transaction, the cost of the combination is the fair value of the assets given, liabilities incurred or assumed, and equity securities issued by the purchaser at the date of purchase in order to obtain control over the purchased party. Intermediary fees incurred by the purchaser for the business combination, such as auditing, legal services, appraisal and consulting fees, and other related administrative expenses, are charged to profit or loss when incurred; transaction costs of equity or debt securities issued by the purchaser as

consideration for the combination are included in the amount of the initial recognition of the equity or debt securities. The purchaser's cost of consolidation and the purchaser's identifiable net assets acquired in the consolidation are measured at fair value at the date of purchase. The difference between the cost of consolidation and the fair value of the purchaser's share of the identifiable net assets acquired in the consolidation at the date of purchase is recognised as goodwill; the difference between the cost of consolidation and the fair value of the purchaser's share of the identifiable net assets acquired in the consolidation is recognised in profit or loss.

(3) Ability to exercise control over an investee that is not under common control as a result of additional investment, etc.

In preparing the individual financial statements, the sum of the carrying value of the equity investment previously held plus the cost of the additional investment is used as the initial investment cost for the change to the cost method of accounting. Other comprehensive income recognised as a result of the adoption of the equity method of accounting for equity investments held prior to the date of purchase is accounted for upon disposal of the investment on the same basis as the direct disposal of the related assets or liabilities by the investee. If the equity investments held prior to the purchase date are accounted for in accordance with the relevant provisions of "ASBE No. 22 - Recognition and Measurement of Financial Instruments", the cumulative change in fair value that was previously recognised in other comprehensive income is transferred to current profit or loss when the investment is reclassified to the cost method of accounting. In the consolidated financial statements, the equity interest in the acquiree held prior to the date of purchase is remeasured according to the fair value of the equity interest at the date of purchase, and the difference between the fair value and its book value is recognised in investment income for the current period; if the equity interest in the acquiree held prior to the date of purchase is related to other comprehensive income under the equity method of accounting, the other comprehensive income related to it should be

Converted to current earnings belonging to the date of purchase.

6. Methodology for the preparation of consolidated financial statements

(1) Scope of consolidation

The scope of consolidation of the consolidated financial statements includes the Company and its subsidiaries. The scope of consolidation of the consolidated financial statements is determined on the basis of control.

(2) Basis of control

An investor is considered to control an investee if it has power over the investee, enjoys a variable return by participating in the investee's underlying activities, and has the ability to use its power over the investee to affect the amount of its return. Relevant activities are those that have a significant effect on the investee's returns.

(3) Policymakers and agents

The agent exercises decision-making authority only on behalf of the principals and does not control the investee. An investor that delegates decision-making authority over an investee's relevant activities to an agent treats that decision-making authority as directly held by itself. In determining whether a decision maker is an agent, the Company takes into account the relationship between the decision maker and the investee as well as other investors. If a single party has the substantive right to remove a decision-maker unconditionally, the decision-maker is a nominee. (ii) In cases other than (i), the Company determines whether the decision-maker is an agent by taking into account the scope of the decision-making power of the decision-maker over the investee, the substantive rights of the other parties, the level of the decision-maker's remuneration, and the decision-maker's exposure to the risk of variable returns from holding other interests in the investee, and other factors.

(4) investment property

A company is considered to be an investment entity when the following conditions are simultaneously met: (i) the company obtains funds from one or more investors for the purpose of providing investment management services to the investors; (ii) the company's sole business purpose is to provide investors with a return through capital appreciation, investment income, or both; and (iii) the company considers and evaluates the performance of virtually all of its investments at fair value. A company that is an investment entity normally meets all of the following characteristics: (i) it has more than one investment; (ii) it has more than one investor; (iii) the investor is not a related party of the entity; and (iv) its ownership interest is in the form of an equity or similar interest.

If the parent company is an investment entity, it includes in the scope of consolidation and prepares consolidated financial statements only those subsidiaries, if any, that provide services related to its investment activities; other subsidiaries are not consolidated, and the parent company's investment in the other subsidiaries is measured at fair value with changes in fair value recognised in profit or loss. If the parent company of an investment entity is not itself an investment entity, all entities controlled by it, including those indirectly controlled through the investment entity, are included in the scope of consolidated financial statements.

(5) Consolidation procedure

If the accounting policies or accounting periods adopted by the subsidiaries are not consistent with those of the Company, make the necessary adjustments to the financial statements of the subsidiaries in accordance with the Company's accounting

policies or accounting periods; or require the subsidiaries to prepare separate financial statements in accordance with the Company's accounting policies or accounting periods.

The consolidated balance sheets, consolidated income statements, consolidated statements of cash flows and consolidated statements of changes in owners' (shareholders') equity are based on the balance sheets, income statements, statements of cash flows and statements of changes in owners' (shareholders') equity of the Company and its subsidiaries, respectively, and are prepared by the Company on a consolidated basis, after eliminating the effects of the Company's internal transactions with its subsidiaries and subsidiaries' internal transactions with each other on the consolidated balance sheets, consolidated income statements, consolidated statements of cash flows and consolidated statements of changes in owners' (shareholders') equity. consolidated statement of changes in owners' (shareholders') equity after offsetting the effects of internal transactions between the Company and its subsidiaries and between subsidiaries on the consolidated balance sheet, consolidated income statement, consolidated cash flow statement and consolidated statement of changes in owners' (shareholders') equity.

Unrealised gains or losses on internal transactions arising from the sale of assets by the Company to its subsidiaries are fully offset against "Net income attributable to owners of the parent company". Unrealised internal transaction gains or losses arising from the sale of assets by a subsidiary to the Company shall be set off against "Net income attributable to owners of the parent" and "Minority interests and losses" in proportion to the Company's share of the distribution of such assets to the subsidiary. Unrealised internal transaction gains or losses arising from the sale of assets between subsidiaries shall be allocated and eliminated between "net profit attributable to owners of the parent company" and "minority interests" in proportion to the Company's share of the seller's subsidiaries.

The share of ownership interest of subsidiaries that does not belong to the Company is presented as minority interest under the item of ownership interest in the consolidated balance sheet under the item of "Minority interest". Minority interests in the net profit or loss of subsidiaries for the period are shown as "Minority interests in profit or loss" under the item of net profit in the consolidated income statement. The share of minority interests in the comprehensive income of subsidiaries for the period is presented as "Total comprehensive income attributable to minority interests" under the item of total comprehensive income in the consolidated income statement. If there are minority shareholders, the column "Minority interests" is added to the consolidated statement of changes in equity to reflect the changes in minority interests. Minority interests in subsidiaries

If the minority shareholders' share of current loss exceeds the minority shareholders' share of the subsidiary's opening ownership interest, the balance should still be offset against the minority shareholders' equity. When preparing the consolidated balance sheet for subsidiaries and businesses added by the Company as a result of a business combination under the same control during the reporting period, the opening balance of the consolidated balance sheet is adjusted to reflect the increase in the minority interests of the subsidiaries.

In preparing the consolidated income statement, the revenues, expenses and profits of the subsidiary and the business combination from the beginning to the end of the reporting period are included in the consolidated income statement; in preparing the statement of cash flows, the cash flows of the subsidiary and the business combination from the beginning to the end of the reporting period are included in the consolidated statement of cash flows; and adjustments are made to the relevant items in the comparative statements to deem the consolidated reporting entity to have been in existence from the point in time when the ultimate controlling party began controlling the subsidiary or the business combination. The consolidated reporting entity is deemed to have been in existence since the point in time when the ultimate controlling party commenced control.

When preparing the consolidated balance sheet for subsidiaries as well as businesses added as a result of a business combination not under the same control or otherwise, the opening balance of the consolidated balance sheet is not adjusted; when preparing the consolidated income statement, the revenues, expenses, and profits of the subsidiaries as well as the businesses from the date of purchase to the end of the reporting period are included in the consolidated income statement; and when preparing the consolidated statement of cash flows, the cash flows of the subsidiaries from the date of purchase to the end of the reporting period are included in the consolidated cash flow statement.

When the Company disposed of subsidiaries as well as businesses during the reporting period, the opening balance of the consolidated balance sheet was not adjusted for the preparation of the consolidated balance sheet; when the consolidated income statement was prepared, the revenues, expenses, and profits of the subsidiaries as well as businesses from the beginning of the period to the date of disposal were included in the consolidated income statement; and when the consolidated statement of cash flows was prepared, the cash flows of the subsidiaries as well as businesses from the beginning of the period to the date of disposal were included in the consolidated statement of cash flows.

(6) Accounting for extraordinary transactions

Purchase of equity interests in subsidiaries owned by minority shareholders: In the consolidated financial statements, 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 proportion of the additional shareholding in the net assets of the subsidiary calculated on a continuous basis from the date of the purchase or the date of the consolidation shall be adjusted to the capital surplus (capital premium or equity premium), or to the retained earnings if capital surplus is insufficient to eliminate the capital surplus.

Disposal of long-term equity investments in subsidiaries without loss of control: For partial disposal of long-term equity investments in subsidiaries without loss of control, in the consolidated financial statements, the difference between the disposal price and the corresponding share of the net assets of the subsidiary from the date of purchase or the date of consolidation should be adjusted to capital surplus (capital premium or equity premium), and the capital surplus should be adjusted to retained earnings. If the difference is not sufficient to eliminate the difference, the difference shall be adjusted to retained earnings.

When control over an investee is lost due to the disposal of part of the equity investment, etc., the treatment of the remaining equity interest: In preparing the consolidated financial statements, the remaining equity interest 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 of the equity interest and the fair value of the remaining equity interest, less the share of the original subsidiary's net assets continuously calculated from the date of purchase or the date of consolidation based on the original shareholding ratio, is included in investment income for the period in which the loss of control occurs, and goodwill is also eliminated. Other comprehensive income, such as other comprehensive income related to equity investments in the original subsidiaries, is transferred to investment income in the current period when control is lost.

The treatment of an enterprise that disposes of its equity investment in a subsidiary step by step through a number of transactions until it loses control of the subsidiary, and the transactions belong to a package deal: if each transaction of disposing of equity investment in a subsidiary until it loses control of the subsidiary belongs to a package deal, the transactions shall be accounted for as a single disposal of the subsidiary and loss of control; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment in each disposal prior to loss of control shall be recognised as other comprehensive income in the consolidated financial statements and transferred to profit or loss in the period of loss of control. However, the difference between the price of each disposal prior to the loss of control and the corresponding share of the net assets of the subsidiary to which the investment is entitled shall be recognised in the consolidated financial statements as other comprehensive income and shall be transferred to profit or loss for the period in which the control is lost when the control is lost.

The principles for determining whether transactions in the process of step-by-step disposal of equity interests to loss of control are package transactions are as follows: The terms, conditions and economic effects of the transactions for the disposal of equity investments in subsidiaries generally indicate that a number of transactions are package transactions when one or more of the following conditions are met: (i) the transactions are entered into simultaneously or in consideration of each other's effects; (ii) it is necessary to achieve a complete business result for the transactions to be taken as a whole; (iii) the occurrence of one transaction depends on the occurrence of at least one other transaction; and (iv) one transaction is uneconomic when viewed alone but is economic when considered together with other transactions. (ii) the transactions as a whole achieve a complete commercial result; (iii) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; and (iv) one transaction is uneconomical in isolation but economical when considered in conjunction with the other transactions.

7. Classification of joint venture arrangements and accounting treatment of joint operations

(1) Classification of joint venture arrangements

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

(2) Accounting for joint operating participants

The joint venturers recognise the following items related to their share of interests in joint operations and account for them in accordance with the provisions of the relevant corporate accounting standards: i) Recognition of separately held

(i) recognising assets held separately and recognising jointly held assets in proportion to their shares; (ii) recognising liabilities incurred separately and recognising jointly in proportion to their shares; (iii) recognising revenue from the sale of its share of the output of the joint operation; (iv) recognising revenue from the sale of the output of the joint operation in proportion to its share; and (v) recognising expenses incurred separately and recognising expenses incurred in proportion to the share of the joint operation.

When a joint venture invests in or sells an asset, etc., to a joint operation (unless the asset constitutes a business), only the portion of the gain or loss arising from the transaction attributable to the other participants in the joint operation is recognised until the asset, etc., is sold by the joint operation to a third party. If an impairment loss on an asset is incurred on an asset that meets the requirements of "Accounting Standard for Business Enterprises (ASBE) No. 8 - Impairment of Assets", etc., the joint venture participant recognises the full amount of the loss.

When a joint venture party purchases an asset, etc., from a joint operation (except when the asset constitutes a business), only the portion of the gain or loss arising from the transaction attributable to the other participants in the joint operation is recognised until the asset, etc., is sold to a third party. If an impairment loss on assets purchased is incurred in accordance with the provisions of ASBE No. 8 - Impairment of Assets, etc., the joint venture participant recognises the portion of the loss attributable to the joint venture participant in accordance with its share of the loss.

A participant that does not enjoy joint control over a joint operation is accounted for in accordance with the above method if it enjoys the assets and assumes the liabilities related to the joint operation; otherwise, it is accounted for in accordance with the provisions of the relevant enterprise accounting standards.

8. Criteria for determining cash and cash equivalents

Cash, as shown in the statement of cash flows, represents cash on hand and deposits that are readily available for disbursement, and cash equivalents represent investments that are held for a short period of time, are highly liquid, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

9. Foreign currency operations and translation of foreign currency statements

(1) Foreign currency operations

Foreign currency operations are recorded in Renminbi at the spot rate of exchange prevailing at the date of the operation. At the balance sheet date, monetary items denominated in foreign currencies are translated into Renminbi using the spot exchange rate at the balance sheet date, and the resulting translation differences are recognized directly in profit or loss for the current period, except for exchange differences arising from foreign-currency borrowings for the purpose of acquiring, constructing or producing assets eligible for capitalization, which are treated in accordance with the principle of capitalization. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the balance sheet date using the spot exchange rate at the date of the transaction.

(2) Translation of foreign currency financial statements

Assets and liabilities in the balance sheet prepared in currencies other than the local currency of the accounts are translated into the local currency of the accounts using the spot exchange rate at the balance sheet date, and items in

shareholders' equity, except for undistributed earnings, are translated using the spot exchange rate at the time of occurrence. Income and expense items in the income statement prepared in currencies other than the local currency of the accounts are translated into the local currency of the accounts using the spot exchange rate on the date of the transaction. Translation differences arising from the above translations are shown as a separate line item in shareholders' equity. Cash flows for items in the statement of cash flows prepared in a currency other than the local currency of the accounts are translated into the local currency of the accounts using the spot exchange rate at the date the cash flows occur. The effect of exchange rate changes on cash is shown separately in the statement of cash flows.

10. Financial instruments

(1) Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised when the Company becomes a party to a financial instrument contract.

For regular way purchases or sales of financial assets, the Company recognises the assets to be received and the liabilities to be assumed therefor at the date of the transaction or derecognises the assets sold at the date of the transaction, together with a gain or loss on disposal and a receivable receivable due from the buyer.

A financial asset is derecognised when it meets one of the following conditions:

The contractual right to receive cash flows from the financial asset is terminated;

The financial asset has been transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial asset;

The financial asset has been transferred and the Company has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset; however, the Company has not retained control of the financial asset.

The Company derecognises a financial liability (or a portion of a financial liability) when the present obligation of the financial liability (or the portion of the financial liability) has been discharged.

(2) Classification of financial assets

Financial assets are classified into the following three categories based on the business model for managing them and the contractual cash flow characteristics of the financial assets:

- 1) Financial assets measured at amortised cost.
- 2) Financial assets at fair value through other comprehensive income.
- 3) Financial assets at fair value through profit or loss.

① Financial assets measured at amortised cost

A financial asset is classified as financial assets carried at amortised cost if it simultaneously meets the following criteria: the Company's business model for managing the financial asset is to collect the contractual cash flows.

The contractual terms of the financial asset provide that the cash flows arising at a specified date are solely payments of principal and interest based on the outstanding principal amount.

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

The Company classifies a financial asset as financial assets at fair value through other comprehensive income if the financial asset meets the following criteria simultaneously: the Company's business model for managing the financial asset is based on the objective of collecting the contractual cash flows as well as the objective of selling the financial asset.

The contractual terms of the financial asset provide that the cash flows arising at a specified date are solely payments of principal and interest based on the outstanding principal amount.

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

Financial assets other than those classified as financial assets at amortised cost in accordance with item 1) of this Article and those classified as financial assets at fair value through other comprehensive income (investments in debt instruments) in accordance with item 2) of this Article are classified as financial assets at fair value through profit or loss.

On initial recognition, the Company may designate investments in non-trading equity instruments as financial assets at fair value through other comprehensive income (investments in non-trading equity instruments) and recognise dividend income in accordance with the regulations. The designation, once made, cannot be revoked. If the contingent consideration recognised by the Company in a business combination not under common control constitutes a financial asset, the financial asset is classified as a financial asset at fair value through profit or loss.

(3) Classification of financial liabilities

The Company classifies its financial liabilities as financial liabilities measured at amortised cost, except for the following:

- 1) Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives

that are financial liabilities) and financial liabilities designated as at fair value through profit or loss.

- 2) A transfer of a financial asset does not qualify for derecognition or for continued involvement in the financial liability arising from the transferred financial asset.
- 3) Financial guarantee contracts that do not fall under the circumstances in subparagraphs 1) or 2) of this Article, and loan commitments to lend at below-market interest rates that do not fall under the circumstances in subparagraph 1) of this Article. In a business combination not under the same control, if the contingent consideration recognised by the Company as the purchaser creates a financial liability, such financial liability is measured at fair value and

Changes are recognised in profit or loss for accounting purposes.

At initial recognition, in order to provide more relevant accounting information, the Company may designate a financial liability as a financial liability at fair value through profit or loss, which designation satisfies one of the following conditions:

- 1) Ability to eliminate or significantly reduce accounting mismatches.
- 2) The portfolio of financial liabilities or the portfolio of financial assets and financial liabilities is valued at fair value in accordance with the enterprise risk management or investment strategy as set out in a formal written document

management and performance evaluations are conducted and reported to

key management on this basis within the Company. The designation, once made, cannot be revoked.

(4) Embedded derivatives

Embedded derivatives are derivatives that are embedded in a non-derivative instrument (i.e. a host contract).

If a hybrid contract contains a host contract that is an asset regulated by the Guidelines for the Recognition and Measurement of Financial Instruments, the Company applies the relevant provisions of the Guidelines on the classification of financial assets to the hybrid contract as a whole.

If a hybrid contract contains a host contract that is not an asset regulated by the Financial Instruments Recognition and Measurement Guidelines and the following conditions are also met, the Company splits the embedded derivative from the hybrid contract and treats it as a separately existing derivative:

- 1) The economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract.
- 2) A separate instrument with the same terms as the embedded derivative meets the definition of a derivative.
- 3) The hybrid contract is not accounted for at fair value through profit or loss.

(5) Reclassification of financial instruments

When the Company changes its business model for managing financial assets, it reclassifies all affected underlying financial assets. The Company is not allowed to reclassify all financial liabilities.

The Company reclassifies financial assets and applies the future applicable method of accounting for such reclassifications from the date of reclassification. The reclassification date is the first day of the first reporting period following the change in the business model that resulted in the reclassification of the Company's financial assets.

(6) Measurement of financial instruments

1) Initial measurement

The Company initially recognises financial assets or financial liabilities at fair value. For financial assets and financial liabilities at fair value through profit or loss, the related transaction costs are recognised directly in profit or loss; for other types of financial assets or financial liabilities, the related transaction costs shall be included in the initial recognition amount.

2) Follow-up measurement

After initial recognition, the Company subsequently measures different categories of financial assets at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

Subsequent to initial recognition, the Company subsequently measures different categories of financial liabilities at amortised cost, at fair value through profit or loss or by other appropriate methods.

The amortised cost of a financial asset or a financial liability is determined as the result of the following adjustments to the initial recognition amount of the financial asset or financial liability:

- 1) Deduct the principal amount repaid.
- 2) plus or minus the cumulative amortisation resulting from the amortisation of the difference between this initial recognition amount and the maturity amount using the effective interest rate method.
- 3) net of accumulated loss provisions (for financial assets only).

The Company recognises interest income based on the effective interest rate method. Interest income is determined by multiplying the carrying amount of the financial asset by the effective interest rate, except for the following:

- 1) For financial assets acquired or originated that are impaired for credit purposes, the Company determines interest income from initial recognition based on the amortised cost of the financial assets and the effective interest rate adjusted for credit.
- 2) For financial assets acquired or originated without credit impairment that become credit-impaired in a subsequent period, the Company determines interest income on the basis of the amortised cost of the financial assets and the effective interest rate in the subsequent period. If the Company applies the effective interest rate method to the amortised cost of a financial asset in accordance with the above policy, and the financial instrument is no longer impaired in a subsequent period due to an improvement in the credit risk of the financial instrument, and such improvement can be objectively related to an event occurring after the application of the above policy (e.g., an upgrading of the debtor's credit rating), the Company switches to the effective interest rate multiplied by the carrying amount of the financial asset to determine interest income. to determine interest income.

(7) Impairment of financial instruments

1) Impairment items

The Company accounts for impairment and recognises an allowance for losses based on expected credit losses for the following items:

- ① Financial assets classified as at amortised cost and financial assets classified as at fair value through other comprehensive income.
- ② Lease receivables.
- (iii) Loan commitments and financial guarantee contracts.

Other financial assets held by the Company at fair value through profit or loss that are not subject to the expected credit loss model include financial assets at fair value through profit or loss, financial assets designated at fair value through other comprehensive income (non-trading investments in equity instruments), and derivative financial assets.

2) Recognition and measurement of impairment provisions

Except for purchased or originated financial assets that are impaired and those for which the allowance for losses is always measured at an amount equal to the expected credit losses over the life of the financial asset, the Company assesses at each balance sheet date whether the credit risk of the financial instrument concerned has increased significantly since its initial recognition and measures its allowance for losses, recognises the expected credit losses and the changes therein, respectively, in accordance with the following scenarios:

If the credit risk of the financial instrument has not increased significantly since initial recognition and is in stage 1, the Company measures its loss allowance at an amount equal to the expected credit losses of the financial instrument in the next 12 months, regardless of whether the Company assesses the credit losses on the basis of a single financial instrument or a portfolio of financial instruments, and the amount of the resulting increase in or reversal of the loss allowance is included in the current period as an impairment loss or profit (c) Profit and Loss.

If the credit risk of a financial instrument has increased significantly since the initial recognition of the financial instrument and is in the second stage, the Company measures its allowance for losses at an amount equal to the expected credit losses over the entire life of the financial instrument. Regardless of whether the basis for the Company's assessment of credit losses is a single financial instrument or a portfolio of financial instruments, the resulting increase or reversal of the amount of loss allowance is recognised in profit or loss as an impairment loss or gain.

For financial assets that are impaired, in stage 3, the Company recognises only the cumulative change in expected credit losses over the entire period from initial recognition as a provision for losses at the balance sheet date. At each balance sheet date, the Company recognises the amount of the change in expected credit losses over the entire duration as an impairment loss or gain in profit or loss. Even if the expected credit losses over the lifetime determined at that balance sheet date are less than the amount of expected credit losses reflected in the estimated cash flows on initial recognition, the Company recognises a favourable change in expected credit losses as an impairment gain.

For financial assets classified as at fair value through other comprehensive income (investments in debt instruments), the Company recognises an allowance for losses in other comprehensive income and recognises impairment losses or gains in profit or loss for the current period, which should not reduce the carrying amount of the financial asset as stated in the balance sheet.

If the Company has measured the allowance for losses in the previous accounting period at an amount equal to the expected credit losses over the entire life of the financial instrument, but at the current balance sheet date the financial instrument is no longer classified as a significant increase in credit risk since initial recognition, the Company measures the allowance for losses for the financial instrument at an amount equal to the expected credit losses over the next 12 months at the current balance sheet date. The amount of the resulting reversal of the allowance for losses shall be recognised as an impairment gain in profit or loss for the current period.

When the Company is unable to obtain sufficient evidence of a significant increase in credit risk at the individual instrument level at a reasonable cost, the Company assesses whether credit risk has increased significantly on a portfolio basis.

For each class of financial instruments to which the provisions of this policy on impairment of financial instruments apply, the Company determines its credit losses in accordance with the following methodology:

- ① For financial assets, credit losses represent the present value of the difference between the contractual cash flows received by the Company and the cash flows expected to be received.
- ② For lease receivables, credit losses represent the present value of the difference between the contractual cash flows to be received by the Company and the cash flows expected to be received.

(iii) For undrawn loan commitments, the credit loss shall be the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be receivable if the holder of the loan commitment draws on the corresponding loan.

