

Company Code: 601500

Company Abbreviation: General Stock

# **Jiangsu General Technology Company Limited Annual Report 2021**

## Important Notes

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

**2. All directors of the Company attended the Board meeting.**

**3. Notary Public Tianye CPA Firm (Special Ordinary Partnership) has issued a standard unqualified audit report on the Company. 4. Gu Cui, the person in charge of the Company, Jiang Jiehua, the person in charge of accounting work and Jiang Jiehua, the person in charge of the accounting organization (accounting officer in charge), declared that**

**Ming: To ensure that the financial report in the annual report is true, accurate and complete.**

**V. Proposed distribution of profits or proposed increase in capital from provident funds for the current reporting period as resolved by the Board of Directors**

The Company intends to distribute profits for the year 2021 on the basis of the total share capital registered on the date of registration of the equity distribution. The Company intends to distribute the profit to all shareholders. A cash dividend of RMB0.8 (including tax) per 10 shares will be paid to shareholders. As at 31 December 2021, the total share capital of the Company was 1,074,796,667

The total proposed cash dividend is RMB85,983,733.36 (including tax), calculated on the basis of the number of shares. At the same time, the Company intends to pay a cash dividend of \$85,983,733.36 (including tax) to all shareholders in the form of capital

Transfer of capital by transfer of 2 shares for every 10 shares.

If there is a change in the total share capital of the Company prior to the date of registration of the equity distribution, the distribution amount per share will remain unchanged and the total distribution amount will be adjusted accordingly, and the specific adjustment will be announced separately.

## **VI. Risk statement for forward-looking statements**

☒ Applicable ☐ Not applicable

This report contains forward-looking statements concerning future plans and development strategies, which are subject to uncertainty and do not constitute material commitments by the Company to investors.

**VII. Whether there is any non-operating appropriation of funds by the controlling shareholder and its related parties**

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No

**VIII, Are there any external guarantees provided in violation of the prescribed decision-making procedures** No

**IX, Is there any case where more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the company** No

**X. Material Risk Warning**

During the reporting period, the Company did not identify any significant risks that could adversely affect its future development strategy or ongoing business activities.

The Company will take measures to actively address the operational risks faced in its business development, as detailed in "Section III Management Discussion and Analysis VI.

**XI. Other**

☐ applicable ☒ not applicable

## Catalogue

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Catalogue of documents available for inspection	Contains the signature and seal of the person in charge of the company, the person in charge of the accounting work and the person in charge of the accounting institution of the financial statements.
	Original audit report containing the stamp of the accounting firm and the signature and seal of the certified public accountant.
	The original and all company documents that have been publicly disclosed on the CSRC's designated website during the reporting period The original draft of the announcement.

## Section 1 Interpretation

### I. Interpretation

In this report, unless the context otherwise requires, the following expressions shall have the following meanings.

Commonly used word definitions		
China Securities Regulatory Commission, SFC	means	China Securities Regulatory Commission
SSE	means	Shanghai Stock Exchange
Company Law	means	The Company Law of the People's Republic of China
Securities Law	means	Securities Law of the People's Republic of China
The Company, Corporation, General Stock	means	Jiangsu General Technology Co.
Hongdou Group	means	Hongdou Group Limited, the controlling shareholder of the Company
Reddit International Investment	means	Wuxi Hongdou International Investment Company Limited, a shareholder of the Company
Southland Company	means	Southland Red Bean Holdings Limited
Finance Companies	means	Hongdou Group Finance Limited
Redbud Health	means	Jiangsu Redbud Health Technology Company Limited, a company Participating subsidiaries
International companies	means	Jiangsu Hongdou International Development Co.
Sportswear Company	means	Wuxi Hongdou Sportswear Co.
Notary Skyworks	means	notary tianye accounting firm (special general partnership)
Designated information disclosure media	means	Shanghai Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
<b>Section II Company Profile and Key Financial Indicators</b>		
<b>I. Company information</b>		
Articles of Association	means	Jiangsu General Technology Co. Articles of Association
Chinese name of the company	means	Jiangsu General Technology Co.
Chinese abbreviation of the company	means	General shares
Reporting Period	means	1 January 2021 to 31 December 2021
Foreign language name of the company	means	Jiangsu General Science Technology Co.
End of reporting period	means	31 December 2021
Abbreviation of the company's foreign name	means	GS
Legal representative of the company		Gu Di

### II. Contact person and contact details

	Board Secretary	Securities Representative
Name	Bian Yabo	Fei Yanan
Contact address	Gangxia, Donggang Town, Xishan District, Wuxi City, Jiangsu Province	Gangxia, Donggang Town, Xishan District, Wuxi City, Jiangsu Province
Telephone	0510-66866165	0510-66866165
Fax	0510-66866165	0510-66866165
Email	jstongyong@ty-tyre.com	jstongyong@ty-tyre.com

**III. Basic Factsheet**

## Report

Registered Company Address	Gangxia, Donggang Town, Xishan District, Wuxi City, Jiangsu Province
Corporate Office Address	Gangxia, Donggang Town, Xishan District, Wuxi City, Jiangsu Province

Postal code of the company's office address	214199
Company website	http://www.ty-tyre.com
Email	jstongyong@ty-tyre.com

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

Name and website of the media in which the company discloses its annual report	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Website of the stock exchange where the company discloses its annual report	www.sse.com.cn
Where the company's annual report is filed	Corporate Securities Section

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

Company stock profile				
Types of Shares	Stock exchange listing	Stock Short Name	Stock Code	Pre-change of stock short name
A shares	Shanghai Stock Exchange	General shares	601500	--

#### VI. Other relevant information

Accounting firm engaged by the company (in-country)	Name	notary tianye accounting firm (special general partnership)
	Office address	Cascade Fortune, Financial Street 3, Taihu New City, Binhu District, Wuxi Tenth Floor, Building 5, The Centre
	Name of Signatory Accountant	Shen Yan, 3rd runner-up
Sponsors who performed ongoing supervision duties during the reporting period	Name	Huaying Securities Company Limited
	Office address	Wuxi Gold, No.10 Financial Street 1, Wuxi Economic Development Zone, Jiangsu Province Unit 01-06, Level 5, The Centre
	Signatory Sponsor Representative Name of person	Zhao Jiancheng, Sun Yi
	Period of Continuous Supervision	27 September 2020 to 31 December 2022

#### VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST THREE YEARS (i) Major accounting data

Unit: Yuan Currency: RMB

Key accounting data	2021	2020	Increase/decrease in the current period over the	2019
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	End of 2021	End of 2020	Increase or decrease at the end of the period compared with the end of the corresponding period of the previous year (%)	End of 2019
Attributable to shareholders of listed companies Net assets	4,281,377,911.55	3,672,335,586.24	16.58	3,658,431,018.28
Total assets	8,909,286,037.13	7,628,969,634.33	16.78	6,930,519,633.38

**(ii) Key financial indicators**

Key Financial Indicators	2021	2020	Current period compared to same period of previous year Period increase/decrease (%)	2019
Basic earnings per share (RMB/share)	0.01	0.10	-90.00	0.12
Diluted earnings per share (RMB/share)	0.01	0.10	-90.00	0.12
Basic per share after non-recurring gains and losses Earnings (yuan/share)	-0.05	0.08	-162.50	0.11
Weighted average return on net assets (%)	0.29	2.48	Decrease of 2.19 hundred Points	3.07
Weighted average after non-recurring gains and losses Return on net assets (%)	-1.25	1.81	Decrease of 3.06 hundred Points	2.65

Description of the Company's key accounting data and financial indicators for the previous three years at the



end of the reporting period

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☐ applicable ☒ not applicable**viii. differences in accounting data under domestic and foreign accounting standards****(i) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed simultaneously under IAS and under PRC GAAP**☐ applicable ☒ not applicable**(ii) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed simultaneously in accordance with overseas accounting standards and in accordance with PRC accounting standards**☐ applicable ☒ not applicable**(iii) Explanation of differences between domestic and foreign accounting standards:**☐ applicable ☒ not applicable**ix. key financial data by****quarter for 2021**

Unit: Yuan Currency: RMB

	First quarter (January - March)	Second quarter (April - June)	Third quarter (July- September)	Fourth quarter (October- December)
Operating income	1,082,777,645.4 5	1,077,541,373.1 3	1,053,644,48 8.37	1,041,560,193. 52
Net profit attributable to shareholders of listed companies	17,448,524.45	15,279,180.09	-1,007,676.1 7	-20,109,621.82
Attributable to shareholders of the listed company, net of non- Net profit after recurring gains and losses	4,433,936.21	6,770,779.94	-7,867,650.1 1	-52,716,594.46
Net cash flows from operating activities	67,917,959.29	-61,505,468.82	-5,296,132.9 4	-63,248,646.11

Explanation of differences between quarterly data and disclosed periodic reports

☐Applicable ☒Not applicable

## X. Non-recurring profit or loss items and amounts

☒Applicable ☐ Not applicable

Unit: YuanCurrency:RMB

Non-recurring items of profit or loss	2021 Amount	Notes (e.g. (applicable))	Amount in 2020	Amount for 2019
Gain or loss on disposal of non-current assets	29,768,350.05		3,680,838.09	-784,658.43
approval beyond authority, or without official approval documents. or occasional tax rebates, reliefs				
Government grants that are charged to current profit or loss, but are closely related to the Company's normal business operations, in accordance with national policies, and are enjoyed on an ongoing basis at a fixed or quantitative amount in accordance with certain standards Except for	31,047,107.00		21,299,696.22	5,275,486.08
Receipts from non-financial enterprises charged to current profit or loss Capital Occupancy Fee Taken				
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the identifiable net assets of the investee at the time the investment is acquired. Gain arising from fair value of assets				
Gain or loss on exchange of non-monetary assets				
Gains or losses on entrusting others with the investment or management of assets			1,045,729.13	8,691,180.13
due to force majeure factors, such as natural disasters Provision for impairment of various assets due to adverse events				
Gains and losses on debt restructuring	10 / 401			
Business restructuring costs, e.g. expenses for relocating employees out, integration costs, etc.				

Gains and losses arising from				
One-off adjustments to current profit or loss in accordance with tax, accounting and other laws and regulations				
Effect on current profit or loss				
Custodian fee income earned from trustee operations				
Non-operating income other than the above	387,838.50		680,971.54	3,821,691.12
Income and expenses				
Other losses that meet the definition of non-recurring gains and losses				
Benefit Projects				
Less: Income tax effect	445,584.22		3,315,512.14	2,583,976.05
Amount of minority interests affected (after tax)				
Total	60,989,934.97		24,578,661.40	14,419,722.85

Information on the definition of non-recurring items of profit or loss as recurring items of profit or loss as set out in the "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Profit or Loss

☐ applicable ☒ not applicable

## XI, Items measured using fair value

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable				
Project name	Opening balance	Closing balance	Current period movement	Effect on profit for the period Amount
Investments in other equity instruments	25,850,000.00	25,850,000.00	--	
Financial assets held for trading	1,186,938.56	8,000,000.00	6,813,061.44	-1,186,938.56
Receivables	11,330,000.00	12,132,881.55	802,881.55	
Other financial assets				
Total	38,366,938.56	45,982,881.55	7,615,942.99	-1,186,938.56

☒ not applicable

## Section III Management Discussion and Analysis

### I. Discussion and Analysis of Business Conditions

In 2021, the world economy initiates a recovery in growth, with recurring global outbreaks of the new crown, significant increases in commodity prices such as raw materials, and

Domestic energy "double control", international trade barriers and soaring shipping costs and many other unfavorable factors, coupled with the slowdown in domestic market demand, the tyre industry business is facing serious challenges.

~~In 2021, the company sold a total of 9,070,300 tyres, an increase of 13.95% year on year, and achieved revenue of RMB 4.256 billion, an increase of 23.43% year-on-year.~~

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### **1. Promote the 5X strategy to accelerate the building of international layout advantages**

In the face of the escalating global market competition and industry development trends, the company formally released its “5X Strategic Plan” in 2021, fully grasping the opportunities of domestic and international double-cycle development and accelerating the pace of globalization.

During the reporting period, all cadres and staff of the company's Thailand plant concentrated their efforts and faced up to difficulties, accelerated product commissioning and capacity release, won the battle against epidemics, capacity enhancement and maritime transport, and made every effort to ensure project construction and sound operation, maintaining the momentum of both production and sales, which became a new growth point for the company's performance. At the same time, the company's second overseas production base in Cambodia was launched, becoming the first project of Jiangsu Province to invest over USD100 million in RCEP member countries after the RCEP (Regional Comprehensive Economic Partnership Agreement) came into effect, with the construction scale including 5 million semi-ribbed tyres and 900,000 all-steel radial tyres, marking a new milestone in the company's global layout. With the successful commissioning of the Thailand plant and the confirmation of the new plant in Cambodia, the company's three production bases in China, Thailand and Cambodia will complement each other's resources and further increase its share of the international market. The company is growing into one of the national tyre brands with a large number of export countries and a comprehensive coverage of export regions, **which** supports the sustainable and healthy development of the enterprise.

## **2、Focus on category innovation, continue to create explosive products**

During the reporting period, the company continued to focus on leading the needs of users and strengthened the basic and application research on new materials, technologies and techniques, and continued to enhance its product innovation capability. In terms of all-steel tyres, the company launched a new “new generation of safety tyres”, including the load-bearing series XR666 and XR777, which use a new low-growth tread formula, improving wear and heat performance by more than 20% compared with similar products of the company, effectively solving the pain points of tyre users. The XR1000 and XR2000 mining tyres apply a new generation of zero-crown belt winding technology, with a durability performance 20% higher than that of similar products of the company, and significantly improve the puncture resistance of the tyres, further consolidating the market leading advantage of mining tyres. As for passenger car tyres, we focus on the field of new energy vehicles and launched the Qianlima EV1 new energy green low-carbon tyre, which provides customers with a more silent, wear-resistant and energy-saving comfort experience and has been customised and flexibly produced through the intelligent manufacturing line. It was awarded the title of "Jiangsu Excellence" in 2021.

The company actively promotes the innovation and upgrading of its R&D platform, continues to invest, deepens the construction of the research institute, and is awarded the national industrial design centre, gaining recognition and affirmation of its strength in industrial design,

independent innovation and artisanal quality, which deeply empowers industrial development. By gathering first-class innovation resources, we have integrated the ecological chain from industry, academia and research, raw material supply, equipment, channels to users, and carried out deep, all-round and multi-disciplinary strategic cooperation. By the end of the reporting period, the Company had obtained 394 authorised patents, of which the number of invention patents ranked the highest among Chinese tyre enterprises. During the reporting period, the company was awarded the "2021 Tire Star - Technological Innovation Breakthrough Award" and the 5X 290, a millipede rubber tyre, was awarded the "Safe Bus Tyre of the Year", which was widely praised for its high wear resistance and high durability.

### **3、Increasing brand communication and channel construction, empowering marketing**

During the reporting period, the Company implemented a brand-focused strategy and increased the construction of its various brand shops, adding more than 850 shops in 2021 to further cultivate the channels and increase shop sales and the proportion of mid-to-high-end products. At the same time, the company has been placing outdoor advertisements along highways and car parks in overseas countries, participating in exhibitions at home and abroad to enhance brand exposure, and using new media such as WeChat, Headline, ShakeYin and video numbers to multi-matrix communication to continuously enhance the company's brand image and international influence. During the reporting period, Qianlima was once again listed in the "China 500 Most Valuable Brands" and the "Top 10 Influential Brands of Chinese Tyres", achieving a rapid increase in brand value.

In terms of channels, the company has actively laid out its global marketing network with its twin bases in China and Thailand. In terms of foreign trade, the company has introduced international talents, successfully developed many large importers and traders in North America and Europe, continuously promoted the construction of overseas shops and brands, and further enhanced the marketing network coverage, while taking multiple measures to assist customers to seize container space. In terms of supporting, the company grasps the domestic automobile consumption trend, actively participates in the development of new models of OEM supporting, all-steel tires focus on the development of large supporting OEM, further consolidate and maintain customer relationships, semi-steel anti-tack tires with Brilliance Sunrise automobile supporting, while actively

Extremely layout of new energy tyres, through strengthening technical exchanges, product matching front research and development, usage tracking, etc., we continue to promote product quality improvement and efficient response to customer service.

In terms of marketing, the company insisted on customer-centric, deepened service marketing, gave full play to the marketing advantages of the replacement market, optimized the structure of product series and sales regions around market demand, promoted the wealth-sharing plan for direct-issuing customers, and created model market projects. At the beginning of 2021, the company joined hands with channel operators to launch the "Super Brand Month" themed roadshow and held more than 160 conference marketing events to achieve the "open door"; in June, the company launched the "Juchang 5X Wheeling the Future" eve marketing summit to promote marketing innovation through cross-border cooperation, stimulating channel momentum and cultivating niche markets. In June, we launched the "Gathering 5X Wheeling the Future" marketing summit, which helped innovation in marketing through cross-border cooperation, stimulating channel momentum and cultivating market segments.

#### **4. Deepen lean manufacturing and achieve high quality development**

During the reporting period, the Company joined hands with strategic partners to build the TMS manufacturing system, comprehensively promoted lean production management, and promoted the lean production control capability characterised by meeting customers' individual needs as well as the refined control capability of the whole life cycle of equipment to ensure stable production operation. With the help of information technology tools, we have been able to effectively enhance production efficiency and product performance, reduce production costs and continuously improve the internal management level of the enterprise through continuous improvement.

The Company continued to promote the performance excellence management model. During the reporting period, the National Quality Award Review Panel conducted a comprehensive on-site review of the Company's leadership, strategy, customers and markets, and gave positive comments on technical competitiveness and brand building.

In terms of quality, around the mission of "making every tyre a quality product", the company has continued to carry out activities such as "1,000,000 pieces without defective products" and "Quality Trustworthy Team" in both domestic and Thai factories. In addition, the company has continued to enhance the quality awareness of employees and the whole process control, and comprehensively improve the stability and uniformity of quality, and the high-quality products of the Thai factory are widely recognized by overseas customers. In terms of ancillary products, the company was awarded the "Quality Contribution Award" by Dayun

Auto and the "Best Assurance Award" by Shaanxi Auto Commercial Vehicle. At the same time, the company was awarded the national product and service quality integrity demonstration enterprise, the national market quality credit rating AA grade enterprise and the national quality inspection stable qualified products, Sinopec excellent QC team and other honours.

### **5、Pushing forward the "digital transfer of intelligent change", the level of intelligence to a new level**

The company has accelerated the intelligent manufacturing and digital transformation, and the "black light workshop" of the semi-steel tyre factory is operating well and is well received in the industry; the 1.2 million sets of high-performance all-steel tyre intelligent factory is planned according to the "Industry 4.0" standard, adopting international high-end equipment and based on the industrial internet platform. The 1.2 million sets of high-performance all-steel tyre intelligent factory is planned according to the "Industry 4.0" standard, adopting international high-end equipment, based on the industrial internet platform, through the PLM, MES, ERP highly collaborative value model-driven digital operation management system, and combined with the application of APS automatic scheduling, energy management platform and simulation technology, to achieve the intelligence of the whole process from product development and design to production and manufacturing, fully meet the needs of customization and flexible production.

At the same time, the company actively responds to the national dual-carbon strategy, and joins hands with strategic partners, integrates internal and external resources, brings into play the synergy of the upstream and downstream industry chains, uses 5G, industrial internet technology and manufacturing, safety protection, environmental management, etc., and is committed to building the industry's first "5G carbon cloud intelligent factory", realising factory We are committed to building the industry's first "5G Carbon Cloud Intelligent Factory" to achieve transparent factory management and further improve the efficiency of our people, energy and products. During the reporting period, the Company was awarded the title of "Jiangsu Province Star Enterprise in the Cloud" and "Wuxi City Smart Factory".

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

Data from the National Bureau of Statistics shows that domestic rubber tyre outer tube production in 2021 was 899,108,000, up 10.8% year-on-year. Sea In terms of external markets, tyre exports also grew significantly, with China exporting a total of 7.3 million tonnes of tyres in 2021, according to the General Administration of Customs of China.



The total value of tyre exports was RMB 113.27 billion, an increase of 17.4% compared to the same period last year. A total of 591.55 million new pneumatic rubber tyres were exported during the year, an increase of 24.1% year-on-year (This figure includes all tyre products such as bicycle tyres, electric vehicle tyres and special tyres) The China Association of Automobile Manufacturers (CAAM) announced that for the full year 2021, vehicle production and sales were 26.082 million units and 26.275 million units respectively, an increase of 24.1% year-on-year. Among the major varieties of commercial vehicles, the production and sales of buses showed a faster growth compared with the same period of the previous year, while the production and sales of trucks were both down. The production and sales of new energy vehicles reached 3.545 million units and 3.521 million units respectively, both up 1.6 times year-on-year. With the strong support of national and local policies, the huge potential of the industry itself, and the strong momentum of China's auto consumption market, especially in the wake of the New Energy Vehicle Industry Development Plan, the new energy vehicle industry has been growing rapidly.

( Under the strong impetus of the (2021-2035) China's new energy vehicle industry is expected to continue to achieve steady development in 2022.

According to the Ministry of Public Security, China's vehicle ownership reached 302 million by the end of 2021, an increase of 7.5% over the end of 2020; among them, the national ownership of new energy vehicles reached 7.84 million, accounting for 2.60% of the total number of vehicles, an increase of 59.3% over the end of 2020. 26.22 million new vehicles were registered in 2021, an increase of 8.16% year-on-year; 2.95 million new energy vehicles were registered in 2021, accounting for 11.25% of the total number of newly registered vehicles, an increase of 151.61% year-on-year. In 2021, 2.95 million new energy vehicles will be registered nationwide, accounting for 11.25% of the total number of newly registered vehicles, an increase of 151.61% year-on-year, and the steady growth of vehicle ownership will contribute to the long-term development of tyre enterprises.

From the data, in 2021 China's tyre production, exports have achieved substantial growth, however, by the repeated epidemic at home and abroad and many unfavorable factors in the external environment, the rubber tyre industry is facing a weakening market demand, structural overcapacity, tyre price hindrance and other serious challenges, the tyre industry start rate showed a high before and after the low trend, since the second quarter gradually lower, start rate hovering around 50%, according to It is estimated that the average annual start-up rate of domestic tyre enterprises is less than 70%. Upstream raw material prices continue to run at a high level of shock and foreign exports continue to appear "a container difficult to find" situation led to soaring

shipping costs and other factors, making the tyre industry company production costs continue to go up, cost pressures are difficult to digest in the short term, most of the tyre business profits decline. Downstream car manufacturers by the "lack of core" tide, resulting in commercial vehicles and construction machinery, such as a decline in sales year-on-year, the overall domestic tyre market demand is relatively sluggish, intensified market competition, domestic and foreign tyre manufacturers involved in the domestic market competition are under great operating pressure, the overall decline in performance, profit margins are seriously squeezed .

On the other hand, the decline in the share of international giants, the rapid development of the new energy automobile industry, digital smart factories and other opportunities brought about by the bending over. With the subsequent improvement of the domestic economic environment, as well as the national policy to promote consumption, tyre market demand is expected to stabilize and maintain a stable growth trend.

At the same time, the implementation of China's "carbon-neutral" strategy and the rapid transformation and upgrading of the industry's digitalization and intellectualization, high-end, green will become the tyre industry has always been the direction of development, the domestic tyre company's product structure, cost control capabilities will be further optimized, the tyre industry's industrial concentration will gradually increase.

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

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

#### **(i) Main business**

Ltd. is a modern high-tech enterprise mainly engaged in the research and development, production and sales of tyre products, and the company was officially listed on the Shanghai Stock Exchange on 19 September 2016. The company takes market demand as the guide to build

Cost-effective tyre products, with "Qianli Ma", "Chibi Ma", "Ti Ma", "Tong Yun" and We have a number of well-known brands such as "Xidatong". The main products are all-steel radial tyres, semi-steel radial tyres and bias tyres, of which all-steel radial tyres products include short-haul industrial and mining tyres, short- and medium-haul load-bearing tyres, medium- and long-haul road transport tyres and light truck tyres according to the usage. The semi-radial tyres include PCR (family car tyres) SUV (urban off-road tyres) AT/MT (off-road tyres) LT (commercial load tyres), etc. The service targets include automobile manufacturers and construction machinery manufacturers in the ancillary market, as well as tyre dealers and consumers in the replacement market. During the reporting period, the company developed the first Qianlima EV1 green tyre and laid out the supporting field for new energy vehicles.

## **(ii) Business model**

1. Procurement mode: The raw materials used for the production of the company's products include natural rubber, synthetic rubber, steel cord, carbon black, etc.. The procurement of raw materials is based on the production plan and the fluctuation of raw material prices, etc. The procurement plan is prepared by the procurement centre, and the centralized and standardized global procurement is implemented. The company selects suppliers who are "world leading, first-class in the industry and listed companies" as long-term strategic partners for the procurement of major raw materials, and adheres to the principle of "same quality and price, same price and quality, sunshine procurement". We negotiate with suppliers to determine the purchase price and categorize and manage raw material suppliers according to their importance and implement continuous evaluation.

2、 Production mode: The company follows the principle of lean production and implements the production mode based on sales. Usually, the company decomposes the target according to the annual operation plan, focuses on the market demand, focuses on the production capacity, customer delivery time, procurement cycle and other factors, and formulates specific production plan; meanwhile, through intelligent manufacturing, with automation, informationization and digitalization as the core, the production process is visualized.

3、 Sales model: According to the characteristics of different markets, the company adopts two models of distribution and direct

sales respectively, and the supporting tire market adopts direct

The company has adopted a distribution model for the replacement tyre market, with the sales area facing both domestic and international markets. At present, the company mainly adopts the distribution model and has built up a high-quality national brand image in the replacement market, establishing strategic cooperative relationships with domestic and foreign dealers, and then distributing downwards through primary dealers.

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**(iii) Cyclical nature of the industry to which the company belongs**

The development of the tyre industry is highly correlated with the automotive industry, but the special attributes of the tyre industry determine the industry boom independent of the automotive industry, the huge car ownership market will still create a long-term strong demand for tyre products, and the rigidity of its demand is greater than that of the automotive industry. Therefore, the cyclical nature of the tyre industry is not obvious.

**(iv) Technological trends in the industry to which the company belongs**

1, high performance. Tyres are developing in the direction of high technology and refined products, radial, tubeless, flat, anti-slip, low rolling resistance and other high performance tyres in the proportion of tyres is increasing. Consumers on the tyre energy saving, comfort, quiet and safety and other higher requirements, the tyre structure design and formula need to improve, adjust to meet the market changes and new environmental requirements.

2. Energy saving and environmental protection. The rising price of oil has led to a rise in the price of synthetic rubber, carbon black, organic additives and chemical fibre cord fabric and other raw materials for tyres (downstream products from oil). Therefore, tyres should be further developed in the direction of light weight to save materials and energy consumption. At the same time, the reliability and wear resistance of tyres should be improved to prolong their service life. Due to the increasing awareness of environmental protection and the growing popularity of environmentally friendly vehicles, environmentally friendly and energy-saving tyres and comfortable and quiet tyres have become the mainstream of the development of automotive tyres.

3、Safety and intelligence. With the increasing number of highways and cars running at high speeds for long periods of time, safety tyres are popular with consumers and have become the focus of tyre companies.

#### **(v) Industry position of the company**

The company has always insisted on innovation and leadership, built a national technical centre, a national industrial design centre and a nationally accredited laboratory, and taken market demand as its guide and created good products as its mission, being the first all-steel radial tyre manufacturer in China to have two different production technologies featuring zero-degree belt ply structure and four-ply belt ply structure at the same time, taking the lead in developing short-haul industrial and mining tyres in the industry and occupying a leading position in the niche market. It is one of the leading enterprises in the Chinese all-steel radial tyre replacement market, and the first all-steel radial tyre innovation technology in the industry to achieve large-scale application.

The company continues to promote the internationalization, intelligence and green upgrading of the industry, and has built a 5G carbon cloud intelligent factory, which is a pioneer in low-carbon and green development in the industry. In 2021, Qianlima was ranked as one of the 500 most valuable brands in China and one of the top 10 influential brands in China's tyre industry.

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

✓Applicable ☐ Not applicable

##### **1、 The advantages of global layout**

Taking into account the macro situation and industry development trend, the company has formulated the "5X strategic plan" in 2021, grasping the opportunity of domestic and international double cycle, and striving to achieve 5 domestic and international production bases, 5 R&D centres, 500 strategic channel partners, 5,000 core shops, and a production capacity of over 50 million strips in the next 10 years. scale.

The company has responded positively to the "One Belt, One Road" initiative and has built two production bases in China and Thailand. Since the commencement of production in Thailand, the company has overcome unfavourable factors such as epidemics and shipping, and has maintained a good momentum in production and sales, and has successfully achieved the target set. At the same time, in December 2021, the Company invested an additional US\$78 million in its Thailand plant to further expand its production capacity and optimise its warehousing and logistics system.

Based on the successful experience of the Thailand project and the opportunities of RCEP, the Company launched the Cambodia production base during the reporting period to accelerate the enhancement of its international competitiveness, grasp the opportunities of the global replacement market, improve the efficient response in technology research and

development, management and service, and promote the overall coordination, scientific deployment and rational operation of the Company's industry. The project is also the first over US\$100 million investment by Jiangsu Province in an RCEP member country in 2022.

## **2、R&D and technical advantages**

During the reporting period, the Company's R&D platform was upgraded and awarded as a national industrial design centre. Based on the platform of national technology centre, national accredited laboratory and provincial engineering technology research centre, the Company has established long-term scientific research cooperation with research institutes, universities and world-renowned suppliers, and has continued to advance in the exploration of new materials, new equipment and new process research. Among them, the domestic first all-steel radial tyre co-wire production technology passed the scientific and technological achievement appraisal of Jiangsu Provincial Department of Science and Technology; the first in the industry to achieve the large-scale application of synthetic rubber TPI in all-steel radial tyres, the comprehensive technology reached the international advanced level; the company's built-in implantable high-performance RFID tyre technology passed the scientific and technological achievement appraisal, reaching the domestic leading level. The company's "R & D and application of anti-puncture and silent new energy vehicle tyres" and "new energy-saving and environment-friendly all-steel radial tires" were selected as Jiangsu Province key technology innovation catalogue and Wuxi City key technology innovation catalogue, respectively.

The Company has won many honours such as the China Rubber Industry Enterprise Innovation Development Award, the Top Ten Innovative Enterprises of Industrial Design in Jiangsu Province, and the Model Enterprise of Technological Innovation in China's petroleum and chemical industry. By the end of the reporting period, the company had obtained a total of 394 authorized patents, including invention patents

It ranks at the forefront of the industry and has a strong capacity for independent innovation.

### **3、Segmental product advantages**

The company has always been user-centric and has been the first in the industry to develop short-haul industrial and mining tyres that meet the special needs of mine transport. With the characteristics of long service life, high load-bearing capacity and high cost performance, the company has quickly gained the recognition of the market and consumers, enabling it to successfully guide the market consumption and at the same time grow rapidly into a leading company in this market segment.

Benefiting from the continuous development of the national highway and transportation industry, the company has been developing precisely in the medium and long distance road transport type tyre market. By optimising tyre design, the company has achieved technical upgrades in the load carrying capacity of medium and long distance tubeless tyres, significantly improving their wear resistance, safety performance and environmental performance, creating a high wear resistance medium and long distance tubeless tyre product with superior overall performance. The company's 5X XR290 rubber tyre was the first in the industry to achieve the continuous production of synthetic TPI in all-steel radial tyres, improving the tyre's wear resistance by more than 30% and achieving double A-class noise and anti-slip performance, which won the "China Rubber Technology Innovation Award". At the same time, the company continued to promote the creation of green tyre products, 20 products of all-steel tyres were awarded the green grade label by the China Rubber Association, ranking first in the C3 category of the Chinese tyre industry.

In terms of passenger car tyres, the company has successfully built the cost-effective Qianli Ma GA5 comfort and quiet tyre series and the Red Rabbit off-road tyre series, which have been benchmarked against international brands and have been systematically optimised in terms of pattern design and compound selection. The company's innovative research and development of the Chima anti-puncture tyre, to create a "new generation of safe tyre", self-healing performance to effectively solve the user's pain point of tyre nail leakage, has been verified by the authoritative testing institutions to ensure safer driving, 2021 won the "Jiangsu Excellence". It was awarded the title of "Jiangsu Excellence" in 2021. The Qianlima EV1 new energy green tyre reduces weight and maintains high strength, increasing tread rigidity by 10% compared to the original, reducing tread wear and rolling resistance, providing consumers with a more comfortable and quiet, more wear-resistant, more energy-efficient quality experience.

### **4、Brand advantage**

The company takes the implementation of brand strategy as one of its core strategies. Quality is the foundation of the brand, We have passed ISO9001, IATF16949, ISO50001, ISO10012, ISO14001, GB/T28001, ISO/IEC17025 and many other certifications at home and abroad, such as CCC, DOT, ECE, GCC, SNI, BIS and TISI, etc. Our product quality control capability is at the leading level in the industry. The quality control capability is at the leading level in the industry. The company's quality policy is "all staff pursue excellence, craftsmanship to create fine products", and the mission objective is "to make every tyre a fine product". In quality management, the company has established rules and regulations, clearly defined quality responsibilities and objectives, has a perfect quality improvement mechanism, and actively promotes the excellent performance management system, implements operational standardization, improves management efficiency and efficiency, while taking continuous quality improvement as the source of power to enhance quality and brand power. The company has been awarded the title of "Excellent QC Team" by Sinopec Association.

The company focuses on brand cultivation and promotion, focusing on brand positioning and strengthening consumers' minds. The company has developed more than 100 image shops and 10,000 signature shops across the country, and regularly holds interactive marketing activities such as new product promotion meetings, road shows and seminars, and directly faces the majority of drivers through accurate self-promotion and WeChat friend circle advertising. The company's brand has expanded rapidly and its popularity has increased.



The company's stable product quality and quality service are widely recognized by customers and praised by the market. The company has been awarded as one of the 500 most valuable brands in China and one of the top ten influential tyre brands in China, and has been awarded the title of "National Customer Satisfaction Product" for many years in a row, further enhancing its brand and corporate influence.

## **5、Marketing advantages**

The company has a stable and professional marketing team, with over 60% of its marketing staff having three years or more sales experience in the tyre industry. The Company continues to invest resources in the construction of replacement marketing channels, vigorously develop a team of high-quality dealers, continue to build model markets and promote the upgrading of direct customers, the nationwide marketing network and numerous retail terminal networks ensure the stability of the Company's product sales, effectively promote the development of new business and the promotion of new products, and further consolidate and strengthen the Company's leading position in the same industry. The proportion of sales revenue from distributors who have been cooperating for 3 years or more to the total sales revenue of distributors is around 80%.

The company has implemented differentiation strategies around brand and product positioning, built a rapid response mechanism around meeting market demand, implemented front-line services close to the market, and carried out a special "Tanabata Marketing Season" for eight consecutive years to lead consumption, which has been highly recognized and favoured by drivers. At the same time, regular dealer meetings and a variety of roadshows, online live streaming with goods and other activities, effective training and guidance for dealers and terminal retail, the implementation of effective "empowering terminal" strategy, so as to enhance the overall competitive strength of marketing.

## **6、Advantages of intelligent manufacturing**

As one of the leading enterprises in China's tyre industry, the company has been actively promoting intelligent manufacturing in recent years, grasping the new strategic opportunity of developing intelligent manufacturing and promoting the integration of the "two cultures" in the country, taking intelligent manufacturing projects as a grip to promote the development of the enterprise towards intelligence, green and high-end.

The company highly integrates "production automation, logistics automation and management informationization", and takes smart manufacturing as a means to build a data-driven industrial brain and a data platform for the whole life cycle of tyre manufacturing through 5G, Internet of Things, Internet, artificial intelligence and other advanced technologies, and provides

data collaboration services for PLM, MES, ERP and other systems through the Smart Cloud to achieve manufacturing flexibility, intelligent decision-making and product personalization. It provides data collaboration services for PLM, MES, ERP and other systems to achieve manufacturing flexibility, intelligent decision-making and product personalisation.

The company's 1.2 million sets of high-performance all-steel radial tyre factory was supported by national special funds, and the semi-steel radial tyre factory was the first in the industry to achieve "black light workshop" operation, which is a model intelligent workshop in Jiangsu Province, achieving "three less and one higher" - the goal of using less labor, occupying less land, consuming less energy and achieving higher efficiency. --It has achieved the goal of "three less and one higher" - less labor, less land, less energy consumption and higher efficiency, promoting the overall productivity improvement, technological leapfrog development and industrial optimization and upgrading of the company. During the reporting period, the Company was awarded the title of "Jiangsu Province Star Enterprise in the Cloud".

## V. Major operations during the reporting period

As at 31 December 2021, the Company's total assets amounted to RMB8,909 million, an increase of 16.78% over the previous year-end; the total assets attributable to the listed company were as follows

Net assets of shareholders amounted to RMB4,281 million, representing an increase of 16.58% over the beginning of the period; the Company achieved operating revenue of RMB4,256 million during the reporting period, representing an increase of 23.43% over the corresponding period of the previous year; net profit attributable to shareholders of the listed company amounted to RMB11,610.4 million, representing a decrease of 88.37% over the corresponding period of the previous year.

### (i) Analysis of main business

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

Unit: Yuan Currency: RMB

Subjects	Number of current period	Year-on-year figures	Percentage of change (%)
Operating income	4,255,523,700.47	3,447,718,251.29	23.43

Operating costs	3,831,736,772.64	2,994,517,183.88	27.96
Selling expenses	104,973,028.61	78,174,673.17	34.28
Overheads	150,769,670.10	140,010,365.54	7.68
Finance costs	96,718,159.50	69,280,021.54	39.60
R&D costs	108,237,864.97	108,401,406.13	-0.15
Finance costs - interest income	10,715,190.21	4,597,082.09	133.09
Other gains	31,177,434.08	21,299,696.22	46.38
Investment income	24,457,180.75	36,455,072.30	-32.91
Investment income - to associates and joint investment income from operating companies	24,224,957.11	35,409,343.17	-31.59
Gain on changes in fair value	0.00	1,186,938.56	-100.00
Credit impairment losses	-16,044,722.52	-6,445,921.77	148.91
Impairment losses on assets	-6,775,723.80	-9,684,807.86	-30.04
Gain on disposal of assets	29,777,929.70	3,751,347.16	693.79
Non-operating expenses	582,240.37	274,614.92	112.02
Net cash flows from operating activities	-62,132,288.58	157,034,837.26	-139.57
Net cash flows from investing activities	-1,084,277,814.01	-526,454,464.36	105.96
Net cash flows from financing activities	1,209,587,154.04	409,120,114.30	195.66

Explanation of the change in selling expenses: mainly due to the increase in anti-dumping duty in the current period

Explanation of the change in finance costs: Mainly due to the increase in interest expenses and exchange losses in the period

Explanation of the change in finance costs - interest income: mainly due to the increase in deposits and guarantees during the period  
Explanation of the change in other income: mainly due to the increase in government grants

Explanation of the change in investment income: mainly due to the decrease in income from long-term equity investments accounted for under the equity method

Explanation of the change in investment income - income from investments in associates and joint ventures: mainly due to the decrease in income from long-term equity investments accounted for under the equity method

Explanation of change in gain on change in fair value: mainly due to change in fair value of derivative financial instruments arising in the prior period  
Explanation of change in credit impairment loss: mainly due to increase in bad debt accrual on accounts receivable in the current period

Explanation of the change in impairment loss on assets: mainly due to the decrease in provision for impairment of inventories in the current period as compared to the previous year  
Explanation of the change in gain on disposal of assets: mainly due to the gain on disposal of equipment in the current period

Explanation of the change in non-operating expenses: mainly due to the increase in other non-operating expenses

Explanation of the reasons for the change in net cash flow from operating activities: mainly due to the significant increase in cash paid for the purchase of raw materials as a result of the increase in raw material prices during the period

Explanation of the reasons for the change in net cash flows from investing activities: mainly due to the increase

in payments for investment in fixed assets during the period

Explanation of the reasons for the change in net cash flows from financing activities: mainly due to the receipt of proceeds from the private issue of additional share capital during the period

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

☐ applicable ☒ not applicable

## 2. Revenue and cost analysis

☒ Applicable ☐ Not applicable

During the reporting period, the Company achieved operating revenue of RMB4,256 million, an increase of 23.43% year-on-year; operating costs of RMB3,832 million, an increase of 27.68% year-on-year

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

Unit: Yuan Currency: RMB

Main business by industry						
By Industry	Operating income	Operating costs	Gross margin (%)	Increase or decrease in operating income over the previous year (%)	Increase or decrease in operating costs over the previous year (%)	Gross margin over previous year Increase or decrease (%)
Tyres	4,207,609,238.04	3,804,058,316.99	9.59	23.78	27.66	Reduction

						2.75 pcs Percent age points
Main business by product						
Sub- products	Operating income	Operating costs	Gross margin (%)	Increa se or decrea se in operati ng incom e over the previo us year (%)	Increa se or decrea se in operati ng costs over the previo us year (%)	Gross margin over previo us year Increase or decrease (%)
Tyres	4,207,609,238.04	3,804,058,316.99	9.59	23.78	27.66	Reduction 2.75 pcs Percentag e points
Main business by region						
Sub- region	Operating income	Operating costs	Gross margin (%)	Increa se or decrea se in operati ng incom e over the previo us year (%)	Increa se or decrea se in operati ng costs over the previo us year (%)	Gross margin over previo us year Increase or decrease (%)
Domestic	2,409,376,220.63	2,235,381,664.73	7.22	-3.99	-0.76	Reduction 3.02 pcs Percentag e points
Abroad	1,798,233,017.41	1,568,676,652.26	12.77	102.09	115.72	Reductio n 5.51 individua ls Percenta ge points

Description of main business by industry, by product, by  
region and by sales mode None

**(2). Production and sales analysis table**

√Applicable □ Not applicable

Main products	Unit	Production volume	Sales volume	Inventory levels	Increase or decrease in production over the previous year (%)	Increase or decrease in sales volume over the previous year (%)	Increase or decrease in stock levels over the previous year (%)
Production and sales description	nil						
<b>(3). Performance of major purchase contracts, major sales contracts</b>							
Tyres	10,000 articles	906.51	907.03	220.64	8.01	13.95	18.73
□ applicable, not applicable							

**(4). Cost analysis table**

Unit: Yuan

Breakdown by sector							
By Industry	Cost structure into projects	Amount for the period	This period accounts for Total cost Proportion (%)	Amount for the same period of the previous year	Previous year Same period of total Costs Proportion (%)	Change in amount for the period compared to the same period of the previous year Example (%)	Situation Description
	Raw materials	2,741,510,826.67	72.07	2,165,081,743.91	72.66	26.62	

Tyres	Wages and Additional	262,771,787.76	6.91	211,445,124.13	7.10	24.27	
	Other systems cause this	671,429,237.03	17.65	505,113,678.18	16.95	32.93	
	Transport costs Use	128,346,465.54	3.37	98,128,691.53	3.29	30.79	
Breakdown by product							
Sub-products	Cost component items	Amount for the period	Percentage of total costs for the period (%)	Amount for the same period of the previous year	Prior year as a percentage of total costs (%)	Change in amount for the period over the same period of the previous year Example (%)	Fact Sheet
Tyres	Raw materials	2,741,510,826.67	72.07	2,165,081,743.91	72.66	26.62	
	Wages and Additional	262,771,787.76	6.91	211,445,124.13	7.10	24.27	
	Other systems cause this	671,429,237.03	17.65	505,113,678.18	16.95	32.93	
	Transport costs Use	128,346,465.54	3.37	98,128,691.53	3.29	30.79	

**(5). Change in scope of consolidation due to change in shareholding of major subsidiaries during the reporting period**☐ applicable ☒ not applicable**(6). Information about significant changes or adjustments to the Company's business, products or services during the reporting period**☐ applicable ☒ not applicable**(7). Major Sales Customers and Major Suppliers A. Major Sales Customers of the Company**

Sales to the top five customers amounted to RMB653,199,800, representing 15.35% of total annual sales; of which sales to the top five customers were related party sales of RMB0.0 million, representing 0% of total annual sales.

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

☐ applicable ☒ not applicable**B. Information on the company's main suppliers**

The purchases from the top five suppliers amounted to RMB986,266,400, representing 29.08% of the total annual purchases; among the purchases from the top five suppliers, purchases from related parties amounted to RMB0.0 million, representing 0% of the total annual purchases.

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

☐ Applicable☒ Not applicable

Other notes

None



**3. Fees**√Applicable ☐ Not applicable

See Section III Management Discussion and Analysis V. "Major operations during the reporting period" for further details.

**4. R&D investment****(1). R&D investment table**√Applicable ☐ Not applicable

Unit: Yuan

Expensed R&D investment for the period	108,237,864.97
Capitalised R&D investment for the period	
Total R&D investment	108,237,864.97
Total R&D investment as a percentage of operating revenue (%)	2.54
Share of R&D investment capitalised (%)	

√Applicable ☐ Not applicable

Number of company R&D staff	353
Number of R&D staff as a percentage of total company headcount (%)	10.01
Educational structure of R&D staff	
Academic structure categories	Number of people with academic structure
PhD students	1
Master's degree students	4
Undergraduate	44
Specialties	304
High School and below	--
Age structure of R&D staff	
Age structure categories	Number of people in age structure
Up to and including 30 years of age	40
30-40 years old (including 30 years old, excluding 40 years old)	161
40-50 years old (including 40 years old, excluding 50 years old)	115
50-60 years old (including 50 years old, excluding 60 years old)	37
60 years and over	--

**(3). Fact Sheet**☐ applicable √not applicable**(4). Reasons for the significant change in the composition of the R&D staff and the impact on the future development of the company**☐ applicable √not applicable**5. Cash flow**√Applicable ☐ Not applicable

See Section III Management Discussion and Analysis V. "Major operations during the reporting period" for further details.

**(ii) Description of significant changes in profit due to non-major activities**

☐ applicable ☒ not applicable

## (iii) Analysis of assets and liabilities

√/Applicable    □Not applicable

## 1. Asset and liability position

Unit: Yuan

Project name	Closing balance for the period	End of period as a percentage of total assets (%)	Prior period end	Prior period end as a percentage of total assets (%)	Percentage change in the amount at the end of the current period over the end of the previous period (%)	Fact Sheet
Monetary funds	1,022,640,961.85	11.48	493,512,537.97	6.47	107.22	This is mainly due to the increase in proceeds received from the non-public issue of additional shares of the Company during the period plus due to
Exchangeable financial assets	8,000,000.00	0.09	1,186,938.56	0.02	574.00	Mainly disposal of trading financial assets and pledges of certificates of deposit at the end of the period Due to increased charges
Accounts receivable	809,988,005.52	9.09	555,244,097.52	7.28	45.88	Mainly due to growth in foreign trade business and shipping weeks Due to extended period
Prepayments	40,715,993.63	0.46	17,566,379.61	0.23	131.78	Mainly prepayments for raw materials and energy during the period due to the

						Quality margin increase to
Capital surplus	2,207,161,574.48	24.77	1,522,996,840.89	19.96	44.92	Mainly as a result of the non-public issue of additional share capital by the Company during the period Due to increase in premiums
Other comprehensive income	-157,350,102.29	-1.77	-3,068,123.06	-0.04	5,028.55	Mainly as a result of translation differences on foreign currency statements for the period To

Other  
notes n/a

## 2. Offshore assets

☒ Applicable ☐ Not applicable

### (1) Asset size

Of which: Foreign assets 2,722,346,497.74 (Unit: RMB) (Currency: RMB), representing 30.56% of the total assets.

### (2) Notes relating to the high proportion of offshore assets

☐ applicable ☒ not applicable

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

☒ Applicable ☐ Not applicable

See Section X, Note VII, 81, "Assets subject to restrictions on ownership or use" for further details.

## 4. Other notes

☐ Applicable ☒ Not applicable

### (iv) Analysis of industry operating information

☒ Applicable ☐ Not applicable

See "Analysis of operating information in the chemical industry" in this section for further details

## Analysis of operating information for the chemical industry

### 1 Basic information about the industry (1).

#### Industry policies and their changes

☒Applicable ☐Not applicable

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

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

☒Applicable ☐Not applicable

For details, please refer to this section "II. Information on the industry in which the Company operates during the reporting period"

### 2 Products and Production

#### (1). Main business models

☒Applicable ☐Not applicable

For details, see this section "V. Business engaged in by the Company during the reporting period"

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

☐Applicable ☒Not applicable

### (2). Main product information

☒Applicable ☐Not applicable

Products	Industry segments	Main upstream raw materials	Main downstream applications	Main price influencing factors
Tyres	Rubber and plastic products industry	Natural rubber, synthetic rubber, carbon black, steel cord etc.	Automotive industry	Changes in raw material prices and market conditions

### (3). R&D Innovation

☒Applicable ☐Not applicable

The company relies on national research and development centres and has long established scientific research cooperation with universities and colleges to explore new materials, new equipment and new processes.

The company continued to advance in the research of technology. In 2019, the Company was listed in the 2019 (26th) list of "National Enterprise Technology Centres (Sub-centres)" by several important national departments, including the Department of Innovation and High Technology Development of the National Development and Reform Commission. In 2020, two of the Company's technological innovations, "R&D and Application of Anti-tie and Quiet New Energy Vehicle Tires" and "New Energy-saving and Environment-friendly All-steel Radial Tires", were selected as Jiangsu Province Key Technological Innovation Catalogue and Wuxi City Key Technological Innovation

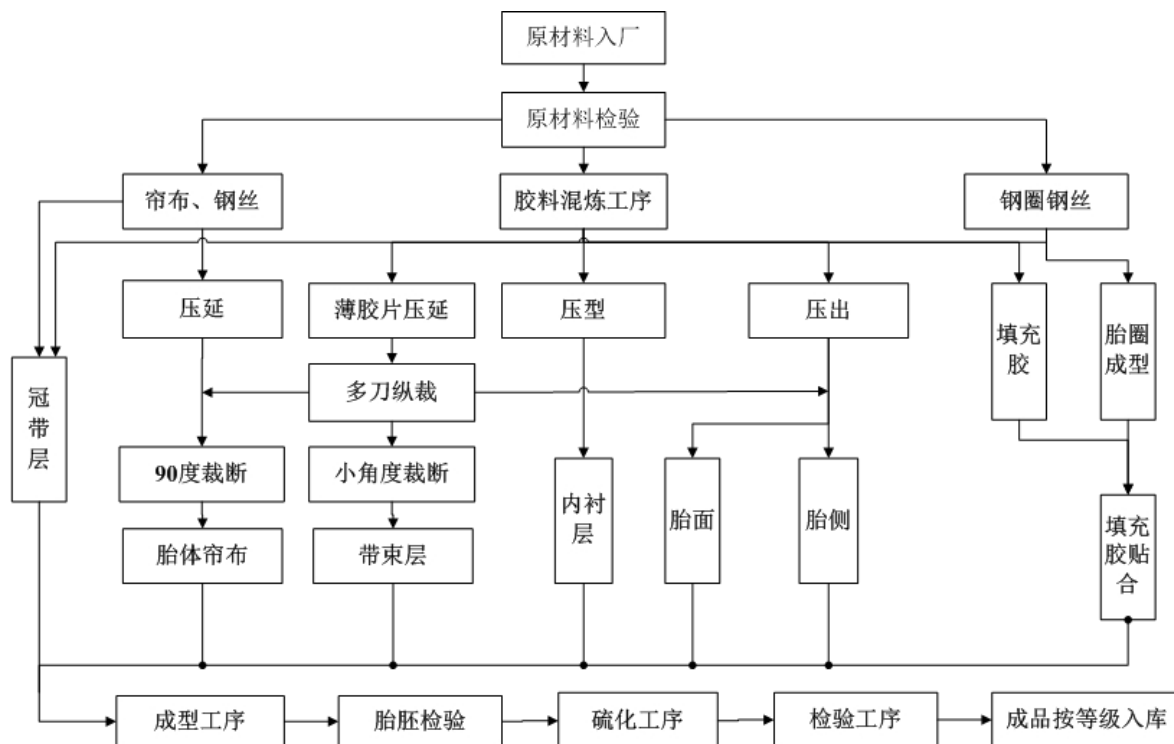
Catalogue respectively. 2021, the Company was awarded as a national Industrial Design Centre.

As at the end of the reporting period, the Company had obtained 394 authorised patents and had a strong capacity for independent innovation.