(iv) For financial guarantee contracts, credit losses shall be the present value of the difference between the projected payments to be made by the Company to the holder of such contract for credit losses incurred by the holder of such contract, less the amount the Company expects to collect from the holder of such contract, the debtor or any other party.

⑤ For financial assets that are impaired at the balance sheet date but not purchased or originated with credit impairment, the credit loss is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the original effective interest rate.

3) Significant increase in credit risk

The Company determines whether there has been a significant increase in the credit risk of a financial instrument by comparing the probability of default over the expected life of the financial instrument determined at initial recognition with the probability of default over the expected life of the instrument determined at the balance sheet date. Except in special circumstances, the Company uses the change in the risk of default occurring within the next 12 months as a reasonable estimate of the change in the risk of default occurring over the entire duration to determine whether there has been a significant increase in credit risk since initial recognition.

Where the Company determines that a financial instrument presents only a low credit risk at the balance sheet date, it may assume that the credit risk of the financial instrument has not increased significantly since initial recognition. Generally, the Company considers that the credit risk of a financial instrument has increased significantly when the instrument 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.

4) Impairment of notes and accounts receivable

For notes and accounts receivable that do not have a significant financing component, the Company measures the allowance for losses based on expected credit losses over the entire life of the notes and accounts receivable. For notes and accounts receivable with significant financing components, the Company has elected to recognise expected credit losses based on a three-stage model of expected credit losses.

When information about expected credit losses cannot be assessed at a reasonable cost for individual notes and accounts receivable, the Company classifies notes and accounts receivable into portfolios based on credit risk characteristics and calculates expected credit losses on a portfolio basis. If there is objective evidence that an item of notes and accounts receivable has been impaired, the Company makes a separate provision for bad debts and recognises an expected credit loss for that item of notes and accounts receivable. For notes and accounts receivable classified as portfolios, the Company calculates expected credit losses by referring to historical credit loss experience, taking into account current conditions and projections of future economic conditions, through the exposure to default risk and the expected credit loss rate over the entire duration.

Notes and accounts receivable portfolio:

Portfolio Name	Determination of the basis for the portfolio
Notes receivable portfolio 1	Low-risk portfolio
Notes receivable portfolio 2	General risk portfolio
Accounts receivable portfolio 3	Consolidated statement of assets, liabilities and reserves and fund balances
Accounts receivable portfolio 4	Sales to other customers - ageing credit risk matrix analysis methodology

Other receivables

When information about expected credit losses cannot be assessed at a reasonable cost for a single other receivable, the Company divides other receivables into portfolios based on credit risk characteristics and calculates expected credit losses on a portfolio basis.

Portfolio Name	Determination of the basis for the portfolio
Other receivables portfolio 1	Consolidated statement of assets, liabilities and reserves and fund balances
Other receivables portfolio 2	Deposits, bonds
Other receivables portfolio 3	Other transactions

Impairment of contract assets

For contract assets, regardless of whether there is a significant financing component, the Company measures the allowance for losses based on expected credit losses over the entire duration.

When information on expected credit losses cannot be assessed at a reasonable cost for a single contract asset, the Company divides contract assets into portfolios based on credit risk characteristics and calculates expected credit losses on a portfolio basis, which is determined as follows:

Portfolio Name	Determination of the basis for the portfolio
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Contractual assets	Unexpired warranty deposits
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(8) Gains and losses

The Company recognises gains or losses on financial assets or financial liabilities at fair value through profit or loss, unless the financial assets or financial liabilities fall into one of the following categories

- 1) part of a hedging relationship under ASU 24, Hedge Accounting.
- 2) is an investment in a non-trading equity instrument and the Company has designated it as a financial asset at fair value through other comprehensive income.
- 3) It is a financial liability designated as at fair value through profit or loss, and changes in its fair value arising from changes in the Company's own credit risk should be recognised in other comprehensive income.
- 4) is a financial asset classified as at fair value through other comprehensive income (investments in debt instruments), with changes in fair value other than impairment losses or gains and exchange gains or losses recognised in other comprehensive income.

The Company recognises dividend income and recognises it in profit or loss only when the following conditions are simultaneously met:

- 1) The Company's right to receive dividends has been established;
- 2) It is probable that the economic benefits associated with the dividend will flow to the Company;
- 3) The amount of the dividend can be measured reliably.

Gains or losses arising from financial assets measured at amortised cost that are not part of any hedging relationship are recognised in profit or loss when they are derecognised, reclassified in accordance with this item, amortised in accordance with the effective interest rate method or recognised as an impairment. If the Company reclassifies a financial asset measured at amortised cost to a financial asset at fair value through profit or loss, the asset is measured at its fair value at the date of reclassification. The difference between the original carrying amount and the fair value is recognised in profit or loss. If a financial asset measured at amortised cost is reclassified as a financial asset at fair value through other comprehensive income, it is measured at the fair value of the financial asset at the date of reclassification. The difference between the original carrying amount and the fair value is recognised in other comprehensive income. Gains or losses arising from financial liabilities measured at amortised cost that are not part of any hedging relationship are recognised in profit or loss on derecognition or in profit or loss for the period to which they relate when amortised in accordance with the effective interest method.

For financial liabilities designated by the Company as at fair value through profit or loss, gains or losses arising from such financial liabilities are accounted for in accordance with the following provisions:

- 1) The amount of change in the fair value of this financial liability arising from changes in the Company's own credit risk is recognised in other comprehensive income;
- 2) Other changes in the fair value of this financial liability are recognised in profit or loss.

If the treatment of the effect of changes in the financial liability's own credit risk in accordance with the provisions of paragraph 1) of this Article would cause or enlarge an accounting mismatch in profit or loss, the Company recognises all gains or losses on the financial liability (including the amount of the effect of changes in the Company's own credit risk) in profit or loss for the current period. When the financial liability is derecognised, the cumulative gain or loss previously recognized in other comprehensive income shall be transferred out of other comprehensive income and recognized in

retained earnings.

If the Company designates an investment in a non-trading equity instrument as a financial asset at fair value through other comprehensive income, when the financial asset is derecognised, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

All gains or losses arising from financial assets classified as at fair value through other comprehensive income (investments in debt instruments), other than impairment losses or gains and exchange gains or losses, are included in other comprehensive income until the financial assets are derecognised or reclassified. However, interest calculated using the effective interest method on this financial asset is recognised in profit or loss. Upon derecognition of the financial asset, the cumulative gain or loss previously recognised in other comprehensive income should be transferred out of other comprehensive income and recognised in profit or loss for the current period. If the Company reclassifies the financial asset to another category of financial assets, the cumulative gain or loss previously recognized in other comprehensive income is reversed, the fair value of the financial asset at the date of reclassification is adjusted, and the adjusted amount is used as the new carrying amount.

(9) Statement presentation

Financial assets classified as at fair value through profit or loss are presented in the "Financial assets held for trading" account. From the balance sheet date

Non-current financial assets at fair value through profit or loss with a maturity of more than one year and expected to be held for more than one year are shown in the "Other non-current financial assets" account.

Long-term debt investments classified as amortised cost are shown in the "Debt investments" account. Long-term debt investments maturing within one year from the balance sheet date are presented in the "Non-current assets with maturity of less than one year" account. Debt investments acquired by the Company with a maturity of less than one year and measured at amortised cost are shown in the "Other current assets" account.

Long-term debt investments classified as at fair value through other comprehensive income are presented in the "Other debt investments" account. The ending carrying value of long-term debt investments maturing within one year from the balance sheet date is shown in the "Non-current assets with maturity of less than one year" account. Debt investments with a maturity of less than one year acquired by the Company and measured at fair value through other comprehensive income are presented in the "Other current assets" account.

Investments in non-trading equity instruments designated as at fair value through other comprehensive income are presented in the account "Investments in other equity instruments".

Financial liabilities assumed by the Company and financial liabilities held by the Company that are directly designated as at fair value through profit or loss are presented in the "Financial liabilities held for trading" account.

(10) equity instrument

An equity instrument is a contract that evidences ownership of the Company's residual interest in its assets net of all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of equity instruments by the Company is treated as a change in equity, and transaction costs associated with equity transactions are deducted from equity. The Company does not recognise changes in the fair value of equity instruments. Distributions from the Company to holders of equity instruments are treated as profit distributions, and stock dividends issued do not affect total owners' equity.

11. Notes receivable

Please refer to the financial instruments policy for the method of determining and accounting for expected credit losses on our notes receivable.

12. Accounts receivable

Please refer to the policy on financial instruments for the method of determining and accounting for expected credit losses on the Company's accounts receivable.

13. Receivables financing

When both notes and accounts receivable meet the following conditions, the Company classifies them as financial assets at fair value through other comprehensive income, and the related specific accounting treatment is described in

2.11 Financial Instruments, which is presented in the statements as receivables financing:

- (1) Contractual cash flows represent payments of principal and interest based on the amount of principal outstanding;
- (2) The Company's business model for managing notes and accounts receivable is geared towards both collecting contractual cash flows and selling them.

14. Other receivables

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

Please refer to the policy on financial instruments for the method of determining and accounting for expected credit losses on the Company's other receivables.

15. Inventory

(1) Category of inventory

Inventories consist of seven categories, including material purchases, raw materials, working capital materials, products in process, semi-finished products, goods in stock and goods issued, and are stated at the lower of cost or net realisable value.

(2) Method of valuation of inventories issued

Inventories are valued at actual cost for purchases and warehousing and at weighted average cost for issuance; working capital materials are amortised using the lump-sum amortisation method at the time of adoption.

(3) Basis for determining the net realisable value of different categories of inventory

If the cost of inventories exceeds their net realisable value, a provision for decline in the value of inventories is made and recognised in profit or loss. Net realisable value is the estimated selling price of inventories in the ordinary course of activities, less estimated costs to be incurred to completion, estimated selling expenses and related taxes. The Company determines the net realisable value of inventories on the basis of conclusive evidence obtained and taking into account factors such as the purpose for which the inventories are held and the effect of events after the balance sheet date.

Materials held for production, etc., are still measured at cost if the net realisable value of the finished goods produced from them is higher than the cost; if the decrease in the price of the materials indicates that the net realisable value of the finished goods is lower than the cost, the materials are measured at the net realisable value.

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 inventory held exceeds the quantity ordered under the sales contract, the net realisable value of the excess inventory is calculated on the basis of the general selling price.

(4) Inventory system

The inventory inventory system is based on a perpetual inventory system.

(5) Amortisation method for low value consumables and packaging

Low-value consumables are accounted for using the lump-sum method of accounting at the time of purchase. Packaging is accounted for using the lump-sum method of accounting at the time of receipt.

16. Contractual assets

(1) Methods and criteria for recognition of contract assets

The Company presents as receivables the right to receive consideration from customers that it owns and is unconditional (i.e. dependent only on the passage of time), and as contractual assets the right to receive consideration for merchandise that has been transferred to the customer and that is dependent on something other than the passage of time.

(2) The method of determining expected credit losses on contract assets and the accounting treatment are detailed in Financial Instruments.

17. Contract costs

(1) Method of determining the amount of assets related to contract costs

The Company's assets related to contract costs include contract performance costs and contract acquisition costs.

Contract performance costs, i.e. costs incurred by the Company to perform a contract that are not regulated by other corporate accounting standards, are recognised as an asset as contract performance costs when the following conditions are simultaneously met:

- 1) This cost is directly related to a current or anticipated contract that has been acquired and includes direct labour, direct materials, manufacturing overhead (or similar costs), costs explicitly attributable to the customer and other costs incurred solely as a result of that contract;
- 2) This cost increases the resources available to the Company to meet its performance obligations in the future;
- 3) The cost is expected to be recovered.

Contract acquisition costs, i.e., 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; if the asset is amortised over a period of not more than one year, it is charged to profit or loss as incurred. Incremental costs are costs that would not have been incurred by the Company if the contract had not been acquired (e.g., sales commissions, etc.). Expenses incurred by the Company to acquire a contract other than incremental costs that are expected to be recovered (e.g., rate differentials that would have been incurred regardless of whether the contract was acquired) are charged to profit or loss as incurred, except for those that are explicitly borne by the customer.

(2) Amortisation of assets relating to contract costs

The Company's assets related to contract costs are amortised to profit or loss using the same basis as revenue recognition for the commodity to which the asset relates.

(3) Impairment of assets relating to contract costs

In determining the impairment loss of assets related to contract costs, the Company first determines the impairment loss of other assets related to contracts recognised in accordance with other relevant accounting standards, and then provides for an impairment loss on the basis of the excess of the carrying value over the residual consideration expected to be received by the Company for the transfer of the goods related to the asset and the estimated costs to be incurred for the transfer of the goods. A provision for impairment should be made and recognised as an asset impairment loss.

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 reversal of the provision for impairment of the asset shall be recognised in profit or loss for the current period, provided that the carrying amount of the asset after the reversal shall 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.

18. Assets held for sale

(1) Conditions for classification as held for sale

Non-current assets or disposal groups that simultaneously meet the following conditions are recognised in the held-for-sale category: (i) they are available for immediate sale under current conditions based on the practice of selling such assets or disposal groups in similar transactions; and (ii) the sale is highly probable, i.e., the Company has already resolved on a plan of sale and has obtained a firm commitment to purchase, and it is expected that the sale will be completed within one year. Where the relevant regulations require the approval of the relevant authority or regulatory body of the company before the sale can take place, such approval has been obtained.

A firm purchase commitment is a legally binding purchase agreement entered into by a company with other parties that contains important terms such as the price of the transaction, the timing and penalties for breach of contract that are sufficiently severe to make material adjustments to the agreement or revocation highly unlikely.

(2) Measurement of non-current assets or disposal groups held for sale

When the Company initially measures or re-measures a non-current asset or disposal group held for sale at the balance sheet date, and its carrying value is higher than its fair value less costs to sell, the carrying value is written down to its fair value less costs to sell, and the amount of the write-down is recognised as an impairment loss on the asset, which is included in

profit or loss for the current period, and a provision for impairment of the asset held for sale is also made.

For non-current assets or disposal groups classified as held for sale at the date of acquisition, the Company compares the lower of the initial measurement amount that would have been determined assuming that they were not classified as held for sale, and the net fair value less costs to sell. Except for non-current assets or disposal groups acquired in a corporate merger, the difference arising from the initial measurement of a non-current asset or disposal group at fair value less costs to sell is recognised in profit or loss.

When the company remeasures a disposal group held for sale at the balance sheet date, it first measures the carrying value of the assets and liabilities in the disposal group in accordance with the relevant accounting standards, and then accounts for them in accordance with the preceding paragraph.

The amount of asset impairment loss recognised for disposal groups held for sale is offset against the carrying value of goodwill in the disposal group, and then against the carrying value of each non-current asset in the disposal group on a pro rata basis according to its proportionate share of the carrying value of each non-current asset under the measurement provisions of the applicable standards.

If the fair value of non-current assets held for sale increases at a subsequent balance sheet date, net of costs to sell, the amount previously written down shall be restored and reversed within the amount of the impairment loss recognised on the asset after classification as held for sale, with the amount of the reversal recognised in profit or loss for the current period. Impairment losses recognised on assets before classification as held for sale shall not be reversed.

If the fair value of a disposal group held for sale increases at a subsequent balance sheet date, net of costs to sell, the amount previously written down is restored and reversed within the amount of the asset impairment loss recognised for the non-current asset for which the measurement provisions of the applicable standard have been applied after classification as held for sale, with the amount of the reversal recognised in profit or loss for the period. Carrying amount of goodwill offset

value, and impairment losses recognised on assets before classification as held for sale for non-current assets subject to the measurement provisions of the applicable standards may not be reversed.

The amount of subsequent reversal of impairment losses recognised for assets in disposal groups held for sale is increased proportionately to the carrying amount of each non-current asset in the disposal group, other than goodwill, based on the proportion of the carrying amount of each non-current asset in the disposal group that is subject to the measurement requirements of the applicable standard.

No depreciation or amortisation is provided for non-current assets held for sale or non-current assets in disposal groups, and interest and other expenses continue to be recognised for liabilities in disposal groups held for sale.

When a non-current asset or disposal group no longer continues to be classified as held for sale because it no longer meets the conditions for classification as held for sale or when a non-current asset is removed from a disposal group held for sale, it is measured at the lower of (i) its carrying amount prior to classification as held for sale adjusted for depreciation, amortisation or impairment that would have been recognised assuming it were not so classified; and (ii) its recoverable amount. Recoverable amount.

When the company derecognises a non-current asset held for sale or a disposal group, the unrecognised gain or loss is recognised in profit or loss for the period.

19. Debt investments

☐ Applicable ☒ Not applicable

20. Other debt investments

☐ Applicable ☒ Not applicable

21. Long-term receivables

☐ Applicable ☒ Not applicable

22. Long-term equity investments

(1) Criteria for determining joint control, significant influence

Control over an arrangement that is shared in accordance with the relevant agreement and where the relevant activities of the arrangement require the unanimous agreement of the participants sharing control before decisions can be made is considered to be common control. An arrangement is not considered to be jointly controlled if there is a combination of two or more participants capable of collectively controlling the arrangement.

The exercise of significant influence over an investee is deemed to occur when the investee has the power to participate in decision-making with respect to the financial and operating policies of the investee, but does not have the ability to control, or jointly control with others, the formulation of those policies.

(2) Determination of initial investment cost

Long-term equity investments resulting from a business combination shall be recognised at initial investment cost in accordance with the relevant contents of "II.6 Accounting treatment of business combinations under the same control and

non-same control" in this note; long-term equity investments acquired by other means, except for those resulting from a business combination, shall be recognised at initial investment cost in accordance with the following method The initial investment cost shall be recognised in accordance with the following method:

① long-term equity investment acquired by cash payment, should be based on the actual purchase price paid as the initial investment cost. The initial investment cost includes fees, taxes and other necessary expenses directly related to the acquisition of long-term equity investments; ② long-term equity investments acquired by issuing equity securities should be based on the fair value of the equity securities issued as the initial investment cost, and the costs directly related to the issuance of equity securities should be determined in accordance with the provisions of "Accounting Standard 37 - - Presentation of Financial Instruments"; ③ in the case of non-monetary asset exchanges with commercial substance and the exchange of financial instruments. The costs directly related to the issuance of equity securities shall be determined in accordance with the relevant provisions of "Enterprise Accounting Standard No. 37 - Presentation of Financial Instruments"; (iii) On the premise that non-monetary asset exchanges have commercial substance and the fair value of the exchanged assets or exchanged assets can be measured reliably, the initial investment cost of a long-term equity investment acquired in a non-monetary asset exchange shall be determined on the basis of the fair value of the exchanged assets, unless there is solid evidence that the fair value of the exchanged assets is more reliable; for non-monetary asset exchanges that do not satisfy the above prerequisites, the carrying value of the exchanged assets and related taxes and fees payable are used as the initial investment cost of the long-term equity investment exchanged; ④ Long-term equity investments acquired through debt restructuring, the initial investment cost is determined on the basis of the fair value of the long-term equity investment acquired through debt restructuring.

(3) Subsequent measurement and gain/loss recognition methods

(i) Subsequent measurement by the cost method

Long-term equity investments in which the Company is able to exercise control over the investee are accounted for using the cost method, and long-term equity investments are valued at initial investment cost. The cost of long-term equity investments is adjusted for additions or recoveries. Cash dividends or profits declared by the investee are recognised as investment income for the period.

② Equity method subsequent measurement

The Company adopts the equity method of accounting for its long-term equity investments in associates and joint ventures. If the initial investment cost of a long-term equity investment is greater than its share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; if the initial investment cost of a long-term equity investment is less than its share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is recognised in the The difference is recognised in profit or loss for the current period and the cost of the long-term equity investment is adjusted at the same time.

When adopting the equity method of accounting, after the investor acquires the long-term equity investment, the investor recognises investment income and other comprehensive income according to the share of net profit or loss and other comprehensive income realised by the investee unit and adjusts the book value of the long-term equity investment respectively; the investor's entitlement to the portion of profit or cash dividends declared by the investee unit is calculated in accordance with the portion of profit or cash dividends declared by the investee unit, and the book value of the long-term equity investment is reduced accordingly. The investor's entitlement to the profit or cash dividends declared by the investee is reduced by the carrying value of the long-term equity investment accordingly; the investor's entitlement to changes in the equity of the investee other than net profit or loss, other comprehensive income and profit distribution is adjusted to the carrying value of the long-term equity investment and included in the equity of the investor. In recognising the investor's share of the net profit or loss of the 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 investor's share of the net profit of the investee after adjusting the fair value of the investee's identifiable net assets at the time of acquisition of the investment. If the accounting policies and accounting periods adopted by the investee are different from those of the investor, the financial statements of the investee are adjusted in accordance with the investor's accounting policies and accounting periods, and investment income and other comprehensive income, etc. are recognised accordingly.

The investor recognises a net loss incurred by the investee to the extent that the carrying amount of the long-term equity investment and other long-term equity interests that, in substance, constitute a net investment in the investee are written down to zero, except to the extent that the investor has an obligation to assume additional losses. If the investee subsequently achieves net profit, the investor resumes recognising the profit-sharing amount after its profit-sharing amount has made up for the unrecognised loss-sharing amount.

When calculating the investor's entitlement to, or share in, the net profit or loss of the investee, unrealised internal transaction losses or gains incurred with associates or joint ventures attributable to the investor in accordance with the proportion of entitlement are offset and investment income is recognised on this basis. Unrealised losses on internal

transactions between the investor and the investee are recognised in full if they are classified as asset impairment losses in accordance with the relevant provisions of Accounting Standard for Business Enterprises (ASBE) No. 8 - Impairment of Assets.

If a portion of an investor's equity investment in an associate is held indirectly through a venture capital organisation, mutual fund, trust company or similar entity including an investment-linked insurance fund, regardless of whether the above entity has significant influence over this portion of the investment, the investor, in accordance with the relevant provisions of the policy on Financial Instruments, elects to measure the portion of the investment indirectly held at fair value through profit or loss, and to The equity method of accounting is applied to the remaining portion.

(iii) Treatment of investees over which significant influence or joint control, but not control, can be exercised as a result of additional investments, etc.

The sum of the fair value of the equity investment previously held plus the cost of the additional investment, determined in accordance with ASBE 22 - Recognition and Measurement of Financial Instruments, is used as the initial investment cost for reclassification to the equity method of accounting. If the previously held equity investments are classified as available-for-sale financial assets, the difference between the fair value and the carrying amount, as well as the cumulative change in fair value previously recognised in other comprehensive income, are transferred to profit or loss for the period in which the equity method is changed.

④ Disposal of part of equity interests

If an investee loses joint control or significant influence over the investee due to the disposal of a portion of the equity investment, the remaining equity in the investee after the disposal is accounted for in accordance with the policy of "Financial instruments" in this note, and the difference between the fair value and the carrying amount at the date of loss of joint control or significant influence is recognised in profit or loss for the current period. Other comprehensive income recognised as a result of the adoption of the equity method of accounting for the original equity investment is accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee when the equity method is discontinued.

If control over an investee is lost due to the disposal of a portion of equity investment, etc., in preparing the individual financial statements, if the remaining equity interest after disposal is able to exercise joint control or significant influence over the investee, it shall be accounted for under the equity method and adjusted in the same way as if it had been accounted for under the equity method from the time of acquisition; if the remaining equity interest after disposal is unable to exercise joint control or significant influence over the investee, it shall be accounted for in accordance with the relevant policy of "Financial Instruments" in this note, and it shall be accounted for in the same way as if it had been accounted for under the equity method from the time of loss. If the remaining equity interest after disposal cannot exercise joint control or significant influence over the investee, it shall be accounted for in accordance with the relevant policy of "Financial Instruments" in this note, and the remaining equity interest shall be adjusted as if it were accounted for by the equity method from the time of acquisition.

The difference between the fair value and the book value at the date of control is recognised in profit or loss. In preparing the consolidated financial statements, the difference is treated in accordance with the "Method of preparing consolidated financial statements" in this note.

⑤ Treatment of equity investments in associates or joint ventures classified in whole or in part as assets held for sale

Equity investments in associates or joint ventures that are classified as assets held for sale are stated at the lower of carrying value or fair value less costs of disposal, and any amount by which the fair value less costs of disposal is less than the original carrying value is recognised as an asset impairment loss. The equity method of accounting is used to account for the remaining equity investments that are not classified as assets held for sale. If an equity investment in an associate or joint venture that has been classified as held for sale no longer meets the criteria for classification as an asset held for sale, it is retrospectively adjusted using the equity method from the date on which it is classified as an asset held for sale. The financial statements for the period in which it is classified as held for sale are adjusted accordingly.

(vi) Treatment of disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between its carrying amount and the actual acquisition price is recognised in profit or loss for the current period. Upon disposal of a long-term equity investment accounted for using the equity method, the investment is accounted for using the same basis as that used for the direct disposal of the related assets or liabilities by the investee, with a corresponding proportion of the portion of the investment that would otherwise be included in other comprehensive income.

23. Investment property

Investment property

measurement model

not applicable

24. Fixed assets

(1) Confirmation conditions

Fixed assets are tangible assets that are held for use in the production of goods, provision of services, rental or business management and have a useful life of more than one fiscal year. A fixed asset is recognised when the following conditions are simultaneously met: it is probable that the economic benefits associated with the fixed asset will flow to the enterprise; and the cost of the fixed asset can be measured reliably.

(2) Depreciation method

form	Depreciation method	depreciable life	salvage rate	Annual depreciation rate
building	life-cycle averaging (LCA)	25-40	5.00	2.38-3.80
machinery and	life-cycle averaging	14	5.00	6.79

equipment	(LCA)		Report 2021	
Transport equipment	life-cycle averaging (LCA)	10	5.00	9.50
electronic equipment	life-cycle averaging (LCA)	5	5.00	19.00
Other equipment	life-cycle averaging (LCA)	5	5.00	19.00

The Company is required to comply with the disclosure requirements of the chemical industry in the "No. 3 Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange - Disclosure of Industry Information" For details, please refer to VII.21 Fixed assets

(3) Basis of recognition, valuation and depreciation of fixed assets under finance leases

☐ Applicable ☒ Not applicable

25. Construction in progress

The Company is required to comply with the disclosure requirements of the chemical industry in the "No. 3 Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange - Disclosure of Industry Information".

Construction in progress is measured at actual costs incurred. Actual costs include construction costs, other necessary expenditures incurred to bring the construction in progress to its intended state of use, and borrowing costs incurred before the asset reaches its intended state of use that qualify for capitalisation. Construction in progress is transferred to fixed assets and depreciated from the following month when it reaches its intended state of use.

For details, see VII.22. Construction in progress.

26. Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of property, plant and equipment that necessarily take a substantial period of time to get to their intended use begin to be capitalised and added to the cost of the asset when the expenditure on the asset and the borrowing costs have been incurred and the construction activities necessary to bring the asset to its intended use have begun. Capitalisation ceases when the asset has reached its intended use and borrowing costs incurred thereafter are charged to current profit or loss. If the construction of an asset is interrupted for more than three consecutive months, the capitalisation of borrowing costs is suspended until the construction of the asset recommences.

During the capitalisation period, the amount of interest to be capitalised on specialised borrowings (i.e. amounts borrowed specifically for the purpose of acquiring or producing assets eligible for capitalisation) shall be determined on the basis of the actual interest expenses incurred during the period of specialised borrowings, less interest income earned on the unused borrowed funds deposited in the bank or investment income earned on the temporary investments; the amount of interest to be capitalised on general borrowings shall be determined on the basis of the weighted average number of asset expenditures in excess of the capitalisation rate of general borrowings used, multiplied by the capitalisation rate of general borrowings used. For general borrowings, the amount of interest to be capitalised on general borrowings is calculated by multiplying the weighted average amount of accumulated asset expenditure in excess of the amount of specialised borrowings by the capitalisation rate of the general borrowings taken up. The capitalisation rate is based on the weighted average interest rate of general borrowings.

If there is a discount or premium on the borrowing, the amount of discount or premium to be amortised in each accounting period is determined in accordance with the effective interest rate method, and the amount of interest is adjusted in each period.

27. Biological assets

☐ Applicable ☒ Not applicable

28. Oil and gas assets

☐ Applicable ☒ Not applicable

29. Right-to-use assets

A right-of-use asset is the right of the Company, as lessee, to use the leased asset during the lease term.

(1) Initial measurement of right-to-use assets

On the commencement date of the lease term, the Company initially measures the right-of-use asset at cost. This cost consists of the four items listed below:

(i) The amount of the initial measurement of the lease liability;

② Amount of lease payments made on or before the commencement date of the lease term for which a lease incentive exists, net of the amount related to the lease incentive that has been taken;

(iii) Initial direct costs incurred by the lessee;

(iv) Costs that the lessee expects to incur to dismantle and remove the leased asset, to reinstate the site where the leased asset is located, or to restore the leased asset to the condition agreed upon in the terms of the lease, except for those incurred for the production of inventories.

(2) Subsequent measurement of right-to-use assets

Subsequent to the commencement date of the lease term, the Company applies the cost model for subsequent measurement of the right-of-use asset, i.e., measuring the right-of-use asset at cost less accumulated depreciation and accumulated impairment losses.

If the Company remeasures the lease liability in accordance with the relevant provisions of the leasing standards, the carrying value of the right-of-use asset is adjusted accordingly.

(3) Depreciation of right-of-use assets

The Company depreciates right-of-use assets from the beginning of the lease term. Depreciation of right-of-use assets is generally provided in the month in which the lease term commences. Depreciation is charged to the cost of the right-of-use asset or to current profit or loss, depending on the purpose of the right-of-use asset.

In determining the depreciation method for right-of-use assets, the Company makes decisions based on the expected realisation of the economic benefits associated with the right-of-use assets and depreciates right-of-use assets on a straight-line basis.

In determining the depreciable lives of right-of-use assets, the Company follows the following principles: if it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is provided over the remaining useful life of the leased asset; if it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term or the remaining useful life of the leased asset.

If a right-of-use asset is impaired, the Company subsequently depreciates the carrying value of the right-of-use asset after deducting the impairment loss.

30. Intangible assets

(1) Valuation method, useful life, impairment testing

Intangible assets include land use rights, patents and non-patented technologies. Intangible assets are measured at actual cost.

Intangible assets are amortised equally over their estimated useful lives, as follows: (i) purchased patents are amortised equally over the contractual period and the statutory period; (ii) self-developed patents are amortised equally over the period of time over which they are expected to generate an inflow of economic benefits, and the statutory period; and (iii) copyrights are amortised equally over the period of time over which they are expected to generate an inflow of economic benefits, and the statutory period. (iii) Copyrights are amortised equally over the expected period of inflow of economic benefits and over the statutory period.

The estimated useful lives and amortisation methods for intangible assets with finite useful lives are reviewed and appropriately adjusted at the end of each year.

(2) Accounting policy for internal research and development expenditure

Internal research and development project expenditures are classified as research-phase expenditures and development-phase expenditures based on the nature of the expenditures and whether the ultimate formation of an intangible asset from the research and development activities is subject to a high degree of uncertainty.

Research-phase expenditures are charged to profit or loss when incurred; development-phase expenditures are recognised as intangible assets if the following conditions are simultaneously met: (i) it is technically feasible to complete the intangible asset so that it can be used or sold; (ii) management has the intention to complete the intangible asset and use or sell it; (iii) it can be demonstrated how the intangible asset will generate economic benefits; (iv) there are sufficient technical, financial and other resources support to complete the development of the intangible asset and have the ability to use or sell the intangible asset; and (v) expenditures attributable to the development phase of the intangible asset can be measured reliably.

Expenditure in the development phase that does not fulfil the above conditions is recognised in profit or loss when incurred. Development expenditures that have been charged to profit or loss in previous periods are not recognised as assets in subsequent periods. Development expenditures that have been capitalised are presented as development expenditures on the balance sheet and are transferred to intangible assets from the date when the project reaches its intended state of use.

When the recoverable amount of development expenditure is less than its carrying amount, the carrying amount is written down to the recoverable amount.

31. Impairment of long-lived assets

Goodwill and intangible assets with an indefinite useful life that are presented separately in the financial statements are tested for impairment at least annually, irrespective of whether there are indications of impairment. Fixed assets

Assets, intangible assets, investment properties measured at cost and long-term equity investments 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. Impairment losses on the aforementioned assets, once recognised, are not reversed if the value recovers in a subsequent period.

32. Long-term amortisation

Long-term amortised expenses, which include improvements to fixed assets under operating leases and other expenses incurred but to be borne by the current and future periods and spread over a period of more than one year, are amortised equally over the expected period of benefit and shown net of actual expenditure less accumulated amortisation.

33. Contractual liabilities

The Company presents contractual 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 contractual liability.

34. Employee remuneration

(1) Accounting treatment of short-term remuneration

In the accounting period in which employees provide services to the Company, short-term compensation actually incurred is recognised as a liability and charged to current profit or loss or the cost of related assets. Employee benefit expenses incurred are recognised in profit or loss for the period or in the cost of related assets based on the actual amount incurred when the expenses are actually incurred. Employee benefit expenses are measured at fair value if they are non-monetary benefits. Social insurance premiums such as medical insurance premiums, industrial injury insurance premiums, maternity insurance premiums and housing provident fund, as well as trade union funds and employee education funds drawn down in accordance with the regulations, are calculated in accordance with the prescribed basis of accrual and the accrual rate to determine the corresponding amount of employee remuneration in accordance with the accounting period in which the employees provide services to the Company, and the corresponding liabilities are recognised and charged to the current profit or loss or the cost of the relevant assets.

Employee compensation related to accrued compensated absences is recognised when the employee has rendered services that increase his or her future entitlement to compensated absences and is measured at the amount of the increase in expected payments due to the cumulative unexercised entitlement. Employee compensation related to non-cumulative compensated absences is recognised in the accounting period in which the employee's absences actually occur.

The company recognises the related employee compensation payable when the profit-sharing plan meets the following conditions at the same time: A. There is a present legal or constructive obligation to pay employee compensation as a result of a past event; and B. The amount of the employee compensation payable obligation arising from the profit-sharing plan can be reliably estimated.

(2) Accounting treatment of post-employment benefits

(i) Setting up a withdrawal plan

The company recognises a liability for the amount of contributions payable calculated in accordance with the defined contribution plan in the accounting period in which the employee renders services to the company, which is included in profit or loss or in the cost of the relevant asset. If, according to the defined contribution plan, the full amount of contributions payable is not expected to be paid within twelve months after the end of the annual reporting period in which the employees render the related services, the company measures the remuneration payable to the employees at the discounted amount of the full amount of contributions payable.

② Defined benefit plans

The company's accounting for the defined benefit plan consists of the following four steps: measuring the obligation arising from the defined benefit plan and determining the period over which the related obligation will vest, based on the projected unit of accumulated benefits method using unbiased and mutually consistent actuarial assumptions to estimate, among other things, the relevant demographic and financial variables. The company will defined benefit plans

The obligations arising from the defined benefit plan are discounted to determine the present value of the defined benefit plan obligation and the current service cost; where there is an asset in the defined benefit plan, the company recognises the deficit or surplus resulting from the present value of the defined benefit plan obligation less the fair value of the assets of the defined benefit plan 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; determines the amount that should be recognised in profit or loss for the period; and determines the amount that should be recognised in other comprehensive income.

The company attributes the benefit obligation arising from the defined benefit plan to the period in which the employee provides service based on a formula determined by the projected unit of accumulated benefits method and is included in profit or loss or the cost of the related assets for the current period. When an employee's service in subsequent years will result in a significantly higher level of defined benefit plan benefits than in previous years, the cumulative defined benefit plan obligation is recognised, on a straight-line basis, by apportioning the accumulated defined benefit plan obligation over the period between the time when the company first incurs a defined benefit plan benefit obligation as a result of the employee's service provision and the time when the employee's service provision no longer results in a significant increase in that benefit obligation.

At the end of the reporting period, the company recognises employee compensation costs arising from defined benefit plans as: service costs, net interest on net liabilities or net assets of defined benefit plans, and changes arising from the remeasurement of net liabilities or net assets of defined benefit plans.

Under a defined benefit plan, the company recognises past service cost as a current period expense at the earlier of: when the defined benefit plan is amended; when the business recognises the related restructuring costs or termination benefits.

The company recognises a settlement gain or loss when the defined benefit plan is settled.

(3) Accounting for termination benefits

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 the following: when the company cannot unilaterally withdraw the termination benefits provided as a result of a termination plan or a proposal for redundancy; and when the company recognises costs or expenses related to a restructuring that involves the payment of termination benefits.

The Company reasonably anticipates and recognises employee compensation payable arising from termination benefits in accordance with the terms of the termination plan.

(4) Accounting treatment of other long-term employee benefits

Other long-term employee benefits provided by the Company to its employees that are eligible for defined contribution plans are dealt with in accordance with the relevant policy on defined contribution plans.

Except in the above circumstances, the company recognises and measures the net liability or net asset for other long-term employee benefits in accordance with the relevant policy on defined benefit plans. At the end of the reporting period,

employee compensation costs arising from other long-term employee benefits are recognised as the following components: service cost; net interest on net liabilities or net assets for other long-term employee benefits; and changes arising from the remeasurement of net liabilities or net assets for other long-term employee benefits. In order to simplify the related accounting treatment, the total net amount of the above items should be recognised in profit or loss for the period or in the cost of the related assets.

If the level of long-term disability benefits depends on the length of service provided by the employee, the company recognises the obligation for long-term disability benefits payable in the period in which the employee provides service; if the long-term disability benefits are not related to the length of service provided by the employee, the company recognises the obligation for long-term disability benefits payable in the period in which the event leading to the employee's long-term disability occurs.

35. Lease liabilities

(1) Initial measurement of lease liabilities

The Company initially measures the lease liability at the present value of the lease payments outstanding at the commencement date of the lease term.

A. Lease payments

Lease payments, which are payments made by the Company to the lessor in connection with the right to use the leased asset during the lease term, include:

- (i) Fixed payments and substantive fixed payments, net of amounts related to lease incentives if lease incentives exist;
- (ii) Variable lease payments that depend on an index or ratio, which is determined at initial measurement based on the index or ratio at the lease commencement date;

(iii) The Company reasonably determines the exercise price of the purchase option when the purchase option will be exercised;

④ The lease term reflects the amount that would be payable upon exercise of the termination option if the Company were to exercise the option to terminate the lease;

⑤ Amounts expected to be paid based on the residual value of guarantees provided by the Company.

B. Discount rate

In calculating the present value of lease payments, the Company uses the lease implicit rate as the discount rate, which is the rate that would cause the sum of the present value of the lessor's lease receipts and the present value of the unguaranteed residual value to equal the sum of the fair value of the leased asset and the lessor's initial direct costs. The Company uses the incremental borrowing rate as the discount rate if the Company is unable to determine the interest rate embedded in the lease. This incremental borrowing rate is the interest rate that the Company would have to pay to borrow funds under similar collateral terms for a similar period of time in a similar economic environment in order to obtain an asset that approximates the value of the right-of-use asset. This interest rate relates to the following:

(i) The Company's own situation, i.e. the solvency and creditworthiness of the Group;

(ii) The term of the "loan", i.e., the term of the lease;

(iii) The amount of funds "borrowed", i.e. the amount of the lease liability;

④ "Collateral conditions", i.e. the nature and quality of the underlying assets;

⑤ The economic environment, including the jurisdiction in which the lessee is located, the currency of valuation, and the time of signing the contract.

The Company arrived at this incremental borrowing rate based on bank lending rates adjusted to take into account the above factors.

(2) Subsequent measurement of lease liabilities

Subsequent to the commencement date of the lease term, the Company subsequently measures the lease liability on the following basis:

(i) The carrying amount of the lease liability is increased when interest on the lease liability is recognised;

(ii) When lease payments are made, the carrying amount of the lease liability is reduced;

(iii) Remeasurement of the carrying amount of the lease liability when there is a change in the lease payments due to revaluation or lease modification.

Interest expense on a lease liability is calculated at a constant periodic rate over the lease term and is charged to current profit or loss, except when it should be capitalised. The periodic interest rate is the discount rate used by the Company to initially measure the lease liability, or to remeasure the lease liability at a revised rate if the lease payments change or the lease modification requires the lease liability to be remeasured at a revised rate.

(3) Remeasurement of lease liabilities

After the commencement date of the lease term, the Company re-measures the lease liability based on the present value of the lease payments after the change and the revised discount rate, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability is still subject to further reduction, the Company recognises the remaining amount in profit or loss for the current period.

(i) Changes in the amount of substantive fixed payments;

-
- (ii) Changes in the amount expected to be payable for the residual value of the guarantee;
 - (iii) Changes in the indexes or ratios used to determine lease payments;
 - ④ Changes in the appraisal results of purchase options;
 - ⑤ Changes in appraisal results or actual driving conditions for lease renewal options or lease termination options.

36. Projected liabilities

For present obligations arising from product quality assurance, loss contracts, etc., the performance of which is likely to result in an outflow of economic benefits, a projected liability is recognised when the amount of the obligation can be measured reliably. For future operating losses, no projected liability is recognised.

Projected liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account the risks, uncertainties and uncertainties associated with the contingency.

Time value of money and other factors. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows; the amount of the increase in the carrying amount of the projected liability arising from discount reductions made over time is recognised as interest expense.

At the balance sheet date, the carrying value of the projected liabilities is reviewed and adjusted appropriately to reflect the current best estimate.

The Company recognises an obligation related to a contingent event as a projected liability when the following conditions are simultaneously met: the obligation is a present obligation incurred by the Company; it is probable that the performance of the obligation will result in an outflow of economic benefits to the enterprise; and the amount of the obligation can be measured reliably.

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

37. Share-based payment

38. Preference shares, perpetual bonds and other financial instruments

39. Income

The Company is required to comply with the disclosure requirements of the chemical industry in the "No. 3 Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange - Disclosure of Industry Information".

(1) Accounting policies used for revenue recognition and measurement

1) Revenue recognition principles

On the commencement date of the contract, the Company evaluates the contract, identifies each individual performance obligation included in the contract and determines whether each individual performance obligation is to be performed within a certain time period or at a certain point in time.

The performance obligation is fulfilled within a certain period of time if one of the following conditions is met, otherwise it is fulfilled at a certain point in time:

A. The customer acquires and consumes the economic benefits of the

Company's performance at the same time as the Company's performance.

B. The Customer is able to control the goods or services being constructed in the course of the Company's performance.

C. The goods or services produced in the course of the Company's performance have a non-substitutable use and the Company shall be 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 over that period of time based on the progress of performance. When the progress of performance is not reasonably determinable, revenue is recognised at the amount of costs incurred until the progress of performance is reasonably

determinable, provided that the costs incurred are expected to be reimbursed. Report 2021

Revenue is recognised at the point at which the customer obtains control of the relevant goods or services for performance obligations that are fulfilled at a point in time. The Company considers the following indications in determining whether a customer has obtained control of goods:

A. The Company has a present right to receive payment for the goods, i.e. the customer has a present obligation to pay for the goods.

B. The Company has transferred the legal ownership of the goods to the Customer, i.e.

the Customer has taken legal ownership of the goods. C. The Company has

transferred the goods to the Customer in kind, i.e. the Customer has taken physical

possession of the goods.

D. The Company has transferred the main risks and rewards of ownership of the goods to the customer, i.e. the

customer has acquired the main risks and rewards of ownership of the goods. E. The customer has accepted the commodity.

F. Other indications that the customer has

obtained control of the goods. 2) Principles of

Revenue Measurement

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.

Where there is variable consideration in a contract, the Company determines the best estimate of the variable consideration on the basis of the expectation or the most likely amount to occur, but the price of the transaction that includes the variable consideration.

does not exceed the amount by which it is highly unlikely that a material reversal of the cumulative recognised revenue will occur 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 would have been paid in cash had the customer assumed control of the goods or services at the time of acquisition. The difference between this transaction price and the contract consideration is amortised over the contract period using the effective interest method. If, at the inception date of the contract, the Company expects that the interval between the customer's acquisition of control over goods or services and the customer's payment of the price will not exceed one year, the Company does not take into account the existence of a significant financing component in the contract.

If the customer pays non-cash consideration, the Company determines the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the transaction price is indirectly determined by reference to the separate selling price of the merchandise that the Company undertakes to transfer to the customer. Changes in the fair value of non-cash consideration due to reasons other than the form of consideration are treated as variable consideration.

If the Company has a consideration payable to a customer (or a third party that purchases goods from a customer), the consideration payable is deducted from the transaction price and is recognised as part of the recognition of the related revenue and payments.

(or promised to pay) the customer's consideration is eliminated from current revenue at the later of the two dates, unless the consideration payable to the customer is for the purpose of obtaining other clearly distinguishable goods from the customer. If a contract contains two or more performance obligations, the company will, at the commencement date of the contract, pay the consideration due to the customer to the extent of the relative proportion of the individual selling prices of the goods promised under each individual performance obligation.

The transaction price is apportioned to the individual performance obligations.

For sales with sales return clauses, the Company recognises revenue at the amount of consideration to which it expects to be entitled as a result of transferring the merchandise to the customer when the customer obtains control of the related merchandise, and recognises a projected liability at the amount it expects to refund as a result of the sales return; and at the same time, recognises an asset as a return receivable at the carrying value at the time of the transfer of the returned merchandise that it expects to be transferred, net of costs expected to be incurred in recovering the merchandise, including impairment of the value of returned merchandise. The balance of the cost of goods returned is recognised as an asset, i.e. the cost of goods returned receivable, and the cost is carried forward at the carrying value of the transferred goods at the time of transfer, net of the cost of the asset mentioned above. At each balance sheet date, the Company re-estimates future sales returns and re-measures the above assets and liabilities.

The Company provides quality assurance for goods sold or assets constructed, etc., based on contractual agreements, legal requirements, etc. The Company accounts for warranties that guarantee that goods sold will meet established standards in accordance with Accounting Standard No. 13, "Contingencies". For service-type quality assurance where a separate service is provided in addition to the assurance to the customer that the merchandise sold meets the established standards, the Company treats the service-type quality assurance as a single performance obligation and apportions a portion of the transaction price to the service-type quality assurance based on the relative proportions of the separate selling prices of the merchandise provided and the service-type quality assurance, and recognises revenue when the customer obtains control of the service. In assessing whether a quality

assurance provides a separate service beyond assuring the customer that the merchandise sold meets established standards, the Company considers factors such as whether the quality assurance is a statutory requirement, the duration of the quality assurance and the nature of the Company's commitment to perform the task.

If the Company has the right to determine the price of the goods traded on its own, i.e., if the Company is able to control the goods and other products before transferring them to the customer, the Company is the primary responsible party and recognises revenue on the basis of the total consideration received or receivable. Otherwise, the Company is the agent and recognises revenue based on the amount of commission or fee it expects to be entitled to receive, which shall be recognised as the net amount of the total consideration received or receivable, less the price payable to other related parties, or based on the amount or percentage of the commission established, etc.

3) Specific methods of revenue recognition

The sale of tyre products by the Company is a performance obligation fulfilled at a point in time.

A. Revenue recognition of domestic sales products is subject to the following conditions

The Company has delivered the product to the customer and the customer has accepted the merchandise in accordance with the contract, the payment has been received or a collection document has been obtained and it is probable that the related economic benefits will flow in, the principal risks and rewards of ownership of the merchandise have been transferred, and the legal title to the merchandise has been transferred.

B. Revenue recognition of exported products is subject to the following conditions

The Company has declared the products for customs clearance in accordance with the contract, obtained bills of lading, has received payment for the goods or obtained proof of receipt and it is probable that the related economic benefits will flow in, the principal risks and rewards of ownership of the goods have been transferred, and the legal title to the goods has been transferred.

(2) Differences in accounting policies for revenue recognition due to the adoption of different operating models for the same type of business: none

40. Government grants

(1) Basis of judgement and accounting treatment of government grants related to assets

Government grants related to assets are either offset against the carrying amount of the related assets or recognised as deferred income. Government grants related to assets that are recognised as deferred income are phased into profit or loss over the useful lives of the related assets in a rational and systematic manner. Government grants measured at nominal amounts are recognised directly in profit or loss. If the related assets are sold, transferred, retired or destroyed before the end of their useful lives, the balance of the related deferred income that has not yet been allocated shall be transferred to profit or loss in the period in which the assets are disposed of.

(2) Basis of judgement and accounting treatment of government grants related to revenue

Deferred income is recognised if it is used to compensate the enterprise for the relevant costs or losses in a future period and is charged to current profit or loss or eliminated against relevant costs in the period in which the relevant costs or losses are recognised; if it is used to compensate the enterprise for the relevant costs or losses that have already been incurred, it is charged directly to current profit or loss or eliminated against relevant costs.

(3) Government grants with both asset-related and revenue-related components

For government grants that contain both asset-related and revenue-related components, the accounting treatment should be differentiated between the different components; if it is difficult to differentiate between them, they should be categorised as revenue-related government grants as a whole.

(4) Accounting for government grants in the income statement

Government grants related to the daily activities of an enterprise shall be credited to other income or offset against relevant costs and expenses in accordance with the substance of the economic operations. Government grants that are not related to the daily activities of an enterprise shall be included in non-operating income and expenditure.