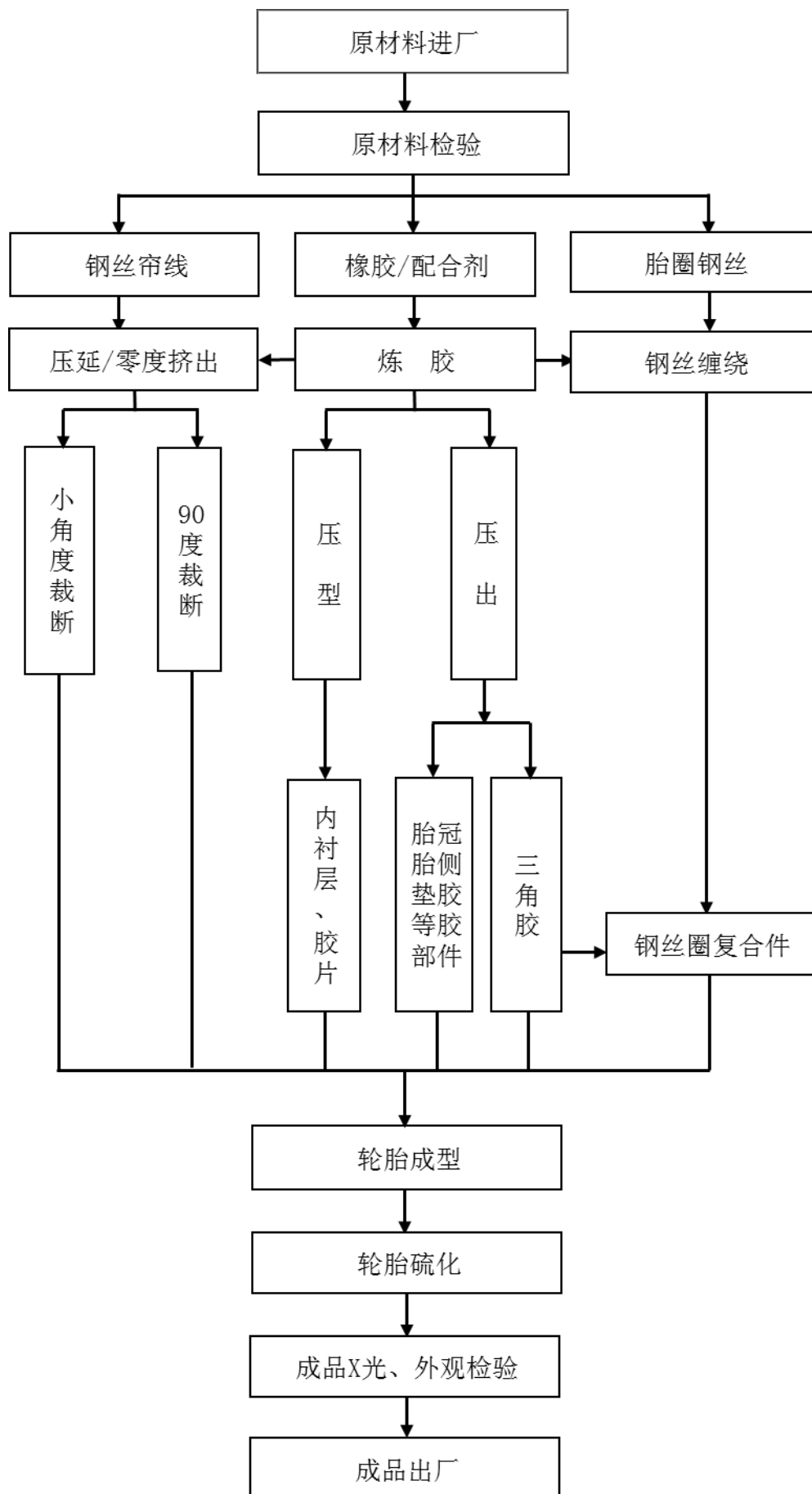
**(4). Production processes and procedures**

☒Applicable      ☐Not applicable

**Process flow diagram for the production of semi-steel radial tyres**

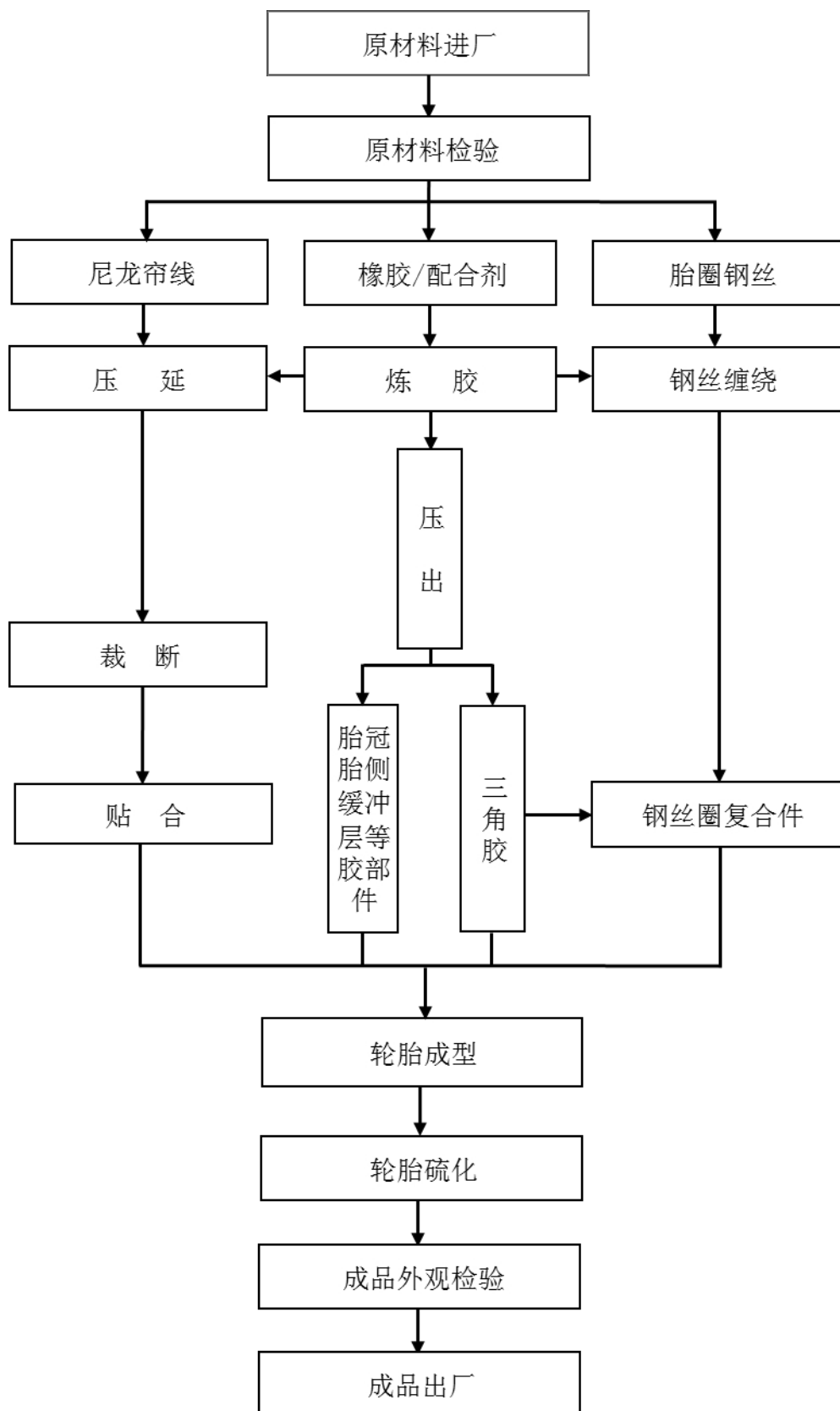


Process flow diagram for the production of all-steel radial tyres





## Oblique tyre production process flow chart



## (5). Production capacity and starts

√Applicable    □Not applicable

Unit: RMB million    Currency: RMB

Main plant or Projects	Design capacity	Capacity utilization (%)	Capacity under construction	Capacity under construction has been invested Amount of funding	Capacity under construction expected Completion time
Semi-steel tyre items table of contents	6 million bars	66.12	3 million		2023
1.2 million high-performance intelligent all-steel radial tyres built	1.2 million bars	58.94	--		January 2022
<b>Increase or decrease in production capacity</b>					
√Applicable    □Not applicable					
<p>The company's Thailand plant is gradually increasing its production capacity to release 500,000 strips by the end of December 2021, overcoming difficulties such as the epidemic and shipping.</p> <p>High performance radial tyres and 3 million semi-steel radial tyres; affected by the recurrence of the epidemic, affecting the domestic 1.2 million high-performance intelligent all-steel radial tyre project</p> <p>The installation and commissioning schedule will add 400,000 strips of capacity by the end of December 2021.</p>					
Thailand High Performance Tyre Project	6 million semi-steel radial	68.96	--		
<b>Adjustments to optimize product lines and capacity structure</b>					
√Applicable    □Not applicable					

### Unusual stoppages

□Applicable    √Not applicable

## 3 Raw material procurement

### (1). Basic information on the main raw materials

√Applicable    □Not applicable

Main raw materials	Procurement model	Settlement method	Price change year-on-year Movement ratio (%)	Purchase volume	Consumption
Natural rubber	Direct purchase	Acceptance or bank Remittance payments	11.32	8.67 million tonnes	9.1 million tonnes
Synthetic rubber	Direct purchase	Acceptance or bank Remittance payments	21.82	2.85 million tonnes	2.9 million tonnes
Impact of changes in the prices of key raw materials on the Company's					
Steel cord	Direct purchase	Acceptance or bank Remittance payments	16.77	38,200 tonnes	3.86 million tonnes
Carbon black	Direct	Acceptance or	46.06	6.12	6.02

operating costs Operating costs increase in line with price increases. (2).

**Basic information on major energy sources**

☐ applicable ☒ not applicable

**(3). Responses to raw material price volatility risk Key holdings of financial products such as derivatives**

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

**4 Product sales**

**(1). Basic information on the company's main business by industry segment**

☒Applicable ☐Not applicable Unit: RMB million Currency: RMB

Sub-sectors	Operating income	Operating costs	Gross margin in (%)	Operating income increased over the previous year Less (%)	Operating costs increased over the previous year Less (%)	Increase or decrease in gross margin over the previous year (%)	Gross profit of products in the same industry and in the same field Rate situation
<b>(2). Basic information on the company's main business by sales channel</b>							
Unit: RMB million Currency: RMB							
Tyres	9,238.04	8,316.99	9.39	23.78	27.66	-2.75	Increase or decrease in operating income over the previous year (%)
Distribution channels	4,073,108,493.44					28.18	
Other channels	134,500,744.60					-39.32	

**Notes to accounting policies**

☐Applicable ☒Not applicable

**5 Environmental and safety situation**

**(1). Basic information on major production safety incidents in the reporting period of the Company**

☐Applicable ☒Not applicable

**(2). Major Environmental Violations**

☐Applicable ☒Not applicable

**(v) Analysis of the investment situation**

**Overall analysis of foreign equity investments**

☒Applicable ☐Not applicable

During the reporting period, the Company's wholly-owned subsidiary, Wuxi Qianlima Tyre Sales Co., Ltd, was renamed as Wuxi Tongyun Tyre Sales Co. The Company also established four new wholly-owned subsidiaries and one new holding subsidiary, as follows:

Name of investee	Main	Registered	Sharehold
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company	2021 Annual Business Report	Capital	ng ratio
Hideaway International Trading (Shanghai) Co.	General items: sale of rubber products; sale of tyres; sale of high quality synthetic rubber; sale of chemical products (excluding licensed chemical products); import and export of goods; import and export of technology; internet sales (except sales of commercial products requiring a license) (including the following); import and export agency (except for items subject to approval by law)	3 million	100%

	The company shall be entitled to carry out its own business activities in accordance with the law with its business licence. (Action).		
General Rubber (USA) Ltd. Company	Sales of rubber and rubber products, tyres, import and export trade Easy.	US\$1 million	100%
General Rubber (Anhui) Co.	General items: tyre manufacturing; tyre sales; technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; rubber products manufacturing; rubber products sales (in addition to licensed business, can independently operate in accordance with the laws and regulations of non-prohibited or restricted items) permitted items: import and export of goods: technology speak export: speak export agent (subject to approval of the project in accordance with the law, after the approval of the relevant departments before (to carry out business activities) (to the industrial and commercial sector approval (whichever is approved)	300 million	100%
General Intelligence (Cambodia) Ltd.	Production, processing and sale of rubber and rubber products, import and export trade; production, processing and sale of tyres and related products Sales, import and export trade.	US\$80 million	100%
Wuxi Qianlima Tyre Trading Co.	General items: tyre sales; rubber products sales; machinery and equipment sales; sales of chemical products (excluding licensed chemical products); automotive parts and accessories wholesale; import and export of goods; import and export agents; domestic trade agents (except for projects subject to approval by law, with business license according to the law independent (Conducting business activities)	20 million	51%

## 1. Significant equity investments

√Applicable      □Not applicable

(1) On 16 July 2021, the Company established a wholly-owned subsidiary, General Rubber (Anhui) Company Limited, with a registered capital of RMB 300 million;

(2) On 26 August 2021, the Company and Sichuan Louis Investment Management Co., Ltd. established Wuxi Qianlima Tire Trading Co;

(3) In 2021, the company intends to establish a wholly-owned subsidiary in Cambodia to invest in the construction of 5 million semi-steel radial tyres and 900,000 all-steel tyres.

The Radial Tyre Project, with a registered capital of US\$80 million, was registered in January 2022.

## 2. Significant non-equity investments

☒ Applicable      ☐ Not applicable

Project name	Project proposed input Amount	Investment in the reporting period Amount of income	Cumulative actual investment Amount of income	Sources of funding	Project progress	Earnings
1.2 million high-performance intelligent all-steel radial tyres Construction projects	14.3416 billion Yuan	13099.24 million	93644.29 million Yuan	Own funds, funds raised	Basic construction completed	
Semi-steel tyre items table of contents	84,870,000	22,457,600 Yuan	5910,207,000 Yuan	Self-financing	Under construction	
Thailand High Performance Radial Tyre Project	378 million	62821.24 million	246497.08 million	Self-owned funds, the Fundraising	Capital construction completed Becoming	

### 3. Financial assets measured at fair value

☒Applicable ☐Not applicable

1. The fair value of investments in listed other equity instruments is determined based on the closing price on the last trading day of the open market.

2. The fair value of the Company's financial assets held for trading and receivables financing is first determined based on materiality to determine whether the carrying value is representative of fair value; if the carrying value is not representative of fair value, the closing fair value is determined in accordance with reasonable methods prescribed by accounting standards. 3. The Company holds other equity instruments other than those measured using Level 1 fair value that do not constitute control, joint control, significant

For equity investments with significant influence and without quoted prices in an active market, the closing fair value is determined by a reasonable method as prescribed by accounting standards.

### 4. Specific progress on the integration of major asset reorganisation during the reporting period

☐ applicable ☒not applicable

#### (vi) Major asset and equity disposals

☐Applicable ☒Not applicable

#### (vii) Analysis of major holding and equity participation companies

☒Applicable ☐Not applicable

Name	Nature of business	Registered Capital This	Shareholding ratio Example	Total assets	Net assets	Net profit
Wuxi Qianlima Technology Co.	Engaged in the production, processing and Sales	8,000 million	100%	124,611,228.89	49,336,148.92	-32,219,478.29
Wuxi Jiuchengton Rubber Trading Co.	Rubber and rubber products, rubber tyres, chemical materials and products, packaging Sale of	3 million	100%	14,198,956.96	2,466,133.04	-1,222,903.64



	materials					
General Rubber (Thailand) Co.	Manufacture, processing and sale of rubber and rubber products, tyres and related products, import and export Trade	THB 6.1 billion	100%	2,703,837,699.87	1,337,078,670.44	133,955,791.80
Hongdou Group Finance Limited	Financial and financing advisory, credit verification and related advisory and agency services to members; assisting members in achieving transaction payments The receipt and payment of money, etc.	133,700 million	20%	3,915,274,792.66	1,922,410,491.26	116,895,708.03

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

☐Applicable      ☒Not applicable

## **VI. Discussion and analysis by the Company on the future development of the Company (i) Industry pattern and trends**

√Applicable ☐ Not applicable

The combined revenue of the 75 tyre companies on the list in 2021 amounted to US\$143,925 million, a decrease of US\$15,540 million compared to the previous year.

The overall decline was more pronounced, down 9.87% year-on-year. The top three companies, Michelin, Bridgestone and Goodyear, had sales of US\$55.125 billion, down 12.5% from the previous year, accounting for 38.3% of the world's total tyre sales. Sales of the top 10 tyre companies amounted to US\$93.63 billion, down 11.1% year-on-year, accounting for 65.1% of total global tyre sales and a decline in industry concentration.

From the current global overall pattern, radial tyre research and development and manufacturing is slowly shifting from developed countries to developing countries. Some of the large commercial tyre manufacturers in developed countries have invested their industrial capital and tyre product development in developing countries, especially some developing countries in the Asian region. The rapid development of Asian countries and the steady rise in car ownership, creating more opportunities for tyre companies. In addition, Asia has a unique advantage in terms of natural rubber, which is one of the most important raw materials for tyre manufacturers, with all three major global rubber producers located in Asia. The demand for branded tyre products across Asia is expected to continue to grow rapidly at an average rate of 3.8% per year from 2020 to 2025.

China as a large tyre producing country, tyre consumption market is vast. In recent years, the domestic head tyre enterprises in overseas base layout, product performance, brand channels and other aspects of continuous efforts to enhance the domestic market share, overseas market share has steadily increased, showing the trend of upward penetration.

### **Tyre industry trends:**

#### **I. Layout of globalization and acceleration of overseas factory construction.**

With the domestic market homogeneous competition is serious, the impact of foreign double anti policy, Chinese tyre companies in pursuit of high-quality development, to avoid trade barriers in Europe and the United States and other places, in-depth international cooperation in production capacity, to further promote the globalization of the layout of the enterprise, the industry's head of tyre companies overseas to build factories to accelerate the pace of efforts to seize the high-end market in the channel and brand.

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**Second, smart manufacturing has become a long-term development trend.**

Tyre consumption is moving towards high quality, high performance, green tyres, and the current tyre industry is still facing labour-intensive, complex processes and other problems, to ensure production efficiency, energy saving and environmental protection and stability of product quality, advanced tyre companies are combining 5G, information technology, cloud computing and other technologies with the traditional manufacturing sector, in process optimization, process control, energy management and safety production, marketing and service, etc, In order to ensure production efficiency, energy saving and environmental protection and product quality stability, advanced tyre companies are combining 5G, information technology, cloud computing and other technologies with traditional manufacturing fields, optimising the industrial chain management configuration in process optimisation, process control, energy management and safe production, marketing and service, and realising intelligent transformation and upgrading of the tyre industry.

**Third, the tyre industry is turning to high-quality development.**

Affected by the slowdown in the automotive industry and the national double carbon strategy, the tyre industry as an investment-intensive, high fixed expenditure, raw material costs account for a large proportion of the industry, continued through structural adjustment, scientific and technological innovation, green development, continuous investment in the expansion of high-end product production capacity, backward production capacity will be gradually eliminated, the industry concentration to further enhance the development trend of higher quality, more efficient, more sustainable and safer.

Tyre companies continue to enhance the ability of R & D innovation, product structure continues to optimize passenger car tyres large size, high performance and ultra-high performance tyres accounted for, commercial vehicle tyres tubeless gradually increased, tyre products to lightweight, low rolling resistance, green and safe direction of development.

## (ii) Corporate Development Strategy

√Applicable      □Not applicable

The company adheres to the value concept of "good tyres, made by universal", grasps the opportunity of domestic and international double-cycle development, and focuses on "making every The company's mission is to "make the best tyre" and to vigorously promote the "5X strategic plan", aiming to achieve five production bases at home and abroad, five R&D centres, 500 strategic channel partners, 5,000 core shops and a production capacity of over 50 million tyres in the next 10 years.

Actively embrace "carbon neutral", adhere to green low-carbon, high-end manufacturing and sustainable development, focus on building "independent innovation, independent brand, independent capital" type of enterprise, promote the company's "international, intelligent, green" high-quality development, continue to high level of scientific and technological innovation and lean production, the construction of industry-leading 5G carbon cloud intelligent factory and "black light workshop", and partners to build an industry chain global optimization configuration. **"The company will** continue to develop with a high level of technological innovation and lean production, build an industry-leading 5G carbon cloud smart factory and a "black light workshop", build a global optimization of the industrial chain with partners, help upgrade the tyre industry, provide safer, greener and more cost-effective products and The company will accelerate the **achievement of its** strategic goal of "10 billion general" and build a national tyre enterprise with international influence.

## (iii) Business Plan

√Applicable      □Not applicable

### 1. Increase R&D innovation and adhere to differentiation strategy

In 2022, the company will focus on the introduction of IPD, insist on a forward-looking strategic layout, take market insight as a guide, promote systematic R&D management, implement integrated product development, vigorously carry out R&D and application of new materials and technologies, and effectively solve users' pain points, while building At the same time, we will build up "platform, normalisation, standardisation, generalisation and componentisation", promote end-to-end cost management and consolidate our leading position in product development in the niche market. At the same time, further increase the research and development of new energy green tyres with low rolling resistance, low fuel consumption and low

noise, and industrial and mining tyres with low heat generation, high wear resistance and high cost performance, focus on transformation-driven high-quality development, and improve the comprehensive competitiveness of the enterprise.

## **2、Focus on brand positioning and innovative marketing activities**

The company will further **focus on the** brand positioning of "the new generation of safe tyres", build a brand value system and enhance the brand competitiveness of Qianlima in the global tyre market. We will enhance the brand publicity effect and continuously expand the brand awareness and influence through automobile/sports events, outdoor advertisements and small videos, etc. The company will continue to promote thematic marketing activities, extensively use new retail methods such as live streaming, small programs, online and offline combination to empower dealers and retailers to activate the end market, strengthen fan operations, explore innovative models, find breakthrough points in sales and explore cross-border cooperation models to improve consumer stickiness.

## **3、Promote channel multiplication and deep empowerment of customers**

In 2022, the company will further increase the layout of its international marketing network, vigorously introduce high-end international talents to the industry, accelerate the development of new customers, expand cooperation with large local importers and retailers in the United States and Europe, promote flat sales, reduce sales links and maximize sales profits; provide diversified and customized tyre products and close We will provide diversified and customized tyre products and close services to meet the needs of different target markets, dig deeper into customer demand, increase the added value of our products and further enhance the profitability of our sales. In the domestic replacement market, we will focus on optimising our product portfolio, promoting our channel multiplication plan, deepening the promotion of our brand activities and enhancing our logistics and distribution capabilities.

Push forward and continue to build a model market. In terms of supporting, focus on mid-to-high-end OEMs, consolidate and enhance business cooperation by front-loading R&D and improving service mechanisms, while expanding new energy vehicle enterprises with specialised products and accelerating layout.

#### **4、Build a systematic quality mechanism to promote high quality development of enterprises**

The company has improved its overall production efficiency and quality through "digital transformation" and high-end manufacturing. Focusing on the mission of "making every tyre a quality product", the company will establish a systematic quality control system, deepen 5S site management and lean production, and implement a long-term mechanism of "three-tier inspection" to ensure the provision of high-quality products to customers. In addition, the company will continue to promote the excellent performance management model, focus on customer-centric process optimization and restructuring and management changes, strengthen quality standards assessment, improve process control capabilities, and carry out the "Thousands and Thousands of Scrap-free Products", "Quality Trustworthy Teams", and "Lean Yellow Belt". The company has also carried out activities such as "1,000,000 rejects", "Quality Trustworthy Team" and "Lean Yellow Belt Training Camp" to enhance the staff's lean improvement ability, form a culture of learning from each other and catching up with each other, truly put the concept of quality into action, and make every effort to create excellent products.

#### **5、Intelligent + green manufacturing, to create the industry "5G carbon cloud smart factory"**

The company's domestic semi-steel tire factory has achieved "black light workshop" operation, intelligent manufacturing capabilities in the tyre industry with a leading level. On this basis, the company will actively lay out the digital factory, further build the industrial brain + general cloud + intelligent logistics, the use of 5G, digital and other advanced technologies and tyre manufacturing deep integration, to explore the construction of the industry "tyre smart factory" model. At the same time, the company will promote industrial upgrading around the national advocacy of "green development and low-carbon travel", and jointly deploy with strategic partners to build a "5G Carbon Cloud Smart Factory", which will use carbon monitoring algorithms to generate a heat map of energy and carbon emissions to continuously guide energy conservation efforts. This will help to save resources and reduce energy consumption. At the same time, the company will also actively promote the creation of green products to help achieve the national "carbon peak" and "carbon neutral" strategic goals.

## 6. Accelerate the overseas layout and boost the internationalization process

The Company will continue to implement the "5X Strategy" and make strategic arrangements for base construction, brand building, channel empowerment, R&D innovation and capacity release through top-level design. 2022 will be an opportunity for **the** Company to take the full production of its Thailand project as an opportunity to improve the share of high-margin product structure and the capacity of warehousing and logistics by optimising the industrial chain and value chain resource integration. In 2022, the Company will take the opportunity of the full commissioning of the Thailand project to enhance the proportion of high-margin products and storage and logistics capacity, maximize production capacity and efficiency, and continue to promote the construction of new projects in the Thailand plant to fully meet market demand. On the other hand, we will accelerate the construction of the second overseas production base in Cambodia, aiming to achieve the first tire off the production line by the end of 2022, and advance the site selection and construction of the new overseas base in due course. The three production bases in China, Thailand and Cambodia will complement each other and share resources to further consolidate and enhance the company's competitive advantages, provide better quality products and services to global customers, and strive to be **the** "thousand mile horse" on the Belt and Road.

### (iv) Possible risks faced

☒Applicable      ☐Not applicable

#### 1. Risk of increased international trade barriers

In 2021, the rubber and tyre industry is facing problems such as sluggish economic growth, global manufacturing overcapacity and a rising trend of counter-globalization.

On 25 May 2021, the US Department of Commerce and the US International Trade Commission announced the final results of the anti-dumping investigation into passenger car and light truck tyres in Thailand, in which the Company applied a duty rate of 17.08% with reference to other tyre companies in the Thai region. The increase in duties will ultimately be borne by all relevant segments.

At present, the company's Thailand plant has entered into full production phase, while the company launched the construction of a production plant in Cambodia during the reporting period, in order to further enhance the company's ability to cope with international trade friction. In the future, the Company will accelerate the layout of its 5X strategic plan and implement the production of international

We will continue to improve our international competitiveness and avoid the impact of trade protection policy countries on our export business by taking the initiative to develop new markets and marketing network layouts, and by accelerating the construction of sites for production bases in other overseas countries.

## **2. Risk of raw material price fluctuations**

The raw materials for tyre production are mainly composed of natural rubber, synthetic rubber, carbon black and steel cord. As the main raw material for tyre production, the price of natural rubber is affected by multiple factors such as international economic conditions, natural conditions, trade, exchange rate and capital, etc. Other tyre bulk raw materials are affected by many factors such as industry policies and electricity costs, etc. Price fluctuations of various raw materials have an adverse impact on the Company's profitability in the short term. The Company will focus on the changes in the market of raw materials and strive to achieve increased procurement at low prices through strategies such as locking in long term contracts and implementing timely procurement, while continuing to maintain good strategic partnerships with suppliers and strive to reduce procurement costs.

## **3. Risk of increased market competition**

Many domestic and foreign tyre production enterprises, China's tyre industry industry concentration is not yet high, the global tyre market competition is fierce. Among them, the low-end tyre overcapacity, product homogenization is serious, the level of technology needs to be improved, while the high-end tyre products are in short supply, there is greater room for development, China's tyre industry in competition with international brands in the urgent need to continue to do better and stronger. The company will accelerate industrial transformation and upgrading, continue to promote the construction of independent brands, scientific and technological innovation, intelligent manufacturing and global layout, and continue to improve the core competitiveness, to better cope with domestic and international market competition and risk.

## **4. Risk of exchange rate changes**

The Company's export business is mainly settled in US dollars. If the exchange rate fluctuates significantly, it will affect the Company's foreign sales revenue, raw material purchase costs settled in foreign currencies, foreign currency assets and foreign currency liabilities, which in turn will affect the Company's profit. The Company will pay close attention to the changes in the foreign exchange market and adjust the settlement terms with upstream and downstream enterprises and adopt foreign exchange hedging methods such as forward settlement and foreign exchange options to reduce the impact of exchange rate fluctuations on the Company's operation.

## **5. Epidemic risk**



At present, the situation of epidemic prevention and control at home and abroad is still severe, and epidemics occur in local areas from time to time, which will adversely affect the Company's business environment, market demand, logistics and transportation of raw materials and products. The Company will further improve the safety management emergency protection mechanism, make various response plans in advance, implement the epidemic prevention and control protection mechanism, and continuously optimize the allocation of resources to avoid the impact of such risks on the Company's production and operation to the greatest extent.

**(v) Others**

☐Applicable      ☒Not applicable

**VII. Information on cases where the company has not disclosed in accordance with the Code for special reasons such as non-application of the provisions of the Code or state secrets or trade secrets and the reasons for such non-disclosure**

☐Applicable      ☒Not applicable

## **Section IV Corporate Governance**

### **I. Information note on corporate governance**

☒Applicable      ☐Not applicable

In accordance with the requirements of the Company Law, the Securities Law, the Guidelines on the Articles of Association of Listed Companies and other laws, regulations and regulatory documents, the Company has formed a corporate governance structure comprising a general meeting of shareholders, a board of directors, a supervisory committee and senior management with clear powers and responsibilities and standardised operations.

#### 1. Corporate Governance

(1) About shareholders and general meetings. The Company organised shareholders' meetings in strict accordance with the relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure for Shareholders' Meetings. In 2021, the Company held one annual general meeting and seven extraordinary general meetings, all of which were witnessed by lawyers on site and issued legal opinions on their legality. The Company treats all shareholders equally and ensures that all shareholders enjoy equal status and are able to fully exercise their rights. The Company's shareholders' meetings were conducted in strict accordance with the prescribed procedures for connected transactions, and connected shareholders were recused from voting to ensure that the connected transactions were in compliance with the principles of openness, fairness, impartiality and reasonableness.

(2) Regarding the controlling shareholder and the listed company. The controlling shareholders of the Company exercised their rights and assumed their obligations in accordance with the laws and regulations and did not interfere directly or indirectly with the Company's business activities beyond the general meeting of shareholders. There was no misappropriation of the Company's assets or damage to the interests of the Company and the small and medium shareholders. During the reporting period, there was no change in the controlling shareholder of the Company, the Company and the controlling shareholder were independent of each other in terms of personnel, assets, finance and institutional business, and the senior management of the Company had no part-time positions in the shareholder and its affiliated enterprises. The Company did not provide any guarantee for the controlling shareholder and its affiliated enterprises, and there was no non-operational appropriation of the Company's funds by the controlling shareholder.

(3) About the Directors and the Board of Directors. The Board of Directors of the Company consists of seven directors, including three independent directors, and the number and composition of the Board are in compliance with the requirements of laws and regulations. The directors of the Company are able to attend the board meetings and general meetings in a conscientious, responsible, diligent and honest manner in accordance with the Rules of Procedure of the Board of Directors, actively participate in relevant business training, familiarise themselves with relevant laws and regulations, and clarify the rights, obligations and

responsibilities of the directors. The Board has formed four special committees, namely, Audit, Remuneration and Evaluation, Strategy and Nomination, in accordance with the relevant regulations, of which the majority of the Audit, Remuneration and Evaluation and Nomination Committees are composed of independent directors who act as the chairman. During the reporting period, the Company held a total of 19 meetings of the Board of Directors to consider and approve the 2021 Restricted Share Incentive Scheme, the provision of guarantees for wholly-owned subsidiaries, connected transactions and other proposals, which effectively brought into play the decision-making mechanism of the Board of Directors.

(4) About the Supervisors and the Supervisory Committee. The Supervisory Committee of the Company consists of five Supervisors, of whom two are employee representatives and one is an independent Supervisor. The number and composition of the Supervisory Committee of the Company are in compliance with the requirements of laws, regulations and the Articles of Association of the Company. The members of the Supervisory Committee are able to conscientiously perform their duties in accordance with the provisions of the Rules of Procedure of the Supervisory Committee of the Company and effectively supervise the Company's operation and management, financial position, connected transactions, the formulation and implementation of profit distribution plans and the legal compliance of the Company's directors and senior management in performing their duties in a responsible manner to the shareholders. During the reporting period, the Company held a total of 15 meetings of the Supervisory Committee and considered and approved the 2021 Restricted Share Incentive Scheme, the provision of guarantees for wholly-owned subsidiaries, connected transactions and other proposals.

(5) Senior management and managerial level. The senior management of the Company is able to participate in the discussion of major decision-making matters of the Company, consider the periodic reports of the Company and attend the board of directors' meetings and shareholders' meetings of the Company in strict accordance with the requirements of the Articles of Association of the Company. The management of the Company is able to exercise diligence and responsibility in the implementation of effective management and control of the Company's daily production and operation to ensure the completion of the Company's annual operating objectives.

(6) Stakeholders. The Company fully respects and safeguards the legitimate rights and interests of consumers, employees, suppliers, creditors and other stakeholders to jointly promote the sustainable and stable development of the Company.

(7) About information disclosure and transparency. The Company has formulated the Information Disclosure

Management System, the Investor Relations Management System, the

The Company has designated the securities department of the Company to be responsible for fulfilling the

obligations of information disclosure in accordance with the law, and all the information disclosed by the Company is subject to the "Management System for Registration of Informants of Insider Information".

All information that should be disclosed was disclosed truthfully, accurately, completely and timely in the designated information disclosure media and on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) to ensure that all shareholders have equal access to the information. During the reporting period, the Company completed a total of four issues of periodic reports

and 117 interim announcements to enable investors to have a timely, fair, accurate and complete picture of the Company's position.

(8) About investor relations. The Company attaches importance to communication and exchange with investors, and the Board of Directors has designated the Secretary of the Board of Directors and the Investor Director to be responsible for information disclosure and investor relations management, to strengthen communication and exchange with small and medium shareholders, to listen carefully to the suggestions and opinions of shareholders from all parties on the development of the Company, and to provide timely feedback to the Board of Directors, so as to effectively ensure the legitimate rights and interests of small and medium shareholders.

## 2. Management of insider information registration

During the reporting period, the Company strictly complied with the SFC's "Supervisory Guidelines for Listed Companies No. 5 - Management System for the Registration of Lovers of Insider Information of Listed Companies" and the Company's "Registration System for Lovers of Insider Information of the Company" and other relevant regulations to keep insider information confidential, to register and record insider information and to prevent insider information lovers from The Company and the relevant persons have not been involved in any insider trading activities due to the abuse of the right to know. The Company and relevant personnel have not been subject to regulatory measures and administrative penalties by the regulatory authorities for the implementation of the registration system for persons with knowledge of insider information or suspected insider trading. There is no irregularity in the trading of the Company's shares by the directors, supervisors and senior management of the Company.

## 3. Construction of internal control system

During the year 2021, the Company established a relatively sound corporate governance structure and governance system in accordance with the requirements of the Company Law, the Securities Law and other laws and regulations, as well as the relevant regulations of the CSRC and the Shanghai Stock Exchange. During the reporting period, the Company sorted out and improved its internal control processes and strictly implemented various laws and regulations, the Articles of Association and internal management systems, and continued to improve the standardised operations of the general meeting of shareholders, the Board of Directors, the Supervisory Committee and the

management, so as to effectively protect the legitimate rights and interests of the Company and its shareholders.

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

☐ applicable ☒ not applicable

**II. Specific measures taken by the controlling shareholder and the actual controller of the Company to ensure the independence of the Company's assets, personnel, finances, institutions and business, as well as the solutions, work progress and follow-up work plan taken to affect the independence of the Company**

☒ Applicable ☐ Not applicable

The Company operates in strict accordance with the Company Law, the Articles of Association and other laws, regulations and rules,

It is independent of the controlling shareholder in terms of assets, institutions and finance, and has an independent and complete business system and the ability to operate independently. The controlling shareholder of the Company strictly regulates its own conduct, participates in major decisions of the Company through the general meeting of shareholders, exercises shareholders' powers and fulfils shareholders' obligations, and does not interfere directly or indirectly with the decision-making and operation activities of the Company beyond the general meeting of shareholders. There is no situation that affects the Company's independent operation.

the situation where the controlling shareholder, the de facto controller and other entities under their control are engaged in the same or similar business as the Company, as well as the impact on the Company of competition in the same business or significant changes in the situation of competition in the same business, the measures taken to resolve the situation, the progress of the resolution and the plan for subsequent resolution

☐ Applicable ☒ Not applicable

**iii. summary of the general meeting of shareholders**

Sessions	Date	Designated website for publication of resolutions The search index of	Disclosure of publication of resolutions Date	Meeting Resolutions
Annual share for 2020 East Assembly	May 2021 18th	Shanghai Stock Exchange website ( <a href="http://www.sse.co">http://www.sse.co</a>	19 May 2021	See Jiangsu General Section for details Technology Co.

		m.cn)		Announcement of Resolutions of the 2020 Annual General Meeting (Public (Report No. 2021-033))
2021 First Extraordinary General Meeting	February 2021 5 days	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	6 February 2021	For details, please refer to the "Announcement of Resolutions of the First Extraordinary General Meeting of Jiangsu General Technology Company Limited in 2021" (Announcement No: (2021-007))
Second Extraordinary General Meeting 2021	March 2021 29th	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	30 March 2021	For details, please refer to the "Announcement of Resolutions of the Second Extraordinary General Meeting of Jiangsu General Technology Company Limited in 2021" (Announcement No: (2021-016))
Third Extraordinary General Meeting 2021	May 2021 31st	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	1 June 2021	For details, please refer to the "Announcement of Resolutions of the Third Extraordinary General

				Meeting of Jiangsu General Technology Company Limited in 2021" (Announcement No: (2021-036))
Fourth Extraordinary General Meeting 2021	July 2021 16 Jan	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	17 July 2021	For details, please refer to the "Announcement of Resolutions of the Fourth Extraordinary General Meeting of Jiangsu General Technology Company Limited in 2021" (Announcement No: (2021-065))
Fifth Extraordinary General Meeting 2021	September 2021 13th	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	14 September 2021	For details, please refer to the "Announcement of Resolutions of the Fifth Extraordinary General Meeting of Jiangsu General Technology Company Limited in 2021" (Announcement No: (2021-081))
2021 Sixth Extraordinary General Meeting	2021 10 8 August	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	9 October 2021	For details, please refer to the Announcement of Resolutions of the Sixth Extraordinary General Meeting of



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				Jiangsu General Technology Company Limited in 2021 (Announcement No: (2021-094))
Seventh Extraordinary General Meeting 2021	2021 12 13 June	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	14 December 2021 Day	For details, please refer to the "Announcement of Resolutions of the Seventh Extraordinary General Meeting of Jiangsu General Technology Company Limited in 2021" (Announcement No: (2021-113))

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

☐ applicable ☒ not applicable

General Meeting Information Note

√Applicable □ Not applicable

(i) The following proposals were considered and approved at the 2020 Annual General Meeting:

1. the report on the work of the Board of Directors for the year 2020; 2. the report on the work of the Supervisory Board for the year 2020; 3. the report on the financial accounts for the year 2020;
4. 2020 Annual Report and Summary; 5. Proposal on the Company's 2020 Profit Distribution Proposal;
6. Special Report on the Deposit and Use of Proceeds for 2020; 7. Proposal on the Renewal of Appointment of Accounting Firm; 8. Proposal on the Remuneration of Directors and Supervisors of the Company; 9. Ltd.; 11. Proposal to amend the Rules of Procedure of the Board of Directors of Jiangsu General Technology Co.

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(ii) The following proposals were considered and approved at the First Extraordinary General Meeting in 2021:

- 1、 Proposal for the controlling shareholder to provide guarantee for the company's application for credit line from bank in 2021.

(iii) The following proposals were considered and approved at the Second Extraordinary General Meeting of 2021:

1. the proposal on the expected daily connected transactions for the year 2021; 2. the proposal on the re-signing of the Framework Agreement on Acceptance of Financial Services and Connected Transactions with Hongdou Group Finance Company Limited; 3. the proposal on the amendment of the Management System of Connected Transactions of Jiangsu General Technology Co.

(iv) The following proposals were considered and approved at the Third Extraordinary General Meeting of 2021:

1. the proposal on the Company's 2021 Restricted Share Incentive Scheme (Draft) and its Summary; 2. the proposal on the Company's 2021 Restricted Share Incentive Scheme Implementation Assessment Management Measures; 3. the proposal on the proposal to request the shareholders' meeting to authorize the Board of Directors to handle matters relating to the Company's 2021 Restricted Share Incentive Scheme.

(v) The following proposals were considered and approved at the Fourth Extraordinary General Meeting of 2021:

- 1、 Proposal to invest in 10.2 million high performance radial tyres project; 2、 Proposal to invest in 100,000 engineering tyres technical reform project

Proposal on the provision of guarantee by the controlling shareholder for the Company's application for additional credit lines from banks in 2021.

(vi) The following proposals were considered and approved at the Fifth Extraordinary General Meeting

in 2021:

1. the proposal to provide guarantees for wholly-owned subsidiaries; 2. the proposal to amend relevant articles of the Articles of Association; 3. the proposal to amend the Rules of Procedure of the General Meeting of Shareholders of Jiangsu General Technology Co.

(vii) The following proposals were considered and approved at the Sixth Extraordinary General Meeting in 2021:

1. Proposal to sign the Framework Agreement on the Acceptance of Financial Services and Related Transactions with the Finance Company

(viii) The following proposals were considered and approved at the Seventh Extraordinary General Meeting in 2021:

1、Proposal on the adjustment of the Company's project in Cambodia; 2、Proposal on the provision of guarantee for a wholly-owned subsidiary; 3、Proposal on the election of supervisors.

#### iv. directors, supervisors and senior management

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

√Applicable □ Not applicable

Unit: Unit											
Name	Position (Note)	Gend er	Age	Date of comm encem ent of term of office	Term of office expiry date	Number of share s held at the begin ning of the year	Number of shares held at the end of the year	Increase or decrease in shares during the year	Reasons for chang e	Total pre- tax compensati on received from the Company during the reporting period Amount (RMB million)	Whether remuneratio n is received at a related party of the company
Gu Di	Chairman	Male	53	2016-12-08	2022-12-05	3,121,100	7,739,800	4,618,700	Controlli ng sharehol der and parties acting in concert Increase in holdings	138.24	No
Gong Xindu	Director	Male	67	2018-05-23	2022-12-05	0	0	0	None	0	Yes
Wang Zhuqian	Director	Fema le	50	2017-08-21	2022-12-05	0	0	0	None	0	Yes
Cheng Jinyuan	Director	Male	51	2019-12-06	2022-12-05	68 / 401 0	--	--	--	--	No
Cheng Jinyuan	General Manager	Male	51	2020-03-14	2022-12-05	0	600,000	600,000	Share Incentiv e	85.22	No

Gu Yahong	Joint General Manager (outgoing)	Fema e	55	2020-03-14	2021-07-09	0	--	--	--	--	No
Gu Yahong	Deputy General Manager	Fema e	55	2021-07-12	2022-12-05	0	520,000	520,000	Share Incentiv e Scheme Granted , addition al holdings Shares	75.95	No
Yu Xiufeng	Deputy General Manager (outgoing)	Fema e	61	2020-03-14	2021-09-10	0	150,000	150,000	Equity incentive s Scheme Awarded	64.67	No
Grassh opper Fung	Deputy General Manager	Male	47	2020-04-01	2022-12-05	0	340,000	340,000	Equity Incentive s Scheme Awarded	65.88	No
Chen Zhijun	Deputy General Manager	Male	46	2020-03-14	2022-12-05	0	300,000	300,000	Equity incentive s Scheme Awarded	42.37	No
Liu Jianlon	Deputy General	Male	45	2020-03-14	2022-12-05	0	0	0	None	45.77	No

g	Manager										
Pao Dong School	Deputy General Manager	Male	52	2020-03-14	2022-12-05	0	300,000	300,000	Equity incentive s Scheme Awarded	57.43	No
Tao Guozhong	Deputy General Manager	Male	45	2020-03-14	2022-12-05	0	120,000	120,000	Equity Incentive s Scheme Awarded	81.79	No
Zhang Gaorong	Director of Finance (outgoing)	Male	48	2016-12-08	2021-09-10	0	--	--	--	--	No
Zhang Gaorong	Deputy General Manager	Male	48	2021-09-13	2022-12-05	0	120,000	120,000	Equity Incentive s Scheme Awarded	46.55	No
Jiang Jiehua	Chief Financial Officer	Female	43	2021-09-13	2022-12-05	0	60,000	60,000	Equity incentive s Scheme Awarded	35.36	No
Bian Yabo	Board Secretary	Male	38	2016-12-08	2022-12-05	0	120,000	120,000	Equity Incentive s Scheme Awarded	44.11	No
Total	/	/	/	/	/	3,121,100	10,509,800	7,388,700	/	904.69	/

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Main work experience

e	
Gu Di	He has served as the head of the sales section of Hongdou Group, the deputy general manager of Nan Guo Enterprise, the director of the engine factory and motorbike factory of Jiangsu Chibi Ma Company Limited, the general manager of the Oriental Garment Company of Hongdou Group, the Company

	General Manager of the Company. He is currently the Chairman of the Company, the Chairman of Tianma International (Hong Kong) Trading Company Limited, the Executive Director of Wuxi Jiuchengtong Rubber Trading Company Limited, the General Rubber (Thailand) Co. Ltd., legal representative of General Intelligence (Cambodia) Ltd. and director of General Rubber (Anhui) Co.
Gong Xindu	He was the Executive Vice President and Executive Vice President of Hongdou Group Company Limited, the General Manager of Hongdou Group Children's Clothing Company Limited, the General Manager of Jiangsu Hongdou Health Technology Co. Now he is a director of the company, chairman of the supervisory board of Jiangsu Hongdou Industry Co. Chairman of the Board of Directors, Redbud Health Sciences Ltd.
Wang Zhuqian	Ltd., a director of Hongdou Group, and chairman of the board of directors of Hongdou Group Children's Wear Co. Now he is a director of the company, chairman of the supervisory board and deputy of the party committee of Hongdou Group Clerk.
Cheng Jinyuan	Ltd., sales manager of Wuxi Hongdou Light Alloy Wheel Co., sales manager of Hongdou Group Orient Garment Company, director of jacket factory, director of rubber domestic sales department, director of bias tire factory, director of all-steel marketing, director of marketing department, deputy general manager of all-steel marketing and deputy general manager of the company. Now he is the director and general manager of the company, executive director of Wuxi Qianlima Technology Co., Ltd, general manager and executive director of Wuxi Tongyun Tire Sales Co., Ltd, chairman of General Rubber (Anhui) Co. Chairman of the Board of Directors of Ease Ltd.
Deng Yali	He served as a section officer and chief section officer of the Rubber Department of the Ministry of Chemical Industry of China, deputy director of the Technical Supervision Department, editor and reporter of China Chemical News, deputy secretary-general of China Rubber Industry Association, executive vice chairman and He is currently an independent director of the company, the honorary chairman of China Rubber Industry Association, and the executive director of China Rubber Magazine Co.
Xu Chunliang	Ltd., Executive Director and General Manager of Wuxi Public Accounting Firm Ltd. and Executive Director and General Manager of Wuxi Bonny Financial Consulting Management Co. He is a member of the Board of Directors of the Association of Accountants, a member of the Board of Directors of the Jiangsu Association of Certified Tax Accountants, the Vice Chairman of the Wuxi Association of Certified Public Accountants, and an expert in the supervision of the review of the financial budget of the Standing Committee of the Wuxi Municipal People's Congress.
Zhang Lei	Assistant judge of Wuxi Intermediate People's Court, Deputy Director of the Legal Affairs Office of Binhu District of Wuxi, Member of the Party Committee of Hu Dai Town, Binhu District of Wuxi, Full-time member of Shanghai Cooperation (Wuxi) Law Firm Lawyer; currently an independent director of the Company, an independent director of Wuxi Rexchip Technology Co.



Wang Xiaojun	Ltd. as Chief Quality Officer and Deputy Director of the Enterprise Management Department, Vice General Manager of Jiangsu Hongdou International Development Co. Now he is the Chairman of the Supervisory Board of the company, Vice President of Hongdou Group, Chief Operating Officer, Chief Engineer, Jiangsu Hongdou Industrial Inter Chairman of the Board of Directors of the Internet Company Limited.
Yang Lijuan	He served as the head of the enterprise management department, office director and head of the enterprise management department of Oriental Garment Company of Hongdou Group, head of the production planning department, head of the development department, head of the administrative department and head of the enterprise of the company's all-steel tyre factory. Director of the Management Department, Director of the Production Management Department, Director of the Enterprise Management and Operation Centre, Vice Chairman of the Supervisory Board of the Company, Director of the Quality Assurance Department; currently Director of the General Management Department of the Company's Thailand factory.
Gu Youzhang	He has worked as a staff member of Hong Kong Ha Transport Company, a staff member of Wuxi Taihu Knitted Garment General Factory, a member of the general affairs storage and transportation section and the head of the capital section of Hongdou Group, and the hosiery industry of Hongdou Group Wuxi Changjiang Industry Co. Ltd. and Golden Horse Curtain Fabric Factory; he is currently the sales manager of the company, the employee supervisor and the supervisor of Wuxi Qianlima Technology Co.
Zhu Ya	He has served as the director of the office of the motorbike factory of Chibi Group, the director of the office, the manager of the logistics department, the director of the human resources department and the supervisor of Jiangsu General Technology Co. Director of the Resources Department; currently Director of the Group Office of Hongdou Group Co.
Liu Mengjie	He has been the deputy director of the office of Jiangsu General Technology Co., Ltd, the head of the human resources section, the director of the marketing service centre, the deputy director of the marketing department and the director of the office. Now he is Head of Marketing and Management Department and Secretary to the General Manager of the Division.
Zhang Xilong	He has been a lecturer in the Department of Business Administration of Changzhou Campus of Hohai University, a lecturer and deputy director of the Business School, an independent director of Hongdou Corporation, the head of the research department of the School of Business Administration of Changzhou Campus of Hohai University, and He is currently the Deputy Director of the Institute of Small and Medium Enterprise Management of Changzhou Campus of Hohai University and an independent supervisor of the Company.

Chen Qianli	He was the director of the company's steel plant, the head of the enterprise management department and the head of the safety and environmental protection department.
Gu Yahong	Ltd., the company's chief accountant, finance minister, foreign trade division minister, director, deputy general manager, joint general manager, all-steel tire domestic sales business minister; the current company's deputy general manager, Wuxi Qianlima Technology Co. Director of Tin Hongdou Sportswear Company Limited, Director of General Rubber (Anhui) Company Limited, General Manager of General Intelligence (Cambodia) Co.
Yu Xiufeng	He has served as a technician in Wuxi Tweed Garment Factory, factory manager, executive deputy general manager and general manager of Nan Guo Enterprise, factory manager and director of the company's all-steel tyre factory, chairman of the supervisory board and deputy general manager of the company; currently Assistant to the Chairman of the Company, Supervisor of Wuxi Jiuchengtong Rubber Trading Co., Ltd, Director of Tianma International (Hong Kong) Trading Co.
Grasshopper Fung	Manager of Wuxi Oriental Children's Clothing Co., Ltd, manager of the manager's office of Oriental Garment Company, director of the brand department, general manager of the foreign trade division, department of the fourth division of the all-steel company. He is currently the Deputy General Manager of the Company.
Chen Zhijun	Ltd., sales manager, head of the Chibi Motorcycle Factory, sales manager of Jiangsu General Technology Co. Ltd. and is currently Deputy General Manager of the Company and General Manager of General Rubber (Anhui) Co.
Liu Jianlong	Ltd., the head of human resources department, the office manager, the head of human resources department and the head of strategic development department of Jiangsu Hongdou International Development Co. He is also the head of the semi-steel tyre sales department and the head of the central China sales department.
Pao Dong School	He has been the section manager and deputy factory manager of the underwear factory of Taihu Garment Company of Hongdou Group, the sales manager of Jiangsu General Technology Company Limited, the minister of TongYun Business Division and the minister of Southwest Sales Division. Deputy General Manager of the company.
Tao Guozhong	Ltd., Deputy General Manager of Yiweiyi Research Institute, Jiangsu General Technology Co. Director and currently Deputy General Manager of the company.
Zhang Gaorong	Previously, he served as the host accountant of Oriental Garment Company of Hongdou Group, the head of finance department of Wuxi Taihu Industrial Co. ( Director of (Anhui) Co.
Jiang Jiehua	He has served as the host accountant of the Rubber Domestic Sales Division, the host accountant of the All Steel Division, the host accountant of the Red Horse Division, the director of the Finance Operation Centre and the head of the Finance Department. Now he is the Director of Finance and Operations Centre.

	Director of Services.
Bian Yabo	He was the process technician, laboratory director, director of the testing centre and deputy director of the quality department of the Company; he is currently the secretary of the Board of Directors of the Company, director of General Rubber (Anhui) Co. Director of Finance Limited.

## Other information notes

√Applicable ☐ Not applicable

(1) In July 2021, Ms. Gu Yahong ceased to hold the position of Joint General Manager of the Company due to a change in her job duties. The Company held the twentieth meeting of the fifth session of the Board of Directors on 12 July 2021 to review

The resolution was passed to appoint Ms. Gu Yahong as Deputy General Manager of the Company.

(2) In September 2021, Ms. Yu Xiufeng tendered her resignation as Deputy General Manager of the Company as she had reached the statutory retirement age. Mr. Zhang Gaorong requested to resign from the position of Chief Financial Officer of the Company due to the need for work restructuring. At the Twenty-third Meeting of the Fifth Session of the Board of Directors of the Company held on 13 September 2021, the "Proposal on the Appointment of Senior Management" was considered and approved, whereby Mr. Zhang Gaorong was appointed as the Deputy General Manager of the Company and Ms. Jiang Jiehua was appointed as the Chief Financial Officer of the Company.

(3) In November 2021, Ms. Yang Lijuan tendered her resignation as the Vice Chairman and Supervisor of the Supervisory Committee of the Company due to her work transfer. The Company held the Twenty-fourth Meeting of the Fifth Session of the Supervisory Committee on 26 November 2021. At the Seventh Extraordinary General Meeting of 2021, the "Proposal on the Election of Supervisors" was considered and approved, and Mr. Chen Qianli was nominated as a candidate for the office of Supervisor of the Fifth Session of the Supervisory Committee. and was considered and approved by the Seventh Extraordinary General Meeting of 2021.

(4) In March 2022, Ms. Zhu Ya ceased to hold the position of employee representative supervisor due to work reasons. The Company held a staff representative meeting on 8 March 2022 to elect Mr. Liu Mengjie as the staff representative supervisor.

(ii) The current and outgoing Directors, Supervisors and senior management during the reporting period

1. Employment with shareholder entities

√Applicable □ Not applicable

Name of incumbent	Name of shareholder unit	Acting as a shareholder unit in of the position	Date of commencement of term of office	Term of office expiry date
Gong Xindu	Hongdou Group Limited	Director	1 May 2012	--
Wang Zhuqian	Hongdou Group Limited	Deputy Secretary of the Party Committee	20 February 2017	--
Wang Zhuqian	Hongdou Group Limited	Chairman of the Supervisory Board	July 2021	--
Wang Xiaojun	Hongdou Group Limited	Chief Engineer	9 May 2019	--
Wang Xiaojun	Hongdou Group Limited	Vice President Working in other units	21 August 2019	--
Name of incumbent	Name of other units	Positions held	Date of commencement	Term of office expiry date
Zhu Ya	Hongdou Group Limited	Director, Group Office	4 March 2022	--
Serving in a shareholder unit	None		of term of office	
Description of the situation	Tianma International (Hong Kong) Trading Limited	Chairman	2 February 2011	
Gu Di	Wuxi Jiuchengtong Rubber Trading Co. Limited company	Executive Director	3 November 2017	
Gu Di	General Rubber (Thailand) Limited Company	Director	November 2018	
Gu Di	General Rubber (Anhui) Co. Company	Director	16 July 2021	
Gong Xindu	Jiangsu Redbud Health Technology Unit Share Ltd.	Chairman	31 October 2013	
Gong Xindu	Jiangsu Hongdou Industry Co. Company	Chairman of the Supervisory Board	20 December 2019	
Cheng Jinyuan	Wuxi Qianlima Technology Co. Division	Executive Director	14 August 2013	
Cheng Jinyuan	Wuxi Tongyun Tyre Sales Co. Company	General Manager, Executive Director	16 November 2020	
Cheng Jinyuan	General Rubber (Anhui) Co. Company	Chairman	16 July 2021	
Cheng Jinyuan	Wuxi Qianlima Tyre Trading Co. Limited company	Chairman	26 August 2021	
Deng Yali	China Rubber Industry	Honorary	April 2021	

2. Service in other units

√Applicable □ Not applicable

	New Services Limited			
Zhang Lei	Wuxi Rexchip Technology Co. Limited company	Independent Directors	19 March 2021	
Wang Xiaojun	Jiangsu Redou Industrial Internet has Limited company	Chairman	16 December 2021	
Yu Xiufeng	Tianma International (Hong Kong) Trading Limited	Director	2 February 2011	
Yu Xiufeng	Wuxi Jiuchengtong Rubber Trading Co. Limited company	Supervisors	3 November 2017	
Gu Youzhang	Wuxi Qianlima Technology Co. Division	Supervisors	14 August 2013	
Zhang Xilong	Changzhou Campus of Hohai University Institute of Business Management	Deputy Director	March 2009	
Gu Yahong	Wuxi Qianlima Technology Co. Division	General Manager	14 August 2013	
Gu Yahong	Wuxi Hongdou Sportswear Co. Division	Director	4 March 2020	
Gu Yahong	General Intelligence (Cambodia) has Limited company	General Manager	17 January 2022	
Gu Yahong	General Rubber (Anhui) Co. Company	Director	16 July 2021	
Chen Zhijun	General Rubber (Anhui) Co. Company	General Manager	16 July 2021	
Zhang Gaorong	General Rubber (Anhui) Co. Company	Director	16 July 2021	
Bian Yabo	General Rubber (Anhui) Co. Company	Director	16 July 2021	
Bian Yabo	Hongdou Group Finance Limited	Director	24 December 2021	
Serving in other units Description of the situation	None			

### (iii) Remuneration of directors, supervisors and senior management

√Applicable □ Not applicable

Decision-making procedures for the remuneration of directors, supervisors and senior management	<p>The criteria for the allowances of independent directors and independent supervisors are voted by the Company's general meeting of shareholders. Directors and supervisors do not receive separate remuneration and receive remuneration based on other positions they hold in the Company.</p> <p>The remuneration of senior management is considered and paid by</p>
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**(iv) Changes in directors, supervisors and senior management of the Company**

√Applicable ☐ Not applicable

Name	Positions held	Change of circumstances	Reason for change
Gu Yahong	Joint General Manager	Outgoing	Work reasons
Gu Yahong	Deputy General Manager	Appointment	Appointment

Yu Xiufeng	Deputy General Manager	Outgoing	Retirement
Zhang Gaorong	Chief Financial Officer	Outgoing	Work reasons
Zhang Gaorong	Deputy General Manager	Appointment	Appointment
Jiang Jiehua	Chief Financial Officer	Appointment	Appointment
Yang Lijuan	Vice-Chairman of the Supervisory Board	Outgoing	Work reasons
Chen Qianli	Supervisors	Elections	Elections
Zhu Ya	Supervisors	Outgoing	Outgoing
Liu Mengjie	Supervisors	Elections	Elections

**(v) A description of the penalties imposed by securities regulators in the last three years**

☐ applicable ☒ not applicable

**(vi) Others**

☐ Applicable ☒ Not applicable

**V. Information about the Board of Directors held during the reporting period**

Sessions	Date	Meeting Resolutions
Twelfth Meeting of the Fifth Session of the Board of Directors	2021.1.19	Consideration and approval of: 1. "Proposal on the provision of guarantee by the controlling shareholder for the company's application for a credit line from a bank in 2021"; 2. "Proposal on the convening of the first interim meeting of 2021 Proposal for a General Meeting of Shareholders.
Thirteenth Meeting of the Fifth Session of the Board of Directors	2021.3.10	Proposals on the Renewal of the Framework Agreement on Acceptance of Financial Services and Related Transactions with Hongdou Group Finance Co. Proposal on Amending the Management System of Affiliated Transactions>; 5. Notice of the Second Extraordinary General Meeting of 2021
Fourteenth Meeting of the Fifth Session of the Board of Directors	2021.4.26	Consideration and adoption of: 1. Report on the work of the General Manager for the year 2020; 2. Report on the work of the Board of Directors for the year 2020; 3. Report on the financial accounts for the year 2020; 4, Annual Report for 2020 and Summary"; 5. "Proposal on the Company's Profit Distribution Proposal for 2020"; 6. "Special Report on the Deposit and Use of Funds Raised for 2020"; 7. "Proposal on the Renewal of Appointment of Accounting Firm"; 8. Ltd. for the year 2020; 10. Report of the Independent Directors for the year 2020; 11.Internal Control Evaluation Report for the year 2020; 12.First Quarterly Report for the year 2021 and its summary; 13. Proposal to amend the relevant articles of the Articles of Association of the Company; 14. Ltd.; 15. Proposal to amend the Rules of Procedure of the Board of Directors of Jiangsu General Technology Co.