(5) Treatment of returns of government grants

If a recognised government grant needs to be refunded, the accounting treatment shall be carried out in the period in which the grant needs to be refunded in accordance with the following provisions: if the book value of the relevant assets is reduced upon initial recognition, the book value of the assets shall be adjusted; if there is a relevant deferred income, the book balance of the relevant deferred income shall be reduced, and the excess shall be credited to profit or loss for the current period; and if it belongs to other cases, it shall be directly credited to profit or loss for the current period.

(6) Treatment of policy favourable loan discounts

The actual amount of the loan received is used as the recorded value of the loan, and the related borrowing costs are calculated based on the principal amount of the loan and the preferential interest rate of the policy.

41. Deferred income tax assets/deferred income tax liabilities

Deferred tax assets and deferred tax liabilities are recognised for differences between the tax bases of assets and liabilities and their carrying amounts, including taxable temporary differences and deductible temporary differences. Deductible losses that can be offset against taxable income in future years in accordance with the tax law are treated as deductible temporary differences. For temporary differences arising from the initial recognition of goodwill, no corresponding deferred tax liabilities

are recognised. Deferred tax assets and deferred tax liabilities are not recognised for temporary differences arising from the initial recognition of assets or liabilities in transactions other than business combinations that affect neither the accounting profit nor taxable profit (or deductible losses). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that the Company will be able to obtain taxable income against which deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax assets and deferred tax liabilities arising from temporary differences associated with investments in subsidiaries, associates and joint ventures are recognised. However, the Company

Temporary differences are not recognised if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

42. Leasing

(1) Accounting for operating leases

1) Identification of leases

A lease is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time for consideration.

At the inception date of 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 grants 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 Company splits the lease and non-lease components and accounts for them separately.

2) The Company as Lessee

① Initial recognition

The Company recognises right-of-use assets and lease liabilities for leases where the Company is the lessee. For details of the accounting treatment of right-of-use assets and lease liabilities, see "29 Right-of-use assets" and "35 Lease liabilities".

② Change of lease

A lease modification is a change in the scope of the lease, the lease consideration, or the lease term other than the original contractual terms, including the addition or termination of the right to use one or more leased assets, or the extension or shortening of the lease term specified in the contract. The effective date of a lease modification is the date on which the parties agree on the lease modification.

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

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

If the lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Company apportions the consideration for the modified contract in accordance with the provisions of the leasing standards relating to lease splits to re-determine the lease term after the modification; and discounts the lease payments after the modification using a revised discount rate to re-measure the lease liability. In calculating the present value of the changed lease payments, the Company uses the lease implicit rate for the remaining lease term as the discount rate; if the lease implicit rate for the remaining lease term cannot be determined, the Company uses the lessee's incremental borrowing rate on the effective date of the lease change as the discount rate. With respect to the impact of the above lease liability adjustments, the Company distinguishes between the following scenarios for accounting purposes:

A. If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the lessee shall reduce the carrying value of the right-of-use asset and record the gain or loss related to the partial termination or complete termination of the lease in profit or loss for the current period.

B. If other lease changes result in a remeasurement of the lease liability, the lessee adjusts the carrying value of the right-of-use asset accordingly.

(iii) Leases of other and low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease

term of less than 12 months and for low-value asset leases where the individual leased asset is a new asset with a lower value. The Company records lease payments under short-term leases and leases of low-value assets as part of the cost of the related assets or as part of profit or loss on a straight-line basis, or on a systematic and reasonable basis, for each period during the lease term.

3) The Company as Lessor

At the lease commencement date, the Company classifies leases as finance leases and operating leases.

A lessor classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset, and a lease other than a finance lease as an operating lease.

① Accounting for operating leases

At various times during the lease term, the Company recognises lease receipts from operating leases as rental income using the straight-line method or other systematic and reasonable methods.

If a rent-free period is provided, the Company allocates the gross rental income over the entire lease term without deducting the rent-free period on a straight-line basis, and rental income should be recognised during the rent-free period. If the Company bears certain expenses of the lessee, such expenses are deducted from the gross rental income and the balance of the rental income after deduction is allocated over the lease term.

Initial direct costs incurred by the Company in connection with an operating lease should be capitalised to the cost of the underlying asset under the lease, and over the lease term at the same rate as rental income does

The recognition basis is phased in to current profit or loss.

For fixed assets under operating leases, the Company depreciates them using the depreciation policy for similar assets; for other assets under operating leases, the Company amortises them using a systematic and reasonable method.

Variable lease payments acquired by the Company in connection with operating leases that are not included in the lease receipts are recognised in 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 prior to the change are considered to be receipts under the new lease.

(2) Accounting for finance leases

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. Variable lease payments acquired by the Company that are not included in the measurement of the net investment in the lease are charged to current profit or loss when they are actually incurred.

4) subletting

The Company, as a sublease lessor, accounts for the original lease and the sublease contract as two separate contracts. The Company classifies subleases based on the right-of-use asset arising from the original lease, rather than the leased asset.

5) sale-and-leaseback

The Company assesses whether the transfer of assets in sale and leaseback transactions is a sale in accordance with the principles described in "33 Revenue".

① The Company 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 carrying value of the original asset 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 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 "10 Financial Instruments".

② The Company as lessor

If the transfer of assets in a sale and leaseback transaction is a sale, the Company, as lessor, accounts for the purchase of the assets and the lease of the assets in accordance with the policy of "3. The Company as Lessor" mentioned above; if the transfer of assets in a sale and leaseback transaction is not a sale, the Company, as lessor, does not recognise

the transferred assets, but recognises a financial asset equal to the proceeds of the transfer. However, the Company, as the lessor, does not recognise the transferred assets, but recognises a financial asset equal to the transfer proceeds. For details of the accounting treatment of financial assets, please refer to "10 Financial Instruments".

43. Other significant accounting policies and accounting estimates

If the following events occur, it indicates that there is a situation of termination of the company's business: the shareholders decide to terminate the business; the company enters into bankruptcy and liquidation procedures.

44. Significant accounting policies and changes in accounting estimates

(1) Changes in significant accounting policies

√ Applicable ☐ Not applicable

What and why changes in accounting policies	Approval process	note
<p>The Ministry of Finance issued the revised Accounting Standard for Business Enterprises (ASBE) No. 21 - Leases (the "Simplified Accounting Standard") in December 2018 (the "New Leasing Standards"). The Company has implemented the foregoing standard from 1 January 2021 and, in accordance with the foregoing, has adopted the New Leasing Standards.</p> <p>The financial statements were adjusted accordingly on 1 January 2021 in accordance with the provisions of IFRS on convergence.</p>	<p>Approval by the Board of Directors of the Company</p>	<p>See other note "3)" for details.</p>

Other notes:

Under the new leasing standard, for contracts in existence prior to the first performance date (i.e. 1 January 2021), the Company has elected not to reassess whether they are leases or contain leases at the first performance date. For contracts entered into or changed after the initial implementation date, the Company assesses whether the contract is a lease or contains a lease in accordance with the definition of a lease under the new leasing standard.

The Company made the following adjustments in accordance with the relevant provisions of the new leasing standards at the effective date of the standards:

1) The Company, as a lessee, has elected to adjust the amounts of retained earnings and other related items in the financial statements as of the beginning of the year in which it first implements the new leasing standards based on the cumulative effect of the first-time implementation of the new leasing standards without adjusting the information for comparable periods.

2) For operating leases prior to the date of first performance, the Company measures the lease liability at the date of first performance based on the present value of the remaining lease payments discounted at the interest rate of the Company's incremental borrowings at the date of first performance and measures the right-of-use asset at an amount equal to the lease liability for all leases, adjusted to account for prepaid rentals, if necessary.

3) For finance leases prior to the date of first execution, the Company measures the right-of-use asset and the lease liability at the original carrying amount of the finance lease asset and the finance lease payable, respectively, at the date of first execution.

The Company applies the simplified treatment for leased assets that are low value operating leases prior to the date of first performance or leases that will be completed within 12 months, and does not recognise right-of-use assets and lease liabilities.

At 1 January 2021, the Company did not have any non-low-value leases with remaining lease terms in excess of 12 months and therefore the first-time implementation of the new leasing standard did not have a material impact on the Company's financial statements.

(2) Significant changes in accounting estimates

☐ Applicable ☒ Not applicable

(3) Adjustments to financial statements at the beginning of the year of the first implementation of

the new leasing standards from 2021 onwards

☒ Applicable ☐ Not applicable

Whether adjustments to opening balance sheet accounts are required

☐ Yes ☒ No

Reasons for not needing to adjust the
beginning balance sheet accounts

Explanation The implementation of the new
leasing standard has no effect on our
statement accounts.

**(4) Explanation of retrospective adjustment of prior period's comparative figures for the first
time implementation of the new leasing standard from 2021 onwards**

☐ Applicable ☒ Not applicable

45. Other

VI. Taxes

1. Major tax types and rates

tax types	taxable basis	duty rate
value-added tax (VAT)	Taxable value-added (taxable amount is calculated by multiplying taxable sales by the applicable tax rate less current input tax allowable as a credit)	13.00 per cent, 6.00 per cent
Urban maintenance and construction tax	Amount of VAT and excise tax payable	7.00 per cent, 5.00 per cent
corporate income tax	taxable income	See table below for details
education surcharge	Amount of VAT and excise tax payable	3.00 per cent
Local education surcharge	Amount of VAT and excise tax payable	2.00 per cent

Disclosure of information where there are taxable entities with different corporate income tax rates

Name of taxable entity	Income tax rate
Guizhou Tyre Co.	15.00 per cent
Guizhou Tyre Import & Export Co.	25.00 per cent
gtc northern america inc.	15.00 per cent - 38.00 per cent
northern american commercial tire resources inc.	15.00 per cent - 38.00 per cent
branch of guizhou tyre import/export co.	20.00 per cent
Advance Holdings (Group) International Limited	16.50%
Guizhou Advance Tyre Investment Co.	25.00 per cent
advances tyre (vietnam) company limited	0.00 per cent
Guizhou Qianjin New Material Co.	25.00 per cent
Guizhou Advance Tyre Sales Co.	25.00 per cent
Guizhou Hercules Tyre Co.	25.00 per cent

2. Tax incentives

Guizhou Tyre Company Limited has been awarded the first batch of high-tech enterprises recognised by Guizhou Province in 2021, with certificate number GR202152000185, and the Company enjoys a preferential tax rate of 15.00% for income tax for the current year.

3. Other

VII. Notes to the consolidated financial statements

1. Monetary funds

Unit: Yuan

sports event	Closing balance	Opening balance
(accountancy)	86,804.72	70,036.32
a bank account	1,754,712,862.86	1,610,713,128.86
Other monetary funds	358,078,723.53	293,986,408.06
add up the total	2,112,878,391.11	1,904,769,573.24
Of which: total deposits abroad	143,216,035.53	107,905,574.45

Other notes

Other monetary funds represent the amounts of performance bonds, letter of credit deposits and note deposits, of which performance bonds, letter of credit deposits and note deposits are subject to restrictions on the right of use, and the total amount of restricted monetary funds at the end of the period was \$358,078,723.53.

2. Financial assets held for trading

Unit: Yuan

sports event	Closing balance	Opening balance
Financial assets at fair value through profit or loss		130,834,493.15
Among them:		
structured deposit		130,834,493.15
Among them:		
add up the total		130,834,493.15

3. Derivative financial assets

☐ Applicable ☒ Not applicable

4. Notes receivable

(1) Classification of notes receivable

Unit: Yuan

sports event	Closing balance	Opening balance
banker's acceptance	721,320,190.35	1,208,069,481.80

commercial promissory note	156,337,283.05	Report 2021	129,876,758.53
add up the total	877,657,473.40		1,337,946,240.33

Unit: Yuan

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	Percentage of accruals		sum of money	proportions	sum of money	Percentage of accruals	
Among them:										
Notes receivable with bad debt provision by portfolio	884,764.381.94	100.00 per cent	7,106,908.54	0.80 per cent	877,657,473.40	1,342,882,089.85	100.00 per cent	4,935,849.52	0.37 per cent	1,337,946,240.33
Among them:										
Portfolio 1: Low-risk portfolio	461,733.443.01	52.19 per cent			461,733,443.01	958,494,078.63	71.38 per cent			958,494,078.63
banker's acceptance	461,733.443.01	100.00 per cent			461,733,443.01	958,494,078.63	100.00 per cent			958,494,078.63
Portfolio 2: General risk portfolio	423,030.938.93	47.81 per cent	7,106,908.54	1.68 per cent	415,924,030.39	384,388,011.22	28.62 per cent	4,935,849.52	1.28 per cent	379,452,161.70
commercial promissory note	159,008.628.00	37.59 per cent	2,671,344.95	1.68 per cent	156,337,283.05	131,566,173.43	34.23 per cent	1,689,414.90	1.28 per cent	129,876,758.53
banker's acceptance	264,022.310.93	62.41 per cent	4,435,563.59	1.68 per cent	259,586,747.34	252,821,837.79	65.77 per cent	3,246,434.62	1.28 per cent	249,575,403.17
add up the total	884,764.381.94	100.00 per cent	7,106,908.54	0.80 per cent	877,657,473.40	1,342,882,089.85	100.00 per cent	4,935,849.52	0.37 per cent	1,337,946,240.33

Provision for bad debts is made on an individual basis:

☐ Applicable ☒ Not applicable

Provision for bad debts is made on a portfolio basis:

Unit: Yuan

name (of a thing)	Closing balance		
	Carrying amount	provision for bad debts	Percentage of accruals
Within 1 year	423,030,938.93	7,106,908.54	1.68 per cent

add up the total	423,030,938.93	Report 2021 7,106,908.54	—
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Description of the basis for determining the portfolio: Aging of notes receivable.

If the bad debt provision for notes receivable is based on the general model of expected credit losses, please disclose information about the bad debt provision by referring to the disclosure for other receivables:

☐ Applicable ☒ Not applicable

(2) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
General risk portfolio	4,935,849.52	2,171,059.02				7,106,908.54
add up the total	4,935,849.52	2,171,059.02				7,106,908.54

of which the amount of bad debt provisions recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

(3) Notes receivable pledged by the Company at the end of the period

Unit: Yuan

sports event	Amount pledged at the end of the period
banker's acceptance	524,867,835.64
add up the total	524,867,835.64

(4) Notes receivable end of period end endorsed or discounted by the company and not yet due at the balance sheet date

Unit: Yuan

sports event	Amounts derecognised at the end of the period	Amounts not derecognised at the end of the period
banker's acceptance		89,625,183.45
commercial promissory note	97,168,363.46	500,000.00
add up the total	97,168,363.46	90,125,183.45

(5) Notes converted to accounts receivable by the company at the end of the period due to the failure of the drawer to perform

☐ Applicable ☒ Not applicable

(6) Actual write-off of notes receivable during the period

☐ Applicable ☒ Not applicable

5. Accounts receivable

(1) Accounts receivable classification disclosure

Unit: Yuan

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	Percentage of accruals		sum of money	proportions	sum of money	Percentage of accruals	

Accounts receivable for which bad debt provision is made on an individual basis	56,416,672.41	5.35 per cent	56,416,672.41	100.00 per cent		83,826,558.60	10.06 per cent	83,826,558.60	100.00 per cent	
Among them:										
Accounts receivable with provision for bad debts by portfolio	997,836,413.24	94.65 per cent	24,866,205.35	2.49 per cent	972,970,207.89	749,700,208.50	89.94 per cent	20,753,574.78	2.77 per cent	728,946,633.72
Among them:										
Bad debt provision for ageing portfolio	997,836,413.24	94.65 per cent	24,866,205.35	2.49 per cent	972,970,207.89	749,700,208.50	89.94 per cent	20,753,574.78	2.77 per cent	728,946,633.72
add up the total	1,054,253,085.65	100.00 per cent	81,282,877.76	7.71 per cent	972,970,207.89	833,526,767.10	100.00 per cent	104,580,133.38	12.55 per cent	728,946,633.72

Provision for bad debts is made on an individual basis:

Unit: Yuan

name (of a thing)	Closing balance			
	Carrying amount	provision for bad debts	Percentage of accruals	Reasons for the provision
Bijie Lifan Junma Zhenxing Vehicle Co.	2,038,436.34	2,038,436.34	100.00 per cent	Not expected to be recovered
c.v bukit intan lestari jalan	337,568.13	337,568.13	100.00 per cent	Not expected to be recovered
yong hui rubber co	139,926.72	139,926.72	100.00 per cent	Not expected to be recovered
Hunan CSR Times Electric Vehicle Co.	6,000.00	6,000.00	100.00 per cent	Not expected to be recovered
thap toan trading co., ltd.	2,404,952.10	2,404,952.10	100.00 per cent	Not expected to be recovered
PAPA	418,489.79	418,489.79	100.00 per cent	Not expected to be recovered
M/S Malik Trading Co.	1,688,803.26	1,688,803.26	100.00 per cent	Not expected to be recovered
Shanghai Yinghong Import & Export Co.	104,874.59	104,874.59	100.00 per cent	Not expected to be recovered

beiben motors davao philippines INC.	6,413.95	6,413.95	Report 2021 100.00 per cent	Not expected to be recovered
WAA AUTO SDN BHD	270,644.13	270,644.13	100.00 per cent	Not expected to be recovered
JIANGXI NONFERBOUS ENGINEERING HENAN CO.	8,129.00	8,129.00	100.00 per cent	Not expected to be recovered
thong loon tyre battery sdn bhd	70.77	70.77	100.00 per cent	Not expected to be recovered

Wosong international trade co;Ltd	39,325.32	39,325.32	100.00 per cent	Not expected to be recovered
COVA GOMME	307,771.20	307,771.20	100.00 per cent	Not expected to be recovered
Yunnan Shenli Rubber Products Co.	4,259,944.37	4,259,944.37	100.00 per cent	Not expected to be recovered
Nanning Hongchang Motorcycle Parts Shop	105,935.12	105,935.12	100.00 per cent	Not expected to be recovered
Xi'an Kemi Storage Equipment Co.	347,016.21	347,016.21	100.00 per cent	Not expected to be recovered
Hengyang Hengtou Agricultural Machinery Manufacturing Co.	3,070,016.23	3,070,016.23	100.00 per cent	Not expected to be recovered
Guizhou Fanjing Mountain Industry Co.	6,558,737.13	6,558,737.13	100.00 per cent	Not expected to be recovered
Nanning Guanglun Trading Co.	383,241.41	383,241.41	100.00 per cent	Not expected to be recovered
Hohhot Huimin District Shuangzheng Tyre Distribution Department	3,138,743.36	3,138,743.36	100.00 per cent	Not expected to be recovered
Chengdu Shuangcheng Tyre Co.	7,105,160.03	7,105,160.03	100.00 per cent	Not expected to be recovered
Shuangliu County Jiachuang Tyre Business Department	10,588,701.34	10,588,701.34	100.00 per cent	Not expected to be recovered
Beijing Wanqiao Xingye Machinery Co.	740,500.60	740,500.60	100.00 per cent	Not expected to be recovered
Linyi Lunda Trading Co.	831,266.47	831,266.47	100.00 per cent	Not expected to be recovered
Haikou Xiuying Guangfeng Tyre Sales Department	2,257,090.70	2,257,090.70	100.00 per cent	Not expected to be recovered
Chengdu Yuntong World Trade Co.	4,096,701.40	4,096,701.40	100.00 per cent	Not expected to be recovered
Linyi Quannuo Tyre Co.	4,969,683.74	4,969,683.74	100.00 per cent	Not expected to be recovered

Jinhua Youth Automobile Manufacturing Co.	192,529.00	192,529.00	Report 2021 100.00 per cent	Not expected to be recovered
add up the total	56,416,672.41	56,416,672.41	—	—

Provision for bad debts is made on a portfolio basis:

Unit: Yuan

name (of a thing)	Closing balance		
	Carrying amount	provision for bad debts	Percentage of accruals
Within 1 year	979,738,234.84	16,462,625.91	1.68 per cent
1 to 2 years	17,067,308.68	7,455,566.11	43.68 per cent
2 to 3 years	660,535.20	577,678.81	87.46%
3 to 4 years			

4 to 5 years	30,097.60	30,097.60	100.00 per cent
More than 5 years	340,236.92	340,236.92	100.00 per cent
add up the total	997,836,413.24	24,866,205.35	—

If the bad debt provision for accounts receivable is based on the general model of expected credit losses, please disclose information about the bad debt provision by referring to the disclosure for other receivables:

☐ Applicable ☒ Not applicable

Disclosure by age

Unit: Yuan

age of accounts	Carrying amount
Up to and including 1 year	986,843,979.15
1 to 2 years	10,916,754.28
2 to 3 years	5,231,563.53
More than 3 years	51,260,788.69
3 to 4 years	9,172,409.85
4 to 5 years	3,871,706.32
More than 5 years	38,216,672.52
add up the total	1,054,253,085.65

(2) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
single-item	83,826,558.60	2,136,316.00	196,923.02	29,743,125.21		56,416,672.41
Ageing portfolio	20,753,574.78	4,112,630.57				24,866,205.35
add up the total	104,580,133.38	6,248,946.57	196,923.02	29,743,125.21		81,282,877.76

of which the amount of bad debt provisions recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

(3) Actual accounts receivable written off during the period

Unit: Yuan

sports event	Amount written off
Wenzhou Dongjiang Wheel Industry Co.	22,260.00
Changde City Wuling District Lihua Tyre Business Department	34,654.32
Passenger Vehicle Company of Dongfeng Motor Group Co.	267,000.00

Changzhou Silke Machinery Technology Development Co.	208,200.00
Zhengzhou Jiahe Rubber Products Co.	6,191,234.94
Henan Xinlun Trading Co.	6,745,654.85
Guiyang Shunda Tyre Trading Co.	1,162,596.86
Guizhou Lugang Trading Co.	3,596,195.19
Guizhou Dahai Chuan Trading Co.	708,584.87
Yinchuan Wanhexin Tyre Co.	4,589,858.81
Ningxia Xingheyuan Trading Co.	1,980,294.72
Hebei Big Dipper Automobile Manufacturing Co.	1,840,830.00
Changsha Yingfei Industry & Trade Co.	2,395,760.65

of which significant accounts receivable write-offs:

Unit: Yuan

Name of unit	Nature of accounts receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arises from a connected transaction
Guiyang Shunda Tyre Trading Co.	payment for goods	1,162,596.86	Discontinued operations for many years and confirmed uncollectible after numerous clearances		clogged
Hebei Big Dipper Automobile Manufacturing Co.	payment for goods	1,840,830.00	Discontinued operations for many years and confirmed uncollectible after numerous clearances		clogged
Ningxia Xingheyuan Trading Co.	payment for goods	1,980,294.72	Discontinued operations for many years and confirmed uncollectible after numerous clearances		clogged
Changsha Yingfei Industry & Trade Co.	payment for goods	2,395,760.65	Discontinued operations for many years and confirmed uncollectible after numerous clearances		clogged
Guizhou Lugang Trading Co.	payment for goods	3,596,195.19	Discontinued operations for many years and confirmed uncollectible after		clogged

			Report 2021 numerous clearances		
Yinchuan Wanhixin Tyre Co.	payment for goods	4,589,858.81	Discontinued operations for many years and confirmed uncollectible after numerous clearances		clogged
Zhengzhou Jiahe Rubber Products Co.	payment for goods	6,191,234.94	Discontinued operations for many years and confirmed uncollectible after numerous clearances		clogged
Henan Xinlun Trading Co.	payment for goods	6,745,654.85	Discontinued operations for many years and confirmed uncollectible after numerous clearances		clogged
add up the total	—	28,502,426.02	—	—	—

(4) Top five accounts receivable by party owed at the end of the period

Unit: Yuan

Name of unit	Closing balance of accounts receivable	Percentage of total closing balance of accounts receivable	Closing balance of provision for bad debts
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Client 1	98,406,684.05	9.33 per cent	1,653,962.15
Client 2	54,711,523.38	5.19 per cent	919,153.59
Client 3	53,744,032.38	5.10%	903,298.35
Client IV	26,861,191.47	2.55 per cent	451,268.02
Client 5	25,222,492.18	2.39 per cent	423,924.94
add up the total	258,945,923.46	24.56 per cent	

(5) Amounts of assets and liabilities resulting from the transfer of accounts receivable with continuing involvement

During the reporting period, the company did not transfer receivables and continue to be involved in the formation of assets and liabilities.

(6) Receivables derecognised as a result of a transfer of a financial asset

During the reporting period, the Company did not have any receivables that were derecognised due to the transfer of financial assets.

6. Receivables financing

Unit: Yuan

sports event	Closing balance	Opening balance
banker's acceptance	369,428,542.13	
add up the total	369,428,542.13	

Changes in receivables financing during the period and changes in fair value

☐ Applicable ☒ Not applicable

If the provision for impairment of receivables financing is made in accordance with the general model of expected credit losses, disclose the information about the provision for impairment with reference to the disclosure for other receivables:

☐ Applicable ☒ Not applicable

7. Advances

(1) Prepayments by age

Unit: Yuan

age of accounts	Closing balance		Opening balance	
	sum of mon	proportions	sum of mon	proportions

	ey		ey	
Within 1 year	166,304,075.23	99.98 per cent	68,149,843.48	96.12 per cent
1 to 2 years	988,363.16	0.59 per cent	2,630,877.58	3.71 per cent
2 to 3 years	723,331.31	0.43 per cent	91,744.43	0.13 per cent
More than 3 years			30,921.00	0.04 per cent
add up the total	168,015,769.70	—	70,903,386.49	—

Explanation of the reasons for the delayed settlement of prepayments aged over 1 year and of significant amount: None

(2) Top five prepayments with closing balances, grouped by object of prepayment

Name of unit	Relationship with the Company	sum of money	age of accounts	Percentage of total advances (%)
Supplier I	Unrelated parties	64,193,013.73	Within 1 year	41.15
Supplier II	Unrelated parties	48,507,338.03	Within 1 year	31.09
Supplier III	Unrelated parties	14,337,565.96	Within 1 year	9.19
Supplier IV	Unrelated parties	6,206,281.78	Within 1 year	3.98
Supplier V	Unrelated parties	5,374,712.77	Within 1 year	3.44
add up the total		138,618,912.27		88.85

8. Other receivables

Unit: Yuan

sports event	Closing balance	Opening balance
Other receivables	40,002,280.08	79,726,198.25
add up the total	40,002,280.08	79,726,198.25

(1) 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

(2) Dividends receivable

1) Classification of dividends receivable

☐ Applicable ☒ Not applicable

2) Significant dividend receivables aged over 1 year

☐ Applicable ☒ Not applicable

3) Provision for bad debts

☐ Applicable ☒ Not applicable

(3) Other receivables

1) Breakdown of other receivables by nature of payment

Unit: Yuan

Nature of payment	Closing book balance	Opening balance
deposit		22,222,000.00
margin (in derivative trading)	25,000,000.00	25,301,270.50
current account	36,656,582.48	48,069,631.24
reserve fund	6,998,298.87	5,804,062.81
provisional	406,501.79	4,733,570.07
the rest	710,737.46	930,445.84
add up the total	69,772,120.60	107,060,980.46

2) Provision for bad debts

Unit: Yuan

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 over lifetime (No credit impairment)	Expected credit losses over lifetime (credit impairment has occurred)	
Balance as at 1 January 2021	27,334,782.21			27,334,782.21
Balance as at 1 January 2021 in the current period	--	--	--	--
Provision for the current period	2,435,058.31			2,435,058.31
Balance at 31 December 2021	29,769,840.52			29,769,840.52

Changes in the carrying amount of the provision for losses that are significant in amount during the period

☐ Applicable ☒ Not applicable

Disclosure by age

Unit: Yuan

age of accounts	Carrying amount
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Up to and including 1 year	9,547,020.29
1 to 2 years	29,009,300.59
2 to 3 years	5,385,960.67
More than 3 years	25,829,839.05
3 to 4 years	325,993.52
4 to 5 years	36,422.00
More than 5 years	25,467,423.53
add up the total	69,772,120.60

3) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
single-item	25,329,680.44	1,773,145.58				27,102,826.02
combinatorial	2,005,101.77	661,912.73				2,667,014.50
add up the total	27,334,782.21	2,435,058.31				29,769,840.52

Of these, the amount of provision for bad debts reversed or recovered during the period is significant:

☐ Applicable ☒ Not applicable

4) Other receivables actually written off during the period

☐ Applicable ☒ Not applicable

5) Top five other receivables with closing balances, by party owed to them

Unit: Yuan

Name of unit	Nature of payments	Closing balance	age of accounts	Percentage of total closing balance of other receivables	Closing balance of provision for bad debts
Correspondent I		26,809,306.10	1-2 years	38.42 per cent	26,809,306.10
Correspondence unit II		25,000,000.00	More than 3 years	35.83 per cent	1,250,000.00
Correspondence unit III		7,540,763.00	Less than 1 year, 2-3 years	10.81 per cent	754,076.30
Correspondence unit IV		1,000,000.00	Within 1 year	1.43 per cent	50,000.00
Correspondence unit V		810,631.15	2-3 years	1.16 per cent	81,063.12
add up the total	—	61,160,700.25	—	87.66 per cent	28,944,445.52

6) Receivables relating to government grants

☐ Applicable ☒ Not applicable

There were no other receivables involving government grants during the reporting period.

7) Derecognition of other receivables due to transfer of financial assets

There were no other receivables derecognised as a result of the transfer of financial assets during the reporting period in the reporting period.

8) Amounts of assets and liabilities resulting from the transfer of other receivables with continuing involvement

There were no transfers of other receivables during the reporting period and the amount of assets and liabilities that continue to be involved in the formation.

9. Inventory

Whether the company is required to
comply with disclosure requirements in
the real estate sector No

(1) Inventory classification

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	Provision for decline in value of inventories or impairment of contractual performance costs	book value	Carrying amount	Provision for decline in value of inventories or impairment of contractual performance costs	book value
raw materials	153,748,672.56	3,045,183.49	150,703,489.07	92,602,057.86	7,230,271.00	85,371,786.86
in product	14,399,859.94		14,399,859.94	5,970,756.36		5,970,756.36
merchandise in stock	634,922,821.68	7,474,042.06	627,448,779.62	387,457,430.07	872,268.87	386,585,161.20
swing space	362,058.33		362,058.33	102,652.43		102,652.43
Expendable biological assets	383,197.00		383,197.00	383,197.00		383,197.00
Issuance of	104,443,022.57		104,443,022.57	78,440,348.69		78,440,348.69

goods	Report 2021					
semi-manufactured	55,781,722.10	664,467.92	55,117,254.18	49,600,835.06	26,788.51	49,574,046.55
add up the total	964,041,354.18	11,183,693.47	952,857,660.71	614,557,277.47	8,129,328.38	606,427,949.09

(2) Provision for decline in value of inventories and impairment of contractual performance costs

Unit: Yuan

sports event	Opening balance	Increase during the period		Decrease during the period		Closing balance
		make provision for (capital requirements)	the rest	Reversal or cancellation	the rest	

raw materials	7,230,271.00			4,185,087.51		3,045,183.49
merchandise in stock	872,268.87	6,601,773.19				7,474,042.06
semi-manufactured	26,788.51	637,679.41				664,467.92
add up the total	8,129,328.38	7,239,452.60		4,185,087.51		11,183,693.47

(3) Explanation of the closing balance of inventories containing amounts capitalised for borrowing costs

(4) Explanation of the current period's amortisation of contract performance costs

10. Contractual assets

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
Within 1 year	15,383,570.96	243,060.42	15,140,510.54	21,407,592.25	274,890.61	21,132,701.64
add up the total	15,383,570.96	243,060.42	15,140,510.54	21,407,592.25	274,890.61	21,132,701.64

Amount of and reasons for significant changes in the carrying value of contract assets during the period:

☐ Applicable ☒ Not applicable

If the bad debt provision for contract assets is based on the general model of expected credit losses, disclose information about the bad debt provision by referring to the disclosure for other receivables:

☐ Applicable ☒ Not applicable

Provision for impairment of contract assets during the period

Unit: Yuan

sports event	Provision for the current period	Reversal during the period	Write-offs/cancellations during the period	ratio
provision for impairment		31,830.19		Impairment loss on contract assets based on balances
add up the total		31,830.19		—

11. Assets held for sale

Unit: Yuan

sports event	Closing book	provision for	Closing book	fair value	Projected	Estimated
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	balance	impairment	value		disposal costs	disposal time
Guizhou Tyre Jinguan Plant	197,877,212.92		197,877,212.92			30 June 2022 date
add up the total	197,877,212.92		197,877,212.92			—

12. Non-current assets due within one year

☐ Applicable ☒ Not applicable

13. Other current assets

Unit: Yuan

sports event	Closing balance	Opening balance
overpayment of taxes and fees	19,318,129.18	6,133,732.77
Input tax to be offset	26,564,542.75	14,666,727.02
Relocation costs	193,384,004.74	37,033,484.58
add up the total	239,266,676.67	57,833,944.37

14. Debt investments

☐ Applicable ☒ Not applicable

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Not applicable

15. Other debt investments

☐ Applicable ☒ Not applicable

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Not applicable

16. Long-term receivables

(1) Long-term receivables

☐ Applicable ☒ Not applicable

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Not applicable

(2) Long-term receivables derecognised as a result of a transfer of a financial asset

☐ Applicable ☒ Not applicable

(3) Amounts of assets and liabilities resulting from the transfer of long-term receivables with continuing involvement

☐ Applicable ☒ Not applicable

17. Long-term equity investments

☐ Applicable ☒ Not applicable

18. Investments in other equity instruments

Unit: Yuan

sports event	Closing balance	Opening balance
Bank of Guiyang Co.	53,316,900.00	65,110,500.00
Bank of Guizhou Co.	322,500,000.00	346,500,000.00
Guiyang Rural Commercial Bank Co.	289,776,226.32	453,728,255.52
add up the total	665,593,126.32	865,338,755.52

Itemised disclosure of investments in non-trading equity instruments for the period

Unit: Yuan

Project name	Dividend income recognised	Cumulative gains	Cumulative losses	Transfer from other comprehensive income to retained earnings	Reasons for designation as at fair value through other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings
Bank of Guiyang Co.	2,457,000.00	16,935,400.00			Not for sale	inapplicable
Bank of Guizhou Co.	10,500,000.00	72,000,000.00			Not for sale	inapplicable
Guiyang Rural Commercial Bank Co.		65,241,704.18			Not for sale	inapplicable

19. Other non-current financial assets

☐ Applicable ☒ Not applicable

20. Investment property

(1) Investment property using the cost measurement model

☐ Applicable ☒ Not applicable

(2) Investment properties using the fair value measurement model

☐ Applicable ☒ Not applicable

(3) Status of investment properties for which no title deeds have been issued

☐ Applicable ☒ Not applicable

21. Fixed assets

Unit: Yuan

sports event	Closing balance	Opening balance
fixed assets	4,619,084,104.97	3,762,789,749.95
add up the total	4,619,084,104.97	3,762,789,749.95

(1) Fixed assets

Unit: Yuan

sports event	building	machinery and equipment	Transport equipment	Electronic equipment and others	add up the total
i. Original book value:					
1. Opening balance	2,110,769,797.63	4,075,437,109.45	53,023,924.13	124,438,318.99	6,363,669,150.20
2. Increase during the period	354,520,458.05	999,467,991.70	71,383,021.00	12,613,764.73	1,437,985,235.48
(1) Acquisitions	2,377,002.40	146,986,000.85	23,624,210.43	4,818,019.80	177,805,233.48
(2) Transfer from construction in progress	352,143,455.65	852,481,990.85	47,758,810.57	7,795,744.93	1,260,180,002.00
(3) Increase in business combinations					
3. Decrease during the period	144,774,671.34	616,110,516.72	7,736,419.06	15,659,718.88	784,281,326.00
(1) Disposal or reporting abrogate	144,774,671.34	615,949,665.49	7,704,385.64	12,678,430.88	781,107,153.35
(2) Other reductions		160,851.23	32,033.42	2,981,288.00	3,174,172.65
4. Closing balance	2,320,515,584.34	4,458,794,584.43	116,670,526.07	121,392,364.84	7,017,373,059.68
II. Accumulated depreciation					
1. Opening balance	289,546,639.11	2,210,504,754.48	31,194,025.59	66,207,587.06	2,597,453,006.24
2. Increase during	51,648,955.22	202,239,071.14	5,162,066.74	7,318,193.26	266,368,286.36

the period			Report 2021		
(1) Provision	51,648,955.22	202,239,071.14	5,162,066.74	7,318,193.26	266,368,286.36
3. Decrease during the period	74,195,972.55	378,131,448.21	6,474,299.80	10,157,011.34	468,958,731.90
(1) Disposal or reporting abrogate	74,415,629.26	413,649,883.17	1,218,211.88	1,876,006.60	491,159,730.91
(2) Other	-219,656.71	-35,518,434.96	5,256,087.92	8,281,004.74	-22,200,999.01
4. Closing balance	266,999,621.78	2,034,612,377.41	29,881,792.53	63,368,768.98	2,394,862,560.70
III. Provision for impairment					
1. Opening balance		2,368,192.09	9,899.85	1,048,302.07	3,426,394.01

2. Increase during the period					
(1) Provision					
3. Decrease during the period					
(1) Disposal or reporting abrogate					
4. Closing balance		2,368,192.09	9,899.85	1,048,302.07	3,426,394.01
IV. Carrying value					
1. Closing book value	2,053,515,962.56	2,421,814,014.93	86,778,833.69	56,975,293.79	4,619,084,104.97
2. Opening book value	1,821,223,158.52	1,862,564,162.88	21,819,998.69	57,182,429.86	3,762,789,749.95

(2) Status of temporarily idle fixed assets

Unit: Yuan

sports event	Original book value	Accumulated depreciation	provision for impairment	book value	note
machinery and equipment	1,026,221.64	580,716.38		445,505.26	
Transport equipment and others	95,689.65	31,059.28		64,630.37	

(3) Fixed assets leased out through operating leases

☐ Applicable ☒ Not applicable

(4) Status of fixed assets for which certificates of title have not been issued

Unit: Yuan

sports event	book value	Reasons for non-completion of title deeds
Zazo factory buildings	87,699,879.98	Not yet completed

Other notes: The buildings for which no title deeds have been issued are the company's newly constructed factory buildings in Zazo.

(5) **Fixed assets liquidation**

☐ Applicable ☒ Not applicable

22. Construction in progress

Unit: Yuan

sports event	Closing balance	Opening balance
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construction in progress	743,472,714.84	914,999,790.82
add up the total	743,472,714.84	914,999,790.82

(1) Status of construction in progress

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
All-steel radial tyre 3 million pieces relocation project (i.e. Zazo All-steel Phase III Project)	65,867,504.38		65,867,504.38	245,065,678.79		245,065,678.79
Vietnam Annual Production Capacity of 1.2 Million All-steel Radial Tyres Project	400,840,204.68		400,840,204.68	536,500,744.91		536,500,744.91
Fixed Assets Renovation				34,509,882.65		34,509,882.65
Smoke control (rubber radial tyres)						
Green Tire Engineering Technology Centre and Headquarters Construction Project	53,862,754.63		53,862,754.63	53,301,718.06		53,301,718.06
the rest	222,902,251.15		222,902,251.15	45,621,766.41		45,621,766.41
add up the total	743,472,714.84		743,472,714.84	914,999,790.82		914,999,790.82

(2) Changes in significant construction-in-progress projects during the period

Unit: Yuan

Project name	budgeted number	Opening balance	Increase during the period	Amounts transferred to fixed assets during the period	Other decreases during the period	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	Interest capitalisation rate for the period	Source of funds
All-steel radial tyre 3 million pcs relocation project (i.e. Zazo All-steel Phase III Project)	1,544,722,500.00	245,065,678.79	404,402,355.13	563,053,090.92	20,547,438.62	65,867,504.38	98.52 per cent	98.52 per cent	7,060,890.78	4,047,592.64	4.35 per cent	the rest

Fixed asset improvements		34,509,882.65			34,509,882.65			-				the rest
Green Tire Engineering Technology Centre and Headquarters Construction Project	210,000.000.00	53,301,718.06	561,036.57			53,862,754.63						the rest
Vietnam Annual Output of 1.2 Million All-steel Radial Tyres Project	1,434,160,800.00	536,500.744.91	607,023.133.70	742,683.673.93		400,840.204.68	79.73 per cent	79.73 per cent				equity raising
add up the total	3,188,883,300.00	869,378.024.41	1,011,986,525.40	1,305,736,764.85	55,057,321.27	520,570.463.69	-	-	7,060,890.78	4,047,592.64		-

(3) Provision for impairment of construction in progress during the period

☐ Applicable ☒ Not applicable

(4) Engineering materials

☐ Applicable ☒ Not applicable

23. Productive biological assets

(1) Produced biological assets using the cost-measurement model

☐ Applicable ☒ Not applicable

(2) Produced biological assets using the fair value measurement model

☐ Applicable ☒ Not applicable

24. Oil and gas assets

☐ Applicable ☒ Not applicable

25. Right-to-use assets

☐ Applicable ☒ Not applicable

26. Intangible assets

(1) Intangible assets

Unit: Yuan

sports event	land use right	franchises	Non-patented technology	hardware	add up the total
I. Original book value					
1. Opening balances	255,082,748.58			35,954,392.05	291,037,140.63
2. Additions during the period	143,276,029.51			23,619,640.69	166,895,670.20
horizontal tablet or inscribed board					
(1) Acquisitions				3,747,071.29	3,747,071.29
(2) Internal research show (one's feeling)					
(3) Increase in business combinations					
(4) Transfer from construction in progress	143,276,029.51			19,872,569.40	163,148,598.91
3. Decrease during the period	34,586,810.90				34,586,810.90
(1) Disposal	34,586,810.90				34,586,810.90
4. Closing balance	363,771,967.19			59,574,032.74	423,345,999.93
II. Accumulated amortisation					
1. Opening balances	41,649,733.59			12,034,411.20	53,684,144.79
2. Additions during the period	6,802,703.66			5,442,098.86	12,244,802.52
horizontal tablet or					

inscribed board				Report 2021	
(1) Provision	6,802,703.66			5,442,098.86	12,244,802.52
3. Decrease during the period	8,196,345.69				8,196,345.69
horizontal tablet or inscribed board					
(1) Disposal	8,196,345.69				8,196,345.69
4. Closing balance	40,256,091.56			17,476,510.06	57,732,601.62
III. Provision for impairment					
1. Opening balance					
2. Additions during the period					
horizontal tablet or inscribed board					
(1) Provision					

3. Decrease during the period horizontal tablet or inscribed board					
(1) Disposal					
4. Closing balance					
IV. Carrying value					
1. Closing book value (be) worth	323,515,875.63			42,097,522.68	365,613,398.31
2. Opening book value (be) worth	213,433,014.99			23,919,980.85	237,352,995.84

Intangible assets formed through in-house research and development accounted for 0.00% of the balance of intangible assets at the end of the period.

(2) Status of land use rights for which title deeds have not been issued

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not have any land use rights for which no title deeds had been issued.

27. Development expenditure

☐ Applicable ☒ Not applicable

28. Goodwill

(1) Original carrying amount of goodwill

☐ Applicable ☒ Not applicable

(2) Provision for impairment of goodwill

☐ Applicable ☒ Not applicable

29. Long-term amortised expenses

Unit: Yuan

sports event	Opening balance	Increase during the period	Amortisation for the period	Other decreases	Closing balance
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mould	65,477,562.69	41,470,339.30	25,994,252.11	Report 2021 12,687,246.99	68,266,402.89
fire-fighting equipment	8,325,000.00		225,000.00		8,100,000.00
the rest	106,479.34		106,479.34		
add up the total	73,909,042.03	41,470,339.30	26,325,731.45	12,687,246.99	76,366,402.89

30. Deferred income tax assets/deferred income tax liabilities

(1) Deferred tax assets not offset

Unit: Yuan

sports event	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	130,650,864.87	27,376,901.68	148,681,378.36	32,944,511.18
Unrealised profit on internal transactions	8,784,203.46	1,317,630.52	5,180,410.39	937,955.38
Deductible losses	60,565,132.68	15,228,313.38	47,905,701.89	4,518,040.86
project proposal	353,491,427.70	55,599,491.65	424,749,359.49	68,926,101.19
share-based payment	62,404,032.36	9,360,604.86	33,882,316.63	5,082,347.49
Deferred income	103,150,838.16	15,482,149.92	77,318,785.33	11,635,913.39
add up the total	719,046,499.23	124,365,092.01	737,717,952.09	124,044,869.49

(2) Deferred tax liabilities not offset

Unit: Yuan

sports event	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Changes in fair value of investments in other equity instruments	147,963,726.33	22,194,558.95	347,709,355.52	52,156,403.33
the rest	16,059,654.07	2,408,948.11		
add up the total	164,023,380.40	24,603,507.06	347,709,355.52	52,156,403.33

(3) Deferred income tax assets or liabilities, net of eliminations

Unit: Yuan

sports event	Amounts of deferred tax assets and liabilities offset at the end of the period	Closing balance of deferred tax assets or liabilities after offsetting	Deferred income tax assets and liabilities offset at the beginning of the period	Opening balance of deferred tax assets or liabilities after offsetting
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Deferred tax assets		124,365,092.01	Report 2021	124,044,869.49
Deferred income tax liabilities		24,603,507.06		52,156,403.33

(4) Breakdown of unrecognised deferred tax assets

☐ Applicable ☒ Not applicable

(5) The deductible losses for which no deferred tax assets have been recognised will expire in the following years

☐ Applicable ☒ Not applicable

31. Other non-current assets

Unit: Yuan

sport s even t	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
Prepayments for long-term assets	33,746,826.95		33,746,826.95	113,944,131.09		113,944,131.09
fixed deposit	301,395,205.48		301,395,205.48	301,050,000.00		301,050,000.00
add up the total	335,142,032.43		335,142,032.43	414,994,131.09		414,994,131.09

32. Short-term borrowing

(1) Classification of short-term loans

Unit: Yuan

sports event	Closing balance	Opening balance
loan on pledge	550,000,000.00	107,683,900.92
secured loan	199,000,000.00	
Guaranteed Borrowing		250,000,000.00
credit loan	914,957,746.71	1,309,140,979.67
promissory note discounting	5,000,000.00	63,934,648.83
add up the total	1,668,957,746.71	1,730,759,529.42

A note on the classification of short-term borrowings:

If multiple security conditions exist at the same time, the disclosure is made in the order of priority of the security conditions: pledge, mortgage, guarantee, credit.

(2) Status of overdue short-term loans

Short-term loans that were past due at the end of the period totalled \$0.00.

33. Financial liabilities held for trading

☐ Applicable ☒ Not applicable

34. Derivative financial liabilities

☐ Applicable ☒ Not applicable

35. Notes payable

Unit: Yuan

kind	Closing balance	Opening balance
commercial promissory note		1,000,000.00
banker's acceptance	2,286,364,308.12	1,952,595,891.68
add up the total	2,286,364,308.12	1,953,595,891.68

Notes payable that were due and unpaid at the end of the period totalled \$0.00.