		Proposal to convene the 2020 Annual General Meeting of the Company.
Fifteenth Meeting of the Fifth Session of the Board of Directors	2021.5.12	Consideration and adoption of: 1. "Proposal on the Company's 2021 Restricted Share Incentive Scheme (Draft) and its Summary"; 2. "Proposal on the Company's 2021 Restricted Share Incentive Scheme Implementation Assessment and Management Measures"; 3. "Proposal on requesting the shareholders' meeting to authorize the Board of Directors to handle matters related to the Company's 2021 Restricted Share Incentive Scheme The motion of the
Fifth session of the Board Sixteenth meeting	2021.6.1	Consideration and adoption of: 1. "On the investment in the construction of a high performance radial tire project in Cambodia The Motion.
Fifth session of the Board Seventeenth Meeting	2021.6.18	Consideration and approval of: 1. "On the replacement of pre-invested fund-raising projects with proceeds from Proposal to raise funds"; 2. "Proposal to change the registered capital of the Company and to amend the <Company

		Motion to amend the Articles of Association>.
Eighteenth Meeting of the Fifth Session of the Board of Directors	2021.6.22	Consideration and adoption of: 1. the "Adjustment to the Company's 2021 Restricted Share Incentive Plan Excitation Proposal on the List of Incentive Recipients and the Number of Rights and Interests to be Granted"; 2. Proposal to Grant Restricted Shares to Incentive Targets under the Restricted Share Incentive Scheme".
Nineteenth Meeting of the Fifth Session of the Board of Directors	2021.6.30	Consideration and adoption of: 1. "About the investment in 10.2 million high performance radial tyres project Proposal"; 2. "Proposal to invest in 100,000 engineering tires technical reform project"; 3, Guarantee by the Controlling Shareholder in respect of the Company's application for a credit line from a bank in 2021 Proposal to convene the Fourth Extraordinary General Meeting of 2021".
Twentieth Meeting of the Fifth Session of the Board of Directors	2021.7.12	Consideration and approval of: 1. "Proposal to change the registered capital of the Company and to amend the Articles of Association"; 2. "Proposal to use part of the idle proceeds for cash management Motion"; 3. "Proposal on the Adjustment of Senior Management".
Fifth session of the Board Twenty-first meeting	2021.8.16	Consideration and approval of: 1. "On the use of part of the idle funds to temporarily replenish the working capital The Motion for the Gold.
Twenty-second Meeting of the Fifth Session of the Board of Directors	2021.8.26	Consideration and adoption of: 1. the full text of the Company's half-yearly report for 2021 and its summary Proposal"; 2. "Special Report on the Deposit and Actual Use of Funds Raised in the Half Year of 2021"; 3. "Proposal on the Change of Accounting Policy"; 4. "Proposal on the Provision of Guarantees for Wholly-owned Subsidiaries"; 5. "Proposal on the Amendment of Relevant Articles of the Articles of Association"; 6. "Proposal on the Amendment of the Rules of Procedure of the General Meeting of Shareholders of Jiangsu General Technology Co. Ltd."; 7. "Proposal to amend the "Rules of Procedure of the Board of Directors of Jiangsu General Technology Co. Proposal to convene the Fifth Extraordinary General Meeting of Shareholders in 2021"; 9.
Twenty-third Meeting of the Fifth Session of the Board of Directors	2021.9.13	Consideration and approval of: 1. "Proposal on the signing of <Framework Agreement on the Acceptance of Financial Services> and Related Transactions with Hongdou Group Finance Co. Notice of the General Assembly".
Twenty-fourth Meeting of the Fifth Session of the Board of Directors	2021.9.24	Consideration and approval of: 1. "Proposal on the signing of <Framework Agreement on the Acceptance of Financial Services> and Related Transactions with Finance Company"; 2. "Proposal on the Cancellation of Proposal and Addition of Temporary Proposal at the Sixth Extraordinary General Meeting in 2021"; 3.

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		Proposal for the Adjournment of the Sixth Extraordinary General Meeting of 2021
Fifth session of the Board Twenty-fifth meeting	2021.9.29	To consider and approve: 1. The proposal on the disposal of the Company's assets
Fifth session of the Board Twenty-sixth meeting	2021.10.27	To consider and adopt: 1. The Company's Third Quarterly Report for 2021
Fifth session of the Board Twenty-seventh Meeting	2021.11.18	Consideration and approval of: 1. "Proposal on the provision of asset pledge by the Company for bank financing".
Twenty-eighth Meeting of the Fifth Session of the Board of Directors	2021.11.26	Consideration and adoption of: 1. "Proposal on the Adjustment of the Company's Cambodia Project"; 2. "Proposal on the Lease of Land Use Right of a Wholly-owned Subsidiary and Related Transaction"; 3. "Proposal on the Provision of Guarantees for a Wholly-owned Subsidiary"; 4. "Proposal on the Convening of the 2021 Proposal for the Seventh Extraordinary General Meeting of Shareholders.
Fifth session of the Board Twenty-ninth meeting	2021.12.8	Consideration and approval of: 1. Proposal to increase capital to a wholly-owned subsidiary
Fifth session of the Board Thirty meetings	2021.12.23	To consider and approve: 1. The proposal on the disposal of the Company's assets

## VI. Performance of duties by directors

### (i) Participation of Directors in the Board and general meetings

Name of Director	Independent Director or not	Participation in the Board of Directors						Participating Shareholders General Assembly
		Board attendance due this year Number of times	Number of personal appearances	Participate by correspondence Number of additions	Number of times attendance was delegated	Number of absences	Are there two consecutive occasions when you have not participated in person Plus meetings	Attendance at General Meetings Number
Gu Di	No	19	19	0	0	0	No	8
Gong Xindu	No	19	19	0	0	0	No	8
Wang Zhuqian	No	19	19	0	0	0	No	8
Cheng Jinyuan	No	19	19	0	0	0	No	8
Deng Yali	Yes	19	19	19	0	0	No	8
Xu Chunliang	Yes	19	19	18	0	0	No	8
Zhang Lei	Yes	19	19	19	0	0	No	8

Explanation of failure to attend two consecutive Board meetings in person

☐ applicable ☒ not applicable

Number of board meetings held during the year	19
Of which: number of on-site meetings	0
Number of meetings held by correspondence	0
Number of meetings held on-site in conjunction with communications	19

### (ii) Directors' dissenting views on matters relating to the Company

☐ applicable ☒ not applicable

### (iii) Others

☐ Applicable ☒ Not applicable

### vii. special committees under the board of directors

√Applicable □ Not applicable

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

Specialized Committee Categories	Name of member
Audit Committee	Ms. Wang Zhuqian, Mr. Xu Chunliang and Mr. Zhang Lei
Nomination Committee	Mr. Gu Zui, Ms. Deng Yali and Mr. Xu

**(2). The Audit Committee met 11 times during the reporting period**

Date	Operation and Appraisal Committee	Conference	Mr. Cheng Jinyuan, Mr. Zheng Le and Mr. Xu Chunliang	Important comments and suggestions	Other performance of duties
	Strategic Committee	cont	Mr. Gu Cui, Mr. Gong Xindu and Ms.		
2021.1.19	1. "About the controlling shareholder's application for a credit line from a bank for the company in 2021 Proposal for the Provision of Guarantees		Consideration and adoption	Deng Yali	/
2021.3.10	1. "Proposal on Estimated Daily Connected Transactions for the Year 2021"; 2. "Proposal on the Provision of Bank Credit to the Company's Dealers Proposal for the Provision of Guarantees"; 3.		Consideration and adoption		/

	Re-signing of <Framework Agreement on Acceptance of Financial Services> and Connected Transaction with Hongdou Group Finance Co. The Case.		
2021.4.26	1. Annual Report 2020 and Summary; 2. Report on the Evaluation of Internal Control for the Year 2020; 3. Report on the Financial Accounts for the Year 2020; 4. Special Report on the Deposit and Actual Use of Funds Raised for the Year 2020 of Jiangsu General Technology Company Limited; 5. Proposal on the Renewal of the Appointment of the Accounting Firm; 6. Report on the Performance of the Audit Committee of the Board of Directors for the Year 2020 7. "The Company's First Quarterly Report 2021 The Report.	Consideration and adoption	/
2021.6.30	1. "Application by the controlling shareholder for additional credit facilities from banks for the year 2021 the proposal to provide guarantees for the	Consideration and adoption	/
2021.8.26	1. The Company's Half Year Report 2021 and Summary of Motions	Consideration and adoption	/
2021.9.13	1. "Framework Agreement on Acceptance of Financial Services" and Connected Transaction with Hongdou Group Finance Co. The Motion	Consideration and adoption	/
2021.9.24	1. "Framework Agreement with Finance Company on the Acceptance of Financial Services Proposal on "Proposal for a connected transaction > and	Consideration and adoption	/

2021.9.29	1. "Proposal on the Disposal of the Company's Assets The Case	Consideration and adoption	/
2021.10.27	1. "The Company's Third Quarterly Report 2021 Motion to report	Consideration and adoption	/
2021.11.26	1. "About the lease of land by a wholly-owned subsidiary Proposal on Land Use Rights and Connected Transaction	Consideration and adoption	/
2021.12.23	1. "Proposal on the Disposal of the Company's Assets The Case	Consideration and adoption	/

**(3). The Nomination Committee met 2 times during the reporting period**

Date	Conference content	Important comments and suggestions	Other performance of duties
2021.7.12	1、Nominate Ms. Gu Yahong as Vice President of the Company General Manager	Consideration and adoption	/
2021.9.13	1、Nominate Mr. Zhang Gaolong as Deputy General Manager of the Company; 2、Nominate Ms. Jiang Jiehua For the Company's Chief Financial Officer	Consideration and adoption	/
2021.4.26	For the Company's Chief Financial Officer and senior management Staff remuneration	Directors' and Executives' Remuneration Standards Reasonable, fair and in accordance with the relevant	/

**(4). The Remuneration and Evaluation Committee met 2 times during the reporting period**

		The relevant regulations.	
2021.5.7	1. to consider the proposal on the Company's 2021 Restricted Share Incentive Scheme (Draft) and its Summary; 2. to consider the proposal on the Company's 2021 Restricted Share Incentive Scheme Implementation Assessment Management Measures; 3. Consider the "Company 2021 Restricted Share Incentive Scheme Incentive Target The List	Consideration and adoption	/

**(5). The Strategy Committee met 5 times during the reporting period**

Date	Conference content	Important comments and suggestions	Other performance of duties
2021.4.26	1. Consideration of the Company's Operations for 2020, 2021-2023 Strategic Plan and Business Plan 2021 The Motion	Consideration and adoption	/
2021.6.1	1. To consider the proposal to invest in the construction of a high performance radial tyre project in Cambodia The Case	Consideration and adoption	/
2021.6.30	1. Consideration of the Investment Proposal to invest in a project of 10.2 million high performance radial tyres; 2. The Case	Consideration and adoption	/
<b>(6). Details of the existence of objections</b> <input type="checkbox"/> Applicable <input type="checkbox"/> Not applicable			
2021.11.26	1. Consideration of the Company's Cambodia Project The Motion	Consideration and adoption	/
<b>VIII. Description of the risks identified by the Supervisory Board for the Company</b> <input type="checkbox"/> applicable <input type="checkbox"/> not applicable			
2021.12.8	1. "About to the wholly-owned sub Proposal for Capital Increase of the	Consideration and adoption	/



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

**ix. employees of the parent company and principal subsidiaries at the end of the reporting period**

**(i) Staff profile**

Number of active employees of the parent company	2,798
Number of active employees in principal subsidiaries	727

Total number of employees in service	3,525
Retired employees of the parent company and major subsidiaries who are required to bear the costs Number of people	--
Professional composition	
Professional composition categories	Number of professional composition
Production staff	2,500
Sales staff	314
Technical staff	353
Finance staff	69
Administrative staff	289
Total	3,525
Education level	
Educational attainment category	Number (persons)
Master and above	32
Undergraduate	370
Tertiary and below	3,123
Total	3,525

## (ii) Remuneration Policy

☒Applicable      ☐Not applicable

The aim of the company's remuneration system is to provide fair treatment and equal opportunities, to implement job-based pay and job matching, and to promote the company's

The development and growth of the company and its employees. Through the effective combination of remuneration and job value, employee performance, team performance and company development, we follow the principles of distribution according to work, priority of efficiency, fairness and sustainable development, in order to stimulate the enthusiasm of employees' work and give reasonable rewards and incentives for the work and performance they put in for the company. Remuneration is allocated on the basis of job value, competence and performance contribution.

## (iii) Training programmes

☒Applicable      ☐Not applicable

In order to continuously improve the business level and specialized job skills of the company's staff and meet the needs of the company's continuous development, the company is focused on playing

We have created a "first-class course system, first-class teacher team, first-class training format" combining internal courses with external training institutions, using a combination of knowledge lectures, on-site exercises, case sharing, knowledge competitions and other forms of training.

Internal courses mainly include various professional business training for personnel in various fields, including management skills and knowledge training for managers and professional skills and knowledge training for technical personnel, etc. External training institution courses mainly include external training to enhance the ability of outstanding employees and training for the improvement of management ability of senior management, etc.

The company has **set up the "Qianli Ma Business School"**, which provides an online learning platform for employees and combines it with offline training, formulates training plans and implements them according to the actual skill needs of each position, evaluates and tracks the training results, and establishes a training score card for each employee and establishes a complete training file.

**(iv) Outsourcing of labour services**

☐ applicable ✓/not applicable

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

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

☒ Applicable ☐ Not applicable

The Company has formulated a policy on profit distribution in its Articles of Association, specifying the principles of profit distribution, the order of distribution, the distribution of

The Company shall specify the priority of cash dividend distribution in the profit distribution in the form and conditions of distribution, decision-making procedures and adjustment mechanisms.

The Company's annual profit distribution in cash shall not be less than 10% of the profit available for distribution in that year. The Company's profit distribution shall be submitted to the general meeting of the Company for consideration and approval after consideration by the Board of Directors and shall be implemented.

During the reporting period, the Company's Board of Directors has held the fourteenth meeting of the fifth session on 26 April 2021 and the fourteenth meeting of the 2020 session on 18 May 2021.

The annual general meeting of shareholders approved the following profit distribution plan for 2020: the Company will distribute equity in the form of an equity distribution for 2020.

A cash dividend of RMB1.40 (including tax) for every 10 shares on the basis of the total share capital registered on the registration date, making a total cash dividend of 122,120,612.60 (including tax), which was executed.

### (ii) Special Note on Cash Dividend Policy

☒ Applicable ☐ Not applicable

whether it complies with the provisions of the Articles of Association or the resolution of the General Meeting of Shareholders	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the criteria and percentage of dividends are clear and unambiguous	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The adequacy of relevant decision-making procedures and mechanisms	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors are performing their duties and responsibilities and playing their proper role	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether small and medium shareholders have adequate opportunities to express their views and demands, and whether their legitimate rights and interests are adequately protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**(c) If the reporting period is profitable and the parent company has positive profit available for distribution to shareholders, but no cash profit distribution plan has been proposed, the company should disclose in detail the reasons and the use and plan for the use of the undistributed profit**

☐ applicable ☒ not applicable

## XI, Status of the Company's Share Incentive Scheme, Employee Share Ownership Scheme or other employee incentives and their impact (i) Where the relevant incentive matters have been disclosed in an interim announcement and there is no progress or change in the subsequent implementation

☒ Applicable ☐ Not applicable

Overview of the matter	Query Index
The Fifteenth Meeting of the Fifth Session of the Board of Directors, held on 12 May 2021 The Third Extraordinary General Meeting of 2021 considered and approved the <Proposal on the Restricted Share Incentive Plan for 2021 (Draft) and its Summary> "Proposal on the	For details, please refer to the "Jiangsu General Technology Company Limited" disclosed on the Shanghai Stock Exchange on 14 May 2021. Announcement of the Summary of the Draft Restricted Stock Incentive Plan of

Proposal for Granting Restricted Shares to Incentive Targets under the Share Incentive Scheme	Announcement" (Announcement No. 2021-046); "Jiangsu General Technology Co. Announcement of Grant of Interests under the Share Incentive Scheme (2021-047)
On 30 June 2021, the Company completed the registration of the grant of restricted shares under the Incentive Plan at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. Shares 4.52 million shares	For details, please refer to the Announcement of Grant Results of Jiangsu General Technology Company Limited 2021 Restricted Share Incentive Scheme" disclosed on the Shanghai Stock Exchange on 2 July 2021. Notice (Notice No. 2021-056)

**(ii) Incentives not disclosed in the interim announcement or with subsequent**

**progress Equity incentives**

☐ applicable ☒ not applicable

**Other notes**

☐ Applicable ☒ Not applicable

**Status of Employee Share Ownership Plan**

☐ Applicable ☒ Not applicable

**Other incentives**

☐ applicable ☒ not applicable

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

☐ applicable ☒ not applicable

☒ Applicable ☐ Not applicable

Unit:Unit

Name	Position	Number of restricted shares held at the beginning of the year quantity	Number of new restricted shares granted during the reporting period	Grant price of restricted shares (\$)	Unlocked shares	Unlocked shares	Number of restricted shares held at the end of the period	Market value at the end of the reporting period (\$)
Cheng Jinyuan	General Manager, Director matter	0	540,000	2.84	0	540,000	540,000	5.34
Gu Yahong	Deputy General Manager	0	480,000	2.84	0	480,000	480,000	5.34
Guo Shao	Deputy	0	340,000	2.84	0	340,000	340,000	5.34

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

☒Applicable      ☐Not applicable

In order to improve the corporate governance structure of the company, establish a scientific and standardized employment mechanism, strengthen the construction of the company's management and create a High-quality management team, the company's principle of employing management cadres: both virtue and talent, meritocracy. The company strictly follows the "Public

The procedures of the Judiciary and the Articles of Association of the Company and other laws and regulations are open and fair in the selection and appointment of senior management personnel. The Company's appraisal of senior management personnel mainly includes annual appraisal, tenure appraisal and appraisal of material matters. The Remuneration and Appraisal Committee has been established under the Board of Directors of the Company and corresponding implementation rules have been set up. Every year, the Company appraises senior management personnel through the annual duty appraisal meeting.

## **XII, Development and implementation of internal control system during the reporting period**

☒ Applicable ☐ Not applicable

During the reporting period, the Company has strictly complied with the laws and regulations of the CSRC, the Shanghai Stock Exchange and the Company Law and the Articles of Association of the Company, On the basis of the internal control management system established in accordance with the requirements of laws and regulations, the internal control system was continuously improved and refined, taking into account the industry situation and the actual business operation of the Company. 2021, the Board of Directors of the Company revised the Management System of Connected Transactions, the General Manager's Working Rules, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the General Meeting of Shareholders. During the reporting period, the Company optimized other operational and management control systems, such as the Quality Inspection Management Measures and the Safety Production Management Regulations, taking into account its own situation. No major or significant internal control deficiencies were identified during the reporting period, and the implementation of the system was good.

For details of the construction and implementation of the internal control system of the Company during the reporting period, please refer to the "Annual Internal Control Evaluation Report of the Company for 2021" disclosed by the Company on the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)) and designated media.

Explanation of material weaknesses in internal control during the reporting period

☐ applicable ☒ not applicable

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

☒ Applicable ☐ Not applicable

In accordance with the provisions of the Company Law, the Articles of Association and other relevant laws, regulations and rules, the Company has been able to develop its assets, business, strategy Control over subsidiaries is achieved in areas such as planning. The Company has implemented comprehensive management and control over subsidiaries in terms of important control points such as

organisational and personnel management, establishment of business objectives, major business decisions and financial reporting. At the same time, the Company also strengthened the internal management of its subsidiaries through its financial system, office OA system and other management system software to consolidate the management of its subsidiaries.

#### **XIV, Information note relating to the internal control audit report**

☒Applicable      ☐Not applicable

The Company's internal control auditor, Notary Public Tianye, has issued a standard unqualified internal control audit report for the Company. For details, please refer to

The Company's Internal Control Audit Report for the year 2021 disclosed in the designated information disclosure media on 28 April 2022. Whether to disclose the internal control audit report: Yes

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

#### **XV, Self-checking and rectification of problems in the special action on governance of listed companies**

According to the Announcement of the China Securities Regulatory Commission (CSRC) on the Special Action on Governance of Listed Companies (CSRC Announcement [2020] No. 69)

We requested the company to carry out a special action on governance of listed companies, carefully sort out the existing problems against the list of special self-examination on governance of listed companies, summarise the experience of corporate governance and complete the special self-examination work on time.

During the reporting period, the overall operation of the Company was standardised and its governance was good, and no major issues were identified during the self-inspection process. The Company will continue to implement the relevant spirit on further improving the quality of listed companies, continuously improve the level of corporate governance and further promote high-quality development.



## XVI. Other

☐ Applicable ☒ Not applicable

## Section 5 Environmental and Social Responsibility

### I. Environmental information situation

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

☒ Applicable ☐ Not applicable

#### 1. Discharge information

☒ Applicable ☐ Not applicable

The company is a key emission unit of Wuxi City, the main pollutants are exhaust gas and sewage, waste. The details of exhaust gas and

Category	Main pollutants	Discharge method	Number of outfalls	Outfall location	Implementation standard mg/m <sup>3</sup>	Actual emission concentration mg/m <sup>3</sup>	Pollutant emission standards	Excess emission situation	Construction and operation of anti-pollution facilities
Rubber refining waste gas	Particulate matter	Exhaust gas treated and discharged through a 35m high exhaust	14	Roof of the refinery	12	ND-8.3	Emission Standards for Pollutants in the Rubber Products Industry GB 27632-2011	None	Exhaust gas treatment facilities include: "three-stage filtration + rotor concentration + RTO" process; "photocatalysis + carbon fiber"; "activated carbon adsorption", facility operation The line is normal.
	Total non-methane hydrocarbons				10	1.08 - 3.8			
Calendering waste gas	Total non-methane hydrocarbons	Exhaust gas treated and discharged at a height of 15 metres	2	Roof of the calendering workshop	10	1.95 - 6.99	Emission Standards for Pollutants in the Rubber Products Industry GB 27632-2011		The exhaust gas treatment process includes: "activated carbon adsorption" process; "photocatalytic + activated carbon" process, the facilities are operating normally.
Sulphurized exhaust gas	Total non-methane hydrocarbons	Exhaust gas treated and discharged at a height of 15 metres	16	Vulcanisation workshop roof	10	1.18 - 9.24	Emission Standards for Pollutants in the Rubber Products Industry GB 27632-2011	None	The exhaust gas treatment process includes: "activated carbon adsorption" process; "photocatalytic + activated carbon" process, the facilities are operating normally.
	Hydrogen sulphide				0.33kg/h 97 / 401	Not detected	Emission Standards for Odour Pollutants GB 14554-1993		
Joint, pressing	Particulate matter	Exhaust gas treated	4	Jointing	12	ND-1.6	Emission Standards for Pollutants		The process is pulse bag de-dusting and

BOD5

80

12.5-31.1

The waste generated by our company in the production process is divided into general waste and hazardous waste. General wastes such as waste cord, waste steel cord fabric, waste capsules and waste tyres are sold out regularly for disposal. Hazardous waste, such as waste oil residue and waste activated carbon, is collected and stored in the hazardous waste store. The company signs a disposal contract with a qualified third party organisation and transfers them for disposal on a regular basis. Domestic waste is contacted to the local sanitation for unified treatment.

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

√Applicable ☐ Not applicable

During the reporting period, the Company's VOCs treatment facilities and bag filter facilities were all operating normally.

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

√Applicable ☐ Not applicable

The Company's 1.2 million sets of all-steel radial tyres project has completed the environmental impact assessment and is currently in progress, while the 6 million sets of semi-steel radial tyres project is in progress.

The project (Phase I) has completed acceptance and the remaining projects have completed environmental impact assessment and environmental completion acceptance. The Company has obtained the National Emission Permit (Certificate No. 913202007406744651002R; 913202007406744651001R)

## 4. Emergency response plan for environmental emergencies

√Applicable ☐ Not applicable

The Company has established an Emergency Response Plan for Environmental Emergencies and has filed it with the local Environmental Protection Bureau, filing no:

320205-2020-027-H, 320205-2020-028-H.

## 5. Environmental self-monitoring programme

√Applicable ☐ Not applicable

The company strictly observes and implements national and local government environmental protection laws, regulations and other relevant management regulations. The construction of the project is strictly Implementation of the environmental impact assessment system for construction projects, production and operation strictly comply with national and local laws and regulations on the prevention and control of various pollutants, ensure effective operation of pollution prevention and control facilities, and the discharge and reasonable disposal of various pollutants in

accordance with the standards.

The company signed a testing contract with a qualified third-party testing unit to regularly monitor the existing environmental management facilities and issue testing reports, and all pollutants meet the emission standards.

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

☐ applicable ☒ not applicable

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

☐ applicable ☒ not applicable

**(ii) Description of environmental protection of companies  
other than key emission units**

☒ Applicable ☐ Not applicable

**1. Administrative penalties for environmental issues**

☐ applicable ☒ not applicable

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

√Applicable ☐ Not applicable

At present, all new projects of General Rubber (Thailand) Co., Ltd. comply with the "three simultaneous" environmental protection of construction projects, and the company operates The company strictly complies with environmental protection laws and regulations and other requirements, and commissions qualified third-party testing units to conduct regular tests on the company's sewage and waste gas pollution, and all pollutants are discharged in accordance with the standards. A qualified third-party hazardous waste disposal agency has been commissioned to transfer and treat the company's hazardous waste in accordance with the law, in line with environmental protection requirements. The construction and operation of sewage and pollution prevention facilities and other measures comply with the emission standards of the Industrial Estate Authority of Thailand.

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

☐ applicable √not applicable

### **(iii) Information that is conducive to ecological protection, pollution prevention and fulfillment of environmental responsibility**

√Applicable ☐ Not applicable

The company added 3 sets of "photocatalytic+activated carbon" treatment facilities in the inner tube factory to treat the press-out and vulcanization waste gas to meet the standard and then discharge.

The testing centre added 2 sets of secondary activated carbon treatment facilities to dispose of the testing waste gas to meet the standards and then discharged, and the new material workshop of the whole steel plant

Add 3 sets of "secondary activated carbon" treatment facilities to treat the calendering waste gas to meet the standard and then discharge. The exhaust gas from the storage tanks will be treated to meet the standards and then discharged.

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

√Applicable ☐ Not applicable

The company actively practices the development concept of "low-carbon economy, green manufacturing, intelligent manufacturing" and is founded around energy saving, emission reduction and low-carbon.

We have set up a carbon neutral promotion team to carry out policy and pathway studies and adopt energy saving and emission reduction measures in plant construction, equipment operation and maintenance, production and manufacturing systems, process technology and product design. For example, we have promoted the use of energy-saving lighting systems in the manufacturing system, adopted pipeline insulation measures for sulphurisation production, avoided peaks and valleys and other electricity consumption management measures, and

carried out technical modifications to some key energy-using equipment, resulting in certain energy-saving benefits.

The company's distributed photovoltaic power generation project on the roof of the whole steel plant has been put into use, with an annual power generation capacity of about 3.5 million Kwh, reducing carbon emissions; the sulphurization power station uses steam condensate reuse and adds recycled water to make up water, saving 102,000 tons of water per year. At the same time, the company has promoted the concept of green office through the "Energy Saving, Start with Me" campaign, enhanced the automation of office processes and video conferencing system, urged all staff to turn off lights when people leave, improved office efficiency and eliminated energy wastage.

The company's semi-steel tyre "black light workshop" is operating steadily, actively deploying the construction of all-steel 5G carbon cloud intelligent factory, and continuously increasing the research and development and promotion of green products, such as the Qianlima rubber tyre, the Qianlima V1 new energy tyre and the Qianlima anti-puncture tyre, which are committed to achieving green, low-carbon and sustainable development and bringing consumers a more cost-effective experience. We are committed to achieving green, low-carbon and sustainable development, bringing consumers a more cost-effective experience.

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

☒Applicable      ☐Not applicable

The company actively fulfills its social responsibility, advocates the core values of "integrity, gratitude, innovation and excellence", and will provide users with Quality products and services, a broad platform for staff development, and honest and law-abiding operation are the core elements of corporate social responsibility, and we actively participate in environmental protection and social welfare to achieve the common development of shareholders, employees, customers, suppliers and society.

## **1. Shareholder and investor protection**

The Company continues to improve its corporate governance structure and internal control system, standardize its operations, earnestly fulfill its obligations on information disclosure, and disclose information in a timely, accurate and complete manner in strict accordance with regulatory requirements, so as to effectively protect the legitimate rights and interests of all shareholders. At the same time, the Company has established diversified investor communication channels and maintained good communication with investors through receiving investor surveys, telephone exchanges and SSE e-interactions. Taking into account the sustainable development of the Company, the Company actively implements the cash dividend policy and insists on sharing the operating results of the Company with its shareholders.

## **2. Employee Rights Protection**

The company adheres to the "people-oriented" management philosophy, constructs harmonious labour relations, implements the "China-Thailand family" culture in the Thailand factory, and effectively protects the rights and interests of employees. We pay attention to the training of talents and the construction of professional ladder, care for the occupational health and development of employees, carry out tiered and classified training, and establish a mechanism linked to career development and job qualifications to stimulate the endogenous motivation of staff training, so as to achieve the value-added of human resources and business development of the company. At the same time, we continue to improve the welfare of our staff, widely carry out a series of staff activities such as sending coolers, health check-ups, volunteer services and QC improvement, and actively participate in public welfare undertakings by setting up scholarships for students, motivating the advanced, and making donations for employees to achieve harmonious interaction with society.

## **3. Protection of suppliers, customers and consumers' rights**

Based on the principles of honest, fair, transparent and law-abiding transactions, the company has maintained good cooperative relationships with suppliers and customers, signed an agreement with suppliers to prohibit commercial bribery, signed an agreement on integrity and self-discipline within the company and with externally associated positions to regulate and restrain personal behavior, deepened technological innovation and service enhancement, and continued to carry out "Tanabata Care Driver The company has continued to carry out activities such as "July Eve Care for Drivers", "Night of a Thousand Miles" and "Sending Warmth in Winter" to win the recognition and trust of customers and pursue a harmonious win-win situation with suppliers, customers and other related parties.

The company adheres to the mission of "making every tyre a fine product" and

**implements** the "quality veto system" **in the** whole production process. The company continues to improve product quality and service and enhance customer satisfaction in accordance with the requirements of IATF16949 quality management system, ISO9001 quality management system, ISO14001 environmental management system and ISO18000 occupational health management system.

#### **4. Environmental protection and energy saving**

The company adheres to the concept of green and low-carbon development, builds and perfects the green manufacturing system, increases investment in environmental protection, continues to promote environmental protection treatment and upgrading projects, accelerates the application of advanced energy-saving and emission reduction new technologies, new materials, new processes and new products, and comprehensively improves the modernization level of process equipment. Effectively ensure the normal operation of environmental protection facilities in production and effectively reduce environmental risks. By strengthening environmental protection publicity and education, we raise the environmental protection awareness of all staff, improve the level of environmental protection management, and discharge pollutants up to standard, and are a green factory in Jiangsu Province. At the same time, we actively respond to the national new energy development strategy, continue to promote the development and promotion of green tyres, build a 5G carbon cloud intelligent factory, promote the upstream and downstream industry chain synergy, to help the country achieve "carbon peak, carbon neutral" **to** contribute to the force.

#### **5. Safe production**

Safety production is an effective guarantee for the normal operation of business activities. The company adheres to the concept of "safety first, prevention first" and puts safety production in the first place, and is a secondary safety standardised enterprise.

The company has built a characteristic "013" safety management model, i.e. "0" accidents, "1" set of safety production standardization system, "3" The company has built the characteristic "013" safety management model, namely "0 accidents, 1 set of standardized safety production system." mechanisms: risk control mechanism, hidden danger investigation mechanism, emergency management mechanism, promoting basic management, grassroots management construction as the main line, standardizing management behavior, standardizing operation behavior, implementing standardization of safety quality, refinement of safety management and humanization of safety behavior. Through

The company has carried out solid safety training, continued to promote hidden danger investigation, emergency drills, double prevention system construction and safety theme month, implemented seven levels of inspection, **deepened the "one hand"** responsibility system, promoted the company's production safety work unrelentingly and effectively, and formed a safety management culture with the same desire.

**III. Consolidation and expansion of the results of poverty alleviation and rural revitalization and other specific work**

☐ applicable ☒ not applicable



## Section 6 Important Matters

### I. Implementation of commitments

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

√Applicable □ Not applicable

Commitment Background	Type of commitment	Committed Parties	Commitment content	Time and duration of commitment	Whether there is a deadline for performance	Is it performed in a timely and rigorous manner	Failure to comply in a timely manner should result in a statement of incomplete compliance Specific reasons	Failure to comply in a timely manner should indicate the next Step-by-Step Plan
Undertakings made in the acquisition report or the report on changes in interests	Restrictions on the sale of shares	Anqing Tongan Industry Investment Fund (Limited Partnership)	The shares subscribed by him/her in the General Public Offering will not be transferred within 6 months from the closing date of the Offering. From the date of closing of the Private Offering to the date of release of the shares, the shares acquired as a result of bonus issue or capital increase shall also comply with the aforesaid agreed arrangements in respect of the shares subscribed by them in the Private Offering. The shares shall be subject to lock-up in accordance with the laws and regulations and the relevant regulations of the CSRC and the SSE in respect of the subscribed shares in the current non-public offering. Upon the expiry of the lock-up period, when the shares of General Public Shares acquired as a result of this non-public offering are reduced after the expiry	June 2021 From 21 to 2021 12 Ends 20 October	Yes	Yes	Not applicable	Not applicable

			(3) The Company undertakes that it will not support in any form a third party other than General Share and General Share's subsidiaries to engage in a business that constitutes competition with the business of General Share and General Share's subsidiaries (4) If there is any breach of the above undertaking by the Company or other enterprises or organizations controlled by the Company that results in damage to General Share's rights and interests, the Company will bear the corresponding compensation in accordance with the law. (4) In the event that the rights and interests of General Share are damaged as a result of any breach of the above undertaking by the Company or other enterprises or organizations controlled by the Company, the Company will bear the corresponding compensation in accordance with the law. Responsibility.					
Addressing competition in the same industry	The controlling shareholder, Hongdou Group, the shareholder, Hongdou International Investment and	The existing and future connected transactions between the <b>Company/underwriter</b> and the companies, branches, joint ventures or associates and any other types of enterprises controlled by the Company/underwriter and Jiangsu General Technology Company Limited are fair and conducted in accordance with the normal code of business conduct. The <b>Company/Committer undertakes to</b> continue to regulate and gradually reduce its connected transactions with Jiangsu General Technology Company Limited and its subsidiaries, branches, joint ventures or associates. The <b>Company/Committer</b> warrants that the Company/Committer and the companies, branches, joint venture or associated companies controlled by the Company/Committer and any other types of enterprises will not interfere with the operation of Jiangsu General Technology	2013 5 6 June, permanent	No	Yes	Not applicable	Not applicable	

		the de facto controller	Company Limited to the detriment of its interests by, for example, monopolising procurement and sales business channels. The activities of connected transactions shall follow commercial principles, and the prices of connected transactions shall, in principle, not deviate from the prices or charges of independent third parties in the market. As the controlling shareholder/actual controller of Jiangsu General Technology Company Limited, the Company/undertaker undertakes to comply with the provisions of laws and regulations and the Articles of Association of Jiangsu General Technology Company Limited when considering connected transactions involving the Company, and to effectively comply with the provisions of the Articles of Association of Jiangsu General Technology Company Limited at the board of directors' meetings and shareholders' meetings. Procedures for recusal when voting on connected transactions.					
Commitments relating to refinancing	Other	Hongdou Group Finance Limited	On 26 July 2018, Hongdou Group Finance Company Limited made an undertaking on the safety of the listed company's funds: 1. The Company will ensure the safety of General Share's funds in the Company and will not occupy or disguise the funds of General Share; 2. The Company does not engage in financial business in violation of the law, nor is there any suspension/termination of business by the competent authorities, penalties or any other circumstances and risks that affect the continuity and The Company will provide savings and loan services to General Share in a lawful and compliant manner and cooperate with General Share in fulfilling the relevant decision-making procedures and information disclosure obligations to ensure that General Share's deposits and loans with the Company are in compliance with the relevant provisions of the laws and regulations; if General Share is not able to make any payment due to this If the Company suffers losses as a result of the illegal and	July 2018 26 days, permanent	No	Yes	Not applicable	Not applicable

			unlawful appropriation of funds from the General Stock, the Company will take					
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			The cash is fully compensated.					
	Other	Hongdou Group Limited and the de facto controller	<p>Commitment on the safety of funds of Jiangsu General Technology Co. 1. The Company/Myself and other enterprises controlled or actually controlled by the Company/Myself will safeguard the safety of funds of Jiangsu General Technology Co, There is no irregularity in the financial business of Hongdou Finance Company, nor is there any suspension/termination of business by the competent authorities, penalties or any other circumstances or risks affecting the continuity and safety of the business of Hongdou Finance Company; Hongdou Finance Company will provide savings and loan services to General Share in a lawful and compliant manner and cooperate with General Share in fulfilling the relevant decision-making procedures and information disclosure obligations.</p> <p><b>The Company/I will ensure that the deposits and loans made by the Company/I and other enterprises under the control of the Company/I will fully compensate the Company/I in cash if the Company/I or other enterprises under the control of the Company/I use the Company/I to illegally occupy the funds of the Company/I in accordance with the relevant laws and regulations. 3. 3. The Company/I and other enterprises under my control guarantee that they will not directly or indirectly occupy the funds of the general shares by any other means to ensure the safety of the funds of the general shares, and if the Company/I or other enterprises under my control suffer losses due to the illegal occupation of the funds of the general shares by the Company/I or other enterprises under my control, the Company/I will fully compensate them in cash. 4. The Company/I guarantee that To strictly comply with the provisions of the relevant regulations of the China Securities</b></p>	July 2018 26 days, permanent	No	Yes	Not applicable	Not applicable

		Regulatory Commission, the Shanghai Stock Exchange and the Articles of Association of General Motors Corporation and other company management systems, to exercise shareholders' rights and fulfill shareholders' obligations on an equal footing with other shareholders of General Motors Corporation, not to take advantage of the position of controlling <b>shareholder/actual</b> controller to obtain improper benefits, and not to harm the legitimate rights and interests of General Motors Corporation and other shareholders of General Motors Corporation. The above undertakings shall remain valid and effective for as long as the Company/I have control over or can exercise significant influence over the General Share. It cannot be changed or withdrawn.					
Other	All directors and senior management	According to the Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (Guo Fa [2014] No. 17), the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Lawful Rights and Interests of Small and Medium-sized Investors in the Capital Market (Guo Ban Fa [2013] No. 110) and the China Securities Regulatory Commission	5 2018 30 June, permanent	No	Yes	Not applicable	Not applicable

			(hereinafter referred to as "CSRC") Matters relating to dilutive immediate returns on initial public offerings and refinancing and major asset reorganizations					
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			<p>In order to protect the right to information of small and medium-sized investors and safeguard the interests of small and medium-sized investors, all directors and senior management of Jiangsu General Technology Company Limited (hereinafter referred to as "General" and "the Company") undertake to take the following measures to fill the diluted immediate returns of the non-public offering of shares in 2018: 1. The directors and senior management of Jiangsu General Technology Company Limited (hereinafter referred to as "General" and "the Company") undertake to take the following measures to fill the diluted immediate return from the non-public offering of shares in 2018: 1. undertake not to transfer benefits to other units or individuals without compensation or on unfair terms, or use other means to harm the interests of the Company. 2. undertake to restrain the directors and senior management from spending on their duties. 3. undertake not to use the Company's assets to engage in investment or consumption activities unrelated to the performance of their duties. 4. Undertake to link the remuneration system formulated by the Board of Directors or the Remuneration Committee to the implementation of the Company's measures to fill returns. 5. Undertake to link the exercise conditions of the Company's share incentive to the implementation of the Company's measures to fill returns, to be announced. As one of the subjects responsible for the measures to fill the return, if I violate the above undertaking or refuse to fulfill the above undertaking, I agree that the China Securities Regulatory Commission and the Shanghai Stock Exchange and other securities regulatory authorities shall impose relevant penalties or take relevant supervisory measures against me in accordance with the relevant regulations and rules formulated or issued by them.</p> <p>Control measures.</p>					
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Other	Hongd ou Group Limite d and the de facto controll er	Measures to avoid non-operating related party fund transactions The Company, as the controlling shareholder of Jiangsu General Technology Company Limited (hereinafter referred to as "General" and "the Company"), hereby makes the following undertakings 1. As at the date of this letter of undertaking, the Company and other enterprises controlled by the Company have not occupied the Company's funds, assets and other resources by entrusting management, borrowing, paying debts on behalf of the Company, advancing money on behalf of the Company, appropriating bills or in any other manner. 2. The Company will strictly comply with, and cause other enterprises under its control to strictly comply with, the provisions of relevant laws and regulations and the Articles of Association of Jiangsu General Technology Company Limited and other systems, and will refrain from appropriating the Company's funds, assets and other resources in any manner, including but not limited to the following acts: 1. The Company and its related parties shall not require General shares to advance their salaries, benefits, insurance, advertising and other period expenses, nor shall they 2. The Company and its related parties will not request and will not cause General Share to provide funds to the Company and its related parties directly or indirectly through: (1) lending General Technology's funds to the Company and its related parties with or without compensation; (2) providing entrusted loans to the Company and its related parties through banks or non-bank financial institutions; (3) entrusting the Company and its related parties with (3) entrusting the Company and its related parties to carry out investment activities (4) issuing commercial acceptances for the Company and related parties without a genuine transaction background	2018 5 30 June, permanent	No	Yes	Not applicable	Not applicabl e
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			<p>(5) Repayment of debts on behalf of the Company and the related parties. 3. The Company and the related parties shall not require General Share to provide any guarantee to them in violation of relevant laws and regulations and the Articles of Association of Jiangsu General Technology Co. 4. This letter of undertaking shall take effect from the date of issuance and shall remain valid throughout the period during which the Company is the controlling shareholder of General Share. The Company undertakes that the above information and statements regarding the Company are true, accurate and complete and do not contain false records, misleading statements or material omissions; this letter of undertaking, once signed, shall constitute an irrevocable legal obligation of the Company. In the event of any breach of the above undertaking by the Company and other enterprises controlled by the Company, the Company or the Company shall not be liable for any loss or damage arising from the breach. The Company will assume all legal liability for any damage to the rights and interests of other shareholders of the Company.</p>					
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Addressing competition in the same industry	Hongdou Group Limited and the de facto controller	<p>The Company, as Jiangsu General Stock Co.</p> <p>1. The Company and other companies and enterprises controlled by the Company are not currently engaged, directly or indirectly, in any business activity that constitutes competition with the business engaged in by General Motors or its subsidiaries (including businesses directly or indirectly controlled by the Company, hereinafter referred to as <b>"Subsidiaries"</b>). The Company and other companies and enterprises controlled by the Company are not currently engaged, directly or indirectly, in any business activity that constitutes competition with the business engaged in by GSL or its subsidiaries (including businesses directly or indirectly controlled by the Company, hereinafter referred to as <b>"subsidiaries"</b>).</p> <p>2. In the event that the products manufactured or businesses engaged in by the Company's wholly-owned, controlled or participating enterprises (other than General Motors and its controlled subsidiaries) compete or may compete with General Motors or its subsidiaries in the future, the Company shall, upon request by General Motors, provide the following information</p> <p>The Company undertakes that, upon request by GSL, GSL shall have the right to take measures permitted by the SFC to resolve the competition in accordance with its own wishes and its own actual circumstances, including but not limited to: transferring all of the Company's capital contribution or shares, interests or assets in the above-mentioned enterprises to GSL or unrelated third parties. The Company will do its utmost to ensure that the price of the relevant transaction is fair.</p> <p>3. The Company undertakes not to support in any way third parties other than General Public Company Limited and General Public Company Limited's subsidiaries to engage in business that competes with the business of General Public Company Limited and General Public Company Limited's subsidiaries, and not to provide services to the industry.</p>	2018 530 June, permanent	No	Yes	Not applicable	Not applicable
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			The business is not related to the products manufactured by or the activities of General Motors and General Motors' subsidiaries.						
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			4. In the event of any damage to the rights and interests of General shares as a result of a breach of the above commitments by the Company or other enterprises or organizations controlled by the Company, the Company will bear the corresponding compensation in accordance with the law Responsibility."					
	Other	Company	1. The Company undertakes not to make any new investment in Hongdou Group Finance Limited within 36 months of the availability of the proceeds or before the use of the proceeds is completed, including but not limited to capital increase, loans, guarantees and other forms of capital investment. 2. The Company will strictly comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures for the Administration of Securities Issuance by Listed Companies, Guideline No. 2 for the Supervision of Listed Companies -Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies and other laws and regulations, as well as the provisions of the Articles of Association of the Company and the internal control system such as the Management System of Funds Raised by Jiangsu General Technology Co. The Company will not use the proceeds directly or indirectly by changing the investment projects of the proceeds. The Company has made financial investments or financial-like investments.	2020 12 Within 36 months of the availability of the proceeds on 8 June or before the proceeds have been used	Yes	Yes	Not applicable	Not applicable

	Other	Hongd ou Group	<p>1. The Company pledged the shares of General Motors to the pledgee for legitimate financing and guarantee needs and did not use the funds pledged for illegal purposes; the Company undertakes that the Company and its relevant subsidiaries will use the funds pledged in accordance with the relevant pledge agreement in a lawful, compliant and reasonable manner to reduce the risk of using the funds. 2. 3. As at the date of this commitment letter, the Company's financial and credit status is good and there are no non-performing or defaulting loans, and there are no large debts due and unpaid and no non-fulfillment of court judgments. 4. The Company undertakes to plan its financing arrangements reasonably and keep the pledge ratio of its shares at a reasonable level, and will actively pay attention to the trend of the secondary market, make timely early warning efforts and flexibly mobilise the overall financing arrangements. In the event that the pledgee exercises its pledge right, the Company, as a result of the exercise of the pledge, will be able to repay the pledged amount on time.</p> <p>In the event that the status of the controlling shareholder of the shares is affected, the Company will actively cooperate with the pledgee</p>	2020 12 8 August, permanent	No	Yes	Not applicable	Not applicabl e
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			negotiate and take various measures (including, but not limited to, supplementary pledges, early repurchase, additional margin or supplementary collateral, early repayment of financing amounts, etc.) to prevent the exercise of the pledge rights over the shares of General Motors held by the Company and to safeguard the controlling shareholder of the Company Stability of status.					
	Other	Actual controller	(hereinafter referred to as <b>"Hongdou Group"</b> ) has pledged the shares of General Motors to the pledgee for legitimate financing and guarantee needs, and has not used the funds pledged for illegal purposes; Hongdou Group and its relevant subsidiaries have used the funds pledged in accordance with the relevant pledge agreement in a lawful, compliant and reasonable manner. 2. As at the date of this commitment letter, the pledged financing and guarantees made on the shares of General Motors held by the Hongdou Group have not been subject to any risk control measures relating to the price of the shares of General Motors, such as the warning line, the closing line and the disposal line, etc. The financing and guarantees involved in the pledged shares have been properly performed and there is no overdue repayment of principal and interest or other default situations. 3. 4. I will urge the Red Bean Group to plan its financing arrangements reasonably and keep the pledged shares to a reasonable level. 5. I will actively monitor the trend of the secondary market, and in the event that the exercise of pledge rights by the pledgee results in the control of <b>me/Redou Group</b> being affected, <b>I/ Redou Group</b> will actively negotiate with the pledgee and take various measures (including but not limited to supplementary pledge, early repurchase, additional margin or supplementary collateral,	2020 12 8 August, permanent	No	Yes	Not applicable	Not applicable

			early repayment of the financing amount). (including but not limited to additional pledge, early repurchase, additional security or additional collateral, early repayment of financing, etc.) to prevent the exercise of the pledge right of the shares held by Hongdou Group in order to safeguard <b>my/Chongdou Group's</b> actual Stability of controller/controller shareholder position.					
Commitments relating to equity incentives	Other	Company	In the 2021 Restricted Share Incentive Plan, the Company undertakes: 1. not to provide loans and any other forms of financial assistance for the incentive recipients to acquire the relevant restricted shares under this Incentive Plan, including providing guarantees for their loans. 2. this Incentive Plan and its summary do not contain false records, misleading statements or material omissions, and to assume individual and joint legal responsibility for its truthfulness, accuracy and completeness.	May 2021 14 days, permanent	No	Yes	Not applicable	Not applicable



Other commitment s	Other	The controllin g share holder , Hongdou Group and its concert parties and certain directors Supervis or	Not to reduce its shareholding in the Company during the implementation of the Share Increase Plan and within the statutory period.	June 2021 4 days during the implement ation of the Share Increase Plan	Yes	Yes	Not applicable	Not applicabl e
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**(ii) Where a profit forecast exists for the company's assets or projects and the reporting period is still in the profit forecast period, the company provides an explanation as to whether the assets or projects have met the original profit forecast and the reasons for this**

☐ Achieved ☐ Not achieved ☒ Not applicable

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

☐ applicable ☒ not applicable

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

☐ Applicable

√Not applicable

**III. Non-compliance with guarantees**

☐ applicable √not applicable

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

☐ applicable ☒ not applicable

#### V. Explanation of the Company's analysis of the causes and effects of changes in accounting policies, accounting estimates or corrections of significant accounting errors

##### (i) Explanation of the Company's analysis of the reasons for and effects of changes in accounting policies and accounting estimates

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

##### (iii) Communication with the previous accounting firm

☐ Applicable ☒ Not applicable

##### (iv) Other notes

☐ Applicable ☒ Not applicable

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

Unit: Yuan Currency: RMB		
	Currently employed	
Name of Domestic Accounting Firm	notary tianye accounting firm (special general partnership)	
Remuneration of domestic accounting firms	600,000	
Number of years of audit experience with a domestic accounting firm	Name	Com pens ation
		13 years
Internal control audit accounting firm	notary tianye accounting firm (special) (General Partnership)	238,000
Sponsors	Huaying Securities Company Limited	---

Information note on the appointment and dismissal of accounting firms

☒ Applicable ☐ Not applicable

At the 14th meeting of the 5th session of the Board of Directors of the Company, it was agreed that the Company should continue to engage the services of the firm of Certified Public Accountants (Special Ordinary Partnership).

(Partnership) as the Company's financial auditor and internal control auditor for the year 2021, which was considered and approved by the Company at the 2020 Annual General Meeting.

☐ applicable  
☒ not applicable

Information note on the change of accounting firm during the audit

☐Applicable    ☒Not applicable

**VII. Situations exposed to the risk of delisting**

**(i) Causes of the delisting risk warning**

☐Applicable    ☒Not applicable

**(ii) Measures to be taken by the Company in response**

☐ applicable    ☒not applicable

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

☐ applicable  
☒not applicable

**VIII. Matters relating to reorganisation in bankruptcy**

☐ applicable ☒ not applicable

**ix. significant litigation and arbitration matters**

☐ The Company has significant litigation and arbitration matters during the year ☒ The Company has no significant litigation and arbitration matters during the year

**X. Suspected violations of law, penalties and rectification by listed companies, their directors, supervisors, senior management, controlling shareholders and actual controllers**

☐ applicable ☒ not applicable

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

☐ Applicable ☒ Not applicable

**xii. significant connected transactions**

**(i) Connected transactions related to ordinary operations**

**1. Matters that have been disclosed in the interim announcement and where there is no progress or change in subsequent implementation**

☐ applicable ☒ not applicable

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

☒ Applicable ☐ Not applicable

(1) The Thirteenth Meeting of the Fifth Session of the Board of Directors and the Second Extraordinary General Meeting of 2021 have considered and approved the "Report on the Projected 2021

The proposal of the "Proposal of daily connected transactions for the year 2021" is expected to amount to RMB281.5 million, and as at the end of the reporting period, the actual amount incurred was RMB217,950,000. Details of the Company's transactions with related parties are set out in Section XII(5) Related Transactions.

(2) The Twelfth Meeting of the Fifth Session of the Board of Directors and the First Extraordinary General Meeting of 2021 have considered and approved the Proposal to provide guarantee for the Company's application for credit line from banks in 2021", the Company intends to apply for credit line from banks and other financial institutions in 2021. The total amount of credit facilities requested shall not exceed RMB380,000,000 and the controlling shareholder, Hongdou Group Limited, shall provide guarantee as required. Tenth Session of the Fifth Board of Directors

☐ applicable  
☒ not applicable

At the Ninth Meeting and the Fourth Extraordinary General Meeting of 2021, the Company considered and approved the "Application to the Bank by the Controlling Shareholder for the Year 2021

Proposal to increase the credit line to provide guarantee", the company intends to apply to banks and other financial institutions to increase the credit line in 2021 by no more than RMB300,000,000, guaranteed by the controlling shareholder, Hongdou Group Limited, on an as-needed basis.

As at the end of the reporting period, the Hongdou Group had provided guarantees for the Company in the amount of RMB3,653,309,900,000 on demand.

(3) The Twenty-fourth Meeting of the Fifth Session of the Board of Directors and the Sixth Extraordinary General Meeting of 2021 considered and approved the "Proposal on Signing a <Framework Agreement on Acceptance of Financial Services> and Related Transactions with Finance Company", the amount incurred as at the end of the reporting period is detailed in XII (v) Financial operations between the Company and finance companies with which it has an affiliated relationship, and between the Company's controlling finance companies and related parties.