36. Accounts payable

(1) Presentation of accounts payable

Unit: Yuan

sports event	Closing balance	Opening balance
Within 1 year	1,422,332,879.75	1,271,021,813.12
1-2 years	40,547,560.48	45,847,595.26
2-3 years	11,881,561.01	2,143,421.38
3-4 years	964,216.03	1,364,727.55
4-5 years	1,125,098.37	693,142.43
More than 5 years	3,704,009.67	3,724,572.19
add up the total	1,480,555,325.31	1,324,795,271.93

(2) Significant accounts payable aged over 1 year

☐ Applicable ☒ Not applicable

37. Advance receipts

(1) Presentation of receipts in advance

☐ Applicable ☒ Not applicable

(2) Significant receipts in advance aged over 1 year

☐ Applicable ☒ Not applicable

38. Contractual liabilities

Unit: Yuan

sports event	Closing balance	Opening balance
Within 1 year	91,021,357.34	193,215,489.35
1-2 years	34,759,967.80	5,516,504.08
2-3 years	861,198.91	1,406,323.89
More than 3 years	2,092,046.00	3,714,716.88
add up the total	128,734,570.05	203,853,034.20

Amounts and reasons for significant changes in book value during the reporting period

☐ Applicable ☒ Not applicable

39. Employee remuneration payable

(1) Presentation of employee compensation payable

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term remuneration	72,839,951.76	688,633,686.23	714,711,413.43	46,762,224.56
II. Post-employment benefits -- defined contribution plans		74,915,333.16	74,915,333.16	
III. Termination benefits	99,714,138.11	17,949,463.94	13,642,057.77	104,021,544.28
add up the total	172,554,089.87	781,498,483.33	803,268,804.36	150,783,768.84

(2) Presentation of short-term remuneration

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Wages, bonuses, allowances and subsidies	72,831,222.86	545,515,518.61	571,584,516.91	46,762,224.56
2. Employee benefit costs		57,258,454.66	57,258,454.66	
3. Social security contributions		47,690,872.71	47,690,872.71	
Of which: medical insurance premiums		41,689,724.19	41,689,724.19	
Employment injury insurance premiums		6,001,148.52	6,001,148.52	

4. Housing Provident Fund		22,267,053.00	Report 2021 22,267,053.00	
5. Funds for trade unions and staff education	8,728.90	12,549,363.29	12,558,092.19	
8. Other short-term remuneration		3,352,423.96	3,352,423.96	
add up the total	72,839,951.76	688,633,686.23	714,711,413.43	46,762,224.56

(3) Presentation of the defined benefit plan

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance		71,930,668.15	71,930,668.15	
2. Unemployment insurance premiums		2,984,665.01	2,984,665.01	
add up the total		74,915,333.16	74,915,333.16	

40. Taxes payable

Unit: Yuan

sports event	Closing balance	Opening balance
value-added tax (VAT)	8,579,041.79	1,637,526.03
sales tax	4,085,214.90	4,085,214.90
corporate income tax	108,556,683.58	169,490,678.06
personal income tax	5,662,580.60	3,769,253.24
Urban maintenance and construction tax	1,065.45	2,379,504.35
Education surcharge and local education surcharge	1,908,486.37	4,343,480.25
vehicle usage tax (VUT)	4,138.00	3,478.00
non-residential property	1,372,053.28	995,565.21
Price Adjustment Fund		6,672,431.37
environmental protection tax		99,999.98
the rest	64,635.49	13,151.10
add up the total	130,233,899.46	193,490,282.49

41. Other accounts payable

Unit: Yuan

sports event	Closing balance	Opening balance
Other accounts payable	72,138,693.27	84,843,012.12
add up the total	72,138,693.27	84,843,012.12

(1) interest due

☐ Applicable ☒ Not applicable

(2) dividend payable

☐ Applicable ☒ Not applicable

(3) Other accounts payable

1) Other accounts payable by nature of payment

Unit: Yuan

sports event	Closing balance	Opening balance
advance funds to sb for later repayment	1,679,492.13	486,589.77
Deposits and bonds	4,958,607.68	2,630,370.86
Costs in advance	11,694,228.55	20,668,793.51
suspense (in finance)	518,912.65	2,194,740.04
Restricted stock repurchase obligations	43,365,000.00	46,683,750.00
the rest	9,922,452.26	12,178,767.94
add up the total	72,138,693.27	84,843,012.12

2) Significant other payables aged over 1 year

☐ Applicable ☒ Not applicable

During the reporting period, there were no significant other payables with an age of more than one year.

42. Liabilities held for sale

☐ Applicable ☒ Not applicable

43. Non-current liabilities due within one year

Unit: Yuan

sports event	Closing balance	Opening balance
Long-term payables due within one year		28,057,659.75
add up the total		28,057,659.75

44. Other current liabilities

Unit: Yuan

sports event	Closing balance	Opening balance
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Turnkey costs	10,233,885.34	Report 2021 16,372,005.11
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Taxes on goods and services received in advance	54,541,631.89	26,500,894.47
Discounting of notes with recourse	85,125,183.45	
add up the total	149,900,700.68	42,872,899.58

Increase or decrease in short-term bonds payable:

☐ Applicable ☒ Not applicable

45. Long-term loans

(1) Classification of long-term loans

Unit: Yuan

sports event	Closing balance	Opening balance
secured loan	400,000,000.00	400,325,277.78
Guaranteed Borrowing	191,271,000.00	196,235,087.42
credit loan	143,310,729.05	173,245,130.98
add up the total	734,581,729.05	769,805,496.18

A note on the classification of long-term borrowings:

If multiple security conditions exist at the same time, the disclosure is based on the priority of the security conditions as the order of disclosure: pledge, mortgage, guarantee, credit.

46. Bonds payable

(1) bonds payable

☐ Applicable ☒ Not applicable

(2) Increase or decrease in bonds payable (excluding other financial instruments such as preference shares and perpetual bonds classified as financial liabilities)

☐ Applicable ☒ Not applicable

(3) Description of conversion conditions and conversion time of convertible bonds

☐ Applicable ☒ Not applicable

(4) Description of other financial instruments classified as financial liabilities

☐ Applicable ☒ Not applicable

47. Lease liabilities

☐ Applicable ☒ Not applicable

48. Long-term accounts payable

☐ Applicable ☒ Not applicable

(1) Long-term accounts payable by nature of payment

☐ Applicable ☒ Not applicable

(2) Dedicated accounts payable

☐ Applicable ☒ Not applicable

49. Long-term employee compensation payable

(1) Statement of long-term employee compensation payable

☐ Applicable ☒ Not applicable

(2) Changes in defined benefit plans

☐ Applicable ☒ Not applicable

50. Projected liabilities

Unit: Yuan

sports event	Closing balance	Opening balance	Reasons for formation
Reserve for withholding	4,775,054.52		
add up the total	4,775,054.52		—

51. Deferred income

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for formation
government grant	77,318,785.33	28,836,000.00	3,003,947.17	103,150,838.16	Government grants are spread over the period of benefit
add up the total	77,318,785.33	28,836,000.00	3,003,947.17	103,150,838.16	—

Projects involving government grants:

Report 2021

Unit: Yuan

Liability items	Opening balance	Amount of new grants for the period	Amount included in non-operating income for the period	Amounts charged to other gains for the period	Amounts charged to costs during the period	Other changes	Closing balance	Asset-related/revenue-related
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Science and Technology Bureau Smart Manufacturing Big Data Project Fund	728,000.08			103,999.98			624,000.10	Asset-related
Investment subsidy for technological upgrading of 400,000 high-performance radial tyres/year	380,955.91			285,714.00			95,241.91	Asset-related
Construction of standard factory building for Qian tyre off-site technological transformation project	829,166.94			24,999.96			804,166.98	Asset-related
Subsidised R&D Centre Construction Project by Xiwen County Development and Reform Commission	200,000.00						200,000.00	Asset-related

Energy System Optimisation Project	59,829.06			12,820.54		Report 2021	47,008.52	Asset-related
Vietnam 1.2 Million All-steel Radial Tyre Project	2,000,000.00						2,000,000.00	Asset-related
All-steel Small and Medium-sized Engineering Intelligent Manufacturing Project	13,120,833.34			949,999.97			12,170,833.37	Asset-related
Intelligent Retrofit Project Grants	35,000,000.00						35,000,000.00	Asset-related
Zazo Phase III Relocation and Improvement Project	25,000,000.00	9,800,000.00		1,242,857.16			33,557,142.84	Asset-related
AGV project		2,000,000.00		100,000.02			1,899,999.98	Asset-related
Public Rental Housing Phase II		17,036,000.00		283,555.54			16,752,444.46	Asset-related

52. Other non-current liabilities

☐ Applicable ☒ Not applicable

53. Share capital

Unit: Yuan

	Opening balance	Increase/decrease (+, -) in current changes					Closing balance
		issue new	a	conversion	the	Subt	

		shares	share grant	of provident fund	rest	total	
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Total number of shares	797,589,304.00	158,730,158.00				158,730,158.00	956,319,462.00
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Other notes: For details of changes during the period, see 1.2 Historical notes.

54. Other equity instruments

(1) 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

(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

55. Capital surplus

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium (equity premium)	1,675,525,120.94	825,627,666.90		2,501,152,787.84
Other capital surplus	206,286,811.92	20,804,828.49	10,800,000.00	216,291,640.41
add up the total	1,881,811,932.86	846,432,495.39	10,800,000.00	2,717,444,428.25

Other explanations, including the changes during the period and the reasons for the changes: The increase in other capital surplus during the period was the share-based payment corresponding to equity incentives.

56. Inventory Unit

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
buyback	46,683,750.00		3,318,750.00	43,365,000.00
add up the total	46,683,750.00		3,318,750.00	43,365,000.00

57. Other comprehensive income

Unit: Yuan

		Current period's incidence	
--	--	----------------------------	--

Other comprehensive income and expenses	Opening balance	Current incidence before income tax	Less: Transfer to profit or loss for the period from prior period to other comprehensive income	Less: Prior period charge to other comprehensive income Current period transfer to retained earnings	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	Closing balance
I. Other comprehensive income not reclassifiable to profit or loss	295,552,952.19	-199,745,629.20			-29,961,844.38	-169,783,784.82		125,769,167.37

Changes in fair value of investments in other equity instruments	295,552,952.19	-199,745,629.20			-29,961,844.38	-169,783,784.82		125,769,167.37
II. Other comprehensive income to be reclassified to profit or loss	-17,541,430.12	-4,722,241.32				-4,722,241.32		-22,263,671.44
Translation differences on foreign currency financial statements	-17,541,430.12	-4,722,241.32				-4,722,241.32		-22,263,671.44
Total other comprehensive income	278,011,522.07	-204,467,870.52			-29,961,844.38	-174,506,026.14		103,505,495.93

58. Earmarked reserves

☐ Applicable ☒ Not applicable

The Company is required to comply with the disclosure requirements of the chemical industry in "No. 3 of the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies - Disclosure of Industry Information" The Company is in the rubber and plastic products industry, which is not applicable.

59. Surplus reserves

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus	325,169,951.42	28,718,922.02		353,888,873.44
add up the total	325,169,951.42	28,718,922.02		353,888,873.44

60. Undistributed profits

Unit: Yuan

sports event	the current period	previous period
Undistributed profit at the end of the previous period before adjustment	1,634,226,671.60	644,179,970.66
Adjustments to opening unallocated profit after the period	1,634,226,671.60	644,179,970.66

	Report 2021	
Add: Net profit attributable to owners of the parent company for the period	369,734,591.17	1,138,469,209.25
Less: Withdrawal of statutory surplus reserves	28,718,922.02	113,818,936.15
Dividends payable on ordinary shares	143,447,937.32	31,903,572.16
the rest	2,700,000.00	2,700,000.00
Undistributed profit at the end of the period	1,829,094,403.43	1,634,226,671.60

Adjust the breakdown of unallocated profit at the beginning of the period:

- 1) The effect of the retrospective adjustment due to the new provisions of ASBE and its related new regulations is \$0.00 on the unappropriated profit at the beginning of the period.
- 2) The impact on the opening unappropriated earnings was \$0.00 due to a change in accounting policy.
- 3) The impact on the unappropriated earnings at the beginning of the period was \$0.00 due to the correction of a material accounting error.

4) The change in the scope of consolidation due to the same control affected the unappropriated earnings at the beginning of the period by \$0.00.

5) The total effect of other adjustments was \$0.00 on opening unappropriated earnings.

61. Operating income and operating costs

Unit: Yuan

sports event	Current period's incidence		Prior period's incidence	
	inco mes	(man ufact uring , prod uctio n etc) cost s	incomes	(man ufact uring , prod uctio n etc) cost s
Main business	7,273,373,083.40	6,142,256,219.92	6,763,369,576.11	5,187,946,172.68
Other business	65,906,128.08	42,595,476.48	45,359,880.23	11,921,872.88
add up the total	7,339,279,211.48	6,184,851,696.40	6,808,729,456.34	5,199,868,045.56

Whether the lower of audited net profit before or after extraordinary gains and losses is negative.

☐ Yes ☒ No

Revenue-related information:

Unit: Yuan

Contract classification	Divisio n 1	Divisio n 2		add up the total
Among them:				
Among them:				
Among them:				
Among them:				
Among them:				
Among them:				
Among them:				

Information relating to
performance

obligations: revenue

recognition

principles

On the commencement date of the contract, the Company evaluates the contract, identifies each individual performance obligation contained in the contract and determines that each individual performance obligation is to be fulfilled within a certain time period.

Or is it fulfilled at some point in time.

A performance obligation is fulfilled within a certain period of time if one of the following conditions is met, otherwise it is fulfilled at a certain point in time:

- (1) The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance.
- (2) The customer is able to control the goods or services under construction in the course of the Company's performance.

(3) The goods or services produced in the course of the Company's performance have a non-substitutable use and the Company is entitled to receive payment for the portion of the 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 over that period of time based on the progress of performance. When the progress of performance is not reasonably determinable, revenue is recognised at 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 fulfilled at a point in time, revenue is recognised at the point at which the customer obtains control of the related goods or services. In determining whether the customer has obtained control of the goods

When doing so, the company considers the following signs:

- (1) The Company has a present right to receive payment for the merchandise, which means that the customer has a present obligation to pay for the merchandise.
- (2) The Company has transferred legal ownership of the goods to the Customer, i.e. the Customer has legal ownership of the goods.
- (3) The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods.
- (4) 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.
- (5) The customer has accepted the item.
- (6) Other indications that the customer has obtained control of the commodity. Information relating to the transaction price apportioned to the remaining performance obligations:

The amount of revenue corresponding to performance obligations that have been contracted for but not yet fulfilled or not yet completed at the end of the reporting period is \$561,190,572.61, of which.

561,190,572.61 is expected to be recognised as revenue in FY2022.

62. Taxes and surcharges

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Urban maintenance and construction tax	3,449,942.75	10,931,751.73
Education surcharge	3,119,189.04	10,587,140.49
property tax	18,221,342.68	18,415,803.52
land use tax	5,235,130.17	5,273,233.18
vehicle usage tax (VUT)	15,385.50	18,255.30
non-residential property	6,835,561.68	5,366,189.16
environmental protection tax	880,677.94	361,831.26
add up the total	37,757,229.76	50,954,204.64

63. Cost of sales

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
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	Report 2021	
remuneration of employees	60,928,785.47	63,973,861.49
Property insurance premiums	3,345,938.03	2,445,948.86
Advertising and promotion costs	14,385,029.88	16,226,952.54
exhibition fee	184,740.69	676,880.85
packaging fee	6,240,615.03	6,241,608.98
travel costs	13,051,158.76	12,016,749.03
Business hospitality	1,231,304.01	1,106,828.90
Transport and customs clearance fees	15,184,423.00	12,450,851.94

removal expenses	36,933,017.00	33,222,065.59
depreciation	10,857,821.04	10,286,647.98
conference fee	4,359,092.23	4,290,968.29
brokerage	1,270,819.16	924,276.85
after-sales service fee	394,468.30	955,036.15
Agency fees	80,763,505.36	56,244,587.68
the rest	1,598,129.80	2,963,602.49
add up the total	250,728,847.76	224,026,867.62

64. Administrative expenses

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
remuneration of employees	214,767,733.09	254,041,778.57
Property insurance premiums	4,143,313.73	2,501,445.46
Depreciation of fixed assets	15,102,878.11	19,895,209.55
Amortisation of intangible assets	11,743,088.37	7,417,807.60
office expenses	4,631,827.70	1,951,661.71
repair cost	34,128,134.08	34,453,910.55
communication costs	6,019,111.18	9,786,153.80
bus fare	815,327.21	431,684.64
travel costs	9,289,721.13	4,285,468.66
brokerage	14,114,939.71	9,838,709.53
Business hospitality	366,215.88	201,188.30
Amortisation of low value consumables	1,223,810.38	1,088,455.75
travelling expenses	1,432,705.40	2,879,835.42
Machine material consumption	2,314,103.11	683,312.77
Advertising and promotion costs	3,967,474.98	3,985,506.79
post and telecommunications charges	20,354.99	54,939.73
security costs	1,709,901.07	2,825,118.38
Labour protection costs	4,335,516.09	4,535,888.67
restricted stock	19,443,024.85	18,637,724.73
the rest	10,764,402.76	16,233,467.89
add up the total	360,333,583.82	395,729,268.50

65. Research and development costs

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
remuneration of employees	42,110,221.11	37,214,073.94
Depreciation of fixed assets	12,924,699.49	6,369,972.09
Mould modification, intermediate experimentation costs	39,935,437.18	32,695,167.78
Amortisation of low value consumables and service charges	5,018,031.12	7,190,328.34
Material Consumption	81,292,943.01	89,385,747.92
repair cost	2,269,477.96	7,822,372.54
travel costs	2,961,702.43	2,163,300.27
Intermediary consultancy fees	1,529,866.74	596,664.11
utilities	16,939,714.86	14,672,997.71
the rest	930,379.80	4,182,189.71
add up the total	205,912,473.70	202,292,814.41

66. Finance costs

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
interest expense	68,293,215.03	120,687,027.29
Less: interest income	47,815,864.86	31,266,488.66
Net interest expense	20,477,350.17	89,420,538.63
Currency exchange losses	20,042,109.77	26,507,762.44
Less: exchange gain	8,369,420.59	3,479,200.67
Net loss on exchange	11,672,689.18	23,028,561.77
discounted interest	3,647,377.37	2,171,598.27
cash discount	-10,176,502.51	-8,291,756.43
Silver Handling Fee and Others	7,565,719.74	4,360,220.61
add up the total	33,186,633.95	110,689,162.85

67. Other gains

Sources of generation of other benefits	Current period's incidence	Prior period's incidence
Government grants related to ordinary operating activities	30,950,545.73	10,394,796.32

the rest	122,073.20	5,184,591.60
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68. Investment income

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Investment income from disposal of financial assets held for trading	-130,350.51	1,491,123.30
Dividend income earned on investments in other equity instruments during the holding period	12,957,000.00	13,038,900.00
add up the total	12,826,649.49	14,530,023.30

69. Net open hedge gains☐ Applicable ☒ Not applicable**70. Gain on change in fair value**

Unit: Yuan

Sources that generate gains from changes in fair value	Current period's incidence	Prior period's incidence
Financial assets held for trading		834,493.15
add up the total		834,493.15

71. Credit impairment losses

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Bad debt losses on other receivables	-2,430,058.31	-27,254,782.21
Bad debt losses on notes and accounts receivable	-8,420,005.59	4,450,313.97
add up the total	-10,850,063.90	-22,804,468.24

72. Impairment losses on assets

sports event	Current period's incidence	Prior period's incidence
II. Loss on decline in value of inventories and impairment loss on contract performance costs	-3,054,365.09	-2,467,440.28
XII. Impairment losses on contract assets	31,830.19	-21,260.58
XIII. Other		31,490,848.00
add up the total	-3,022,534.90	29,002,147.14

73. Gain on disposal of assets

Unit: Yuan

Sources of proceeds from the disposal of assets	Current period's incidence	Prior period's incidence
Gain or loss on disposal of non-current assets	96,685,243.77	691,411,516.78

74. Non-operating income

Unit: Yuan

Item	Current period's incidence	Prior period's incidence	Amounts included in non-recurring gains and losses for the period
Gains on destruction and retirement of non-current assets	2,728,073.03		2,728,073.03
Income from fines	984,665.75	700,607.80	984,665.75
Other income	1,981,417.82	44,202.47	1,981,417.82
add up the total	5,694,156.60	744,810.27	5,694,156.60

Government grants recognised in profit or loss:

☐ Applicable ☒ Not applicable

75. Non-operating expenses

Unit: Yuan

Item	Current period's incidence	Prior period's incidence	Amounts included in non-recurring gains and losses for the period
External donations	98,928.00	1,274,594.00	98,928.00
Loss on destruction and retirement of non-current assets	3,706,561.72	24,718,825.79	3,706,561.72
Expenditure on fines (including loss of claims)	224,700.65	18,607.70	224,700.65
Other expenditures	5,207,392.72	300.50	5,207,392.72
add up the total	9,237,583.09	26,012,327.99	9,237,583.09

76. Income tax expense

(1) Schedule of income tax expense

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Current income tax expense	16,428,319.95	173,419,667.61
Deferred income tax expense	3,450,529.23	16,565,798.23
add up the total	19,878,849.18	189,985,465.84

(2) Process of adjusting accounting profit to income tax expense

Unit: Yuan

sports event	Current period's incidence
Total profit	389,677,232.99
Income tax expense at statutory/applicable rates	58,451,584.95
Effect of applying different tax rates to subsidiaries	11,065,842.94
Effect of adjustments to prior periods' income taxes	-5,142,137.99
Impact of non-taxable income	-1,943,550.00
Impact of non-deductible costs, expenses and losses	1,770,790.21
Effect of the use of deductible losses for which no deferred tax assets were recognised in prior periods	-6,349,374.19
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognised in the period	4,779,780.56
Additional deductible expenses under the tax law	-42,754,087.30
Income tax expense	19,878,849.18

77. Other comprehensive income

See note 57 for details.

78. Cash flow statement items

(1) Other cash received relating to operating activities

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Government grants related to operations	56,904,671.76	83,777,567.35
Interest income on bank deposits	47,815,864.86	
the rest	2,966,083.57	
add up the total	107,686,620.19	83,777,567.35

(2) Other cash paid in relation to operating activities

sports event	Current period's incidence	Prior period's incidence
Sales expenses paid	178,890,448.80	361,494,353.58
Administrative expenses paid	99,051,859.40	93,739,979.53
Research and development costs paid	111,258,362.59	69,294,718.58

handling fee	7,565,719.74	4,360,220.61
Deposits paid	66,951,459.76	
the rest	16,351,696.22	16,039,173.77
add up the total	480,069,546.51	544,928,446.07

(3) Other cash received relating to investing activities

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Interest income		30,216,488.66
add up the total		30,216,488.66

(4) Other cash paid relating to investing activities

☐ Applicable ☒ Not applicable

(5) Other cash received relating to financing activities

☐ Applicable ☒ Not applicable

(6) Other cash paid in relation to financing activities

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Purchase of minority interests in subsidiaries	22,800,000.00	
add up the total	22,800,000.00	

79. Supplementary information on the statement of cash flows

(1) Supplementary information on the statement of cash flows

Unit: Yuan

Additional information	Amount for the period	Prior period amount
1. Reconciliation of net profit to cash	—	—

flows from operating activities:		
net profit	369,798,383.81	1,138,469,209.25
Add: Provision for impairment of assets	13,872,598.80	-6,197,678.90
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	266,368,286.36	243,667,092.29
Depreciation of right-of-use assets		

Amortisation of intangible assets	12,244,802.52	8,402,815.68
Amortisation of long-term amortised expenses	26,325,731.45	61,705,739.16
Loss on disposal of property, plant and equipment, intangible assets and other long-lived assets (Gain is represented by a "-" sign)	-96,685,243.77	-671,877,282.59
Loss on retirement of fixed assets (gains are recognised with a "-" sign)	978,488.69	
Loss on fair value changes (gains are recognised with a "-" sign)		-834,493.15
Finance costs (gains are represented by a "-" sign)	68,293,215.03	114,620,698.67
Losses on investments (gains are represented by a "-" sign)	-12,826,649.49	-14,530,023.30
Decrease (increase) in deferred tax assets to "-" sign)	-320,222.52	16,565,798.23
Increase (decrease) in deferred tax liabilities for "-" sign)	2,408,948.11	
Decrease in inventories (increase is indicated by a "-")	-349,484,076.71	80,223,980.25
Decrease (increase) in operating receivables to "-" sign)	-222,281,232.68	-24,688,510.99
Increase (decrease) in operating payables "-" sign)	249,947,820.36	713,830,399.41
the rest	-42,827,881.27	
Net cash flows from operating activities	285,812,968.69	1,659,357,744.01
2. Significant investing and financing activities that do not involve cash receipts and payments:	-	-
Debt-to-capital conversion		
Convertible bonds due within one year		
Fixed assets under finance leases		
3. Net change in cash and cash equivalents:	-	-

	Report 2021	
Closing balance of cash	1,754,799,667.58	1,613,642,309.47
Less: opening balance of cash	1,613,642,309.47	1,441,382,292.42
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	141,157,358.11	172,260,017.05

(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

Unit: Yuan

sports event	Closing balance	Opening balance
I. Cash	1,754,799,667.58	1,613,642,309.47
Of which: cash on hand	86,804.72	70,036.32
Bank deposits available for payment	1,754,712,862.86	1,610,713,128.86
Other monetary funds readily available for disbursement		2,859,144.29
III. Cash and cash equivalents balance at end of period	1,754,799,667.58	1,613,642,309.47

80. 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:

81. Assets subject to restrictions on ownership or use

Unit: Yuan

sports event	Closing book value	Reason for restriction
money funds	358,078,723.53	margin (in derivative trading)
notes receivable	524,867,835.64	loan on pledge
fixed assets	736,060,706.08	secured loan
intangible asset	138,087,508.80	secured loan
Receivables financing	297,160,033.17	loan on pledge
add up the total	2,054,254,807.22	—

82. Foreign currency monetary items

(1) Monetary items in foreign currency

Unit: Yuan

sports event	Foreign currency balance at end of period	Converted exchange	Converted Renminbi balance at the end of the period
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t		e rates	
money funds	—	—	
Of which: United States dollars	69,911,684.11	6.3757	445,735,924.38
Euro (currency)	181,255.76	7.2197	1,308,612.20

Hong Kong dollar			
ruble (Russian currency) (loanword)	1,007,112.89	0.0855	86,108.15
Vietnamese rupiah	46,094,889,365.00	0.0003	12,906,569.02
accounts receivable	–	–	
Of which: United States dollars	84,463,715.47	6.3757	538,515,310.73
Euro (currency)			
Hong Kong dollar			
Vietnamese rupiah	12,082,712,526.12	0.0003	3,383,159.51
Hong Kong dollar	15,062,772.84	0.8176	12,315,323.07
long term loan	–	–	
Of which: United States dollars	30,000,000.00	6.3757	191,271,000.00
Euro (currency)			
Hong Kong dollar			
Other receivables			
Of which: United States dollars	4,382,947.69	6.3757	27,944,359.59
Vietnamese rupiah	466,056,714.29	0.0003	130,495.88
accounts payable			
Of which: United States dollars	4,497,382.99	6.3757	28,673,964.72
Vietnamese rupiah	944,383,746,964.29	0.0003	264,427,449.15
Other accounts payable			
Of which: United States dollars	818,661.31	6.3757	5,219,538.92
Vietnamese rupiah	4,671,730,142.86	0.0003	1,308,084.44
short term loan			
Of which: United States dollars	3,200,601.60	6.3757	20,406,075.62

(2) A description of the foreign operating entity, including, in the case of a significant foreign operating entity, a disclosure of the principal place of business outside the country, the local currency of the accounts and the basis for selection, and the reasons for any change in the local currency of the accounts.

√ Applicable □ Not applicable

The principal place of business of the grandson company, Advance Holdings

(Group) International Limited, is Hong Kong, and the bookkeeping currency is

Hong Kong dollars; the principal place of business of the grandson company,

GTC NORTH AMERICA INC. is the United States of America, and the

bookkeeping currency is United States dollars;

The principal place of business of the grandson company, NORTH AMERICA COMMERCIAL TIRE RESOURCES INC. is the

United States of America, and the local currency of account is the United States dollar;

BRANCH OF GUIZHOU TYRE IMPORT/EXPORT CO. LTD. operates mainly in Russia and is denominated in

rubles; Advance Tyre (Vietnam) Co.

83. Hedging

□ Applicable √ Not applicable

84. Government grants**(1) Basic information on government grants**

Unit: Yuan

kind	sum of mon ey	Presentation of items	Amounts recognised in profit or loss for the period
Guizhou Environmental Protection Bureau boiler dust collector renovation payment	500,000.00	Deferred income, other gains	
Municipal finance subsidy for plant construction for off-site technological reform projects	1,000,000.00	Deferred income, other gains	24,999.96
Smart Big Data	1,040,000.00	Deferred income, other gains	103,999.98
Energy System Optimisation Project, Department of Development and Reform	1,050,000.00	Deferred income, other gains	12,820.54
Subsidised R&D Centre Construction Project by Xiwen County Development and Reform Commission	200,000.00	Deferred income, other gains	
Vietnam 1.2 million all-steel radial tyres project	2,000,000.00	Deferred income, other gains	
All-steel Small and Medium-sized Engineering Intelligent Manufacturing Project	13,300,000.00	Deferred income, other gains	949,999.97
Intelligent Retrofit Project	35,000,000.00	Deferred income, other gains	
Zazo Phase III Relocation and Improvement Project	34,800,000.00	Deferred income, other gains	1,242,857.16
AVG Project	2,000,000.00	Deferred income, other gains	100,000.02
Public Rental Housing Phase II	17,036,000.00	Deferred income, other gains	283,555.54
Investment subsidy for technological upgrading of 400,000 high-performance radial tyres/year	4,000,000.00	Deferred income, other gains	285,714.00
Earmarked funds for exports	74,000.00	Other gains	74,000.00

Zhanjiang Government Crating Subsidy	1,102,766.08	Report 2021 Other gains	1,102,766.08
Department of Industry and Information Technology on the organisation of the declaration of green manufacturing system construction awards and subsidies	300,000.00	Other gains	300,000.00
Collection of incentive funds for enterprises to reach and increase production in the first quarter	662,500.00	Other gains	662,500.00
Bureau of Industry and Information Technology Special Funds for Promoting Production, Stabilising Employment and Maintaining Growth in 2020	3,455,700.00	Other gains	3,455,700.00
HSSA's subsidy for work-based training	431,559.38	Other gains	431,559.38
HSSA Allocates 2020 Life Support Funding for Postdoctoral Researchers	50,000.00	Other gains	50,000.00
Department of Commerce processing trade subsidies	25,600.00	Other gains	25,600.00
Thuwyn Council Returns 2019 Recruitment Veterans Tax Deduction Benefit - VAT & SAT	1,818,000.00	Other gains	1,818,000.00
Xiuwen County Bureau of Industry and Information Technology Guiyang City Industrial Structure Adjustment Special Award Subsidy	900,000.00	Other gains	900,000.00
Bureau of Industry and Information Technology 2021 Electricity Subsidy for Increasing Production and Efficiency during Spring Festival	1,000,000.00	Other gains	1,000,000.00

2021 Quality Development Grant	40,000.00	Other gains	40,000.00
Guiyang City Water Conservation Office 2020-2021 Water Conservation Scholarships	80,000.00	Other gains	80,000.00
Xiwen County Bureau of Industry and Information Technology Liquidity Loan Subsidy (First, Second and Third Batches)	7,854,735.10	Other gains	7,854,735.10
Subsidies from the Department of Commerce Qian Cai Gong [2021] No. 141 Development Special Funds (Sixth Batch)	1,834,000.00	Other gains	1,834,000.00
Receipt of subsidy from Yunyan District Commerce Bureau 2021 Special funds for the development of centralised foreign trade and economic cooperation	1,192,800.00	Other gains	1,192,800.00
Receipt of grants for conversion of coal-fired boilers	4,200,000.00	Other gains	4,200,000.00
Receive subsidies for stable employment from Guizhou Social Security Bureau	842,138.00	Other gains	842,138.00
Subsidy for Yunyan Business Bureau 2021 Special Funds for the Development of Central Foreign Trade and Economic Cooperation	535,200.00	Other gains	535,200.00
2021 Subsidies for special funds for foreign investment and economic co-operation	1,547,600.00	Other gains	1,547,600.00

(2) Return of government grants

☐ Applicable ☒ Not applicable

85. Other

VIII. Changes in the scope of consolidation

1. Business combinations not under the same control

(1) Non-same control business combinations occurring during the period

☐ Applicable ☒ Not applicable

During the reporting period, there were no subjects included in the scope of consolidation through non-identical control business combination.

(2) Cost of consolidation and goodwill

☐ Applicable ☒ Not applicable

(3) Identifiable assets and liabilities of the acquiree at the date of acquisition

☐ Applicable ☒ Not applicable

(4) Gains or losses arising from the remeasurement of equity interests held prior to the date of purchase at fair value

Whether there are transactions in which a business combination is achieved in stages through multiple transactions and control is obtained during the reporting period.

☐ Yes ☒ No

(5) Description of the purchase date or the end of the period in which the fair value of the merger consideration or the identifiable assets or liabilities of the acquiree cannot be reasonably determined

(6) Other notes

There were no non-same-control business combinations during the reporting period.

2. Business combinations under the same control

(1) Same-control business combinations occurring during the period

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not engage in any business combinations under the same control.

(2) Consolidated costs

☐ Applicable ☒ Not applicable

(3) Carrying value of assets and liabilities of the consolidated party at the date of consolidation

☐ Applicable ☒ Not applicable

There were no business combinations under the same control during the reporting period.

3. Reverse purchase

☐ Applicable ☒ Not applicable

No reverse purchases were made during the reporting period.

4. Disposal of subsidiaries

Whether there is a single disposal of an investment in a subsidiary that results in a loss of control

☐ Yes ☒ No

Whether there is a step-by-step disposal of investments in subsidiaries through multiple transactions and loss of control during the period

☐ Yes ☒ No

5. 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:

Name of Subsidiary	2021-12-31	Report 2021 2020-12-31	note
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Guizhou Qianjin New Material Co.	consolidati on	unestablished	Newly established for the current period
Advance Holdings (Group) International Limited	consolidati on	unestablished	Newly established for the current period

6. Other

IX. Interests in other subjects

1. Interests in subsidiaries

(1) Composition of enterprise groups

Name of Subsidiary	Principal place of business	registered office	Nature of business	percenta ge of sharehol ding		Acquisition method
				direc t	over head	
Guizhou Tyre Import & Export Co.	Guiyang prefecture level city in Guizhou	Guiyang prefecture level city in Guizhou	Import and export agent	100.00 per cent		constitute
gtc northern america inc.	United States of America	United States of America	Tyre sales		100.00 per cent	constitute
northern american commercial tire resources inc.	United States of America	United States of America	Tyre sales		100.00 per cent	constitute
branch of guizhou tyre import/export co.	Moscow, capital of Russia	Moscow, capital of Russia	Tyre sales		100.00 per cent	constitute
Advance Holdings (Group) International Limited	Mainland	Mainland	Sales of tyres and air springs		100.00 per cent	constitute
Guizhou Advance Tyre Investment Co.	Guiyang prefecture level city in Guizhou	Guiyang prefecture level city in	Investment Management	100.00 per cent		constitute

		Guizhou		Report 2021		
advances tyre (vietnam) company limited	Vietnam	Vietnam	Tyre production and sales		100.00 per cent	constitute
Guizhou Qianjin New Material Co.	Guiyang prefecture level city in Guizhou	Guiyang prefecture level city in Guizhou	Manufacture of chemical reagents and auxiliaries		70.00 per cent	constitute
Guizhou Advance Tyre Sales Co.	Guiyang prefecture level city in Guizhou	Guiyang prefecture level city in Guizhou	Tyre sales	100.00 per cent		constitute
Guizhou Hercules Tyre Co.	Guiyang prefecture level city in Guizhou	Guiyang prefecture level city in Guizhou	cease trading (temporarily or permanently)	100.00 per cent		constitute

A statement that the percentage of shareholding in a subsidiary is different from the percentage of voting rights:

There were no cases in which the shareholding ratio of subsidiaries differed from the voting rights ratio during the reporting period.

Basis for holding half or less of the voting rights but still controlling the investee, and for holding more

than half of the voting rights but not controlling the investee: for significant structured subjects

included in the scope of consolidation, the basis of control:

During the reporting period, the

Company did not have a structured

principal. The basis for determining

whether the Company is an agent or a

principal:

(2) Significant non-wholly owned subsidiaries

☐ Applicable ☒ Not applicable

(3) Key financial information of significant non-wholly owned subsidiaries

☐ Applicable ☒ Not applicable

(4) Significant restrictions on the use of enterprise group assets and the discharge of enterprise group liabilities

During the reporting period, there were no significant restrictions on the use of the Company's enterprise group assets and the settlement of the Company's enterprise group liabilities.

(5) Financial or other support provided to structured subjects included in the scope of the consolidated financial statements

☐ Applicable ☒ Not applicable

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

(1) Description of changes in share of ownership interests in subsidiaries

During the reporting period, the Company purchased 5.00% equity interests held by minority shareholders of its subsidiary Guizhou Hercules Tyre Limited Liability Company, and the Company's shareholding in Hercules after the completion of the equity transfer was 100.00%.

(2) Effect of the transaction on minority interests and equity attributable to owners of the parent company

Unit: Yuan

–Cash	22,800,000.00
Total purchase cost/disposal consideration	22,800,000.00
Less: Share of net assets of subsidiaries in proportion to equity acquired/disposed of	12,000,000.00
discrepancy (in a sum or quota)	10,800,000.00
Of which: Adjustments to capital surplus	10,800,000.00

3. Interests in joint arrangements or associates

(1) Significant joint ventures or associates

☐ Applicable ☒ Not applicable

(2) Key financial information of significant joint ventures

☐ Applicable ☒ Not applicable

(3) Key financial information of significant associates

☐ Applicable ☒ Not applicable

(4) Summarised financial information for immaterial joint ventures and associates

☐ Applicable ☒ Not applicable

(5) Description of 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

(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

4. Important joint operations

☐ Applicable ☒ Not applicable

5. Interests in structured subjects not included in the scope of the consolidated financial statements

☐ Applicable ☒ Not applicable

6. Other

X. Risks related to financial instruments

The Company's financial instruments include: currency funds, trading financial assets, notes receivable, accounts receivable, receivables financing, accounts receivable, other receivables, contract assets, other equity investments, other

non-current financial assets, short-term borrowings, notes payable, accounts payable, and other payables, etc. Detailed descriptions of each financial instrument are shown in the financial statements.

Items related to the notes to the statement of operations.

Various risk management objectives and policies: The Company's objective in engaging in risk management is to strike an appropriate balance between risk and return, to minimise the negative impact of risk on the Company's operating results and to maximise the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Company's risk management is to identify and analyse the various risks faced by the Company, to establish an appropriate risk tolerance floor and manage the risks, and to monitor the various risks in a timely and reliable manner in order to control the risks within a limited scope.

1. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to honour its obligations, resulting in a financial loss to the other party. Credit risk arises from bank deposits, other receivables, credit risk from customers, including outstanding receivables and committed transactions.

The Company's monetary funds are mainly bank deposits, and the Company's bank deposits are placed in banks with high credit ratings, therefore, the risk is low. The Company considers that the monetary funds are not exposed to significant credit risk and will not incur any significant loss due to default of the counterparty.

The Company's bills receivable are bankers' acceptances and commercial acceptances. The Company's bill of exchange model is based on a third-party guarantee company providing the bank with a performance guarantee for the drawer, signing and accepting the bill of exchange after seeing the guarantee letter and then discounting it to the bank, and there is no situation in which the drawer is unable to accept the bill of exchange upon expiry and is paid by the guarantee company on behalf of the drawer upon expiry. Therefore, the risk is low.

In addition, for accounts receivable, contract assets, and other receivables, the Company evaluates the credit quality of its customers based on financial condition, historical experience, and other factors. The Company has made full provision for bad debts in its financial statements. The Company does not believe that there are any further losses due to defaults by the counterparties.

(1) There were no financial assets that were past due for impairment during the reporting period.

(2) Analysis of financial assets that are individually impaired

sports event	Closing balance	Amount of impairme nt	Factors considered in the event of impairment
Other receivables	27,102,826.02	27,102,826.02	The other party is insolvent.
accounts receivable	56,416,672.41	56,416,672.41	The other party is insolvent.

2. Market risk

Market risk for financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including exchange rate risk, interest rate risk and other price risks.

(1) Exchange rate risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in

foreign exchange rates. The Company's exposure to foreign exchange risk arises mainly from financial assets and financial liabilities denominated in U.S. dollars or other currencies. The amounts of the Company's major foreign-currency financial assets and foreign-currency financial liabilities translated into RMB are set out in "5.54 Monetary items denominated in foreign currencies".

Assuming a 50% increase or decrease in the exchange rate of the US dollar against the RMB, other things being equal, it may affect the Company's net profit of RMB 383,312,507.72 for the year 2021; at the end of the period, the Company held currency funds of US\$69,911,684.11, accounts receivable of US\$84,463,715.47, other receivables of US\$4,382,947.69. The statement was materially affected by short-term borrowings of US\$3,200,601.60, accounts payable of US\$4,497,382.99, other accounts payable of US\$818,661.31, and long-term borrowings of US\$30,000,000.00;

A 50% increase or decrease in the exchange rate of the euro against the RMB could affect the Company's net profit of RMB 654,306.10 for the year 2021; the Company held currency funds of EUR 181,255.76 at the end of the period, which did not have a possible significant impact on the financial statements;

A 50% increase or decrease in the exchange rate of the ruble against the RMB may affect the Company's net profit for 2021 by \$43,054.08; the Company holds currency funds of RUB 1,007,112.89 at the end of the period, which does not have a significant impact on the financial statements.

A 50% increase or decrease in the exchange rate of VND against RMB may affect the Company's net profit of \$124,657,654.59 for the year 2021; the Company's holding of currency funds at the end of the period

VND 46,094,889,365.00, Accounts receivable VND 12,082,712,526.12, Other receivables VND 466,056,714.29, Accounts payable VND 944,383,746,964.29

VND, and other payables of VND 4,671,730,142.86, which had a significant impact on the financial statements.

A 50% increase or decrease in the exchange rate of Hong Kong dollar to Renminbi may affect the Company's net profit of RMB6,157,661.54 for the year 2021; the Company held accounts receivable of HK\$15,062,772.84 at the end of the period, which had a significant impact on the financial statements.

(2) interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can arise from both recognised interest-bearing financial instruments and unrecognised financial instruments (e.g. certain loan commitments).

The amount of short-term borrowings of the Company as at the end of the period was RMB1,668,957,746.71. Assuming that, other things remaining unchanged, a 20% increase and decrease in the lending rate of 4.35% for the same period of time by banks, the net profit of the Company may be affected by approximately RMB15,057,607.91; the amount of long-term borrowings of the Company as at the end of the period was RMB734,581,729.05. Assuming that other things remain unchanged, an increase and decrease of 20% in the bank lending rate of 4.80% for the same period, the net profit of the Company may be affected by approximately RMB7,390,132.76.

(3) Other price risk

Other price risk is the risk of fluctuations due to changes in market prices other than those arising from exchange rate risk and interest rate risk, whether these changes are due to factors related to a single financial instrument or its issuer, or to all similar financial instruments traded within a market. Other price risks can arise from changes in, for example, commodity prices or equity instrument prices.

3. Liquidity risk

Liquidity risk is the risk that an enterprise will experience a shortage of funds in meeting its obligations that are settled by delivery of cash or other financial assets. At the balance sheet date, the contractual undiscounted cash flows of each of the Company's financial liabilities are shown below by maturity date:

sports event	31st December 2021						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	add up the total
short term loan	1,668,957,746.71						1,668,957,746.71
long term loan	1,038,877.20	400,000,000.00	195,747,000.00	123,019,618.98	-	14,776,232.87	734,581,729.05

sports event	01/01/2021						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	add up the

				Report 2021		total
short term loan	1,730,759,529.42	-	-	-	-	1,730,759,529.42
Long-term accounts payable due within 1 year	28,057,659.75	-	-	-	-	28,057,659.75
long term loan	1,038,877.20	400,000,000.00	195,747,000.00	123,019,618.98	-	50,000,000.00
						769,805,496.18

A detailed description of the maturity of other financial liabilities is given in the relevant item in the notes to the financial statements.

XI. Fair value disclosures

1. Closing fair value of assets and liabilities measured at fair value

Unit: Yuan

sport s even t	Fair value at end of period			
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	add up the total

	measure word			
I. Ongoing fair value measurements	—	—	—	—
(iii) Investments in other equity instruments	375,816,900.00		289,776,226.32	665,593,126.32
(vi) Other non-current assets		301,395,205.48		301,395,205.48
(vii) Receivables financing			369,428,542.13	369,428,542.13
Total assets measured at fair value on an ongoing basis	375,816,900.00	301,395,205.48	659,204,768.45	1,336,416,873.93
II. Discontinued fair value measurements	—	—	—	—

2. Basis for determining the market value of continuing and discontinued Level 1 fair value measurements

For shares held in listed companies, their fair value is based on the closing price of the stock exchange market on the balance sheet date.

3. Continuing and discontinued Level 2 fair value measurements, qualitative and quantitative information on valuation techniques used and significant parameters

For time deposits and structured deposits held by the Company, valuation techniques are used to determine their fair value. The valuation model used is the discounted cash flow model. The inputs to the valuation technique mainly include the observed value of the contractual underlying, the contractually agreed expected rate of return, etc.

4. Continuing and discontinued Level 3 fair value measurements, qualitative and quantitative information on valuation techniques used and significant parameters

For investments in other equity instruments that are not quoted in an active market, the Company values them in accordance with the market approach, with the inputs being the price-to-book ratios of comparable listed companies. For notes receivable held by the Company, valuation techniques are used to determine their fair value. The valuation model used is the discounted cash flow model.

5. Ongoing Level 3 fair value measurement items, information on reconciliations between opening and closing book values and sensitivity analysis of unobservable parameters

☐ Applicable ☒ Not applicable

6. Ongoing fair value measurement items, where conversions between levels occurred during the

period, the reasons for the conversions and the policy for determining the point of conversion

☐ Applicable ☒ Not applicable

7. Changes in valuation techniques that occurred during the period and the reasons for the changes

☐ Applicable ☒ Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

☐ Applicable ☒ Not applicable

9. Other

xii. related parties and connected transactions

1. Information on the parent company of the enterprise

Parent company name	registered office	Nature of business	registered capital	Parent company's shareholding in the enterprise	Proportion of voting rights of the parent company in the enterprise
Guiyang City Industry and Commerce Industry Investment Group Co.	Guiyang prefecture level city in Guizhou	investors	116,375.03 million	27.76 per cent	27.76 per cent

Description of the enterprise's parent company

Description of the Company's parent company: Guiyang City Industrial and Commercial Investment Group Co., Ltd. is a wholly state-owned company approved and authorised by the Guiyang Municipal Government, with the business scope of industrial investment and financing, initiating and setting up of funds, capital operation, asset management and equity management, merger and reorganisation, asset management, primary land development, industrial property development, housing leasing, property management, domestic and international trade services, consultancy services, etc. etc.

The ultimate controlling party of the enterprise is the State-owned Assets Supervision and Administration Commission of the People's Government of Guiyang City.

2. Information on the Company's subsidiaries

Details of the enterprise's subsidiaries are set out in Note IX.

3. Joint ventures and associates of the enterprise

☐ Applicable ☒ Not applicable

The Company had no joint ventures and associates during the reporting period.

4. Other related parties

Name of other related parties	Relationship between other related parties and the Company
Guizhou tyre factory	Subsidiaries owned by the actual controller
Guizhou Advance Rubber Tube Company	Subsidiary of Guizhou Tyre Factory
Guizhou Tyre Factory Construction Engineering Company	Subsidiary of Guizhou Tyre Factory
Guizhou Qianjin Rubber Factory	Subsidiary of Guizhou Tyre Factory
Guizhou Advance Tyre Industry Development Co.	Subsidiary of Guizhou Tyre Factory

Guizhou Qianjin Logistics Co.	Subsidiary of Guizhou Tyre Factory
Guiyang Qianjin Muling Plastic Co.	Subsidiary of Guizhou Tyre Factory
Guiyang Yongqing Instrumental Technology Co.	Subsidiaries owned by the actual controller
Guizhou Changxin Tyre Co.	Subsidiary of Guizhou Tyre Factory

Other notes

Only significant related parties that have direct business dealings with the Company are listed.

5. Related transactions

(1) Connected transactions for the purchase and sale of goods and the provision and acceptance of services

Statement of purchases
of goods/acceptance of
labour

Unit: Yuan

related party	Contents of connected transactions	Current period's incidence	Amount of transactions approved	Whether the transaction limit is exceeded	Prior period's incidence
Guizhou Qianjin Rubber Factory	Procurement of materials				959,293.73
Guizhou Advance Rubber Tube Company	Procurement of materials	54,000,282.98			44,889,610.23
Guizhou Advance Tyre Industry Development Co.	Procurement of materials	1,770,651.77			6,186,299.46
Guizhou Tyre Factory Construction Engineering Company	Procurement of materials				4,650,246.38
Guiyang Qianjin Muling Plastic Co.	Procurement of materials				725,462.28
Guiyang Qianjin Muling Plastic Co.	service fee				
Guizhou Changxin Tyre Co.	service fee	1,131,235.09			3,631,659.14
Guiyang Dangerous Peak Logistics Co.	service fee	3,782,613.56			
Guizhou tyre factory	service fee	1,741,980.87			
Guizhou tyre factory	Procurement of materials	28,684,785.53			
Guizhou Advance Tyre Industry Development Co.	service fee	2,004,599.90			6,663,023.70

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Guizhou Qianjin Logistics Co.	service fee	5,656,422.83		Report 2021	20,974,156.36
Guizhou Tyre Factory Construction Engineering Company	service fee	220,842.65			
Guiyang Yongqing Instrumental Technology Co.	Procurement of equipment	653,097.34			3,661,485.84
Guiyang Yongqing Instrumental Technology Co.	Procurement of equipment	2,589,191.15			23,111,560.66

Statement of sale of
goods/provision of labour

Unit: Yuan

related party	Contents of connected transactions	Current period's incidence	Prior period's incidence
Guizhou Qianjin Rubber Factory	Sales of semi-component materials		1,002,891.33

Guizhou Advance Rubber Tube Company	Sales of semi-component materials	30,594,980.75	21,054,471.24
Guizhou Advance Tyre Industry Development Co.	Sales of semi-component materials	3,884,708.17	9,306,098.67
Guiyang Qianjin Muling Plastic Co.	Sales of semi-component materials		184,464.42
Guizhou tyre factory	Sales of semi-component materials	7,124,312.40	
Guizhou Qianjin Logistics Co.	Sales of semi-component materials	54,440.94	293,610.63
Guizhou Qianjin Rubber Factory	Provision of water, electricity, etc.		49,681.66
Guizhou Advance Rubber Tube Company	Provision of water, electricity, etc.	1,497,427.44	2,968,116.56
Guizhou Advance Tyre Industry Development Co.	Provision of water, electricity, etc.	161,488.08	410,697.74
Guizhou tyre factory	Provision of water, electricity, etc.	191,695.77	1,387.36
Guiyang Qianjin Muling Plastic Co.	Provision of water, electricity, etc.		51,339.92

Description of connected transactions for the purchase and sale of goods and the provision and acceptance of services

(2) Affiliated Fiduciary Management/Contracting and Delegated Management/Contracting Out

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no cases of entrusted management or contracting; there were no cases of entrusted management or contracting out.