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

☐ applicable ☒ not applicable

#### **(ii) Connected transactions arising from the acquisition or disposal of assets or equity interests**

##### **1. Matters that have been disclosed in the interim announcement and where there is no progress or change in subsequent implementation**

☐ applicable  
☒ not applicable

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

☐Applicable ☒Not applicable

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

☐ applicable ☒not applicable

**4. Where a performance agreement is involved, the performance achieved during the reporting period should be disclosed**

☐Applicable ☒Not applicable

**(iii) Significant connected transactions for joint external investments**

**1. Matters that have been disclosed in the interim announcement and where there is no progress or change in subsequent implementation**

☐ applicable ☒not applicable

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

☐Applicable ☒Not applicable

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

☐ applicable ☒not applicable

**(iv) Related debt transactions**

**1. Matters that have been disclosed in the interim announcement and where there is no progress or change in subsequent implementation**

☐ applicable ☒not applicable

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

☐Applicable ☒Not applicable

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

☐ applicable ☒not applicable

**(v) Financial business between the Company and finance companies with which it has an affiliated relationship, and between the Company's controlling finance companies and related parties**

☐ applicable ☐ not applicable

**1. Deposit Operations**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

R el at e d p ar	Off U nit ed N ati on	Maximum daily deposit limit	Deposi t Rate Range	Opening balance	Incurred during the period		Closing balance
					Total amount deposited during the period	Total amount taken out during the period	
				73 / 401			



C o m p a n y	A s s o c i a t e d E n t e r p r i s e s i n d u s t r y						
H o p C o u n t i n g	/	/	/	175,675,87 5.84	34,117,789,1 27.72	33,829,389,2 30.59	464,075,77 2.97

## 2. Loan

### Operations

Unit: Yuan Currency: RMB

√Applicable <input type="checkbox"/> Not applicable	Off U n i t e d N a t i o n s D e p a r t m e n t	Loan amount	Loan interes t rate range	Opening balance	Incurred during the period		Closing balance
					Total loan amount for the period	Total repayme nt amount for the period	
H o n o u G r u p F i n a n c e L i m i t e	Sa me con tr o l l i n g s h a r e h o l d e r , C r e d i t b u s i n e s s o r a s s o c i a t e d f i n a n c i a l b u s i n e s s o f t h e C o m p a n y i n d u s t r y	900,000,000 .00	3.85% - 4.3 5%	54,000,000 .00	260,000,000 .00	284,000,000 .00  applicable	30,000,000 .00

Related parties	Affiliations	Type of business	Total amount	Actual amount incurred
Finance of the Reddish Group Limited	Same controlling shareholder, public Divisional Affiliates	Electronic Banker's Acceptances	329,938,321.70	329,938,321.70

**4. Other notes**

☐ applicable ☒ not applicable

**(vi) Others**

☐ Applicable ☒ Not applicable

**Significant contracts and their performance (i)**  
**Trusteeship, contracting and leasing matters 1.**

☐ applicable ☒ not applicable

**2. Contracting status**

☐ applicable ✓/not applicable

**3. Leasing situation**

☐ applicable ✓/not applicable

(ii) Guarantees

√Applicable □ Not applicable

Unit: RMB 10,000

Currency: RMB

Company's external guarantees (excluding guarantees to subsidiaries)														
Guarantors	Guarantors and listed companies Relationships	Secured party	Amount of guarantee	Date of occurrence of the guarantee (date of signing the agreement)	Guarantee start date	Guarantee maturity date	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount overdue on guarantees	Counter-guarantees	Whether guarantee for related parties	Affiliations
Jiangsu General Technology Co. Limited company	Company Headquarters	Sichuan Louis Tyre Co. YAM Company	1,000.00	2021.11.19	2021.11.22	2022.4.21	Joint and several liability guarantee	None	Yes	No		Yes	No	
Jiangsu General Technology Co. Limited company	Company Headquarters	Sichuan Xinshu tong Tyre Co. Company	800.00	2021.09.01	2021.9.2	2022.3.1	Joint and several liability guarantee	None	Yes	No		Yes	No	
Jiangsu General Technology Co. Limited company	Company Headquarters	Hunan Kairen Technology	450.00	2021.11.1	2021.11.2	2022.4.29	Joint and several liability guarantee	None	No	No		Yes	No	

Total guarantees (A+B)	81,881.20
Total guarantees as a percentage of net assets of the company (%)	19.13
Of which:	
Amount of guarantees provided to shareholders, beneficial owners and their related parties (C)	--
Debt guarantees provided directly or indirectly for the benefit of a guaranteed entity with a gearing ratio exceeding 70% Amount (D)	800.00
Amount by which total guarantees exceed 50% of net assets (E)	--
Total amount of the above three guarantees (C+D+E)	800.00
Statement of possible joint and several liability for unexpired guarantees	--
Description of the guarantee	--

**(iii) Delegation of cash asset management**

**1. Entrusted financial management**

**(1) Overall entrusted wealth management**

☐Applicable  
☒Not applicable

**Other  
circumstances**

☐Applicable      ☒Not applicable

**(2) Individual entrustment status**

☐Applicable  
☒Not applicable

**Other  
circumstances**

☐Applicable      ☒Not applicable

**(3) Provision for impairment of entrusted properties**

☐Applicable      ☒Not applicable

**2. Commissioned loans**

**(1) Commissioned loans overall**

☐Applicable  
☒Not applicable

**Other  
circumstances**

☐Applicable      ☒Not applicable

**(2) Single entrusted loan situation**

☐Applicable  
☒Not applicable

**Other  
circumstances**

☐Applicable      ☒Not applicable

**(3) Provision for impairment of entrusted loans**

☐Applicable      ☒Not applicable

**3. Other situations**

☐Applicable      ☒Not applicable

**(iv) Other significant contracts**

☐Applicable      ☒Not applicable

**XIV. Description of other significant matters that have a significant impact on investors' value judgments and investment decisions**

√Applicable ☐ Not applicable

In December 2021, the construction of the high performance radial tyre project in Thailand was completed.

As at 31 March 2022, the Company's net proceeds of RMB871,938,010.58 plus the accumulated interest received on bank deposits net of bank charges, etc. amounted to RMB1,416,870.61, after deducting the accumulated amount of RMB622,115,276.78 used for the high performance radial tyre project in Thailand and the supplementary working capital of RMB251,167. After deducting the accumulated amount of RMB622,115,276.78 used for the Thailand High Performance Radial Tyre Project and the supplementary working capital of RMB251,167,373.60, the unused fund raised was RMB72,230.81. In order to rationalize the allocation of funds and improve the efficiency of the use of the proceeds, in view of the current operation of the Company, the surplus proceeds from the fund raising project (including interest income) will be permanently used to supplement the working capital for the Company's daily operation activities.

The surplus proceeds will be used to replenish the working capital permanently, in compliance with the relevant laws, regulations and regulatory documents, without any change or disguised change in the investment of the proceeds, which is conducive to improving the efficiency of the use of the proceeds, optimizing the financial structure, promoting the sustainable and stable development of the Company's main business, meeting the actual operational development needs of the Company and in the interests of all shareholders. After the surplus proceeds are permanently replenished, the Company will cancel the corresponding special account for the proceeds, and the relevant supervision agreement for the proceeds signed between the Company and the sponsor and the depository bank will be terminated.

According to the relevant provisions of the "Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation", the Company is exempted from the Board of Directors' and shareholders' meeting's deliberations and from the independent directors', sponsor's and supervisory committee's opinions, etc. if the Company's savings on the proceeds (including interest income) is less than RMB5 million or less than 5% of the net proceeds. The relevant procedures.

## **Section 7 Share Movements and Shareholders**



**I. Changes in share capital**  
**(i) STATEMENT**  
**OF CHANGES IN**  
**SHARES 1.**

Unit: Unit

	Before this change		Increase or decrease in this movement (+, -)					After this change	
	Number	Proportion (%)	Issue of new shares	Share delivery	CPF Transfer Shares	Other	Subtotal	Number	Proportion (%)
I. Conditions of Sale Shares	202,506,577	18.84				-197,986,577	-197,986,577	4,520,000	0.42
1. State shareholding									
2. State-owned legal person shareholding									
3. Other domestic shareholdings									
Of which: domestic non-state With corporate shareholding	159,955,259	14.88				-159,955,259	-159,955,259	0	0
Domestic natural person shareholding	42,551,318	3.96				-38,031,318	-38,031,318	4,520,000	0.42

4. Foreign shareholding									
Of which: Overseas legal entities Shareholdings									
Offshore Nature Personally held shares									
II. Shares outstanding with unlimited conditions of sale	872,290,090	81.16				+197,986,577	+197,986,577	1,070,276.667	99.58
1. RMB ordinary shares	872,290,090	81.16				+197,986,577	+197,986,577	1,070,276.667	99.58
2. Domestically listed foreign Capital Unit									
3. Overseas listed foreign Capital Unit									
4. Other									
III. Total number of shares	1,074,796,667	100					0	1,074,796.667	100

## 2. Description of changes in shares

√Applicable      □Not applicable

(1) Non-public offering of shares. Pursuant to the approval of the China Securities Regulatory Commission (hereinafter referred to as "CSRC") on the Approval of Non-public Offering of Shares by Jiangsu General Technology Co.

On 18 June 2021, the Company issued 197,986,577 RMB ordinary shares in a non-public offering. On 21 December 2021, the restricted shares were listed on the Shanghai Branch of the Company. 197,986,577 shares were released from lock-up for circulation.

(2) 2021 Restricted Share Incentive Plan. the 18th meeting of the 5th Board of Directors and the 15th meeting of the 5th Supervisory Board were held on 22 June 2021, and considered and

approved the "Resolution on the granting of restricted shares to the incentive recipients of the 2021 Restricted Share Incentive Plan".

The actual number of shares granted under the Incentive Scheme was 4,520,000 shares, and the registration of shares was completed on 30 June at China Registrars.

The Company recorded. During the reporting period, 4,520,000 shares were added to the restricted shares outstanding.

As a result, the total number of ordinary shares of the Company changed from 872,290,090 at the beginning of the reporting period to 1,074,796,667 shares, of which 1,074,796,667 shares were not

The 197,986,577 RMB ordinary shares in the public offering were released from lock-up and listed for circulation on 21 December 2021.

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

☒Applicable      ☐Not applicable

During the reporting period, the Company increased its share capital by 197,986,577 shares as a result of the implementation of the non-public offering project, and also increased its share capital by 2021 restricted shares.

The share capital of the Company will be increased by 4,520,000 shares under the Share Incentive Scheme. The total share capital of the Company will change from 872,290,090 shares at the end of 2020 to 1,074,796,667 shares. The Company achieved basic earnings per share of RMB0.01 per share in 2021, a decrease of 90% compared to the same period of the previous year, and net assets per share of RMB3.98 per share at the end of 2021, a decrease of 5.38% compared to the beginning of the period.

**4. any other content that the company considers necessary or that the securities regulator requires to be disclosed**

☐Applicable ☒Not applicable

**(ii) Movements in restricted shares**

☒Applicable ☐ Not applicable

Unit: Share

Name of shareholder	Restricted sales at the beginning of the year Number of shares	Lifted this year Number of restricted shares	Current year increase limit Number of shares sold	Restricted shares at end of year Number	Reason for restriction of sale	Release date Period
Anqing Tongan Industry Investment Fund (Limited Partnership)	0	0	106,935,126	106,935,126	The shares in this issue may not be issued for a period of 6 months from the date of closing of the issue of the shares. Transfer	2021 12 21 January
Hangzhou Loxin Investment Management Company Limited - Loxin Feitian No. 1 Private	0	0	33,333,333  85 / 401	33,333,333	The shares in this issue may not be issued for a period of 6 months from the date of closing of the issue of	2021 12 21 January

					No issue of shares may be made within 6 months of the date of closing of the issue. Transfer	
Huang Zhen	0	0	6,711,409	6,711,409	The shares in this issue may not be issued for a period of 6 months from the date of closing of the issue of the shares. Transfers	2021 12 21 January
NIU Mei-ling	0	0	6,711,409	6,711,409	The shares in this issue may not be issued for a period of 6 months from the date of closing of the issue of the shares. Transfers	2021 12 21 January
Lord Kim Hong	0	0	6,711,409	6,711,409	The shares in this issue may not be issued for a period of 6 months from the date of closing of the issue of the shares.	2021 12 21 January

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					Transfer	
Zhang Yuxian	0	0	6,711,409	6,711,409	The shares in this issue may not be issued for a period of 6 months from the date of closing of the issue of the shares. Transfer	2021 12 21 January
2021 Restrict ed Share Incentive Scheme Incentive Recipients	0	0	4,520,000	4,520,000	The shares in this issue may not be issued for a period of 6 months from the date of closing of the issue of the shares. Transfer	Release date of the company from restriction of sale
Total	0	0	202,506,577	202,506,577	/	/

## ii. issuance and listing of securities

### (i) Issue of securities up to the reporting period

√Applicable □ Not applicable

Unit: Share Currency: RMB

Stocks and their derivatives Born Types of securities	Release Date	Issue Price (or interest rate)	Number of issues	Availability date	Number of approved listings for trading	Trading Expiry date
Ordinary Shares Share Class						
Renminbi Ordinary Shares	2021-06-18	4.47 Yuan per share	197,986,577 shares	2021-12-21	197,986,577 shares	--
Renminbi Ordinary Shares	2021-06-30	2.84 per share	4,520,000 shares	--	--	--

Description of securities issued up to the reporting period (for bonds with different interest rates during the life of the bond, please specify separately):

√Applicable □Not applicable

1. In accordance with the approval of the China Securities Regulatory Commission (hereinafter referred to as "CSRC") on the approval of the non-public offering of shares of Jiangsu General Technology Co.

On 18 June 2021, the Company registered 197,986,577 RMB ordinary shares on the China Securities Depository and Clearing Corporation.

On 21 December 2021, 197,986,577 shares were released from the lock-up and put into circulation.

2. During the reporting period, the Company implemented the 2021 Restricted Share Incentive Scheme and granted a total of 4.52 million restricted shares to incentive recipients.

### **(2) Changes in the total number of shares and shareholder structure of the Company and changes in the assets and liabilities structure of the Company**

√Applicable □Not applicable

During the reporting period, the total share capital of the Company increased from 872,290,090 shares to 1,074,796,667 shares, the change being due to

1. Approved by the China Securities Regulatory Commission (CSRC) under license No. [2021] 192, the Company adopted the following measures in June 2021

197,986,577 shares were issued by way of private offering and the registration of the additional shares in the China Securities Register was completed on 18 June 2021.

The registered capital of the Company was increased by RMB 197,986,577 as a result of the registration procedure of the Shanghai branch of the Company.

The capital was changed from \$872,290,090 to \$1,070,276,667.

2. The Company held the Eighteenth Meeting of the Fifth Session of the Board of Directors on 22 June 2021 to examine and approve and the General Meeting of Shareholders authorized the granting of the right of abode to 4,520,000 restricted shares were granted to 35 incentive recipients, **and the** registered capital of the Company was increased by RMB4,520,000 accordingly.

The registered capital was changed from RMB1,070,276,667 to RMB1,074,796,667.

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

☐ applicable ☒ not applicable



### iii. shareholders and beneficial owners

#### (i) Total number of shareholders

Total number of ordinary shareholders as at the end of the reporting period (households)	41,602
Total number of ordinary shareholders as at the end of the month immediately preceding the date of disclosure of the annual report (Household)	41,828
Total number of preference shareholders with voting rights restored at the end of the reporting period (Household)	0
Priority for restoration of voting rights at the end of the month preceding the date of disclosure of the annual report Total number of shareholders in shares (households)	0

#### (ii) Shareholdings of the top ten shareholders and the top ten

#### outstanding shareholders (or shareholders with unlimited selling rights)

Unit:Unit

Shareholdings of top ten shareholders as at the end of the reporting period							
Name of shareholder (full name)	Increase or decrease during the reporting period	Number of shares held at the end of the period	Proportion (%)	Number of shares held with limited selling rights quantity	Pledged, marked or frozen		Nature of shareholder
					Share Status	Number	
Hongdou Group Limited	+3,320,200	539,848,300	50.23	0	Pledges	428,900,000	Domestic non-state law People
Anqing Tongan Industry Investment Investment Fund	+106,935,126	106,935,126	90.94%	0	None	0	Other

Shanghai Wide Investment Property Management Co. -Broad Investment Uranus 25 Private Securities Investment Funds	+7,696,300	7,696,300	0.72	0	None	0	Other
Ningbo Ningju Asset Management Centre (Limited Partnership) -Ningju Quantitative Multi-Strategy Equity Investment Funds	-240,000	7,430,000	0.69	0	None	0	Other
Shanghai Ah Heng Investment Management Co. -Apricot Sunflower Seeds 6 Private Securities	6,966,600	6,966,600	0.65	0	None	0	Other

Investment Funds							
NIU Mei-ling	+6,711,409	6,711,409	0.62	0	None	0	Other
Shareholdings of the top ten shareholders with unlimited selling rights							
Name of shareholder	Number of shares held for sale with unlimited conditions	Type and number of shares					
		Category	Number				
Hongdou Group Limited	539,848,300	RMB Ordinary Shares	539,848,300				
Anqing Tongan Industry Investment Promotion and Investment Fund (Limited Partnership)	106,935,126	RMB Ordinary Shares	106,935,126				
Guolian Trust Co.	26,542,100	RMB Ordinary Shares	26,542,100				
Wuxi Hongdou International Investment Co. Division	20,000,000	RMB Ordinary Shares	20,000,000				
Jiangsu Yinchuang Capital Management Company Limited - Yinchuang Hybrid Strategy No. 5 Private Portfolio Investment Funds	9,520,255	RMB Ordinary Shares	9,520,255				
Gu Di	7,739,800	RMB Ordinary Shares	7,739,800				
Shanghai Kuan Investment Asset Management Co. Securities Investment Funds	7,696,300	RMB Ordinary Shares	7,696,300				
Ningbo Ningju Asset Management Centre (Limited Partnership) - Ning Ju Quan	7,430,000	RMB Ordinary Shares	7,430,000				

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Multi-Strategy Portfolio Investment Funds			
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Shanghai Ah Heng Investment Management Company Limited - Ah Heng Sunflower Seeds No. 6 Private Placement Portfolio Investment Funds	6,966,600	RMB Ordinary Shares	6,966,600
NIU Mei-ling	6,711,409	RMB Ordinary Shares	6,711,409
Repurchase of dedicated accounts among the top ten shareholders Fact Sheet	Not applicable		
of the above shareholders to vote by proxy, to vote by fiduciary duty, to abstain from voting Description	Not applicable		
Description of the above shareholders' connectedness or acting in concert	Ltd. is the controlling shareholder of the Company and Wuxi Hongdou International Investment Co., Ltd. and Gu Cui are parties acting in concert with it. It is not known whether there is any relationship between the shareholders of the outstanding shares or Persons acting in concert as defined in the Measures for the Administration of Disclosure of Information on Changes in Shareholdings of Listed Companies.		
Preference shareholders whose voting rights have been restored and a description of the number of shares held	Not applicable		

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

Unit: Unit

Serial number	Name of shareholders with limited selling rights	Number of shares held with limited selling conditions	Availability of Restricted Shares for Listing and Trading		Conditions of Sale Restrictions
			Listable for trading Time	Newly available for listing and trading Number of shares	
1	Cheng Jinyuan	540,000			2021 Equity Incentive Plan grants not yet released from restrictions of restricted shares
2	Gu Yahong	480,000	94 / 401		2021 Equity Incentive Plan grants not yet released from restrictions of restricted shares

8	Zhang Gaorong	120,000			2021 Equity Incentive Plan grants not yet released from restriction of restricted shares
9	Bian Yabo	120,000			2021 Equity Incentive Plan grants not yet released from restrictions of restricted shares
10	Sun Xuyang	150,000			2021 Equity Incentive Plan grants not yet released from restrictions of restricted shares
Description of the above shareholders' connectedness or acting in concert		<p>The restricted shares held by the above natural person shareholders are all incentive targets of the Company's 2021 Share Incentive Scheme, of which Ms. Yu Xiufeng is the sister of the spouse of Ms. Gu Yahong, the Deputy General Manager of the Company, and the remaining shareholders</p> <p>There is no relationship of association or concerted action between the parties.</p>			

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

☐ applicable ☒ not applicable

**IV. Controlling shareholders and actual controllers**

**(i) Controlling Shareholders**

**1 Legal persons**

☒ Applicable ☐ Not applicable

Name	Hongdou Group Limited
Head of Unit or Legal Representative	Zhou Haijiang
Date of Establishment	1992-06-13
Main Businesses	Use of own funds for foreign investment and management (prohibited or restricted by national laws and regulations) (except in the field); manufacture, design and technical consultation of clothing, needlework, shoes and hats, leather and fur products; business information consulting; financial consulting services (excluding bookkeeping); self-supporting and acting as an agent for the import and export of all kinds of goods and technologies, except for those

	goods and technologies whose import and export are restricted or prohibited by the State; cultivation and sale of redbud bonsai and seedlings. (Projects subject to approval in accordance with the law may only commence business activities after approval by the relevant authorities)
Other domestic and foreign holdings and participations during the reporting period Shareholdings in listed companies	During the reporting period, the Hongdou Group held 1,566,725,418 shares, representing 68.37% of the shares held
Other information notes	None

## 2 Natural persons

☐ applicable ☒ not applicable

## 3 Special Note on the Absence of a Controlling Shareholder in the Company

☐ Applicable ☒ Not applicable

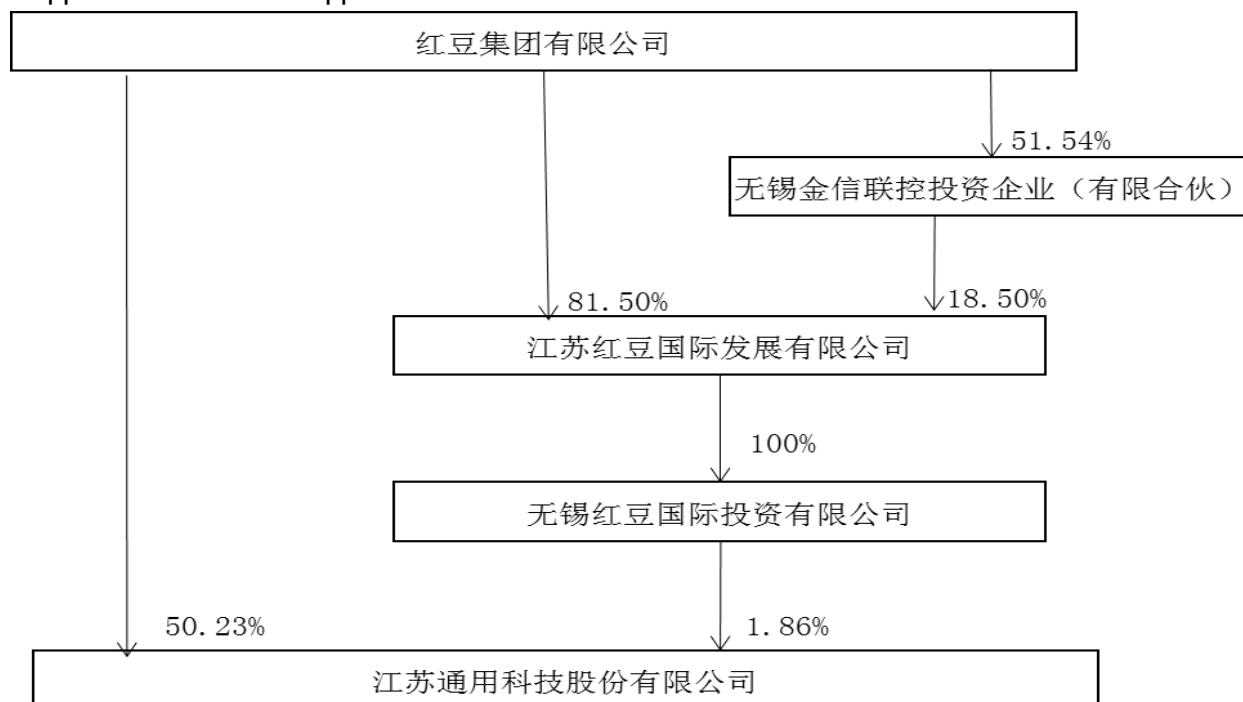
## 4 Explanation of change in controlling shareholders during the reporting period

☐ Applicable ☒ Not applicable

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

√Applicable

□Not applicable



### (ii) Information on the beneficial owner

#### 1 Legal persons

□ applicable √not applicable

#### 2 Natural persons

√Applicable □ Not applicable

Name	Zhou Haijiang
Nationality	China
Whether you have acquired the right of abode in another country or territory	No
Main occupation and position	Chairman of the Board of Directors of the Hongdou Group
Domestic and foreign listed companies in which the company had a controlling interest in the past 10 years Company situation	None
Name	Chow Yiu Ting
Nationality	China
Whether you have acquired the right of abode in another country or territory	No
Main occupation and position	Founder and Chairman of the Shareholders' Association of the Hongdou Group
Domestic and foreign listed companies in which the company had a controlling interest in the past 10 years	None



Company situation	
Name	Liu Lianhong
Nationality	China
Whether you have acquired the right of abode in another country or territory	No
Main occupation and position	Director of Reddit Group
Domestic and foreign listed companies in which the company had a controlling interest in the past 10 years	None
Company situation	
Name	Gu Di
Nationality	China
Whether you have acquired the right of abode in another country or territory	No
Main occupation and position	Chairman of Jiangsu General Technology Co.
Domestic and foreign listed companies in which the company had a controlling interest in the past 10 years	None
Company situation	

### 3 Special note on the absence of a beneficial owner of the company

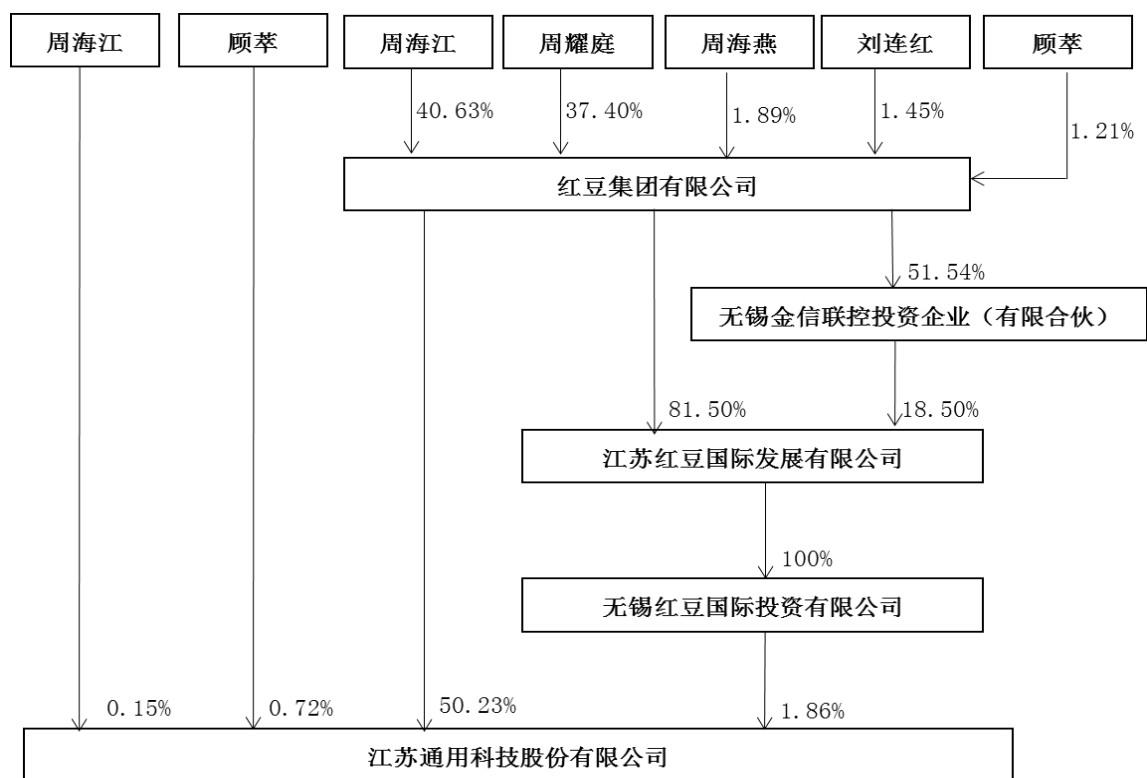
☐Applicable      ☒Not applicable

### 4 Description of the change of control of the company during the reporting period

☐Applicable      ☒Not applicable

### 5 Block diagram of the ownership and control relationship between the company and the beneficial owner

☒Applicable      ☐Not applicable



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

☐Applicable      ☒Not applicable

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

☐Applicable      ☒Not applicable

**(5) The controlling shareholder or the largest shareholder of the Company and its concert parties have pledged an aggregate number of shares representing more than 80% of the number of shares held by them in the Company**

☐ applicable ☒not applicable

**VI. Other corporate shareholders holding at least ten percent of the shares**

☐ applicable ☒not applicable

**VII. Description of share restrictions on reduction**

☐ applicable ☒not applicable

**VIII. Specific implementation of share buybacks during the reporting period**

☐ applicable ☒not applicable

**Section 8 Preference Shares Related Information**

☐ applicable ☒not applicable

## Section 9 Bond-related information

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

☐ applicable ☒ not applicable

### II. Status of convertible corporate bonds

☐ applicable ☒ not applicable

## Section X Financial Reporting

### I. Audit Report

☒ Applicable ☐ Not applicable

#### All shareholders of Jiangsu

##### General Technology Company

##### Limited: I. Audit opinion

We have audited the financial statements of Jiangsu General Technology Company Limited (hereinafter referred to as "General"), which comprise the consolidated and parent company balance sheets as at 31 December 2021, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, the consolidated and parent company statements of changes in owners' equity for the year 2021, and the related financial statements. related financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position as at 31 December 2021 and the consolidated and parent company results of operations and cash flows for the year 2021, prepared in accordance with the provisions of ASBE.

##### ii. basis for forming an audit opinion

We conducted our audit in accordance with PRC generally accepted auditing standards. Our responsibilities under these standards are further described in the section of our audit report entitled "Responsibilities of Certified Public Accountants for the Audit of Financial Statements". We are independent of General Motors and have fulfilled our other responsibilities in respect of professional ethics in accordance with the Code of Ethics for Certified Public Accountants in China. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### iii. key audit matters

Key audit matters are those matters that, in our professional judgement, we consider to be most significant to the audit of the financial statements for the period. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters individually.

#### Revenue recognition

##### 1. Description of the matter

As described in Note V.37 to the financial statements, General Stock achieved operating revenue of \$425,523,700 in fiscal 2021, which was primarily from the sale of tyre products. As the appropriateness of revenue recognition has a significant impact on the results of operations, there is a risk that the management of General Motors ("Management") may manipulate revenue recognition to meet specific business objectives, and we have identified revenue recognition of General Motors as a key audit matter.

##### 2. Audit response

The principal audit procedures we performed in respect of the above key audit matters relating to revenue recognition are as follows:

- ( 1 ) Assessing and testing the design and operating effectiveness of management's key internal controls relating to revenue recognition;
- ( 2 ) Select a sample to examine sales contracts or orders, identify the contractual terms and conditions relating to the point at which control over the relevant goods is transferred to the customer, and evaluate whether the point of revenue recognition is in accordance with the requirements of ASBEs;
- ( 3 ) Selecting samples from the accounting records and outgoing records of sales revenue, reconciling them with information such as contracts, delivery notes and invoices related to that sale, and evaluating the authenticity and accuracy of revenue recognition in conjunction with the accounts receivable correspondence procedure;
- ( 4 ) Perform analytical procedures on revenues and costs, including: analysis of fluctuations in revenues, costs and gross margins for the current month, analysis of revenues, costs and gross margins for the current period compared to the previous period for major products, and other analytical procedures to evaluate the reasonableness of changes in revenues;
- ( 5 ) For export sales, verify the authenticity of export revenue by matching sales records with information such as export customs declarations, consignment notes and sales invoices;
- ( 6 ) For revenue transactions recorded before and after the balance sheet date, a sample is selected and reconciled with the release notes and other supporting documentation to evaluate whether revenue has been recorded in the appropriate accounting period.

#### **IV. Additional Information**

Management is responsible for other information. Other information includes the information covered in the General Share 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 an assurance conclusion of any kind on other information.

In conjunction with our audit of the financial statements, our responsibility is 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, the financial statements or the circumstances of which we become aware 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. We have no matters to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the going concern of the General Share and disclosing matters relating to going concern (where applicable) and apply the going concern assumption unless management plans to liquidate the generic shares, discontinue operations or there is no other realistic alternative.

Governance is responsible for overseeing  
the financial reporting process for General

**Stock. vi. responsibilities of the  
certified public accountant for the  
audit of the financial statements**

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

In performing our audit work in accordance with auditing standards, we use professional judgement and maintain professional scepticism. At the same time, we 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 to form the basis of an audit opinion. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to error because fraud may involve collusion, forgery, intentional omissions, misrepresentation or override of internal control.
- (2) Understand the internal controls relevant to the audit in order to design appropriate audit procedures
- (3) Evaluate the appropriateness of management's choice of accounting policies and the reasonableness of the accounting estimates and related disclosures made.
- (4) Draw conclusions about the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, we reach a conclusion as to whether there is a material uncertainty about matters or circumstances that may cast significant doubt about the going concern of General Motors. If we conclude that a material uncertainty exists, auditing standards require that we draw the attention of users of the financial statements to the relevant disclosures in the audit report; if the disclosures are not adequate, we should express a non-unqualified opinion. Our conclusion is based on information available to us as at the date of the audit report. However, there are future events or circumstances that may cause General Share to fail to continue as a going concern.
- (5) To evaluate the overall presentation, structure and content of the financial statements and to evaluate whether the financial statements present fairly the relevant transactions and events.
- (6) Obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities in General Share to express an audit opinion on the financial statements. We are responsible for directing, supervising and performing the group audit and accept full responsibility for the audit opinion.

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

We also provide a statement to governance regarding compliance with ethical requirements related to independence and communicate with governance on all relationships and other matters that may reasonably be perceived to affect our independence, and related precautions, if



applicable.

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

Notary Public Tianye Accounting Firm  
(Special General Partnership)

Chinese Certified Public Accountants  
(Project

Partner)

Certified Public

Accountant,

China

Wuxi, China

26 April 2022

ii. financial  
statements

CONSOLIDATE  
D BALANCE  
SHEET 31

DECEMBER 2021

Prepared by: Jiangsu General Technology Co.

Unit: YuanCurrency:RMB

Proj ects	Note	31 December 2021	31 December 2020
<b>Current assets:</b>			
Monetary funds	VII.1	1,022,640,961.85	493,512,537.97
Settlement provisions			
Unwinding of funds			
Financial assets held for trading	VII.2	8,000,000.00	1,186,938.56
Derivative financial assets			
Notes receivable			
Accounts receivable	VII.5	809,988,005.52	555,244,097.52
Receivables financing	VII.6	12,132,881.55	11,330,000.00
Prepayments	VII.7	40,715,993.63	17,566,379.61
Premiums receivable			
Sub-insurance receivables			
Provision for reinsurance contracts receivable			
Other receivables	VII.8	127,788,252.82	4,316,549.91
Of which: interest receivable			
Dividend receivable			
Buy-back financial assets			
Inventory	VII.9	1,698,248,699.53	1,453,148,989.32
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	VII.13	107,528,359.28	146,092,218.10
Total current assets		3,827,043,154.18	2,682,397,710.99
<b>Non-current assets:</b>			
Loan disbursement and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII.17	424,559,650.95	430,127,301.02
Investments in other equity instruments	VII.18	25,850,000.00	25,850,000.00
Other non-current financial assets			
Investment properties			
Fixed assets	VII.21	3,798,240,985.14	2,665,247,943.54
Construction in progress	VII.22	216,779,271.60	1,169,009,622.31
Productive biological assets			
Oil and gas assets			
Right to use assets	VII.25	1,283,869.82	
Intangible assets	VII.26	425,696,864.61	460,393,609.38
Development expenditure			

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Other non-current assets	VII.31	6,124,088.11	33,759,492.48
Total non-current assets		5,082,242,882.95	4,946,571,923.34
Total assets		8,909,286,037.13	7,628,969,634.33
<b>Current liabilities:</b>			
Short-term borrowings	VII.32	1,495,359,974.45	1,321,619,381.18
Borrowing from the Central Bank			
Unwinding of funds			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	VII.35	621,739,369.50	587,304,141.26
Accounts payable	VII.36	1,065,178,805.65	936,060,357.37
Receipts in advance			
Contractual liabilities	VII.38	36,677,530.35	32,511,325.06
Sale of repurchased financial assets			
Deposit-taking and interbank deposits			
Proceeds from agency purchases and sales of securities			
Underwriting of securities			
Payable to employees	VII.39	32,209,999.09	38,839,666.90
Taxes payable	VII.40	6,383,139.72	4,745,228.08
Other payables	VII.41	50,091,215.24	32,644,146.42
Of which: interest payable			
Dividends payable			
Fees and commissions payable			
Sub-insurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	VII.43	76,958,234.58	95,091,987.50
Other current liabilities	VII.44	3,949,878.64	2,417,099.36
Total current liabilities		3,388,548,147.22	3,051,233,333.13
<b>Non-current liabilities:</b>			
Reserves for insurance contracts			
Long-term borrowings	VII.45	1,166,310,875.84	833,691,594.12
Bonds payable			
Of which: Preference shares			
Perpetual Debt			
Lease liabilities	VII.47	613,342.59	
Long-term payables			
Long-term employee compensation payable			
Projected liabilities	VII. 50	21,794,510.63	15,769,696.36
Deferred income	VII. 51	41,575,000.00	45,732,500.00

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Deferred income tax liabilities	VII.30	9,112,416.13	10,206,924.48
Other non-current liabilities			
Total non-current liabilities		1,239,406,145.19	905,400,714.96
Total liabilities		4,627,954,292.41	3,956,634,048.09
<b>Owner's equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	VII.53	1,074,796,667.00	872,290,090.00
Other equity instruments			
Of which: Preference shares			
Perpetual Debt			

Capital surplus	VII.55	2,207,161,574.48	1,522,996,840.89
Less: Treasury shares		12,836,800.00	
Other comprehensive income	VII. 57	-157,350,102.29	-3,068,123.06
Dedicated reserves			
Surplus reserves	VII.59	161,740,533.32	161,740,533.32
General risk allowance			
Unallocated profit	VII.60	1,007,866,039.04	1,118,376,245.09
Equity attributable to owners of the parent ( Total (or shareholders' equity)		4,281,377,911.55	3,672,335,586.24
Minority interests		-46,166.83	
Owner's equity (or shareholder's rights) (Benefit) Total		4,281,331,744.72	3,672,335,586.24
Liabilities and owners' equity (or (Shareholders' equity) Total		8,909,286,037.13	7,628,969,634.33

Head of the Company: Gu Cui Head of Accounting: Jiang Jiehua Head of Accounting Institution: Jiang Jiehua

**Parent  
Company**

**Balance Sheet 31**

Prepared by: Jiangsu General

Technology Co.

December 2021

Unit: Yuan Currency: RMB

Proj ects	Note	31 December 2021	31 December 2020
<b>Current assets:</b>			
Monetary funds		948,090,632.27	433,467,065.11
Financial assets held for trading		8,000,000.00	1,186,938.56
Derivative financial assets			
Notes receivable			
Accounts receivable	XVII.1	804,043,626.48	523,364,815.32
Receivables financing		11,561,631.55	10,420,000.00
Prepayments		49,898,850.29	16,725,305.83
Other receivables	XVII.2	77,385,241.55	658,282.50
Of which: interest receivable			
Dividend receivable			
Inventory		1,210,503,807.93	1,154,372,936.26
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		106,258,233.26	107,877,045.04
Total current assets		3,215,742,023.33	2,248,072,388.62
<b>Non-current assets:</b>			
110 / 401			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	1,807,254,656.12	1,498,487,916.62

Fixed assets		2,130,422,662.20	1,543,757,916.38
Construction in progress		134,040,740.45	769,352,199.80
Productive biological assets			
Oil and gas assets			
Right to use assets		1,283,869.82	
Intangible assets		214,022,810.30	219,160,469.04
Development expenditure			
Goodwill			
Long-term amortised costs		112,302,375.23	101,247,314.06
Deferred income tax assets		16,911,715.18	14,635,057.77
Other non-current assets		3,666,751.73	17,747,606.10
Total non-current assets		4,445,755,581.03	4,190,238,479.77
Total assets		7,661,497,604.36	6,438,310,868.39
<b>Current liabilities:</b>			
Short-term borrowings		1,394,748,642.58	1,301,590,139.51
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		679,249,369.50	568,759,141.26
Accounts payable		692,335,791.94	627,789,070.55
Receipts in advance			
Contractual liabilities		25,869,329.66	26,037,359.46
Payable to employees		28,708,695.94	33,068,979.98
Taxes payable		2,948,360.89	3,670,397.78
Other payables		44,297,097.63	28,403,405.79
Of which: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		75,987,206.41	95,091,987.50
Other current liabilities		3,363,012.85	2,321,669.52
Total current liabilities		2,947,507,507.40	2,686,732,151.35
<b>Non-current liabilities:</b>			
Long-term borrowings		370,000,000.00	75,106,562.50
Bonds payable			
Of which: Preference shares			
Perpetual Debt			
Lease liabilities		613,342.59	
Long-term payables			
Long-term employee compensation payable			
Projected liabilities		21,794,510.63	15,769,696.36
Deferred income		41,575,000.00	45,732,500.00
Deferred income tax liabilities		9,112,416.13	10,206,924.48
Other non-current liabilities			
Total non-current liabilities		443,095,269.35	146,815,683.34
Total liabilities		3,390,602,776.75	2,833,547,834.69
<b>Owner's equity (or shareholders' equity):</b>			

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Paid-in capital (or share capital)		1,074,796,667.00	872,290,090.00
Other equity instruments			
Of which: Preference shares			

Perpetual Debt			
Capital surplus		2,207,715,245.71	1,523,550,512.12
Less: Treasury shares		12,836,800.00	
Other comprehensive income		16,389,223.36	16,181,830.54
Dedicated reserves			
Surplus reserves		161,740,533.32	161,740,533.32
Unallocated profit		823,089,958.22	1,031,000,067.72
Owner's equity (or shareholder's rights) (Benefit) Total		4,270,894,827.61	3,604,763,033.70
Liabilities and owners' equity (or (Shareholders' equity) Total		7,661,497,604.36	6,438,310,868.39

Head of the Company: Gu Cui Head of Accounting: Jiang Jiehua Head of Accounting Institution: Jiang Jiehua

### Consolidated

### Income

### Statement

January -

December 2021

Unit: YuanCurrency:RMB

Projects	Not e	2021	2020
I. Total operating income		4,255,523,700.47	3,447,718,251.29
Of which: operating income	VII.61	4,255,523,700.47	3,447,718,251.29
Interest income			
Premiums Earned			
Handling fee and commission income			
II. Total operating costs		4,311,209,173.38	3,407,098,049.38
Of which: operating costs	VII.61	3,831,736,772.64	2,994,517,183.88
Interest expense			
Handling fee and commission expenses			
Surrenders			
Net benefit expenses			
Net withdrawal of insurance liability reserves			
Policy Dividend Payments			
Sub-insurance costs			
Taxes and surcharges	VII.62	18,773,677.56	16,714,399.12
Selling expenses	VII.63	104,973,028.61	78,174,673.17
Overheads	VII.64	150,769,670.10	140,010,365.54
R&D costs	VII.65	108,237,864.97	108,401,406.13
Finance costs	VII. 66	96,718,159.50	69,280,021.54
Of which: interest expense		77,203,919.98	65,334,166.26
Interest income	113 / 401	10,715,190.21	4,597,082.09
Add: Other gains	VII.67	31,177,434.08	21,299,696.22
Investment income (losses are shown with a "-" sign) (column)	VII.68	24,457,180.75	36,455,072.30



Gain on net exposure hedge (loss in "-") (entered by number)			
Gain (loss) on change in fair value to (filled in with a "-" sign)			1,186,938.56
Credit impairment losses (losses in "-") (entered by number)	VII.71	-16,044,722.52	-6,445,921.77
Impairment loss on assets (loss in "-") (entered by number)	VII.72	-6,775,723.80	-9,684,807.86
Gain (loss in "-") on disposal of assets (entered by number)	VII.73	29,777,929.70	3,751,347.16
III. Operating profit (loss is shown with a "-" sign)		6,906,625.30	87,182,526.52
Add: Non-operating income	VII.74	830,172.14	885,077.39
Less: Non-operating expenses	VII.75	582,240.37	274,614.92
IV. Total profit (total loss is marked with a "-") (fill in the blank)		7,154,557.07	87,792,988.99
Less: Income tax expense	VII.76	-3,429,682.65	-3,220,094.78
V. Net profit (net loss is shown with a "-" sign)		10,584,239.72	91,013,083.77
(i) Classification by continuity of operations			
1. Net profit (net loss) from continuing operations of (filled in with a "-" sign)		10,584,239.72	91,013,083.77
2. Net profit from discontinued operations (net loss of less than (filled in with a "-" sign)			
(ii) Classification by ownership attribution			
1. Net profit attributable to shareholders of the parent company (Net loss is shown with a "-" sign)		11,610,406.55	91,013,083.77
2. Minority gains and losses (net loss in "-") (entered by number)		-1,026,166.83	
VI. Other comprehensive income, net of tax		-154,281,979.23	-36,215,250.30
(i) Other comprehensive income attributable to owners of the parent company net of tax on joint income		-154,281,979.23	-36,215,250.30
1. Other comprehensive income that cannot be reclassified to profit or loss Combined earnings		207,392.82	17,064,616.36

(1) Remeasurement of movements in defined benefit plans forehead			
(2) Others not transferable to profit or loss under the equity method Comprehensive income		207,392.82	5,882,574.84
(3) Fair value of investments in other equity instruments Changes			11,182,041.52
(4) Fair value of an enterprise's own credit risk Changes			
2. Other comprehensive reclassified to profit or loss Revenue		-154,489,372.05	-53,279,866.66
(1) Other comprehensive transferable gains and losses under the equity method Combined earnings			
(2) Changes in fair value of other debt investments			
(3) Reclassification of financial assets to other comprehensive Amount of combined earnings			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedge reserve			

(6) Translation differences on foreign currency financial statements		-154,489,372.05	-53,279,866.66
(7) Others			
(ii) Other comprehensive attributable to minority shareholders			
Net income after tax			
vii. total comprehensive income		-143,697,739.51	54,797,833.47
(i) Consolidated attributable to owners of the parent company		-142,671,572.68	54,797,833.47
Total proceeds			
(ii) Comprehensive income attributable to minority shareholders		-1,026,166.83	
Total amount			
VIII. Earnings per share:			
(i) Basic earnings per share (RMB per share)		0.01	0.10
(ii) Diluted earnings per share (RMB/share)		0.01	0.10

In the case of a business combination under the same control in the current period, the net profit of the party being consolidated before consolidation was: \$0. The net profit of the party being consolidated in the previous period was: \$0.

Head of the Company: Gu Cui Head of Accounting: Jiang Jiehua Head of Accounting Institution: Jiang Jiehua

**Parent  
Company  
Income  
Statement**

January -  
December 2021

		Unit: YuanCurrency:RMB	
Projects	Not e	2021	2020
I. Operating income	XVII.4	3,119,301,520.40	2,931,019,109.52
Less: Operating costs	XVII.4	2,919,318,750.32	2,613,475,040.93
Taxes and surcharges		17,161,770.07	16,284,941.80
Selling expenses		72,762,200.82	67,400,665.01
Overheads		110,399,376.70	108,632,764.57
R&D costs		108,237,864.97	108,401,406.13
Finance costs		66,369,540.63	63,565,131.66
Of which: interest expense		71,688,778.24	63,624,494.80
Interest income		10,489,527.25	4,202,143.42
Add: Other gains	XVII.5	30,969,995.82	16,995,046.51
Investment income (losses are shown with a "--" sign) (column)		24,457,180.75	32,704,450.01
Of which: to associates and joint ventures of investment income	116 / 401	24,224,957.11	35,409,343.17
Financial instruments measured at amortised			

Less: Non-operating expenses		172,312.01	146,059.00
III. Total profit (total loss is marked with a "-") (fill in the blank)		-89,491,312.89	1,489,674.79
Less: Income tax expense		-3,701,815.99	-1,860,456.05
IV. Net profit (net loss is shown with a "+" sign)		-85,789,496.90	3,350,130.84
(i) Net profit from continuing operations (net loss of less than (filled in with a "+" sign)		-85,789,496.90	3,350,130.84
(ii) Net profit from discontinued operations (net loss of less than (filled in with a "+" sign)			
v. Other comprehensive income, net of tax		207,392.82	17,064,616.36
(i) Other comprehensive income that cannot be reclassified to profit or loss Combined earnings		207,392.82	17,064,616.36
1. Remeasurement of defined benefit plan movements forehead			
2. Others that cannot be transferred to profit or loss under the equity method Comprehensive income		207,392.82	5,882,574.84
3. Fair value of investments in other equity instruments Changes			11,182,041.52
4. Fair value of a firm's own credit risk Changes			
(ii) Other comprehensive reclassified to profit or loss Revenue			
1. Other consolidation of transferable gains and losses under the equity method Combined earnings			
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive Amount of combined earnings			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Translation differences on foreign currency financial statements			

7. Other			
VI. Total comprehensive income		-85,582,104.08	20,414,747.20
VII. Earnings per share:			
(i) Basic earnings per share (RMB per share)			
(ii) Diluted earnings per share (RMB/share)			

Head of the Company: Gu Cui Head of Accounting: Jiang Jiehua Head of Accounting Institution: Jiang Jiehua

**Consolidated  
Cash Flow  
Statement**

January -  
December 2021

Unit: Yuan Currency: RMB

Proj ects	Not e	Year 2021	Year 2020
<b>i. Cash flows from operating activities:</b>			
Cash received from the sale of goods, provision of services Gold		3,813,454,926.58	3,250,752,718.26
Net customer deposits and interbank deposits Increase			

Net increase in borrowings from the Central Bank			
Net funds borrowed from other financial institutions			
Increase			
Premiums received for original insurance contracts acquired			
Cash			
Net cash received from reinsurance operations			
Net increase in policyholders' savings and investment funds			
Current interest, fees and commissions charged			
Gold			
Net increase in funds on hand			
Net increase in funding for repo operations			
Net cash received from agency purchases and sales of securities			
forehead			
Tax refunds received		76,738,332.08	333,203.16
Receipt of other operating activities related to	VII.78 (1)	38,103,167.04	23,359,770.73
Cash			
Subtotal cash inflow from operating activities		3,928,296,425.70	3,274,445,692.15
Cash paid for the purchase of goods and services		3,318,739,947.59	2,553,916,100.48
Gold			
Net increase in loans and advances to customers			
Net deposits with central banks and interbank			
Increase			
Payment of benefits under the original insurance contract			
Cash			
Net increase in funds taken out			
Payment of interest, fees and commissions now			
Gold			
Cash paid as policy dividends			
Payments to and for employees		474,423,247.98	400,690,582.85
Cash			
Various taxes and fees paid		31,139,917.78	31,347,880.45
Payments for other operating activities related to	VII.78 (2)	166,125,600.93	131,456,291.11
Cash			

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Subtotal cash outflow from operating activities		3,990,428,714.28	3,117,410,854.89
Cash flows from operating activities		-62,132,288.58	157,034,837.26
Net volume			
<b>ii. Cash flows from investing activities:</b>			
Cash received from recovery of investments			312,205,142.96
Cash received from acquisition of investment income		31,419,162.20	17,045,729.13
Disposal of fixed assets, intangible assets and other		61,115,531.17	16,832,746.53
Net cash recovered from other long-term assets			
Disposal of subsidiaries and other business units			
Net cash received			
Receipt of other investing activities related to			
Cash			
Subtotal cash inflow from investing activities		92,534,693.37	346,083,618.62
Purchase and construction of fixed assets, intangible assets and other		783,812,507.38	679,738,082.98
Cash paid for other long-term assets			
Cash paid for investments		8,000,000.00	192,800,000.00

Net increase in pledged loans			
Acquisition of subsidiaries and other business units			
Net cash paid			
Payments for other investing activities related to Cash		385,000,000.00	
Subtotal cash outflow from investing activities		1,176,812,507.38	872,538,082.98
Cash flows from investing activities		-1,084,277,814.01	-526,454,464.36
Net volume			
<b>III. Cash flows from financing activities:</b>			
Cash received from absorption of investments		885,754,810.59	
Of which: absorption of minority investment by subsidiaries		980,000.00	
Cash received for funding			
Cash received for obtaining loans		2,412,072,905.49	3,139,005,323.22
Receipt of other financing activities related to Cash			
Subtotal cash inflow from financing activities		3,297,827,716.08	3,139,005,323.22
Cash paid for debt repayment		1,853,057,593.94	2,591,909,335.21
Distribution of dividends, profits or repayment of interest payments		234,570,380.64	137,975,873.71
Cash paid			
Of which: Payments by subsidiaries to minority shareholders of dividends, profits			
Payments for other financing activities related to Cash		612,587.46	
Subtotal cash outflow from financing activities		2,088,240,562.04	2,729,885,208.92
Cash flows from financing activities		1,209,587,154.04	409,120,114.30
Net volume			
<b>iv. impact of exchange rate changes on cash and cash equivalents</b>		5,379,471.72	-461,226.49
<b>Impact of objects</b>			
<b>v. Net increase in cash and cash equivalents</b>		68,556,523.17	39,239,260.71
Add: Cash and cash equivalents balance at beginning of period		204,687,964.73	165,448,704.02



forehead			
<b>VI. Cash and cash equivalents balances at the end of the period</b>		273,244,487.90	204,687,964.73

Head of the Company: Gu Cui Head of Accounting: Jiang Jiehua Head of Accounting Institution: Jiang Jiehua

**Parent  
Company Cash  
Flow Statement**  
January -  
December 2021

Unit: Yuan Currency: RMB

<b>Proj ects</b>	<b>Not e</b>	<b>Year 2021</b>	<b>Year 2020</b>
<b>i. Cash flows from operating activities:</b>			
Cash received from the sale of goods, provision of services Gold		2,694,579,290.63	2,822,892,965.70
Tax refunds received		27,158,130.30	
Receipt of other operating activities related to Cash		37,102,687.21	18,150,230.27
Subtotal cash inflow from operating activities		2,758,840,108.14	2,841,043,195.97
Cash paid for the purchase of goods and services Gold		2,434,726,555.55	2,122,158,604.91

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Payments to and for employees Cash		314,414,681.69	298,086,027.71
Various taxes and fees paid		17,340,803.91	22,776,646.16
Payments for other operating activities related to Cash		106,373,824.24	111,192,325.82
Subtotal cash outflow from operating activities		2,872,855,865.39	2,554,213,604.60
Net cash flows from operating activities forehead		-114,015,757.25	286,829,591.37
<b>ii. Cash flows from investing activities:</b>			
Cash received from recovery of investments			321,943,883.26
Cash received from acquisition of investment income		31,419,162.20	22,063,164.04
Disposal of fixed assets, intangible assets and other Net cash recovered from other long-term assets		32,189,191.87	13,324,516.46
Disposal of subsidiaries and other business units Net cash received			
Receipt of other investing activities related to Cash			
Subtotal cash inflow from investing activities		63,608,354.07	357,331,563.76
Purchase and construction of fixed assets, intangible assets and other Cash paid for other long-term assets		268,640,074.18	303,018,020.06
Cash paid for investments		322,334,389.57	538,802,248.93
Acquisition of subsidiaries and other business units Net cash paid			
Payments for other investing activities related to Cash		385,000,000.00	
Subtotal cash outflow from investing activities		975,974,463.75	841,820,268.99
Cash flows from investing activities Net volume		-912,366,109.68	-484,488,705.23
<b>III. Cash flows from financing activities:</b>			
Cash received from absorption of investments		884,774,810.59	
Cash received for obtaining loans		2,201,030,142.84	2,308,537,302.19

Receipt of other financing activities related to Cash			
Subtotal cash inflow from financing activities		3,085,804,953.43	2,308,537,302.19
Cash paid for debt repayment		1,833,057,593.94	1,981,537,302.19
Distribution of dividends, profits or repayment of interest payments Cash paid		193,362,911.75	106,862,276.46
Payments for other financing activities related to Cash		612,587.46	
Subtotal cash outflow from financing activities		2,027,033,093.15	2,088,399,578.65
Cash flows from financing activities Net volume		1,058,771,860.28	220,137,723.54
<b>iv. impact of exchange rate changes on cash and cash equivalents</b> <b>Impact of objects</b>		2,072,721.18	
<b>v. Net increase in cash and cash equivalents</b>		34,462,714.53	22,478,609.68
Add: Cash and cash equivalents balance at beginning of period forehead		165,596,070.99	143,117,461.31
<b>VI. Cash and cash equivalents balances at the end of the period</b>		200,058,785.52	165,596,070.99

Head of the Company: Gu Cui Head of Accounting: Jiang Jiehua Head of Accounting Institution: Jiang Jiehua

**Consolidated**  
**Statement of Changes**  
**in Owners' Equity**  
January - December  
2021

Unit:

YuanCurrency:R  
MB

Projects	2021												Unit: Yuan	Currency: RMB
	Equity attributable to owners of the parent												Minority interest s	Total Owner's Equity
	Paid-in capital (or share capital)	Other interests Tools			Capital surplus	Less: Treasury shares	Other comprehensive income	Dedicated reserves	Surplus reserves	- General risk quasi Preparation	Unallocated profit	Other		
		Preference shares	Perpetual Debt	Other										
I. Prior year end Balance	872,290,090.00				1,522,996,840.89		-3,068,123.06		161,740,533.32		1,118,376,245.09		3,672,335,586.24	3,672,335,586.24
Add: Accounting policies Change														
Preliminary errors														

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Amount of increase/decrease (Reduced by "-") o. fill (column)														
(I) Total comprehensive income forehad						-154,281,979.23				11,610,406.55	-142,671,572.68	-1,026,166.83	-143,697,739.51	
(II) (1) Owner input and reduction of capital This				682,268,233.59	12,836,800.00						871,938,010.59	980,000.00	872,918,010.59	

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1. Own er input Tongyi Unit					682,268,233. 59	12,836,800 .00							871,938,010. 59	980,000.00	872,918,010. 59
2 Input s from hold ers of other equit y instr ume nts Capita l															
3. Shar e- base d pay ment sche me Admis sion															
Own ers' equit y in gold forehe ad															

4. its He															
(III) ) Profi t shar e Match ing											-122,120,612 .60		-122,120,612 .60		-122,120,612 .60
1. With draw al of surpl us long- standi ng															
2 Extra ction of gene ral risk allow ance Prepa ration															
3. To the owne r (or shar ehol der) of Match											-122,120,612 .60		-122,120,612 .60		-122,120,612 .60



ing															
4. its He															
(IV) ) withi n own ers' equit y Carry forwar d															
1. Resour ces The Comp any															
Tran sfer of capit al by way of capit alisat ion (or Unit) (this)															

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2 Transfer of surplus to capital (or Unit) (this)															
3. Surplus reserves to cover deficits Damage															
4. Changes in defined benefit plans carried forward for retention															

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tion Reven ue															
5. Othe r com preh ensiv e inco me carri ed forw ard to retai ned earn ings Benefi t															
6. its He															
(V)															
) Spe cial stor age Prepa ration															

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1.The current period mentions take															
2.This issue makes Use															
(VI) its He					1,896,500.00							1,896,500.00		1,896,500.00	
IV. End of the period Balance	1,074,796.667				2,207,161,574.48	12,836,800.00	-157,350,102.29		161,740,533.32		1,007,866,039.04		4,281,377,911.55	-46,166.83	4,281,331,744.72

Projects	2020													
	Equity attributable to owners of the parent													Minority interests
	Paid-in capital (or share capital)	Other Equity Workers with			Capital surplus	Less : Treasury shares	Other comprehensive income	Dedicated reserve	Surplus reserves	- General risk qu	Unallocated profit	Other	Subtotal	
		Preferred	Preferred	Other										Total Owner's Equity

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		ce sh ar es	al D eb t				Report rv es		as i Pr ep ar ati on						
I. Prior year- end balan ces forehe ad	872,290,090. 00				1,520,275,601. 90		35,021,449.4 6		161,218,088. 02		1,069,625,788. 90		3,658,431,018. 28		3,658,431,018. 28
Add: Chan ge in accou nting policy more															
Ex															
Peri od Erro r Corr ectio n Positiv e															
with A cont rolle d busi ness Merger s															

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Report

its														
He														
II. Opening balance for the year forehe ad	872,290,090.00				1,520,275,601.90		35,021,449.46		161,218,088.02		1,069,625,788.90		3,658,431,018.28	3,658,431,018.28
III. Increase/decrease in te current period (decrease by ".") ••No. (fill in the blank)					2,721,238.99		-38,089,572.52		522,445.30		48,750,456.19		13,904,567.96	13,904,567.96
(i) Comprehensive income Total amount							-36,215,250.30				91,013,083.77		54,797,833.47	54,797,833.47

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(ii) Inputs from all parties and reducti ons Capital															
1. Owne r input of the general															
Tongyi Unit															
2. Input s from holde rs of other equity instru ment s Capital															
3. Share - base d paym ents charg ed to owne															

rs' equity forehe ad														
4. its He														
(iii) Profit Distribu tion								335,013.08		-43,949,517.58		-43,614,504.50		-43,614,504.50
1. Withd rawal of surpl us long- standin g								335,013.08		-335,013.08				
2. Extra ction of gener al risk allow ance Prepar ation														



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3. Share to <del>owners</del> (or shareh olders) Matchi ng											-43,614,504.50		-43,614,504.50		-43,614,504.50
4. its															
He															
(iv) Intr a - own ersh ip balanc e Turn							-1,874,322.22		187,432.22		1,686,890.00				
1. <del>Capital</del> of capital surplu s (or (Share capital))															
2. Transf er of surplu s to <del>cap</del> (or (Share capital))															

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3. Surpl us reser ves to cover deficit s Damag e														
4. Chan ges in defin ed benef it plans carrie d forwa rd for retent ion Reven ue														
5. Other comp rehen sive incom e balan ce Transfe rred to stay						-1,874,322.2 2		187,432.22		1,686,890.00				

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Deposit s and receipt s Benefit														
6. its He														
(v) Specia l Reserv e														
1. The curre nt perio d menti ons take														
2. This issue make s Use														
(vi) Other														
IV. Balanc e at the end of the period forehe ad	872,290,090. 00				1,522,996,840. 89		-3,068,123.0 6		161,740,533. 32		1,118,376,245. 09		3,672,335,586. 24	3,672,335,586. 24

Head of the Company: Gu Cui Head of Accounting: Jiang Jiehua Head of Accounting Institution: Jiang Jiehua

**Parent Company**  
**Statement of Changes**  
**in Owners' Equity**  
January - December  
2021

Unit: YuanCurrency:RMB

Proj ects	2021										
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other compr ehensi ve incom e	Dedicated reserves	Surplus reserves	Unallocat ed profit	Total Owner's Equity
		Preferenc e shares	Perpetual Debt	Other							
I. Balance at the end of the previous year	872,290,0 90.00				1,523,550 ,512.12		16,181,8 30.54		161,740. 533.32	1,031,00 0,067.72	3,604,763 ,033.70
Add: Change in accounting policy											
Correction of prior period errors											
Other											
II. Opening balance for the year	872,290,0 90.00				1,523,550 ,512.12		16,181,8 30.54		161,740. 533.32	1,031,00 0,067.72	3,604,763 ,033.70

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III. Amount of increase or decrease during the period (decrease) (underlined by "--")	202,506,577.00				684,164,733.59	12,836,800.00	207,392.82			-207,910,109.50	666,131,793.91
(i) Total comprehensive income							207,392.82			-85,789,496.90	-85,582,104.08
(ii) Owner input and reduction of capital This	202,506,577.00				682,268,233.59	12,836,800.00					871,938,010.59
1. Ordinary shares invested by owners	202,506,577.00				682,268,233.59	12,836,800.00					871,938,010.59
2. Inputs from holders of other equity instruments Capital											
3. Share-based payments included in owners' equity Amount of											
4. Other											
(iii) Distribution of profits										-122,120,612.60	-122,120,612.60
1. Withdrawal of surplus reserves											
2. Distribution to owners (or shareholders) Matching										-122,120,612.60	-122,120,612.60
3. Other											
(iv) Internal carryforward of owners' equity											
1. Capitalisation of capital (or shares) from capital surplus (this)											
2. Transfer of surplus to capital (or shares) (this)											
3. Surplus reserves to cover deficits											

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4. Carry forward of changes in defined benefit plans Retained earnings											
5. Other comprehensive income carried forward to retained earnings Benefit											
6. Other											
(v) Special reserves											
1. Withdrawals during the period											
2. Used in the current period											
(vi) Others					1,896,500.00						
IV. Closing balance for the period	1,074,796				2,207,715	12,836,80	16,389,2		161,740.	823,089.	4,270,894
	,667.00				,245.71	0.00	23.36		533.32	958.22	,827.61

Proj ects	2020										
	Paid-in capital (or share capital)	Other equity instruments			Capital surplus	Less: Treasury shares	Other compr ehensi ve incom e	Dedicated reserves	Surplus reserves	Unallocat ed profit	Total Owner's Equity
		Preferenc e shares	Perpetual Debt	Other							
I. Balance at the end of the previous year	872,290,090.00				1,520,829,273.13		991,536.40		161,218.088.02	1,069,912,564.46	3,625,241,552.01
Add: Change in accounting policy											
Correction of prior period errors											
Other											
II. Opening balance for the year	872,290,090.00				1,520,829,273.13		991,536.40		161,218.088.02	1,069,912,564.46	3,625,241,552.01

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III. Amount of increase or decrease during the period (decrease) (underlined by "--")					2,721,238.99		15,190,294.14		522,445.30	-38,912.496.74	-20,478,518.31
(i) Total comprehensive income							17,064,616.36			3,350,130.84	20,414,747.20
(ii) Owner input and reduction of capital This											
1. Ordinary shares invested by owners											
2. Inputs from holders of other equity instruments Capital											
3. Share-based payments included in owners' equity Amount of											
4. Other											
(iii) Distribution of profits									335,013.08	-43,949.517.58	-43,614,504.50
1. Withdrawal of surplus reserves									335,013.08	-335,013.08	
2. Distribution to owners (or shareholders) Matching										-43,614.504.50	-43,614,504.50
3. Other											
(iv) Internal carryforward of owners' equity							-1,874,322.22		187,432.22	1,686,890.00	
1. Capitalisation of capital (or shares) from capital surplus											
(this)											
2. Transfer of surplus to capital (or shares) (this)											
3. Surplus reserves to cover deficits											

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4. Carry forward of changes in defined benefit plans Retained earnings											
5. Other comprehensive income carried forward to retained earnings Benefit							-1,874,322.22		187,432.22	1,686,890.00	
6. Other											
(v) Special reserves											
1. Withdrawals during the period											
2. Used in the current period											
(vi) Others					2,721,238.99						2,721,238.99
IV. Closing balance for the period	872,290,090.00				1,523,550,512.12		16,181,830.54		161,740.533.32	1,031,000,067.72	3,604,763,033.70

Head of the Company: Gu Cui Head of Accounting: Jiang Jiehua Head of Accounting Institution: Jiang Jiehua



### III. Basic information about the company

#### 1. Company profile

√Applicable □ Not applicable

##### 1. History of the company

(hereinafter referred to as "the Company", "the Company") ~~was~~ changed to a joint stock limited company on 26 December 2007 by a resolution of the shareholders' meeting of Jiangsu General Technology Co. (hereinafter referred to as the "Company") was changed to a joint stock limited company on 26 December 2007 by resolution of the shareholders' meeting of Jiangsu General Technology Company Limited, with the net assets of RMB307,629,655.07 as at 30 June 2007 as audited by Baker Tilly International CPA Limited in its audit report No. 441 [2007].

200,000,000 shares of the Company, of which RMB200,000,000 shall be treated as registered capital and the remaining RMB107,629,655.07 shall be treated as capital surplus

The shareholding structure at the time of establishment was as follows: RMB180 million, representing 90% of the registered capital, from Hongdou Group Co. Ltd.

In December 2009, the share capital of the Company was increased from RMB200 million to RMB362 million, with a capital increase of RMB162 million.

Ltd. invested RMB80 million in cash and RMB82 million in land use rights. The shareholding structure after the capital increase is as follows

Ltd. contributed RMB342 million, accounting for 94.47% of the registered capital; Wuxi Hongdou International Investment Co.

This represents 5.53% of the registered capital.

In February 2010, the share capital of the Company was increased from RMB 362 million to RMB 462 million by a capital increase of RMB 100 million.

Ltd. invested RMB10,000,000 in cash. The shareholding structure after the capital increase was as follows: RMB442 million, representing 95.67% of the registered capital, from Hongdou Group Limited; RMB20 million, representing 4.33% of the registered capital, from Wuxi Hongdou International Investment Co.

In March 2010, the share capital of the Company was increased from RMB462 million to RMB552 million, with a capital increase of RMB90 million from Ltd. invested RMB90 million in cash. The shareholding structure after the capital increase was as follows: RMB532 million, representing 96.38% of the registered capital, was contributed by Hongdou Group Company Limited; RMB20 million, representing 3.62% of the registered capital, was contributed by Wuxi Hongdou International Investment Co. With the approval of the China Securities Regulatory Commission in the form of SECFA [2016] No. 1887, the Company made a capital contribution to the Company on 5 September 2016.

The Company issued 174,919,085 ordinary shares of RMB1 each to the public, increasing its share capital by RMB174,919,085.

The share capital was increased to \$726,919,085.

As approved by the China Securities Regulatory Commission under SEC License No. [2018] 1573, the Company adopted a non-public

Issued 145,371,005 shares by way of an open issue of shares with a par value of \$1 each, increasing the share capital by \$145,371,005 and increasing the share capital after the issue to 872,290,090.

With the approval of the China Securities Regulatory Commission in the form of SFC License No. [2021] 192, the Company adopted the Non-Public Offering in June 2021.

Issuance of 197,986,577 shares by way of an open issue of shares with a par value of \$1 each, increasing the share capital by \$197,986,577 and increasing the share capital to 1,070,276,667.

Pursuant to the resolutions of the Fifteenth Meeting of the Fifth Session of the Board of Directors, the Third Extraordinary General Meeting of 2021 and the Eighteenth Meeting of the Fifth Session of the Board of Directors of the Company, the Company granted 4,520,000 restricted RMB ordinary shares per share to 35 incentive recipients in June 2021

The share capital was increased by \$4,520,000 to \$1,074,796,667 after the issue of \$1.00 par value.

## **2. Place of incorporation, form of organization, organizational structure and headquarters address of the company**

Registered office and head office of the Company:

Gangxia, Donggang Town, Wuxi City, Jiangsu Province.

Organizational form of the Company: Company Limited by Shares.

The company has a production division, sales division, research institute, financial centre, foreign economic department, strategic management department, IT information department, human resources department, brand culture department, marketing management department, planning and logistics department, enterprise management department, quality assurance department, purchasing department, audit department, securities affairs department and other functional departments.

### 3. Nature of the Company's business and main business activities

The Company belongs to the rubber tyre industry and its main business scope is: technology development and technical consultation of tyres; manufacture and sale of rubber products, inner and outer tyres of vehicles and valve tips; manufacture, processing and sale of cord fabric and sub-button fabric; self-supporting and acting as an agent for the import and export business of all kinds of commodities and technologies (except commodities and technologies whose import and export are restricted or prohibited by the state) Projects that are subject to approval by law may be carried out only after approval by the relevant authorities)

The Company is actually engaged in the following principal activities: technology development and technical consultation of tyres; manufacture and sale of rubber products, inner and outer vehicle tyres and valve tips; manufacture, processing and sale of cord fabric and sub-button fabric.

### 4. Authorised reporting parties and reporting dates for financial reports

This financial report was approved at the thirty-fourth meeting of the fifth session of the Board of Directors on 26 April 2022.

## 2. Scope of the Consolidated Financial Statements

☒ Applicable ☐ Not applicable

Name of subsidiary	Registered Capital	Shareholding ratio (%)	Business Scope
--------------------	--------------------	------------------------	----------------

Wuxi Qianlima Technology Co.	RMB 80 million	100.00	<p>Manufacture, processing and sale of bias inner and outer tyres and cord fabric for tyres; sale of inner and outer tyres for vehicles; import and export business of various commodities and technologies on its own account and as agent (except for commodities and technologies whose import and export are restricted or prohibited by the state)</p> <p>Projects subject to approval in accordance with the law, subject to the approval of the relevant departments before the commencement of business activities) Permitted projects: operation of sports venues and facilities (excluding high-risk sports) (Projects subject to approval in accordance with the law, subject to the approval of the relevant departments before the commencement of business activities, specific business projects subject to the results of approval)</p> <p>General projects: manufacture of manufactured textile products for industrial use; sale of manufactured textile products for industrial use; planning of sports events; Organisation of sports competitions; organisation of sports safeguards; organisation of cultural and artistic exchange activities; conference and exhibition services; sale of tyres; information technology consultancy services; organisation of sports performance activities</p> <p>(Except for items subject to approval by law, with business</p> <p>(License to carry out business activities independently according to law) General items: technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion (except for items subject to approval according to law, with business license)</p> <p>(Independent business activities in accordance with the law)</p>
Tianma International (Hong Kong) Trading Limited	HK\$10,000	100.00	Trading, Investment, Consulting

Wuxi Jiuchengtong Rubber Trading Co.	RMB 3 million	100.00	<p>Sales of rubber and rubber products, rubber tyres, chemical materials and products (excluding dangerous goods) packaging materials; self-supporting and acting as an agent for the import and export of all kinds of goods and technologies, except for goods or technologies whose import and export are restricted or prohibited by the state. Retail sale of medical masks; wholesale of medical masks; daily use masks</p> <p>(non-medical) sales; sales of Class II medical devices; wholesale of protective equipment for medical personnel; retail of protective equipment for medical personnel (items subject to approval in accordance with the law)</p> <p>The project must be approved by the relevant authorities before it can be operated</p>
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Name of subsidiary	Registered Capital	Shareholding ratio (%)	Business Scope
			(Activity)
General Rubber (Thailand) Co.	THB 6.1 billion	100.00	of rubber and rubber products, tyres and other related products Production, processing and sales
Wuxi Qianlima Tyre Trading Co.	RMB 2 million	51.00	General items: sale of tyres; sale of rubber products; sale of machinery and equipment; sale of chemical products (excluding licensed chemical products) wholesale of automotive parts and accessories; import and export of goods; import and export agent; domestic trade agent (except for items subject to approval in accordance with the law, with business license to carry out business activities independently in accordance with the law) (Action)
General Rubber (USA) Ltd.	US\$1 million	100.00	of rubber and rubber products, tyres and other related products Sales
Wuxi Tongyun Tyre Sales Co.	RMB 1 million	100.00	Permitted items: import and export of goods; import and export of technology; import and export agent (items subject to approval by the relevant departments before operating activities, specific business items subject to approval results) General items: sales of tyres; sales of rubber products; wholesale of motorbikes and spare parts; wholesale of automobile spare parts; sales of machinery and equipment; sales of chemical products (excluding licensed chemical products) (except for items subject to (except for items subject to approval in accordance with the law, with the business license to carry out independent (Operating activities)
Sidcom International Trading (Shanghai) Co.	RMB 3 million	100.00	General: Sale of rubber products; sale of tyres; sale of high quality synthetic rubber; sale of chemical products (excluding licensed chemical products); import and export of goods; import and export of technology; Internet sales (except sales of goods requiring a licence) import and export agents (except for items subject to approval under the law, with a business licence) (Independent business activities in accordance with the law)

The Company has eight subsidiaries included in the scope of consolidation in 2021, as detailed in

Note 9 "Interests in other entities" in this note. The

The scope of consolidation of the Company has increased by 3 households in the current year as compared to the previous year. **IV. Basis of preparation of the financial statements**

### 1. Basis of preparation

The Company's financial statements have been prepared on a going concern basis. The financial statements have been prepared on the basis of actual transactions and events, in accordance with the Accounting Standards for Business Enterprises - Basic Standards issued by the Ministry of Finance, the 42 specific accounting standards issued and revised on and after 15 February 2006, the Guidelines for the Application of Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations (hereinafter collectively referred to as "ASBEs"), and the China Securities Regulatory Commission's "Rules for the Preparation of Information Disclosure by Companies Issuing Public Securities - General Provisions on Financial Reporting". (hereinafter collectively referred to as "ASBEs"), and the China Securities Regulatory Commission's "Rules for the Preparation of Information Disclosure by Companies Issuing Public Securities No. 15 - General Provisions on Financial Reporting". (Revised 2014) prepared in accordance with the disclosure requirements.

### 2. Going concern

☒Applicable ☐Not applicable

The Company has been able to continue as a going concern for 12 months from the end of the reporting period and has no material events affecting its ability to continue as a going concern.

## V. SIGNIFICANT

### ACCOUNTING POLICIES

### AND ACCOUNTING

### ESTIMATES Specific

accounting policies and

accounting estimates suggest

that

☒Applicable ☐ Not applicable

The Company's accounting policies and accounting estimates are carried out in accordance with the requirements of accounting standards.

## **1. Statement of compliance with corporate 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 view of the Company's financial position, results of operations, changes in shareholders' equity and cash flows and other relevant information.

## **2. Accounting period**

The Company's accounting period is divided into annual and interim periods, with an accounting interim period being a reporting period shorter than a full accounting year. The Company's fiscal year is the calendar year, which begins on 1 January and ends on 31 December of each year.

## **3. Business cycle**

☒Applicable      ☐Not applicable

The normal operating cycle is the period from the time the Company purchases assets for processing until cash or cash equivalents are realised. The Company uses a 12-month operating cycle as the standard for classifying the liquidity of its assets and liabilities.

## **4. Local currency of account**

RMB is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate, and the Company and its domestic subsidiaries use RMB as their base currency of accounts. The Company's foreign subsidiaries determine their base currency based on the currency of the primary economic environment in which they operate. The currency used by the Company in preparing these financial statements is RMB.

## **5. Accounting for business combinations under common control and those not under common control**

☒Applicable      ☐Not applicable

A business combination is a transaction or event in which two or more separate enterprises are combined to form a single reporting entity. Business Combination and is divided into business combinations under common control and business combinations not under common control.

( 1 ) Business combinations under common control

A business combination under common control is one in which the enterprises participating in the combination are ultimately controlled by the same party or the same multiple parties before and after the combination, and such control is not temporary. The merger consideration paid by the



consolidating party and the net assets acquired are measured at the carrying value in the consolidated financial statements of the party ultimately in control. The difference between the carrying value of the net assets acquired by the combining parties and the carrying value of the consideration paid for the combination (or the aggregate nominal value of shares issued) is adjusted against capital surplus (share premium). If capital surplus (share premium) is insufficient to cover the reduction, it is adjusted against retained earnings. All direct costs incurred by the consolidating party in connection with a business combination are charged to current profit or loss as incurred. The date of consolidation is the date on which the consolidating party actually obtains control of the consolidated party.

( 2 ) Business combinations not under common control

A business combination is not under common control if the enterprises involved in the combination are not under the ultimate control of the same party or the same multiple parties before or after the combination. The difference between the sum of the fair value at the date of purchase of the assets (including equity interests in the acquiree held prior to the date of purchase) and liabilities incurred or assumed by the Company as purchaser to obtain control of the acquiree, less the fair value of the acquiree's identifiable net assets acquired in the merger, is recognized as goodwill if positive; if negative, the fair value of each asset, liability and contingent liability of the acquiree acquired is first reviewed. If the fair value of the assets, liabilities and contingent liabilities of the acquiree and the measurement of the cost of the combination are still less than the fair value of the acquiree's share of the identifiable net assets acquired in the combination, they are recognized in profit or loss for the current period. All other direct costs incurred in connection with a business combination are charged

The difference between the fair value of the asset paid and its carrying amount is charged to current profit or loss. The difference between the fair value of the assets paid and their carrying amount is recognized in profit or loss for the period. The Company recognizes at fair value on the date of purchase each identifiable asset, liability and contingent liability acquired by the acquiree that qualifies for recognition. The date of purchase is the date on which the purchaser actually obtains control of the acquiree.

## **6. Presentation of consolidated financial statements**

☒Applicable      ☐Not applicable

### **( 1 ) Determination of scope of consolidation**

The Parent Company shall prepare consolidated financial statements based on its own financial statements and those of its subsidiaries, based on other relevant information, and the scope of consolidation in the consolidated financial statements is determined on the basis of control. The Company will reassess once changes in relevant facts and circumstances result in a change in the relevant elements involved in the above definition of control.

### **( 2 ) Basis of control**

An investor is deemed to control an investee when it has power over the investee, is entitled to variable returns through its participation in the investee's underlying activities and has the ability to use its power over the investee to influence the amount of its returns. A related activity is one that has a significant impact on the investee's return.

### **( 3 ) Consolidation procedures**

The Company commences consolidation of subsidiaries from the date it obtains effective control over them and ceases consolidation from the date it loses effective control. All significant balances, investments, transactions and unrealised profits between the Company and subsidiaries and between subsidiaries and subsidiaries are eliminated in the preparation of the consolidated financial statements. For subsidiaries disposed of, the results of operations and cash flows prior to the date of disposal have been appropriately included in the consolidated income statement and the consolidated statement of cash flows; no adjustment is made to the opening balance sheet of the consolidated balance sheet for subsidiaries disposed of in the current period. The results of operations and cash flows of subsidiaries added by business combinations not under common control after the date of purchase have been appropriately included in the consolidated income statement and the consolidated statement of cash flows, and no adjustment is made to the opening and comparative figures in the consolidated financial statements. The results of operations and cash flows from the beginning of the period to the date of consolidation for subsidiaries added by a business combination under common control have been appropriately included in the consolidated income statement and the consolidated statement of cash flows, and the comparative figures in the consolidated financial statements have been adjusted at the same time.

If the accounting policies or accounting periods adopted by a subsidiary and the Company are not the same, the financial statements of the subsidiary are consolidated after adjustment in accordance with the Company's accounting policies or accounting periods when preparing the

consolidated financial statements.

For subsidiaries acquired as a result of a business combination not under common control, their individual financial statements are adjusted on the basis of the fair value of the identifiable net assets at the date of purchase for the purpose of preparing the consolidated financial statements; for subsidiaries acquired as a result of a business combination under common control, the consolidated financial statements are prepared as if the parties involved in the combination existed in their present state at the time when the ultimate controlling party commences to exercise control.

Unrealized gains or losses on internal transactions arising from the sale of assets by the Company to a subsidiary are fully offset against "net profit attributable to owners of the parent". Unrealized gains or losses on internal transactions arising from the sale of assets by a subsidiary to the Company shall be allocated between "net profit attributable to owners of the parent" and "minority interests" in proportion to the Company's allocation to that subsidiary. Unrealized gains and losses on sales of assets between subsidiaries shall be allocated between "net profit attributable to owners of the parent" and "minority interests" in proportion to the Company's allocation to the selling subsidiary.

The share of the subsidiary's ownership interest that is not attributable to the Company is presented as minority interest in the consolidated balance sheet under the item "minority interest". The share of the subsidiary's net profit or loss for the period attributable to minority interests is presented as "minority interests" in the consolidated income statement under the item of net profit. The share of the consolidated income of a subsidiary for the period attributable to minority interests is presented in the consolidated income statement under the item "Total comprehensive income attributable to minority shareholders". If there are minority shareholders, a column entitled "Minority interests" is added to the consolidated statement of changes in owners' equity to reflect changes in minority interests. If the minority shareholders' share of the subsidiary's loss for the period exceeds the minority shareholders' share of the subsidiary's ownership interest at the beginning of the period, the balance should still be reduced by the minority shareholders' equity.

When control of the original subsidiary is lost through the disposal of part of the equity investment or for other reasons, the remaining equity interest is treated in accordance with its

The fair value at the date of loss of control is remeasured. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the net assets of the original subsidiary calculated on a continuing basis from the date of purchase in proportion to the original shareholding, is included in investment income in the period in which control is lost. Other comprehensive income relating to the equity investment in the original subsidiary is accounted for on the same basis as the direct disposal of the related assets or liabilities by the acquiree upon loss of control (i.e. it is transferred to current investment income, except for changes resulting from the remeasurement of the net liabilities or net assets of the defined benefit plan in that original subsidiary). Subsequently, subsequent measurement of that portion of the remaining equity interest is made in accordance with the relevant provisions of EITF 2 - Long-term equity investments or EITF 22 - Recognition and Measurement of Financial Instruments, as described in Note V.17 to this "Long-term equity investments" or "Financial instruments" in note V.10 of this note.

When the Company disposes of its equity investment in a subsidiary through multiple transactions in stages until it loses control, a distinction must be made as to whether each transaction in which the equity investment in the subsidiary is disposed of until it loses control is a package transaction. The terms, conditions and economic effects of each transaction for the disposal of an equity investment in a subsidiary generally indicate that multiple transactions should be accounted for as a package transaction if: (i) the transactions are entered into simultaneously or after taking into account the effects of each other; (ii) the transactions as a whole lead to a complete business result; (iii) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; and (iv) one transaction taken alone is uneconomical. (3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; and (4) one transaction is uneconomic when viewed in isolation, but is economic when considered together with other transactions. For transactions that are not part of a package, each of these transactions is accounted for separately under the heading "Partial disposal of long-term equity investments in subsidiaries without loss of control" (see Note V.21 herein for details).

(2) (iv) and the principles applicable to the disposal of part of an equity investment or other loss of control over an existing subsidiary (see previous paragraph for details) are accounted for. If the transactions for the disposal of an equity investment in a subsidiary until the loss of control are a package transaction, the transactions are accounted for as one disposal of a 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 for each disposal prior to the loss of control is recognized in the consolidated financial statements as other comprehensive income and is transferred to profit or loss in the period in which control is lost. transferred to profit or loss in the period in which control is lost.

## 7. Classification of joint venture arrangements and accounting for joint operations

☒ Applicable      ☐ Not applicable

The Company classifies joint venture arrangements as joint operations and joint ventures based on its rights and obligations under the joint venture arrangements.

The Company recognises the following items in relation to its share of interest in a joint

operation and accounts for them in accordance with the provisions of the relevant ASBEs:

- (i) Recognition of assets held separately and, in proportion to their share, jointly;
- (ii) Recognition of liabilities assumed individually and, in proportion to their share, jointly;
- (iii) Recognition of income arising from the sale of its share of the output of a joint venture;
- (iv) Recognition of income from joint operations arising from the sale of output on the basis of their share;
- (v) Recognition of expenses incurred separately and, in proportion to their share, of expenses incurred in a joint operation.

## **8. Criteria for determining cash and cash equivalents**

The Company's cash and cash equivalents include cash on hand, deposits readily available for payment and cash held by the Company for short periods.

(generally maturing within three months from the date of purchase), liquid, easily convertible to a known amount of cash and with minimal risk of change in value.

## **9. Foreign currency operations and translation of foreign currency statements**

☒Applicable      ☐Not applicable

Transactions in foreign currencies are recorded in the local currency at the mid-market exchange rate published by the People's Bank of China on the date of the transaction.

accounts. Of these, transactions that occur in or involve the conversion of foreign currencies are translated at the exchange rate actually used for the transaction.

At the balance sheet date, the account balances of monetary assets and liabilities denominated in foreign currencies are translated into the amount of the recorded local currency at the mid-market rate of exchange published by the People's Bank of China at the balance sheet date. The difference between the amount in the carrying currency translated at the balance sheet date at the translated exchange rate and the amount in the original carrying currency is treated as a gain or loss on exchange. Exchange gains and losses arising from foreign currency borrowings in connection with the acquisition and construction of fixed assets are treated in accordance with the principle of capitalisation of borrowing costs; exchange gains and losses arising during the start-up period are charged to start-up costs; the remainder are charged to finance costs in the current period.

At the balance sheet date, foreign currency non-monetary items measured at historical cost are still translated at the mid-market exchange rate published by the People's Bank of China at the date of the transaction, without changing their original recorded local currency amounts; for foreign currency non-monetary items measured at fair value, they are translated at the mid-market exchange rate published by the People's Bank of China at the date of fair value determination, with the resulting exchange gain or loss recorded as a gain or loss on changes in fair value in The resulting exchange gain or loss is included in profit or loss for the current period.

For foreign operations, the Company translates the local currency of accounts into RMB when preparing the financial statements: assets and liabilities in the balance sheet are translated using the spot exchange rate at the balance sheet date, and shareholders' equity items, except for "undistributed earnings", are translated using the spot exchange rate at the time of occurrence; income and expense items in the income statement are translated using the average exchange rate in the period in which the transaction occurs. Income and expense items in the income statement are translated using the average exchange rate for the period in which the transaction occurs. Translation differences arising from the above translation of foreign currency financial statements are recognised as other comprehensive income and shown separately in the balance sheet under shareholders' equity. On disposal of a foreign operation, other comprehensive income relating to that foreign operation is transferred to profit or loss in the period of disposal, or, in the case of partial disposal, proportionately to the disposal.

Cash flows in foreign currencies, as well as those of foreign subsidiaries, are translated using the average exchange rate for the period in which the cash flows occur. The amount of the effect of changes in exchange rates on cash is presented separately in the statement of cash flows as a reconciling item.

## 10. Financial instruments

☒Applicable      ☐Not applicable

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

The effective interest method is a method of calculating the amortised cost of a financial

asset or financial liability and of allocating interest income or interest expense over the accounting periods.

The effective interest rate is the rate used to discount the estimated future cash flows of a financial asset or financial liability through its expected life to the carrying amount of that financial asset or the amortised cost of that financial liability. In determining the effective interest rate, the expected cash flows are estimated taking into account all contractual terms of the financial asset or financial liability (e.g. early repayment, rollover, call option or other similar option, etc.), but excluding expected credit losses.

The amortised cost of a financial asset or financial liability is the cumulative amortisation resulting from the initial recognition of that financial asset or financial liability, less principal repaid, plus or minus the amortisation of the difference between that initial recognition amount and the maturity amount using the effective interest method, less accumulated provision for losses (applicable to financial assets only).

( 1 ) Classification and measurement of financial assets

The Company classifies its financial assets into the following three categories based on the business model of the financial assets under management and the contractual cash flow characteristics of the financial assets:

- (i) Financial assets measured at amortised cost.
- (ii) Financial assets at fair value through other comprehensive income.
- (iii) Financial assets at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition, except that receivables or notes receivable arising from the sale of goods or provision of services, etc. that do not contain a significant financing component or do not take into account a financing component of less than one year are initially measured at transaction price.

For financial assets at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss, while for other categories of financial assets, the related transaction costs are recognized in their initial recognition amounts.

The subsequent measurement of financial assets depends on their classification and all relevant financial assets affected are reclassified when, and only when, the Company changes its business model for managing financial assets.

① Financial assets classified as at amortised cost

A financial asset is classified by the Company as a financial asset carried at amortized cost if the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding and the business model for managing the financial asset is to collect the contractual cash flows. The Company's financial assets classified as financial assets carried at amortized cost include monetary funds, notes and accounts receivable partially measured at amortized cost, other receivables and long-term receivables.

The Company uses the effective interest rate method to recognize interest income on such financial assets and subsequently measures them at amortized cost. Gains or losses arising from their impairment or derecognition or modification are recognized in profit or loss for the current period. The Company determines interest income based on the carrying amount of the financial asset multiplied by the effective interest rate, except for the following:

A For financial assets acquired or originated that are credit impaired, the Company determines interest income from initial recognition based on the amortized cost of the financial assets and the effective interest rate adjusted for credit.

B For financial assets acquired or originated that are not credit impaired but become credit impaired in a subsequent period, the Company determines interest income in the subsequent period based on the amortized cost of the financial asset and the effective interest rate. If the financial instrument is no longer credit impaired in a subsequent period because of an improvement in its credit risk, the Company transfers to the effective interest rate multiplied by the carrying amount of the financial asset to determine interest income.

(ii) Financial assets classified as at fair value through other comprehensive income

When the contractual terms of a financial asset provide that the only cash flows arising on a specific date are payments of principal and interest based on the principal amount outstanding and the business model for managing the financial asset is to both collect the contractual cash flows and sell the financial asset, the Company classifies the financial asset as one that is measured at fair value through other comprehensive income. The Company uses the effective interest method to recognize interest income on such financial assets. Except for interest income, impairment losses and exchange differences recognized

Changes in fair value are recognized in other comprehensive income, except for those considered as current profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously included in other comprehensive income is transferred from other comprehensive income to profit or loss for the period.

Notes receivable and accounts receivable that are measured at fair value through other comprehensive income are presented as financing receivables and other such financial assets are presented as other debt investments, of which: other debt investments maturing within one year from the balance sheet date are presented as non-current assets maturing within one year and other debt investments with original maturities of less than one year are presented as other current assets.

(iii) Financial assets designated as at fair value through other comprehensive income



On initial recognition, the Company may irrevocably designate investments in non-trading equity instruments as financial assets at fair value through other comprehensive income on the basis of a single financial asset.

Changes in the fair value of such financial assets are included in other comprehensive income and no provision for impairment is made. On derecognition of the financial asset, the cumulative gain or loss previously included in other comprehensive income is transferred from other comprehensive income and included in retained earnings.

Dividend income is recognized in profit or loss over the period in which the Company holds the investment in the equity instrument, when the right to receive the dividend has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. The Company reports such financial assets under the heading of investments in other equity instruments.

An investment in an equity instrument is a financial asset at fair value through profit or loss if it meets one of the following conditions: it is acquired principally for the purpose of selling in the near term; it is part of a portfolio of centrally managed identifiable financial asset instruments at initial recognition and there is objective evidence of a recent actual pattern of short-term profit-taking; it is a derivative (meeting the definition of a financial guarantee contract and derivatives that are designated as effective hedging instruments).

④ Financial assets classified as at fair value through profit or loss

Financial assets that do not qualify for classification as financial assets at amortised cost or at fair value through other comprehensive income and that are not designated as at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

The Company uses fair value for subsequent measurement of such financial assets and recognizes gains or losses arising from changes in fair value, as well as dividend and interest income relating to such financial assets, in profit or loss for the current period.

The Company presents such financial assets under the heading of financial assets held for trading and other non-current financial assets according to their liquidity.

⑤ Financial assets designated as at fair value through profit or loss

On initial recognition, the Company may irrevocably designate financial assets as financial assets at fair value through profit or loss on an individual financial asset basis in order to eliminate or significantly reduce accounting mismatches.

If a hybrid contract contains one or more embedded derivatives and its host contract is not one of the above financial assets, the Company may designate the whole as a financial instrument at fair value through profit or loss. Exceptions to this are the following:

A. Embedding derivatives will not materially change the cash flows of hybrid contracts.

B. When first determining whether a similar hybrid contract requires unbundling, little analysis is required to clarify that the embedded derivatives it contains should not be unbundled. If an early repayment right is embedded in a loan that allows the holder to repay the loan early at an amount close to amortised cost, the early repayment right does not require unbundling.

The Company uses fair value for subsequent measurement of such financial assets and recognizes gains or losses arising from changes in fair value, as well as dividend and interest income relating to such financial assets, in profit or loss for the current period.

The Company presents such financial assets under the heading of financial assets held for trading and other non-current financial assets according to their liquidity.

( 2 ) Classification and measurement of financial liabilities

The Company classifies a financial instrument or a component thereof as a financial liability or an equity instrument on initial recognition based on the contractual terms of the financial instrument issued and the economic substance reflected therein, rather than solely on its legal form, taking into account the definitions of a financial liability and an equity instrument. Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, other financial liabilities, and derivatives designated as effective hedging instruments.

Financial liabilities are measured at fair value on initial recognition. For financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; for other categories of financial liabilities, the related transaction costs are recognized in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

① Financial liabilities at fair value through profit or loss

Such financial liabilities comprise financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated at fair value through profit or loss on initial recognition.

A financial liability is classified as a financial liability held for trading if one of the following conditions is met: it is incurred principally for the purpose of selling or repurchasing in the near future; it is part of a portfolio of identifiable financial instruments that are managed on a central basis and for which there is objective evidence of a recent pattern of short-term profit-taking by the enterprise; it is a derivative, except for derivatives that are designated and are effective hedging instruments, derivatives that qualify as financial guarantee contracts. Exceptions. Trading financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value, with all changes in fair value recognized in profit or loss, except when relevant to hedge accounting.

On initial recognition, for the purpose of providing more relevant accounting information, the Company irrevocably designates financial liabilities as financial liabilities at fair value through profit or loss that meet one of the following conditions:

A. The ability to eliminate or significantly reduce accounting mismatches.

B. The management and performance of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities is evaluated on a fair value basis in accordance with the enterprise risk management or investment strategy set out in formal written documentation and is reported to key management personnel on this basis within the enterprise. The Company uses fair value for the subsequent measurement of such financial liabilities, except for the fair value arising from changes in the Company's own credit risk.

Changes in fair value other than those included in other comprehensive income are included in profit or loss for the period. The Company recognizes all changes in fair value, including the amount of the effect of changes in its own credit risk, in profit or loss unless the inclusion of changes in fair value in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

②Other financial liabilities

The Company classifies financial liabilities as financial liabilities measured at amortised cost, except for the following, for which the Company applies the effective interest method and subsequently measures such financial liabilities at amortised cost, with gains or losses arising from derecognition or amortisation charged to current profit or loss:

A. Financial liabilities at fair value through profit or loss.

B. Transfers of financial assets do not qualify for derecognition or continue to be involved in the financial liabilities arising from the transferred financial assets.

C. Financial guarantee contracts that do not fall within the first two categories of this article and loan commitments to lend at below market rates that do not fall within category A of this article.

A financial guarantee contract is a contract that requires the issuer to pay a specified amount to the contract holder who has suffered a loss when a specified debtor is unable to pay its debt when due in accordance with the terms of the original or modified debt instrument. Financial guarantee contracts that are not financial liabilities designated as at fair value through profit or loss are measured subsequent to initial recognition at the higher of the amount of the allowance for loss and the amount initially recognized, less accumulated amortization over the guarantee period.

( 3 ) Derecognition of financial assets and financial liabilities

① A financial asset is derecognised, i.e. transferred from its accounts and balance sheet, when one of the following conditions is met: A. The contractual rights to receive cash flows from the financial asset are terminated.

B. The financial asset has been transferred and the transfer satisfies the requirements for derecognition of a financial asset.

② Conditions for derecognition of financial liabilities

A financial liability (or part of a financial liability) is derecognised when the present obligation is discharged.

If an agreement is entered into between the Company and the lender to replace an original financial liability by the assumption of a new financial liability and the contractual terms of the new financial liability are materially different from those of the original financial liability, or if the contractual terms of the original financial liability (or part thereof) are materially modified, the original financial liability is derecognised and a new financial liability is recognised at the same time, and the difference between the carrying amount and the consideration paid (including the non-cash asset transferred or The difference between the carrying amount and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss for the period.

When the Company repurchases a portion of a financial liability, the carrying amount of the financial liability as a whole is allocated to the respective fair values of the continuing and derecognized portions at the date of repurchase in proportion to the fair value of the whole. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or liabilities assumed) should be recognized in profit or loss for the current period.

( 4 ) Basis of recognition and measurement of transfers of financial assets

The Company assesses the extent to which it retains the risks and rewards of ownership of a financial asset when a transfer of financial assets occurs and treats each situation separately as follows:

① A financial asset is derecognised when substantially all the risks and rewards of ownership of the financial asset are transferred, and the rights and obligations arising from or retained in the transfer are recognised separately as assets or liabilities.

② A financial asset continues to be recognized if substantially all the risks and rewards of ownership of the financial asset are retained.

(iii) If it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset (i.e. other than those in (i) and (ii) of this article), it is treated separately,

depending on whether it retains control over the financial asset, as follows:

A. If control is not retained over the financial asset, the financial asset is derecognised and the rights and obligations arising from or retained in the transfer are recognised separately as assets or liabilities.

B. If control over the financial asset is retained, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset and the related liability is recognized accordingly. The extent of continuing involvement in the transferred financial asset is the extent to which the Company bears the risk or reward of changes in value of the transferred financial asset.

In determining whether a transfer of financial assets meets the conditions for derecognition of financial assets as described above, the principle of substance over form is applied. The Company distinguishes between transfers of financial assets as a whole and partial transfers of financial assets.

① If a transfer of a financial asset as a whole satisfies the conditions for derecognition, the difference between the following two amounts is recognized in profit or loss: A. The carrying amount of the transferred financial asset at the date of derecognition.

B. The sum of the consideration received for the transfer of the financial asset and the amount corresponding to the derecognition portion of the cumulative change in fair value that was previously recognized directly in other comprehensive income (financial assets involved in the transfer are those measured at fair value through other comprehensive income).

(ii) If a portion of a financial asset is transferred and the transferred portion as a whole meets the derecognition criteria, the carrying amount of the financial asset as a whole before the transfer is apportioned between the derecognized portion and the continuing recognized portion (in which case the retained service asset is treated as part of the continuing recognized financial asset), based on their respective relative fair values at the date of transfer, and the difference between the following two amounts is recognized in profit or loss : The difference between

A. The carrying amount of the derecognition component at the date of derecognition.

B. The sum of the consideration received for the derecognition component and the amount corresponding to the derecognition component of the cumulative amount of changes in fair value previously recognized in other comprehensive income (financial assets involved in the transfer are financial assets at fair value through other comprehensive income).

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

( 5 ) Methodology for determining the fair value of financial assets and financial liabilities

The fair value of a financial asset or financial liability for which there is an active market is determined using quoted prices in an active market, unless there is a restricted period for the asset itself. For financial assets with an inherently restricted life, the quoted market price is determined by deducting the amount of compensation required by market participants for assuming the risk that the financial asset will not be available for sale on the open market within a specified period. Quoted prices in active markets include quoted prices for the relevant asset or liability that are readily and regularly available from, for example, exchanges, dealers, brokers, industry groups, pricing agencies or regulators, and are representative of actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets initially acquired or derived or financial liabilities assumed is determined on the basis of market transaction prices. Financial assets or financial liabilities for which no active market exists are determined at fair value using valuation techniques. At the time of valuation, the Company

Using valuation techniques that are appropriate in the circumstances and supported by sufficient available data and other information, inputs are selected that are consistent with the characteristics of the asset or liability considered by market participants in the transaction of the relevant asset or liability, with priority given to the use of relevant observable inputs wherever possible. Where relevant observable inputs are not available or not practicable to obtain, unobservable inputs are used.

( 6 ) Impairment of financial instruments

The Company accounts for impairment and recognizes loss provisions for financial assets classified as measured at amortized cost, financial assets classified as at fair value through other comprehensive income and financial guarantee contracts on the basis of expected credit losses.

Expected credit losses, being the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses are the difference between all contractual cash flows receivable by the Company under the contract and all cash flows expected to be collected, discounted at the original effective interest rate, being the present value of the entire cash shortfall. Of this amount, for financial assets purchased or originated by the Company that are credit impaired, they should be discounted at the credit-adjusted effective interest rate of the financial assets.

For receivables resulting from transactions governed by the revenue standard, the Company applies a simplified measurement approach and measures the allowance for losses at an amount equal to the expected credit loss over the entire life of the receivable.

For financial assets acquired or originated that are credit impaired, a provision for losses is recognised at the balance sheet date only for cumulative changes in expected credit losses throughout their lives since initial recognition. At each balance sheet date, the amount of the

change in expected credit losses over the entire life of the asset is included in profit or loss for the period as an impairment loss or gain. A favourable change in expected credit losses is recognised as an impairment gain even if the expected credit losses determined at that balance sheet date for the entire duration of the period are less than the amount of expected credit losses reflected in the estimated cash flows at the time of initial recognition.

For financial assets other than those for which simplified measurement methods and purchased or originated credit impairment have been applied as described above, the Company assesses at each balance sheet date whether the credit risk of the relevant financial instrument has increased significantly since initial recognition and measures its allowance for losses and recognises expected credit losses and changes therein separately according to the following:

① If the credit risk of the financial instrument has not increased significantly since initial recognition and is in the first stage, the allowance for losses is measured at an amount equal to the expected credit losses on the financial instrument over the next 12 months and interest income is calculated on the basis of the carrying amount and the effective interest rate.

(ii) If the credit risk of the financial instrument has increased significantly since initial recognition but no credit impairment has occurred, it is in the second stage, the allowance for losses is measured at an amount equal to the expected credit loss over the entire life of the financial instrument and interest income is calculated on the basis of the carrying amount and the effective interest rate.

(iii) If the financial instrument has been credit impaired since initial recognition and is in the third stage, the Company measures its loss allowance at an amount equal to the expected credit loss over the entire life of the financial instrument and calculates interest income at amortized cost and effective interest rate.

The amount of increase or reversal of the allowance for credit losses on financial instruments is recognized in profit or loss as an impairment loss or gain. The allowance for credit losses is set off against the carrying amount of the financial asset, except for financial assets classified as at fair value through other comprehensive income. For financial assets classified as at fair value through other comprehensive income, the Company recognises a provision for credit losses in other comprehensive income without reducing the carrying amount of the financial asset as shown in the balance sheet.

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

① Significant increase in credit risk

The Company uses reasonably available and substantiated forward-looking information to determine whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition. For financial guarantee contracts, the Company uses the date on which the Company becomes a party to the irrevocable commitment as the date of initial recognition when applying the impairment provisions for financial instruments.

The Company considers the following factors in assessing whether there has been a significant increase in credit risk A. Whether there has been a significant change in the actual or expected results of the debtor's operations;

B. whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor is operating;

C. whether there have been significant changes in the value of the collateral securing the debt or in the quality of guarantees or credit enhancements provided by third parties that are expected to reduce the debtor's economic incentive to repay the debt by the contractual deadline or to affect the probability of default; D. whether there have been significant changes in the debtor's expected performance and repayment behaviour;

E. Any changes in the Company's approach to credit management of financial instruments, etc.

At the balance sheet date, if the Company determines that a financial instrument has only low credit risk, the Company assumes that the credit risk of the financial instrument has not increased significantly since initial recognition. A financial instrument is considered to have low credit risk if the risk of default is low, the borrower's ability to meet its contractual cash flow obligations in the short term is strong and does not necessarily reduce the borrower's ability to meet its contractual cash flow obligations even if there are adverse changes in economic conditions and operating environment in the longer term.

② Financial assets that are credit impaired

A financial asset becomes credit impaired when one or more events occur that have an



adverse effect on the expected future cash flows of the financial asset. Evidence that a financial asset is credit impaired includes observable information such as:

- A. Significant financial difficulties on the part of the issuer or debtor;
- B. breach of contract by the debtor, such as default or late payment of interest or principal;
- C. A concession granted by the creditor to the debtor that would not otherwise be made by the debtor because of economic or contractual considerations relating to the debtor's financial difficulties;
- D. the debtor is likely to go into bankruptcy or other financial restructuring;
- E. The disappearance of an active market for the financial asset as a result of the issuer's or debtor's financial difficulties;
- F. The purchase or origin of a financial asset at a significant discount that reflects the fact that a credit loss has been incurred.

Credit impairment of financial assets may be the result of a combination of events and may not necessarily be the result of separately identifiable events.

(iii) Determination of expected credit losses

The Company assesses expected credit losses on financial instruments on an individual and portfolio basis, taking into account reasonable and substantiated information about past events, current conditions and projections of future economic conditions when assessing expected credit losses.

The Company classifies financial instruments into different portfolios based on common credit risk characteristics. The common credit risk characteristics used by the Company include: type of financial instrument, credit risk rating, ageing portfolio, industry in which the debtor is located, etc. The individual assessment criteria and the portfolio credit risk characteristics of the relevant financial instruments are detailed in the accounting policies of the relevant financial instruments.

The Company determines the expected credit losses on the relevant financial instruments in accordance with the following methodology:

- A For financial assets, credit losses are the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be collected.

B For financial guarantee contracts, credit losses are the present value of the difference between the expected payment to be made by the Company to the holder of such contract in respect of credit losses incurred by the holder of such contract, less the amount expected to be received by the Company from the holder of such contract, the debtor or any other party. C. For financial assets that are credit impaired at the balance sheet date but not purchased or originated with credit impairment, the credit loss

The 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.

The Company's approach to measuring expected credit losses on financial instruments reflects factors such as: the weighted average amount of unbiased probabilities determined by evaluating a range of possible outcomes; the time value of money; and reasonable and substantiated information about past events, current conditions and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

④ Write-down of financial assets

When the Company no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the carrying amount of the financial asset is written down directly. Such a write-down constitutes derecognition of the related financial asset.

( 7 ) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are shown separately in the balance sheet and are not offset against each other. However, they are presented in the balance sheet as a net amount after offsetting each other if the following conditions are also met:

- (i) the company has a legal right to set off the recognised amounts and such legal right is currently enforceable;
- (ii) The Company plans to settle the financial asset on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

## 11. Notes receivable

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

✓Applicable ☐ Not applicable

The Company separately identifies credit losses on notes receivable for which there is a significant increase in credit risk and for which credit impairment has occurred.

When sufficient evidence of expected credit losses cannot be assessed at the individual instrument level at a reasonable cost, the Company calculates expected credit losses on a portfolio basis based on the credit risk characteristics of the notes receivable.

Basis for determining the portfolio and expected credit loss accounting estimate policy:

Bankers' acceptances portfolio: this portfolio represents bankers' acceptances receivable for which no impairment allowance is generally made;

Commercial acceptances portfolio: This portfolio is a combination of commercial acceptances receivable, based on similar credit risk characteristics (ageing) on a continuous ageing basis, on the basis of which expected credit losses are calculated.

## 12. Accounts receivable

**Methodology for determining expected credit losses on receivables and accounting for them**√Applicable ☐ Not applicable

The Company's method of determining and accounting for expected credit losses on accounts receivable is detailed in Note V.10, (6) "Impairment of financial instruments" of this note.

The Company performs a separate test for expected credit losses on receivables that are subject to past due, default, dispute or litigation and other significant increases in credit risk and for which credit losses have been incurred. Provision for losses is made for the present value of the difference between the contractual cash flows receivable and the cash flows expected to be collected and is included in profit or loss for the current period.

When sufficient evidence of expected credit losses cannot be assessed at the individual instrument level at a reasonable cost, the Company divides accounts receivable into portfolios based on credit risk characteristics by reference to historical credit loss experience, taking into account current conditions and judgments about future economic conditions, and calculates expected credit losses on a portfolio basis. The basis for determining the portfolio is as follows:

Combination name	Basis for determining the portfolio	Accrual method
Accounts receivable with expected credit losses based on ageing group	Except for the single accrual of expected credit losses and the portfolio of customers with very low credit risk of accounts receivable	Ageing analysis

of a portfolio of customers with lower credit risk Accounts receivable	Receivables from related parties within the scope of consolidation Item	No provision for bad debts
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Provision for bad debts is made using the ageing analysis method for:

Ageing of accounts	Percentage of accrual for accounts receivable (%)
Up to and including 1 year (hereinafter)	5
1-2 years	10
2-3 years	20
3-5 years	50
More than 5 years	100

### 13. Receivables financing

☒ Applicable ☐ Not applicable

Notes and accounts receivable classified as at fair value through other comprehensive income are presented as receivables financing for the portion of the period up to and including one year from acquisition and as other debt investments for the portion of the period more than one year from acquisition.

The Company's method of determining and accounting for expected credit losses on receivables financing is detailed in note V.10, (6) of this note

### 14. Other receivables

#### Methodology for determining expected credit losses on other receivables and accounting treatment

☒ Applicable ☐ Not applicable

The Company measures the allowance for losses on other receivables in accordance with the following scenarios: (i) financial assets whose credit risk has not increased significantly since initial recognition (2) for financial assets whose credit risk has increased significantly since initial recognition, the Company measures the allowance for loss at an amount equal to the expected credit loss over the entire life of the financial instrument; (3) for financial assets that have been purchased or originated with credit impairment, the Company measures the allowance for loss at an amount equal to the expected credit loss over the entire life of the financial instrument The provision for losses is measured at the amount equal to the expected credit loss over the entire life of the financial instrument.

Assessment on a portfolio basis. For other receivables, the Company is unable to obtain sufficient evidence of a significant increase in credit risk at the individual instrument level at a reasonable cost and it is feasible to assess whether credit risk has increased significantly on a portfolio basis, so the Company groups other receivables and considers assessing whether

credit risk has increased significantly on a portfolio basis, based on the initial recognition date as a common risk characteristic.

## 15. Inventory

☒Applicable      ☐Not applicable

### ( 1 ) Classification of inventories

The Company's inventories are divided into raw materials, low value consumables, packaging, work in progress, goods on hand and goods issued.

### ( 2 ) Method of valuing inventories issued

Materials issued are accounted for using the weighted average method and inventory goods issued are accounted for using the weighted average method.

### ( 3 ) Basis for determining the net realisable value of inventories and the method of providing for a decline in value of inventories

Inventories at the end of the period are stated at the lower of cost or net realisable value; at the end of the period, on the basis of a full inventory of inventories, for the portion of inventories whose cost is not expected to be recoverable because they have suffered damage, are obsolete in whole or in part, or are sold at less than cost, etc.

Provision for decline in value of inventories is made. Provisions for diminution in the value of inventories are generally made on the basis of individual inventory items; for inventories of significant quantity and at a lower unit price, provisions for diminution in the value of inventories are made by category of inventory. Inventories that are related to a product line sold in the same region, have the same or similar end use or purpose and are difficult to measure separately from other items are combined to provide for a reduction in the value of inventories.

The net realisable value of finished goods, merchandise and materials for sale, and other inventories that can be sold directly, is determined by the estimated selling price of such inventories less estimated selling expenses and related taxes; the net realisable value of materials and other inventories held for production is determined by the estimated selling price of the finished goods produced less the estimated costs to be incurred to completion, estimated selling expenses and related taxes. The net realisable value of inventories held for the performance of a sales contract or a labour contract is calculated on the basis of the contract price; if the quantity of inventories held by an enterprise 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 for inventories

The Company's inventory is inventoried using a perpetual inventory system and regular physical inventories are conducted.