(3) Affiliated leases

☐ Applicable ☒ Not applicable

The Company had no connected leases during the reporting period.

(4) Affiliated guarantees

The Company as Guarantor

☐ Applicable ☒ Not applicable

The Company as Guaranteed Party

Unit: Yuan

secure	Amount of	Guarantee start	warranty expiry	Whether the guarantee
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d party	guarantee	date	date	has been honoured
Guiyang City Industry and Commerce Industry Investment Group Co.	191,271,000.00	27 October 2020	15 October 2023	clogged

Description of related guarantees

During the period, Guizhou Tyre Company Limited entered into a guarantee loan contract with Guiyang Bank Limited Yunyan Sub-branch and China Development Bank Guizhou Branch with Guiyang Industry and Commerce Industry Investment Group Company Limited as the guarantor; no guarantee fee was incurred under the guarantee contract and no counter-guarantee was provided thereunder.

(5) Related party funds borrowing

☐ Applicable ☒ Not applicable

(6) Transfer of assets and restructuring of liabilities by related parties

☐ Applicable ☒ Not applicable

(7) Compensation of key management personnel

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Key management personnel compensation (\$)	6,485,797.00	6,078,760.00

(8) Other connected transactions

There were no other connected transactions of the Company during the reporting period.

6. Receivables and payables from related parties

(1) Items receivable

Unit: Yuan

Project name	related party	Closing balance		Opening balance	
		Carrying amount	provision for bad debts	Carrying amount	provision for bad debts
prepayments	Guizhou Qianjin Logistics Co.			9,649.36	

(2) Items payable

Unit: Yuan

Project name	related party	Closing book balance	Opening balance
Other accounts payable	Guizhou tyre factory	1,885,533.42	914,345.99
Contractual liabilities	Guizhou tyre factory	357,302.65	
Other accounts payable	Guizhou Qianjin Logistics Co.		84.14
Contractual liabilities	Guizhou Qianjin Logistics Co.		493,805.31
Other current liabilities	Guizhou Qianjin Logistics Co.		64,194.69

Contractual liabilities	Guiyang Qianjin Muling Plastic Co.	Report 2021	8,849.56
Other current liabilities	Guiyang Qianjin Muling Plastic Co.		1,150.44
accounts payable	Guizhou Advance Tyre Industry Development Co.		2,484,487.56

accounts payable	Guizhou Advance Rubber Tube Company	1,813,710.47	3,096,629.32
accounts payable	Guizhou Tyre Factory Construction Engineering Company		33,701.54
accounts payable	Guizhou Qianjin Rubber Factory		
accounts payable	Guiyang Yongqing Instrumental Technology Co.	1,714,779.24	1,986,438.23
accounts payable	Guiyang Yongqing Instrumental Technology Co.	374,055.00	18,610,669.25
accounts payable	Guiyang Dangerous Peak Logistics Co.	749,335.86	

7. Related party commitments

☐ Applicable ☒ Not applicable

8. Other

☐ Applicable ☒ Not applicable

XIII. Share-based payment

1. Share-based payment in general

☒ Applicable ☐ Not applicable

Not applicable

Unit: Yuan

Total amount of each equity instrument granted by the Company during the period	0.00
Total amount of each equity instrument exercised by the Company during the period	0.00
Total amount of each equity instrument lapsed by the Company during the period	79,000.00
Range of exercise prices of the Company's stock options issued and outstanding at the end of the period and remaining contractual term	See other notes 2
Range of exercise prices of other equity instruments issued and outstanding by the Company at the end of the period and remaining contractual maturities	See other notes 2

Other notes

(1) According to the "Proposal on Granting Restricted Shares to Incentive Recipients" considered and approved by the Tenth Meeting of the Seventh Session of the Board of Directors and the Seventh Meeting of the Seventh Supervisory Board of Guizhou Tyre on 16 January 2020, it was agreed that 24,420,200 restricted shares would be granted to 448

~~incentive recipients meeting the grant conditions with the granting date of 16 January 2020 at a grant price of RMB2.15 per share.~~ In the process of payment after the grant date, 4 incentive recipients voluntarily gave up subscribing all the restricted shares granted for personal reasons 23.40 million shares; 2 incentive recipients voluntarily gave up subscribing part of the restricted shares granted for personal reasons 6.30 million shares, a total of 2970,000 shares, and the actual number of incentive recipients granted by the Company was 444, and the actual number of restricted shares granted was 2,212.50 million shares. 212.5 million shares.

The Company uses the closing price on the date of grant as the fair value of the restricted stock, and the share-based payment expense for the 22,125,500 shares of restricted stock granted = the fair value of the restricted stock (i.e., the closing price of the Company's stock on the date of grant) - the grant price.

Until 31 December 2021, one person left the company and one person retired internally granted 48,000 and six people with good appraisal can unlock 90% of the remaining 31,000 shares of restricted stock in the current period will be withdrawn by the company, after the withdrawal of the actual number of shares of restricted stock granted is 22,040,600 shares.

(2) The restricted shares granted under the Incentive Scheme shall be subject to a restriction period of 24 months, 36 months and 48 months respectively from the date of registration of the completion of the grant. The restricted shares granted to the incentive recipients under the Incentive Scheme shall not be transferred, used for guarantee or repayment of debts before the restriction on sale is lifted.

2. Equity-settled share-based payments

√ Applicable ☐

Not applicable

Unit: Yuan

Method of determining the fair value of equity instruments at the date of grant	Fair value of restricted shares at closing price on grant date
Basis for determining the number of equity instruments for which rights are exercisable	At each balance sheet date during the waiting period, the number of restricted equity instruments is revised on the basis of the best estimate based on the latest available subsequent information, such as changes in the number of restricted employees.
Reasons for significant differences between current and prior period estimates	not have
Cumulative amount of equity-settled share-based payments credited to capital surplus	20,804,828.49
Total expense recognised for equity-settled share-based payments during the period	20,804,828.49

3. Cash-settled share-based payments

√ Applicable ☐

Not applicable

Unit: Yuan

Method of determining the fair value of liabilities assumed by the Company and determined by calculations based on shares or other equity instruments	not have
Amount of accumulated liability arising from cash-settled share-based payments in liabilities	0.00
Total expense recognised for cash-settled share-based payments during the period	0.00

4. Modification and termination of share-based payment

5. Other

XIV. Commitments and contingencies

1. Important commitments

Significant commitments existing at the balance sheet date

As at 31 December 2021, the Company has no commitments to disclose.

2. Contingencies

~~(1) Significant contingencies existing at the balance sheet date~~

As at 31 December 2021, there were no contingencies requiring disclosure by the Company.

(2) There are no material contingencies that the company is required to disclose, which should also be stated

The Company has no material contingencies that require disclosure.

3. Other

XV. Events after the balance sheet date

1. Significant non-adjusting events

☐ Applicable ☒ Not applicable

2. Distribution of profits

Unit: Yuan

Profit or dividend to be distributed	95,624,046.20
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3. Sales returns

As of the date of issuance of these financial statements, there are no material sales returns that require disclosure.

4. Description of other post-balance sheet events

As at the date of issue of these financial statements, there were no other post balance sheet events.

XVI. Other important matters

1. Correction of prior period accounting errors

(1) retrospective approach

☐ Applicable ☒ Not applicable

(2) prospective application law

☐ Applicable ☒ Not applicable

2. Debt restructuring

☐ Applicable ☒ Not applicable

3. Asset replacement

(1) Non-monetary exchange of assets

☐ Applicable ☒ Not applicable

(2) Other asset replacement

☐ Applicable ☒ Not applicable

4. Annuity plans

☐ Applicable ☒ Not applicable

5. Termination of operations

☐ Applicable ☒ Not applicable

6. Divisional information

☐ Applicable ☒ Not applicable

The Company has no segment reporting, no segment management and no segment information.

7. Other important transactions and matters that have an impact on investors' decisions

8. Other

XVII. Notes to major items in the parent company financial statements

1. Accounts receivable

(1) Accounts receivable classification disclosure

Unit: Yuan

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	Percentage of accruals		sum of money	proportions	sum of money	Percentage of accruals	
Accounts receivable for which bad debt provision is made on an individual basis	15,554,317.23	1.67 per cent	15,554,317.23	100.00 per cent		7,258,033.05	0.86 per cent	7,258,033.05	100.00 per cent	
Among them:										

Accounts receivable with provision for bad debts by portfolio	915,132.673.64	98.33 per cent	12,575,351.06	1.37 per cent	902,557,322.58	838,913,181.93	Report 2021 99.14 per cent	16,194,656.48	1.93 per cent	822,718,525.45
Among them:										
Combination 1: Transactions with units within the scope of the consolidated statements	217,999.537.40	23.42 per cent			217,999,537.40	289,996,621.76	34.27 per cent			289,996,621.76
Portfolio 2: Other customer sales	697,133.	74.91 per cent	12,575,3	1.80 per cent	684,557,7	548,916,5	64.87 per cent	16,194,65	2.95 per cent	532,721,90

Sales-age credit risk matrix analysis methodology	136.24		51.06		85.18	60.17		6.48		3.69
add up the total	930,686.990.87	100.00 per cent	28,129,668.29	3.02 per cent	902,557,322.58	846,171,214.98	100.00 per cent	23,452,689.53	2.77 per cent	822,718,525.45

Provision for bad debts is made on an individual basis:

Unit: Yuan

name (of a thing)	Closing balance			
	Carrying amount	provision for bad debts	Percentage of accruals	Reasons for the provision
Bijie Lifan Junma Zhenxing Vehicle Co.	2,038,436.34	2,038,436.34	100.00 per cent	Not expected to be recovered
c.v bukit intan lestari jalan	337,568.13	337,568.13	100.00 per cent	Not expected to be recovered
yong hui rubber co	139,926.72	139,926.72	100.00 per cent	Not expected to be recovered
Hunan CSR Times Electric Vehicle Co.	6,000.00	6,000.00	100.00 per cent	Not expected to be recovered
thap toan trading co., ltd.	2,404,952.10	2,404,952.10	100.00 per cent	Not expected to be recovered
PAPA	418,489.79	418,489.79	100.00 per cent	Not expected to be recovered
M/S Malik Trading Co.	1,688,803.26	1,688,803.26	100.00 per cent	Not expected to be recovered
Shanghai Yinghong Import & Export Co.	104,874.59	104,874.59	100.00 per cent	Not expected to be recovered
beiben motors davao philipkins inc.	6,413.95	6,413.95	100.00 per cent	Not expected to be recovered
WAA AUTO SDN BHD	270,644.13	270,644.13	100.00 per cent	Not expected to be recovered
JIANGXI NONFERBOUS ENGINEERING HENAN CO.	8,129.00	8,129.00	100.00 per cent	Not expected to be recovered
thong loon tyre battery sdn bhd	70.77	70.77	100.00 per cent	Not expected to be

			Report 2021	recovered
Wosong international trade co;Ltd	39,325.32	39,325.32	100.00 per cent	Not expected to be recovered
COVA GOMME	307,771.20	307,771.20	100.00 per cent	Not expected to be recovered
Yunnan Shenli Rubber Products Co.	4,259,944.37	307,771.20	100.00 per cent	Not expected to be recovered
Nanning Hongchang Motorcycle Parts Shop	105,935.12	307,771.20	100.00 per cent	Not expected to be recovered

Xi'an Kemi Storage Equipment Co.	347,016.21	307,771.20	100.00 per cent	Not expected to be recovered
Hengyang Hengtou Agricultural Machinery Manufacturing Co.	3,070,016.23	3,070,016.23	100.00 per cent	Not expected to be recovered
add up the total	15,554,317.23	15,554,317.23	–	–

Provision for bad debts is made on a portfolio basis:

Unit: Yuan

name (of a thing)	Closing balance		
	Carrying amount	provision for bad debts	Percentage of accruals
Within 1 year	695,752,965.91	11,693,758.95	1.68 per cent
1 to 2 years	849,627.28	371,145.34	43.68 per cent
2 to 3 years	160,208.53	140,112.25	87.46%
3 to 4 years			
4 to 5 years	30,097.60	30,097.60	100.00 per cent
More than 5 years	340,236.92	340,236.92	100.00 per cent
add up the total	697,133,136.24	12,575,351.06	–

If the bad debt provision for accounts receivable is based on the general model of expected credit losses, please disclose information about the bad debt provision by referring to the disclosure for other receivables:

☐ Applicable ☒ Not applicable

Disclosure by age

Unit: Yuan

age of accounts	Carrying amount
Up to and including 1 year	907,001,159.48
1 to 2 years	7,428,158.71
2 to 3 years	5,099,209.22
More than 3 years	11,158,463.46
3 to 4 years	8,148,614.38
4 to 5 years	1,231,374.21
More than 5 years	1,778,474.87
add up the total	930,686,990.87

(2) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Report 2021

Unit: Yuan

form	Opening balance	Amount of change during the period	Closing balance
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		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
single-item	7,258,033.05	8,645,322.48	183,076.02	532,114.32		15,554,317.23
Ageing portfolio	16,194,656.48		3,619,305.42			12,575,351.06
add up the total	23,452,689.53	8,645,322.48	3,802,381.44	532,114.32		28,129,668.29

of which the amount of bad debt provisions recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

(3) Actual accounts receivable written off during the period

Unit: Yuan

sport s even t	Amount written off
Wenzhou Dongjiang Wheel Industry Co.	22,260.00
Changde City Wuling District Lihua Tyre Business Department	34,654.32
Passenger Vehicle Company of Dongfeng Motor Group Co.	267,000.00
Changzhou Silke Machinery Technology Development Co.	208,200.00

of which significant accounts receivable write-offs:

☐ Applicable ☒ Not applicable

(4) Top five accounts receivable by party owed at the end of the period

Unit: Yuan

Name of unit	Closing balance of accounts receivable	Percentage of total closing balance of accounts receivable	Closing balance of provision for bad debts
Client 1	145,246,076.89	15.61 per cent	
Client 2	98,406,684.05	10.57 per cent	1,653,962.15
Client 3	53,744,032.38	5.77 per cent	903,298.35
Client IV	42,758,919.69	4.60 per cent	
Client 5	25,222,492.18	2.71 per cent	423,924.94
add up the total	365,378,205.19	39.26 per cent	—

(5) Amounts of assets and liabilities resulting from the transfer of accounts receivable with continuing involvement

During the reporting period, the company did not transfer receivables and continue to be involved in the formation of assets and liabilities.

(6) Receivables derecognised as a result of a transfer of a financial asset

During the reporting period, the Company did not have any receivables that were derecognised due to the transfer of financial assets.

2. Other receivables

Unit: Yuan

sports event	Closing balance	Opening balance
Other receivables	37,774,123.07	54,532,363.79
add up the total	37,774,123.07	54,532,363.79

(1) 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

(2) Dividends receivable

1) Classification of dividends receivable

☐ Applicable ☒ Not applicable

2) Significant dividend receivables aged over 1 year

☐ Applicable ☒ Not applicable

3) Provision for bad debts

☐ Applicable ☒ Not applicable

(3) Other receivables

1) Breakdown of other receivables by nature of payment

Unit: Yuan

Nature of payment	Closing book balance	Opening balance
deposit		22,222,000.00

margin (in derivative trading)	25,000,000.00	25,301,270.50
current account	9,847,276.38	
reserve fund	5,112,802.99	3,965,228.52
provisional	202,836.78	4,733,166.57
the rest	428,918.12	494,869.77
add up the total	40,591,834.27	56,716,535.36

2) Provision for bad debts

Unit: Yuan

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 over lifetime (No credit impairment)	Expected credit losses over lifetime (credit impairment has occurred)	
Balance as at 1 January 2021	2,184,171.57			2,184,171.57
Balance as at 1 January 2021 in the current period	--	--	--	--
Provision for the current period	704,436.15			704,436.15
Reversal during the period	70,896.52			70,896.52
Balance at 31 December 2021	2,817,711.20			2,817,711.20

Changes in the carrying amount of the provision for losses that are significant in amount during the period

☐ Applicable ☒ Not applicable

Disclosure by age

Unit: Yuan

age of accounts	Carrying amount
Up to and including 1 year	8,612,010.99
1 to 2 years	1,004,090.99
2 to 3 years	5,385,960.67
More than 3 years	25,589,771.62
3 to 4 years	85,926.09
4 to 5 years	36,422.00
More than 5 years	25,467,423.53

add up the total	Report 2021 40,591,834.27
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3) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
single-item	364,416.44		70,896.52			293,519.92
combinatorial	1,819,755.13	704,436.15				2,524,191.28
add up the total	2,184,171.57	704,436.15	70,896.52			2,817,711.20

Of these, the amount of provision for bad debts reversed or recovered during the period is significant:

☐ Applicable ☒ Not applicable

4) Other receivables actually written off during the period

☐ Applicable ☒ Not applicable

There were no other accounts receivable actually written off during the period.

5) Top five other receivables with closing balances, by party owed to them

Unit: Yuan

Name of unit	Nature of payments	Closing balance	age of accounts	Percentage of total closing balance of other receivables	Closing balance of provision for bad debts
Correspondent I	margin (in derivative trading)	25,000,000.00	More than 3 years	61.59 per cent	1,250,000.00
Correspondence unit II	go back and forth	7,540,763.00	Less than 1 year, 2-3 years	18.58 per cent	754,076.30
Correspondence unit III	reserve fund	1,000,000.00	Within 1 year	2.46%	50,000.00
Correspondence unit IV	go back and forth	810,631.15	2-3 years	2.00 per cent	81,063.12
Correspondence unit V	go back and forth	500,000.00	Within 1 year	1.23 per cent	50,000.00
add up the total	—	34,851,394.15	—	85.86 per cent	2,185,139.42

6) Receivables relating to government grants

☐ Applicable ☒ Not applicable

There were no other receivables involving government grants during the reporting period.

7) Derecognition of other receivables due to transfer of financial assets

There were no other receivables derecognised as a result of the transfer of financial assets during the reporting period.

8) Amounts of assets and liabilities resulting from the transfer of other receivables with continuing involvement

There were no transfers of other receivables during the reporting period and the amount of assets and liabilities that continue to be involved in the formation.

3. Long-term equity investments

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
Investments in subsidiaries	717,286,872.00		717,286,872.00	638,486,872.00		638,486,872.00
add up the total	717,286,872.00		717,286,872.00	638,486,872.00		638,486,872.00

(1) Investments in subsidiaries

Unit: Yuan

investee (in finance)	Opening balance (book value)	Increase/decrease during the period				Closing balance (book value)	Closing balance of provision for impairment
		Additional investments	Reduced investment	make provision for impairment	the rest		
Guizhou Tyre Import & Export Co.	20,000,000.00					20,000,000.00	
Guizhou Advance Tyre Sales Co.	20,000,000.00					20,000,000.00	
Guizhou Hercules Tyre Co.	228,000,000.00	22,800,000.00				250,800,000.00	
Guizhou Advance Tyre Investment Co.	370,486,872.00	56,000,000.00				426,486,872.00	
add up the total	638,486,872.00	78,800,000.00				717,286,872.00	

(2) Investments in associates, joint ventures

☐ Applicable ☒ Not applicable

(3) Other notes

4. Operating income and operating costs

Unit: Yuan

sport s even t	Current period's incidence		Prior period's incidence	
	inco mes	(manuf acturin g, product ion etc) costs	income s	(manu facturi ng, produc tion etc) costs
Main business	6,856,275,492.98	5,900,668,251.22	6,459,922,192.93	5,016,881,918.28

Other business	116,885,630.93	47,649,057.06	37,945,533.26	6,605,769.60
add up the total	6,973,161,123.91	5,948,317,308.28	6,497,867,726.19	5,023,487,687.88

Revenue-related information:

Unit: Yuan

Contract classification	Division 1	Division 2		add up the total
Among them:				
Among them:				
Among them:				
Among them:				
Among them:				
Among them:				
Among them:				

Information relating to

performance

obligations: revenue

recognition

principles

On the commencement date of the contract, the Company evaluates the contract, identifies each individual performance obligation contained in the contract and determines that each individual performance obligation is to be fulfilled within a certain time period.

Or is it fulfilled at some point in time.

A performance obligation is fulfilled within a certain period of time if one of the following conditions is met, otherwise it is fulfilled at a certain point in time:

(1) The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance.

(2) The customer is able to control the goods or services under construction in the course of the Company's performance.

(3) The goods or services produced in the course of the Company's performance have a non-substitutable use and the Company is entitled to receive payment for the portion of the 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 over that period of time based on the progress of performance. When the progress of performance is not reasonably determinable, revenue is recognised at the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred are expected to be reimbursed.

Revenue is recognised at the point at which the customer obtains control of the relevant goods or services for performance obligations that are fulfilled at a point in time. The Company considers the following indications in determining

whether a customer has obtained control of goods:

- (1) The Company has a present right to receive payment for the merchandise, which means that the customer has a present obligation to pay for the merchandise.
- (2) The Company has transferred legal ownership of the goods to the Customer, i.e. the Customer has legal ownership of the goods.
- (3) The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods.
- (4) 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.
- (5) The customer has accepted the item.
- (6) Other indications that the customer has obtained control of the commodity. Information relating to the transaction price apportioned to the remaining performance obligations:

The amount of revenue corresponding to performance obligations that have been contracted for but not yet fulfilled or not yet completed at the end of the reporting period is \$561,190,572.61, of which.

561,190,572.61 is expected to be recognised as revenue in FY2022.

5. Return on investment

Unit: Yuan

Investment	Current period's incidence	Prior period's incidence
Dividend income earned on investments in other equity instruments during the holding period	12,957,000.00	13,038,900.00
add up the total	12,957,000.00	13,038,900.00

6. Other

xviii. additional information

1. Breakdown of non-recurring gains and losses for the period

√ Applicable ☐

Not applicable

Unit: Yuan

Investment	sum of money	instructions
Gains and losses on disposal of non-current assets	95,706,755.08	
Government grants recognised in the current period's profit or loss (except for government grants closely related to the Company's normal operating business, in line with national policies and in accordance with certain standards of fixed or quantitative continuous enjoyment)	30,950,545.73	
Except for the effective hedging business related to the Company's normal operations, gains and losses from changes in fair value of financial assets and liabilities held for trading and investment gains from the disposal of financial assets for trading, financial liabilities for trading and available-for-sale	12,957,000.00	

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financial assets		
Non-operating income and expenses other than those listed above	-2,573,215.11	
Less: income tax effect	30,646,599.99	
add up the total	106,394,485.71	—

Specifics of other items of profit or loss that meet the definition of non-recurring profit or loss:

☐ Applicable ☒ Not applicable

The company does not have specific information on other profit and loss items that meet the definition of non-recurring profit and loss.

Definition of non-recurring profit and loss items listed in "Interpretative Announcement No. 1 on Information Disclosure of Companies Issuing Public Securities - Non-recurring Profit and Loss" as recurring profit and loss items

☐ Applicable ☒ Not applicable

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets	earnings per share	
		Basic earnings per share (\$/share)	Diluted earnings per share (\$/share)
Net profit attributable to ordinary shareholders of the Company	6.46%	0.40	0.39
Net profit attributable to ordinary shareholders of the Company after extraordinary gains and losses	4.60 per cent	0.29	0.28

3. Differences in accounting data under domestic and foreign accounting standards

(1) Difference in net profit and net assets between financial reports disclosed under IAS and those disclosed under PRC accounting standards at the same time

☐ Applicable ☒ Not applicable

(2) Difference in net profit and net assets between financial reports disclosed under overseas accounting standards and those disclosed under Chinese accounting standards at the same time

☐ Applicable ☒ Not applicable

(3) Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards, and, in the case of a reconciliation of differences in data that have been audited by an overseas auditor, the name of that overseas auditor

☐ Applicable ☒ Not applicable

4. Other

Chairman of the Board of
Directors of Guizhou Tyre

Company Limited: Huang

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8 March 2022