( 5 ) Amortisation method for low value consumables and packaging

① Amortisation method for low value consumable items

The Company receives low-value consumables for amortisation using the one-time reversal method.

② Amortisation of packaging

The Company's collateralised packaging is amortised using the one-time reversal method.

## 16. Contract assets

### (1). Methods and criteria for recognition of contract assets

√Applicable ☐ Not applicable

The Company presents contract assets in the balance sheet based on the relationship between the fulfilment of performance obligations and payments from customers. The Company has made payments to

The consideration to which the customer is entitled for the transfer of goods or the provision of services (and which is dependent on factors other than the passage of time) is shown as a contract asset. Contract assets and contract liabilities under the same contract are shown on a net basis, with net debit balances shown under "Contract assets" and net credit balances shown under "Contract liabilities". Contract assets and contract liabilities under different contracts are not offset against each other.

### (2). Methodology for determining expected credit losses on contract assets and accounting treatment

√Applicable ☐ Not applicable

The Company's method of determining and accounting for expected credit losses on contract assets is detailed in Note V, 10(6) Financial Instruments

Impairment of instruments"

## 17. Assets held for sale

☒Applicable      ☐Not applicable

( 1 ) Classification of non-current assets or disposal groups held for sale

The Company classifies non-current assets or disposal groups as held for sale if both of the following conditions are met: (i) they are ready for immediate sale in their current condition based on the practice of selling such assets or disposal groups in similar transactions; and (ii) it is highly probable that the sale will occur, i.e. the Company has resolved on a sale plan and has received firm purchase commitments and the sale is expected to be completed within one year.

Non-current assets or disposal groups acquired by the Company specifically for resale are classified as held for sale at the date of acquisition if the condition that the sale is "expected to be completed within one year" is met at the date of acquisition and it is probable that the other conditions for classification as held for sale will be met within a short period of time (usually three months).

A non-current asset or disposal group will continue to be classified as held for sale if the transaction between unrelated parties is not completed within one year for one of the following reasons beyond the company's control and the company remains committed to selling the non-current asset or disposal group: (i) the buyer or other party unexpectedly sets conditions that cause the sale to be postponed, the company has acted on those conditions in a timely manner, and it expects to be able to sell the non-current asset or disposal group from the time the conditions are set

(i) the delay is successfully resolved within one year from the date on which the conditions for sale were postponed; (ii) the sale of non-current assets or disposal groups held for sale is not completed within one year due to the occurrence of rare circumstances and the company has taken the necessary measures in response to these new circumstances within the first year and the conditions for classification as held for sale have been met again.

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

① Initial and subsequent measurement

If the carrying amount of a non-current asset or disposal group held for sale is higher than its fair value less costs to sell at the initial measurement and remeasurement at the balance sheet date, the carrying amount is written down to fair value less costs to sell, and the amount written down is recognised as an impairment loss on the asset and charged to current profit or loss, together with a provision for impairment of assets held for sale.

Non-current assets or disposal groups classified as held for sale at the date of acquisition are measured at the lower of the initial measurement amount that would have been determined had they not been classified as held for sale and the fair value less costs to sell. Except for non-current assets or disposal groups acquired in a business combination, the difference arising from the initial measurement of the non-current asset or disposal group at fair value less costs to sell is included in profit or loss for the period.

For disposal groups held for sale, the amount of impairment loss recognised on assets is first set off 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.

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

② Accounting for reversal of impairment loss on assets

Subsequent increases in the net fair value of non-current assets held for sale, less costs to sell, at the balance sheet date are restored to the amount previously written down and reversed within the amount of the impairment loss on assets recognized after classification as held for sale, with the reversal charged to current profit or loss. Impairment losses recognised on assets prior to classification as held for sale are not reversed.

Subsequent increases in the net fair value less costs to sell of disposal groups held for sale at the balance sheet date are restored to the amount previously written down and reversed within the amount of impairment loss recognized on non-current assets after classification as held for sale, with the reversal charged to current profit or loss. The carrying amount of goodwill that has been written down, and the impairment loss recognised on non-current assets prior to classification as held for sale, is not reversed.

The amount of subsequent reversal of impairment loss on assets recognized in disposal groups held for sale is increased by the carrying amount of each non-current asset in the disposal group, other than goodwill, in proportion to its proportionate share of the carrying amount of the asset.



(iii) Discontinuation of classification as held for sale and accounting for derecognition

When a non-current asset or disposal group ceases 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: 1) the carrying amount before classification as held for sale, adjusted for depreciation, amortisation or impairment that would have been recognised had it not been classified as held for sale; and 2) the Recoverable amount.

On derecognition of a non-current asset or disposal group held for sale, any unrecognised gain or loss is charged to current profit or loss.

## **18. Debt investments**

### **(1). Method of determining expected credit losses on debt investments and accounting treatment**

☐ applicable ☒ not applicable

## **19. Other debt investments**

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

☐ applicable ☒ not applicable

## 20. Long-term receivables

### (1). Methodology for determining expected credit losses on long-term receivables and accounting treatment

☐ applicable ☒ not applicable

## 21. Long-term equity investments

☒ Applicable ☐ Not applicable

Long-term equity investments referred to in this part are long-term equity investments in which the Company has control, joint control or significant influence over the investee.

Equity investments. Long-term equity investments in which the Company does not have control, joint control or significant influence over the investee are accounted for as investments in other equity instruments or as financial assets at fair value through profit or loss, as described in Note V.10 "Financial instruments".

#### (1) Initial investment cost determination

The cost of investment in the Company's long-term equity investments is recognized separately according to the method of acquisition as follows:

① Long-term equity investments acquired in a business combination under common control shall be measured at the share of the carrying amount of the ownership interest of the party being consolidated in the consolidated financial statements of the ultimate controlling party at the date of consolidation as the initial investment cost of the long-term equity investment. The difference between the initial investment cost of a long-term equity investment and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted against capital surplus; if capital surplus is not sufficient to cover the reduction, retained earnings are adjusted. If equity securities are issued as consideration for a merger, the share of the carrying value of the shareholders' equity/owners' equity of the party being consolidated in the consolidated financial statements of the ultimate controlling party is taken as the initial investment cost of the long-term equity investment at the date of the merger, and the total nominal value of the shares issued is taken as the share capital; the difference between the initial investment cost of the long-term equity investment and the total nominal value of the shares issued is adjusted to capital surplus; if capital surplus is not sufficient to offset the difference, the difference is adjusted to retained earnings. The difference between the initial investment cost and the total nominal value of the shares issued is adjusted against capital surplus; if capital surplus is not sufficient to cover the reduction, retained earnings are adjusted. (If the equity interest in a party under common control is acquired in stages through multiple transactions, resulting in a business combination under common control, it should be treated separately as a "package transaction": if it is a "package transaction", each transaction is treated as a single acquisition of control. If the transaction is a "package transaction", the transactions are accounted for as one transaction for the acquisition of control. If the transaction is not a "package transaction", the initial investment cost of the long-term equity investment at the date of consolidation is based on the share of the carrying value of the shareholders' equity/owners' equity of the party being consolidated in the consolidated financial statements of the ultimate controlling party, and the initial investment cost of the long-term equity investment is the same as the carrying value of the

long-term equity investment prior to the date of consolidation plus the amount of the consideration paid for the further acquisition of shares at the date of consolidation. The difference between the initial investment cost of the long-term equity investment and the sum of the book value of the long-term equity investment before it reaches consolidation plus the book value of the consideration paid for further acquisition of shares is adjusted against capital surplus; if capital surplus is not sufficient to cover the reduction, it is adjusted against retained earnings. (Other comprehensive income recognized on equity investments held prior to the date of consolidation as a result of accounting for them under the equity method or as investments in other equity instruments is not accounted for for the time being)

② Long-term equity investments acquired through business combinations not under common control, according to the fair value of the assets, equity instruments issued and liabilities incurred or assumed at the date of the transaction (through multiple transactions to acquire the equity interest of the purchasee in stages, resulting in a business combination not under common control, should be treated as a "package deal" or not) : If it is a "package transaction", each transaction is accounted for as a single transaction to obtain control. If the transaction is not a "package transaction", the initial investment cost of the long-term equity investment accounted for under the cost method is the sum of the carrying amount of the equity investment originally held in the acquiree and the cost of the new investment. If the equity interest previously held is accounted for under the equity method, the related other comprehensive income is not accounted for for the time being. If the equity investment previously held is an investment in other equity instruments, the difference between its fair value and its carrying amount, and the cumulative fair value changes previously recognized in other comprehensive income are transferred to current profit or loss) plus the cost of consolidation calculated on the basis of costs directly attributable to the acquisition, is taken as the initial investment cost of the long-term equity investment. The identifiable assets of the consolidated party and the liabilities assumed by it (including contingent liabilities) at the date of consolidation are measured in their entirety at fair value, irrespective of the amount of minority interests. The amount by which the cost of consolidation exceeds the Company's share of the fair value of the consolidated party's identifiable net assets acquired is recorded as goodwill, and any amount less than the consolidated party's share of the fair value of the identifiable net assets is recognised directly in the consolidated profit and loss account.

(iii) Long-term investments acquired by other means

- A. Long-term equity investments acquired by paying cash are stated at the cost of the investment based on the actual purchase price paid.
- B. Long-term equity investments acquired by issuing equity securities are stated at the fair value of the equity securities issued as the cost of the investment.

C. Where a long-term equity investment is acquired through an exchange of non-monetary assets, the fair value of the assets exchanged is used as the cost of the long-term equity investment acquired; where there is no commercial substance, the carrying value of the assets exchanged is used as the cost of the long-term equity investment acquired.

D. The cost of investment in long-term equity investments acquired through debt restructuring is recognised at the fair value of the long-term equity investment.

( 2 ) Subsequent measurement of long-term equity investments

① Investments over which control can be exercised are accounted for using the cost method.

② Long-term equity investments in which the investee has joint control (other than those that constitute joint operators) or significant influence are accounted for using the equity method.

When the equity method of accounting is adopted, if the initial investment cost of a long-term equity investment is greater than the 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 is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is recognized in profit or loss for the current period and the cost of the long-term equity investment is adjusted.

When the equity method of accounting is adopted, investment income and other comprehensive income are recognized according to the share of the investee's net profit or loss and other comprehensive income, respectively, and the carrying value of the long-term equity investment is adjusted; the carrying value of the long-term equity investment is reduced accordingly according to the share of the investee's profit or cash dividends declared; the carrying value of the long-term equity investment is adjusted for changes in the investee's ownership interest other than net profit or loss, other comprehensive income and profit distribution, For changes in the ownership interest of the investee other than net profit or loss, other comprehensive income and profit distribution, the carrying amount of the long-term equity investment is adjusted and credited to capital surplus. In recognizing the share of the investee's net profit or loss, the fair value of the investee's identifiable assets, etc. at the time of acquisition of the investment is used as the basis for recognition, adjusted for the investee's net profit. If the accounting policies and accounting periods adopted by the investee are different from those of the Company, the financial statements of the investee are adjusted in accordance with the Company's accounting policies and accounting periods, and investment income and other comprehensive income are recognized accordingly. For transactions between the Company and its associates and joint ventures, if the assets invested or sold do not constitute a business, the unrealized internal transaction gains or losses are offset against the portion attributable to the Company calculated on the basis of entitlement and investment gains or losses are recognized on this basis. However, losses on unrealized internal transactions between the Company and its investees that are attributable to impairment losses on the assets transferred are not offset. If the assets contributed by the Company to a joint venture or an associate constitute a business, and the investor thereby acquires a long-term equity investment but does not obtain control, the fair value of the contributed business is used as the initial investment cost of the new long-term equity investment, and the difference between the initial investment cost and the carrying amount of the contributed business is recognized in full in profit or loss for the current period. If an asset sold by the Company to a joint venture or an associate constitutes a

business, the difference between the consideration received and the carrying amount of the business is recognized in profit or loss for the period. If the assets acquired by the Company from its associates and joint ventures constitute a business, they are accounted for in accordance with the provisions of AS 20 - Business Combinations, with the full amount of the gain or loss recognized in relation to the transaction.

In recognizing a share of the net loss incurred by an investee, the carrying amount of the long-term equity investment and other long-term interests that substantially constitute a net investment in the investee are written down to zero. In addition, if the Company has an obligation to the investee to assume additional losses, a projected liability is recognized for the expected obligation assumed, which is included in the current investment loss. If the investee achieves net profit in a subsequent period, the Company resumes recognition of revenue sharing after the revenue sharing amount has made up for the unrecognized loss sharing amount.

(iii) Acquisition of minority interests

In preparing the consolidated financial statements, the difference between the additional long-term equity investment arising from the purchase of minority interests and the share of net assets of the subsidiary calculated on a continuing basis from the date of purchase (or the date of consolidation) in accordance with the percentage of the additional shareholding is adjusted against capital surplus and, if capital surplus is not sufficient to cover the reduction, against retained earnings.

④ Disposal of long-term equity investments

In the consolidated financial statements, if the parent company partially disposes of its long-term equity investments in subsidiaries without loss of control, the difference between the disposal price and the net assets of the subsidiaries corresponding to the disposal of the long-term equity investments is recorded in shareholders' equity; if the parent company partially disposes of its long-term equity investments in subsidiaries resulting in the loss of control over the subsidiaries, it is treated in accordance with the relevant accounting policies described in Note V.6 "Methods of preparing consolidated financial statements" in this note. If the partial disposal of the parent company's long-term equity investment in a subsidiary results in the loss of control over the subsidiary, it is treated in accordance with the relevant accounting policies described in Note V.6 "Methodology for the preparation of consolidated financial statements".

For disposal of long-term equity investments in other circumstances, the difference between the carrying amount and the actual acquisition price of the equity interest disposed of is recognized in profit or loss for the period.

Where a long-term equity investment accounted for using the equity method is disposed of and the remaining equity interest is still accounted for using the equity method, the portion of other comprehensive income previously included in shareholders' equity is accounted for at the time of disposal on the same basis as if the relevant asset or liability had been disposed of directly by the investee, in proportion to the corresponding percentage. Owner's equity recognized as a result of changes in the investee's ownership interest other than net profit or loss, other comprehensive income and profit distribution is carried forward to current profit or loss on a pro rata basis.

For long-term equity investments accounted for using the cost method, if the remaining equity interest after disposal is still accounted for using the cost method, the other comprehensive income recognized as a result of the equity method accounting or the standard on recognition and measurement of financial instruments prior to the acquisition of control over the investee is accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee and is carried forward to profit or loss for the current period on a pro rata basis; changes in owners' equity other than net profit or loss, other comprehensive income and profit or loss recognized as a result of the equity method accounting are carried forward to profit or loss for the current period on a pro rata basis. Changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution recognized in the net assets of the investee as a result of the adoption of the equity method of accounting are carried forward proportionately to profit or loss for the current period.

If the Company loses control over an investee as a result of the disposal of a portion of its equity investment, the remaining equity interest after disposal, which is capable of exercising joint control or significant influence over the investee, is accounted for under the equity method in the preparation of the individual financial statements, and the remaining equity interest is adjusted as if it had been accounted for under the equity method from the date of acquisition; if the remaining equity interest after disposal is not capable of exercising joint control or significant influence over the investee, it is accounted for in accordance with the relevant provisions of the Guidelines on Recognition and Measurement of Financial Instruments. If the remaining equity interest after disposal cannot exercise joint control or significant influence over the investee, it is accounted for in accordance with the relevant provisions of the Standard on Recognition and Measurement of Financial Instruments, and the difference between its fair value and its carrying amount at the date of loss of control is recognized in profit or loss for the current period. For other comprehensive income recognized as a result of the adoption of the equity method of accounting or the standard on recognition and measurement of financial instruments prior to the Company's acquisition of control over the investee, the same basis of accounting as that used for the direct disposal of the relevant assets or liabilities of the investee is used when control over the investee is lost, and other comprehensive income recognized in the net assets of the investee, other than net profit or loss, other comprehensive income and profit distribution, as a result of the adoption

of the equity method of accounting Changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution are transferred to profit or loss when control over the investee is lost. Of these, other comprehensive income and other owners' equity are carried forward proportionately if the remaining equity interest after disposal is accounted for under the equity method; if the remaining equity interest after disposal is accounted for under the standard on recognition and measurement of financial instruments instead, other comprehensive income and other owners' equity are carried forward in full.

Where the Company loses joint control or significant influence over an investee as a result of the disposal of a portion of its equity investment, the remaining equity interest after disposal is accounted for in accordance with the Standard on Recognition and Measurement of Financial Instruments, and the difference between its fair value and its carrying amount at the date of loss of joint control or significant influence is recognized in profit or loss for the current period. Other comprehensive income recognised as a result of the equity method of accounting for the former equity investment is accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee upon the termination of the equity method of accounting, and all owner's equity recognised as a result of changes in the investee's ownership interest other than net profit or loss, other comprehensive income and profit distribution is transferred to current investment income upon the termination of the equity method of accounting.

The Company disposes of its equity investments in subsidiaries through multiple transactions in stages until it loses control. If the above transactions are part of a package, each transaction is accounted for as a disposal of an equity investment in a subsidiary and loss of control, and the difference between the disposal price and the carrying amount of the long-term equity investment corresponding to the equity interest disposed of before the loss of control is first recognized as other comprehensive income and then transferred to profit or loss in the period in which control is lost. It is then transferred to profit or loss for the period in which control is lost when control is lost.

( 3 ) Methodology for impairment testing and provision for impairment of long-term investments

The impairment testing methodology and impairment provision for long-term investments are detailed in Note V.30 **"Impairment of long-lived assets"**.

( 4 ) Criteria for determining common control and significant influence

Joint control is control over an arrangement that is shared in accordance with the relevant agreement and where decisions on the relevant activities of the arrangement can only be made with the unanimous consent of the participants sharing control. In determining whether there is joint control, it should be determined firstly whether all or a combination of participants collectively control the arrangement and secondly whether decisions on activities relating to the arrangement must be made with the unanimous consent of those participants who collectively control the arrangement.

Significant influence means that the investor has the power to participate in decision-making over the financial and operating policies of the investee, but does not have control over

or jointly control the formulation of such policies with other parties. In determining whether significant influence can be exercised over an investee, potential voting rights factors such as current convertible corporate bonds and current exercisable warrants of the investee held by the investor and other parties should be taken into account.

## 22. Not

applicable to

**investment**

**properties**

## 23. Fixed

**assets (1).**

**Conditions**

**for**

**recognition**

✓Applicable ☐ Not applicable

Fixed assets are assets held for the production of goods, provision of services, rental or management and have a useful life of more than one accounting year.

Fixed assets are recognised when it is probable that the economic benefits associated with them will flow to the Company and their cost can be measured reliably. Fixed assets are recognised only when it is probable that the economic benefits associated with them will flow to the Company and their cost can be measured reliably. Fixed assets are initially measured at cost, taking into account the impact of expected disposal costs.

## (2). Depreciation methods

✓Applicable ☐ Not applicable

Category	Depreciation methods	Depreciable life (in years)	Residual Value Rate	Annual depreciation rate
Houses and buildings	Annual averaging method	20 years	3%	4.85%
Machinery and equipment	Annual averaging method	5-12 years	3%	8.08% - 19.40%
Transport equipment	Annual averaging method	3-12 years	3%	8.08% - 32.33%
Electronic equipment	Annual averaging method	5-12 years	3%	8.08% - 19.40%
Other equipment	Annual averaging method	3-12 years	3%	8.08% - 32.33%

## (3). Basis of recognition, valuation and depreciation of finance leasehold fixed assets

✓Applicable ☐ Not applicable

The Company will recognize as a finance lease fixed asset if one or more of the following criteria are met:



(i) it has been agreed in the lease contract (or, in the reasonable judgment of the lease commencement date based on the relevant conditions, ownership of the leased fixed asset can be transferred to the Company at the end of the lease term;

(ii) The Company has an option to purchase the leased fixed assets for a purchase price that is expected to be substantially less than the fair value of the leased fixed assets at the time the option is exercised, such that it is reasonably certain at the inception date of the lease that the Company will exercise such option;

(iii) the lease term is 75% or more of the useful life of the leased fixed asset, even if ownership of the fixed asset does not pass;

(iv) the present value of the Company's minimum lease payments at the lease inception date is equal to 90% or more of the fair value of the leased fixed asset at the lease inception date; and the present value of the lessor's minimum lease payments at the lease inception date is equal to 90% or more of the fair value of the leased fixed asset at the lease inception date;

⑤ Leased assets are special in nature and can only be used by the Company without major modifications.

Fixed assets leased under finance leases are carried at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the commencement date of the lease.

(4) Impairment testing methods for fixed assets and impairment provisioning methods

For details of the impairment testing methodology and impairment provision for fixed assets, see Note V.30 "Impairment of long-lived assets".

## 24. Construction in progress

☒Applicable      ☐Not applicable

The cost of construction in progress is determined on the basis of actual construction expenditure, including all construction expenditure incurred during the period of construction and other related costs, etc.

Construction in progress is carried forward to fixed assets when it reaches its intended useable state.

For details of the impairment testing methodology and impairment provision for construction in progress, see Note V.30 "Impairment of long-lived assets".

## 25. Borrowing costs

☒Applicable      ☐Not applicable

### ( 1 ) Principles for recognition of capitalised borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums and ancillary costs incurred in connection with borrowings, and exchange differences incurred in connection with foreign currency borrowings. Borrowing costs incurred by the Company are capitalised and charged to the cost of the relevant assets when they are incurred in connection with specialised borrowings or general borrowings that are required for the acquisition and construction of fixed assets, development of investment properties or inventories over a period of one year or more (including one year); other borrowing costs are recognised as expenses when incurred and charged to current profit or loss. Capitalisation of related borrowing costs commences when all three of the following conditions are met:

Expenditure on  
assets has been  
incurred; borrowing  
costs have been  
incurred;

The acquisition and construction activities necessary to bring the asset to its intended useable condition have commenced.

### ( 2 ) Period in which borrowing costs are capitalised

Borrowing costs incurred for the acquisition and construction of fixed assets, investment properties and inventories that meet the above-mentioned capitalisation conditions are charged to the cost of the assets until the assets reach their intended useable or saleable states; if there is an unusual interruption in the acquisition and construction activities of fixed assets, investment properties or inventories and the interruption lasts for more than three consecutive months, the capitalisation of borrowing costs is suspended and recognised as a current expense. The capitalisation of borrowing costs ceases when the assets reach their intended useable or saleable state, and borrowing costs incurred thereafter are charged directly to finance costs in the period in which they are incurred.

( 3 ) Calculation of the amount of borrowing costs capitalised

Where special borrowings are borrowed for the purpose of acquiring or producing and developing assets eligible for capitalisation, the amount is determined by deducting the interest expense actually incurred on the special borrowings in the period, from the interest income earned on the unused borrowed funds placed in banks or the investment income earned on the temporary investments.

Where general borrowings are taken up for the purpose of acquiring or producing and developing assets eligible for capitalisation, the amount of interest to be capitalised on general borrowings is calculated by multiplying the weighted average amount of expenditure on assets in excess of the cumulative expenditure on special borrowings by the capitalisation rate of the general borrowings taken up. The capitalisation rate is determined on the basis of the weighted average interest rate on general borrowings.

**26. Biological assets**

☐Applicable      ☒Not applicable

**27. Oil and gas assets**

☐Applicable      ☒Not applicable

## 28. Right to use assets

✓Applicable ☐ Not applicable

The Company's right-of-use asset class consists primarily of buildings.

At the inception date of the lease, the Company recognizes right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-of-use assets are initially measured at cost. This cost includes: the initial measurement amount of the lease liability; the amount of lease payments made on or before the commencement date of the lease, net of amounts related to lease incentives taken, if any; initial direct costs incurred by the lessee; and costs expected to be incurred by the lessee to disassemble and remove the leased asset, restore the site on which the leased asset is located or restore the leased asset to the condition agreed under the terms of the lease, but does not include costs that are part of the costs incurred to production of inventories.

The Company subsequently depreciates right-of-use assets using the straight-line method. Where it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Company provides depreciation over the remaining useful life of the leased asset. Where it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Company depreciates over the shorter of the lease term or the remaining useful life of the leased asset. When the recoverable amount is less than the carrying amount of the right-of-use asset, the Company writes down the carrying amount to its recoverable amount.

The impairment test methodology and impairment provision for right to use assets are detailed in Note V.30 **"Impairment** of long-lived assets".

## 29. Intangible assets

### (1). Valuation methods, useful lives, impairment testing

✓Applicable ☐ Not applicable

Intangible assets are identifiable non-monetary assets that are not in physical form and are owned or controlled by the Company.

Intangible assets are initially measured at cost. Expenditure relating to intangible assets is charged to the cost of the intangible asset if it is probable that the related economic benefits will flow to the Company and the cost can be measured reliably. Expenditure on items other than these is charged to current profit or loss as incurred.

( 1 ) Method of valuation of intangible assets:

The Company's intangible assets include land use rights, software, etc.

Intangible assets acquired are stated at actual cost, based on the price actually paid and related other expenditure.

The actual cost of intangible assets invested by investors is determined at the value agreed in the investment contract or agreement, except where the agreed value in the contract or agreement is not fair, in which case the actual cost is determined at fair value.

Intangible assets acquired through an exchange of non-monetary assets are recorded at the

fair value of the assets exchanged if they have commercial substance; if they do not have commercial substance, they are recorded at the carrying amount of the assets exchanged.

Intangible assets acquired through debt restructuring are recognised at fair value.

( 2 ) Method and period of amortisation of intangible assets:

The Company's land use rights are amortized evenly over the life of the land grant from the commencement date of the grant; the Company's patented technology, non-patented technology and other intangible assets are amortized evenly over the shortest of the estimated useful life, the contractual beneficiary life and the effective life as prescribed by law. Amortization is charged to the cost of the related assets and to profit or loss for the period, depending on the object of their benefit.

See Note V.30 "Impairment of long-lived assets" for details of the impairment testing methodology and impairment provision for intangible assets. (2).

### **Accounting policy for internal research and development expenditure**

✓Applicable ☐ Not applicable

Expenditure on the research phase of an intangible asset developed by its own research shall be charged to current profit or loss as incurred; expenditure on its development phase shall be recognized as an intangible asset (patented and non-proprietary technology) if both of the following conditions are met:

- (i) it is technically feasible to complete the intangible asset so that it can be used or sold;

- ② has the intention to complete the intangible asset and use or sell it;
- (iii) a market exists for the product produced using the intangible asset or a market exists for the intangible asset itself;
- iv) have sufficient technical, financial and other resources to support the completion of the development of the intangible asset and the ability to use or sell the intangible asset;
- ⑤ the expenditure attributable to the development phase of the intangible asset can be measured reliably;

Expenditure in the development phase that does not meet the above criteria is charged to profit or loss as incurred. Development expenditure previously charged to profit or loss is not recognised as an asset in subsequent periods. Expenditures in the development phase that have been capitalised are shown as development expenditure on the balance sheet and are transferred to intangible assets from the date the project reaches its intended useable state.

### **30. Impairment of long-lived assets**

☒Applicable      ☐Not applicable

For fixed assets, construction in progress, intangible assets with finite useful lives, investment properties measured using the cost model and the

Non-current non-financial assets, such as long-term equity investments in subsidiaries, joint ventures and associates, are determined by the Company at the balance sheet date to determine whether there is an indication of impairment. If there is an indication of impairment, the recoverable amount is estimated and tested for impairment. Goodwill, intangible assets with indefinite useful lives and intangible assets that have not yet reached their useful lives are tested annually for impairment, regardless of whether there is an indication of impairment.

If the result of an impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment is made for the difference and an impairment loss is recorded. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of estimated future cash flows from the asset. The fair value of an asset is determined on the basis of the agreed sale price in an arm's length transaction; where no sale agreement exists but an active market for the asset exists, the fair value is determined on the basis of the buyer's bid for the asset; where no sale agreement and no active market for the asset exists, the fair value of the asset is estimated on the basis of the best available information. Disposal costs include legal fees, related taxes, removal costs and direct costs incurred in bringing the asset to a saleable condition in connection with the disposal of the asset. The present value of the expected future cash flows of an asset is determined by discounting the asset at an appropriate discount rate based on the expected future cash flows arising from its continuing use and eventual disposal. Provision for asset impairment is calculated and recognised on an individual asset basis or, if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the group of assets to which the asset belongs is determined. An asset group is the smallest combination of assets that can generate cash inflows

independently.

Goodwill that is separately presented in the financial statements is tested for impairment by apportioning the carrying amount of goodwill to the group of assets or combination of groups of assets that are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of the asset group or group of assets comprising the apportioned goodwill is less than its carrying amount, a corresponding impairment loss is recognised. The amount of the impairment loss is reduced first by the carrying amount of the goodwill apportioned to the asset group or group of assets and then by the carrying amount of each asset group or group of assets other than goodwill in proportion to its share of the carrying amount of each other asset group or group of assets.

Once an impairment loss has been recognized, the portion of the asset whose value has been restored is not reversed in subsequent periods.

### **31. Long-term amortised costs**

☒Applicable      ☐Not applicable

Long-term amortised costs are those incurred but to be borne by the reporting period and future periods and are apportioned over a period of more than one year.

The Company's long-term amortization expenses mainly include expenses for major repairs to fixed assets, molds used in the production of vulcanization of products, etc. Long-term amortization is amortized on a straight-line basis over the period of benefit.

## **32. Contractual liabilities**

### **(1). Method of recognition of contractual liabilities**

✓Applicable ☐ Not applicable

A contractual liability is an obligation to transfer goods or provide services to a customer for which the Company has received or is due consideration from the customer. If, at

When the contractual consideration has been paid by the customer or the Company has acquired an unconditional right to receive payment prior to the Company transferring goods or providing services to the customer, the Company records the amount received or receivable as a contractual liability at the earlier of the actual payment by the customer and the amount due and payable. A contractual liability is recognized as revenue when the Company fulfills its obligation to transfer goods or provide services to the customer. Contract assets and contract liabilities under the same contract are shown on a net basis, and contract assets and contract liabilities under different contracts are not offset.

## **33. Staff remuneration**

### **(1). Accounting for short-term remuneration**

✓Applicable ☐ Not applicable

The Company recognises the actual short-term remuneration incurred as a liability in the accounting period in which the employee performs services for it and recognises it in the current period's profit or loss

Employee benefit costs incurred are charged to current profit or loss or to the cost of the relevant assets when actually incurred, based on the actual amount incurred, except for those required or permitted to be charged to the cost of assets under other accounting standards. Employee benefit costs are measured at fair value if they are non-monetary; social insurance premiums such as medical insurance premiums, work injury insurance premiums and maternity insurance premiums and housing fund paid by the enterprise for its employees, as well as trade union funds and employee education funds withdrawn in accordance with regulations, are calculated and the corresponding amount of employee compensation is determined in accordance with the prescribed accrual basis and accrual rate in the accounting period in which the employees render services to them, and the corresponding The corresponding liabilities are recognized in profit or loss for the period or in the cost of the related assets.

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

✓Applicable ☐ Not applicable

The Company classifies its post-employment benefit plans as defined contribution plans and defined benefit plans. Post-employment benefit plans, which are corporate agreements with employees for post-employment benefits, or regulations or practices established by the enterprise to provide post-employment benefits to employees, etc. Of these, defined contribution plans refer to post-employment benefit plans where no further payment obligations are incurred by the enterprise after a fixed contribution has been made to a separate fund; defined benefit plans refer to post-employment benefit plans other than defined contribution plans.

### **(3). Accounting for Termination Benefits**



☒Applicable      ☐Not applicable

The Company also provides employees who meet certain conditions with supplementary retirement benefits outside of the state-mandated insurance system, and such supplementary retirement Benefits are classified as defined benefit plans and the defined benefit liability recognized on the balance sheet is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the expected accumulated benefit unit method using treasury rates similar to the term and currency of the obligation. Service cost (including current service cost, past service cost and settlement gains or losses) and net interest related to supplementary retirement benefits are charged to current profit or loss or to the cost of the related assets, and changes resulting from the remeasurement of the net defined benefit plan liability or net assets are charged to other comprehensive income.

**(4). Accounting for other long-term employee benefits**

☐ applicable ☒not applicable

**34. Lease liabilities**

☒Applicable      ☐ Not applicable

At the inception date of the lease term, the Company recognizes the present value of the outstanding lease payments as a lease liability. Lease payments comprise  
The following five elements: fixed payments and material fixed payments, net of amounts related to lease incentives where lease incentives exist; variable lease payments that depend on an index or rate that is determined at initial measurement based on the index or rate at the start date of the lease term; purchase

The exercise price of the option to buy, provided that the lessee is reasonably certain that it will exercise the option; the amount to be paid for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be paid based on the residual value of the security provided by the lessee.

The interest rate embedded in the lease is used as the discount rate to calculate the present value of the lease payments, and where the interest rate embedded in the lease cannot be determined, the Company's incremental borrowing rate is used as the discount rate. The Company calculates the interest expense on the lease liability for each period of the lease term at a fixed periodic rate and includes it in profit or loss for the current period, unless otherwise provided for in the cost of the related asset. Variable lease payments not included in the measurement of the lease liability are charged to current profit or loss as incurred, unless otherwise provided for in the cost of the related asset. Subsequent to the commencement date of a lease, when there is a change in the substantive fixed payments, a change in the amount expected to be payable on the secured residual, a change in the index or rate used to determine the lease payments, or a change in the valuation or actual exercise of the option to purchase, option to renew or option to terminate, the Company remeasures the lease liability at the present value of the changed lease payments.

### 35. Projected liabilities

☒Applicable      ☐Not applicable

- ( 1 ) Obligations arising from external guarantees, litigation matters, product quality warranties, loss-making contracts and other contingent matters become obligations of the Company

The company recognises a present obligation as a projected liability when it is probable that the performance of the obligation will result in an outflow of economic benefits to the company and the amount of the obligation can be measured reliably.

- ( 2 ) The Company initially measures the projected liability based on the best estimate of the expenditure required to settle the related present obligation and reviews the carrying amount of the projected liability at the balance sheet date.

### 36. Share-based payments

☒Applicable      ☐Not applicable

- ( 1 ) Types of share-based payments

The Group's share-based payments are classified as equity-settled share-based payments and cash-settled share-based payments.

- ( 2 ) Methodology for determining the fair value of equity instruments

For equity instruments such as options granted by the Group for which there is an active market, the fair value is determined based on quoted prices in an active market. For equity instruments such as options granted for which there is no active market, the fair value is determined using an option pricing model, etc. The option pricing model selected considers the following factors: A. the exercise price of the option; B. the life of the option; C. the prevailing price of the underlying shares; D. the

expected volatility of the share price; E. the expected dividend on the shares; and F. the risk-free interest rate over the life of the option.

( 3 ) Basis for recognising the best estimate of a viable equity instrument

At each balance sheet date during the waiting period, the Group revises the number of equity instruments expected to become exercisable based on its best estimate based on subsequent information such as the latest available changes in the number of exercisable employees. At the feasible date, the final estimated number of feasible equity instruments should be the same as the actual number of feasible rights.

( 4 ) Accounting treatment relating to the implementation, modification and termination of share-based payment plans

Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. Where rights are exercisable immediately after the grant, the fair value of the equity instruments is charged to relevant costs or expenses at the date of grant, with a corresponding increase in capital surplus. Where services are rendered upon completion of the waiting period or the satisfaction of prescribed performance conditions before becoming exercisable, services acquired during the period are charged to relevant cost or expense and capital surplus at each balance sheet date during the waiting period on the basis of the best estimate of the number of exercisable equity instruments and at the fair value of the equity instruments at the date of grant. No adjustment is made to the related costs or expenses and total owners' equity recognized after the date of viability.

Share-based payments settled in cash are measured at the fair value of the liability assumed by the Group determined on the basis of the shares or other equity instruments. If exercisable immediately after the grant, the fair value of the liability assumed by the Group at the date of grant is included in the related cost or expense

The liability is increased accordingly. For cash-settled share-based payments that become exercisable after completion of the services or fulfilment of the required performance conditions within the waiting period, the services acquired in the period are expensed or expensed and a corresponding liability is recorded at each balance sheet date within the waiting period, based on the best estimate of the circumstances under which they will become exercisable, at the amount of the fair value of the liability assumed by the Group. At each balance sheet date prior to settlement of the related liability and at the settlement date, the fair value of the liability is remeasured and the change is recognized in profit or loss for the period.

When the Group makes a modification to a share-based payment plan, if the modification increases the fair value of the equity instruments granted, an increase in the acquisition of services is recognized accordingly to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the fair value of the increased equity instruments is recognized accordingly to the increase in the acquisition of services. The increase in the fair value of equity instruments is the difference between the fair value of the equity instruments before and after the modification at the date of modification. If the modification reduces the total fair value of the share-based payment or otherwise modifies the terms and conditions of the share-based payment plan in a manner unfavourable to employees, the acquired services continue to be accounted for as if the change had never occurred, unless the Group cancels some or all of the equity instruments granted.

If a grant of equity instruments is cancelled during the waiting period (except for those cancelled due to non-market conditions that have not been met for viability) the Group treats the cancellation of the equity instruments granted as accelerated exercise and recognizes the amount to be recognized in profit or loss immediately over the remaining waiting period, together with capital surplus. Where employees or other parties are able to elect to satisfy the non-viable option condition but fail to do so during the waiting period, the Group treats the cancellation as a cancellation of the equity instruments granted.

### **37. Other financial instruments such as preference shares and perpetual debt**

☐ applicable ☒ not applicable

### **38. Income**

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

☒ Applicable ☐ Not applicable

##### **( 1 ) Revenue recognition principles**

At the contract start date, the Company evaluates the contract, identifies the individual performance obligations included in the contract and determines whether each individual performance obligation is to be performed at a particular time or at a particular point in time.

Performance is performed at a point in time if one of the following conditions is met, otherwise, performance is performed at a point in time: (i) the customer obtains and consumes the economic benefits of the company's performance at the same time as the company's performance; (ii) the customer is able to control the goods or services in progress during the company's performance; (iii)

the goods or services produced during the company's performance have an irreplaceable use and the company is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period (iii) the goods or services produced in the course of the Company's performance have an irreplaceable use and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period. For performance obligations performed over a period of time, the Company recognizes revenue over that period of time in accordance with the progress of performance. Where the progress of performance is not reasonably determinable, revenue is recognized in the amount of costs incurred that are expected to be reimbursed until such time as the progress of performance can be reasonably determined.

For performance obligations performed at a point in time, revenue is recognized at the point at which the customer obtains control of the relevant goods or services. In determining whether the customer has acquired control of the goods, the company considers the following indications: (i) the company has a present right to receive the goods, i.e. the customer has a present obligation to pay for the goods; (ii) the company has transferred legal title to the goods to the customer, i.e. the customer has legal title to the goods; (iii) the company has physically transferred the goods to the customer, i.e. the customer has physical possession of the goods; (iv) the company has transferred the principal risks and rewards of ownership of the goods to the customer, i.e. the customer has acquired the principal risks and rewards of ownership of the goods; and (v) the company has transferred the principal risks and rewards of ownership of the goods to the customer. (4) the company has transferred to the customer the principal risks and rewards of ownership of the goods, i.e. the customer has acquired the principal risks and rewards of ownership of the goods; (5) the customer has accepted the goods; and (6) other indications that the customer has acquired control of the goods.

## ( 2 ) Revenue measurement principles

① The Company measures revenue based on the transaction price apportioned 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.

② Where variable consideration exists in a contract, the company determines the best estimate of the variable consideration based on the expected or most probable amount.

However, the transaction price, which includes variable consideration, does not exceed the amount for which it is highly probable that there will be no material reversal of the cumulative revenue recognized when the relevant uncertainty is removed.

(iii) Where there is a significant financing component in the contract, the Company determines the transaction price on the basis of the amount payable in cash assuming that the customer acquires control of the goods or services, and the difference between such transaction price and the contract consideration is amortised over the term of the contract using the effective interest method, without regard to the existence of the contract if, at the date of commencement of the contract, the Company expects that the interval between the acquisition of control of the goods or services by the customer and the payment of the price by the customer will not exceed one year the significant financing component of the contract.

④ Where a contract contains two or more performance obligations, the Company apportions the transaction price to each individual performance obligation on the contract commencement date in the relative proportion of the individual selling price of the goods promised by each individual performance obligation.

( 3 ) Specific methods of revenue recognition

① Revenue recognition principles for domestic sales

The Company enters into sales contracts (orders) with its customers, specifying contractual elements such as technical specifications, quantities, prices, delivery methods and payment methods, and then boxes and ships the products after they have been produced in accordance with the contract. For sales of products that meet the conditions for fulfilling performance obligations at a certain point in time in accordance with the terms of the contract, the Company recognises the realisation of sales revenue upon shipment and obtaining a signed receipt from the customer or confirmation of receipt from the customer's system.

② The principle of revenue recognition for outbound sales

The Company enters into a sales contract (order) with the customer, specifying the technical specifications, quantity, price, delivery method, payment method and other contractual elements. After the production is completed as agreed in the contract, the product is produced and shipped to the designated place for customs clearance and export by the designated delivery date. Upon approval of the customs clearance procedures, the products are shipped directly from the port and the Company no longer exercises continuing management rights and effective control over the merchandise; therefore, the Company recognizes sales revenue after the customs clearance procedures are completed and the products are shipped.

**(2). Differences in accounting policies for revenue recognition due to different operating models for the same type of business**

☐ applicable ☒ not applicable

**39. Contract costs**

☐ applicable ☒ not applicable

#### 40. Government grants

√Applicable ☐ Not applicable

##### ( 1 ) Type

Government grants are monetary assets or non-monetary assets obtained by the Company from the government without consideration. Government grants are classified as asset-related government grants and revenue-related government grants based on the nature of the grant recipients as specified in the relevant government documents.

The Company defines government grants acquired for the acquisition or other formation of long-term assets as asset-related government grants; the remaining government grants are defined as revenue-related government grants.

##### ( 2 ) Recognition of government grants

Government grants are recognised when the conditions attached to the government grants can be met and when they can be received.

Government grants are measured at the amount received or receivable if the grant is a monetary asset. Government grants that are non-monetary assets are measured at fair value; where the fair value cannot be reliably obtained, they are measured at nominal amounts.

##### ( 3 ) Accounting treatment

Government grants related to assets should be written down to the carrying amount of the related assets or recognized as deferred income. Where government grants related to assets are recognized as deferred income, they should be recognized in profit or loss over the useful life of the related assets in accordance with a reasonable and systematic method. Government grants that are measured at nominal amounts are taken directly to profit or loss in the current period. The relevant assets are sold, transferred, reported

If an asset is disposed of or destroyed, the unallocated balance of the related deferred gain should be transferred to profit or loss in the period in which the asset is disposed of. Government grants related to revenue should be accounted for on a case-by-case basis in accordance with the following provisions:

(i) If used to compensate the enterprise for related costs or losses in subsequent periods, it is recognized as deferred revenue and charged to profit or loss or reduced by the related costs or losses in the period in which they are recognized;

② If used to compensate the enterprise for relevant costs incurred or losses incurred, they are charged directly to current profit or loss or written off against relevant costs.

For government grants that contain both an asset-related component and a revenue-related component, separate accounting treatment should be applied to the different components; if it is difficult to distinguish, they should be classified as a whole as revenue-related government grants.

Government grants that are related to the ordinary activities of an enterprise should be charged to other income or charged to related costs and expenses in accordance with the substance of the economic operations. Government grants that are not related to the ordinary activities of the enterprise should be included in non-operating income and expenditure.

#### **41. Deferred income tax assets/deferred income tax liabilities**

☒Applicable      ☐Not applicable

( 1 ) The difference between the carrying amount of an asset or liability and its tax basis (items not recognized as assets and liabilities are recognized at

Deferred income tax assets or deferred income tax liabilities are recognized at the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled (the difference between the tax basis and its carrying amount if the tax basis can be determined in accordance with the provisions of the tax law)

( 2 ) Deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Deferred tax assets not recognized in prior accounting periods are recognized to the extent that it is probable that sufficient taxable income will be available against which deductible temporary differences can be utilized in future periods at the balance sheet date.

( 3 ) At the balance sheet date, the carrying amount of deferred tax assets is reviewed and the carrying amount of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available in future periods to allow for the benefit of the deferred tax assets. To the extent that it is probable that sufficient taxable income will be available, the written down amount is reversed.

( 4 ) The Company's current income tax and deferred income tax are charged to current profit or loss as income tax expense or benefit, excluding income tax arising from: (i) business combinations; and (ii) transactions or events recognized directly in owners' equity.

#### **42. Leasing**

##### **(1). Accounting for operating leases**



☒Applicable      ☐Not applicable

See note (3) of this note for details. Method of determining and accounting for leases under the new lease standard. **(2).**

### **Accounting for finance leases**

☒Applicable      ☐Not applicable

See note (3) of this note for details. Method of determining and accounting for leases under the new lease standard. **(3). Method**

### **of determining and accounting for leases under the new**

### **lease standard**

☒Applicable   ☐ Not applicable

A lease is a contract whereby the lessor cedes the right to use an asset to the lessee for a certain period of time for consideration. At the beginning of the contract

At the date of inception, the Company assesses whether a contract is a lease or contains a lease.

A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

When a contract contains multiple separate leases, the Company splits the contract and accounts for each separate lease separately. Where a contract contains both a lease and a non-lease component, the lessee and lessor split the lease and non-lease components.

( 1 ) The Company as lessee

The Company's general accounting treatment as a lessee is described in Note V.33 "Right-of-use assets" and Note V.34 "Lease liabilities".

For short-term leases with a lease term of less than 12 months and leases of low-value assets with a low brand-new value for a single asset, the Company has elected not to recognize right-of-use assets and lease liabilities and to recognize the related rental expense in profit or loss or the cost of the related assets on a straight-line basis over the respective periods of the lease term.

The Company accounts for a lease modification as a separate lease if the lease modification expands the scope of the lease by adding the right to use one or more leased assets; and the increased consideration is equal to the separate price of the expanded portion of the lease adjusted for the circumstances of that contract. If a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Company reapportioned the consideration of the modified contract, redetermined the lease term and remeasured the lease liability based on the present value of the modified lease payments and the revised discount rate.

( 2 ) The Company as lessor

At the inception date of a lease, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards associated with ownership of the leased asset, and otherwise as an operating lease.

① Operating leases

The Company recognizes lease receipts as rental income on a straight-line basis over the term of the lease, and initial direct costs incurred are capitalized and amortized over the same basis as rental income and recognized in profit or loss in the current period. Variable lease payments acquired by the Company in connection with operating leases that are not included in the lease receipts are charged to current profit or loss as they are incurred.

② Financial leasing

At the commencement date of the lease term, the Company recognizes finance lease receivables at the net lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts outstanding at the commencement date of the lease term discounted at the interest rate embedded in the lease) and derecognizes the finance lease assets. During each period of the lease term, the Company calculates and recognizes interest income based on the interest rate embedded in the lease. Variable lease payments acquired by the Company that are not included in the measurement of net investment in leases are recognized in profit or loss as they are actually incurred.

( 3 ) Sale and leaseback

The Company assesses the transfer of assets in sale-and-leaseback transactions to determine whether they are sales in accordance with the provisions of ASBE No. 14 - Revenue.

① The Company as lessee

If the transfer of an asset in a sale-and-leaseback transaction is a sale, the Company measures the right-to-use asset resulting from the sale-and-leaseback at the portion of the original asset's carrying amount that relates to the right to use acquired through the lease back, and recognizes a gain or loss related to the right transferred to the lessor only. Where the transfer of an asset in a sale and

leaseback transaction is not a sale, the Company continues to recognise the asset being transferred, together with a gain or loss related to the transfer  
A financial liability with an amount equal to the proceeds of the transfer is accounted for in

accordance with AS 22 - Recognition and Measurement of Financial Instruments.

②The Company as lessor

Where the transfer of an asset in a sale and leaseback transaction is a sale, the Company accounts for the purchase of the asset in accordance with other applicable ASBEs and for the lease of the asset in accordance with ASBE 21 - Leases.

Where the transfer of an asset in a sale-and-leaseback transaction is not a sale, the Company does not recognise the asset transferred but recognises a financial asset equal to the proceeds of the transfer and accounts for the financial asset in accordance with AS 22 - Recognition and Measurement of Financial Instruments.

#### **43. Other significant accounting policies and accounting estimates**

☒Applicable      ☐Not applicable

( 1 ) Repurchase of shares

Shares repurchased by the Company are managed as treasury shares until they are cancelled or transferred and the entire expense of the repurchased shares is transferred to treasury shares

Cost. Consideration and transaction costs paid in share repurchases reduce owners' equity and no gain or loss is recognized on the repurchase, transfer or cancellation of the Company's shares. On transfer of treasury shares, the difference between the amount actually received and the carrying amount of treasury shares is credited to capital surplus, and if capital surplus is not sufficient to cover the reduction, it is reduced by surplus reserves and unappropriated profits. On cancellation of treasury shares, the share capital is reduced by the nominal value of the shares and the number of shares cancelled, and the difference between the carrying amount and the nominal value of the cancelled treasury shares is charged to capital surplus, and to the extent that capital surplus is not sufficient to cover the reduction, surplus and unappropriated profits.

#### ( 2 ) Restricted shares

Under the Share Incentive Scheme, the Company grants restricted shares to the incentive recipients, who subscribe for the shares first, and if the unlocking conditions stipulated in the Share Incentive Scheme are not subsequently met, the Company repurchases the shares at the price agreed in advance. Where restricted shares issued to employees have completed capital increase procedures such as registration in accordance with the relevant regulations, the Company recognises share capital and capital surplus (share premium) on the date of grant based on the subscription money received from employees; it also recognises treasury shares and other payables in respect of the repurchase obligation.

### 44. Changes in significant accounting policies and accounting estimates (1).

#### Changes in significant accounting policies

√Applicable □ Not applicable

The content and reasons for changes in accounting policies	Approval process	Notes (Statement items significantly affected) name and amount)
<p>Issued by the Ministry of Finance on 7 December 2018</p> <p>The new standard requires enterprises that are listed both domestically and internationally, as well as enterprises listed outside of China that have adopted IFRS or ASBEs in preparing their financial statements, to</p> <p>For enterprises that implement ASBEs, will be effective from 1 January 2019; for other</p>	<p>Twenty-second Meeting of the Fifth Session of the Board of Directors</p>	<p>See other notes for details</p>

enterprises that implement ASBEs, it will be effective from 1 January 2021.		
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## Other notes

In accordance with the convergence of the old and new standards, the Company will be required to make accounting disclosures in accordance with the new lease standard from 1 January 2021. The above change in accounting policy has no impact on the financial statement items at the beginning of 2021.

**(2). Changes in significant accounting estimates**

☐ applicable ☒ not applicable

**(3). Adjustments to the financial statements at the beginning of the year of first-time implementation of the new lease standard from 2021**

☐ applicable ☒ not applicable

**(4). Note on retrospective adjustment of prior period comparative data for the first implementation of the new lease standard from 2021**

☐ applicable ☒ not applicable

## 45. Other

☐Applicable ☒Not applicable

## VI. Taxes

### 1. Main tax types and rates

Main tax types and rates

☒Applicable ☐ Not applicable

Type of tax	Taxation basis	Tax rate
VAT	Taxable sales revenue	13%
Urban Maintenance and Construction Tax	Amount of turnover tax payable	7%
Education surcharge	Amount of turnover tax payable	5%
Corporate income tax	Taxable income	15%, 25%, 8.25%, 20%, 29.84%

Disclosure of information if there are taxable entities with different corporate income tax rates

☒Applicable ☐ Not applicable

Name of taxable entity	Income tax rate (%)
Jiangsu General Technology Co.	15.00
Wuxi Qianlima Technology Co.	25.00
Wuxi Tongyun Tyre Sales Co Ltd (formerly known as Wuxi Qianlima Wheel) (Tire Sales Ltd.)	25.00
Wuxi Jiuchengtong Rubber Trading Co.	25.00
Tianma International (Hong Kong) Trading Limited	8.25
General Rubber (Thailand) Co.	20.00
Wuxi Qianlima Tyre Trading Co.	25.00
General Rubber (USA) Ltd.	29.84
Wuxi Tongyun Tyre Sales Co.	25.00

### 2. Tax benefits

☒Applicable ☐Not applicable

In December 2020, the Company was awarded the "Certificate of the Jiangsu Provincial Science and Technology Department, the Jiangsu Provincial Finance Department and the Jiangsu Provincial Taxation Department of the State Administration of Taxation".

The high-tech enterprise certificate jointly renewed by the Bureau will continue to enjoy a 15% corporate income tax rate for three years from 2020.

In April 2019, the Company's subsidiary, General Rubber (Thailand) Co., Ltd. was granted an Investment Promotion Board Promotion Certificate by the Thailand Investment Promotion Board to

enjoy the following corporate income tax incentives: exemption from corporate income tax of up to 100% of the investment amount, excluding land fees and working capital, for a period of 8 years from the date of commencement of business income; after the expiry of the incentive period, corporate income tax is levied at 50% of the normal tax rate for 3 years. General Rubber (Thailand) Co., Ltd. is exempt from corporate income tax for the second tax year in 2021.

**3. Other**

☐Applicable      ☒Not applicable

**vii. notes to the consolidated financial statements 1. money funds**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
Cash on hand	70,629.98	140,862.23
Bank deposits	658,387,746.81	204,547,102.50
Other monetary funds	364,182,585.06	288,824,573.24
Total	1,022,640,961.85	493,512,537.97
Of which: deposited offshore	39,131,123.69	37,492,433.41
Other notes		
Total amount		

Description of amounts subject to restrictions on use due to mortgages, pledges or freezes, held offshore and subject to potential recovery risks:

Other monetary funds at the end of the period mainly consisted of deposits for banker's acceptances and deposits for letters of credit, etc. There was no potential risk of recovery. 2.

**Financial assets held for trading**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
at fair value through profit or loss	--	1,186,938.56
Financial assets with benefits		
Of which:		
Derivative financial assets	--	1,186,938.56
Financial Products	8,000,000.00	--
Designated as at fair value through profit or loss		
Financial assets with a gain or loss for the period		
Of which:		
Total	8,000,000.00	1,186,938.56

Other notes:

☐ applicable ☒not applicable

**3. Derivative financial assets**

☐ applicable ☒not applicable

**4. Notes receivable**

**(1). Presentation of notes receivable by category**



☐ applicable ✓/not applicable

**(2). Notes receivable pledged by the Company at the end of the period**

☐ applicable ✓/not applicable

**(3). Notes receivable endorsed or discounted by the company at the end of the period and not yet due at the balance sheet date**

☐ applicable ✓/not applicable

**(4). Notes transferred by the Company to accounts receivable at the end of the period due to non-performance by the drawer**

☐ applicable ☒ not applicable

**(5). Disclosure by bad debt accrual method**

☐ applicable ☒ not applicable

Provision for bad debts is made on an individual basis:

☐ applicable ☒ not applicable

Provision for bad debts is made on a portfolio basis:

☐ applicable ☒ not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to other receivables disclosures as follows:

☐ applicable ☒ not applicable

**(6). Provision for bad debts**

☐ applicable ☒ not applicable

**(7). Actual write-off of bills receivable during the period**

☐ applicable ☒ not applicable

Other notes

☐ applicable ☒ not applicable

**5. Accounts receivable**

**(1).**

**Disclosure by ageing**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing of accounts	Closing balance
Within 1 year	
of which: subdivision within 1 year	
Subtotal within 1 year	819,044,697.29
1 to 2 years	31,861,740.69
2 to 3 years	2,701,641.60
3 to 4 years	832,724.00
4 to 5 years	1,284,602.47
More than 5 years	1,223,292.00
Total	856,948,698.05

**(2). Disclosure by bad debt accrual method**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

C a t e g o r y	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carr ying valu e	Book balance		Provision for bad debts		Carr ying valu e
	Amount	Pr op orti on (%)	Amount	Cou nt P er ce nt a g e o f wi th dr a w a l s (% ) )		Amount	Pr op orti on (%)	Amount	Pr ovi sio nin g rati o (%)	
Pr es s Si ng le ba d de bt pr ov isi on						2,425,875.50	0.41	2,425,875.50	100.00	--
Of which:										

Provision for bad debts	856,948.698.05	100.00	46,960.692.53	5.48	809,988.005.52	587,986.328.18	99.59	32,742.230.66	5.57	555,244.097.52
Of which:										
Accruals	856,948.698.05	100.00	46,960.692.53	5.48	809,988.005.52	587,986.328.18	99.59	32,742.230.66	5.57	555,244.097.52
Ageing	856,948.698.05	/	46,960.692.53	/	809,988.005.52	590,412.203.68	/	35,168.106.16	/	555,244.097.52
Portfolio										

Provision for bad debts is made on an individual basis:

☐ applicable ☒ not applicable

Provision for bad debts is made on a portfolio basis:

☒ Applicable ☐ Not applicable

Portfolio accrual items: Ageing portfolio

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of accrual (%)
Within 1 year	819,044,697.29	40,952,234.90	5.00
1 to 2 years	31,861,740.69	3,186,174.07	10.00
2 to 3 years	2,701,641.60	540,328.32	20.00
3 to 4 years	832,724.00	416,362.00	50.00
4 to 5 years	1,284,602.47	642,301.24	50.00
More than 5 years	1,223,292.00	1,223,292.00	100.00
Total	856,948,698.05	46,960,692.53	5.48

Recognition criteria and description of bad debts by portfolio:

☐ applicable ☒ not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to other receivables disclosures as follows:

☐ applicable ☒ not applicable**(3). Provision for bad debts**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Cate gory	Opening balance	Amount of change during the period				Closing balance
		Accrual	R ec ov er y or tr a ns fe r Bac k	Transfers or write-offs	Other changes	
Of which the amount of provision for bad debts recovered or reversed during the period is significant: <input type="checkbox"/> applicable <input checked="" type="checkbox"/> not applicable						
(4). Actual write-off of accounts receivable during the period						
				Unit: Yuan    Currency: RM		
Bad debts	35,168,106.16	15,188,523.26		2,609,875.50	-786,061.39	46,960,692.53
Preparation	Projects				Amount written off	
Total	35,168,106.16	15,188,523.26		2,609,875.50	-786,061.39	46,960,692.53
Actual write-off of receivables						2,609,875.50

Unit: Yuan Currency: RMB

Of which significant write-offs  
of receivables

☒ Applicable ☐ Not

Unit: Yuan Currency: RMB

applicable Name of unit	Accounts receivable sex quality	Amount written off	Reason for write-off	Write-off procedures performed	Are the amounts paid by the associated Transaction generation
-------------------------------	--	-----------------------	-------------------------	--------------------------------------	---

Unit 1	Payment for goods	2,425,875.50	Unrecoverable /	No
Unit 2	Payment for goods	184,000.00	Unrecoverable /	No
Total	/	2,609,875.50	/	/

Notes on write-off of accounts receivable:

☐ applicable ☒ not applicable**(5). Top five accounts receivable with closing balances, grouped by party owing**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance	As a percentage of the closing balance of accounts receivable Proportion of total (%)	Closing balance of provision for bad debts
Unit 3	36,689,140.60	4.28	1,834,457.03
Unit 4	33,834,666.04	3.95	1,691,733.30
Unit 5	33,544,803.09	3.91	1,677,240.15
Unit 6	29,304,841.73	3.42	1,465,242.09
Unit 7 n/a	25,132,682.04	2.93	1,256,634.10
(6). Derogation of receivables due to transfer of financial assets	15,506,186.50	1.84	7,925,306.67

☐ Applicable ☒ Not applicable**(7). Transfer of receivables and continued involvement in the amount of assets and liabilities formed**☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable**6. Receivables financing**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Bankers' acceptances	12,132,881.55	11,330,000.00
Total	12,132,881.55	11,330,000.00

Changes in receivables financing during the period and changes in fair value:

☐ applicable ☒ not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to other

receivables disclosures as follows:

☐ applicable ☒ not applicable

Other notes:

☒ Applicable ☐ Not applicable



Notes receivable endorsed or discounted at the end of the period and not yet due at the balance sheet date

Projects	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bankers' acceptances	281,945,776.64	--
<b>Total</b>	<b>281,945,776.64</b>	<b>--</b>

## 7. Prepayments

### (1). Prepayments are shown by ageing

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Ageing of accounts	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	40,697,586.86	99.95	17,520,618.84	99.74
1 to 2 years	--	--	34,006.00	0.19
2 to 3 years	14,872.00	0.04	--	--
More than 3 years	3,534.77	0.01	11,754.77	0.07
<b>Total</b>	<b>40,715,993.63</b>	<b>100.00</b>	<b>17,566,379.61</b>	<b>100.00</b>

Explanation of why prepayments aged over 1 year and of significant amount were not settled in a timely manner: Nil

### (2). Top five prepayments with closing balances grouped by prepaid objects

☒Applicable ☐Not applicable

Name of unit	Closing balance	of the total closing balance of prepayments Proportion (%)
Unit 8	12,301,845.22	30.21
Unit 9	5,446,022.46	13.38
Unit 10	4,406,414.95	10.82
Unit 11	4,144,152.59	10.18
Unit 12	2,544,974.56	6.25
<b>Total</b>	<b>28,843,409.78</b>	<b>70.84</b>

Other notes n/a

Other notes

☐Applicable☒Not applicable**8.****Presentation  
of other  
receivable  
items**☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
Other receivables	127,788,252.82	4,316,549.91
Total	127,788,252.82	4,316,549.91

Other notes:

☐ applicable ☒ not applicable

### Interest receivable

#### (1). Classification of interest receivable

☐ Applicable

☒ Not applicable

#### (2). Significant

#### overdue interest

☐ applicable ☒ not applicable

#### (3). Provision for bad debts

☐ applicable ☒ not applicable

Other notes:

☐ Applicable ☒ Not applicable

### Dividend receivable

#### (1).

#### Dividend receivable

☐ applicable ☒ not applicable

#### (2). Significant dividends receivable aged over 1 year

☐ applicable ☒ not applicable

#### (3). Provision for bad debts

☐ applicable ☒ not applicable

Other notes:

☐ applicable ☒ not applicable

### Other receivables

#### (1).

#### Disclosure by ageing

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing of accounts	Closing balance
Within 1 year	
of which: subdivision within 1 year	
Subtotal within 1 year	126,346,493.62
1 to 2 years	2,303,412.25
2 to 3 years	1,950,525.80
More than 5 years	50,000.00

Total	130,650,431.67
-------	----------------

**(2). Breakdown by**

nature of

payments

Unit: Yuan Currency: RMB

√Applicable ☐ Not  
applicable

Nature of payment	Closing balance	Opening balance of the period
Deposits and security deposits	12,339,752.81	4,188,607.41
Current payments	5,374,095.98	2,068,257.76
Equipment receivables	102,457,876.81	
Tax refunds receivable	10,425,206.07	
Export tax refunds receivable		4,141.59
Reserves	53,500.00	80,000.00
Total	130,650,431.67	6,341,006.76

**(3). Provision for**

bad debts

☐ applicable ☐ not

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1 Expected credit loss in the next 12 months Lost	Stage 2 Expected credit losses over the entire life of the business (unissued) (i.e. credit impairment)	Stage 3 Expected credit losses over the entire life of the business (issued) (i.e. credit impairment)	Total
1 January 2021 Balance	21,538.40	27,918.45	1,975,000.00	2,024,456.85
1 January 2021 Balance in the period				
--Transfer to the second order Paragraph	-11,517.06	11,517.06		
--Transfer to the third order Paragraph				
--Turning back to the second order Paragraph				
--Turning back to the first order				

Explanation of significant changes in the carrying amount of other receivables for which changes in the provision for losses occurred during the period:

☐ applicable ☒ not applicable

The amount of the provision for bad debts for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instruments:

☐ applicable ☒ not applicable

#### (4). Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Unit: Rupee						Currency: KRW
Cate gory	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recov ered or Transf er back	Transfers or write- offs Sales	Other changes	
Of which the amount of provision for bad debts reversed or recovered during the period is material:						
<input type="checkbox"/> applicable <input checked="" type="checkbox"/> not applicable						
Provision for bad debts	2,024,456.85	856,199.26			-18,477.26	2,862,178.85
(5). Actual write-off of other receivables during the period						
<input type="checkbox"/> applicable <input checked="" type="checkbox"/> not applicable						
Total	2,024,456.85	856,199.26			-18,477.26	2,862,178.85

#### (6). Top five other receivables with closing balances, grouped by party in arrears

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of payment	Closing balance	Ageing of accounts	of the total closing balance of other receivables Proportion (%)	Closing balance of provision for bad debts
Shenyang Lanying Industrial Automation Equipment Co. Company	Equipment receivables	29,852,894.63	Within 1 year	22.85	149,264.47
Jiangsu Donghao Rubber Glue Co.	Equipment receivable paragraph	20,652,908.70	Within 1 year	15.81	103,264.54
Jiangsu Shenglinke Technology Ltd.	Equipment receivable paragraph	17,203,056.20	Within 1 year	13.17	86,015.28
Dalian	Equipment	13,120,000.00	Within 1 year	10.04	65,600.00

**(7). Receivables involving government grants**

☐ applicable ☒ not applicable

**(8). Other receivables derecognised due to transfer of financial assets**

☐ Applicable ☒ Not applicable

**(9). Transfer of other receivables and continued involvement in the amount of assets and liabilities formed**

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**9.**

**Inventori**

**es (1).**

**Classificati**

**on of**

**inventories**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Pr oj ec ts	Closing balance			Opening balance		
	Book balance	Provision for decline in value of invent ories/i mpair ment of contract performanc e costs Preparation	Carrying value	Book balance	Provision for decline in value of inventorie s/contract performa nce costs Provision for impairment	Carrying value
R a w m a t e r i	287,380,016. 19		287,380,016. 19	293,985,297. 69		293,985,297. 69

al s m a t e r i a l						
In pr od uc tio n pr od uc t	149,807,220. 72		149,807,220. 72	131,947,382. 92		131,947,382. 92
St oc ki st s pr od uc t	1,236,033,76 7.33	12,570,171 .40	1,223,463,59 5.93	1,020,659,15 9.75	9,684,807 .86	1,010,974,35 1.89
S en de r pr od uc t	37,597,866.6 9		37,597,866.6 9	16,241,956.8 2		16,241,956.8 2
Ho p Co un t	1,710,818,87 0.93	12,570,171 .40	1,698,248,69 9.53	1,462,833,79 7.18	9,684,807 .86	1,453,148,98 9.32



**(2). Provision for decline in value of inventories and provision for impairment of contract performance costs**

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Accrual	Other	Transfer back or transfer Sales	Other	
Goods in stock	9,684,807.86	6,775,723.80	-21,821.61	3,868,538.65		12,570,171.40
Total	9,684,807.86	6,775,723.80	-21,821.61	3,868,538.65		12,570,171.40

**(3). Notes to the closing balance of inventories containing amounts capitalised for borrowing costs**

☐Applicable ☒Not applicable

**(4). Explanation of the amount of current amortisation of contract performance costs**

☐ applicable ☒not applicable

Other notes

√Applicable ☐Not applicable

Basis of provision for decline in value of inventories and reasons for reversal or write-off during the period

Proj ects	Provision for decline in value of inventories Specific basis	Reversal of provision for decline in value of inventories during the period The reason for	Provision for write- down of inventories during the period The reason for
Goods in stock	Net realisable value	--	Sale of impaired goods

**10. Contract**

**Assets (1).**

**Status of  
contract assets**

☐ applicable ☒not applicable

**(2). Amount and reasons for significant changes in the carrying value during the reporting**

**period**

☐ applicable ☒ not applicable

**(3). Provision for impairment of contract assets during the period**

☐ applicable ☒ not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to other receivables disclosures as follows:

☐ applicable ☒ not applicable

Other notes:

☐ applicable ☒ not applicable

**11. Assets held for sale**

☐ applicable ☒ not applicable

## 12. Non-current assets due within one year

☐ applicable ☒ not applicable

Significant debt investments and other debt investments at the end of the period:

☐ Applicable

☒ Not applicable

Other notes

None

## 13. Other current assets

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
VAT retention credits	101,077,888.92	135,913,903.58
Prepaid income tax	--	533,083.69
Costs to be assessed	6,450,470.36	8,624,994.71
Interest receivable	--	1,020,236.12
Total	107,528,359.28	146,092,218.10

Other notes

None

## 14. Debt investments (1).

Debt

investments

☐ applicable ☒ not applicable

### (2). Significant debt investments at period end

☐ applicable ☒ not applicable

### (3). Provision for impairment

☐ applicable ☒ not applicable

The amount of the provision for impairment for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instrument

☐ applicable ☒ not applicable

Other notes

☐ applicable ☒ not applicable

## 15. Other debt

**investments (1).**

**Status of other debt**

**investments**

☐ applicable ✓not applicable

**(2). Significant other debt investments at the end of the period**

☐ applicable ✓not applicable

### (3). Provision for impairment

☐ applicable ☒ not applicable

The amount of impairment provision for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instrument

☐ applicable ☒ not applicable

Other notes:

☐ applicable ☒ not applicable

## 16. Long-term receivables (1).

### Status of long- term receivables

☐ applicable ☒ not applicable

### (2). Provision for bad debts

☐ applicable ☒ not applicable

The amount of the provision for bad debts for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instruments

☐ applicable ☒ not applicable

### (3). Long-term receivables derecognised due to transfer of financial assets

☐ Applicable ☒ Not applicable

### (4). Transfer of long-term receivables and continued involvement in the amount of assets and liabilities formed

☐ Applicable ☒ Not applicable

Other notes

☐ applicable ☒ not applicable

## 17. Long-term equity investments

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Investee Units	Opening balance	Increase/decrease during the period								Closing balance	Closing balance of provision for
		Addition in	Reduction in investment	Investment losses recognised	Adjustments to other	Other changes in	Declaration of cash dividend	Provision for impairment	Other		
					230	401					

None Tin Red beans Move ment Fitted with Limite d Divisio n	17,321. 632.92			1,012 ,672. 24			10,00 0,000 .00			8,334 ,305. 16	
Red beans Group Finan cial Servic es Limite d Compa ny	383,099 ,639.30			23,37 9,141 .61	207. 392. 82		20,00 0,000 .00			386,6 86,17 3.73	
Tianji n Next Sikki Invest ment Partne rship Enterp rise (Yes Limite d Combi ned (partne r)	29,706. 028.80			-166. 856.7 4						29,53 9,172 .06	
Subtota l	430,127 ,301.02			24,22 4,957 .11	207. 392. 82		30,00 0,000 .00			424,5 59,65 0.95	

Total	430,127,301.02			24,224,957.11	207,392.82		30,000,000.00			424,559,650.95	
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Other  
notes n/a

### 18. Investments in other equity instruments (1).

#### Investments in other equity instruments

Unit: Yuan Currency: RMB

☒ Applicable ☐ Not applicable

Projects	Closing balance	Opening balance
Jiangsu Redbud Health Technology Co.	25,850,000.00	25,850,000.00
Total	25,850,000.00	25,850,000.00

### (2). Investments in non-trading equity instruments

Unit: Yuan Currency: RMB

☒ Applicable ☐ Not applicable

Projects	Dividend income recognised in the period Enter	Accumulated gains	Accumulated losses	Transfer of other comprehensive income to retained earnings Amount of	Designated as at fair value measured and its	Transfer to other comprehensive income Retained earnings

					Change in the original charge to other compreh ensive income because	The reason for
Jiangsu Redbud Health Technolo gy Co. Limited company	--	10,033,869.23	--	--	--	--

Other notes:

☐ applicable ☒ not applicable

#### 19. other non-current financial assets

☐ Applicable

☒ Not applicable

Other

Description:

☐ applicable ☒ not applicable

#### 20. Investment properties

Investment property

measurement model

not applicable

#### 21.

Presentation

of fixed

assets items

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Fixed assets	3,798,240,985.14	2,665,247,943.54
Total	3,798,240,985.14	2,665,247,943.54

Other notes:



☐ applicable ☒ not applicable

## Fixed assets

### (1). Fixed assets

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	House and Buildings	Structures	Machinery and equipment	Electronic equipment	Transport equipment	Other equipment	Total
i. Original book value:							
1. Opening balance forward	1,100,241,745.68	54,007,730.13	3,017,679.389.16	11,833,624.37	34,196,760.73	45,997,629.36	4,263,956,879.43

2. Incr eas e in the curr ent perio d forehe ad	297,013 ,358.50	17,840,9 96.48	1,363,222. 389.54	3,161,96 0.25	21,213,2 93.60	7,927,82 7.28	1,710,379,8 25.65
1) Purcha se place	13,722. 301.50	13,572,1 37.24	15,885,927 .00	3,036,54 2.49	21,213,2 93.60	7,927,82 7.28	75,358,029. 11
2) Trans fer of const ructio n in progr ess Enter	283,291 ,057.00	4,268,85 9.24	1,347,336. 462.54	125,417. 76	--	--	1,635,021,7 96.54
3. Decr eas e in the curr ent perio d forehe ad	46,352. 605.16	--	457,394,28 1.52	1,205,90 0.20	2,554,33 4.78	453,953. 12	507,961,074 .78
1) Dispo sal or Scrapp ed	--	--	328,481,06 7.22	1,033,11 1.98	2,477,73 6.57	331,451. 21	332,323,366 .98
2) Other reduc tions Less	46,352. 605.16	--	128,913,21 4.30	172,788. 22	76,598.2 1	122,501. 91	175,637,707 .80

4. Clos ing bala nce forehe ad	1,350,9 02,499. 02	71,848,7 26.61	3,923,507. 497.18	13,789,6 84.42	52,855,7 19.55	53,471,5 03.52	5,466,375,6 30.30
II. Accumulated depreciation							
1. Ope ning bala nce forehe ad	240,609 ,458.11	14,609,8 79.66	1,293,130. 781.22	8,317,07 0.63	22,123,4 46.13	19,918,3 00.14	1,598,708,9 35.89
2. Incr eas e in the curr ent perio d forehe ad	56,929. 164.62	2,664,25 0.67	227,739,09 4.57	895,971. 72	3,134,46 3.90	3,382,50 5.73	294,745,451 .21
1) Countin g mentio n	56,929. 164.62	2,664,25 0.67	227,739,09 4.57	895,971. 72	3,134,46 3.90	3,382,50 5.73	294,745,451 .21
3. Decr eas e in the curr ent perio d forehe ad	1,955,6 09.86	—	220,173,02 8.03	949,675. 45	1,902,79 1.99	338,636. 61	225,319,741 .94

1) Dispo sal or scrap ping			214,200,96 1.27	928,878. 25	1,885,14 1.43	321,507. 54	217,336,488 .49
2) its He reduce d	1,955,6 09.86	--	5,972,066. 76	20,797.2 0	17,650.5 6	17,129.0 7	7,983,253.4 5

Less							
4. Clos ing bala nce forehe ad	295,583 ,012.87	17,274,1 30.33	1,300,696. 847.76	8,263,36 6.90	23,355,1 18.04	22,962,1 69.26	1,668,134,6 45.16
iii. provision for impairment							
1. Ope ning bala nce forehe ad							
2. Incr eas e in the curr ent perio d forehe ad							
1) Accru al							
3. Decr eas e in the curr ent perio d forehe ad							

1) Dispo sal or scrap ping							
4. Clos ing bala nce forehe ad							
IV. Carrying value							
1. Closi ng book valu e Value	1,055,3 19,486. 15	54,574,5 96.28	2,622,810. 649.42	5,526,31 7.52	29,500,6 01.51	30,509,3 34.26	3,798,240,9 85.14
2. Ope ning book valu e Value	859,632 ,287.57	39,397,8 50.47	1,724,548. 607.94	3,516,55 3.74	12,073,3 14.60	26,079,3 29.22	2,665,247,9 43.54

**(2). Status of fixed assets temporarily idle**
☐ applicable ✓not applicable
**(3). Fixed assets leased through finance leases**
☐ applicable ✓not applicable

**(4). Fixed assets leased out through operating leases**

☐ applicable ☒ not applicable

**(5). Fixed assets without proper title deeds**

☐ Applicable

☒ Not applicable

Other

Description:

☐ applicable ☒ not applicable

**Fixed asset liquidation**

☐ applicable ☒ not applicable

22.

**Presentation**

of

construction

-in-progress

items

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Construction in progress	216,779,271.60	1,169,009,622.31
Total	216,779,271.60	1,169,009,622.31

Other notes:

☐ applicable ☒ not applicable

**Construction in progress****(1). Construction in progress**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance			Opening balance		
	Book balance	Impairment allowance	Carrying value	Book balance	Impairment allowance	Carrying value
			240 / 401			





Total	4,83	1,115,68	781,66	1,583	45,18	65,5	202.	/	/	76.	35.	/	/
	7,27	3,639.97	2,402.	,773.	3,288	23,8	865.			074	863		
	0,70		12	899.8	.09	39.5	014.			,77	,73		
	0.00			0		5	65			9.4	6.7		
										4	6		

**(3). Provision for impairment of construction in progress during the period**☐ Applicable☒ Not applicable

Other notes

☐ applicable ☒ not applicable**Engineering materials****(1). Engineering materials**☐ applicable ☒ not applicable**23. Productive biological assets****(1). Productive biological assets using the cost measurement model**☐ applicable ☒ not applicable**(2). Productive biological assets using the fair value measurement model**☐ Applicable☒ Not applicable

Other notes

☐ applicable ☒ not applicable**24. Oil and gas assets**☐ applicable ☒ not applicable**25. Right to use assets**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	House buildings	Total
I. Original book value		
1. Opening balance		
2. Increase in the current period	1,754,061.54	1,754,061.54
(1) New lease in	1,754,061.54	1,754,061.54
3. Decrease in the current period		
	242 / 401	
4. Closing balance	1,754,061.54	1,754,061.54
II. Accumulated depreciation		
1. Opening balance		

2. Increase in the current period	470,191.72	470,191.72
(1) Accrual	470,191.72	470,191.72
3. Decrease in the current period		
(1) Disposal		
4. Closing balance	470,191.72	470,191.72
iii. provision for impairment		
1. Opening balance		
2. Increase in the current period		
(1) Accrual		
3. Decrease in the current period		
(1) Disposal		
4. Closing balance		
IV. Carrying value		
1. Closing book value	1,283,869.82	1,283,869.82
2. Opening book value		

Other

notes: none

**26. Intangible****assets (1).****Intangible****assets**☒Applicable☐Not applicable

Unit: Yuan Currency: RMB

Projects	Land use rights	Non-patented technology	Software	Total
I. Original book value				
1. Opening balance	507,051,768.50	3,080,000.00	9,241,015.28	519,372,783.78
2. Increase in the current period			2,495,743.87	2,495,743.87
(1) Acquisition			423,290.26	423,290.26
(2) Work in progress			2,072,453.61	2,072,453.61
Transfer to				
3. Decrease in the current period	29,559,086.03			29,559,086.03
(1) Disposal				
(2) Other reductions	29,559,086.03			29,559,086.03
4. Closing balance	477,492,682.47	243 / 401 3,080,000.00	11,736,759.15	492,309,441.62
ii. accumulated amortisation				
1. Opening balance	52,755,059.32	3,080,000.00	3,144,115.08	58,979,174.40

1. Opening balance				
2. Increase in the current period				
(1) Accrual				
3. Decrease in the current period				
(1) Disposal				
4. Closing balance				
IV. Carrying value				
1. Closing book value	418,925,189.03		6,771,675.58	425,696,864.61
2. Opening book value	454,296,709.18		6,096,900.20	460,393,609.38

1. Intangible assets formed through in-house research and development as a percentage of the balance of intangible assets at the end of the period 0%

2. Other decrease in the year is due to the exchange rate difference on the translation of intangible assets of the Company's overseas subsidiaries from foreign currency to RMB.

3. As at 31 December 2021, the land held by General Rubber (Thailand) Company Limited, a subsidiary of the Company, with an indefinite useful life was not amortised during the holding period. The management tested the above land for impairment and no provision for asset impairment was required as the recent market value of the above land was higher than its carrying value.

## (2). Status of land use rights without proper title deeds

☐ Applicable

☒ Not applicable

Other

Description:

**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

**(3). Information about the asset group or combination of asset groups in which the goodwill is located**

☐ applicable ✓/not applicable

**(4). Description of the goodwill impairment testing process, key parameters (e.g. projected period growth rate at present value of expected future cash flows, stable period growth rate, profit margin, discount rate, projection period, etc., if applicable) and the method of recognising goodwill impairment losses**

☐ applicable ✓/not applicable

**(5). Impact of goodwill impairment testing**

☐ applicable ✓/not applicable

Other notes

☐ applicable ☒ not applicable

## 29. Long-term amortised costs

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Amount increased during the period	Amortisation amount for the period	Other reductions	Closing balance
Moulds	145,201,973.24	77,430,875.85	51,707,045.90	7,020,639.45	163,905,163.74
Other - Fitting Repair and renovation, etc.	674,342.68	1,731,868.49	915,384.95	--	1,490,826.22
Total	145,876,315.92	79,162,744.34	52,622,430.85	7,020,639.45	165,395,989.96

Other notes:

The decrease in other for the period was mainly due to the exchange rate difference on the translation of the Company's overseas subsidiary's long-term amortization expense from foreign currency to RMB.

## 30. Deferred income tax assets / deferred income tax liabilities

### (1). Deferred income tax assets not offset

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance		Opening balance	
	Poor deductible temporary different	Deferred income tax Assets	Poor deductible temporary different	Deferred income tax Assets
Provision for bad debts	40,702,147.37	6,363,755.61	33,070,371.24	5,475,884.05
Provision for decline in value of inventories	12,176,558.91	1,920,749.39	9,684,807.86	1,606,425.19
Projected liabilities	21,794,510.63	3,269,176.59	15,769,696.36	2,365,454.45
Asset-related government grants	41,575,000.00	6,236,250.00	45,732,500.00	6,859,875.00
Unrealised internal profit	1,738,270.52	518,699.92		
Right to use assets	23,541.67	3,531.25		
Total	118,010,029.10	18,312,162.76	104,257,375.46	16,307,638.69

### (2). Deferred income tax liabilities not offset

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance		Opening balance	
	Taxable temporary Differences	Deferred income tax Liabilities	Taxable temporary Differences	Deferred income tax Liabilities
Fair value of investments in other	10,033,869.23	1,505,080.38	10,033,869.23	1,505,080.38

**(3). Deferred income tax assets or liabilities****presented as net of offsetting**☐ applicable ☒ not applicable**(4). Details of unrecognised deferred****income tax assets**

Unit: Yuan Currency: RMB

☒ Applicable ☐ Not applicable

Projects	Closing balance	Opening balance
Provision for bad debts	9,120,724.01	4,122,191.77
Provision for decline in value of inventories	393,612.49	--
Uncovered losses	230,821,578.87	60,855,138.11
Total	240,335,915.37	64,977,329.88

**(5). Deductible losses on unrecognised deferred****income tax assets will expire in the following****years**

Unit: Yuan Currency: RMB

☒ Applicable ☐ Not applicable

Year	End of period amount	Opening amount	Remarks
2023	--	--	
2024	63,453.29	63,453.29	
2025	983.76	983.76	
2026	36,092,037.34	--	
2030	55,944,418.61	60,790,701.06	
2031	138,720,685.87		
Total	230,821,578.87	60,855,138.11	/

Other notes:

☐ applicable ☒ not applicable**31. Other non-current assets**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance			Opening balance		
	Book balance	Impairment allowances Preparation	Carrying value	Book balance	Impairment Preparation	Carrying value

<del>Prepaid</del>	<del>6,124,088.11</del>		<del>2021 Annual Report</del>	<del>33,759,492.48</del>		<del>33,759,492.48</del>
<del>equipment paragraph</del>						
Total	6,124,088.11	--	6,124,088.11	33,759,492.48	--	33,759,492.48

Other

notes: none

**32. Short-term borrowings (1).  
Classification of short-term borrowings**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Guaranteed Borrowing	755,972,548.90	750,000,000.00
Secured Borrowing	645,000,000.00	570,000,000.00
Pledged loans	30,536,840.00	--
Borrowing on note financing	62,000,000.00	--
Interest payable on borrowings	1,850,585.55	1,619,381.18
Total	1,495,359,974.45	1,321,619,381.18

Notes to the classification of short-term borrowings: Nil

**(2). Status of short-term borrowings that are overdue**

☐ applicable ☒ not applicable

Of these, significant overdue short-term borrowings are as follows:

☐ Applicable

☒ Not applicable

Other notes

☐ applicable ☒ not applicable

**33. Financial liabilities held for trading**

☐ applicable ☒ not applicable

**34. Derivative financial liabilities**

☐ applicable ☒ not applicable

**35. Notes**

**Payable (1).**

**Presentation of notes payable**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
----------	-----------------	-----------------



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Commercial acceptances		
Bankers' acceptances	621,739,369.50	587,304,141.26
Total	621,739,369.50	587,304,141.26

Total notes payable that were due and unpaid at the end of the period were \$0.

**36. Accounts****Payable (1).****Presentation of  
accounts  
payable**

Unit: Yuan Currency: RMB

√Applicable ☐

Not applicable

Projects	Closing balance	Opening balance
Within 1 year	990,127,745.78	824,022,437.94
1-2 years	32,500,220.27	105,720,431.74
2-3 years	40,830,980.83	3,197,536.61
More than 3 years	1,719,858.77	3,119,951.08
Total	1,065,178,805.65	936,060,357.37

**(2). Significant accounts****payable aged over 1 year**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Reasons for non- reimbursement or carry forward
Tianjin Saixiang Technology Co.	15,644,062.19	Payment for equipment purchased, equipment not yet accepted Bi
Wanxiang Xinyuan Technology Co.	10,448,920.56	Payment for equipment purchased, equipment not yet accepted Bi
BASIC STEEL IMPORT AND EXPORT CO.,LTD	5,545,628.13	Purchase of equipment, equipment not yet accepted Bi
Xiamen Honghai Machinery Co.	4,018,298.26	Purchase of equipment, equipment not yet accepted Bi
Jiangsu Shenli Technology Co.	3,651,015.59	Purchase of equipment, equipment not yet accepted Bi
Total	39,307,924.73	/

Other notes

☐ applicable √not applicable**37. Receipts in advance**

**(1). Presentation of pre-receivables items**

☐ applicable ☒ not applicable

**(2). Significant receipts in advance aged over 1 year**

☐ Applicable

☒ Not applicable

Other notes

☐ applicable ☒ not applicable

**38. Contractual**

**liabilities (1).**

**Status of**

**contractual**

**liabilities**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Within 1 year	35,903,137.88	32,193,189.93
1-2 years	616,726.82	254,845.59
2-3 years	98,199.12	47,255.75
More than 3 years	59,466.53	16,033.79
Total	36,677,530.35	32,511,325.06

**(2). Amount of and reasons for significant changes in the carrying value during the reporting period**

☐ Applicable

☒ Not applicable

Other

Description:

☐ applicable ☒ not applicable

**39. Employee compensation payable (1).  
Presentation of employee compensation payable**

Unit: Yuan Currency: RMB

☒ Applicable ☐ Not applicable

Projects	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term remuneration	37,277,691.71	440,064,898.77	445,132,591.39	32,209,999.09
II. Post-employment benefits - defined contribution Programs	99,679.84	28,492,705.53	28,592,385.37	--
III. Severance benefits	1,462,295.35	--	1,462,295.35	--
IV. Other blessings due within one year Leigh	--	--	--	--
Total	38,839,666.90	468,557,604.30	475,187,272.11	32,209,999.09

**(2). Presentatio**

**n of short-term**

~~✓~~Applicable ☐

Applicable Projects	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Salaries, bonuses, allowances and Subsidies	37,222,764.26	413,376,417.93	419,171,918.86	31,427,263.33
ii. employee benefit costs	--	8,919,942.82	8,137,207.06	782,735.76
iii. social security contributions	54,927.45	13,649,738.92	13,704,666.37	--
Of which: medical insurance premiums	45,913.49	11,005,503.31	11,051,416.80	
Worker's compensation insurance premiums	4,181.71	1,428,476.06	1,432,657.77	
Maternity insurance premiums	4,832.25	1,215,759.55	1,220,591.80	
IV. Housing Provident Fund	--	2,997,271.00	2,997,271.00	
V. Trade union funding and staff education Funding		1,121,528.10	1,121,528.10	

VI. Short-term paid absences				
vii. short-term profit sharing schemes				
Total	37,277,691.71	440,064,898.77	445,132,591.39	32,209,999.09

**(3). Defined contribution plan presentation**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance	96,659.24	27,670,590.82	27,767,250.06	--
2. Unemployment insurance premiums	3,020.60	822,114.71	825,135.31	--
3. Corporate Pension Contributions	--	--	--	--
Total	99,679.84	28,492,705.53	28,592,385.37	--

Other notes:

√Applicable ☐ Not applicable

The Company is required to participate in pension and unemployment insurance schemes established by government agencies, and the Company makes contributions under such schemes. The Company has no further obligation to make payments other than these contributions. The corresponding expenses are charged to current profit or loss or to the cost of the related assets as incurred.

**40. Taxes and fees payable**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
VAT	1,788,941.97	949,943.63
Urban Maintenance and Construction Tax	48,802.44	439,321.60
Stamp duty	161,195.49	183,409.89
Corporate income tax	--	17,056.88
Education surcharge	34,858.90	313,801.15
Property tax	2,444,575.64	2,358,843.78
Land use tax	211,872.80	211,872.79
Personal income tax	1,570,365.19	148,451.07

Environmental tax	122,527.29	122,527.29
Total	6,383,139.72	4,745,228.08

Other

notes: none

**41.****Presentation****of other****accounts****payable items**✓Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
Other payables	50,091,215.24	32,644,146.42
Total	50,091,215.24	32,644,146.42

Other notes:

☐ applicable ☒ not applicable**Interest****payable (1).****Classified  
presentation  
n**☐ applicable ☒ not applicable**Dividends****payable (1).****Classified  
and  
presented**☐ applicable ☒ not applicable**Other payables****(1). Presentation of other payables by nature of payment**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Margin - Distributor, Supplier Contract Performance bond	32,977,732.97	32,549,013.68
Current payments	4,276,682.27	95,132.74
Restricted Repurchase Obligation	12,836,800.00	--
Total	50,091,215.24	32,644,146.42

**(2). Significant other payables aged over 1 year**☐ Applicable☒ Not applicable

Other



Description:

☐ applicable ☒ not applicable

**42. Liabilities held for sale**

☐ applicable ☒ not applicable

**43. Non-current liabilities due within 1 year**

☒ Applicable ☐ Not applicable

Unit: Yuan    Currency: RMB

Proj ects	Closing balance	Opening balance
Long-term loans due within 1 year	75,000,000.00	95,000,000.00
Long-term loans due within one year payable Interest	1,382,840.67	91,987.50
Lease liabilities due within 1 year	575,393.91	
Total	76,958,234.58	95,091,987.50

Other

notes: none

**44. Other current liabilities**

Other current liabilities

√Applicable      □Not applicable

Unit: Yuan    Currency: RMB

Projects	Closing balance	Opening balance
Tax to be transferred	3,949,878.64	2,417,099.36
Total	3,949,878.64	2,417,099.36

Increase/decrease in short-term bonds payable:

□ applicable    √not applicable

Other notes:

□ applicable    √not applicable

**45. Long-term borrowings****(1). Classification of long-term borrowings**

√Applicable    □ Not applicable

Unit: Yuan    Currency: RMB

Projects	Closing balance	Opening balance
Guaranteed plus secured borrowing	1,166,310,875.84	832,611,920.72
Interest payable on borrowings	—	1,079,673.40
Total	1,166,310,875.84	833,691,594.12

Notes to the

classification of long-term borrowings: Nil

Other notes, including interest rate bands:

□ applicable    √not applicable

**46. Bonds  
payable (1).**

**Bonds  
payable**

☐ applicable ✓not applicable

**(2). Changes in bonds payable: (excluding other financial instruments such as preference shares  
and perpetual debt classified as financial liabilities)**

☐ applicable ✓not applicable

### (3).Description of the conversion conditions and timing of conversion of convertible corporate bonds

☐Applicable ☒Not applicable

### (4).Description of other financial instruments classified as financial liabilities

Basic information on other financial instruments such as preference shares and perpetual debentures issued and outstanding at the end of the period

☐ applicable ☒not applicable

Statement of movements in financial instruments such as preference shares and perpetual debentures issued and outstanding at the end of the period

☐ applicable ☒not applicable

Description of the basis for classifying other financial instruments as financial liabilities:

☐ applicable ☒not applicable

Other notes:

☐ applicable ☒not applicable

### 47. Lease liabilities

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
Building building lease liabilities	1,236,074.92	--
Unrecognised financing costs	-47,338.42	--
Lease liabilities due within one year	-575,393.91	--
Total	613,342.59	--

Other

notes: none

### 48.

#### Presentation of long-term payable items

☐ Applicable

☒Not applicable

Other

Description:

☐ applicable ☒not applicable

## **Long-term payables**

### **(1). Presentation of long-term payables by nature of payment**

☐ applicable ☒ not applicable

## **Specific payables**

### **(1). Presentation of specific payables by nature of payment**

☐ applicable ☒ not applicable

**49. Long-term employee compensation payable**

☐ applicable ☒ not applicable

**50. Projected liabilities**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Closing balance	Causes of formation
Product quality assurance	15,769,696.36	21,794,510.63	
Total	15,769,696.36	21,794,510.63	/

Other explanations, including significant assumptions, estimates and assumptions relating to significant projected liabilities: None

**51. Deferred****income**

Status of deferred revenue

Unit: Yuan Currency: RMB

☒ Applicable

☐ Not

applicable

Projects	Opening balance	Increase during the period	Decrease during the period	Closing balance	Causes of formation
Intelligent transformation and quality enhancement project funding	45,732,500.00	--	4,157,500.00	41,575,000.00	Government grants received
Total	45,732,500.00	--	4,157,500.00	41,575,000.00	/

Items involving

government grants:

☒ Applicable ☐ Not

applicable

Unit: Yuan Currency: RMB

Liability items	Opening balance	Amount of new grants for the period	Included in non-operating income during the period 2021 Annual Report Amount	Amount charged to other gains during the period	Other changes	Closing balance	Asset related/revenue-related Off
Intelligent Renovation and Quality Improvement Upgrading works Project Capital Gold	45,732,500.00	--		4,157,500.00		4,157,500.00	with assets Related

Other notes:

☐ applicable ☒ not applicable

**52. Other non-current liabilities**

☐ applicable ☒ not applicable

**53. Share capital**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Increase or decrease in this movement (+, -)					Closing balance
		Issu e of new shar es	S ha re de liv er y	Pu bli c C on ve rsi on of ac cr ue d be ne fit s to sh ar es	Othe r	Subt otal	
Sh are s T ot al nu m be r of co pi es	872,290,090 .00	197,986,577. 00			4,520,000.0 0	202,506,577. 00	1,074,796,667. 00



Other notes:

Other additions and deletions during the period represent the addition of 197,986,577 shares in the 2021 Private Offering and the 2021 Restricted Stock Incentive Plan.

4,520,000 restricted shares were granted to 35 incentive recipients.

#### 54. Other equity instruments

##### (1). Basic information on other financial instruments such as preference shares and perpetual debentures issued and outstanding at the end of the period

☐ applicable ☒ not applicable

##### (2). Statement of movements in financial instruments such as preference shares and perpetual debentures issued and outstanding at the end of the period

☐ applicable ☒ not applicable

Explanation of the changes in other equity instruments during the period, the reasons for the changes and the basis for the related accounting treatment:

☐ applicable ☒ not applicable

Other notes.

☐ applicable ☒ not applicable

#### 55. Capital surplus

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium (equity) (Premium)	1,520,400,451.16	682,268,233.59	--	2,202,668,684.75
Other capital surplus	2,596,389.73	1,896,500.00	--	4,492,889.73
Total	1,522,996,840.89	684,164,733.59	--	2,207,161,574.48

Other notes, including a description of the changes in the current period and the reasons for the changes:

The increase in other capital surplus for the period was due to the provision of \$1,896,500.00 for restricted period expenses under the 2021 Restricted Stock Incentive Plan.

## 56. Inventory Unit

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Increase during the period	Decrease during the period	Closing balance
Inventory Unit	--	12,836,800.00	--	12,836,800.00
Total	--	12,836,800.00	--	12,836,800.00

Other notes, including a description of the changes in the current period and the reasons for the changes:

The increase in treasury shares during the period represents the grant of 4,520,000 restricted shares to 35 equity incentive recipients during the year.

The Company recognized the full amount of treasury shares of \$12,836,800.00 in respect of the repurchase obligation at a price of

## \$2.84. 57. Other comprehensive income

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Opening balance	Amount incurred during the period						Closing balance
		Incurring before income tax for the period	Less : Transfer to profit or loss in the period from prior periods charged to other comprehensive income	Less : Transfer from previous period to retained in other comprehensive income	Less : Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
			267 / 401	401				

Prog ram cha nge s foreh ead								
Oth er com preh ensi ve that can not be tran sferr ed to profi t or loss und er the equi ty met hod Reve nue	7,653,041.69	207,392.82				207,392.82		7,860,434.51
Fair valu e of inve stm ents in othe r equi ty instr	8,528,788.85							8,528,788.85

ume nts Chan ges								
Fair valu e of a firm' s own cred it risk Chan ges								
II. Oth er cons olida tion to be recl assif ied to profi t or loss Reve nue	-19,249,953.60	-154,489,372.05				-154,489,372.05		-173,739,325.65

Of whic h: othe r com preh ensi ve inco me avail able for tran sfer to profi t or loss und er the equi ty met hod Bene fit								
its								

Change s in fair valu e of othe r debt inve stm ents Actio n								
Recla ssifi catio n of finan cial asse ts to othe r com preh ensi ve inco me foreh ead								
Credit imp airm ent allo wan ce for othe r debt								

inve stm ents Prep arati on								
C ash flow hed ge rese rve Prep arati on								
Tr ansl atio n diffe renc es on forei gn curr ency finan cial state men ts foreh ead	-19,249,953.60	-154,489,372.05				-154,489,372.05		-173,739,325.65
Oth er com preh ensi ve inco me Total	-3,068,123.06	-154,281,979.23				-154,281,979.23		-157,350,102.29

Other notes, including adjustments to the effective portion of cash flow hedge gains and losses transferred to the amount initially recognised for the hedged item: Nil



**58. Specialized reserves**

☐ applicable ☒ not applicable

**59. Surplus reserve**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus	161,740,533.32	--	--	161,740,533.32
Total	161,740,533.32	--	--	161,740,533.32

Description of surplus reserves, including changes during  
the period and reasons for changes: Nil

**60. Undistributed profits**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	This issu e	Prev ious perio d
Unallocated profit at the end of the previous period before adjustment	1,118,376,245.09	1,069,625,788.90
Adjustment to total unappropriated profit at the beginning of the period (increase +,) (Reductions -)	--	--
Adjustment to unallocated profit at the beginning of the period	1,118,376,245.09	1,069,625,788.90
Add: Net profit attributable to owners of the parent for the period moisten	11,610,406.55	91,013,083.77
Add: Retained earnings carried forward from other comprehensive income		1,686,890.00
Less: Withdrawal of statutory surplus	--	335,013.08
Withdrawal of arbitrary surplus		
Drawdown of general risk allowance		
Dividends payable on ordinary shares	122,120,612.60	43,614,504.50
Dividends on ordinary shares transferred to share capital		
Unallocated profit at the end of the period	1,007,866,039.04	1,118,376,245.09

Adjustments to the breakdown of unallocated profit at the beginning of the period:

1. The retrospective adjustment due to the ASBE and its related new provisions affected the opening unappropriated profit by \$0.
2. As a result of the change in accounting policy, the opening unallocated profit for the period was affected by \$0.
3. As a result of the correction of significant accounting errors, the opening unappropriated profit for the period was affected by \$0.
4. The change in scope of consolidation due to the same control affected the opening unappropriated profit by \$0.
5. Other adjustments totaling \$0 affected the opening unappropriated profit for the period.

**61. Operating income  
and operating costs (1).**

**Operating income and  
operating costs**

✓Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Incurred during the period		Prior Period Incurred	
	Income	Costs	Income	Cost s
Main business	4,207,609,238.04	3,804,058,316.99	3,399,273,550.61	2,979,769,237.75
Other operations	47,914,462.43	27,678,455.65	48,444,700.68	14,747,946.13
Total	4,255,523,700.47	3,831,736,772.64	3,447,718,251.29	2,994,517,183.88

(2). Table of deductions from operating income

Unit: RMB million      Currency: RMB

Projects	Current year	Specific deductions	Previous year	Specific deductions
Amount of operating income	425,552.37		344,771.83	
Total amount of operating income deductions	4,791.45		4,844.47	
Total amount of operating income deductions as a percentage of operating income (%)	1.13	/	1.41	/
<b>i. Income from operations not related to the main business</b>				
1. income from operations other than normal operations. For example, rental of fixed assets, intangible assets, packaging, sale of materials, use of materials for non-Income from the exchange of monetary assets, the operation of trustee management business, etc., as well as income from ordinary operations of listed companies, although included in the main business income Revenue from outside the camp.	4,791.45	Processing income; income from sale of materials	4,844.47	Processing income; income from sale of materials; rental income
2. income from non-qualified financial-type businesses, such as interest income from funds drawn down; income generated from new financial-type businesses in the current and previous financial years, such as guarantees, commercial factoring, microfinance loans, financial leasing, pawnbroking, etc., as a result of sales of principal products The exceptions are finance leasing operations carried out in connection with the sale of goods.				
3. new trading operations in the current and previous financial years Income generated.				
4. connected transactions that are not related to the existing normal business operations of the listed company Income generated.		277 / 401		
5. subsidiaries in a business combination under common control from the beginning of the period to				

2. revenue generated by transactions that do not have a real business. For example, fraudulent income achieved by way of self-dealing, the use of Internet technology or Other methods of structuring transactions to generate false income, etc.				
3. Revenue arising from operations where the transaction price is not clearly fair.				
4. the financial year in which the consideration or non-transaction was taken in a manner that is not clearly fair Revenue generated by a subsidiary or business of a business combination that has been acquired.				
5. the income covered by the non-standard audit opinion in the audit opinion.				
6. Receipts arising from other transactions or events that are not commercially reasonable Entry.				
<b>Subtotal income without commercial substance</b>				
<b>iii. other income not related to the main business or not having commercial substance</b>				
Amount after deduction of operating income	420,760.92		339,927.36	

**(3). of revenue generated by the contract**

☐ applicable ☒ not applicable

Description of income generated by the contract:

☐ applicable ☒ not applicable

**(4). Description of performance obligations**

☐ applicable ☒ not applicable

**(5). Note on apportionment to remaining performance obligations**

☐ applicable ☒ not applicable

Other notes:

**( 1 ) Main business (by product)**

Projects	Incurred during the period		Prior Period Incurred	
	Inco me	Cost s	Inco me	Cost s
All steel tyres	2,843,116,614.67	2,626,985,117.62	2,614,116,147.35	2,294,488,374.94
Oblique tyres	96,580,588.30	91,700,737.54	183,264,057.93	168,298,994.01
Semi- steel tyres	1,161,020,978.00	984,246,471.82	477,097,257.75	397,438,430.84
Other products	106,891,057.07	101,125,990.01	124,796,087.58	119,543,437.96
<b>Total</b>	<b>4,207,609,238.04</b>	<b>3,804,058,316.99</b>	<b>3,399,273,550.61</b>	<b>2,979,769,237.75</b>

**( 2 ) Main business (by region)**

Projects	Incurred during the period		Prior Period Incurred	
	Inco me	Cost s	Inco me	Cost s
Revenue from domestic sales	2,409,376,220.63	2,235,381,664.73	2,509,445,589.44	2,252,574,115.93

2021 Annual Report				
Revenue from external sales	1,798,233,017.41	1,568,676,652.26	889,827,961.17	727,195,121.82
<b>Total</b>	<b>4,207,609,238.04</b>	<b>3,804,058,316.99</b>	<b>3,399,273,550.61</b>	<b>2,979,769,237.75</b>

## 62. Taxes and surcharges

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Incurred during the period	Prior Period Incurred
Urban Maintenance and Construction Tax	3,757,511.26	3,715,838.47
Education surcharge	2,683,640.46	2,654,170.32
Property tax	9,902,556.70	8,105,145.75
Land use tax	847,491.21	1,046,666.73
Stamp duty	1,090,899.67	904,283.69
Environmental tax	490,109.16	287,055.44
Other taxes and fees	1,469.10	1,238.72

Total	18,773,677.56	16,714,399.12
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Other

notes: none

**63. Cost of sales**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Advertising and promotion costs	22,725,192.98	16,441,892.32
Employee remuneration expenses	36,608,470.35	37,938,756.10
Travel expenses	6,422,022.70	6,619,596.06
Quality Service Fee	7,549,183.68	6,867,859.79
Conference fees	2,438,222.35	2,251,050.79
Insurance premiums	6,275,573.12	2,480,823.80
Anti-dumping duties	15,902,526.57	--
Other	7,051,836.86	5,574,694.31
Other Total	104,973,028.61	78,174,673.17

notes: none

**64. Overheads**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Employee remuneration expenses	102,552,426.57	94,588,373.42
Office expenses	14,303,431.20	13,868,235.10
Depreciation and amortisation	15,389,424.61	12,799,894.77
Service Fee	8,557,674.14	10,506,211.88
Other	9,966,713.58	8,247,650.37
Other Total	150,769,670.10	140,010,365.54

notes: none

**65. R&D costs**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Material costs	36,821,473.49	38,315,471.36
Employee remuneration expenses	47,775,042.52	45,682,024.71
Utilities	3,678,951.65	4,661,506.82
Depreciation and amortisation	8,080,115.02	7,320,854.92
Technical service fees	10,040,500.00	10,377,359.48
Other costs	1,841,782.29	2,044,188.84
Other Total	108,237,864.97	108,401,406.13

notes: none



**66. Finance costs**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Interest expense	77,203,919.98	65,334,166.26
Less: Interest income	10,715,190.21	4,597,082.09
Foreign exchange gains and losses	25,364,549.32	5,618,505.16
Handling fee	4,864,880.41	2,924,432.21
Other Total	96,718,159.50	69,280,021.54

notes: none

**67. Other gains**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Government grants	31,047,107.00	20,908,373.00
Other	130,327.08	391,323.22
Other notes: Total	31,177,434.08	21,299,696.22

Of which, government grants included in other income:

Proj ects	Incurred during the period	Prior Period Incurred	Asset- related/relati ve to revenue
Industry and Technology Development Grant	13,880,800.00	5,929,500.00	Related to revenue
Technological transformation guidance funds	5,650,000.00	--	Related to revenue
Grants for the transformation and upgrading of the industrial and information industry	3,600,000.00	--	Related to revenue
Business and Foreign Trade Development Grant	3,212,800.00	535,500.00	Related to revenue
Environmental grant funding	--	568,130.00	Related to revenue
Job Stabilisation Allowance	546,007.00	9,717,743.00	Related to revenue
Intelligent transformation and quality improvement project funding	4,157,500.00	4,157,500.00	Asset- related
<b>Tota 1</b>	<b>31,047,107.00</b>	<b>20,908,373.00</b>	

## 68. Investment income

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Incurred during the period	Prior Period Incurred
Income from long-term equity investments accounted for under the equity method	24,224,957.11	35,409,343.17
Other investment income	232,223.64	1,045,729.13
Total	24,457,180.75	36,455,072.30

Other

notes: none

**69. Net exposure to hedging gains**☐ applicable ☒ not applicable**70. Gain on changes in fair value**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Sources of gains arising from changes in fair value	Incurred during the period	Prior Period Incurred
Financial assets held for trading	--	1,186,938.56
Of which: fair value arising from derivative financial instruments	--	1,186,938.56
Gain on change in value		
Other		
Total	--	1,186,938.56

notes: none

**71. Credit impairment losses**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Incurred during the period	Prior Period Incurred
Bad debt losses on notes receivable		
Bad debt losses on accounts receivable		
Bad debt losses on other receivables		
Impairment losses on debt investments		
Impairment losses on other debt investments		
Bad debt losses on long-term receivables		
Other impairment losses on contract assets		
Notes receivable	-16,044,722.52	-6,445,921.77
Bad debt losses		
Total	-16,044,722.52	-6,445,921.77

**72. Impairment losses on assets**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Incurred during the period	Prior Period Incurred
I. Bad debt losses		
ii. loss on decline in value of inventories and contract performance costs	-6,775,723.80	-9,684,807.86
Impairment losses		
III. Impairment loss on long-term equity investments		
IV. Impairment losses on investment properties	284 / 401	
v. Impairment losses on fixed assets		

VI. Impairment losses on construction materials		
VII. Impairment loss on construction in progress		
VIII. Impairment losses on productive biological assets		
ix. Impairment losses on oil and gas assets		
x. Impairment losses on intangible assets		
xi. impairment loss on goodwill		
XII. Other		
Total	-6,775,723.80	-9,684,807.86

Other

notes: none

**73. Gain on disposal of assets**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Gain on disposal of fixed assets	29,777,929.70	3,751,347.16
Other Total	29,777,929.70	3,751,347.16

**74. Non-****operating****income** Non-

operating

income

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred	Included in non-recurring profit or loss for the period Amount of
Quality payout	283,208.66	729,361.10	283,208.66
Other income	546,963.48	155,716.29	546,963.48
Total	830,172.14	885,077.39	830,172.14

□ applicable √not applicable

Other notes:

□ applicable √not applicable

**75. Non-operating expenses**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred	Included in non-recurring profit or loss for the period Amount of
Loss on disposal of non-current assets	9,579.65	70,509.07	9,579.65

Other

notes: none

## 76. Income tax expense (1).

### Schedule of income tax

Unit: Yuan Currency: RMB

expense Projects	Incurred during the period	Prior Period Incurred
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		
Current income tax expense	-330,650.23	100,795.24
Deferred income tax expense	-3,099,032.42	-3,320,890.02
Total	-3,429,682.65	-3,220,094.78

## (2). The process of adjusting accounting profit to income

Unit: Yuan Currency: RMB

tax expense Projects	Incurred during the period
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	
Total profit	7,154,557.07
Income tax expense at statutory/applicable tax rates	1,073,183.56
Effect of different tax rates applied to subsidiaries	-23,908,195.40
Effect of adjustments to prior periods' income tax	-330,650.23
Impact of non-taxable income	-3,633,743.57
Effect of non-deductible costs, expenses and losses	434,490.12
Deductible losses on the use of previously unrecognised deferred income tax assets	--
The impact of damage	
Deductible temporary nature of deferred tax assets not recognized in the current period	30,485,468.28
Effect of differences or deductible losses	
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	
Deduction of R&D expenses for high and new technology enterprises	-7,550,235.41
Income tax expense	-3,429,682.65

☒ Applicable☐ Not applicable

See Note VII, 57

for details

## 78. Cash flow statement items

### (1). Other cash received in connection with operating activities

☒ Applicable ☐ Not applicable

Projects	Report Incurred during the period	Prior Period Incurred
Interest income from bank deposits	10,253,060.82	5,332,497.12
Government grants	27,019,934.08	17,142,196.22
Non-operating income	830,172.14	885,077.39
Total	38,103,167.04	23,359,770.73

Description of other cash received in relation to operating activities: Nil

## (2). Other cash paid in connection with operating activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Expense-based expenditure	160,688,059.81	128,327,753.05
Finance costs - handling charges	4,864,880.40	2,924,432.21
Non-operating expenses	572,660.72	204,105.85
Total	166,125,600.93	131,456,291.11

Description of other cash paid in relation to operating activities: Nil

## (3). Other cash received in connection with investing activities

☐ applicable ☒ not applicable

## (4). Other cash paid in relation to investing activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Time Deposit Investments	385,000,000.00	--
Total	385,000,000.00	--

Description of other cash paid in relation to investing activities: Nil

## (5). Other cash received in connection with financing activities

☐ applicable ☒ not applicable

## (6). Other cash paid in relation to financing activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Incurred during the period	Prior Period Incurred
Housing rental fees	612,587.46	--
Total	612,587.46	--

Description of other cash paid in relation to financing activities: Nil

**79. Supplementary information to the statement of cash flows (1).  
Supplementary information to the**

**statement of cash  
flows**

√/Applicable    □/Not applicable

Unit: Yuan    Currency: RMB

Additional information	Amount for the period	Prior period amount
---------------------------	-----------------------------	---------------------------



<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	10,584,239.72	91,013,083.77
Add: Provision for impairment of assets	22,820,446.32	16,130,729.63
Credit impairment losses		
Depreciation of fixed assets, depreciation of oil and gas assets, production Depreciation of sexual biological assets	294,745,451.21	200,616,311.66
Amortisation of right-to-use assets	470,191.72	--
Amortisation of intangible assets	7,633,402.61	7,518,920.85
Amortisation of long-term amortised costs	52,622,430.85	28,696,344.02
Disposal of fixed assets, intangible assets and other long-term Losses on assets (gains are shown with a "--" sign)	-29,777,929.70	-3,751,347.16
Loss on scrapping of fixed assets (gain marked with a "--") (fill in the blank)	9,579.65	70,509.07
Loss on changes in fair value (gain marked with a "--") (fill in the blank)	--	-1,186,938.56
Finance costs (income is shown with a "--" sign)	84,118,543.42	65,334,166.26
Losses on investments (gains are shown with a "--" sign)	-24,457,180.75	-36,455,072.30
Decrease (increase by "--") in deferred income tax assets (entered by number)	-2,004,524.07	-2,582,463.23
Increase (decrease by "--") in deferred income tax liabilities (entered by number)	-1,094,508.35	-738,426.79
Decrease in inventories (increase is shown with a "--" sign)	-251,853,612.40	-314,190,774.38
Decrease (increase) in operating receivables to (filled in with a "--" sign)	-277,864,467.94	-4,040,739.55
Increase (decrease) in operating payables to (filled in with a "--" sign)	51,915,649.13	110,600,533.97
Other		
Net cash flows from operating activities	-62,132,288.58	157,034,837.26
<b>2. Significant investing and financing activities that do not involve cash receipts or disbursements:</b>		
Conversion of debt to capital		
Convertible bonds due within one year		
Finance leasehold fixed assets		
<b>3. Net change in cash and cash equivalents:</b>		

Closing balance of cash	273,244,487.90	204,687,964.73
Less: Opening balance of cash	204,687,964.73	165,448,704.02
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	68,556,523.17	39,239,260.71

**(2). Net cash paid during the period for acquisition of subsidiaries**

☐ applicable ✓/not applicable

**(3). Net cash received during the period from disposal of subsidiaries**

☐ applicable ✓/not applicable

**(4). Composition of cash and cash equivalents**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Closing balance	Opening balance
I. Cash	273,244,487.90	204,687,964.73
Of which: cash on hand	70,629.98	140,862.23
Bank deposits readily available for disbursement	273,173,857.92	204,547,102.50
Other monetary resources readily available for payment		
Gold		
Deposited central bank funds available for disbursement		
Item		
Interbank deposits		
Interbank lending		
ii. cash equivalents		
Of which: investments in bonds maturing within three months		
Of which: cash equivalents	273,244,487.90	204,687,964.73
Other cash equivalents		
Of which: parent company or intra-group subsidiary uses		
The amount of banker's acceptances received for endorsement of transfer of goods sold during the period		
Reserves RMB518,682,100.		
Reserves cash and cash equivalents		

**80. Notes to the items in the statement of changes in owners' equity**

State the name of the "Other" item and the amount of the adjustment, etc., to which the prior year's closing balance was adjusted:

□ applicable √not applicable

**81. Assets subject to restrictions on ownership or use**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Projects	Carrying value at the end of the period	Reason for restriction
Monetary funds	364,182,585.06	Silver Bills Promissory Notes, Letters of Guarantee and Credit Certificate Margin
Other assets	1,648,300,336.53	Bank Borrowing Collateral
Intangible assets	418,925,580.02	Bank Borrowing Collateral
Financial assets held for trading	8,000,000.00	Pledge of bank loans
<b>82. Monetary items</b>	2,439,408,501.61	/

**in foreign currencies (1).**

**Foreign currency**

**monetary items**√Applicable ☐ Not applicable

Unit: Yuan

Proj ects	Foreign currency balance at end of period	Converted exchange rates	Translated into RMB at the end of the period Balance
--------------	---	-----------------------------	---

Monetary funds	-	-	
Of which: USD	9,908,801.53	6.3757	63,175,545.91
Euro	10,761.67	7.2197	77,696.03
Thai Baht	52,213,163.25	0.1912	9,983,156.81
Accounts receivable	-	-	
Of which: USD	50,737,206.48	6.3757	323,485,207.36
Euro	--	7.2197	
Thai Baht	3,852,129.04	0.1912	736,527.07
Other receivables			
Of which: USD	12,218,245.00	6.3757	77,899,864.65
Thai Baht	79,779,990.37	0.1912	15,253,934.16
Short-term borrowings			
Of which: USD	783,239.83	6.3757	4,993,702.18
Thai Baht	97,186,664.25	0.1912	18,582,090.20
Accounts payable			
Of which: USD	25,017,540.52	6.3757	159,504,333.09
Japanese Yen	58,650,000.00	0.0554	3,250,089.75
Thai Baht	731,156,114.30	0.1912	139,797,049.05
Other payables			
Of which: USD	3,364,570.00	6.3757	21,451,488.95
Thai Baht	24,553,297.15	0.1912	4,694,590.42
Long-term borrowings			
Of which: Thai Baht	2,960,000,000.00	0.1912	2,960,000,000.00

Other

notes: none

**(2). A description of the foreign operating entity, including, for significant foreign operating entities, the principal place of business outside the country, the currency of account and the basis for its selection, and, if there is a change in the currency of account, the reasons therefor**

✓Applicable ☐ Not applicable

Name of significant foreign operating entity name	Principal place of business	Local currency of account	Selection basis
General Rubber (Thailand) Co.	Thailand and	Thai Baht	in the currency of the primary economic environment in which it operates as Local currency of account

### 83. Hedging

☐ applicable ☒ not applicable

### 84. Government grants

#### (1). Basic information on government grants

☒ Applicable ☐ Not applicable

Unit: Yuan    Currency: RMB

Category	Amount	Presented items	Amount charged to current profit or loss
Industrial and Technology Development Grants Funding	13,880,800.00	Related to revenue	13,880,800.00
Technological transformation guidance funds	5,650,000.00	Related to revenue	5,650,000.00
Industrial and information industry transformation Upgrade grant funding	3,600,000.00	Related to revenue	3,600,000.00
Business and Foreign Trade Development Grant Funding	3,212,800.00	Related to revenue	3,212,800.00
Job Stabilisation Allowance	546,007.00	Related to revenue	546,007.00
Intelligent transformation and quality improvement Upgrade project funding	4,157,500.00	Asset-related	4,157,500.00

**(2). Return of government grants**☐ Applicable☒ Not applicable

Other

Description:

None

**85. Other**☐ applicable ☒ not applicable**viii. change in scope of consolidation****1. Business combinations not under common control**☐ applicable ☒ not applicable**2. Business combinations under common control**☐ applicable ☒ not applicable**3. Reverse purchase**☐ applicable ☒ not applicable

#### 4. Disposal of subsidiaries

Whether there is a single disposal of an investment in a subsidiary that results in a loss of control

☐ Applicable

☒ Not applicable

Other

Description:

☐ applicable ☒ not applicable

#### 5. Changes in scope of consolidation for other reasons

Describe changes in the scope of consolidation due to other reasons (e.g., new subsidiaries, liquidation of subsidiaries, etc.) and the circumstances surrounding them:

☒ Applicable ☐ Not applicable

As a result of the establishment of the investment, three new companies were added to the Company's scope of consolidation in the current period compared to the previous period: Wuxi Qianlima Tire Trading Company Limited, General Rubber (USA) Co.

#### 6. Other

☐ Applicable ☒ Not applicable



**ix. interests in other entities 1. interests in subsidiaries (1).**

**Composition of the enterprise group**

√Applicable □ Not applicable

Subsidiaries Name	Principal place of business	Place of registration	Nature of business	Shareholding ratio (%)		Get Mode
				Direct	Indirectly	
Wuxi Qianlima Technology has Limited company	Wuxi	Wuxi	Rubber and plastic products industry	100.00	--	Establishment
Tianma International (Hong Kong) Trading Co. Division	Hong Kong, China	Hong Kong, China	Trading industry	100.00	--	Consolidation under common control
Wuxi Jiuchengtong Rubber Trading Co. Division	Wuxi	Wuxi	Wholesale trade	100.00	--	Establishment
General purpose rubber (Thailand) has Limited company	Thailand	Thailand	Manufacturing	99.70	0.30	Establishment
Explanation of shareholding in subsidiaries different from voting rights ratio: None						
Wuxi Qianlima Tyre Trading Co. Division	Wuxi	Wuxi	Wholesale	51.00	--	Establishment
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: Not applicable						
For significant structured entities included in the scope of consolidation, the basis of control: none						
General purpose rubber (USA) Yes Limited company	United States	United States	Trading industry	100.00	--	Establishment
Basis for determining whether the company is an agent or a principal: None						
Wuxi Tongyun Tyre Sales Limited	Wuxi	Wuxi	Wholesale trade	100.00	--	Establishment

Other  
notes: none

**(2). Significant non-wholly owned subsidiaries**

☐ applicable ☒ not applicable

**(3). Key financial information on significant non-wholly owned subsidiaries**

☐ applicable ☒ not applicable

**(4). Significant restrictions on the use of enterprise group assets and the settlement of enterprise group debts**

☐ applicable ☒ not applicable

**(5). Financial or other support provided to structured subjects included in the scope of the consolidated financial statements**

☐ Applicable ☒ Not applicable

Other notes:

☐ applicable ☒ not applicable

**2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled**

☐ applicable ☒ not applicable

**3. Interests in joint ventures or associates**

☒ Applicable ☐ Not applicable

**(1). Significant joint ventures or associates**

☒ Applicable ☐ Not applicable

Joint ventures or consortia Name of industry	Principal place of business	Place of registration	Nature of business	Shareholding ratio (%)		Investment in joint ventures or associates will Counting methods
				Direct	Indirectly	
Hongdou Group Finance Limited Company	Wuxi	Wuxi	Money Financial Services	20.00	--	Equity method
Wuxi Hongdou Sports and Recreation Supplies Co., Ltd.	Wuxi	Wuxi	Arts, Education, Industry, Sports and Recreation Supplies manufacturing	20.00	--	Equity method

Unit:

Yuan Currency: R

Description of shareholdings in joint ventures or associates different from the proportion of voting rights: Not applicable  
Basis for holding less than 20% of the voting rights but with significant influence, or holding 20% of the voting rights but without significant influence: Not applicable

**(2). Key financial information on significant joint ventures**

☐Applicable    ☒Not applicable

### (3). Key financial information on significant associates

√Applicable □Not applicable

Unit: Yuan Currency: RMB

	Closing balance/ Current period incurred		Opening balance/ Prior period's amount	
	Hongdou Group Finance Limited Company	Wuxi Hongdou Sportswear Limited	Hongdou Group Finance Limited Company	Wuxi Hongdou Sportswear Limited
Current assets	677,509,434.64	128,111,015.87	715,305,358.92	176,997,471.89
Non-current assets	3,237,765,358.02	19,268,343.07	3,215,766,957.73	6,891,687.89
Total assets	3,915,274,792.66	147,379,358.94	3,931,072,316.65	183,889,159.78
Current liabilities	1,935,737,932.01	94,040,422.17	1,958,984,524.72	94,942,371.47
Non-current liabilities	57,126,369.39	11,667,410.99	67,609,972.82	2,338,623.71
Total liabilities	1,992,864,301.40	105,707,833.16	2,026,594,497.54	97,280,995.18
Minority interests				
Shares attributable to the parent company East Interest	1,922,410,491.26	41,671,525.78	1,904,477,819.11	86,608,164.60
Based on shareholding Share of net assets of	384,482,098.26	8,334,305.16	380,895,563.83	17,321,632.92
Adjustment matters	2,204,075.47	--	2,204,075.47	--
--Goodwill	2,204,075.47	--	2,204,075.47	--
--internal transactions not carried out Current profit				
--Other				
Interests in associates Carrying value of investments	386,686,173.73	8,334,305.16	383,099,639.30	17,321,632.92
Existence of publicly quoted investments in associates' interests				
Fair value of capital notes				
Operating income	193,941,412.97	315,982,307.83	188,072,027.12	420,791,850.46
Net profit	116,895,708.03	5,063,361.18	119,153,047.29	72,152,979.07
Net profit from discontinued operations				
Joint ventures:				
Other	1,036,964.12	203 / 401 --	29,412,874.19	--
comprehensive income				
Total comprehensive income	117,932,672.15	5,063,361.18	148,565,921.48	72,152,979.07

Unit: Yuan Currency: RMB

Total carrying value of investments		
Aggregate of the following in proportion to shareholdings		
-Net profit		
--Other comprehensive income		
--Total comprehensive income		
Associates:		
Total carrying value of investments	29,539,172.06	29,706,028.80
Aggregate of the following in proportion to shareholdings		
-Net profit	-166,856.74	-221,660.22
--Other comprehensive income		
--Total comprehensive income	-166,856.74	-221,660.22

Other  
notes n/a

**(5). A statement of material restrictions on the ability of a joint venture or associate to transfer funds to the Company**

☐Applicable ☒Not applicable

**(6). Excess losses incurred by 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 co-operations**

☐ applicable ☒not applicable

**5. Interests in** structured entities not included in the scope of the consolidated financial statements Notes relating to structured entities not included in the scope of the consolidated financial statements:

☐ applicable ☒not applicable

**6. Other**

☐Applicable ☒Not applicable

**X. Risks associated with financial instruments**

√Applicable ☐ Not applicable

The Company is exposed to various financial risks in the course of its operations: credit risk, market risk and liquidity risk. The full Board of Directors of the Company

While the Board is responsible for the determination of risk management objectives and policies and has ultimate responsibility for them, the Board has delegated to the management of the Company the authority to design and implement procedures that will ensure that risk management objectives and policies are effectively implemented. The Board reviews the effectiveness of the implemented procedures and the reasonableness of the risk management objectives and policies through monthly reports submitted by the finance department. The Company's internal audit

The auditor also audits the policies and procedures for risk management and reports findings to the Audit Committee.

The overall objective of the Company's risk management is to develop a risk management policy that minimises risk without unduly affecting the Company's competitiveness and resilience.

**(i) Credit risk**

Credit risk is the risk that one party to a financial instrument will default on its obligations, causing the other party to incur financial losses. The Company is primarily exposed to customer credit risk resulting from sales on credit. Before entering into new contracts, the Company assesses the credit risk of new customers, including external credit ratings and, in some cases, proof of bank creditworthiness (when this information is available) The Company sets a credit limit for each customer, which is the maximum amount that does not require additional approval.

The Company ensures that the Company's overall credit risk is within manageable limits through quarterly monitoring of credit ratings of existing customers and monthly review of the ageing analysis of accounts receivable. In monitoring the credit risk of customers, customers are grouped according to their credit characteristics. Customers rated as "high risk" are placed on a restricted customer list and are only allowed to be sold on credit in future periods with additional approval, otherwise they must be required to pay in advance.

**(ii) Market risk**

Market risk of 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 and includes foreign exchange risk, interest rate risk and other price risks.

**( 1 ) 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. The Company's exposure to interest rate risk arises mainly from short-term bank borrowings. The Company ensures sufficient bank credit lines to meet its various short-term financing needs by establishing good banking relationships and making reasonable designs for credit lines, credit types and credit terms. In addition, by shortening the term of individual borrowings and specifically agreeing to early repayment terms, the risk of interest rate fluctuations is reasonably reduced. As the Company's borrowings are all at fixed interest rates, there is no risk of changes in the RMB base rate.

**( 2 ) Foreign exchange 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. To the extent possible, the Company matches foreign currency revenues with foreign currency expenses to reduce



foreign exchange risk. In addition, the Company may enter into forward foreign exchange contracts or currency swap contracts for the purpose of hedging foreign exchange risk.

### (iii) Liquidity risk

Liquidity risk is the risk that a business will run short of funds to meet its obligations settled by delivery of cash or other financial assets. The Company's policy is to ensure that it has sufficient cash to meet its obligations as they fall due. Liquidity risk is centrally controlled by the Company's finance department. The finance department ensures that the Company has sufficient funds to meet its obligations in all reasonably forecast circumstances by monitoring cash balances, readily realisable marketable securities and rolling forecasts of cash flows over the next 12 months.

## xi. fair value disclosures

### 1. Closing fair value of assets and liabilities measured at fair value

√Applicable ☐ Not applicable

Proj ects	Fair value at end of period	Unit:	
		MB	YuanCurrency:R

	Level 1 fair value Value measurement	Level 2 Fairness Value measurement	Level 3 fair value Value measurement	Total
<b>i. ongoing fair value measurement quantity</b>				
(i) Financial assets held for trading		8,000,000.00		8,000,000.00
1. Financial instruments at fair value through profit or loss Assets				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(3) Derivative financial assets				
2. designated at fair value through profit or loss Financial assets with benefits				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(ii) Other debt investments				
(iii) Investment in other equity instruments Resources			25,850,000.00	25,850,000.00
(iv) Investment properties				
1. Land use rights for lease				
2. Buildings for rent				
3. held and ready to transfer upon appreciation Land use rights granted				
(v) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
(vi) Receivables financing			12,132,881.55	12,132,881.55
<b>Continuously measured at fair value Total assets</b>		8,000,000.00	37,982,881.55	45,982,881.55

(vi) Financial liabilities held for trading				
1. Financial instruments at fair value through profit or loss Liabilities				
Of which: trading debt issued Vouchers				
Derivative financial liabilities				
Other				
2. designated as at fair value through profit or loss of financial liabilities				
<b>Continuously measured at fair value Total liabilities</b>				
<b>ii. discontinued fair value Measurement</b>				
(i) Assets held for sale				
<b>Not measured at fair value on an ongoing basis Total assets of</b>				

<b>Not measured at fair value on an ongoing basis</b>				
<b>Total liabilities of</b>				

**2. Basis for determining the market value of continuing and discontinuing level 1 fair value measurement items**

☒Applicable ☐Not applicable

The fair value of investments in listed other equity instruments is determined based on the closing price on the last trading day of the open market.

**3. ongoing and discontinued Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques used and significant parameters**

☐Applicable ☒Not applicable

**4. ongoing and discontinued Level 3 fair value measurement items, qualitative and quantitative information on the valuation techniques used and significant parameters**

☒Applicable ☐Not applicable

The fair value of the Company's financial assets held for trading and receivables financing is first determined on the basis of materiality to determine whether the carrying value is representative of the fair value.

fair value; if the carrying value is not representative of fair value, the period-end fair value is

determined using a reasonable method as prescribed by accounting standards. The

Company holds other equity instruments other than those measured using Level 1 fair value that do not constitute control, joint control, significant

Impact, equity investments without quoted prices in an active market, the fair value at the end of the period is determined by a reasonable method as prescribed by accounting standards.

**5. ongoing level 3 fair value measurement items, reconciliation information between opening and closing carrying values and sensitivity analysis of unobservable parameters**

☐Applicable ☒Not applicable

**6. ongoing fair value measurement items, the reasons for conversion and the policy for determining the point of conversion if conversion between levels occurred during the period**

☐Applicable ☒Not applicable

**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

Financial assets and liabilities that are not measured at fair value include mainly: receivables, prepayments, short-term loans, payables

Prepayments, non-current liabilities due within one year and long-term borrowings.

The differences between the carrying amounts of the financial assets and liabilities not measured at fair value as described above and their fair values are minimal.

## 9. Other

□Applicable   √Not applicable

## XII, RELATED PARTIES AND RELATED TRANSACTIONS 1. Information on the parent company of the Enterprise

√Applicable   □Not applicable

Unit: RMB million

Name of parent company	Place of registratio n	Nature of business	Registered Capital	Parent Company's shareholding in the Business (%)	Proportion of the parent company's voting rights in the enterprise (%)
------------------------------	------------------------------	-----------------------	-----------------------	--	--

The Hongdou Group has Limited company	Wuxi	Investment holding	155,061.50	50.23	52.09
---------------------------------------	------	--------------------	------------	-------	-------

A description of the parent company of the Business

Ltd. holds 50.23% of the Company's equity directly, through its controlled Wuxi Hongdou International Investment Co.

Indirectly, it holds 1.86% of the Company's share capital.

The ultimate controlling parties of the business are Zhou Yaoting, Zhou Haijiang, Zhou Haiyan, Gu Zui and Liu Lianhong. Other notes:

None

## 2. Information on the Company's subsidiaries

See notes for details of the Company's subsidiaries

☒ Applicable ☐ Not applicable

Details of the Enterprise's subsidiaries are set out in Note

IX.1, Interests in subsidiaries. **3. Information on joint**

## ventures and associates of the Company

See notes for details of significant joint ventures or associates of the Company

☒ Applicable ☐ Not applicable

For details of the Company's significant joint ventures or associates, see Note IX.3 (1) Significant joint ventures or associates

Other joint ventures or associates with which the Company had related party transactions during the period, or with which the Company had related party transactions in prior periods that resulted in balances, are as follows

☒ Applicable ☐ Not applicable

Name of joint venture or associate	Relationship with the business
Hongdou Group Finance Limited	Associated companies
Wuxi Hongdou Sportswear Co.	Associated companies

☐ applicable ☒ not applicable

## 4. Information on other related parties

☒ Applicable ☐ Not applicable

Name of other related parties	Other related party relationship with the Company
Southland Red Bean Holdings Limited	Same controlling shareholder
Jiangsu Hongdou Industrial Co.	Same controlling shareholder
Wuxi Hongdouzhuan Conference Centre Co.	Same controlling shareholder
Wuxi Hongdou Home Fashions Co.	Same controlling shareholder
Hongdou Group Wuxi Travel Agency Co.	Same controlling shareholder
Jiangsu Redou Industrial Internet Co.	Same controlling shareholder
Jiangsu Hongdou International Development Co.	Same controlling shareholder
Hongdou Group Wuxi Redbud Training Co.	Same controlling shareholder
Hongdou Group Wuxi Hongdou Children's Clothing Co.	Same controlling shareholder
Hongdou Group Hongdou Home Textile Co.	Same controlling shareholder
Wuxi Xishang Media Co.	Same controlling shareholder
Jiangsu Redbud Health Technology Co.	Same controlling shareholder

Hongdou Group Wuxi Far East Garment Co.	Same ultimate controlling party
Jiangsu Redbud Pharmaceutical Co.	Same ultimate controlling party
Wuxi Hongdou Commercial Management Co.	Same ultimate controlling party
Jiangsu Hongdou Electric Power Engineering Technology Co.	Same ultimate controlling party
Wuxi Su Su Clothing Co.	Same ultimate controlling party
Wuxi Hongdou Property Co.	Same ultimate controlling party
Wuxi Hongdou Men's Clothing Co.	Same ultimate controlling party
Wuxi Hongdou Yuan Agricultural Technology Co.	Same ultimate controlling party
Wuxi Hongdou Women's Clothing Co.	Same ultimate controlling party
Wuxi Hongfu Clothing Sales Co.	Same ultimate controlling party
Shenzhen Hongdou Wearing Smart Technology Co.	Same ultimate controlling party
Wuxi Yixin Pharmaceutical Co.	Same ultimate controlling party
Wuxi Hongdou Property Co Ltd Donggang No.2 Branch	Same ultimate controlling party
Wuxi Hongdou Cross Border E-Commerce Trading Co.	Same ultimate controlling party
Wuxi Hongdou Sportswear Co.	Same ultimate controlling party
Wuxi Hongdou Home Clothing Sales Co.	Same ultimate controlling party
Jiangsu Yangtze River Delta Textile & Apparel Testing Co.	Same ultimate controlling party
Wuxi Hongdou Textile & Garment Co.	Same ultimate controlling party

Other

notes n/a

## 5. Connected transactions

### (1). Connected transactions for the purchase and sale of goods, provision and receipt of services

Purchase of goods/acceptance of services table

√Applicable □ Not applicable

Related parties	Content of connected transactions	Unit: RMB million	
		Incurred during the period	Prior Period Incurred
Southland Red Bean Holdings Limited	Steam	9,311.22	9,142.95
Southland Red Bean Holdings Limited	Electricity	7,831.91	8,893.95
Wuxi Tongyuan Plastic Products has Limited company	Padding, packaging film, bags	1,538.07	1,660.38
Jiangsu Hongdou Power Engineering Technology Limited	Switchgear/electrical installation	111.65	203.31
Jiangsu Red Sun Photovoltaic Agriculture Co. Company	Electricity	197.30	193.44
	213 / 401		
Jiangsu Hongdou Industry Co. Company	Water	115.64	126.05
Wuxi Hongdoudouzhuang	Catering	40.38	42.23

Hongdou Group Wuxi Redbud Cultivation Training Limited	Training, tea leaves, teapots	2.11	7.07
Hongdou Group Wuxi Hongdou Children's Clothing Limited	Clothing	0.15	--
Wuxi Hongdou Home Textiles Sales Co. Company	Towels, bedding	7.82	44.71
Wuxi Hongdou Property Co.	Property Management	30.01	23.80
Reddit Telecom Limited	Telecommunications service charges	12.21	18.66
Jiangsu Redou Industrial Internet has Limited company	Informatics development	236.18	7.73
Wuxi Hongdou Home Furnishing Co. Company	Clothing	0.32	0.51
Wuxi Hongdou Men's Clothing Co. Division	Clothing	4.07	21.42
Wuxi Hongdou Yuan Agricultural Technology Co. Limited company	Greenery maintenance	--	4.59
Hongdou Group Hongdou Home Textiles Limited Company	Textiles	--	21.83
Hongdou Group Wuxi Travel Agency has Limited company	Tourism	--	1.08
Jiangsu Yangtze River Delta Textile and Apparel Inspection Measurement Ltd.	Testing fees	0.17	0.18
Wuxi Hongfu Clothing Sales Co. Company	Clothing	15.31	0.98
Wuxi Hongdou home apparel sales Limited	Clothing	11.65	11.93
Wuxi Hongdou Sportswear Co. Division	Mask, barrier coat	3.63	110.90
Wuxi Hongdou Commercial Management Co. Company	Communication costs	1.05	--



Shenzhen Hongdou Wearing Smart Technology Limited	Eye protection / running clothes / massage Pillow	0.36	--
Wuxi Xishang Media Co.	Advertising costs	4.95	--
Wuxi Yixin Pharmaceutical Co.	Pharmaceuticals	6.19	--
Wuxi Hongdou Property Co. Donggang Branch No. 2	Property Management Fee	0.22	--
Wuxi Hongdou cross-border e-commerce trade Limited	Hospitality	0.13	--

## Sale of Goods / Supply of Services Table

√Applicable □ Not applicable

Unit: RMB million

Related parties	Content of connected transactions	Incurred during the period	Prior Period Incurred Currency: RMB
Jiangsu Hongdou Industry Co. Company	Tyres	1.33	5.89
Wuxi Tongyuan Plastic Products has Limited company	Scrap	338.82	683.39

Wuxi Hongdou Packaging and Decoration Printing Limited	Scrap	994.39	1,013.16
--	-------	--------	----------

Description of connected transactions for the purchase and sale of goods, provision and receipt of services

☐ applicable ☒ not applicable

## (2). Associated Entrusted/Contracted

**and** Entrusted/Contracted The Company is entrusted/contracted with the following table:

☐ applicable ☒ not applicable

Description of affiliated trusteeship/contracting

☐ applicable ☒ not applicable

Our Commissioning / Contracting Schedule

☐ applicable ☒ not applicable

Affiliate management/contracting description

☐ applicable ☒ not applicable

## (3). Associated

**leases** The

Company as lessor:

☐ applicable ☒ not applicable

The Company as lessee:

☒ Applicable ☐ Not applicable

Unit: RMB million

Name of lessor	Types of leased assets	Lease payments recognised during the period	Lease payments recognised in the prior period
Jiangsu Hongdou International Development Exhibition Ltd.	House	92.27	58.93
Wuxi Su Su Clothing has Limited company	House	12.32	32.88
Wuxi Hongdou Textile Clothing Fitting Ltd.	House	84.58	8.16
Wuxi Hongdou Home Textile Pin Sales Limited	House	99.09	200.45
Hongdou Group, Hongdou Home Spinning Ltd.	House	--	21.69
Jiangsu Hongdou Industrial Co. Share Ltd.	House	9.33	--

**guarantees** The

Company as

guarantor

☒ Applicable ☐ Not applicable

Unit: RMB million

Secured party	Amount of guarantee	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled
General Rubber (Thailand) Limited	38,240.00	2020/5/18	2026/10/27	No

General Rubber (Thailand) Limited	23,036.00	2020/5/18	2026/10/30	No
General Rubber (Thailand) Limited	18,355.20	2020/5/18	2026/10/27	No

The Company as the guaranteed party

√Applicable □ Not applicable

Unit: RMB million

Guarantors	Amount of guarantee	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled
Hongdou Group Limited Division	40,000.00	2021.5.24	2022.5.23	No
Hongdou Group Limited Division	38,240.00	2020.5.18	2026.10.27	No
Hongdou Group Limited Division	37,000.00	2020.9.23	2026.9.22	No
Hongdou Group Limited Division	37,000.00	2021.6.29	2025.6.29	No
Hongdou Group Limited Division	36,500.00	16.4.2019	2022.4.16	No
Hongdou Group Limited Division	30,000.00	2021.12.16	2024.12.15	No
Hongdou Group Limited Division	23,036.00	2020.5.18	2026.10.30	No
Hongdou Group Limited Division	20,250.00	2021.12.30	2024.12.29	No
Hongdou Group Limited Division	20,000.00	2021.1.15	2022.01.14	No
Hongdou Group Limited Division	18,355.20	2020.5.18	2026.10.27	No
Hongdou Group Limited Division	12,000.00	2018.10.30	2023.10.30	No
Hongdou Group Limited Division	10,000.00	16.7.2019	2022.7.16	No
Hongdou Group Limited Division	10,000.00	2021.8.24	2024.8.23	No
Hongdou Group Limited Division	6,500.00	2021.9.7	2022.9.6	No

Hongdou Group Limited Division	1,188.60	2021.11.25	2022.5.25	No
Hongdou Group Limited Division	1,148.70	2021.12.28	2022.6.28	No
Hongdou Group Limited Division	1,143.80	2021.10.26	2022.4.26	No
Hongdou Group Limited Division	1,119.30	2021.7.21	2022.1.21	No
Hongdou Group Limited Division	707.70	2021.11.11	2022.2.11	No
Hongdou Group Limited Division	431.00	2021.9.14	2022.3.14	No
Hongdou Group Limited Division	397.60	2021.12.29	2022.3.29	No
Hongdou Group Limited Division	387.10	2021.12.28	2022.3.28	No
Hongdou Group Limited Division	210.00	2021.11.26	2022.5.26	No
Hongdou Group Limited Division	104.30	2021.11.16	2022.2.16	No
Hongdou Group Limited Division	77.00	2021.12.10	2022.6.10	No
Hongdou Group Limited Division	70.00	2021.9.29	2022.3.29	No
Hongdou Group Limited Division	35.00	2021.12.7	2022.6.7	No

Description of related guarantees

☐ applicable ☒ not applicable**(5). Related party funds borrowing and lending**☒ Applicable ☐ Not applicable

Payment of interest on funds borrowing and lending

Unit: RMB million

Related parties	Incurred during the period	Prior Period Incurred
-----------------	----------------------------	-----------------------

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Hongdou Group Limited	--	31.38

**(6). Transfer of assets and restructuring of debts by**

related parties		Unit: RMB million		Currency:
Relate √Applicable □ Not applicable parties	Content of connected transactions	Incurred during the period	RMB	Prior Period Incurred
Wuxi Hongdou Men's Clothing Co. Company	Purchase of machinery and equipment	--		356.46

**(7). Key**

**management**

compensation		Unit: RMB million		Currency:
Projects √Applicable □ Not applicable		Incurred during the period	RMB	Prior Period Incurred

Key management compensation	904.69	902.27
-----------------------------	--------	--------

**(8). Other connected transactions**

√Applicable □Not applicable

Deposits and loans with Hongdou Group Finance Co.		Unit: RMB million	
Related parties	Project name	Closing balance/ Incurred during the period	Opening balance/ Prior Period Incurred
Hongdou Group Finance Limited	Bank deposits - demand deposit balance	3,009.56	13,449.38
Hongdou Group Finance Limited	Bank deposits - principal of time deposits	38,500.00	--
Hongdou Group Finance Limited	Bank deposits - interest receivable on time deposits	21.39	--
Hongdou Group Finance Limited	Other monetary funds - margin balance	4,898.02	4,118.21
Hongdou Group Finance Limited	Other monetary funds - interest receivable on margin	18.24	--
Hongdou Group Finance Limited	Other current assets - interest receivable	--	23.66
Hongdou Group Finance Limited	Notes payable	16,326.72	15,060.70
Hongdou Group Finance Limited	Bank borrowings - principal	3,000.00	5,400.00

**6. Amounts due from and to related parties****(1). Items receivable**

Unit: RMB million		Unit: RMB million	
Related parties	Project name	Closing balance	Opening balance
Hongdou Group Finance Limited	Bank borrowings - interest payable	1.29	6.35
Hongdou Group Finance Limited	Book balance	356.02	123.82
Hongdou Group Finance Limited	Interest income from deposits	0.84	2.24
Hongdou Group Finance Limited	Loan interest expenses and fees	--	170.33
Hongdou Group Finance Limited	Provision for bad debts	--	765.74

**(2). Payable items**

Unit: RMB million		Unit: RMB million	
Related parties	Project name	Closing balance	Opening balance of the period
Southland Red Bean Holdings Limited Company	Accounts payable	1,600.51	1,151.58
Wuxi Houshu Wastewater Treatment Limited	Accounts payable	8.98	7.21
Wuxi Tongyuan Plastics Products Ltd.	Accounts payable	294.46	540.86
Wuxi Hongdou Packaging and	Accounts payable	21.53	38.85

	Limited		
Accounts payable	Wuxi Redbud Village Conference The Centre Limited	0.38	---
Accounts payable	Hongdou Group Wuxi Hongdou Sugi Training Limited	0.06	1.67
Accounts payable	Jiangsu Hongdou Industrial Interconnection Net Limited	21.40	1.60
Accounts payable	Wuxi Hongdou Yuan Agricultural Section Technology Ltd.	--	0.81
Accounts payable	Jiangsu Hongdou Power Engineering Technology Ltd.	129.43	205.60
Accounts payable	Wuxi Su Su Clothing Co. Company	--	9.46
Accounts payable	Jiangsu Hongdou International Development Limited	--	21.99
Accounts payable	Jiangsu Hongdou Industry Co. Limited	12.36	16.27
Accounts payable	Wuxi Hongdou Home Textiles Sales Limited	0.62	0.97
Accounts payable	Wuxi Hongdou Textile and Clothing Limited	--	43.80
Accounts payable	Wuxi Hongdou Home Wear Sales Ltd.	0.63	--
Accounts payable	Wuxi Hongfu Clothing Sales Limited	0.25	---
Other payables	Wuxi Hongdou Packaging and Decoration Printing Limited	83.80	93.80
Other payables	Jiangsu Hongdou Power Engineering Technology Ltd.	2.00	0.50

## 7. Related party commitments

☐Applicable ☒Not applicable



## 8. Other

☐Applicable ☒Not applicable

### xiii. share-based payments

#### 1. General information on share-based payments

☒Applicable ☐ Not applicable

Unit: Share Currency: RMB

Total amount of each equity instrument granted by the Company during the period	4,520,000
Total amount of each equity instrument exercised by the Company during the period	0
Total amount of equity instruments lapsed by the Company during the period	
The range of exercise prices for stock options issued and outstanding at the end of the period Other notes and Remaining contract period	
Range of exercise prices for other equity instruments issued and outstanding at the end of the period Scope and remaining term of contract	

Pursuant to the resolutions of the Fifteenth Meeting of the Fifth Session of the Board of Directors, the Third Extraordinary General Meeting of 2021 and the Eighteenth Meeting of the Fifth Session of the Board of Directors, the Company granted 4.52 million shares of restricted RMB ordinary shares (A shares) to 35 incentive recipients.

## 2. Equity-settled share-based payments

✓Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Methodology for determining the fair value of equity instruments at the date of grant	Determined on the basis of the fair value of restricted shares at the date of grant
Basis for determining the number of exercisable equity instruments	Number of restricted shares granted to incentive recipients
Reasons for material differences between the current and prior period estimates	Not applicable
Other notes: Accumulated amount charged to capital surplus for equity-settled share-based payments	1,896,500.00
Total expense recognised for equity-settled share-based payments	1,896,500.00

☐ applicable ✓not applicable

## 4. Modification and termination of share-based payments

☐Applicable ✓Not applicable

## 5. Other

☐Applicable ✓Not applicable

## XIV, COMMITMENTS AND CONSEQUENTIALS 1. Material Commitments

☐ applicable ✓not applicable

## 2. Contingencies

### (1). Significant contingencies existing at the balance sheet date

✓Applicable ☐Not applicable

As at 31 December 2021, the Company had no material contingencies other than the following external guarantees:

Guarantors	Secured party	Amount of guarantee (\$)	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled
Jiangsu General	Sichuan Louis Tyre Co.	10,000,000.00	2021/11/22	2022/4/21	No

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Technology Company Limited by Shares	Responsible company				
Jiangsu General Technology Co.	Sichuan Xinshutong Tyre Co.	8,000,000.00	2021/9/2	2022/3/1	No
Jiangsu General Technology Co.	Hunan Kairen Technology Development Co.	4,500,000.00	2021/11/2	2022/4/29	No

**(2). There are no material contingencies that the company is required to disclose, which should also be stated:**

☐Applicable ☒Not applicable

### 3. Other

☐Applicable ☒Not applicable

### XV. Events after the balance sheet date

#### 1. Significant non-adjusting events

☒Applicable ☐ Not applicable

In accordance with the resolution of the Thirty-fourth Meeting of the Fifth Session of the Board of Directors of the Company held on 26 April 2022, the Company's Restricted Share Incentive Scheme for 2021 will be implemented.

The Company intends to repurchase and cancel the incentive scheme for the one incentive subject who has left the company for personal reasons and is no longer eligible for the incentive.

The Company intends to repurchase and write off 888,000 restricted shares held by the targets of the incentive scheme which have been granted but not yet released from restriction of sale; the Company's annual performance of 2021 does not meet the performance assessment target of "based on the net profit of 2020, the growth rate of the Company's net profit in 2021 shall not be less than 70%", the Company intends to repurchase and write off 888,000 restricted shares held by the targets of the incentive scheme which have not been granted but not yet released from restriction of sale. The Company intends to repurchase and write off 888,000 shares of restricted shares held by the incentive targets that have been granted but not yet released from the restriction of sale. The proposal

The proposal has yet to be submitted to the 2021 Annual General Meeting for approval.

#### 2. Distribution of profits

☒Applicable ☐ Not applicable

In accordance with the resolution of the 34th Meeting of the 5th Board of Directors of the Company on 26 April 2022, the distribution plan of the Company for the year 2021 is as follows

A cash dividend of RMB0.8 (including tax) per 10 shares will be paid on the basis of the total share capital registered on the record date for the implementation of the equity distribution, and 2 shares per 10 shares will be transferred to the capital by way of capitalisation of capital reserves. The proposal is subject to the approval of the 2021 Annual General Meeting of Shareholders.

#### 3. Sales returns

☐ applicable ☒not applicable

#### 4. Notes on other post balance sheet events

☒Applicable ☐ Not applicable

In February 2022, the Company entered into an agreement with Jiangsu Hongdou Industrial Company Limited ("Hongdou") to

On 4 March 2022, the industrial and commercial registration of the Sportswear Company was completed and upon completion of the transaction, the Company no longer held the equity interest

in the Sportswear Company.

**Other significant items**  
**1. Correction of prior period accounting errors**  
**(1). Retrospective restatement method**

☐ Applicable ✓  
Not applicable

**(2). Future application method**

**2. Debt restructuring**

☐ applicable ✓not applicable

**3. Asset swaps**

**(1). Exchange of non-monetary assets**

☐ applicable ✓not applicable

**(2). Other asset swaps**

☐Applicable ☒Not applicable

**4. Annuity Scheme**

☐ applicable ☒not applicable

**5. Discontinuation of business**

☐ applicable ☒not applicable

**6. Divisional information**

**(1). Basis of determination of reportable segments and accounting policies**

☒Applicable ☐Not applicable

In accordance with the Company's internal organisational structure, management requirements and internal reporting system, the Company's operating businesses are not divided into operating segments and no relevant information is disclosed in view of the high degree of similarity in the Company's economic characteristics.

**(2). Financial information for reportable segments**

☐Applicable ☒Not applicable

**(3). If the company has no reportable segments or is unable to disclose the total assets and total liabilities of each reportable segment, it should state the reasons**

☐Applicable ☒Not applicable

**(4). Other notes**

☐Applicable ☒Not applicable

**7. other significant transactions and events that have an impact on investors' decisions**

☐Applicable ☒Not applicable

**8. Other**

☐Applicable ☒Not applicable

**XVII, Notes to the principal items in the parent company's financial statements 1. Accounts receivable**

**(1). Disclosure by age**

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing of accounts	Closing balance
Within 1 year	228 / 401
of which: subdivision within 1 year	
Within 1 year (receivables from related parties in the scope of consolidation)	168,365,470.59
Less than 1 year (ageing portfolio)	636,596,511.56
Subtotal within 1 year	804,961,982.15

More than 5 years	1,223,292.00
Total	841,772,568.22

**(2). Disclosure by bad debt accrual method**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

C a t e g o r y	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carr ying valu e	Book balance		Provision for bad debts		Carr ying valu e
	Amount	Pr op orti on (%)	Amount	Pr ov isi on in g ra tio (% ) )		Amount	Pr op orti on (%)	Amount	Pr ov isi on in g ra tio (% ) )	
All o w a n c e f o r b a d d e b t s o n a n i n d i v i d u a l b a s i s P r e p a r a t i o n										

Of which:

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A c c o u n t s r e c e i v a b l e f r o m r e l a t e d p a r t i e s w i t h i n t h e s c o p e o f c o n s o l i d a t i o n p a r a g r a p h	168,365. 470.59	20. 00	--	--	168,365. 470.59	56,401,5 67.26	10. 23	--	--	56,401,5 67.26
H o p C o	841,772. 568.22	/	37,728,9 41.74	/	804,043,6 26.48	551,276. 685.48	/	27,911,8 70.16	/	523,364. 815.32



u nt										
---------	--	--	--	--	--	--	--	--	--	--

Provision for bad debts is made on an individual basis:

☐ applicable ☒ not applicable

Provision for bad debts is made on a portfolio basis:

☒ Applicable ☐ Not applicable

Portfolio accrual items: Ageing portfolio

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of accrual (%)
Within 1 year	636,596,511.56	31,829,825.58	5.00
1 to 2 years	30,768,326.00	3,076,832.60	10.00
2 to 3 years	2,701,641.60	540,328.32	20.00
3 to 4 years	832,724.00	416,362.00	50.00
4 to 5 years	1,284,602.47	642,301.24	50.00
More than 5 years	1,223,292.00	1,223,292.00	100.00
Total	673,407,097.63	37,728,941.74	5.60

☐ applicable ☒ not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to other receivables disclosures as follows:

☐ applicable ☒ not applicable

### (3). Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Unit: Yuan      Currency: RMB						
Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or Transferred back	Resale or Write-offs	Other variations	
Of which the amount of provision for bad debts recovered or reversed during the period is significant:						
Provision for bad debts	27,911,870.16	9,817,071.58	--	--	--	37,728,941.74
Total	27,911,870.16	9,817,071.58	--	--	--	37,728,941.74

☐ applicable ☒ not applicable

**(4). Actual write-off of accounts receivable during the period**

☐ applicable ☒ not applicable

Of which significant write-offs of receivables

☐ applicable ☒ not applicable

**(5). Top five accounts receivable with closing balances, grouped by party in arrears**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance	As a percentage of the closing balance of accounts receivable Proportion of total (%)	Closing balance of provision for bad debts
General Rubber (Thailand) has Limited company	168,365,470.59	20.00	--
Unit 13	33,834,666.04	4.02	1,691,733.30
Unit 14	33,544,803.09	3.99	1,677,240.15
Unit 15	20,261,498.50	2.41	1,013,074.93
Unit 16	19,222,190.60	2.28	961,109.53
Total	275,228,628.82	32.70	5,343,157.91

**(6). Derecognition of receivables due to transfer of financial assets**

☐ Applicable ☒ Not applicable

**(7). Transfer of receivables and continued involvement in the amount of assets and liabilities formed**

☐ Applicable ☒ Not applicable

Other notes:

☐ applicable ☒ not applicable

**2.**

**Presentation  
of other  
receivable  
items**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Projects	Closing balance	Opening balance
Other receivables	77,385,241.55	658,282.50
Total	77,385,241.55	658,282.50

Other notes:

☐ applicable ☒ not applicable

**Interest receivable**

**(1). Classification of interest receivable**

☐ applicable ☒ not applicable

**(2). Significant overdue interest**

☐ applicable ☒ not applicable

**(3). Provision for bad debts**

☐ applicable ☒ not applicable

Other notes:

☐ applicable ☒ not applicable

**Dividend  
receivable**

**(1).**

**Dividend  
receivable**

☐ applicable ☒ not applicable

**(2). Significant dividends receivable aged over 1 year**

☐ applicable ☒ not applicable

**(3). Provision for bad debts**

☐ applicable ☒ not applicable

Other notes:

☐ applicable ☒ not applicable

**Other  
receivables**

**(1). Disclosure**

by age		Unit: Yuan Currency: RMB
Ageing of accounts		Closing balance
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		
Within 1 year		
of which: subdivision within 1 year		
Subtotal within 1 year		77,774,112.11
1 to 2 years		
2 to 3 years		
More than 3 years		
3 to 4 years		
4 to 5 years		
More than 5 years		
Total		77,774,112.11

**(2). Breakdown by  
nature of  
payments**

☒ Applicable ☐ Not  
applicable

Unit: Yuan Currency:

RMB	Nature of payment	Closing balance	Opening balance of the period
	Equipment receivables	75,904,968.11	--
	Deposits and security deposits	1,815,644.00	583,500.00
	Reserves	53,500.00	80,000.00
	Total	77,774,112.11	663,500.00

### (3). Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) throughout the life of the	Expected credit losses (credit impairment has occurred) throughout the life of the	
1 January 2021 Remaining forehead	3,217.50	2,000.00	--	5,217.50
1 January 2021 Remaining Amount in current period				
--Transfer to Stage 2	-100.00	100.00		
--Transfer to Stage 3				
--Turn back to Phase 2				
--Turn back to Phase 1				
Explanation of significant changes in the carrying amount of other receivables for which changes in the provision for losses occurred during the period:	385,753.06			385,753.06
Transfers during the period	<input checked="" type="checkbox"/> not applicable	2,100.00		2,100.00
Transfers of the provision for bad debts for the period and the basis used to assess whether there has been a significant increase in the credit risk of the financial instruments:				
Current write-offs	<input checked="" type="checkbox"/> not applicable			
Other changes				
31 December 2021 Balance	388,870.56			388,870.56

### (4). Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or transfer Back	Transfers or write-offs	Other changes	
Of which the amount of provision for bad debts reversed or recovered during the period is material:						
<input checked="" type="checkbox"/> applicable <input type="checkbox"/> not applicable						
Provision for bad debts	5,217.50	385,753.06	2,100.00	--	--	388,870.56
(5). Actual write-off of other receivables during the period						
<input checked="" type="checkbox"/> applicable <input type="checkbox"/> not applicable						
Total	5,217.50	385,753.06	2,100.00	--	--	388,870.56

### (6). Top five other receivables with closing balances, grouped by party in arrears

√Applicable ☐ Not applicable

Unit: Yuan    Currency: RMB

Name of unit	Nature of payment	Closing balance	Ageing of accounts	of the total closing balance of other receivables Proportion (%)	Closing balance of provision for bad debts
Shenyang Lanying Industrial Automation Equipment Co. Company	Equipment receivables	29,852,894.63	Within 1 year	38.38	149,264.47
Jiangsu Shenglinke Technology Ltd.	Equipment receivable paragraph	17,203,056.20	Within 1 year	22.12	86,015.28
Dalian Great Rubber Engineering Co. Company	Equipment receivables	9,720,000.00	Within 1 year	12.50	48,600.00
Heilongjiang Sanjie Technology Co. Division	Equipment receivables	9,242,848.99	Within 1 year	11.88	46,214.24
Jiangyin Qinli Rubber & Plastic Machinery Co. Limited company	Equipment receivables	6,493,717.84	Within 1 year	8.35	32,468.59
Total	/	72,512,517.66	/	93.23	362,562.58

**(7). Receivables involving government grants**

☐ applicable    ☒ not applicable

**(8). Other receivables derecognised due to transfer of financial assets**

☐ Applicable    ☒ Not applicable

**(9). Transfer of other receivables and continued involvement in the amount of assets and liabilities formed**

☐ Applicable    ☒ Not applicable



Other notes:

☐Applicable ☒Not applicable

### 3. Long-term equity investments

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Pr o j e c t s	Closing balance			Opening balance		
	Book balance	Im pa ir m e n t a l l o w a n c e s P r e p a r a t i o n	Carrying value	Book balance	Im pa ir m e n t a l l o w a n c e s P r e p a r a t i o n	Carrying value
In v e s t m e n t i n s u b s i d i a r i e s R e s o u r c e s	1,382,695,005.1 7	- -	1,382,695,005.1 7	1,068,360,615.6 0	- -	1,068,360,615.6 0

Investment in joint ventures and joint ventures Resources	424,559,650.95	- -	424,559,650.95	430,127,301.02	- -	430,127,301.02
Hop Count	1,807,254,656.12	- -	1,807,254,656.12	1,498,487,916.62	- -	1,498,487,916.62

**(1). Investments****in****subsidiaries**

Unit: Yuan Currency: RMB

√Applicable Investee Units □ Not applicable Units	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment charged during the period Preparation	Provision for impairment at end of period Balance
Tianma International (Hong Kong) Trade Easy Limited	445,246.67	--	--	445,246.67	--	--
Wuxi Qianlima Technology Co. Division	80,000,000.00	--	--	80,000,000.00	--	--
Wuxi Jiuchengto ng Rubber Trading Co. Limited	3,000,000.00	--	--	3,000,000.00	--	--
<b>(2) Investments in associates and joint ventures</b>						
General purpose rubber (USA) Yes Limited company	--	6,453,300.00	--	6,453,300.00	--	--
General purpose rubber	984,915,368.93	306,861,089.57	--	1,291,776,458.50	--	--

Unit: Yuan Currency: RMB

Investment unit	Opening balance	Increase/decrease during the period								Closing balance	Closing balance of provision for impairment
		Addition of investments	Reduce investment	Investment losses recognized under the equity method Benefit	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Other		

I. Joint ventures											
Subtotal											
II. Associated enterprises											
None	17,32			1,012			10,00			8,334	
Tin	1,632			,672.			0,000			,305.	
Red	.92			24			.00			16	
beans											
Move											
ment											
Fitted											
with											
Limite											
d											
Divisio											
n											
Red	383,0			23,37	207.		20,00			386,6	
beans	99,63			9,141	392.		0,000			86,17	
Group	9.30			.61	82		.00			3.73	
Finan											
cial											
Servic											
es											
Limite											
d											
Compa											
ny											
Tianji	29,70			-166.						29,53	
n	6,028			856.7						9,172	
Next	.80			4						.06	
Sikki											
Invest											
ment											
Partne											
rship											
Enterp											
rise											
(Yes											
Limite											
d											
Combi											
ned											
(partne											
r)											
Subtotal	430,1			24,22	207.		30,00			424,5	
I	27,30			4,957	392.		0,000			59,65	
	1.02			.11	82		.00			0.95	
Total	430,1			24,22	207.		30,00			424,5	
	27,30			4,957	392.		0,000			59,65	
	1.02			.11	82		.00			0.95	

Other  
notes: none

#### 4. Operating income and operating costs

##### (1). Operating income and operating costs

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Proj ects	Incurred during the period		Prior Period Incurred	
	Income	Costs	Income	Costs
Main business	3,007,500,487.96	2,824,104,163.20	2,808,245,167.69	2,520,130,595.39
Other operations	111,801,032.44	95,214,587.12	122,773,941.83	93,344,445.54
<b>(2). of revenue generated by the contract</b>				
<input type="checkbox"/> Total	3,119,301,520.40	2,919,318,750.32	2,931,019,109.52	2,613,475,040.93
<input type="checkbox"/> applicable <input checked="" type="checkbox"/> not applicable				

##### (3). Description of performance obligations

☐ applicable ☒not applicable

#### (4). Note on apportionment to remaining performance obligations

☐ Applicable

√Not applicable

Other

Description:

None

#### 5. Investment income

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Proj ects	Incurred during the period	Prior Period Incurred
Gain on long-term equity investments accounted for under the cost method		5,017,434.91
Income from long-term equity investments accounted for under the equity method	24,224,957.11	35,409,343.17
Investment income arising on disposal of long-term equity investments		-8,768,057.20
Investment income from financial assets held for trading		
Benefit		
Investments in other equity instruments acquired during the holding period		
Dividend income		
Interest income earned on debt investments during the holding period		
Interest earned on other debt investments during the holding period		
Income		
Other		
Investment gains on disposal of financial assets held for trading		
Investment income from disposal of investments in other equity instruments		
Benefit		
Investment income from disposal of debt investments		
Other		
Investment income from disposal of other debt investments		
Gain or loss on disposal of non-current assets		
Tax rebates that are approved outside the authority or without official approval documents, Reduction		
Government grants (closely related to the business of the enterprise, fixed or quantitative in accordance with national standards) charged to current profit or loss (other than government grants received)	244 / 401 31,047,107.00	
Other investment income	232,223.64	Unit: Yuan 1,045,739.16
Total Proj ects	24,457,180.75	Unit: Yuan 62,704,450.01
Gain or loss on disposal of non-current assets	29,768,350.05	cripti on

#### XVIII. Additional information

#### 1. Breakdown of non-recurring gains and losses for the period

Gain or loss on disposal of non-current assets

Tax rebates that are approved outside the authority or without official approval documents, Reduction

Government grants (closely related to the business of the enterprise, fixed or quantitative in accordance with national standards) charged to current profit or loss (other than government grants received)

Gain arising from fair value of identifiable net assets		
Gain or loss on exchange of non-monetary assets		
Gains or losses on entrusting others with the investment or management of assets		
Accrued due to force majeure factors, such as natural disasters Provision for impairment of various assets		
Gains and losses on debt restructuring		
Business restructuring costs, such as expenses to relocate employees, integration Fees, etc.		
Transactions where the transaction price was not clearly fair generated more than fair Gains and losses on the value component		
Subsidiaries arising from business combinations under common control Opening to Net profit or loss for the period at the date of consolidation		
Contingencies arising from matters unrelated to the Company's normal business operations gain or loss		
Gains or losses on changes in fair value arising from the holding of financial assets for trading, derivative financial assets, financial liabilities for trading and derivative financial liabilities, and gains or losses on disposal of financial assets for trading, derivative financial assets, financial liabilities for trading, derivative financial liabilities and other debt investments, other than those effectively hedged in connection with the Company's normal business operations of investment income	232,223.64	
Receivables, contract assets individually tested for impairment Reversal of provision for impairment		
Gains and losses on external entrusted loans		
Investment properties subsequently measured using the fair value model Gains and losses arising from changes in fair value of real estate		
The requirements of taxation, accounting and other laws and regulations for the		

current		
Effect of one-off adjustment to profit or loss for the period on current profit or loss		
Custodian fee income earned from trustee operations		
Non-operating income and expenses other than those mentioned above	387,838.50	
Other items of profit or loss that meet the definition of non-recurring profit or loss		
Less: Income tax effect	445,584.22	
Amount of minority interests affected		
Total	60,989,934.97	

For non-recurring gains and losses as defined by the Company in accordance with the definition of "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Gains and Losses

Recurring items of profit or loss, and items that define non-recurring items of profit or loss as listed in "Explanatory Bulletin No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Profit or Loss" as recurring items of profit or loss, should state the reasons.

☐ applicable ☒ not applicable

## 2. Return on net assets and earnings per share

☒ Applicable ☐ Not applicable

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net attributable to ordinary shareholders of the Company Profits	0.29	0.01	0.01
Attributable after non-recurring gains and losses Net profit for ordinary shareholders of the Company	-1.25	-0.05	-0.05



**3. differences in accounting data under domestic and foreign accounting standards**

☐ applicable

☒ not applicable

**4. Other**

☐ Applicable ☒ Not applicable

Chairman: Gu

Cui Board of Directors Approval Date of

Submission: 26 April 2022

**Revision information**

☐ applicable ☒ not applicable